



20 April 2023

Investor Name:
Investor Reference:
Unique Pin:
Designation:

**IMPORTANT INFORMATION – abrdn Multi-Manager Cautious Managed Portfolio
FUND MERGER PROPOSAL – ACTION REQUIRED**

Dear Investor,

Proposed merger of the abrdn Multi-Manager Cautious Managed Portfolio, a sub-fund of abrdn Unit Trust I (the “Merging Fund”) into the abrdn MyFolio Multi-Manager III Fund, a sub-fund of abrdn OEIC III (the “Continuing Fund”)

You are invested in the Merging Fund, so please read this letter carefully as it contains important information regarding a proposed merger in respect of the Merging Fund. Having read the letter, you may wish to consult with your financial adviser before taking any action. In this letter, unless the context requires otherwise, the terms shall have the meaning set out in the Glossary of the Circular (as defined below).

We, abrdn Fund Managers Limited (“abrdn”), are writing to provide you with the details of our proposal to merge the Merging Fund into the Continuing Fund. We refer to our proposal as the “Merger Proposal”.

As a Unitholder in the Merging Fund we are seeking your approval of the Merger Proposal which is outlined below. The enclosed ‘Information and Notice of Meeting to Unitholders’ contains a Scheme of Arrangement which sets out the terms and conditions of the merger and provides further detailed information about the Merger Proposal, and how you can vote on the Merger Proposal (the “Circular”).

Should you have any questions on the Merger Proposal, please call us on 0345 113 6966 or +44 (0) 1268 44 5488 if outside the UK. We are here between 9.00 am and 5.30 pm (UK time), 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 Circular, we cannot provide financial advice.

PO Box 12233, Chelmsford
Essex, CM99 2EE

T 0345 113 6966

abrdn.com

abrdn Fund Managers Limited, registered in England (00740118) at 280 Bishopsgate, London, EC2M 4AG.
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Background to the Merger Proposal

We have undertaken a comprehensive review of our UK authorised fund range with the intention of offering better outcomes to investors. Funds were reviewed to identify those having similar investment objectives, investment policies and risk profiles. During the course of the review, at all junctures abrdn has considered investor impact and outcomes. The primary purpose of the review is to lead to a smaller, simplified UK authorised fund range, with the aim of having a clearer offering to investors, concentrating on our core investment management capabilities and allowing a greater focus on the funds which remain to ensure that we can offer the best outcome to investors. The review identified the Merging Fund and the Continuing Fund as similar funds and therefore it is proposed to merge the Funds.

Comparison of the Merging Fund and the Continuing Fund

Investment Objectives	Both the Merging Fund and the Continuing Fund aim to generate growth over the long term (5 years or more).
Investment Policies	Both Funds have the same investment policy regarding permitted securities, investing at least 60% in actively managed funds and a maximum of 40% in passively managed funds. The management process for selecting securities is very similar as both Funds are actively managed and select investments across asset classes based on long-term asset allocation views, to meet each Fund's objectives. However, the Continuing Fund also applies short term asset allocations to improve returns, where deemed appropriate.
Asset Similarity	There is a high degree of crossover in the assets held by the Funds and the permitted use of derivatives is identical.
Benchmark and Performance Target	The Merging Fund is managed to a performance target whereas the Continuing Fund is part of the abrdn MyFolio Multi-Manager range, which offers five funds with different expected combinations of investment risk and return. The Continuing Fund is risk level III, it is managed to a risk target and aims to be the medium risk fund within that range and performance is assessed against a performance comparator.
Risk Profile and Synthetic Risk and Reward Indicator as set out in the NURS Key Investor Information Document	These are the same for both Funds.
Performance History	The Continuing Fund has performed better historically than the Merging Fund.
Ongoing Costs	The ongoing costs in the Continuing Fund are the same or lower than the Merging Fund, depending on the Share Class.

Due to these similarities, we believe that the Merger Proposal will enable investors in the Funds to realise the benefits of economies of scale, which will allow fund expenses to be spread over a larger pool of assets, and in turn, is expected to reduce the expenses paid per investor.

A comparison of the principal features of the Merging Fund and Continuing Fund including a comparison of the investment objectives and policies is set out in Appendix 3 of the Circular. The Shares in the Continuing Fund may be subject to higher investment minima than the Units in the Merging Fund. Where this is the case, these higher investment minima will be waived for unitholders moving from the Merging Fund to the Continuing Fund, such that unitholders will continue to be subject to the investment minima of the Merging Fund. In addition, certain Share Classes in the Continuing Fund may be subject to a preliminary charge. The preliminary charge only applies to new investors in the Continuing Fund and will not apply to unitholders in the Merging Fund receiving Shares in the Continuing Fund. A comparison of the investment minima and charges for both Funds is set out in Appendix 3 of the Circular. Details of the past performance of the Merging Fund and the Continuing Fund is set out in Appendix 4 of the Circular.

Any direct costs relating to the merger will be paid for by abrdn, as set out in paragraph 12.4 of Appendix 1 of the Circular. However, in advance of the merger, the holdings in the Merging Fund will be bought and sold so the portfolio aligns to the strategy of the Continuing Fund, and the cost of this rebalancing exercise will be borne by unitholders in the Merging Fund that haven't chosen to redeem or switch their investments by 31 May 2023. We estimate this cost to be 0.22% of the value of the Merging Fund (i.e. a cost of £22 for every £10,000 held). In practice, these costs will be dependent on market conditions and the respective portfolios at the point of rebalancing and may be higher or lower. Please refer to paragraph 12.3 of Appendix 1 of the Circular for further details on the treatment of costs post-merger.

