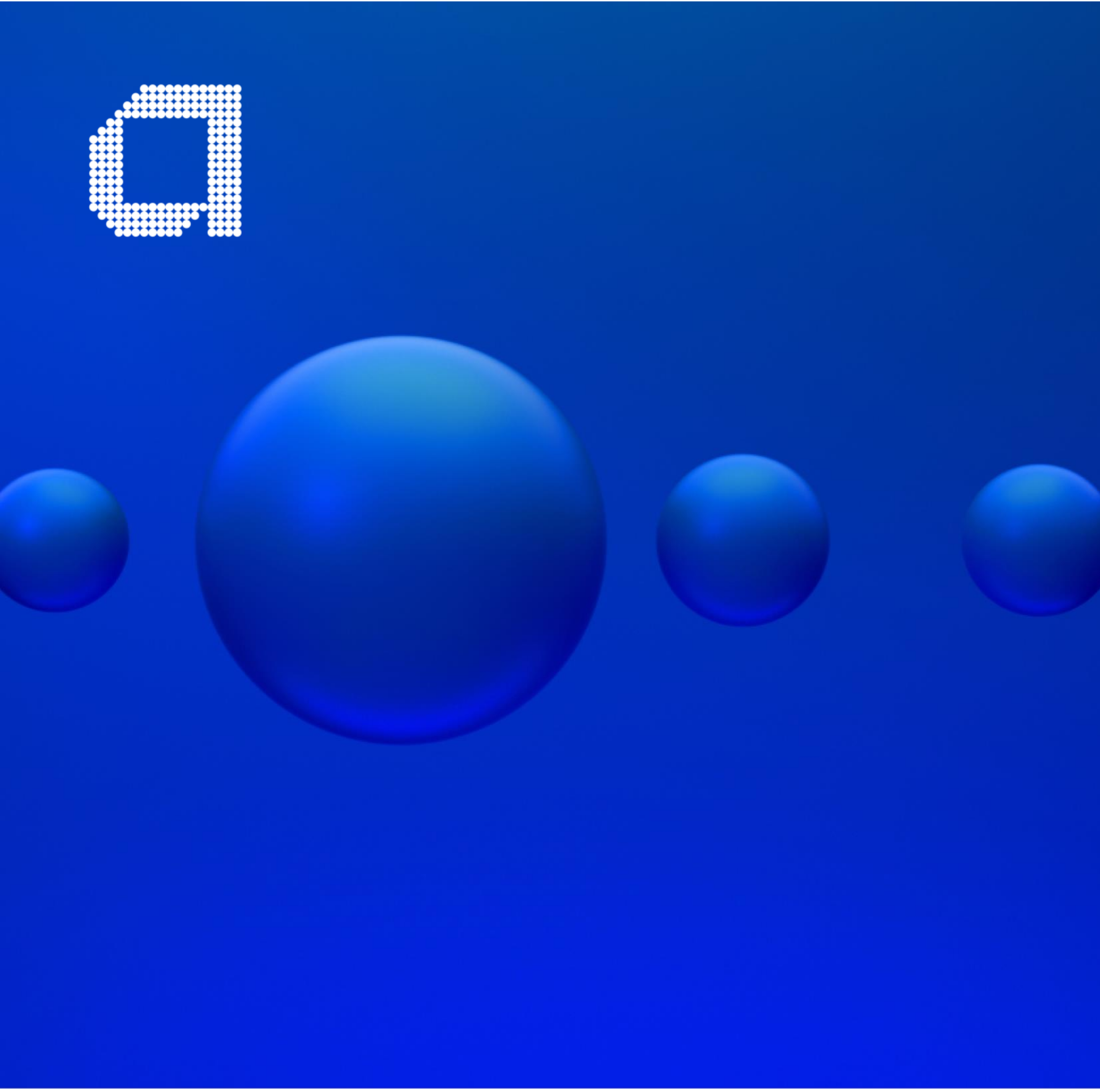


abrdn European Logistics Income plc

Alternative Investment Fund Managers Directive Pre-investment Disclosure Document

Article 23 AIFMD/Rule 3.2 FCA FUND Sourcebook

abrdn.com

17 May 2024

abrdn European Logistics Income plc

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

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

1. A description of the Investment Strategy, Policy and Objective of the Company, Types of Assets the Company may invest in, Investment Techniques, 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 at **eurologisticsincome.co.uk.**

EU Sustainable Finance Disclosure Regulation (SFDR)

This Fund is classified as article 8 under the EU Sustainable Finance Disclosure Regulation (SFDR).

Promotion of Environmental and Social Characteristics

The Fund does not have a sustainable investment objective for purposes of the SFDR. However, the Fund is managed in accordance with the Portfolio Manager's Sustainable and Responsible Investment Real Estate approach ("SRI RE Approach") which is focused on promoting positive environmental and social outcomes in relation to the management of the Fund and its investments. The Fund promotes the consideration of ESG characteristics, both risks and opportunities which are material to direct real estate investment.

ESG characteristics are promoted throughout the investment lifecycle including for new investments, relevant development projects and as part of asset management activities for standing assets. The nature of characteristics promoted in the investment and asset management process necessarily evolves over time to reflect new trends and changing materiality. Characteristics will include, for example, improved energy efficient, greenhouse gas emissions performance and management of flood and contamination risk. Further information on characteristics promoted by the fund can be found in the SRI RE Approach section below and the SFDR Annex, appended to this prospectus. .

Principle adverse impact (PAI) consideration

Under SFDR all funds have to indicate whether they consider PAIs on sustainability factors and if so, how this is applied. Principal Adverse Impact Indicators are metrics that measure the negative effects on environmental and social matters. We consider PAIs within our investment process. We assess PAIs by using, amongst others, the PAI indicators referred to in the SFDR Delegated Regulation; however, dependent on data availability, quality and relevance to the investments not all SFDR PAI indicators may be considered. Our approach to PAI consideration for each Fund is specified in the SFDR Annex, appended to this prospectus. Where Funds consider PAIs, information on that consideration will be made available in annual reports.

