

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT CONTAINS PROPOSALS RELATING TO ABRDN EUROPEAN LOGISTICS INCOME TRUST PLC (THE “COMPANY”) ON WHICH YOU ARE BEING ASKED TO VOTE.**

If you are in any doubt about the contents of this document or as to the action you should take, you are recommended to immediately seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other appropriately qualified independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) (“**FSMA**”) if you are in the United Kingdom or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

If you sell or transfer, or have sold, transferred or otherwise disposed of all your Shares, please send this document, but not the accompanying personalised Form of Proxy, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale, transfer or disposal was effected, for onward transmission to the purchaser or transferee, except that such documents should not be forwarded, distributed or transmitted in or into any jurisdiction under any circumstances where to do so might constitute a violation of the relevant securities laws and regulations in such jurisdiction. If you have sold, transferred or otherwise disposed of only part of your holding of Shares, you should retain this document and the accompanying Form of Proxy and contact immediately the stockbroker, bank or other agent through whom you made the sale, transfer or disposal.

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## **ABRDN EUROPEAN LOGISTICS INCOME PLC**

*(a public company limited by shares incorporated in England and Wales with registration number 11032222 and registered as an investment company under section 822 of the Companies Act)*

### **Recommended Proposal for a Managed Wind-Down of the Company and associated adoption of the New Investment Policy, Cancellation of share premium account and Notice of General Meeting**

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Shareholders should read the whole of this document. Your attention is drawn, in particular, to the letter from the Chairman of the Company that is set out in Part 1 (*Letter from the Chairman*) of this document which contains the unanimous recommendation from the Directors that you vote in favour of the Resolutions to be proposed at the General Meeting and to the risk factors set out in Part 3 (*Risks Associated with the Proposal*) of this document.

Capitalised terms used throughout this document shall have the meanings ascribed to them in Part 4 (*Definitions*) of this document, unless the context otherwise requires.

The contents of this document should not be construed as legal, financial or tax advice. Each Shareholder should consult their own legal, financial or tax adviser for legal, financial or tax advice (as appropriate).

Notice of a general meeting of the Company to be held at the offices of abrdn plc, 18 Bishops Square, London E1 6EG at 10.00 a.m. on 23 July 2024 (the “**General Meeting**”) is set out at the end of this document. Details of the action that you are recommended to take are set out on page 6 of this document.

Whether or not you intend to be present at the General Meeting, you are requested to complete, sign and return the Form of Proxy for use in connection with the General Meeting which accompanies this document. To be valid, the Form of Proxy must be completed and signed in accordance with the instructions printed thereon and delivered to the Company’s registrar Equiniti Limited (the “**Registrar**”), Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA as soon as possible and, in any event, so as to arrive not later than 10.00 a.m. on 19 July 2024 (or, in the case of any adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting). Alternatively, you may submit your proxy electronically by using the following link and the details provided on the Form of Proxy: [www.shareview.co.uk](http://www.shareview.co.uk). Proxies submitted electronically must be transmitted so as to be received by the Registrar by no later than 10.00 a.m.

on 19 July 2024 (or, in the case of any adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting).

If you hold your Shares in CREST, you may also appoint a proxy by completing and transmitting a CREST Proxy Instruction to the Registrar (CREST participant ID RA19) in accordance with the procedures set out in the CREST Manual. Alternatively, you may give proxy instructions by logging onto [www.euroclear.com](http://www.euroclear.com) and following the instructions. Proxies sent electronically through CREST must be sent as soon as possible and, in any event, so as to be received not later than 10.00 a.m. on 19 July 2024 (or, in the case of any adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting).

The completion and return of a Form of Proxy (or the electronic appointment of a proxy) will not prevent Shareholders from attending and voting at the General Meeting, or any adjournment thereof, in person, should they wish to do so.

No person has been authorised to give any information or make any representation other than as contained in this document and, if given or made, such information or representation must not be relied on as having been so authorised. The delivery of this document shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in it is correct as at any subsequent time.

**5 July 2024**

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## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this circular	Friday 5 July 2024
Latest time and date for receipt of proxy appointments and instructions for the General Meeting	10.00 a.m. on Friday 19 July 2024
General Meeting	10.00 a.m. on Tuesday 23 July 2024

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### Notes

1. All references to time in this document are to London time, unless otherwise stated.
2. The times and dates set out in the expected timetable above and mentioned throughout this document may be adjusted by the Company, in which event details of the new times and/or dates will be notified, as required, to the FCA and the London Stock Exchange and, where appropriate, to Shareholders and an announcement will be made through a Regulatory Information Service.

## PART 1

### LETTER FROM THE CHAIRMAN

# ABRDN EUROPEAN LOGISTICS INCOME PLC

*(a public company limited by shares incorporated in England and Wales with registration number 11032222 and registered as an investment company under section 822 of the Companies Act)*

#### *Directors*

Anthony (Tony) Roper (Chairman)  
Caroline Gulliver  
John Heawood

#### *Registered Office*

280 Bishopsgate  
London  
EC2M 4AG

5 July 2024

Dear Shareholder,

### **Recommended Proposal for a Managed Wind-Down of the Company and associated adoption of the New Investment Policy, cancellation of share premium account and Notice of General Meeting**

#### **Introduction**

On 20 May 2024, following a detailed review of the options available to the Company and after consultation with its advisers, as well as taking into account feedback received from a number of larger Shareholders, the Board announced its conclusion that it would be in the best interests of Shareholders as a whole to put forward a proposal for a managed wind-down of the Company.