Proposed Changes

If investors approve the Merger Proposal, the Merging Fund will be merged with the Continuing Fund, and this is currently planned for 16 June 2023.

The Merger Proposal involves the exchange of assets in the Merging Fund for Shares in the Continuing Fund so investors of the Merging Fund will become shareholders in the Continuing Fund. The Units you hold in the Merging Fund will therefore be exchanged for equivalent Shares in the Continuing Fund. We have set out in Appendix 1 of the Circular the mapping of the Unit Classes in the Merging Fund and the Share Class in which you will receive New Shares in the Continuing Fund.

We do not anticipate that there will be any tax implications as a result of the Merger Proposal for UK unitholders. For non-UK unitholders please refer to the Circular for further information.

Further Information

With this letter you will find full details of the Merger Proposal set out in the Circular. We strongly recommend that you read this as it gives:

- details of the Merger Proposal and process, as well as a side by side comparison of the Merging Fund with the Continuing Fund;
- details of the New Shares that you will receive in the Continuing Fund (if the Merger Proposal is approved);
- further information for regular savers and ISA holders;
- the process for approving the Merger Proposal;
- the key dates; and
- any action you need to take.

Approving the Merger Proposal

The Merger Proposal needs to be approved by Unitholders in the Merging Fund. Accordingly, we are calling an Extraordinary General Meeting (the "Meeting") and are inviting you to vote on an Extraordinary Resolution in respect of the Merger Proposal.

The Meeting will be held at 9.00 am (UK time) on 17 May 2023 in 1 George Street, Edinburgh EH2 2LL.

For the Merger Proposal to be approved, not less than 75% of the votes validly cast must be in favour of the Merger Proposal.

Should you wish to exercise your right to vote on the Merger Proposal:

- **you can complete the enclosed Form of Proxy** and return it in the pre-paid envelope provided or by way of email to abrdrn@castavote.co.uk in accordance with the instructions provided in the enclosed document, as soon as possible so that it arrives not later than 48 hours before the start of the Meeting (i.e. by 9.00 am (UK time) on 15 May 2023); or
- **you can complete the Form of Proxy by accessing the following url <https://castavote.online/abrdrn/>** using your investor reference number and unique pin provided in this letter in accordance with the instructions provided online; and

in both cases as aforesaid, you may also attend the Meeting in person and cast your vote (although your vote will only count once).

Important:

Please note that only completed Forms of Proxy should be sent to this address:

abrdrn Fund Managers Limited
C/O Corporate Mailing Solutions Ltd
Unit 4B
Chelmsford Road Industrial Estate
Great Dunmow
CM6 1HD

For all other instructions or queries regarding your holding, please contact our Customer Services Teams at the details below:

Telephone (UK): 0345 113 6966
Telephone (International): +44 (0) 1268 44 5488

Call charges will vary.

Timeline of Key Events

Closing date for receipt of Form of Proxy	9.00 am on 15 May 2023
Meeting	9.00 am on 17 May 2023
Publication of the outcome of the Meeting	As soon as possible following the Meeting on our website www.abrdn.com/en/uk/investor/fund-centre/investor-communications Alternatively, by calling our Investor Servicing Centre on 0345 113 6966 (or +44 1268 44 5488 if outside the UK) from 4.00 pm (UK time) on 17 May 2023 to find out the results of the Meeting. We are open from Monday to Friday between 9.00 am and 5.30 pm (UK time).

If the Merger Proposal is approved, the merger will be binding on all unitholders, even those that voted against it or did not vote at all and will be undertaken in accordance with the terms set out in Appendix 1 of the Circular. Accordingly, the following timeline shall apply:

Date until which you can redeem or switch your holding to another of our UK funds without redemption or switch charges, or depending on how you hold your investment, transfer to another manager, without incurring rebalancing costs. If you do switch into another fund or cash in, you should note it will be treated as a disposal of Units for tax purposes and, unless you are invested through an ISA, you may be liable to tax on any gains arising from switching or redemption of your Units. If you are unsure about your personal tax position, please seek professional tax advice.	31 May 2023
Suspension of dealing in Merging Fund	Immediately after the 12 noon (UK time) dealing cut off point on 15 June 2023.
Merger takes place and termination of the Merging Fund commences	12.01 pm on 16 June 2023
Resumption of dealing in New Shares in the Continuing Fund	9.00 am on 19 June 2023 (deals received immediately after 12 noon (UK time) on 15 June 2023 and prior to this point will be rejected).

Full details on all of the above are contained in Appendix 1 and/or Appendix 2 of the Circular.

What do you need to do?

We strongly recommend that you read the enclosed Circular carefully and take time to consider the Merger Proposal.

We believe that the Merger Proposal is in the best interests of the Unitholders and recommend you to vote in favour.

You can find copies of this communication at www.abrdn.com/en/uk/investor/fund-centre/investor-communications. We will keep this page up to date with all further client communications relating to the changes we are making.

Thank you for continuing to invest with abrdn.

Yours faithfully,

Adam Shanks Director
abrdn Fund Managers Limited