



aberdeen

Aberdeen Equity Income Trust plc

Information document for Shires
Income PLC shareholders

February 2026



aberdeeninvestments.com

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This document is issued by Aberdeen Equity Income Trust plc in order to make certain information available to shareholders of Shires Income PLC ("SHRS") as part of the proposed combination of SHRS with AEI (the "Scheme"), as announced on 8 January 2026.

Defined terms used in this document shall have the same meanings ascribed to them in the Company's circular to shareholders issued in connection with the proposed combination and dated 11 February 2026 (the "Circular").



1. Background on Aberdeen Equity Income Trust plc

Aberdeen Equity Income Trust plc ("AEI" or the "Company") is a closed-ended investment company incorporated on 24 September 1991 in England and Wales with registered number 2648152 and registered as an investment company under section 833 of the Companies Act 2006. AEI carries on business as an actively managed investment company and is an investment trust within the meaning of Chapter 4 of Part 24 of the Corporation Tax Act 2010, as amended. The Company's shares are admitted to the closed-ended investment funds category of the FCA's Official List and are admitted to trading on the London Stock Exchange's Main Market. At any time, the price an investor would pay to acquire a share would normally be higher than the price at which you could sell it. The price may be at a premium or discount to the net asset value (the "NAV") of the Company. The Company intends to manage its affairs so that its Ordinary Shares of 25 pence each ("Ordinary Shares") continue to be a qualifying investment for inclusion in the stocks and shares component of an Individual Savings Account (ISA).

1.1. Capital Structure and Issuance

The Company's capital structure is summarised in note 12 to its financial statements issued in respect of the year ended 30 September 2025 which can be found in the Annual Report on the Company's website, aberdeenequityincome.com. At the close of business on 5 February 2026, there were 50,521,522 fully paid Ordinary Shares in issue and the market capitalisation of the Company was approximately £216.7 million, the NAV was approximately £211.5 million and the Net Asset Value, including accrued income, per Ordinary Share ("NAV per Share") was 418.57 pence.

1.2. Ordinary Share Rights

Holders of Ordinary Shares are entitled to vote on all resolutions which are proposed at general meetings of the Company. Issued and fully paid-up Ordinary Shares carry a right to receive dividends.

1.3. Duration of the Company

The Company does not have a fixed life, but shareholders have the opportunity to vote for the continuation of the Company every 5 years. According to the current Articles of Association of the Company, the next continuation vote is scheduled to take place in 2027.

In the Circular, notice has been given of a resolution to be put to AEI shareholders at a general meeting to be held on 9 March 2026 to continue the Company, thereby bringing forward the continuation vote scheduled for 2027. If approved by shareholders, the timetable for the next continuation vote will be reset to be held in 2031, being five years from 2026.

1.4. Dividend Policy

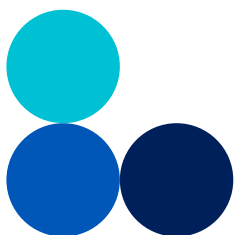
The Company's dividend policy is to pay four interim dividends which are typically paid in January, March, June, and September, each year. In line with good corporate governance, the Board puts the Company's dividend policy to shareholders for approval at the Annual General Meeting each year. The Board remains committed to sustaining and growing the dividend track record.

The Company recently reported another increase in its annual dividend, marking the 25th consecutive year of dividend growth, declaring a fourth interim dividend of 5.9 pence per share in respect of the financial year ended 30 September 2025, taking the total dividend for the year to 23.0 pence per share. This dividend was paid in January 2026.

The dividend yield of the Company averaged 6.8% over the 2025 financial year but has reduced to around 5.4% since then as a consequence of the positive share price performance. The dividend yield remains among the highest in the AIC UK Equity Income sector.

If the Scheme is implemented, the current AEI dividend and dividend policy will be maintained. The anticipated annual dividend of the enlarged Company for the year to 30 September 2026 will not be less than 23.1p per annum paid quarterly. It is intended that the dividend policy will be progressive with AEI aiming to increase its dividend each year and maintaining AIC "Dividend Hero" status.

Whilst the Board encourages the Manager to fund dividends from portfolio earnings, the Company retains revenue reserves and distributable capital reserves to support the payment of dividends if required.



Following completion of the Scheme, AEI will aim for the annual dividend cost to be covered largely by earned net income and, if necessary, revenue reserves. Realised profits from capital may also be used to cover any shortfall, at the discretion of the Board.

New AEI Shares issued under the Scheme will rank fully pari passu with existing Ordinary Shares for all dividends declared by AEI with a record date falling after the date of the issue of those New AEI Shares.

The first AEI dividend that SHRS Shareholders, who are deemed to have elected for the Rollover Option under the Scheme, will be entitled to is the interim dividend which is expected to be paid by AEI in June 2026.

1.5. AEI Financial Record

AEI's Financial Record for the five years to 30 September 2025 is below.

Five Year Financial Record

Year ended 30 September	Gross revenue £'000	Revenue available for Ordinary shareholders £'000	Revenue return p	Ordinary dividends p	Net asset value p	Share price p	Premium/ (discount) ^{AB} %	Ongoing charges ^{AB} %	Net gearing/ (cash) ^A %	Equity shareholders' funds £m	Revenue reserves ^C (£m)
2021	10,642	9,693	20.06	21.20	380.8	349.0	(8.4)	0.93	13.5	182.9	8.49
2022	13,517	12,244	25.51	22.70	331.8	302.5	(8.8)	0.91	15.0	157.5	10.27
2023	12,598	11,109	23.43	22.80	314.6	314.0	(0.2)	0.94	11.3	149.9	10.18
2024	12,735	11,010	23.05	22.90	331.5	321.5	(3.0)	0.86	13.0	158.4	10.30
2025	12,499	11,242	23.43	23.00	377.8	378.0	0.0	0.84	11.2	184.3	10.56

^A Considered to be an Alternative Performance Measure.

^B Calculated in accordance with AIC guidance issued in October 2020 to include the Company's share of costs of holdings in investment companies on a look-through basis where applicable.

^C Revenue reserves are reported prior to paying the final dividend or fourth interim dividend in each year.

1.6. Management Arrangements, Fees and Ongoing Charges Ratio ("OCR")

The Company has appointed abrdrn Fund Managers Limited ("AFML"), a wholly owned subsidiary of Aberdeen Group plc, as the Manager. AFML has been appointed to provide investment management, risk management, administration and company secretarial services, and promotional activities to the Company. The Company's portfolio is managed by abrdrn Investment Management Limited (the "Investment Manager") by way of a group delegation agreement in place between AFML and the Investment Manager. The Investment Manager has sub-delegated fund administration to BNP Paribas.

In addition, AFML has sub-delegated secretarial services to abrdrn Holdings Limited.

The Company's management fee is calculated as 0.55% per annum of net assets. The Manager also receives a separate fee for the provision of promotional activities to the Company. Following the implementation of the Scheme, the Manager will also receive an additional fixed management fee of £120,000 per annum (linked to CPI). The Manager has agreed that any management fees charged will be scaled back so that the Ongoing Charges Ratio ("OCR") of AEI will not exceed 0.78 per cent in any financial year.

The OCR is calculated in accordance with guidance issued by the AIC, which is defined as the total of investment management fees and recurring administrative expenses, expressed as a percentage of the average daily net asset values over the period. The Company's latest published OCR in respect of the year ended 30 September 2025 was 0.84%.

Management fees and finance costs are allocated 70% to capital and 30% to revenue in the Statement of Comprehensive Income in the Company's Annual Report. This compares to SHRS' allocation of 60% to capital and 40% to revenue.

