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**FOR IMMEDIATE RELEASE**

14 May 2024

**abrdn Property Income Trust Limited**

*(a non-cellular company limited by shares incorporated in Guernsey with registration number 41352)*

**LEI Number:** 549300HHFBWZRKC7RW84

**Publication of Circular and Notice of General Meeting**

Further to abrdn Property Income Trust Limited's ("**API**" or the "**Company**") previous announcements and as set out in the recently published Annual Report and Accounts for the financial year ended 31 December 2023, the Board of API announces that a circular ("**Circular**") to convene a general meeting of API Shareholders (the "**General Meeting**") will be published today and sent to API Shareholders to allow them to consider and, if thought fit, approve a change to API's investment policy in order to implement a Managed Wind-Down.

Under the proposed Managed Wind-Down process, the Company will be managed with the intention of realising all of the assets in its portfolio in an orderly manner, 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. Pursuant to its comprehensive review of API's strategic options, the Board believes that a Managed Wind-Down is now the best means of maximising value for API Shareholders, given the challenges API would continue to face as a standalone company and the potential to dispose of API's assets in the direct property market at higher values than those implied by API's share price.

The required change to API's investment policy is conditional on the approval of API's Shareholders. To approve the change in investment policy, shareholders who together represent a majority of the API shares voted at the General Meeting (whether in person or by proxy) must vote to approve the resolution put to the General Meeting. API Shareholders should read the whole of the Circular, in particular, the letter from the Chair, which contains the unanimous recommendation from the API Board that API Shareholders vote in favour of the changes to the Company's investment policy.

While the timeline for disposals will depend on the market environment, realisation of all of the Company's assets and the return of proceeds to API Shareholders is expected to take place over an 18-36 month period, assuming assets are realised as sales of individual assets or groups of assets, rather than via a sale of the whole portfolio, which is also a possibility.

At an appropriate point in the Managed Wind-Down process, API will seek Shareholders' approval to appoint a liquidator to wind up the Company and to cancel the Company's admission to trading on the Main Market of the London Stock Exchange. Trading in API Shares will no longer be possible from that time.

**James Clifton-Brown, Chair of API, said:**

*"API has consistently sought to invest in good quality assets that produce an attractive level of income and which also have the prospect of income and capital growth, resulting in an attractive portfolio and consistent outperformance against the benchmark at the property level.*

Nevertheless, API, along with other REITs and diversified investment trusts, continues to contend with the significant challenges facing the real estate sector which in API's case are compounded by the relatively small scale of the Company, resulting in a sustained and substantial trading discount to net asset value, low share liquidity and a concentrated debt structure.

Pursuant to its comprehensive review of API's strategic options, and consistent with its previous announcements, the Board believes that a Managed Wind-Down is now the best means of maximising value and unanimously recommends that API shareholders vote in favour of the proposed change to API's investment policy at the forthcoming General Meeting."

### **Changes to the Investment Manager's Fee**

If the change to API's investment policy is approved, the API Board and abrDN Fund Managers Limited ("abrDN", "Investment Manager"), as the Company's Investment Manager, intend to amend the terms of abrDN's fee arrangement to ensure abrDN is appropriately incentivised to maximise the value received from the Company's assets while aligning interests with those of API's shareholders.

Details of the proposed changes have been set out in the Appendix to this announcement and shall, if the General Meeting approves the change to API's investment policy, be documented in an amendment to the Investment Management Agreement, effective from 31 May 2024. No other substantive changes are being made to the management arrangements at this time.

The changes to the fee arrangements fall within Listing Rule 11.1.10R (smaller related party transactions) and the details set out in this announcement are being notified in accordance with Listing Rule 11.1.10R(2)(c).

