

6 September 2023

INVESTOR COPY

IMPORTANT INFORMATION – LF abrdn Income Focus Fund FUND MERGER PROPOSAL – ACTION REQUIRED

Dear Shareholder,

Proposed merger of LF abrdn Income Focus Fund, a sub-fund of LF abrdn Investment Fund (the “Merging Fund”) into abrdn UK Income Equity Fund, a sub-fund of abrdn OEIC I (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, Link Fund Solutions Limited as the authorised corporate director of the Merging Fund (“**Link**”), are writing to provide you with the details of our proposal to merge the Merging Fund into the Continuing Fund, which is operated by an entity in the abrdn group. We refer to our proposal as the “**Merger Proposal**”.

As a Shareholder 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 Shareholders’ 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 0333 300 0381 or email us at lfsinvestors@ntrs.com. We are here between 8.30 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.

Background to the Merger Proposal

Following a review undertaken by the ACD, the ACD is proposing to merge the Merging Fund into the Continuing Fund. The investment adviser to the Merging Fund, abrdn Investment Management Limited, is part of the same group as the investment adviser to the Continuing Fund, abrdn Investments Limited. The Merging Fund and the Continuing Fund have similar investment objectives, policies and risk profiles. A merger will result in a clearer offering to investors seeking continued exposure to abrdn's investment management approach as well as offering the benefits of abrdn's broader group expertise in UK authorised fund governance and distribution, which are expected to support the long-term growth of the equity income strategy for the benefit of investors. It is also expected to lead to economies of scale benefits, 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 shareholder.

Comparison of the Merging Fund and the Continuing Fund

Investment Objectives	Both Funds aim to generate income and some capital growth. The Merging Fund aims to do this over the medium term (3 year rolling periods) whilst the Continuing Fund aims to achieve this investment objective over the long term (5 years or more).
Benchmark and Performance Target	<p>The Merging Fund uses the FTSE All Share Index as one of its comparator benchmarks. The Continuing Fund uses the FTSE All Share Index as a performance target. Whilst the Merging Fund aims to achieve a yield higher than the FTSE All Share Index over a three-year rolling period, the Continuing Fund aims to deliver a yield higher than the same benchmark over a rolling five year period (before charges) and to achieve a return in excess of the FTSE All Share Index over a rolling five year period.</p> <p>Both Funds also use the IA UK Equity Income Sector as a performance comparator year period (before charges).</p>
Investment Policies	<p>Both Funds invest in equities (please refer to the comparison in Appendix 3 of the Circular). The Merging Fund invests in shares of organisations listed in the UK and overseas, with a focus on income generating securities, and the Continuing Fund invests at least 70% in equities and equity related securities of companies incorporated or domiciled in the UK or having significant operations and/or exposure to the UK.</p> <p>Whilst the Merging Fund is not restricted by reference to any geographical, sector or market capitalisation, the Continuing Fund is only able to invest up to 20% in non-UK listed companies. However, both Funds are approximately 90% invested in UK equities. The Continuing Fund uses the FTSE All Share Index as a reference point for portfolio construction and as a basis for setting risk constraints. Both</p>

	Funds are also able to invest in collective investment schemes, money market instruments and cash.
Asset Similarity	<p>Both Funds are invested in UK equities, with approximately 57% overlap of holdings between the Funds' portfolios. The remaining portion (approximately 43%) is not aligned, however the Investment Manager has decided that approximately 3% of the unaligned holdings in the Merging Fund will transfer to the Continuing Fund (and will be held in accordance with the investment objective and policy of the Continuing Fund). The remaining 40% of the unaligned portfolio of the Merging Fund will therefore need to be realigned as a consequence of the merger.</p> <p>The Merging Fund is able to use derivatives (a type of contract whose value is derived from an underlying asset which is not actually owned by the fund, such as shares) to: (i) achieve the investment objective of the fund; and (ii) to reduce risk and cost in the portfolio (known as efficient portfolio management), whilst the Continuing Fund may only use derivatives for efficient portfolio management. In practice both Funds have rarely used derivatives.</p>
Risk Profile and Synthetic Risk and Reward Indicator as set out in the Key Investor Information Document	These are the same for both Funds.
Performance History	The Funds have similar performance history over the short to medium term (one to three years). However, over the longer term (four to five years), the performance history of the Funds diverge significantly due to different delegated investment advisers at that time.
Ongoing Costs	The ongoing costs in the Continuing Fund are the same as or lower than the Merging Fund, depending on the Share Class.
Distribution dates	The Merging Fund has quarterly distribution dates of 31 March, 30 June, 30 September and 31 December. The Continuing Fund calculates income semi-annually as at 31 January and 31 July, with appropriate distributions / allocations made within 3 months of these dates.
Authorised corporate director	The authorised corporate director of the LF abrdn Investment Fund, of which the Merging Fund is a sub-fund, is Link Fund Solutions Limited. The authorised corporate director of abrdn OEIC I, of which the Continuing Fund is a sub-fund, is abrdn Fund Managers Limited.
Investment adviser	The investment adviser to the Merging Fund is abrdn Investment Management Limited and the investment adviser to the Continuing Fund is abrdn Investments Limited.