Following the implementation of the Scheme, the management agreement between the Manager and the Company (the "**Management Agreement**") will be terminable on not less than six months' notice, provided that such written notice of termination may not be served on the Manager earlier than the first anniversary of the Effective Date of the Scheme. The Company may terminate the Management Agreement on shorter notice provided that it pays compensation to the Manager in lieu of the unexpired contractual notice period.

The Manager has agreed to make a contribution to the costs of the Scheme by way of an offset against future management fees with effect from the Effective Date of the Scheme until such time as the value of such offset management fee equals those costs.

Summary information relating to the Company for the year to 30 September 2025 is included in the Statement of Operating Expenses (see **Appendix 1**).





2. Investment Objective and Policy

2.1. Overview

The Company offers an actively managed portfolio of UK listed companies. The investment approach is index-agnostic, and the aim is to **Focus on Change** by evaluating changing corporate situations and identifying insights that are not fully recognised by the market.

2.2. Current Investment Objective

The Company's current investment objective is to provide shareholders with an above average income from their equity investment while also providing real growth in capital and income.

2.3. Current Investment Policy

Diversification and Asset Allocation Parameters

The Directors set the investment policy, which is currently 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 should 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.

Gearing

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.

2.4. Proposed amendments to the AEI investment objective and policy

The Company will submit an updated investment objective and policy for its shareholders to approve at a General Meeting which is scheduled to take place on 9 March 2026 before the Scheme completes.

The updated investment policy will incorporate SHRS' ability to invest in investment grade fixed income and preference shares as well as having selective exposure to overseas equity in developed markets. Aside from these proposed changes, the investment strategy of AEI will remain largely unchanged and would, **on the assumption that the Scheme is implemented**, incorporate the preference share portfolio and non-UK listed holdings of SHRS. AEI will remain benchmark agnostic and its performance will continue to consider the FTSE All-Share Index as its Reference Index, recognising AEI's primary exposure being to UK listed equities.

The full text of the proposed amended investment objective and investment policy is set out below.

Investment Objective

AEI's objective is to provide shareholders with a progressive dividend and long-term capital growth from a portfolio invested predominantly in UK listed equities.

Investment Policy

The AEI Directors set the investment policy, which is to:

- invest in a diversified portfolio predominantly invested in UK-listed equities;
- the portfolio will normally comprise between 50 and 70 individual equity holdings; and
- AEI may invest in preference shares (including convertibles), convertible loan stocks, gilts and corporate bonds, and may invest in derivatives for efficient portfolio management and income generation.

Investment Limits

In order to reduce risk in AEI without compromising flexibility, the following limits have been set:

- no holding within the portfolio should exceed 10 per cent. of AEI's total assets at the time of acquisition;
- the top ten holdings within the portfolio will not exceed 50 per cent. of net assets; no holding in any one issuer, including both equity and debt positions, should exceed 10 per cent. of total assets at the time of acquisition;
- a maximum of 20 per cent. of total assets may be invested in the equity securities of overseas companies in developed markets at the time of acquisition; and
- a maximum of 20 per cent. of total assets may be invested in investment grade fixed income bearing securities at the time of acquisition.

Limits in relation to preference shares:

- a maximum of 7.5 per cent. of AEI's total assets may be invested in the preference shares of any one company at the time of acquisition; and
- AEI may not hold more than 10 per cent. of any investee company's preference shares at the time of acquisition.

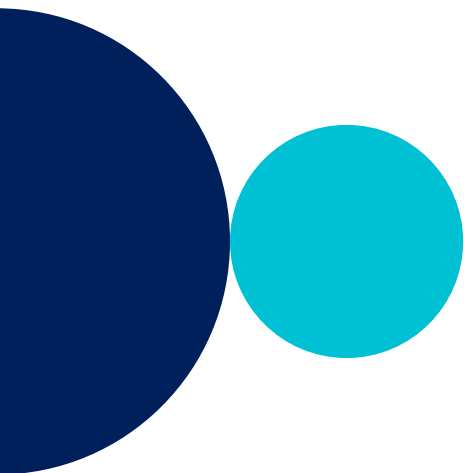
Limits in relation to trading option contracts:

- call options are to be covered by stock;
- put options written are to be covered by net current assets/borrowing facilities;
- call options are not to be written on more than 10 per cent. of the equity portfolio; and
- put options are not to be written on more than 10 per cent. of the equity portfolio.

Gearing

- 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 up to 25% net gearing at the time of drawdown. The Directors have delegated responsibility to the Manager for the operation of the gearing level within the above parameters.

The Scheme is not conditional upon these changes being approved by AEI's shareholders.



3. Investment strategy and process: Delivering the Investment Objective

The team at the Investment Manager managing the Company's portfolio has been headed up by Thomas Moore since 2011. 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.

3.1. Idea Generation and Research

The vast majority of the investment insights are generated from information and analysis from one-on-one company meetings. Collectively, more than 3,900 company meetings are conducted annually by Aberdeen portfolio managers and analysts. These meetings are used to ascertain a company's own views and expectations of its future prospects and the markets in which it operates. Through actively questioning the senior management and key decision-makers of companies, the portfolio managers and analysts look to uncover the key changes affecting the business and the materiality of their impact on company fundamentals within the targeted investment time horizon.

3.2. Investment Process in Practice

The index-agnostic approach ensures that the weightings of holdings reflect the conviction levels of the investment team, based on an assessment of the management team, the strategy, the prospects and the valuation metrics. The process recognises that some of the best investment opportunities come from under-researched parts of the market, where the breadth and depth of the analyst coverage that the portfolio manager can access provides the scope to identify a range of investment opportunities.

The consequence of this is that the Company's portfolio often looks very different from other investment vehicles providing their investors with access to UK equity income. This is because the process focuses on conviction levels rather than index weightings. Below is a table which compares a breakdown of the portfolio by companies which are constituents of the various indices which make up the FTSE All-Share Index, with the make-up of the FTSE All-Share Index itself, as at 31 December 2025.

Constituents of	Portfolio weighting	FTSE All-Share Index
FTSE 100 Index	49.7%	87.7%
FTSE 250 Index	40.0%	10.9%
FTSE Small Cap Index	4.4%	1.4%
FTSE AIM Index	2.1%	0.0%
Other	3.7%	0.0%
Total	100.0%	100.0%

Source : Aberdeen. AEI portfolio breakdown as at 31 December 2025.

This means that the Company may provide a complementary portfolio to the existing portfolios of investors who prefer to make their own decisions and manage their ISAs, SIPPs, and personal dealing accounts themselves.

The index-agnostic approach further differentiates the portfolio because it allows the portfolio manager to take a view at a thematic level, concentrate the portfolio's holdings in certain areas and avoid others completely. The effect of this approach is that the weightings of the portfolio can be expected to differ significantly from that of any index and the returns generated by the portfolio may reflect this divergence, particularly in the short term.



