abrdn
Private Equity
Opportunities Trust plc

(formerly Standard Life Private Equity Trust plc)

abrdn

Annual Report

30 September 2022
abrdnpeot.co.uk

Company number: SC216638

Making private
equity opportunities
available to all

abrdn
Private Equity
Opportunities Trust plc

Contents

abrdn

At a Glance

abrdn Private Equity Opportunities Trust plc (the "Company" or "APEO") is an investment trust with a premium listing on the London Stock Exchange.

APEO provides investors with exposure to leading private equity funds and private companies, mainly in Europe. It invests through the primary and secondary funds markets, and co-investments. Its investment objective is to achieve long-term total returns for investors and its policy is to maintain a broadly diversified portfolio by country, industry sector, maturity and number of underlying investments.

APEO has appointed abrdn Capital Partners LLP, a wholly owned subsidiary of abrdn plc, as its alternative investment fund manager ("AIFM") and Manager (the "Investment Manager" or the "Manager").

Launched 2001

FTSE 250 Company

Daily Traded

£1.16bn of Net Assets

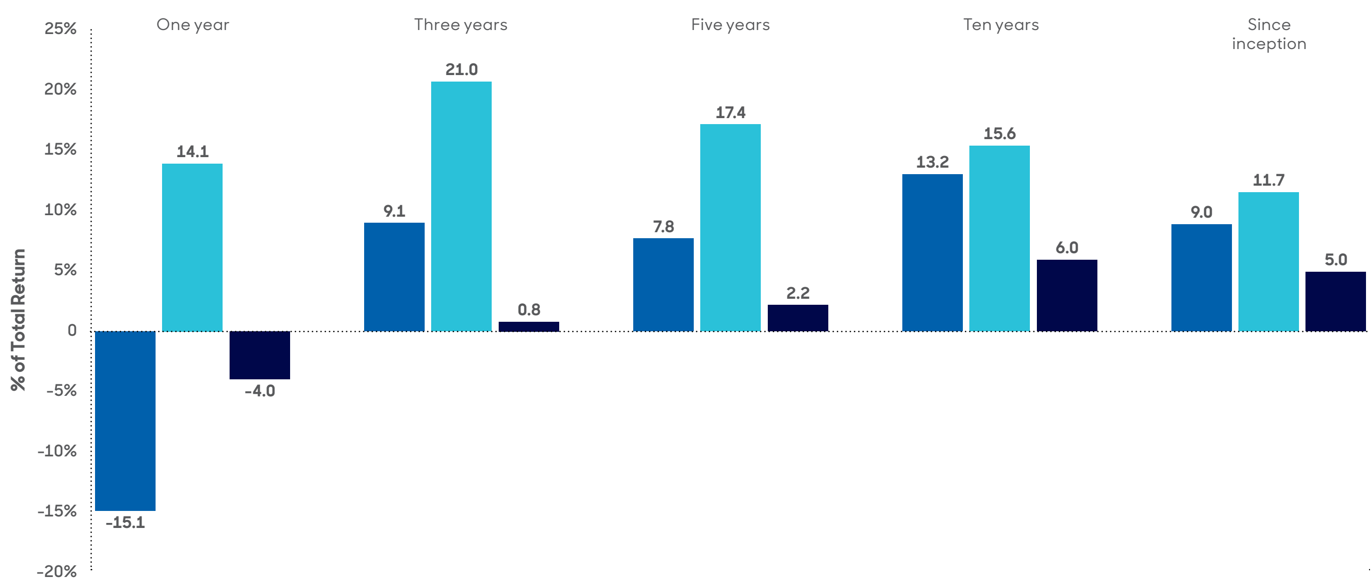
European Mid-market Focused

Invests Through Private Equity Funds and Co-investments

Key Performance Indicators

APEO has delivered Net Asset Value Total Returns ("NAV TR")*+ in excess of the wider UK public market over one, three, five and ten years, and since inception