EU Taxonomy (EUT)

The fund does not currently commit to making a minimum proportion of sustainable investments or EU Taxonomy aligned investments. However, it will assess the alignment of assets with the EU Taxonomy criteria for climate mitigation related to the acquisition and ownership of buildings, including the application of relevant Do No Significant Harm (DNSH) criteria. It is expected that the fund will have a proportion of investments that meet these criteria and the extent of alignment will be reported in fund periodic reports.

The Fund will assess Do No Significant Harm and minimum safeguards for each investment as defined by the EU Taxonomy criteria using appropriate assessments in conjunction with the Sustainable and Responsible Investment Real Estate approach applied by the Investment Advisor.

Sustainable and Responsible Investment Real Estate approach (SRI RE Approach)

ESG is a component of all investment decision making at the fund and asset level. The annual Fund Strategic Plan includes ESG risks, opportunities and performance. Asset selection is informed by both bottom-up and top-down factors. For ESG, this means consideration of site-specific factors such as flood risk and energy efficiency opportunities as well as consideration of regional and global ESG factors including long term climate impacts and technological change.

The practical impact of the SRI RE Approach is demonstrated via ESG specific reporting in annual reports with examples of actions taken to improve ESG risk management and opportunity generation, and actions planned. The Portfolio Manager also makes annual submissions to leading external peer group comparators, such as GRESB (Global Real Estate Sustainability Benchmark), in respect of the Fund to demonstrate ESG leadership and continual improvement in ESG performance. The Portfolio Manager intends to follow positive market developments in this regard and will join new industry ESG initiatives, where deemed appropriate.

Our process also involves an evaluation of the governance of our supply chain and associated labour and diversity rights, the governance of our development projects and partners, as well as seeking to better understand and take into consideration the activities of our occupiers.

Combining the integration of sustainability risks and opportunities with broader monitoring and engagement activities may affect the value of investments and therefore returns. For each investment, the Portfolio Manager considers how the Fund will seek to mitigate any identified ESG risks effectively and also promotes any ESG enhancement opportunities which might contribute to improved investment performance. The Fund will seek to avoid investments carrying material sustainability risks which, if realised, would have a material impact on the value of the Fund's portfolio, unless the Portfolio Manager determines that those risks are able to be mitigated effectively. As such, abrdn believes that its integration of ESG considerations, both risks and opportunities within the investment decision-making process may have a material long-term positive effect on the Fund's performance. However, the integration of ESG considerations may also cause the Fund to reject investments which might have a positive impact on the value of the Fund. Following the SRI RE Approach may therefore have a positive or a negative impact on the performance of the Fund.

Key sustainability risks include environmental changes such as flood risk and water scarcity; inefficient management of utilities (energy, water, waste) resulting in increased costs and wastage; changing regulations and the risk of non-compliance; and failing to consider the health and wellbeing of tenants, resulting in increased tenant migration risks. The management and mitigation of these risks may result in lower risk portfolios with higher rental growth and reduced voids (the occurrence of any of these may reduce the value of a property and/or reduce the ability to generate income etc.)

To track ESG performance for information purposes, the Fund uses GRESB at the portfolio level as an external peer group comparator. More detail on the scoring and assessment methodology can be found at www.gresb.com. The Fund reserves the right to use another external peer group comparator if deemed appropriate.

2. Key risks Principal Risks and Uncertainties

There are a number of risks which, if realised, could have a material adverse effect on the Company and its financial condition, performance and prospects. The Board has carried out a robust assessment of the principal risks as set out below, ordered by category of risk, together with a description of the mitigating actions taken by the Board. The Board confirms that it has a process in place for regularly reviewing emerging risks that may affect the Company in the future. The Board collectively discusses with the Manager areas where there may be emerging risk themes and maintains a register of these. Such risks may include, but are not limited to, future pandemics, cybercrime, and longer term climate change. In the event that an emerging risk has gained significant weight or importance, that risk is categorised and added to the Company's risk register and is monitored accordingly. The principal risks associated with an investment in the Company's shares can be found in the Company's latest Prospectus dated 8 September 2021, published on the Company's website.

The Board is very mindful of ongoing events involving Russia and Ukraine which have caused significant market volatility across Europe and the World. There has been no discernible impact to date on our tenants located in Poland and across the wider region. The indicators below show how the Board's views on the stated risks have evolved over the last year. In all other respects, the Company's principal risks and uncertainties have not changed materially since the date of the Annual Report and are not expected to change materially for the current financial year.A detailed list of the risks associated with an investment in the Company's shares can be found in the Company's latest Prospectus dated 8 September 2021 (as amended), published on the Company's website. The Principal Risks as detailed in the Annual Report are set out below:

Description	Mitigating Action	↗ Increasing, ↘ Decreasing, → Stable Risk
Strategic Risk: Strategic Objectives and Performance – The Company's strategic objectives and performance, both absolute and relative, become unattractive to investors leading to a widening of the discount, potential hostile shareholder actions and the Board fails to adapt the strategy and/or respond to investor demand.	· The Company's strategy and objectives are regularly reviewed by the Board to ensure they remain appropriate and effective. The Company announced in November 2023 a strategic review and this remains ongoing at the date of this report. · The Board receives regular presentations on the economy and also the property market to identify structural shifts and threats so that the strategy can be adapted if necessary. · There is regular contact with shareholders both through the Investment Manager and the broker with additional direct meetings undertaken by the Chairman and other Directors. · Board reports are prepared by the Investment Manager detailing performance, NAV return and share price analysis versus peers. · Cash flow projections are prepared by the Investment Manager and reviewed quarterly by the Board. · Shareholder/market reaction to Company announcements is monitored.	↗
Investment and Asset Management Risk: Investment Strategy – Poorly judged investment strategy, regional allocation, use of gearing, inability to deploy capital and the mis-timing of disposals and acquisitions, resulting in poor investment returns.	· abrdn has real estate research and strategy teams which provide performance forecasts for different sectors and regions. · There is a team of experienced portfolio managers who have detailed knowledge of the markets in which they operate. · abrdn has a detailed investment process for both acquisitions and disposals that require to be signed off internally before the Board reviews any final decision. · The Board is very experienced with Directors having a knowledge of property markets.	→