**The purpose of this document is therefore to set out details of the proposed Managed Wind-Down of the Company, to explain the associated amendments to the Company's Investment Policy, and to convene a General Meeting to seek Shareholder approval of that Proposal and to the cancellation of the Company's share premium account.**

Under the proposed Managed Wind-Down process, the Company will be managed with the intention of realising all the assets in its portfolio in an orderly manner and with a view to repaying borrowings and making timely returns of capital to Shareholders whilst aiming to obtain the best achievable value for the Company's assets at the time of their realisations.

Further details of the Proposal and the Resolutions which will be put to Shareholders at the General Meeting are set out below. The Notice of General Meeting is set out on pages 15 to 18 of this document.

#### **Background to and reasons for the Proposal**

On 27 November 2023, the Board launched a strategic review of the options open to it given the number of challenges facing the Company at both a macro and company specific level. As set out in my Chairman's statement in the Annual Report for the year ended 31 December 2023, these challenges included the Company's materially uncovered annual target dividend of 5.64 cents (€) per share, a market capitalisation of £234 million liable to deter some potential investors due to lower share liquidity, and the Company's shares trading at a significant and persistent discount to the net asset value per share.

Following the commencement of the Strategic Review, the Company's Financial Adviser, Investec Bank plc engaged with a significant number of interested parties with a view to facilitating an indicative proposal which would fulfil the Strategic Review's objective of maximising returns for Shareholders. Following a period of due diligence, eleven interested parties submitted an initial indicative proposal in the first quarter of 2024. Submissions included proposals regarding all-share mergers, changes to the investment management arrangements, recapitalisation schemes and cash offers for the portfolio or Company. Reflecting continued Shareholder feedback, the Board and

Investec focused efforts on those submissions proposing a cash offer for the portfolio or the Company. Access to additional confidential non-public Company information was provided and following a further period of due diligence, remaining interested parties were invited to submit revised offers, as a result of which a limited number of indicative offers were forthcoming.

As part of the Strategic Review, the Company's investment manager, abrdn Fund Managers Limited (the "**Manager**"), provided the Board with analysis of, and a proposal involving, a managed disposal of the portfolio in a timely manner. The analysis comprised a range of detailed disposal scenarios over an illustrative period of 12-24 months for the entire portfolio, with capital starting to be returned to Shareholders before 2025. It also considered the impact of likely disposal costs, local applicable capital gains taxes, the ongoing running costs of the Company and the optimal approach to repaying or maximising the value of the Company's fixed cost debt.

### **Outcome of the Strategic Review**

As set out in the Company's announcement of 20 May 2024, the Board concluded that it would be in the best interests of Shareholders as a whole to put forward a proposal for a managed wind-down of the Company. At a fundamental level, the Board believes that there is potential to dispose of the Company's assets in the direct property market at higher values than those implied by the share price. In arriving at its decision, the Board placed particular importance on the following factors:

- **Shareholder Value Maximisation:** the indicative potential value from the Managed Wind-Down is materially in excess of the net value achievable from the indicative cash offers received, all of which were subject to a number of preconditions and all of which represented material discounts to the Company's current net asset value. With an EPRA vacancy rate of 6.5%, the Managed Wind-Down provides the potential opportunity to capture the value associated with letting this vacant space ahead of a disposal.
- **Feedback from Potential Offerors:** a significant majority of interested parties communicated a strong preference to acquire assets within certain geographies or individual assets as an alternative to acquiring the entire portfolio, providing comfort as to the likely level of buying interest in the Managed Wind-Down process. With a diversified portfolio of 25 urban and mid-box logistics assets with an aggregate value of approximately €602.7 million as at 31 March 2024, the pool of potential buyers is expected to be large, with many of these parties now conversant with the Company's assets.
- **Indicative Timeline:** while further details will be provided in due course, under the Managed Wind-Down it is expected that the majority of the assets will have been disposed of by the end of the second quarter of 2025. The Company's advisers have completed a substantial amount of preparatory work including commissioning fully updated technical and environmental due diligence reports for the entire portfolio, ensuring that the Managed Wind-Down process can commence promptly after Shareholder approval of the required amendments to the Company's investment objective and investment policy.
- **Macroeconomic Backdrop:** alongside positive thematic demand drivers for logistics tenants such as e-commerce and nearshoring, a forecast lower interest rate environment in the second half of 2024 and first half of 2025 is expected to support transaction volumes and pricing, resulting in a more favourable investment backdrop against which to wind down the portfolio.

For these reasons, the Board believes that a Managed Wind-Down is now the best means of maximising value. Accordingly, the Board is now seeking the approval of Shareholders for the change in the Company's Investment Policy necessary to implement the wind down process, building upon the work already undertaken by the Board, the Manager and the Company's advisers.

### **Portfolio realisation and return of proceeds to Shareholders**

The Board and the Manager intend that under the proposed Managed Wind-Down process, the Company will be managed with the intention of realising all the assets in its portfolio in an orderly manner and with a view to repaying borrowings and making timely returns of capital to Shareholders whilst aiming to obtain the best achievable value for the Company's assets at the time of their realisations. Realisations may take the form of disposals of single assets, groups of assets or the portfolio as a whole.

The Company will seek to return cash to Shareholders in an efficient and fair manner that accounts for, among other things, the UK tax consequences for Shareholders and the composition of the Company's Shareholder register.

The Board will seek to achieve the most tax-efficient treatment for Shareholders as a whole at the time of making each return of sale proceeds, but as Shareholders' circumstances will vary, it is important that Shareholders seek their own independent tax and financial advice at all times. In order to mitigate the impact on shareholder returns of cash accruing on the balance sheet, the Board may also undertake periodic on-market share buy-backs, subject to the availability of net disposal proceeds, continued compliance with debt covenants and the prevailing market value of the Company's shares.

