



28 June 2023
Investor Name:
Investor Reference:
Designation:

IMPORTANT INFORMATION - FUND CHANGES

Dear Investor,

ABRDN EUROPE EX UK SMALLER COMPANIES FUND (the “Fund”)

Please read this letter carefully as it contains important information regarding upcoming changes to the above Fund. No action is required in response to this letter, but we would encourage you to familiarise yourself with the changes.

In this letter, when we say ‘we’ or ‘us’, we mean abrdn Fund Managers Limited, the company that is currently responsible for managing and operating your investment.

On 31 July 2023 we will be making updates to the Investment Objective and Policy (“IOP”) wording of the Fund which you are invested in, to reflect the replacement of the existing index used to benchmark the Fund, as explained in more detail below.

The Fund uses an index to benchmark the Fund’s performance and as a reference for portfolio construction and setting risk constraints. The provider of the current index (S&P Dow Jones Indices) decided to stop publishing the EMIX Smaller European Companies ex UK Index, the current index used by the Fund, (the “**Current Benchmark**”) from 31 July 2023. Therefore, we have conducted a review and identified MSCI Europe ex UK Small Cap Index (the “**New Benchmark**”) as a suitable replacement for the Current Benchmark.

We are satisfied that the New Benchmark is a suitable replacement for the Current Benchmark on the basis that:

- The change does not alter the expected variation (“tracking error”) between the returns of the Fund and the index.
- There will be no changes to the Fund’s underlying holdings as a result of this change.
- The change does not alter the risk profile of the Fund and the Fund’s Synthetic Risk and Reward Indicator (SRRI), as set out in the Key Investor Information Documents (“**KIIDs**”) (which can be found at www.abrdn.com), will remain the same.
- Other than replacing the Current Benchmark, there is no impact on the IOP of the Fund, meaning the change in the index will not lead to a change in how the Fund is managed.
- There are no additional costs to the Fund or to you.

A comparison of the current and new IOP is set out in Appendix 1 and can also be found at www.abrdn.com/en/uk/investor/fund-centre/investor-communications.

We will meet the expenses deriving from this change, including all administrative expenses and other professional adviser expenses.

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abrdn Fund Managers Limited, registered in England (00740118) at 280 Bishopsgate, London, EC2M 4AG.
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Other information

No action is required from you, this notification is for information only. The New Benchmark will replace the Current Benchmark (and our fund documentation, including the prospectus and KIIDs, will be updated accordingly) on 31 July 2023. Please also note that all share classes will be impacted by this change (see Appendix 1 for the full list of the available share classes).

Contact us

If you have any questions, please call us on 0345 113 6966 or +44 (0) 1268 44 5488 if you are outside of the UK. We are here between 9:00 am and 5:30 pm, Monday to Friday. Calls may be monitored and/or recorded to protect both you and us and help with our training.

Please note that while we will be able to answer general questions on this letter and the Fund changes, we cannot provide financial advice.

If you do not understand this letter you should seek advice from a person authorised to give investment advice.

Thank you for your continued support of abrdn.

Yours sincerely,

Adam Shanks Director
On behalf of abrdn Fund Managers Limited

APPENDIX 1

Investment Objective and Policy

With effect from 31 July 2023 the investment objective of the Fund will be amended as follows (changes are shown in **Bold** in the right-hand column):