Description	Mitigating Action ↗ Increasing, ↘ Decreasing, → Stable Risk	
Investment and Asset Management Risk: Developing and refurbishing property – Increased construction costs, construction defects, delays, contractor failure, lack of development permits, environmental and third party damage can all impact the resulting capital value and income from investments.	· abrdn has experienced investment managers with extensive development knowledge with in-depth research undertaken on each acquisition/development. · Development contracts are negotiated by experienced teams supported by approved lawyers. · Due diligence is undertaken on developers including credit checks and current pipelines. · Construction and risk insurance checked. · Post completion the developer is responsible for defects and monies are held in escrow for a period of time after handover.	→
Investment and Asset Management Risk: Health and Safety – Failure to identify and mitigate major health and safety issues or to react effectively to an event leading to injury, loss of life, litigation and any ensuing financial and reputational impact.	· For new properties health and safety is included as a key part of due diligence. · Asset managers visit buildings on a regular basis. · Property managers are appointed by abrdn to monitor health and safety in each building and reports are made to the asset managers on a monthly basis. · Asset managers visit each building at least twice a year. · Tenants are responsible for day to day operations of the properties.	→
Investment and Asset Management Risk: Environment – Properties could be negatively impacted by hazardous materials (for example asbestos or other ground contamination) or an extreme environmental event (e.g. flooding) or the tenants' own operating activities could create environmental damage. Failure to achieve environmental targets could adversely affect the Company's reputation and result in penalties and increased costs and reduced investor demand. Legislative changes relating to sustainability could affect the viability of asset management initiatives.	· The Investment Manager undertakes in depth research on each property acquisition with environmental surveys and considers its impact on the environment and local communities. · The Investment Manager has adopted a thorough environmental policy which is applied to all properties in the portfolio. · Experienced advisers on environmental, social and governance matters are consulted both internally (within the Investment Manager) and externally where required. · The Investment Manager in conjunction with specialist advisers has worked on a roadmap for the Company to reach a net zero emissions target date of 2050.	→

Description	Mitigating Action	↗ Increasing, ↘ Decreasing, → Stable Risk
Financial Risks: Macroeconomic – Macroeconomic changes (e.g. levels of GDP, employment, inflation, interest rate and FX movements), political changes (e.g. new legislation) or structural changes (e.g. new technology or demographics) negatively impact commercial property values and the underlying businesses of tenants (market risk and credit risk). Falls in the value of investments could result in breaches of loan covenants and solvency issues. Interest rate increases from historical lows will impact strategy if unchanged when re-financings are required. Pressure on overall net revenue returns.	· abrdn research teams take into account macroeconomic conditions when collating forecasts. This research is fed into Investment Manager decisions on purchases/sales and regional allocations. · The portfolio is EU based and diversified across a number of different countries and also has a diverse tenant base seeking to minimise risk concentration. · There is a wide range of lease expiry dates within the portfolio in order to minimise re-letting risk. · The Company has no exposure to speculative development and forward funding is only undertaken where the development is predominantly pre-let. · Rigorous portfolio reviews are undertaken by the Investment Manager and presented to the Board on a regular basis. · Annual asset management plans are developed for each property and individual investment decisions are subject to robust risk versus return evaluation and approval. · Most leases are indexed to provide increases in line with movements in inflation and leverage is fixed to reduce the impact of interest rate rises.	→
Financial Risks: Gearing – Gearing risk – an inappropriate level of gearing, magnifying investment losses in a declining market, could result in breaches of loan covenants and threaten the Company's liquidity and solvency. An inability to secure adequate borrowing with appropriate tenor and competitive rates could also negatively impact the Company. Earliest Company re-financing required in 2025 but current conditions expected to impact banks' willingness to lend or seek tighter covenants.	· Regular covenant reporting to banks is undertaken as required. · The gearing target is set at an indicative 35% asset level limit and an absolute Company limit of 50%. · The Company's diversified European logistics portfolio, underpinned by its tenant base, should provide sufficient value and income in a challenging market to meet the Company's future liabilities. · The portfolio attracted competitive terms and interest rates from lenders for the Company's fixed term loan facilities. · The Investment Manager has relationships with multiple funders and wide access to different sources of funding on both a fixed and variable basis. · Financial modelling is undertaken and stress tested annually as part of the Company's viability assessment and whenever new debt facilities are being considered. · Loan covenants are continually monitored and reported to the Board on a quarterly basis and would also be reviewed as part of the disposal process of any secured property.	↗
Financial Risks: Liquidity Risk and FX Risk – The inability to dispose of property assets in order to meet financial commitments of the Company or obtain funds when required for asset acquisition or payment of expenses or dividends. Movements in foreign exchange and interest rates or other external events could affect the ability of the Company to pay its dividends. Yield expansion witnessed as valuations impacted by global economic concerns.	· The diversified portfolio is geared towards an attractive sector. · A cash buffer is maintained and an overdraft facility is currently in place. · Investment is focused on mid-sized properties which is considered the more liquid part of the sector. · The assets of the Company are denominated in a non-sterling currency, predominantly the Euro. No currency hedging is planned for the capital, but the Board periodically reviews the hedging of dividend payments having regard to availability and cost.	↗