Process - focused on delivering the investment objective

Aiming to provide shareholders with an above average income from their equity investment, while also providing real growth in capital and income

Income growth



Stocks whose corporate fundamentals make them well positioned to deliver growth in cash flows and dividends over time



Real growth in income

Mispriced yield



High yield stocks whose market position is more robust than the market perceives, sustaining an above average dividend



Above average income

Unrecognised change



Stocks with operational change that is overlooked by the market. Earnings growth and valuation re-rating can work together powerfully to drive share price



Real growth in capital

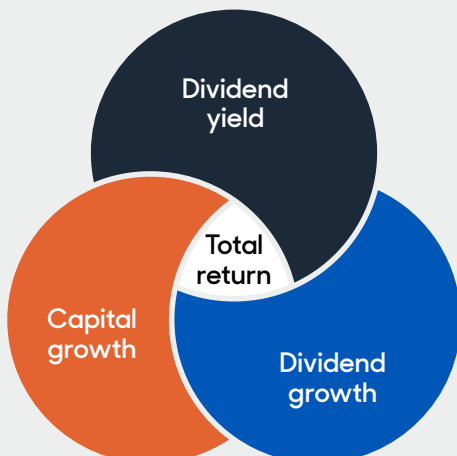
Index-agnostic approach enables differentiated portfolio

Vision of income investing

The investment process enables the portfolio managers to identify stocks that can deliver dividend yield, dividend growth and capital growth. Nirvana is where positive change is rewarded with valuation re-rating, driving a rising share price.



Income and capital growth delivered hand in hand



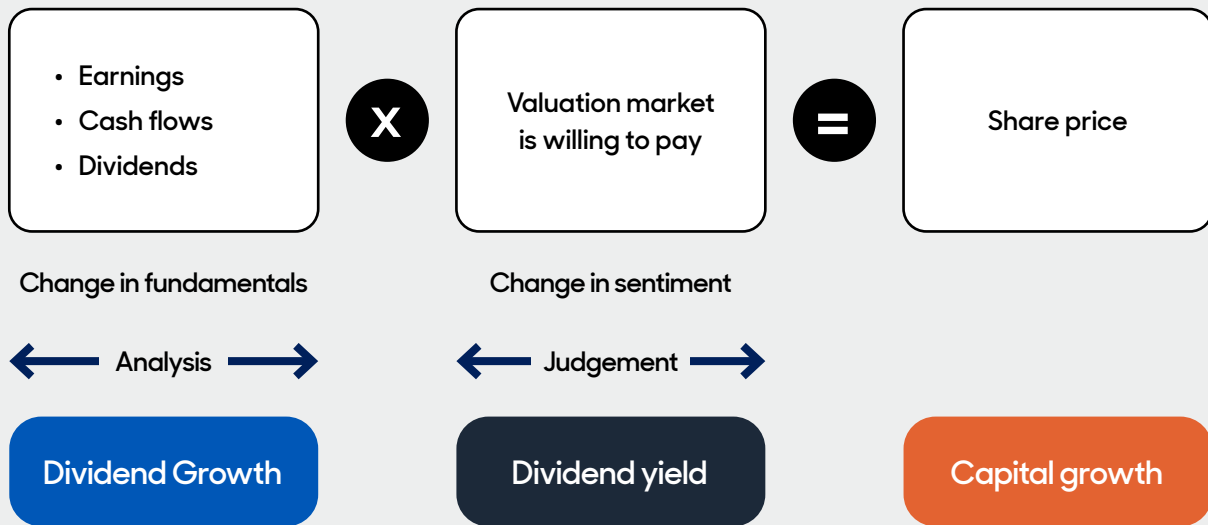
3.3. ESG Policy

ESG factors are always considered alongside financial and other fundamental factors in order to make the best possible investment decisions at a stock picking and at a portfolio construction level. The Company does not have a sustainability objective and does not promote any sustainability characteristics, nor does it specifically exclude any sectors from its investment universe.

By considering ESG factors, the Board believes that the portfolio manager has a more complete view of a company, including its risks and opportunities. The analysts supporting the portfolio manager seek to determine which ESG factors are financially material to form a forward-looking view of how a business will manage risks and capture opportunities. The analysts focus on what they deem to be the most material ESG factors to understand their impact on a company's future business performance, financial position, and/or market perception.

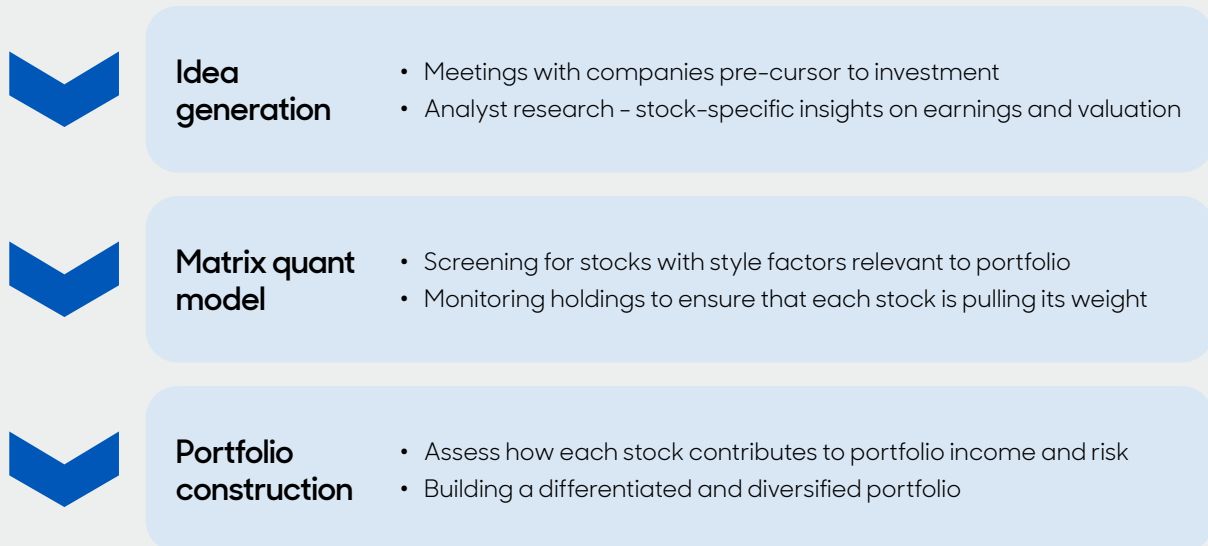
3.4 Key Building Blocks of Total Return

The Portfolio Managers seek to identify stocks with dividend yield, dividend growth and valuation re-rating potential



The portfolio construction process drives activity

Process provides structure to decision-making on portfolio positioning



- **Intentionality** – each stock competes for a place in the portfolio, with new ideas on bench
- **Blank sheet of paper mindset** – constant reappraisal of each holding, ensuring fresh ideas
- **Clinical execution** – motivated to add to winning ideas and eliminate stale ideas

Source: Aberdeen, November 2025.

3.5 Benefits of the Company's Structure

The Company's business model offers a number of advantages to shareholders:



Provides investors with access to a professionally and actively managed portfolio of assets.



Enables investors to spread the risk of investing through a diversified portfolio.



25-year history of dividend growth and payment of four interim dividends each year.



No capital gains tax paid by the Company on the realisation of the investments held in the portfolio.



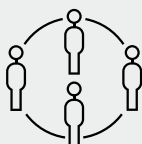
Closed end structure enables the Portfolio Manager to take a longer-term view on investments and remain fully invested.



If required, Company has ability to draw on revenue and capital reserves to support the payment of dividends.



Ability to use leverage to increase potential returns to investors.



Oversight by an independent Board of Directors who represent shareholders' interests.

4. Gearing

On 23 June 2023, the Company agreed a new three-year £30 million revolving credit facility with the Royal Bank of Scotland International Limited, which expires on 23 June 2026.

The facility agreement contains the following financial covenants:

- Adjusted Portfolio Value will not be less than £120 million at any time.
- Gross borrowings will not exceed 25% of adjusted portfolio value.

At the date of this document, £22.5 million had been drawn down from the facility, at an all-in rate of 5.23%.