### **General Meeting**

The General Meeting will be held at 10.30 a.m. on 28 May 2024 at the offices of Addleshaw Goddard LLP at Milton Gate, 60 Chiswell Street, London, EC1Y 4AG. The expected timetable of principal events in relation to the General Meeting is as follows:

<b>Event</b>	<b>Time/Date</b>
Deadline for lodging Forms of Proxy/CREST Proxy instructions	10.30 a.m. on 26 May 2024
Voting Record Time	6.30 p.m. on 26 May 2024
General Meeting	10.30 a.m. on 28 May 2024

The Circular will be made available on the Company's website at <https://www.abrdnpit.co.uk/en-gb/literature>. For the avoidance of doubt, neither the contents of this website nor the contents of any websites accessible from any hyperlinks are incorporated into or form part of this announcement.

The Circular may also be inspected during usual business hours on any weekday (Saturdays, Sundays and public holidays in the UK and Guernsey excepted) at the Company's registered address at Trafalgar Court, Les Banques, St. Peter Port, Guernsey GY1 3QL, or at the offices of Addleshaw Goddard LLP at Milton Gate, 60 Chiswell Street, London EX1Y 4AG for a period beginning on today's date until the date of the General Meeting, and at the General Meeting for a period beginning fifteen minutes before it commences, for the duration of the General Meeting.

A copy of the Circular will also be submitted to the National Storage Mechanism, where it will shortly be available for inspection at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

## Enquiries

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## Important notices

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Capitalised terms used in this announcement have the meanings given to them in the Circular.

## Appendix

### Proposed changes to the Investment Manager's fee

The Board and abrdn have agreed a significant reduction in the Investment Management fee level, and a reduction in the Marketing fee, with the introduction of a new fee structure. This includes a reduced Investment Management fee, a "**Disposal Fee**", an "**Incentive Fee**" and a "**Liquidation Fee**", as described below, which are linked to the value and timing of disposals.

For these purposes:

**"Delisting"** means cancellation of the Company's admission to trading on the Main Market of the London Stock Exchange;

**"EPRA NTA"** means Net Tangible Assets calculated as per EPRA Best Practices Recommendations Guidelines, October 2019; and

**"Portfolio Value"** means the valuation of the portfolio as at 31 May 2024 on the basis of the latest valuation information, being as at 31 March 2024.

1. An Investment Management Fee of 0.20% per annum of the average portfolio value, calculated and paid quarterly in arrears until Delisting, but to be no less than £50,000 per quarter. abrdn has committed to invest the Investment Management Fees in API's ordinary shares, while API's share price is at a discount to EPRA NTA, subject to certain liquidity considerations and regulatory restrictions.
2. A Disposal Fee of 0.40% of gross disposal proceeds (being the disposal proceeds since 31 May 2024) payable in two instalments:
  - a) an initial payment of 0.30% of cumulative gross disposal proceeds since 31 May 2024 once properties which would have represented 90% of the Portfolio Value have been sold; and
  - b) a balancing payment (consisting of the difference between the total Disposal Fee and the initial payment) once 100% of all properties have been sold.
3. An Incentive Fee payable on completion of the Managed Wind-Down provided that gross disposal proceeds since 31 May 2024 are equivalent to not less than 90% of the Portfolio Value, consisting of:
  - a) 0.10% of gross disposal proceeds if 100% of the assets are sold by 28 May 2025, being 12 months after the General Meeting, or
  - b) 0.05% of gross disposal proceeds if 100% of the assets are sold by 28 November 2025, being 18 months after the General Meeting.
4. A Liquidation Fee of £35,000 per quarter from the time of Delisting until completion of the liquidation, to cover the costs of managing the corporate entities and undertaking the liquidation process.
5. A Marketing Fee of £17,500 per quarter until the appointment of the liquidator, to manage the Company's website and to engage with the Company's shareholders.

For the purposes of Chapter 11 of the Listing Rules, such that the proposed amendments to the management arrangements are classified as a smaller related party transaction under LR11.1.10R, the combined fees listed above will be capped at 4.99% of EPRA NTA as at 31 March 2024, although the Board expects the aggregate fees to be substantially lower than the cap.