Description	Mitigating Action	↗ Increasing, ↘ Decreasing, → Stable Risk
Financial Risks: Credit Risk – Credit Risk – the risk that the tenant/counterparty will be unable or unwilling to meet a commitment entered into by the Group: failure of a tenant to pay rent or failure of a deposit taker, future lender or a current exchange rate swap counterparty.	· The property portfolio has a balanced mix of investment grade tenants and reflects diversity across business sectors. · Rigorous due diligence is performed on all prospective tenants and their financial performance continues to be monitored during their lease. · Rent collection from tenants is closely monitored so that early warning signs might be detected. · Deposits are spread across various abrdn approved banks and AAA rated liquidity funds.	↗
Financial Risks: Insufficient Income Generation – Insufficient income generation due to macro-economic factors, and/or due to inadequate asset management resulting in long voids or rent arrears or insufficient return on cash; dividend cover falls to a level whereby the dividend needs to be cut and/or the Company becomes unattractive to investors. Level of ongoing charges becomes excessive.	· The Investment Manager seeks a good mix of tenants in properties. A review of tenant risk and profile is undertaken using, for example, the Dun & Bradstreet Failure Scoring method and tenant covenants are thoroughly considered before a lease is granted. · The abrdn team consists of asset managers on the ground who undertake asset management reviews and implementation and there is a detailed approval process within abrdn for lettings. The Investment Manager through its teams on the ground seeks to manage voids and any non-payment of rent. · At regular Board meetings forecast dividend cover is considered. There is regular contact with the broker and shareholders to ascertain, where possible, views on dividend cover.	↗
Regulatory Risks: Compliance – The regulatory, legal and tax environment in which the Company's assets are located is subject to change and could lead to a sub-optimal corporate structure and result in increased tax charges or penalties. Failure to comply with existing or new regulation.	· The Company has an experienced Company Secretary and engages lawyers who will advise on changes once any new proposals are published. There is regular contact with tax advisers in relation to tax computations and transfer pricing. · Directors have access to updates on relevant regulatory changes through the Company's professional advisers. · The highest corporate governance standards are required from all key service providers and their performance is reviewed annually by the Management Engagement Committee.	→
Operational Risks: Service Providers – Poor performance/inadequate procedures at service providers leads to error, fraud, non-compliance with contractual agreements and/or with relevant legislation or the production of inaccurate or insufficient information for the Company (NAV, Board Reports, Regulatory Reporting) or loss of regulatory authorisation. Key service providers include the AIFM, Company Secretary, the Depositary, the Custodian, the managing agents, lending banks and the Company's Registrar.	· abrdn has an experienced Investment Manager and Asset Management Team. · The Company has engaged an experienced registrar: Equiniti is a reputable worldwide organisation. · All service providers have a strong control culture that is regularly monitored. · abrdn aims to meet all service providers once a year and the Management Engagement Committee reviews all major service providers annually. · The Company has the ability to terminate contracts.	→

Description	Mitigating Action	↗ Increasing, ↘ Decreasing, → Stable Risk
Operational Risks: Business continuity – Business continuity risk to any of the Company's service providers or properties, following a catastrophic event e.g. pandemic, terrorist attack, cyber attack, power disruptions or civil unrest, leading to disruption of service, loss of data etc.	· abrdn has a detailed business continuity plan in place with a separate alternative working office if required and the ability for the majority of its workforce to work from home. · abrdn has a dedicated Chief Information Security Officer who leads the Chief Information Security Office covering the following functions: Security Operations & Delivery, Security Strategy, Architecture & Engineering, Data Governance & Privacy, Business Resilience, Governance & Risk, Security & IT. · Properties within the portfolio are all insured. · The IT environment of service providers is reviewed as part of the initial appointment and on an ongoing basis.	→

3. Risk management systems

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

aFML, as a fully integrated member of the abrdn plc group of companies, 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 which the Manager is entitled to employ on behalf of the Company (expressed as a ratio to total assets) is:

Commitment Method	185%
Gross Method	365%

Types of leverage

Although leverage is often used as another term for gearing, under the AIFMD regulations leverage is expressed as a ratio of the exposure of debt, non-sterling currency, equity or currency hedging and derivatives exposure against the net asset value. It defines two types of leverage, the gross method and the commitment method. These are essentially the same other than the commitment method allows derivative instruments to be netted off to reflect 'netting' or 'hedging arrangements'. Non-sterling cash is deemed to carry a currency exposure so is considered to be leverage. In accordance with the AIFMD the Company is obliged to disclose the maximum expected leverage levels under both methods and this is disclosed above. In order to comply with the AIFMD the maximum leverage levels have been set in accordance with the maximum gearing allowable by the Company's Articles of Association. However, the day-to-day management of gearing and leverage levels will be conducted within the tighter limits set by the Company's investment policy.

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

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

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

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

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

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

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

5. Modification of Investment policy

In accordance with the Financial Conduct Authority's (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.

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

The Company is incorporated as a closed ended investment company under the provisions of the Companies Act 2006 (as amended) and its Shares are listed on the premium segment of the Official List of the UK Listing Authority and traded on the London Stock Exchange.

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 are governed by English law and 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, 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 of judgments given in other states. Where no particular legal instrument applies, a judgment creditor may nevertheless have rights to seek to enforce a judgement under English law.

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, as its alternative investment fund manager. The Manager is a subsidiary of of abrdn 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 annual accounting period.

Either party may terminate the Management Agreement by giving the other party not less than 12 months' prior written notice. The Company may also terminate the Management Agreement immediately inter alia if the Manager ceases to maintain its regulatory permission to act as AIFM or if the Investment Manager ceases to maintain its regulatory permissions. In addition, either party may terminate the agreement immediately by notice upon the occurrence of certain events including the insolvency or winding up of the other party and a material breach of contract.

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

Depositary

The Company has appointed NatWest Trustee and Depositary Services Limited to act as its depositary. Pursuant to the Depositary Agreement, the Depositary must carry out the duties specified in AIFMD, including:

- Safekeeping of the assets of the Company 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 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 Shareholders.

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

Under the Depositary Agreement, the Company has indemnified the Depositary 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 six months' notice in writing. The Depositary may only be removed from office when a new depositary is appointed by the Company.