Net gearing, which measures the total borrowings less cash and cash equivalents divided by Shareholders' funds, expressed as a percentage, stood at 9.5% on 30 January 2026. Under AIC reporting guidance, cash and cash equivalents include amounts due from and to brokers at the period end as well as cash and short-term deposits.

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.

Subject to the implementation of the Scheme, AEI's borrowing will increase by £10m, through the novation of an existing £10m fixed rate loan from SHRS at an attractive rate of 3.903%. This loan will expire in May 2027.



5. Investment Team

Assuming that the Scheme is implemented then the Company's enlarged portfolio will be co-managed by Iain Pyle (the current manager of Shires Income), with Thomas Moore as Lead Manager. The biographies for Thomas and Iain are set out below.



Thomas Moore

Senior Investment Director, UK Equities with Aberdeen Investments

Appointment

Thomas is a Senior Investment Director within the UK equities team at Aberdeen and has been the Lead Portfolio Manager of AEI since November 2011.

Experience

Thomas has won numerous industry awards including Best Equity Income Trust at UK Investor Magazine awards (2025), Best Investment Trust for Income at Online Money Awards (2025), Platinum award for UK Equity Income at Portfolio Adviser (2016) and UK Equity Income Fund of the Year at the FT Adviser 100 Club Awards (2014 and 2015). Thomas specialises in Banks and Financial Services companies and was voted no.1 Pan-European buy side analyst in this sector in the Thomson Extel survey (2010). He began his career in 1998, joining Schroder Investment Management as Assistant Fund Manager, UK Equities. Thomas holds a BA in Economics and Politics and is Associate of the CFA Society of the UK.



Iain Pyle

Senior Investment Director, UK Equities with Aberdeen Investments

Appointment

Iain is a Senior Investment Director within the UK equities team at Aberdeen. He has been the manager of Shires Income since 2018 and is also the manager of the Future Minerals thematic fund, as well as being part of the team managing Global income strategies.

Experience

He has managed UK & European core and growth portfolios and has held sector coverage of the healthcare, pharmaceutical, energy, banking and construction sectors. Until January 2015 Iain was at Sanford Bernstein where he was a Vice President covering the European Energy sector. He previously worked for PwC as a consultant. Iain graduated with a MEng degree in Chemical Engineering from Imperial College London and with an MSc in Operational Research from Warwick Business School. He is a CFA charterholder and ACA.

6. Discount and Premium Management

The Board believes that the selective use of share issuance and buybacks from and into treasury, when market conditions warrant, is in the best interests of all shareholders. This approach helps manage the supply of and demand for the Company's shares, seeks to limit share price volatility, and protects long-term shareholder value. While the Board has not publicly stated its premium/discount target, the Board is committed to utilising its share issuance and buyback authorities granted annually by shareholders, where appropriate, in such a way as to mitigate the effects of any such supply/demand imbalance.

In considering whether the issuance or buying back of shares might be appropriate in any particular set of circumstances, the Board will take into account, among other factors: the prevailing market conditions; the degree of NAV accretion that will result from the buyback or issuance; the cash resources readily available to the Company; the immediate pipeline of investment opportunities open to the Company; the level of the Company's existing borrowings; and the Company's working capital requirements.

In the three years to 31 January 2026, the Ordinary Shares have traded at an average discount to the cum-income NAV of 1.76%. AEI has issued over 3.2m of Ordinary Shares over the last three years through regular tap issuance to satisfy demand, increasing the issued share capital by 6.6%. The Company is committed to a discount management policy, repurchasing its own shares, when considered appropriate, as set out above. The Company last bought back shares in 2022.

7. Capital Reserve Management

The issue of New AEI Shares under the Scheme will, under accounting rules, create an enlarged share premium account for AEI which, if left, is typically not distributable for the purposes of paying dividends or buying back the Company's own shares. The AEI Board is therefore seeking shareholder approval to cancel the share premium account and reclassify the amounts standing to the credit of the reserve as distributable. Accordingly, Resolution 5 to be proposed at the AEI General Meeting will seek approval to cancel the amount which would be standing to the credit of the Company's share premium account following the issuance of the New AEI Shares pursuant to the implementation of the Scheme. Subject to the approval of the Court, the amount cancelled would be credited to a special distributable reserve in the accounts of AEI which would be available to AEI for the purposes of making distributions and/or funding share buybacks by AEI.



8. Company Performance and Portfolio

8.1. Reference Index

The Company's Reference Index is the FTSE All-Share Index. The Company does not have a benchmark but uses the Reference Index as a comparator. Figure 1 below sets out AEI's relative performance against this benchmark over various time horizons to 31 January 2026:

Cumulative performance (%)	Price (p)	1 month	3 months	6 months	1 year	3 years	5 years
Share Price	423.00	4.7	12.4	18.4	37.5	48.4	92.9
NAV	417.30	4.4	10.0	18.3	30.6	41.4	69.6
FTSE All-Share Index		3.1	5.7	12.7	21.1	44.5	80.8

Discrete performance (%)	31/01/2026	31/01/2025	31/01/2024	31/01/2023	31/01/2022
Share Price	37.5	20.9	-10.7	2.8	26.4
NAV	30.6	22.3	-11.4	3.2	16.2
FTSE All-Share Index	21.1	17.1	1.9	5.2	18.9

Source: Aberdeen, total returns. The percentage growth figures are calculated over periods on a mid to mid basis. NAV total returns are calculated on a cum-income basis.

AEI has assembled a diversified portfolio which held 55 investments as at 31 December 2025, based predominantly in the UK and across various sectors. Under the investment policy the portfolio would normally comprise between approximately 50 to 70 stocks.

8.2. Twenty largest equity holdings by percentage weighting (%) as at 31 December 2025

Company	% of portfolio	Company	% of portfolio
Rio Tinto	5.0	Barclays	2.3
HSBC	5.0	TP ICAP	2.3
British American Tobacco	4.6	Drax Group	2.2
BP	3.9	Conduit Holdings	2.1
Galliford Try	3.6	Coats	2.1
Imperial Brands	3.4	CMC Markets	2.0
OSB	3.2	Ithaca Energy	2.0
M&G	3.2	International Personal Finance	2.0
Chesnara	2.8	Pennon group	1.8
Legal & General	2.8	Johnson Matthey	1.8
Top 10 positions	37.5	Top 20 positions	58.1