In order to assist with the process of distributing net disposal proceeds to Shareholders, the Company is proposing to cancel the Company's current share premium account in order to create further distributable reserves for the purposes of supporting distributions under the Companies Act. The Cancellation Resolution, to be proposed at the General Meeting, seeks the approval of Shareholders for the cancellation of the Company's current share premium account.

The Board and the Investment Manager anticipate that the realisation of the portfolio will be concluded over an 18-24 month period, depending on, amongst other things, the market environment. The intention is that the net proceeds will be used to balance the repayment of debt and returning capital to Shareholders. On the basis of the realisation profile of the portfolio anticipated by the Manager, the Company could begin returning capital to Shareholders before 2025.

The New Investment Policy specifies that the Company's gearing will not exceed 50% as a percentage of the Company's gross assets.

Following realisation of all of the Company's property assets and the return of proceeds to Shareholders, the Company will seek Shareholders' approval to cancel the Company's admission to trading on the Main Market of the London Stock Exchange (the "**Delisting**") and to appoint a liquidator to wind up the Company.

## **Dividends**

If the Wind Down Resolution is passed, the Company will continue to pay dividends in so much as they are fully covered by net earnings and also to ensure that a sufficient level of dividends are paid so as to maintain the Company's investment trust status during the Managed Wind-Down process. While the Board declared an interim distribution of 1.41 euro cents (equivalent to 1.21 pence) per Ordinary share, in respect of the first quarter for the year ending 31 December 2024, future quarterly dividends are expected to be at a reduced level, starting with the second quarterly dividend for the year ending 31 December 2024, which is expected to be declared in August. The payment, quantum and timing of any dividends during the Managed Wind-Down process will be at the sole discretion of the Board, and there can be no guarantee as to the payment, quantum or timing of dividends during the Managed Wind-Down process.

## **Change to arrangements with the Manager**

The Board has undertaken extensive negotiations with the Manager through the decision making process leading up to the proposed Managed Wind-Down, which included detailed presentations from the Manager in relation to the value that could be realised from asset management initiatives and staged asset sales. Conditionally therefore, upon the Wind Down Resolution being passed, agreement has been reached to amend the current investment management agreement effective from 1 August 2024. The purpose of the negotiated revised fee structure is to ensure the Manager is appropriately aligned with the objective of maximising the value realisable by the Company on behalf of its Shareholders from the disposal of its assets in a timely manner.

In an effort to align the outcome with the best interests of Shareholders as a whole, the Board has agreed a material reduction in the investment management fee level and the Marketing fee, a reduction in the current notice period and the introduction of a new fee structure. This includes a reduced investment management fee based on net asset value which will reduce the current tiered rate commencing at 0.75 per cent. per annum to 0.5 per cent.

A Disposal Fee with a conditional element, where fees will be linked to the net realised value of asset sales after accounting for advisor fees and any taxes payable, will be introduced.

Subject to Shareholder approval of the New Investment Policy, the Manager's current fee arrangement will be replaced, effective from 1 August 2024, with:

- 1) A Management Fee of 0.5 per cent. per annum of the IFRS net asset value, calculated and paid monthly in arrears until Delisting;
- 2) A Disposal Fee of 0.65 per cent. of Net Disposal Proceeds realised per asset (being the disposal proceeds received from the date of the General Meeting after the deduction of all disposal costs and all taxation payable). To better align with Shareholder interests, such fees will be payable in two instalments:
  - a) an initial payment once properties which represented at least 80 per cent. of the portfolio value as at 31 March 2024 (being the date of the most recent valuation of the Company's portfolio) have been sold (the "Initial Payment"); and
  - b) a balancing payment once 100 per cent. of all properties have been sold.
- 3) A Conditional Disposal Fee payable on completion of the portfolio Managed Wind-Down process consisting of:
  - i) 0.05 per cent. of aggregate Net Disposal Proceeds if the aggregate gross sales value achieved is equivalent to not less than 95 per cent. of the portfolio valuation as at the Company's 31 March 2024 valuation point, or
  - ii) 0.1 per cent. of aggregate Net Disposal Proceeds if the aggregate gross sales value achieved is equivalent to not less than 100 per cent. of the portfolio valuation as at the Company's 31 March 2024 valuation point.
- 4) A reduced annual Marketing Fee of £95,000 in relation to abrdn's investor relations services and Shareholder communications (including management of the Company website and other Shareholder literature).

For the purposes of Chapter 11 of the Listing Rules, the combined fees receivable in sections 1 to 4 above will be capped at 4.99 per cent. of IFRS net asset value as at 31 March 2024. This cap is a technical requirement under the Listing Rules and the Board expects the aggregate fees to be substantially lower than the cap.

The Manager is a related party to the Company and this change to the fee arrangements constitutes a smaller related party transaction under Listing Rule 11.1.10R.

In addition to the above, the Manager has agreed that the notice period under the investment management agreement will be reduced from twelve months down to three months, with such notice not to be served before 31 March 2025. The Board has also agreed a key person risk provision with the Manager to ensure continuity of management services.

The Company will also incur fees payable to advisers and other third parties in connection with the disposal of assets (such as agency and legal costs) and the process of returning capital to Shareholders.

### **No further commercial property acquisitions**

The Company will not acquire any new commercial property assets during the Managed Wind-Down process, although it will continue to invest in existing portfolio assets where the Board and Manager believe that such investment is likely to enhance the ultimate sale value.

Realised cash may be invested in liquid cash-equivalent securities, including short-dated corporate bonds or other cash equivalents, cash funds or bank cash deposits (and/or funds holding such investments) pending its return to Shareholders. While the Company can invest up to 15% of its total assets in other listed closed ended funds, it is not expected that the Company will use this ability.