Auditor

KPMG LLP has been appointed as the Company's auditor responsible for auditing the annual financial statements in accordance with auditing standards and, as appropriate, regulations, and for providing its report to the Company's Shareholders in the annual report and financial statements. In addition, applicable law and regulation may require other reports to be prepared for the Company and, as the appointed auditor of the Company, the Auditor will undertake such work under the auditor service agreement between the Company and the Auditor.

Registrar

The registrar of the Company is Equiniti Limited which is responsible for keeping the register of Shareholders, which may be inspected at the Registrar's office at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA during normal business hours.

Stockbroker

Investec Bank plc has 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 by the general law.

8. Protection from professional liability risks

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

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

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

9. Delegation arrangements and management of conflicts

Delegation arrangements

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

- Portfolio management to the Investment Manager, abrdn Investments Ireland Limited

- Property management services relating to the assets of the AIF in Norway, Sweden, Denmark and/or Finland (the "Nordic Markets") is delegated to abrdn Investments Deutschland AG which in turn has sub delegated certain asset management advisory services to DEAS Asset Management A/S;

- Administration to Brown Brothers Harriman (Luxembourg) S.C.A.;

- Company secretarial duties to abrdn Holdings Limited; and

- Certain promotional and distribution services to abrdn Investments Limited.

Portfolio management

The Manager has sub-delegated portfolio management to the Investment Manager, which is authorised to provide fund management and investment advice by the Central Bank of Ireland . The Investment Manager is part of the abrdn 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.

Administration duties

The Manager has delegated fund administration and accounting services to Brown Brothers Harriman (Luxembourg) S.C.A. Notwithstanding the delegation of fund administration and accounting service to the Administrator, the Manager will at all times remain responsible for such functions and the Administrator has undertaken to abide by, and be subject to, the Manager's overall supervision, direction and control.

Company secretarial duties

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

Depositary delegation

The Depositary 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 Depositary (including central securities depositaries, securities settlement systems, clearing houses, book-entry securities system and similar depositaries, systems or facilities) in accordance with the provisions of AIFMD and the Depositary 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 Group's Conflicts of Interests Policy.

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

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

- To identify circumstances which constitute or may give rise to a conflict of interests entailing a material risk of damage to the interests of the Company or its shareholders

- To provide procedures, mechanisms and systems to manage or resolve any such conflicts of interests; where such conflict cannot otherwise be avoided, ensuring that the Company, the Manager and the Investment Manager always act in the best interests of shareholders

- To maintain a proper record of any such conflict or potential conflict and to ensure proper reporting to affected shareholders

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

- The Depositary is responsible for the oversight of the Manager's discharge of its duties

- Directors of the Manager are senior executives of, and employed by, the Group

- The Manager and the Investment Manager are affiliated entities of abrdn plc. The key terms of the Investment Management 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

- abrdn plc 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 abrdn plc or its affiliates

In order to ensure that actual and potential conflicts of interests are appropriately identified, managed and monitored, abrdn 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. abrdn plc maintains a documented matrix of known or inherent conflicts of interests, as well as a documented register of live actual or potential conflicts of interests arising in the carrying on of its business operations

10. Valuation procedures

Properties are valued quarterly by the AIFM (as advised by independent third party valuation advisers as may be appointed by the AIFM from time to time) in accordance with locally accepted professional valuation standards, with such valuations being reviewed quarterly by the Board. The Net Asset Value per Ordinary Share is prepared by the AIFM (or its affiliates) and published quarterly, together with details of the

Portfolio, based on the properties' most recent valuation, calculated under IFRS. Such Net Asset Values are published through a Regulatory Information Service as soon as practicable after the end of the relevant quarter. Consistent with other listed European real estate investment companies, the Directors follow the guidance published by EPRA and to disclose adjusted measures of Net Asset Value per Ordinary Share and earnings per Ordinary Share which are designed by EPRA to better reflect the core long-term operations of the business.

If the Directors consider that any of the above bases of valuation are inappropriate in any particular case, or generally, they may adopt such other valuation procedures as they consider reasonable in the circumstances.

11. Liquidity risk management and redemption rights

The Manager has a Liquidity Policy in place. Shares in the Company are not redeemable and shareholders do not have the right to require their shares to be purchased by the Company. Accordingly, the Liquidity Policy ensures that the Company's investment portfolio is sufficiently liquid to meet the following principal obligations:

- the Company's operating and financing expenses: in practice, these expenses are typically covered by the rent received from the Company's investments; and

- the possible need to repay borrowings at short notice, which would require to be met by the sale of assets.

For closed ended funds such as the Company, due to the illiquid nature of the underlying assets and the risks to the Company of not being able to realise a sale or acquire a property quickly enough, this policy focuses, primarily, upon the potential issues with regard to the mis-pricing of illiquid securities and sets out primary and secondary controls, to monitor and manage liquidity in the Company. There are primary controls (diversified portfolio, appropriate prime / secondary emphasis to portfolio, risk limits on development exposure); and secondary controls (e.g. stress tested cash projections, solvency reports, covenant reporting).

The abrdn Valuation and Pricing Committee is responsible for the pricing of illiquid securities. This policy involves an assessment by the AIFM of the values at which it expects to be able to liquidate its assets over varying hypothetical periods in varying market conditions, taking into account the sensitivity of particular assets to particular market risks and other relevant factors. None of the Company's assets are subject to special arrangements arising from their illiquid nature but a significant proportion of the Company's assets are, and are expected to be, invested in property assets which are not highly liquid.

The Liquidity Policy is reviewed and updated, as required, on at least an annual basis.

12. Fees, charges and expenses

The Manager charges a tiered annual fee comprising: 0.75% of the Company's net assets of €1.25 billion or less, and 0.60% on net assets above €1.25 billion. The fee is payable quarterly in Euros in arrears. The Manager is also entitled to an administration fee of €145,000 per annum.