8.3. Sector asset allocation (%)

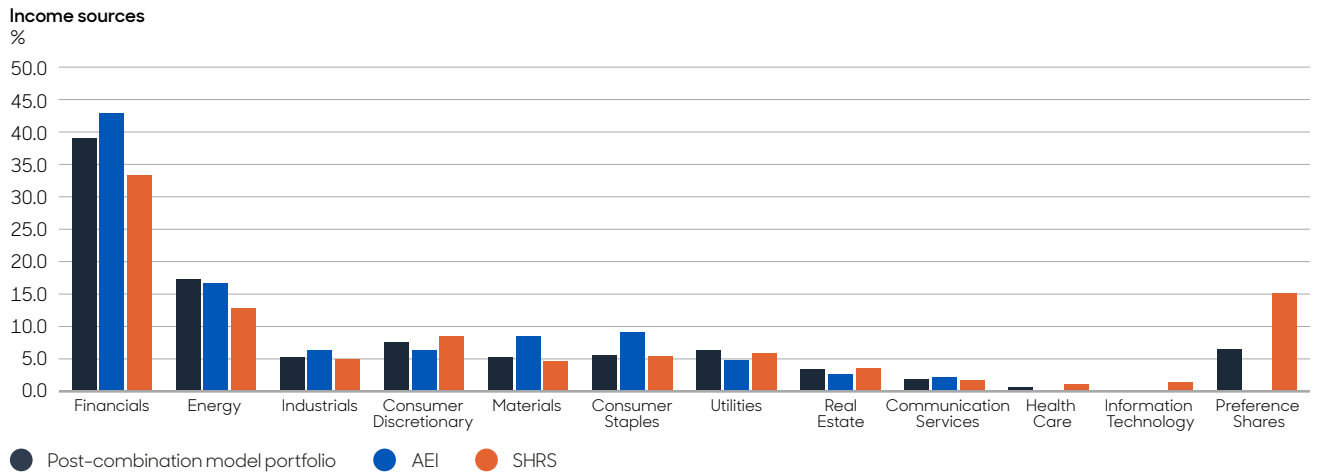
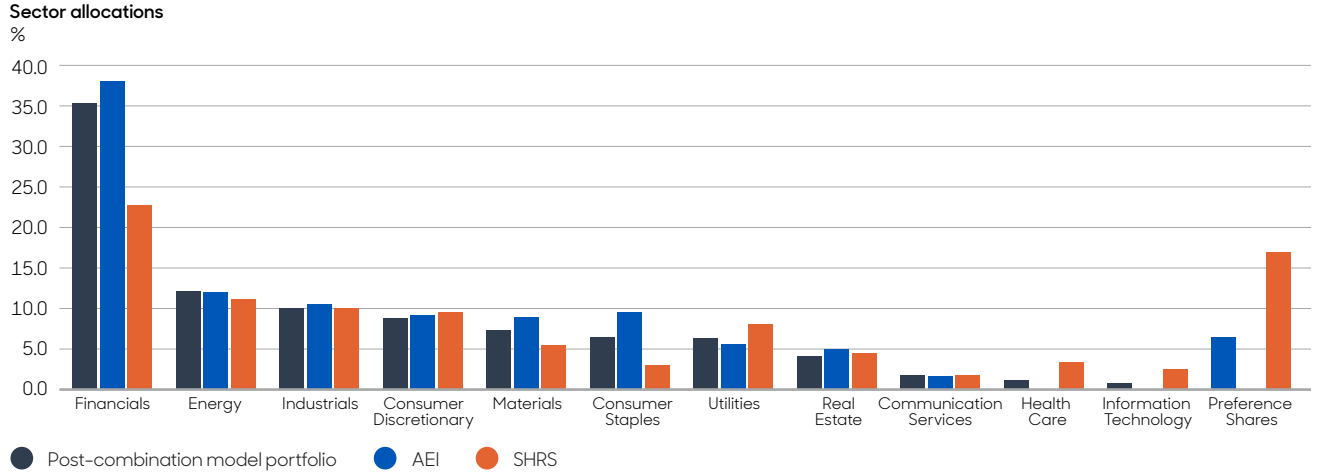
Financials	39.6
Industrials	14.0
Energy	12.7
Consumer Staples	9.9
Basic Materials	8.5
Utilities	5.6
Real Estate	5.4
Consumer Discretionary	4.3
Cash	0.0
Total	100.0

AEI is actively managed. Holdings, sector weights, allocations and leverage, as applicable, are subject to change at the discretion of the Investment Manager without notice. Percentages are rounded down to the nearest decimal place.



9. Comparison of asset allocation and sector incomes

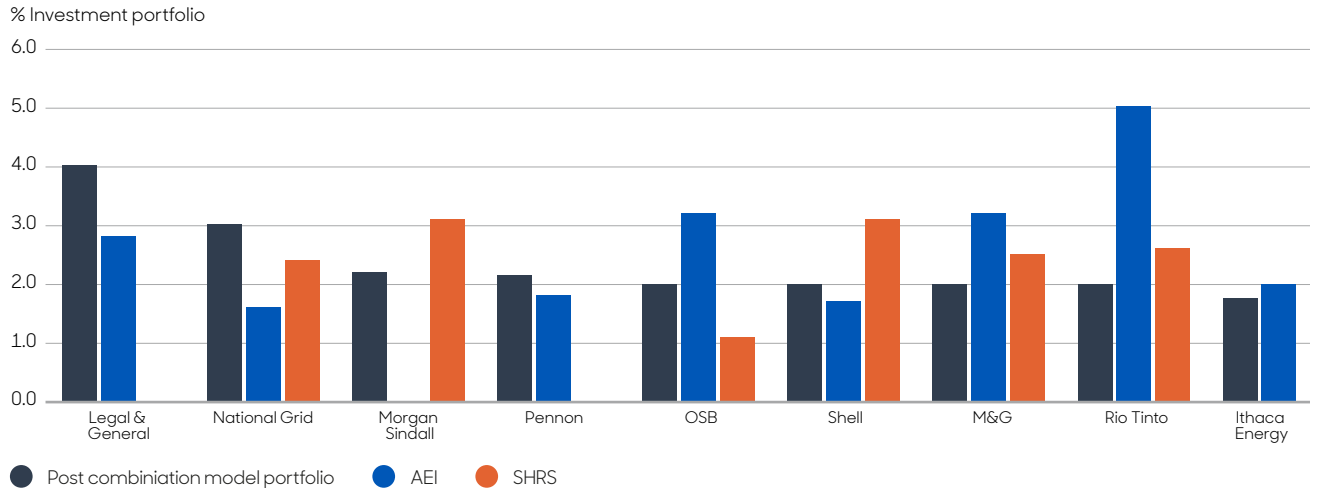
9.1. A more balanced portfolio with less exposure to financials (AEI) and preference shares (SHRS)



Source: Aberdeen. Post-combination model portfolio for illustrative purposes only. Portfolio values and weightings as at 30 November 2025, assuming 10% cash exit in the post-combination model portfolio. Projected gross income for the first 12 months of the enlarged Company.

9.2. Top ten equity positions in the combined portfolio

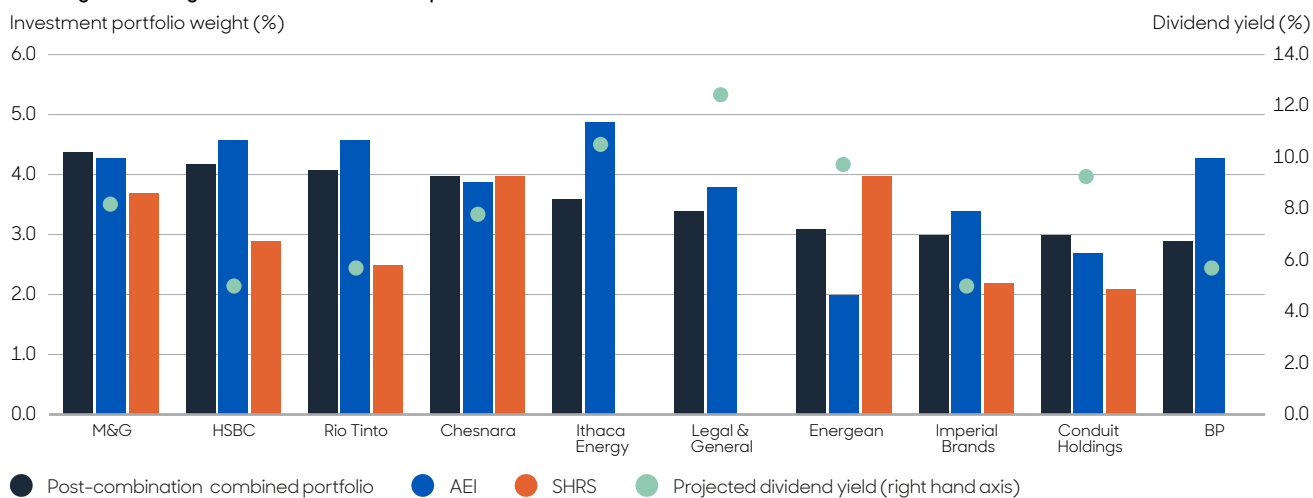
Enlarged portfolio will be less concentrated than either of the companies.