A comparison of the principal features of the Merging Fund and Continuing Fund including a comparison of the investment objectives and policies and their distribution frequency is set out in Appendix 3 of the Circular. The Shares in the Continuing Fund may be subject to higher investment minima than the Shares in the Merging Fund. Where this is the case, these higher investment minima will be waived for shareholders moving from the Merging Fund to the Continuing Fund, such that shareholders will continue to be subject to the investment minima of the Merging 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 Link, 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 as far as possible, and the cost of this rebalancing exercise will be borne by shareholders in the Merging Fund that haven't chosen to redeem their investments by 5 October 2023. We estimate this cost to be 0.59% of the value of the Merging Fund (i.e. a cost of £59 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 Shareholders approve the Merger Proposal, the Merging Fund will be merged with the Continuing Fund, and this is currently planned for 6 October 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 Shares 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 Share 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 shareholders. For non-UK shareholders 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);
- 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 Shareholders 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 2:00 p.m. (UK time) on 21 September 2023 in 6th Floor, 65 Gresham Street, London, EC2V 7NQ.

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 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 2:00 p.m. (UK time) on 19 September 2023); and
- **you may also attend the Meeting in person and cast your vote (although your vote will only count once).**

Important:

Please return your completed Form of Proxy by post, please note this should be sent to this address:

Link Fund Solutions Limited

6th Floor

65 Gresham Street

London

EC2V 7NQ

For all other instructions or queries regarding your holding, please contact our Customer Services Teams on 0333 300 0381 or e-mail lfsvetors@ntrs.com.

Call charges will vary.

Timeline of Key Events

Closing date for receipt of Form of Proxy	2:00 p.m. on 19 September 2023
Meeting	2:00 p.m. on 21 September 2023
Publication of the outcome of the Meeting	As soon as possible following the Meeting on our website www.linkfundsolutions.co.uk . Alternatively, by calling our Investor Servicing Centre on 0333 300 0381 from 08:30 a.m. (UK time) on 22 September 2023 to find out the results of the Meeting. We are open from Monday to Friday between 08:30 a.m. and 5:30 p.m. (UK time).

If the Merger Proposal is approved, the merger will be binding on all shareholders, 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 without rebalancing costs. If you do cash in or switch, you should note it will be treated as a disposal of Shares for tax purposes and you may be liable to tax on any gains arising from the redemption or switching of your Shares. If you are unsure about your personal tax position, please seek professional tax advice.	28 September 2023
Suspension of dealing in Merging Fund	Immediately after the 12.00 noon (UK time) dealing cut off point on 5 October 2023.
Merger takes place, termination of the Merging Fund and wind up of LF abrdn Investment Fund commences	23:59p.m. on 6 October 2023
Dealing in New Shares in the Continuing Fund	9:00am on 9 October 2023 (deals received immediately after 12.00 noon (UK time) on 5 October 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 Shareholders and recommend you to vote in favour.

You can find copies of this communication at www.linkfundsolutions.co.uk. We will keep this page up to date with all further client communications relating to the changes we are making.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'Karl' followed by a stylized flourish.

For and on behalf of
Link Fund Solutions Limited

ACD of LF abrdn Income Focus Fund, a sub-fund of LF abrdn Investment Fund