The Company also incurs annual fees, charges and expenses in connection with directors' fees, promotional activities, auditors' fees, lawyers' fees and depositary charges. The Ongoing Charges ratio as at 31 December 2023 was 1.6 % (group expenses only) and 2.4% (group and property expenses).

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 abrdn plc's various business units and from its risk division. The role of the Conduct Risk Committee, which meets regularly and operates under documented terms of reference, is to ensure, among other matters, that Conduct Risk Policy is implemented and maintained and to consider any actual or potential Conduct Risk Policy issues arising in connection with abrdn plc carrying on its business operations. General awareness training on the Conduct Risk Policy and what it means to abrdn plc and its customers is delivered to all abrdn plc 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 Annual Report is available on the Company's website: **eurologisticsincome.co.uk.** The latest Annual Report was published in May 2024.

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 can also be purchased through abrdn's savings schemes and qualify fully for inclusion within tax-efficient ISA wrappers. Further information about how shares in the Company is set out in the section headed 'Investor Information' in the Annual Report.

16. Latest NAV of the AIF

The Company's NAV is published quarterly 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: **eurologisticsincome.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 and will be available on the Company's website: **eurologisticsincome.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
- The risk management systems employed by the Manager outlining the main features of the risk management systems employed by the Manager to manage the risks to which the Company is or may be exposed. In the case of a change, information relating to the change and its anticipated impact on the Company and shareholders will be made available.

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

20. Defined terms

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

Administrator	Brown Brothers Harriman (Luxembourg) S.C.A., a *société en commandite par actions*, organised under the laws of the Grand Duchy of Luxembourg and having its registered office at 80 route d'Esch, L-1470 Luxembourg
AIFMD	European Union Directive 2011/61/EU, together with its implementing measures
AIFM or Manager or aFML	abrdn Fund Managers Limited
Annual Report	the Company's Annual Report and financial statements published for the period ended 31 December 2023
Articles	the Company's articles of association, as amended from time to time
Auditor	KPMG 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	abrdn European Logistics Income plc
Company Secretary	abrdn Holdings Limited
Conduct Risk Committee	abrdn plc's formal committee for overseeing, among other matters, the Conduct Risk Policy
Conduct Risk Policy	abrdn plc's documented policy regarding treating customers fairly

CoSec Agreement	the company secretarial agreement between the Manager and Company Secretary dated 17 November 2017
Conflicts of Interests Policy	the Group's documented conflicts of interests policy
Depositary	Citibank UK Limited
Depositary Agreement	Depositary agreement among the Company, the Manager and the Depositary dated 30 March 2022
ESG	environmental, social and governance
FCA	the Financial Conduct Authority
FCA Handbook	the FCA's Handbook on rules and guidance
FSMA	Financial Services and Markets Act 2000, as amended
Gross Method	the gross notional method for calculating leverage as prescribed under Article 7 of the AIFMD, which includes certain hedging instruments within the calculation
Group	abrdn plc and its subsidiaries
Investment Manager	the Amsterdam branch of abrdn Investments Ireland Limited
Investment Management Agreement	Investment management agreement between the Manager and the Investment Manager dated 17 November 2017 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	abrdn plc's documented policy regarding liquidity risk management
Management Agreement	management agreement between the Company and the Manager dated 17 November 2017 as amended
Net Asset Value or NAV	the net asset value of the Company
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
Prospectus	the Company's Placing, Open Offer and Offer for Subscription of Ordinary Shares and Share Issuance Programme prospectus dated 8 September 2021
Registrar	Equiniti Limited
Shareholders	Shareholders in the Company
SRI RE Approach	the Investment Manager's sustainable and responsible investment real estate approach which is focussed on promoting positive ESG outcomes
Stockbroker	Investec PLC
Valuation Policy	abrdn plc's documented valuation policy regarding the production and oversight of net assets values of collective funds in the Europe, Middle East and Africa region

Other important information

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

Appendix 1 to Pre-investment Disclosure Document

abrdn Fund Managers Limited: Risk management

Risk Management function

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

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

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

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

Description of the process of identifying, assessing and managing risks

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

- **Liquidity risk:** The Group has a Liquidity Risk Management Policy in place applicable to the funds and set out in accordance with its overall Risk Management Process, relative to the size, scope and complexity of the funds. Liquidity Risk is monitored on both the asset and liability sides. To measure and monitor asset liquidity risk the Group employs a number of methods specific to the underlying assets. In all cases, the approach is to reference the actual holdings of the sub-fund against a true measure of the market at both an aggregate and a position level. The Group has implemented a Group Pricing Policy which details the operational responsibilities for pricing assets, this policy is owned and overseen by the Group pricing Committee. On the liability side, investor transactions and, beyond this, investor behaviour are the main driver of liquidity within each sub-fund. In this context, the articles and prospectuses contain certain key provisions or limits which provide protection to the funds and ultimately investors, in situations where liquidity might become a concern. In addition, the fund receives and analyses periodic reports in respect of the shareholder concentration within each sub-fund. Any shareholder concentrations and transactional behaviour are identified at sub-fund level and any particular concerns noted are escalated to the relevant Group Committee and respective Boards, if material.
- **Credit and counterparty risk:** The credit and counterparty risks linked to derivatives transactions are managed through processes outlined in the Group's Counterparty Credit Risk Policy. This Policy underpins on the following principles: Internal Credit assessments; credit limits; exposure calculation and oversight and Control. Credit research on counterparties is carried out by the Credit Investment Team. Research is conducted on the basis of qualitative and quantitative analysis and is presented for discussion at the Credit Committee on a monthly basis. Each counterparty is reviewed at least once per annum. Furthermore the Risk and Exposure Committee (REC) and/or credit Committee can impose house level restrictions on concentrations. Credit risk exposures are calculated net of collateral received. The methodology for calculating an amount for potential exposure arising from movements in mark to market is approved by the REC. Acceptable collateral and other commercial and credit terms for inclusion in the International Swap and Derivative Association (ISDA) documentation is defined in the Group Derivative Management Policy. Counterparty credit exposures are monitored against internal limits by an investment control team and monitored by the Group Credit Committee and Risk and Exposure Committee.
- **Legal risk:** All key contractual arrangements entered into by the funds are reviewed by the Legal Department and, where required, by external legal counsel. If these contracts refer to delegation arrangements, where applicable, there is an operating memorandum defining information flows between the parties, frequency of services and deadlines, a clear attribution of rights and responsibilities of each party and, when applicable, the key performance indicators to measure performance. Any litigation issues are also handled by the Legal Department.