Source: Aberdeen January 2026. Post-combination model portfolio for illustrative purposes only. Weights as at 30 November 2025.

9.3. Top ten income generators in the post-combination model portfolio

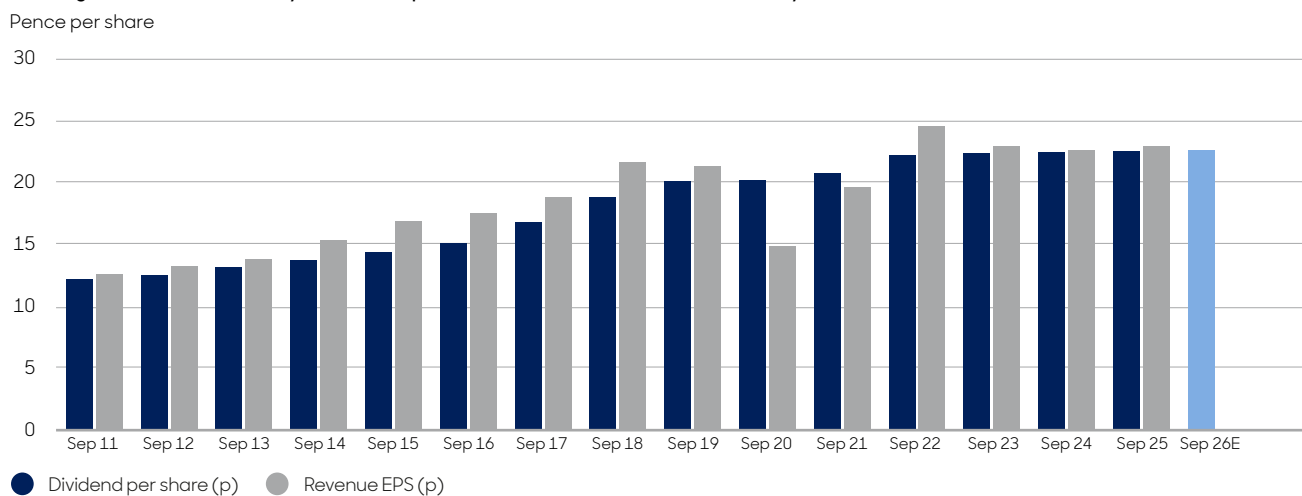
7/10 largest income generators common to both portfolios



Source: Aberdeen January 2026. Post-combination model portfolio for illustrative purposes only. Projected income generation based on 12 months from March 2026 - representing a rolling 12 months' income, post combination.

9.4. AEI Dividend track record

AEI has grown its dividend for 25 years and has paid a covered dividend 13 out of the last 15 years



Source: AEI Annual Report for the year ended 30 September 2025.

10. Independent Board of Directors

The biographies of the Company's Directors are set out below.



Sarika Patel
Independent Non-Executive Chair

Appointment

Appointed a Director on 1 November 2019 and as Chair on 2 February 2023.

Experience

Sarika Patel is a business leader with nearly 30 years' experience. She is a Chartered Accountant and a Chartered Marketer. Sarika is a non-executive director of SDCL Energy Efficiency Income Trust plc, Templeton Emerging Markets Investment Trust plc and Smithson Investment Trust plc, where she is also Chair of the Audit Committee.

Previously a partner at Zeus Caps, Sarika has been on a host of public and private sector boards. She is currently Chair of Action for Children, one of the UK's leading charities for children.



Caroline Hitch
Senior Independent
Non-Executive Director

Appointment

Appointed a Director on 1 January 2017 and Senior Independent Director on 20 February 2024.

Experience

Caroline Hitch is also Chair of CQS New City High Yield Fund Ltd and a member of the Royal Society Investment Committee. Her career in financial services was mainly with the HSBC Group, and most recently she was Head of Wealth Portfolio Management at HSBC's asset management arm with investment responsibility for its flagship retail multi asset funds. She has worked in London, Jersey, Monaco, and Hong Kong.

As Caroline has now reached her nine-year tenure, she will retire from the Board at the Annual General Meeting on 17 February 2026.



Mark Little
Independent Non-Executive
Director and Chair of the Audit and
Risk Committee

Appointment

Appointed a Director on 1 August 2022 and as Chair of the Audit and Risk Committee on 2 February 2023.

Experience

Mark Little is a non-executive director and also chairs the audit committees of BlackRock Smaller Companies Trust plc, Majedie Investments Plc and Fidelity Emerging Markets Limited.

Mark was previously Investment Director at Seven Investment Management, and a non-executive director (and audit committee chairman) of Sanditon Investment Trust plc and Securities Trust of Scotland plc. He began his career in the investment industry as a fund manager with Scottish Widows Investment Management after qualifying in 1991 as a Chartered Accountant with Price Waterhouse. He subsequently worked as Global Head of Automotive Research for Deutsche Bank and Managing Director of Barclays Wealth (Scotland and Northern Ireland), a position that he held for eight years until 2013.



Alice Ryder
Independent
Non-Executive Director

Appointment

Appointed a Director on 1 October 2025.

Experience

Alice Ryder is a Partner of Stanhope Capital LLP and Head of Stanhope Consulting, advising charities, universities and other institutional clients. She was a fund manager at Henderson and then Framlington in the first part of her career.

Alice is currently the Senior Independent Director of J P Morgan Small Cap Growth & Income plc and Chair of the Remuneration Committee. She was previously Chair of BlackRock American Income Trust before retiring in April 2025. Alice is also a member of the Investment Committee of the Royal Academy Trust.



Nick Timberlake
Independent Non-Executive
Director and Chair of the
Remuneration & Management
Engagement Committee

Appointment

Appointed a Director on 1 August 2023 and as Chair of the Remuneration & Management Engagement Committee on 20 February 2024.

Experience

Nick has 35 years' experience in the asset management industry as a Portfolio Manager. He was with HSBC Global Asset Management between 2005 and 2020, initially as Global Head of Emerging Markets Equities and then Head of Equities. Previously, he was a Director of F&C Investment Management and has spent the vast majority of his career investing in equities. He is a Non-Executive Director of India Capital Growth Fund, and a partner in Panorama Property Investments LLP. Nick is a member of the CFA Institute and CFA Society of the UK.



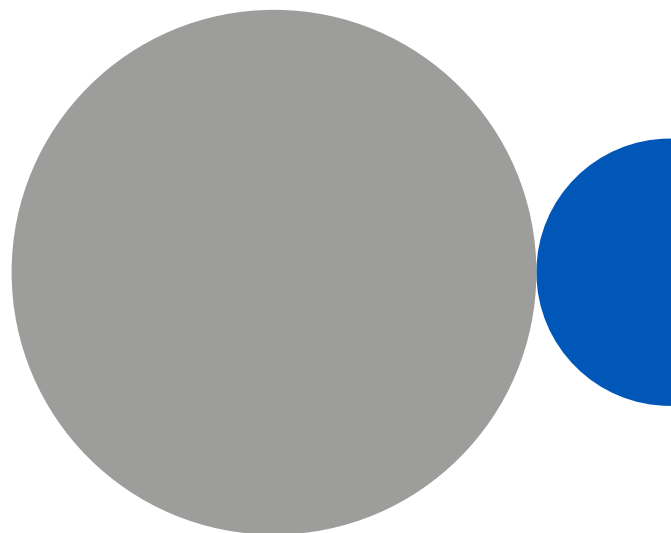
Simon White
prospective Non-Executive Director

Appointment

Conditional upon the implementation of the Scheme, Simon White, who is currently on the Board of SHRS, will be appointed as a Non-Executive Director of the Company.