As the Managed Wind-Down progresses, the Board will continue to monitor the portfolio's composition. The Board will seek to balance efficiency and cost whilst ensuring there is appropriate continuity and oversight from the Manager throughout the Managed Wind-Down process.



## **Amendments to the Investment Policy**

The Proposal involves amending the Company's Investment Policy and adopting the New Investment Policy to reflect the realisation strategy and the Company ceasing to make any new property investments. The proposed amendments to the Company's Investment Policy are considered a material change and therefore, in accordance with the Listing Rules, the consent of Shareholders to the adoption of the New Investment Policy is being sought.

The Listing Rules also require any proposed material changes to the Company's published investment objective and policy to be submitted to the FCA for prior approval. The FCA approved the New Investment Policy on 4 July 2024.

Part 2 (*The Company's Proposed New Investment Policy*) of this document sets out the proposed New Investment Policy in full.

## **Resolutions**

**The Proposal is subject to the approval of Shareholders. Notice of a General Meeting at which the Resolutions to approve the Proposal and the cancellation of the Company's share premium account will be considered is set out on pages 15 to 18 of this document.**

The Wind Down Resolution, which will be proposed as an ordinary resolution, seeks authority to adopt the New Investment Policy. As an ordinary resolution, for the Wind Down Resolution to pass, more than 50 per cent. of the votes cast must be voted in favour.

The Cancellation Resolution, which will be proposed as a special resolution, seeks authority to cancel the Company's current share premium account. As a special resolution, for the Cancellation Resolution to pass, at least 75 per cent. of the votes cast must be voted in favour.

## **General Meeting**

The General Meeting has been convened for 10.00 a.m. on Tuesday, 23 July 2024 to be held at the offices of abrdn plc, 18 Bishops Square, London, E1 6EG. The Resolutions will be voted on by way of a poll. In accordance with the Articles, all Shareholders entitled to vote and who are present in person or by proxy at the General Meeting shall have one vote in respect of every Share held.

Shareholders are strongly encouraged to appoint the Chair of the General Meeting as their proxy to vote on their behalf at the General Meeting. This should ensure that your votes are registered.

## **Action to be taken**

A Form of Proxy for use in connection with the General Meeting is enclosed with this document. Whether or not you intend to attend the General Meeting in person, you are requested to appoint a proxy electronically via the Registrar's online proxy voting service [www.shareview.co.uk](http://www.shareview.co.uk) (see Note 2 to the Notice of General Meeting for instructions) or by completing, signing and returning the enclosed Form of Proxy, in each case as soon as possible but, in any event, so as to be received by the Registrar by not later than 10.00 a.m. on Friday, 19 July 2024 (or, if the General Meeting is adjourned, 48 hours prior to the adjourned General Meeting). Completed Forms of Proxy should be returned by post to the Registrar, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. If the electronic proxy appointment or the Form of Proxy, as the case may be, is not received by the aforementioned date and time it will be invalid.

If you hold Shares in CREST, you may appoint a proxy by completing and transmitting a CREST Proxy Instruction to the Registrar (CREST Participant ID RA19) so that it is received by not later than 10.00 a.m. on 19 July 2024 (or, if the General Meeting is adjourned, 48 hours prior to the adjourned General Meeting). The time of receipt will be taken to be the time from which the Company's Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. If the CREST Proxy Instruction is not received by the aforementioned date and time it will be invalid.

Appointing a proxy online, completing, signing and returning a hard copy Form of Proxy or completing and transmitting a CREST Proxy Instruction will not preclude Shareholders from attending and voting at the General Meeting in person, should they so wish.

In accordance with current best practice and to ensure voting accurately reflects the views of Shareholders, it will be proposed at the General Meeting that voting on the Resolutions will be

conducted by way of a poll vote rather than by a show of hands and the relevant procedures will be explained at the General Meeting.

If you are in any doubt as to the action you should take, you are recommended to seek your own financial and/or legal advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under FSMA if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

### **Recommendation**

**The Board considers that the Proposal and the cancellation of the Company's share premium account are in the best interests of Shareholders as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting.**

The Directors, who in aggregate have an interest in 272,812 Ordinary Shares (representing approximately 0.07 per cent. of the Company's issued share capital as at 5 July 2024 (being the latest practicable date prior to the publication of this document)), intend to vote their entire beneficial holdings in favour of the Resolutions to be proposed at the General Meeting.

Yours faithfully

**Tony Roper**

Independent Non-Executive Chair  
abrdrn European Logistics Income plc

## PART 2

### THE COMPANY'S PROPOSED NEW INVESTMENT POLICY

It is proposed that, if the Wind Down Resolution is approved, the Company's existing Investment Policy (including the Investment Objective) will be replaced with the New Investment Policy. The full text of each is set out below.