  Each OTC derivatives are framed within the legal provisions of the ISDA Master agreement which defines the rights and obligations of parties engaging in derivatives trading. The ISDA master agreements are negotiated and signed between each umbrella/sub-fund and the counterparty. The Credit Support Annexe (CSA) is a legally binding document which is annexed to the ISDA agreement and details the Minimum Transfer Amount (MTA) or collateral required by AAML when engaging in OTC derivatives trading with counterparties. The Group Derivative Management Committee is responsible for approving the commercial terms associated to derivative documentation for the Group.
- **Tax risk:** The Group uses external tax consultants to advise on tax structuring, transactions and tax reporting.
- **Operational risk:** The Operational Risk Management Framework ensures that the operational risks taken and their contribution to the overall risk profile are accurately measured on the basis of sound and reliable data and that the risk measurement arrangements, processes and techniques are adequately documented. The identification, measurement, management and monitoring of operational risk within the Group
  are achieved through the use of the Group's Operational Risk Management Framework

System, SHIELD. This system provides the following key Risk Management Modules:

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

Appendix 2 to Pre-investment Disclosure Document

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities.** That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product Name: abrdn European Logistics Income plc **Legal entity identifier:** *213800I9IYIKKNRT3G50*

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?	
☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective: ___%** ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ It promotes **Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ with an environmental objective in economic activities that do not aualify as environmentally sustainable under the EU Taxonomy ☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** ___%	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What environmental and/or social characteristics are promoted by this financial product?

The Company promotes environmental and social characteristics that are relevant to the real estate assets it invests in with the principal objective of supporting the Company's investment objective. Given the nature of direct investments in the physical built environment this can capture a wide range of topics depending on the characteristics of the asset and its location.

In particular, environmental and social characteristics of assets promoted by the Company include:

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti- corruption and anti- bribery matters.

- *Reductions in greenhouse gas emissions to support the decarbonisation of the built environment.*
- *Energy efficiency and on-site renewable energy generation*
- *Water efficiency*
- *Resource efficiency and best practice waste management including recycling and recovery*
- *Social factors such as respect for human rights and anti-corruption and anti-bribery matters in relation to major suppliers and tenants.*
- *The mitigation and management of flood risk and future physical climate risk*
- *The mitigation and management of contamination risk*
- *When undertaking development and refurbishment works principles of sustainable design and construction are promoted*

Environmental and social characteristics such as these are promoted for new investments, relevant development projects and as part of asset management activities for standing assets.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Company.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

Environmental, Social and Governance (ESG) characteristics of assets are considered by the Company in its investment and asset management process. The indicators used to measure attainment and inform decisions vary depending on the nature of the asset, information availability and stage in the investment lifecycle (i.e. pre-acquisition, due diligence, operation, development etc.). However, indicators are linked to the E/S characteristics noted above and will include:

- *Operational energy performance*
- *Operational greenhouse gas emissions*
- *Alignment with appropriate decarbonisation benchmarks and costs to decarbonise the asset over time*
- *Operational water consumption*
- *Waste management indicators including generation and treatment method*
- *Implementation of procedures on anti-corruption and human rights*
- *Future physical climate risk exposure including flood risk*
- *Contamination risk level*
- *Building certifications including alignment with known future energy performance legislation and compliance costs.*

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The Company does not currently commit to making a minimum proportion of sustainable investments. However, it will assess the alignment of assets with the EU Taxonomy criteria for climate mitigation related to the acquisition and ownership of buildings. It is expected that the Company will have a proportion of investments that meet these criteria and the extent of alignment will be reported in Company periodic reports.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable.

Have the indicators for adverse impacts on sustainability factors been taken into account?

Not applicable.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Not applicable.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes, ___

☐ No

A range of ESG asset characteristics and indicators are considered in the investment and asset management process to support decision-making in the context of the Company's investment objective as described in response to preceding questions.

The Table 1 PAIs for real estate include a specific definition of "inefficient real estate" based on Energy Performance Certificate (EPC) ratings. Factors such as energy and emissions performance and compliance with energy and emissions regulations are indicators used to assess asset risk, measure performance and identify opportunities for enhancement. For example, if energy ratings or operational performance are considered sub-standard or to present, for example, future obsolescence risk, then the Company will consider the costs and benefits of making improvements in the context of its investment strategy.

PAI performance will be reported in the Company's periodic reports.

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Company's investment objective is to aim to provide a regular and attractive level of income return together with the potential for long term income and capital growth from investing in high quality European logistics real estate. To deliver the investment objective through investment in, and active asset management of, a diversified portfolio of logistics real estate assets in Europe, the Company will invest in a portfolio of single and multi-let assets diversified by both geography and tenant throughout Europe, predominantly targeting well-located assets at established distribution hubs and within population centres.

In particular, the Investment Manager will seek to identify assets benefiting from long-term, index–linked, leases as well as those which may benefit from structural change and will take into account several factors, including but not limited to:

- the property characteristics and whether they are appropriate for the location (such as technical quality, ESG credentials, scale, configuration, layout, transportation links, power supply, data connectivity, manoeuvrability, layout flexibility, and overall operational efficiencies);
- the location and its role within European logistics (city, regional, national or international distribution), key fundamentals supporting logistics activity within the micro location such as proximity to airport, port, transport nodes, multimodal transport infrastructure, established warehousing hubs, transport corridors, population centres, labour availability and market dynamics such as supply (of both land and existing stock), vacancy rate and planned infrastructure upgrades;
- the business model of the tenant and their commitment to the asset both in terms of capital expenditure and the role it plays in their operations.