Experience

Simon has a background in UK equity fund management and significant experience in the investment trust sector. He joined BlackRock as Head of Investment Trusts in 2011 where he was responsible for overseeing the company secretarial, sales and marketing and third-party administration services. He was also involved in successful fundraisings and significant secondary issuance within the investment trust business. He retired from BlackRock in June 2022. Prior to joining BlackRock, Simon White worked at Kleinwort Benson and was responsible for the development of Kleinwort Benson's (and its successor companies including Allianz Global Investors) closed end fund businesses. He is currently a Senior Adviser to Cadarn Capital, an independent distribution and investor relations company servicing London-listed investment companies.



11. Risk factors relating to AEI that are relevant to SHRS Shareholders opting for the Rollover Option under the Scheme

The risks set out below are those that are considered to be the material risks relating to the Company and to an investment in the Ordinary Shares but are not the only risks relating to the Company and to such investment in the Ordinary Shares.

11.1. Risks Relating to AEI's Business and Structure

- **Reliance on Third-Party Service Providers:** AEI, like SHRS, does not have employees and relies on third-party service providers (including the Manager) for its operations. Any failure by these third-party service providers to fulfil their obligations could negatively impact AEI's performance and the value of the Ordinary Shares.
- **Cybersecurity and Operational Risks:** AEI and its service providers are exposed to risks from cyber incidents, operational failures, or external events (such as natural disasters). Such events could disrupt AEI's operations, result in financial loss or damage AEI's reputation.

11.2. Risks Relating to Investment Objective and Policy

- **No Guarantee of Meeting Investment Objective:** There is no assurance that AEI will achieve its stated investment objective. The success of AEI depends on the Investment Manager's ability to implement the Company's strategy effectively, which is subject to market conditions and other factors outside AEI's control. Past performance is not indicative of future results.
- **Income Generation Risk:** AEI aims to provide a high level of income and capital growth, but there is a risk that it may not generate sufficient income to meet this objective. Changes in dividend policies of portfolio companies, market conditions, or tax treatment could reduce income available for distribution.
- **Exposure to Smaller Companies:** AEI may invest in smaller companies, which can be more volatile and less liquid than larger companies. This could lead to greater fluctuations in the value of AEI's portfolio and potentially impact returns to shareholders.
- **Preference Shares and Illiquidity:** AEI may hold preference shares and other less liquid securities. These can be harder to sell in adverse market conditions, which may affect AEI's ability to realise value at short notice.

11.3. Risks Relating to the Investment Manager

- **Dependence on Key Personnel:** AEI's performance is dependent on the expertise and continuity of the Manager and the Investment Manager and key personnel. The loss of key individuals or changes in the management team could adversely affect AEI's performance.

- **Potential Conflicts of Interest:** The Manager and its affiliates may manage other funds with similar investment objectives, which could lead to conflicts in the allocation of investment opportunities or resources.

11.4. Risks Relating to the Ordinary Shares

- **Market Price Volatility and Discount to NAV:** The market price of the Ordinary Shares may fluctuate and could trade at a discount to the underlying NAV. There is no guarantee that holders of Ordinary Shares will be able to sell their shares at a price equal to or greater than the NAV or the original investment price.
- **Liquidity Risk:** There may not be an active or liquid market for the Ordinary Shares, which could make it difficult for a holder of Ordinary Shares to realise their investment at a preferred time or price.
- **Dilution Risk:** AEI may issue additional shares in the future, which could dilute a shareholder's percentage holding and potentially impact the market price of such shareholder's Ordinary Shares.

11.5. Risks Relating to Regulation and Taxation

- **Changes in Laws and Regulations:** AEI is subject to various laws and regulations. Changes in the regulatory environment, tax legislation, or accounting standards could adversely affect AEI's operations, returns, or the tax treatment of the Ordinary Shares.
- **Investment Trust Status:** If AEI fails to maintain its status as an approved investment trust, it could lose certain tax advantages, which may reduce returns to shareholders.

11.6. Risks Specific to the Scheme and Transition

- **Integration and Transition Risks:** The combination of assets and the transition from SHRS to AEI may involve operational, administrative, or investment risks. There may be costs or delays associated with integrating portfolios, systems, or service providers.
- **Costs of the Scheme:** Whilst the Manager has undertaken to cover certain Scheme costs through the offset of future management fees, certain costs and expenses associated with the Scheme will be borne by AEI, which could affect the net asset value and returns to shareholders. These include, but are not limited to, portfolio transaction costs and stamp duty.

11.7. General Investment Risks

- **Capital at Risk:** The value of an investment in AEI and any income from it can go down as well as up. A shareholder in AEI may not get back the amount they originally invested.
- **Suitability:** AEI shares are intended for investors who understand the risks of investing in listed equities and are able to bear the potential loss of their investment.

- **Important:** This summary does not cover all possible risks. You should read all relevant documentation and consult your professional adviser before making any investment decision regarding the Ordinary Shares.

Further details of AEI, the New AEI Shares and the proposals for the enlarged Company are set out in the Circular, which can be found on the Company's **website**.

Contact details

AEI Trading Details

Reuters/Epic/Bloomberg code: AEI
ISIN code: GB0006039597
Sedol code: 0603959

Contact Addresses

Registered Office:

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London
EC2M 4AG

Registered Number:

Registered in England & Wales
No. 2648152
Legal Entity Identifier
(LEI): 21380015XPT7BZISSQ74
Website Address:
aberdeenequityincome.com

Alternative Investment Fund Manager:

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Edinburgh
EH2 2LL

Investment Manager:

abrdrn Investment Management
Limited
1 George Street
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EH2 2LL

Company Secretary:

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EH2 2LL
E-mail:
CEF.CoSec@aberdeenplc.com

Independent Auditor:

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7-11 Melville Street
Edinburgh
EH3 7PE

Depository and Custodian:

BNP Paribas S.A. London Branch
10 Harewood Avenue
London
NW1 6AA

Lender:

The Royal Bank of Scotland
International Limited (London Branch)
250 Bishopsgate
London
EC2M 4AA

Stockbroker:

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29th Floor
25 Bank Street
London
E14 5JP

Registrar:

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ
Telephone: 0370 707 1150

Keeping You Informed

Further information about the Company may be found on its dedicated website: **aberdeenequityincome.com**

This provides access to information on the Company's share price performance, capital structure, London Stock Exchange announcements, current and historic Annual and Half-Yearly Reports, and the latest monthly factsheet on the Company issued by the Manager.