<b>Current Investment Policy</b>	<b>New Investment Policy</b>
<p><b>Investment Objective</b></p> <p>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.</p>	<p><b>Investment Objective</b></p> <p>The Company's investment objective is to realise all existing assets in the Company's portfolio in an orderly manner.</p>
<p>The Company aims to deliver the investment objective through investment in, and active asset management of, a diversified portfolio of logistics real estate assets in Europe.</p> <p>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:</p> <ul style="list-style-type: none"> <li>● 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);</li> <li>● 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;</li> <li>● the terms of the lease(s) focusing on duration, inflation linked terms, ESG criteria, level of passing rent relative to market rent, the basis for rent reviews, and the potential for capturing growth in market rental income;</li> <li>● the strength of the tenant's financial covenant;</li> <li>● the business model of the tenant and their commitment to the asset both in terms of</li> </ul>	<p><b>Investment Policy</b></p> <p>The Company will pursue its investment objective by effecting an orderly realisation of its assets while seeking to balance maximising returns for Shareholders against the timeframe for disposal. The Company will cease to make any new commercial real estate acquisitions. Capital expenditure will be permitted where it is deemed necessary or desirable by the Board in connection with the realisation, primarily where such expenditure is necessary to protect or enhance an asset's realisable value.</p>

Current Investment Policy	New Investment Policy
<p>capital expenditure and the role it plays in their operations; and</p> <ul style="list-style-type: none"> <li>• the potential to implement active asset management initiatives to add value over the holding period. The Company will invest either directly or through holdings in special purpose vehicles, partnerships, or other structures. The Company may invest in forward commitments when the Investment Manager believes that to do so would enhance risk adjusted returns for Shareholders and/or secure an asset at an attractive yield.</li> </ul>	
<p><b>Diversification of Risk</b></p> <p>The Company will at all times invest and manage its assets in a manner which is consistent with the spreading of investment risk. The following investment limits and restrictions will apply to the Company and its business which, where appropriate, will be measured at the time of investment:</p> <ul style="list-style-type: none"> <li>• the Company will only invest in assets located in Europe;</li> <li>• no more than 50 per cent. of Gross Assets will be concentrated in a single country;</li> <li>• no single asset may represent more than 20 per cent. of Gross Assets;</li> <li>• forward commitments will be wholly or predominantly pre-let and/or have the benefit of a rental guarantee and the Company's overall exposure to forward commitments and development activity will be limited to 20 per cent. of Gross Assets;</li> <li>• the Company's maximum exposure to any single developer will be limited to 20 per cent. of Gross Assets;</li> <li>• the Company will not invest in other closed-ended investment companies;</li> <li>• the Company will predominantly invest in assets with tenants which have been classified by the Investment Manager's investment process, as having strong financial covenants. However, the Company may, on an exceptional basis, invest in an asset with a tenant with a lower financial covenant strength (and/or with a short lease term) where the Investment Manager believes that the asset can be leased on a longer term tenancy to a tenant with strong financial covenants within a reasonable time period; and</li> </ul>	<p><b>Diversification of Risk</b></p> <p>The net proceeds from realisations will be used to repay borrowings and make timely returns of capital to shareholders (net of provisions for the Company's costs and expenses) in such manner as the Board considers appropriate.</p> <p>Any cash received by the Company as part of the realisation process will be held by the Company as cash on deposit and/or in liquid cash equivalents securities (including direct investment in UK treasuries and/or gilts, funds holding such investments, money market or cash funds and/or short-dated corporate bonds or funds that invest in such bonds) pending its return to shareholders.</p>

Current Investment Policy	New Investment Policy
<ul style="list-style-type: none"> <li>no single tenant will represent more than 20 per cent. of the Company's annual gross income measured annually.</li> </ul> <p>The Company will not be required to dispose of any asset or to rebalance the Portfolio as a result of a change in the respective valuations of its assets.</p>	
<p><b>Borrowing and Gearing</b></p> <p>The Company uses gearing with the objective of improving shareholder returns. Debt is typically non recourse and secured against individual assets or groups of assets with or without a charge over these assets, depending on the optimal structure for the Company and having consideration to key metrics including lender diversity, cost of debt, debt type and maturity profiles.</p> <p>The aggregate borrowings are always subject to an absolute maximum, calculated at the time of drawdown for a property purchase, of 50 per cent. of Gross Assets. Where borrowings are secured against a group of assets, such group of assets will not exceed 25 per cent. of Gross Assets in order to ensure that investment risk remains suitably spread.</p> <p>The Board has established gearing guidelines for the AIFM in order to maintain an appropriate level and structure of gearing within the parameters set out above. Under these guidelines, aggregate asset level gearing will sit, as determined by the Board, at or around 35 per cent of Gross Assets. This level may fluctuate as and when new assets are acquired until longer term funding has been established or whilst short-term asset management initiatives are being undertaken.</p>	<p><b>Borrowings and Derivatives</b></p> <p>It is not anticipated that the Company will take on any new borrowings, but this remains possible for the efficient management of the Company (such as through a revolving credit facility, extension of term of existing borrowing or an overdraft at plc level). Borrowings otherwise will typically be non-recourse and secured against individual assets or groups of assets.</p> <p>The Company's net gearing, calculated as total borrowings less cash/cash equivalents (including money market funds) as a percentage of the Company's gross assets, will not exceed 50%. In the event net gearing exceeds 50%, the Board will look to rectify this position as soon as practicable.</p> <p>The Company may use derivatives for efficient portfolio management, that is, to reduce, transfer or eliminate risk in its investments, including protection against currency risks.</p>
<p>Any material change to the Company's investment policy set out above will require the approval of shareholders by way of an ordinary resolution at a general meeting and the approval of the Financial Conduct Authority. Non-material changes to the investment policy may be approved by the Board.</p>	<p>Any material change to the Company's investment policy set out above will require the approval of Shareholders by way of an ordinary resolution at a general meeting and the approval of the Financial Conduct Authority. Non-material changes to the investment policy may be approved by the Board.</p>

## PART 3

### RISKS ASSOCIATED WITH THE PROPOSAL

In considering your decision in relation to the Proposal, you are referred to the risks set out below.