The Company's asset management activities are expected to focus on adding value through: negotiating or renegotiating leases to increase/secure rental income; managing vacancies; undertaking refurbishments to maintain liquidity; managing redevelopments as assets approach obsolescence; adding solar panels to reduce carbon emissions and generate additional income streams; and, where appropriate, extending existing on-site buildings or developing adjacent plots. Refurbishment and redevelopment activity will, amongst other things, focus on: enhancing occupier wellbeing; operational efficiencies; energy efficiency; reducing carbon emissions; and elevating technological provision as well as increasing lettable area.

Full details of the investment strategy can be found in the Company's prospectus or most recently published annual report available on the Company's website (www.eurologisticsincome.co.uk).

The ESG characteristics promoted by the Company are met through improvements in building operation and energy efficiency, improved buildings certifications, improved scoring against external peers group comparators and improved ESG performance scores on abrdn's proprietary tools such as abrdn's "ESG Impact Dial". The ESG Impact Dial groups material sustainability indicators into four main categories: (i) Environment & Climate, (ii) Demographics; (iii) Governance & Engagement; and (iv) Technology & Infrastructure. This approach allows the identification and promotion of material ESG risks and opportunities relevant to the Company investment strategy, sector and geography. The Company will make efforts to review opportunities to enhance positive benefits to society and minimise negative societal impacts associated with its activities. For more detail, please see the "Portfolio Manager's Sustainable and Responsible Investment Real Estate approach" section.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

As described above, the Company promotes environmental and social characteristics that are relevant to the real estate assets it invests in with the principal objective of supporting the Company's investment objective. The binding elements of the implementation of the investment strategy that ensure E/S characteristics are considered include:

- *Confirmation that abrdn's approach to ESG in due diligence has been followed in order to identify material ESG risks and opportunities prior to acquisition.*
- *Formal input required from specialist ESG team prior to approval of acquisition by the Investment Committee.*
- *Confirmation that tenants or other applicable parties do not fall on exclusion list.*
- *Continual review, on an annual basis, that the ongoing investment process is informed by environmental and social indicators.*

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

Not applicable.

What is the policy to assess good governance practices of the investee companies?

Not applicable. However, as detailed above, governance is a key component of the investment and asset management process, in particular with respect to the transaction of assets, tenancy agreements and the appointment of major property *management suppliers. In these instances, abrdn (acting as the investment manager) implements checks to ensure compliance with the OECD Guidelines and UN Guiding Principles*

What is the asset allocation planned for this financial product?

The investment strategy of the Company applies to and captures all assets it holds and the Company intends to be fully allocated to direct real estate investments. Applicable environmental and social characteristics are considered and promoted for all real estate assets and the intention is that all real estate assets contribute to the attainment of characteristics promoted by the Company (i.e. 1B in the below chart). Cash maybe held on an ancillary basis but is not an intended investment and would not be aligned to E/S characteristics.

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies

- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics covers**:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Not applicable.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable to this Company. The Company does not currently commit to making a minimum proportion of sustainable investments.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1] ?

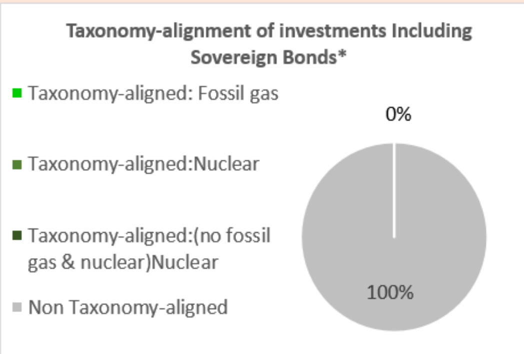
☐ ***Yes:*** *[specify below, and details in the graphs of the box]*

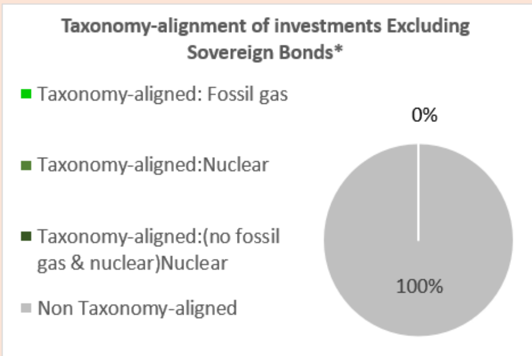
☐ ***In fossil gas***

☒ ***In nuclear energy***

☒ ***No***

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds





This graph represents 100%of the total investments

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of investments in transitional and enabling activities?

Not applicable to this Company. The Company does not currently commit to making a minimum proportion of sustainable investments.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm and EU Taxonomy objective – see explanation note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Appendix 2 to Pre-investment Disclosure Document

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable to this Company. The Company does not currently commit to making a minimum proportion of sustainable investments

What is the minimum share of socially sustainable investments?

Not applicable to this Company. The Company does not currently commit to making a minimum proportion of sustainable investment

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

Not applicable to this Company. The Company does not currently commit to making a minimum proportion of sustainable investment

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Not applicable to this Company, there is no index regarded as a suitable reference benchmark for this Company.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  Not applicable to this Company.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  Not applicable to this Company.

- ***How does the designated index differ from a relevant broad market index?***

  Not applicable to this Company.

- ***Where can the methodology used for the calculation of the designated index be found***

  Not applicable to this Company.

Where can I find more product specific information online?

Company specific documentation, including Sustainability Related Disclosures, are published at **www.eurologisticsincome.co.uk**.

Appendix 2 to Pre-investment Disclosure Document

More product-specific information can be found on the website:

Company specific documentation, including Sustainability Related Disclosures, are published at **www.eurologisticsincome.co.uk**.