Details are also available at:
invtrusts.co.uk

X (Formerly Twitter):
@AberdeenTrusts

LinkedIn:
Aberdeen Equity Income Trust

Facebook:
Aberdeen Investment Trusts

YouTube:
@Aberdeen Investment Trusts



Appendix 1: Statement of Operating Expenses

Recurring Operating Expenses (£000s)	Year ending 30 Sep 2025	% of NAV	Year ending 30 Sep 2024	% of NAV	% Change (YOY)
Management Fee (inc AIFM)	919	0.56%	840	0.56%	9.4%
Promotional activities	109	0.07%	109	0.07%	0.0%
Directors remuneration	131	0.08%	136	0.09%	-3.7%
Employers NI	8	0.00%	8	0.01%	0.0%
Depository fees	20	0.01%	19	0.01%	0.0%
Auditors' remuneration	40	0.02%	37	0.02%	8.1%
Professional activities	35	0.02%	3	0.00%	1066.7%
Other administrative expenses	117	0.07%	146	0.10%	-19.9%
Ongoing Operating Expenses (ex indirect fund management expenses)	1,379	0.84%	1,298	0.86%	6.2%
Expenses relating to investments in other collective investments		0.00%		0.00%	
Ongoing Operating Expenses (inc indirect fund management expenses)	1,379	0.84%	1,298	0.86%	6.2%
Average Net Asset Value	164,305		150,930		8.9%
Operating Expense Ratio (ex indirect fund management expenses)	0.84%		0.86%		
Operating Expense Ratio (inc indirect fund management expenses)	0.84%		0.86%		

Transaction costs and other one-off expenses (£000s)	Year ending 30 Sep 2025	% of NAV	Year ending 30 Sep 2024	% of NAV	% Change (YOY)
Transaction costs	369	0.22%	456	0.30%	-19.1%
Performance fees		0.00%		0.00%	
Other non-recurring expenses	28	0.02%	1	0.00%	2700.0%
Total	397	0.24%	457	0.30%	-13.1%

Current Service Providers

AIFM	abrdn Fund Managers Limited
Investment Manager	abrdn Investment Management Limited
Company Secretary	abrdn Holdings Limited
Fund Accounting Services	BNP Paribas Fund Services UK Limited
Auditor	Johnston Carmichael LLP
Depository & Custodian	BNP Paribas S.A. London Branch
Registrar	Computershare Investor Services PLC
Corporate Broker	JPMorgan Cazenove

Summary of Current Key Commercial Arrangements

The Company has appointed abrdn Fund Managers Limited ("AFML"), a wholly-owned subsidiary of Aberdeen Group plc, as its alternative investment fund manager. AFML has been appointed to provide investment management, risk management, administration and company secretarial services, and promotional activities to the Company.

The Company's portfolio is managed by abrdn Investment Management Limited ("aIML") by way of a group delegation agreement in place between AFML and aIML. AFML has sub-delegated administrative and secretarial services to abrdn Holdings Limited and fund accounting services to BNP Paribas Fund Services K Limited.

Further details of the fees payable to the Manager are shown in notes 3 and 4 to the financial statements in the annual report.

The management agreement is terminable on not less than six months' notice. In the event of termination by the Company on less than the agreed notice period, compensation is payable to the Manager in lieu of the unexpired notice period.

No performance fee.

Fee scale	% of NAV
% of Net Assets	0.55%

Directors fee rates (£)	Year ending 30 Sep 2025	Year ending 30 Sep 2024	% Change (YOY)
Chair	39,000	37,500	4.0%
Senior Independent Director	29,000	28,000	3.6%
Chair of Audit & Risk Committee	33,500	32,000	4.7%
Chair of Remuneration & Management Engagement Committee	29,000	28,000	3.6%
Director	27,500	26,500	3.8%
Number of Directors	4	5	

Important Information

The Statement of Operating Expenses is designed to help investors understand the impact of operating expenses on financial performance.

Operating expenses are NOT deducted from the value of an investor's shareholding, which is derived from the share price.

The market value (share price) of all publicly traded companies reflects a wide range of factors, including the estimated impact of operating expenses on future financial performance.

The market value of an investment trust may diverge materially, both positively and negatively, from the reported net asset value.

Appendix 2: Important Information

Aberdeen Equity Income Trust

Cumulative Performance	Price (p)	1 Month	3 Months	6 months	1 Year	3 Year	5 year
Share Price	423.00	4.7	12.4	18.4	37.5	48.4	92.9
NAV	417.30	4.4	10.0	18.3	30.6	41.4	69.6
FTSE All-Share Index		3.1	5.7	12.7	21.1	44.5	80.8

Investment objectives	To provide shareholders with an above average income from their equity investment while also providing real growth in capital and income.	
Investment risks	<p>a. The value of investments, and the income from them, can go down as well as up and investors may get back less than the amount invested.</p> <p>b. Past performance does not predict future returns.</p> <p>c. Investment in the Company may not be appropriate for investors who plan to withdraw their money within 5 years.</p> <p>d. There is no guarantee that the market price of the Company's shares will fully reflect their underlying Net Asset Value.</p> <p>e. As with all stock exchange investments the value of the Company's shares purchased will immediately fall by the difference between the buying and selling prices, the bid-offer spread. If trading volumes fall, the bid-offer spread can widen.</p> <p>f. The Company may borrow to finance further investment (gearing). The use of gearing is likely to lead to volatility in the Net Asset Value (NAV) meaning that any movement in the value of the company's assets will result in a magnified movement in the NAV.</p> <p>g. The Company may accumulate investment positions which represent more than normal trading volumes which may make it difficult to realise investments and may lead to volatility in the market price of the Company's shares.</p>	<p>h. Yields are estimated figures and may fluctuate, there are no guarantees that future dividends will match or exceed historic dividends and certain investors may be subject to further tax on dividends.</p> <p>i. The Company may charge expenses to capital which may erode the capital value of the investment.</p> <p>j. The Alternative Investment Market (AIM) is a flexible, international market that offers small and growing companies the benefits of trading on a world-class public market within a regulatory environment designed specifically for them. AIM is owned and operated by the London Stock Exchange. Companies that trade on AIM may be harder to buy and sell than larger companies and their share prices may move up and down very sharply because they have lower trading volumes and also because of the nature of the companies themselves. In times of economic difficulty, companies listed on AIM could fail altogether and you could lose all your money.</p> <p>k. The Company invests in the securities of smaller companies which are likely to carry a higher degree of risk than larger companies.</p>

Discrete annual returns - to 31 January 2026	31/01/2026	31/01/2025	31/01/2024	31/01/2023	31/01/2022
Share Price	37.5	20.9	-10.7	2.8	26.4
NAV	30.6	22.3	-11.4	3.2	16.2
FTSE All-Share Index	21.1	17.1	1.9	5.2	18.9

Source: Aberdeen, 31 January 2026, total returns. The percentage growth figures are calculated over periods on a mid to mid basis.

NAV total returns are calculated on a cum-income basis. Past performance does not predict future returns.

Important Information

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ESG: Applying ESG and sustainability criteria in the investment process may result in the exclusion of certain securities. Such securities could be part of the benchmark against which the strategy is managed or be within the universe of potential investments. This may have a positive or negative impact on performance. Managers may take different approaches when integrating ESG and sustainability criteria into investment decisions. This means that it may be difficult to compare strategies with ostensibly similar objectives and that these strategies will employ different security selection and exclusion criteria. Consequently, the performance profile of otherwise similar vehicles may deviate more substantially than might otherwise be expected. A degree of subjectivity is required and this will mean that a fund may invest in a security that another manager or an investor would not.

Past performance does not predict future returns. The value of investments, and the income from them, can go down as well as up and clients may get back less than the amount invested.

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To help you understand the Company and its portfolio and for a full explanation of risks, its overall risk profile and key terms used in this document please refer to the Pre-Investment Disclosure Document for the Company and the latest Annual Report. These documents along with other information on the Company are available on our website aberdeenequityincome.com