**Shareholders should read this document carefully and in its entirety and, if you are in any doubt about the contents of this document or the action you should take, you are recommended to immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 or, if you are in a territory outside the United Kingdom, from an appropriately authorised independent financial adviser.**

Only those risks which are material and currently known to the Board have been disclosed. Additional risks and uncertainties not currently known to the Board, or that the Board currently deems to be immaterial, may also have an adverse effect on the Company or the Proposal.

- In a Managed Wind-Down, the Company's portfolio will be reduced as assets are realised and concentrated in fewer holdings, and the mix of asset exposure will be affected accordingly. Dividend income will also decrease over time, as the Managed Wind-Down proceeds.
- The Company might experience increased volatility in its net asset value as a result of changes to its portfolio following the approval of the Managed Wind-Down, including greater portfolio concentration, as well as potential changes to the accounting basis for the Company's assets which may give rise to adjustments to their carrying value and to the introduction of provisions for future liabilities. These adjustments and provisions may impact the Company's net asset value from the time when the basis of accounting changes. The amount of the adjustment and consequent reduction in net asset value cannot be estimated at present, but may be significant.
- The Company might experience increased volatility in its share price, both as a function of volatility in its net asset value and a reduction in share liquidity as capital is returned to Shareholders, which may result in a continued or possibly wider discount to net asset value.
- Realisations will vary, with certain assets in sought-after areas possibly realised more quickly. The impact of bringing assets to market as part of a public wind-down strategy and the time required to execute disposals may also have an impact on disposal proceeds. Assets may not therefore be realised at values in line with the most recently published independent valuations, and it is possible that the Company may only be able to realise some assets at materially lower values. A material change of governmental, economic, fiscal, monetary or political policy, in the UK and European countries to which the Company is exposed may also result in a reduction in the value of the Company's assets on sale.
- Sales of the Company's assets may prove materially more complex than anticipated, and the return of capital to Shareholders may be delayed by a number of factors, including, without limitation, the ability of the Company to return capital and/or make distributions to Shareholders.
- The returns that Shareholders may receive will be subject to deductions for, among other things, direct disposal costs, local capital gains tax, management fees, the gradual pay down of the existing debt and costs associated with the review and implementation of strategic options as well as the means of returning capital to Shareholders. These costs may reduce the sums available for redemptions and/or distributions to Shareholders in the future.
- There may be other matters or factors which affect the availability, amount or timing of receipt of the proceeds of realisation of some or all of the Company's assets. In particular, ongoing returns of value to Shareholders will decrease the size of the Company's assets, thereby increasing the impact of fixed ongoing corporate costs incurred by the Company on the remaining assets. In determining the size of any redemptions and/or distributions, the Board will take into account the Company's ongoing costs, and the eventual liquidation costs. However, should these costs be greater than expected or should cash receipts for the realisations of investments be less than expected, this will reduce the amount available for Shareholders in future redemptions and/or distributions.

- The Board expects that the Company will continue to fulfil the relevant conditions to qualify for UK investment trust status in the medium term. However, the requirements for maintaining investment trust status are complex and as the Managed Wind-Down progresses, the Company cannot guarantee that it will maintain continued compliance with all of such conditions, particularly in its latter stages, once a significant portion of the portfolio has been realised. The basis of taxation of any Shareholder's shareholding in the Company will differ or change fundamentally if the Company fails or ceases to maintain its investment trust status. As the Managed Wind-Down progresses, and particularly in its latter stages, Shareholders may also suffer more adverse tax treatment on the return of sale proceeds as, depending on the prevailing circumstances at the time, it may not be possible to secure the most tax advantageous treatment for Shareholders on the return of sale proceeds.
- The Company and its subsidiaries (the "**Group**") may be exposed to future liabilities and/or obligations with respect to the disposal of real estate assets in the portfolio. The Group may be required to set aside money for warranty claims or contingent liabilities in respect of property disposals. The Group may be required to pay damages (including but not limited to litigation costs) to the extent that any representations or warranties that it has given to a purchaser prove to be inaccurate or to the extent that it has breached any of its covenants contained in the disposal documentation. In certain circumstances, it is possible that any incorrect representations and warranties could give rise to a right by the purchaser to unwind the contract in addition to the payment of damages. Further, the Group may become involved in disputes or litigation in connection with such disposed investments. Certain obligations and liabilities associated with the ownership of investments can also continue to exist notwithstanding any disposal, such as environmental liabilities. Any such claims, litigation or obligations, and any steps which the Group is required to take to meet the cost, such as sales of assets or increased borrowings, could have an adverse effect on the Group's performance, financial condition and business prospects.
- The Company's investment activities expose it to a variety of financial risks which include foreign currency risk and interest rate risk.
- Changes in tax legislation or practice, whether in the United Kingdom or in jurisdictions in which the Company or its subsidiaries invest, could affect the value of the investments held by the Company and its subsidiaries, affect the Company's ability to provide returns to Shareholders, and affect the tax treatment for Shareholders of their investments in the Company (including rates of tax and availability of reliefs).