Current Investment Objective and Policy	New Investment Objective and Policy
<p>Investment Objective</p> <p>To generate growth over the long term (5 years or more) by investing in European smaller capitalisation equities (company shares).</p> <p>Performance Target: To achieve the return of the EMIX Smaller European Companies ex UK Index, plus 3% per annum over rolling five year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.</p> <p>The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.</p> <p>Investment Policy</p> <p>Portfolio Securities</p> <ul style="list-style-type: none"> • The fund will invest at least 70% in equities and equity related securities of small-capitalisation companies listed, incorporated or domiciled in European countries, or companies that derive a significant proportion of their revenues or profits from European operations or have a significant proportion of their assets there. • European countries includes the emerging markets of Europe, but excludes the UK. • Smaller capitalisation companies are defined as any stock included in the EMIX Smaller European Companies ex UK Index or, if not included within the index any stock having a market capitalisation smaller than that of the stock with the largest market capitalisation in such index. • The fund may also invest in mid and larger capitalisation companies listed, incorporated or domiciled in European countries. • The fund may also invest in other funds (including those managed by abrdn) and money-market instruments, and cash. <p>Management Process</p> <ul style="list-style-type: none"> • The management team use their discretion (active management) to maintain a diverse asset mix at country, sector and stock level. • Their primary focus is on stock selection using the management team's quality, growth and momentum approach. It aims to identify companies that exhibit a range of high quality characteristics, operate in growing markets and display positive business momentum. • In seeking to achieve the Performance Target, the EMIX Smaller European Companies ex UK Index is used as a reference point for portfolio construction and as a basis for setting risk 	<p>Investment Objective</p> <p>To generate growth over the long term (5 years or more) by investing in European smaller capitalisation equities (company shares).</p> <p>Performance Target: To achieve the return of the MSCI Europe ex UK Small Cap Index, plus 3% per annum over rolling five year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.</p> <p>The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.</p> <p>Investment Policy</p> <p>Portfolio Securities</p> <ul style="list-style-type: none"> • The fund will invest at least 70% in equities and equity related securities of small-capitalisation companies listed, incorporated or domiciled in European countries, or companies that derive a significant proportion of their revenues or profits from European operations or have a significant proportion of their assets there. • European countries includes the emerging markets of Europe, but excludes the UK. • Smaller capitalisation companies are defined as any stock included in the MSCI Europe ex UK Small Cap Index or, if not included within the index any stock having a market capitalisation smaller than that of the stock with the largest market capitalisation in such index. • The fund may also invest in mid and larger capitalisation companies listed, incorporated or domiciled in European countries. • The fund may also invest in other funds (including those managed by abrdn) and money-market instruments, and cash. <p>Management Process</p> <ul style="list-style-type: none"> • The management team use their discretion (active management) to maintain a diverse asset mix at country, sector and stock level. • Their primary focus is on stock selection using the management team's quality, growth and momentum approach. It aims to identify companies that exhibit a range of high quality characteristics, operate in growing markets and display positive business momentum. • In seeking to achieve the Performance Target, the MSCI Europe ex UK Small Cap Index is used as a reference point for portfolio

<p>constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 9%. Due to the active nature of the investment process, the fund's performance profile may deviate significantly from that of the EMIX Smaller European Companies ex UK Index.</p> <p>Please note: The fund's ability to buy and sell small and mid-capitalisation shares and the associated costs can be affected during periods of market stress. In certain circumstances investors in the fund may not be able to sell their investment when they want to.</p> <p>Derivatives and Techniques</p> <ul style="list-style-type: none"> •The fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management"). • Derivative usage in the fund is expected to be very limited. Where derivatives are used, this would mainly be in response to significant inflows into the fund so that in these instances, cash can be invested while maintaining the fund's existing allocations to company shares. 	<p>construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 9%. Due to the active nature of the investment process, the fund's performance profile may deviate significantly from that of the MSCI Europe ex UK Small Cap Index.</p> <p>Please note: The fund's ability to buy and sell small and mid-capitalisation shares and the associated costs can be affected during periods of market stress. In certain circumstances investors in the fund may not be able to sell their investment when they want to.</p> <p>Derivatives and Techniques</p> <ul style="list-style-type: none"> •The fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management"). • Derivative usage in the fund is expected to be very limited. Where derivatives are used, this would mainly be in response to significant inflows into the fund so that in these instances, cash can be invested while maintaining the fund's existing allocations to company shares.
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Fund Name	Share Class	ISIN
abrdn Europe ex UK Smaller Companies Fund	Retail Acc	GB00BYR2M03
	Institutional Acc	GB00BYMMJD73
	Platform 1 Acc	GB00BYMMJ932
	ZC Acc	GB00BYMMJJ36
	Institutional Inc	GB00BNGCW154