



21 May 2024

Investor Name:  
Investor Reference:  
Designation:

## IMPORTANT INFORMATION ACTION REQUIRED

Dear Investor,  
**ABRDN STERLING BOND FUND CLOSURE NOTIFICATION**

### What is happening?

We are writing to notify you of our decision to close the **abrdn Sterling Bond Fund** (the “Fund”) on **8 August 2024** (the “Closure Date”).

The largest investor has confirmed their intention to redeem their shareholding in the Fund, which constitutes a substantial proportion of the assets of the Fund. Small funds face a number of operating difficulties as they are unable to benefit from economies of scale. This may lead to problems in buying and selling assets at a reasonable price, which in turn may lead to compromised investment performance and proportionally higher costs, to the detriment of shareholder value. In addition, at its future value after the redemption takes place, the fund would no longer be considered commercially viable. Having marketed the Fund since its launch we judge that there are no realistic prospects of replacing the investment of the largest investor with new investment.

Following consideration of the available options, we believe it is in the best interest of all shareholders to close the Fund, liquidate all of the underlying assets and return the proceeds to investors.

A timeline of events leading to the Fund’s closure and a list of share classes are shown in Appendix One.

### Impact on ISA investors – action required

As an ISA investor you have the options listed below, prior to the Closure Date.

#### Option A

You can switch your ISA holding into another fund (free from conversion charges) that is available to invest through your ISA within our UK fund range (including other Equity funds) prior to noon on **30 July 2024**. More information regarding our UK range of funds can be found on our website [www.abrdn.com](http://www.abrdn.com) or alternatively contact your advisor or usual abrdn relationship manager. Please ensure you carefully read the Key Investor Information Document (“KIID”) which includes the investment objectives and policies and fees applicable.

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#### Option B

You can transfer your ISA holding to another ISA Manager prior to **30 July 2024**. If you choose this option, you will need to contact your chosen ISA Manager in advance as transferring ISA holdings between ISA Managers can take up to 30 days. Please note we must receive instructions from your chosen ISA Manager by **30 July 2024**. Please note that any subscriptions made in the current tax year will need to be transferred in full as it is not possible to transfer only part of a current tax year ISA. If you invest in other funds within our UK fund range in your ISA, and you choose to transfer your holding to another ISA manager, your entire ISA holding will transfer.

#### Option C

You can redeem your holding in the Fund (free from redemption charges), receive your redemption proceeds within the usual timescales outlined in the Fund's prospectus, and withdraw the cash prior to noon on **30 July 2024**. If you choose this option, it will be treated as a withdrawal from your ISA and you may lose your ISA tax status.

#### Option D

You may decide to do nothing. Please refer to the paragraph below "What happens if you do nothing".

Please note that as the Fund is in the process of preparing to close, we will no longer accept any instructions to purchase additional shares in the Fund or any redemption instructions for the Fund from noon on **30 July 2024**.

#### **What happens if you do nothing?**

If we have not received any instructions from you prior to noon on **30 July 2024** your ISA holding in this Fund will be switched into the abrdn Sterling Money Market Fund (our lowest risk managed fund within our ISA fund range). Please note, as stated below, we do not provide investment advice and the switch into the abrdn Sterling Money Market Fund is purely to maintain your ISA tax status. Any other fund holdings within your ISA will be unaffected. Please find enclosed the KIID for the abrdn Sterling Money Market Fund. The share class details you would be invested in are detailed in the table below.

<b>Name of Fund</b>	abrdn Sterling Money Market Fund
<b>Share class</b>	A Acc
<b>Annual Management Charge</b>	0.20%
<b>Ongoing Charges Figure</b>	0.25%
<b>ISIN</b>	GB00B1BW3H93

#### **Liquidation of portfolio**

The manager of the Fund will maintain the portfolio in line with its existing investment objective until 31 July 2024 when the process of liquidating the Fund's assets will begin. This will mean that all or part of the portfolio will be invested in Sterling money market instruments, and cash, from 31 July 2024 until the Closure Date.

#### **Expenses**

We have agreed to meet the expenses of the closure of the Fund, including expenses of the auditors and other professional advisers. The only exception will be any transaction costs involved in liquidating the assets of the Fund. Therefore, from the date of this letter, the redemption or switch price will reflect anticipated transaction costs. The transaction costs are estimated to be around 0.10% (i.e. a cost of £10 for every £10,000 held) of the net asset value which includes dealing spreads, commissions and taxes and duties arising on the sale of the assets. In practice, these costs will be dependent on market conditions and the portfolio at the time of the liquidation and may be higher or lower.

#### **Fund Termination**

Once the Fund is closed, if there is any cash remaining within the Fund prior to completing the termination of the Fund, we will use this to meet any termination expenses (including custody fees). Should there be cash remaining after meeting the termination expenses then further payment(s) will be made on a pro rata basis to all the shareholders who were invested in the Fund on the date of this letter. As such, please let us know if your address details change on or after the Closure Date at the contact details provided in this letter. If the contact details we hold for you are not up to date at the time such payments (if any) are paid out, we may not be able to pay your proceeds (if any) to you.

**Regular Savings**

If you regularly contribute to the Fund by direct debit, your last payment will be taken on **1 July 2024**. Unless you provide an instruction to the contrary, if you regularly save into any other funds then your direct debit will be reduced by the monthly amount you currently subscribe into this Fund. The reduced direct debit payment will be effective on **1 August 2024**. Should you switch into another fund within our UK Fund range, including a switch into the abrdn Sterling Money Market Fund, you will need to submit a new direct debit instruction.

**Customer Services**

If you have any questions about the contents of this letter you can contact us as follows:

Telephone: 0345 113 6966 (Call charges may vary. Telephone calls may be recorded.)  
Email: [customer.services@abrdn.com](mailto:customer.services@abrdn.com)  
Website: [www.abrdn.com](http://www.abrdn.com)

**A redemption or switch of your investment to a non-ISA eligible investment on or before 30 July 2024 could result in future tax filing obligations and you may have to pay tax on any gain you may make. We do not provide investment advice and we strongly recommend that you seek advice from a person who is authorised under the Financial Services and Markets Act 2000 to provide investment advice so that you understand how these changes affect you and your investment and your tax position.**

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Adam Shanks', with a long horizontal flourish extending to the right.

Adam Shanks, Director  
**abrdn Fund Managers Limited**

## Appendix One

### List of share classes

Share Class	ISIN	SEDOL
A Acc	GB00BWK26Y53	BWK26Y5
A Inc	GB00BWK26Z60	BWK26Z6
I Acc	GB00BWK27087	BWK2708
I Inc	GB00BWK27194	BWK2719
L Acc	GB00BD074H62	BD074H6
L Inc	GB00BD074J86	BD074J8
Z Acc	GB00BWK27202	BWK2720

### Timetable of key dates

Timetable of key dates	Date
Last direct debit date for regular savers	1 July 2024
Last date for subscriptions and redemptions (12 noon)	30 July 2024
Last date to receive instruction from new ISA Manager	30 July 2024
Process of liquidating the Fund portfolio begins (estimated)	31 July 2024
Declaration of final distribution	7 August 2024
ISA investors switched into the abrdn Sterling Money Market Fund *	7 August 2024
Fund closure	8 August 2024
Payment of final distribution to holders of income shares	8 November 2024

\* For holders of accumulation shares, allocation of any income received from 1 August to the Closure Date will be transferred to the capital property of the Fund on the Closure Date and will be reflected in the value of the switched shares. For holders of income shares, the switch will take place on 7 August 2024 and the final distribution will be paid on or before 8 November.