## PART 4

### DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

<b>2023 Annual Report</b>	the Company's annual report and financial statements for the year ended 31 December 2023;
<b>AGM</b>	the Company's annual general meeting convened on 24 June 2024 at 9.00 a.m.;
<b>Articles</b>	the articles of incorporation of the Company (as amended);
<b>ASLI or the Company</b>	abrdn European Logistics Income plc, a public company limited by shares incorporated in England and Wales with registration number 11032222;
<b>Board</b>	the board of directors of the Company;
<b>Business Day</b>	any day (excluding any Saturday or Sunday or any public holiday in England and Wales) on which banks in the City of London are generally open for business;
<b>Cancellation Resolution</b>	resolution 2 to be proposed at the General Meeting;
<b>Conditional Disposal Fee</b>	has the meaning given in the paragraph headed "Change to the Manager's Fee" in Part 1 ( <i>Letter from the Chairman</i> ) of this document;
<b>CREST</b>	the computerised settlement system operated by Euroclear which facilitates the transfer of title to shares in uncertificated form;
<b>CREST Manual</b>	the CREST Manual published by Euroclear (as amended);
<b>CREST Proxy Instruction</b>	an authenticated CREST message to appoint or instruct a proxy in accordance with Euroclear's specifications and the CREST Manual;
<b>Delisting</b>	has the meaning given in the paragraph headed "Portfolio realisation and return of proceeds to Shareholders" in Part 1 ( <i>Letter from the Chairman</i> ) of this document;
<b>Disposal Fee</b>	has the meaning given in the paragraph headed "Change to the Manager's Fee" in Part 1 ( <i>Letter from the Chairman</i> ) of this document;
<b>Euroclear</b>	Euroclear UK and International Limited, incorporated in England and Wales with registered number 02878738;
<b>EPRA</b>	European Public Real Estate Association;
<b>FCA</b>	the UK Financial Conduct Authority or its successor from time to time;
<b>Form of Proxy</b>	the form of proxy for use by Shareholders in connection with the General Meeting which accompanies this document;
<b>FSMA</b>	the Financial Services and Markets Act 2000 (as amended);
<b>General Meeting</b>	the general meeting of the Company convened for 10.00 a.m. on Tuesday 23 July 2024 to be held at the offices of abrdrn plc, 18 Bishops Square, London E1 6EG (or any adjournment of that meeting) the notice for which is set out at the end of this document (the " <b>Notice of General Meeting</b> ");
<b>Group</b>	the Company and its subsidiaries;
<b>Investec</b>	Investec Bank plc, financial adviser to the Company;



<b>Investment Policy</b>	the Company's existing investment objective and policy;
<b>Listing Rules</b>	the rules and regulations made by the FCA in its capacity as the competent authority under FSMA, and contained in the FCA's publication of the same name;
<b>London Stock Exchange</b>	London Stock Exchange plc;
<b>Managed Wind-Down</b>	the proposed disposal of the Company's portfolio of investments and the return of capital to Shareholders over a period of time, expected to be 12 to 24 months, resulting in the liquidation of the Company, as described in this document;
<b>Manager</b>	abrdn Fund Managers Limited, a private limited company with company number 00740118;
<b>Marketing Fee</b>	has the meaning given in the section headed "Change to arrangements with the Manager" in Part 1 (Letter from the Chairman) of this document;
<b>Net Disposal Proceeds</b>	being the gross sales value achieved less all disposal costs and expenses including, but not limited to, agents fees and local and capital gains taxes applicable;
<b>New Investment Policy</b>	the proposed new investment objective and investment policy of the Company, as set out in Part 2 ( <i>The Company's Proposed New Investment Policy</i> ) of this document;
<b>Proposal</b>	the proposal set out in Part 1 ( <i>Letter from the Chairman</i> ) of this document relating to the Managed Wind-Down and the adoption of the New Investment Policy, in respect of which the Wind Down Resolution will be proposed at the General Meeting;
<b>Registrar</b>	Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA;
<b>Regulatory Information Service</b>	an information service authorised from time to time by the London Stock Exchange for the purposes of disseminating regulatory announcements;
<b>Resolutions</b>	together the Wind Down Resolution and the Cancellation Resolution to be proposed at the General Meeting, the full text of which is set out in the Notice of General Meeting at the end of this document;
<b>Shareholders</b>	the holders of Shares from time to time;
<b>Shares</b>	ordinary shares of 1 penny each in the capital of the Company;
<b>SRN</b>	shareholder reference number;
<b>Strategic Review</b>	the Board's strategic review announced on 27 November 2023 referred to in Part 1 ( <i>Letter from the Chairman</i> ) of this document;
<b>UK or United Kingdom</b>	the United Kingdom of Great Britain and Northern Ireland; and
<b>Wind Down Resolution</b>	resolution 1 to be proposed at the General Meeting.

All references to an adjournment of the General Meeting (or similar expressions) shall include a postponement of the General Meeting in accordance with the Articles.

# ABRDN EUROPEAN LOGISTICS INCOME PLC

(a public company limited by shares incorporated in England and Wales with registration number 11032222)

## NOTICE OF GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a general meeting of abrdn European Logistics Income plc (the “**Company**” or “**ASLI**”) will be held at the offices of abrdn plc, 18 Bishops Square, London, E1 6EG at 10.00 a.m. on Tuesday 23 July 2024 to consider and, if thought fit, pass the following resolutions, which, as to Resolution 1 will be proposed as an ordinary resolution and as to Resolution 2 will be proposed as a special resolution. Voting on the resolutions will be by way of a poll.

All terms and expressions defined in the circular issued by the Company to its Shareholders on the date of this Notice (and of which this Notice forms part) shall have the same meanings in this Notice and the Notes hereto.

## ORDINARY RESOLUTION

- 1 **THAT** the Company adopt the New Investment Policy, as set out in Part 2 of the circular to Shareholders of the Company dated 5 July 2024 which contains this Notice of General Meeting (the “**Circular**”), in substitution for the existing Investment Policy (as defined in the Circular) of the Company.

## SPECIAL RESOLUTION

- 2 **THAT** the amount standing to the credit of the share premium account of the Company as at the date this Resolution is passed be cancelled.

By order of the Board

abrdn Holdings Limited  
*Company Secretary*

5 July 2024

**Registered office:**  
280 Bishopsgate  
London  
EC2M 4AG

## Notes:

### 1. Entitlement to attend and vote

Pursuant to the Articles and Regulation 41 of the Uncertificated Securities Regulations 2001 (the “**CREST Regulations**”), only holders of Shares on the Company’s register of members as at 6.30 p.m. on 19 July 2024 (each, a Shareholder) are entitled to attend and vote (in person or by proxy) at this meeting in respect of the number of shares in the capital of the Company registered in their names at that time and may appoint a proxy to vote instead of them. Changes to entries on the Company’s register of members after 6.30 p.m. on 19 July 2024 (the “**Voting Record Time**”) shall be disregarded in determining the rights of any person to attend and vote at this meeting. Should the General Meeting be adjourned to be so entitled members must have been entered on the register of members of the Company by 6.30 p.m. on the date that is two days (excluding non-Business Days) before the date of the adjourned General Meeting or, if the Company gives notice of the adjourned General Meeting, at the time specified in such notice.

### 2. Appointment of proxies

Shareholders are strongly encouraged to submit proxy appointments and instructions for the General Meeting as soon as possible, using any of the methods (by post, online or through CREST) set out below. Shareholders are also strongly encouraged to appoint “the Chair of the meeting” as their proxy. Any other person appointed as proxy will be able to attend, submit questions, speak and vote at the General Meeting.

Shareholders are entitled to appoint a proxy in respect of some or all of their Shares and may also appoint more than one proxy by using multiple paper Forms of Proxy or appointing multiple proxies through CREST as described below (but not for the avoidance of doubt by means of an online proxy appointment as described below), provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such holder. Shareholders who wish to appoint more than one proxy in respect of their holding of Shares should contact the Registrar for further Forms of Proxy. Alternatively, you may photocopy the enclosed Form(s) of Proxy.

Each Shareholder present by proxy will be entitled to one vote for each Share which he/she represents. A Shareholder may appoint more than one proxy in relation to this meeting provided that each proxy is entitled to exercise the rights attaching to a different Share or Shares held by that member. A proxy need not be a member of the Company but must attend the meeting in person for the Shareholder’s vote to be counted. Appointing a proxy does not prevent a member from attending the General Meeting in person and voting in person under the arrangements set out in these notes if he or she is entitled to do so and so wishes.

#### *Sending Forms of Proxy by post*

You should complete, sign and return the Form of Proxy for use at the General Meeting so as to be received no later than 10.00 a.m. on 19 July 2024. In the event of adjournment(s) of the General Meeting, the Form of Proxy should be returned no later than 48 hours before the time and date set for the adjourned meeting(s). If the Form of Proxy is not returned so as to be received by the time mentioned above and in accordance with the instructions on the Form of Proxy, it will be invalid.

The Form of Proxy may be returned by post to: Equiniti Limited (“**Registrar**”), at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. For your convenience, a pre-paid envelope (for use in the UK only) has been provided with respect to the Forms of Proxy.

#### *Electronic appointment of proxies through CREST*

CREST members who wish to appoint a proxy or proxies for the General Meeting (or any adjournment thereof) through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed any voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in

accordance with Euroclear's specifications and must contain the information required for such instructions as described in the CREST Manual (available via [www.euroclear.com](http://www.euroclear.com)). The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Registrar Equiniti Limited (participant ID: RA19) no later than 10.00 a.m. on 19 July 2024 or, in the case of an adjourned meeting, no later than 48 hours before the time and date set for the adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which Equiniti is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s), should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed any voting service provider(s), to procure that their CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in the CREST Regulations.

#### *Online appointment of proxies*

As an alternative to completing and returning the printed Form of Proxy, a proxy (but not multiple proxies) for the General Meeting may be appointed electronically by logging on to the following website: [www.shareview.co.uk](http://www.shareview.co.uk) and logging in to your Shareview Portfolio. Once you have logged in, simply click 'View' on the 'My Investment' page and then click on the link to vote and follow the on-screen instructions. If you have not yet registered for a Shareview Portfolio, go to [www.shareview.co.uk](http://www.shareview.co.uk) and enter the requested information. It is important that you register for a Shareview Portfolio with enough time to complete the registration and authentication process. For an electronic proxy appointment to be valid, the appointment must be received by the Registrar no later than 10.00 a.m. on 19 July 2024 (or in the case of adjournment(s), no later than 48 hours before the time and date set for the adjourned meeting(s)). If the Form of Proxy is not lodged by the relevant time, it will be invalid.

### **3. Joint holders**

In the case of joint holders, only the joint holder who has been elected to represent the holders may tender a vote, whether in person, or by proxy. Where no such election has been made, only the most senior holder will be entitled to tender a vote, whether in person or by proxy. For this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.

### **4. Corporate representatives**

A Shareholder which is a corporation may authorise a person or persons to act as its representative(s) at this meeting, and each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member, provided that they do not do so in relation to the same shares. If two or more representatives purport to vote in respect of the same shares, then if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way. In other cases, the power is treated as not exercised.

**5. Voting on a poll and announcement of results**

Voting on the Resolution will be conducted by way of a poll rather than a show of hands. As soon as practicable following the General Meeting, the results of the voting at the meeting and the numbers of all votes cast for and against and the number of votes actively withheld in respect of the resolution will be announced via a Regulatory Information Service.

**6. Issued share capital and voting rights**

As at 5 July 2024 (being the last practicable date prior to the date of publication of this notice), the Company's issued share capital consisted of 412,174,356 ordinary shares, carrying one vote each. There are no treasury shares held. Therefore, the total voting rights in the Company as at such date was 412,174,356 ordinary shares, carrying one vote each.

**7. Communications**

You may not use any electronic address provided either in this notice or in any related documents (including the enclosed Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.