APEO Total Return Growth Relative to the FTSE All-Share, its Comparator Index



Performance Highlights~

NAV Total Return*+
Year ended 30 September

2022	14.1%
2021	37.9%

Share Price Total Return*+
Year ended 30 September

2022	-15.1%
2021	60.6%

FTSE All-Share Index Total Return
Year ended 30 September

2022	-4.0%
2021	27.9%

Net Assets
As at 30 September

2022	£1,158.1m
2021	£1,036.0m

Share Price
As at 30 September

2022	410.0p
2021	498.0p

Expense Ratio*+
Year ended 30 September

2022	1.06%
2021	1.10%

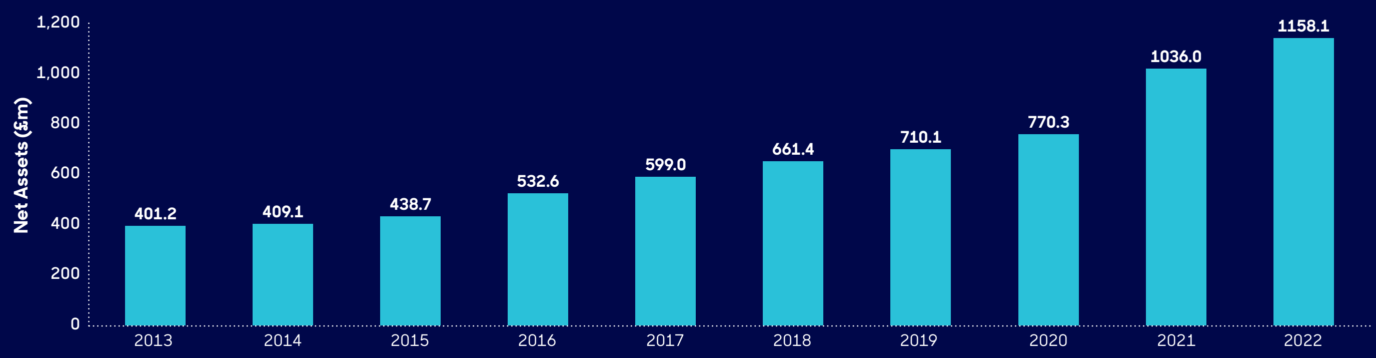
~ For definitions, please see Glossary on pages 113 and 114.
* Considered to be an Alternative Performance Measure. Further details can be found on pages 111 and 112.
\+ A Key Performance Indicator by which the performance of the Manager is measured by the Board.

Ten-year Financial Record

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Per share data˜										
NAV (diluted) (p)ˆ	243.4	257.4	281.6	346.4	389.6	430.2	461.9	501.0	673.8	753.2
Share price (p)	198.0	230.0	214.0	267.3	341.5	345.5	352.0	320.0	498.0	410.0
Discount to dilutedˆ NAV per Share (%)* +	(18.6)	(10.6)	(24.0)	(22.8)	(12.3)	(19.7)	(23.8)	(36.1)	(26.1)	(45.6)
Dividend per Share (p)	5.00	5.00	5.25	5.40	12.00	12.40	12.80	13.20	13.60	14.40
Expense Ratio (%)* + [1]	0.99	0.96	0.98	0.99	1.14[2]	1.10	1.09	1.10	1.10	1.06
Returns data										
NAV Total Return (%)* +	9.1	7.7	11.9	24.8	14.9	13.3	10.5	11.7	37.9	14.1
Total Shareholder Return (%)* +	23.4	19.1	(4.0)	27.9	31.9	5.8	5.7	(4.6)	60.6	(15.1)
Portfolio data										
Net Assets (£m)	401.2	409.1	438.7	532.6	599.0	661.4	710.1	770.3	1,036.0	1,158.1
Top 10 managers as a % of net assets[3]	68.4	65.0	65.2	65.0	58.9	63.6	67.9	67.8	62.9	65.1
Top 10 investments as a % net assets	51.7	52.9	48.6	45.9	47.7	48.4	53.9	48.3	40.3	35.6

Source: The Manager & Refinitiv
1 For further information on the calculation of the expense ratio, as well as the ongoing charges ratio of the Company, please refer to page 111.
2 The incentive fee arrangement ended on 30 September 2016. Following the end of the incentive fee period, a single management fee of 0.95% per annum of the NAV of the Company replaced the previous management and incentive fees.
3 The top 10 managers as a % of net assets do not strictly represent the current core private equity managers of the APEO portfolio.
* Considered to be an Alternative Performance Measure. Further details can be found on pages 111 and 112.
+ A Key Performance Indicator by which the performance of the Manager is measured by the Board.
ˆ There are no diluting elements to the net asset value per equity share calculation in 2022.
˜ For definitions, please see Glossary on pages 113 and 114.

Ten-year Growth in Net Assets



abrdn
Private Equity
Opportunities Trust plc

Overview

abrdn

abrdnpeot.co.uk

An Introduction to APEO

A diversified portfolio of private equity funds and co-investments principally focused on the European mid-market.

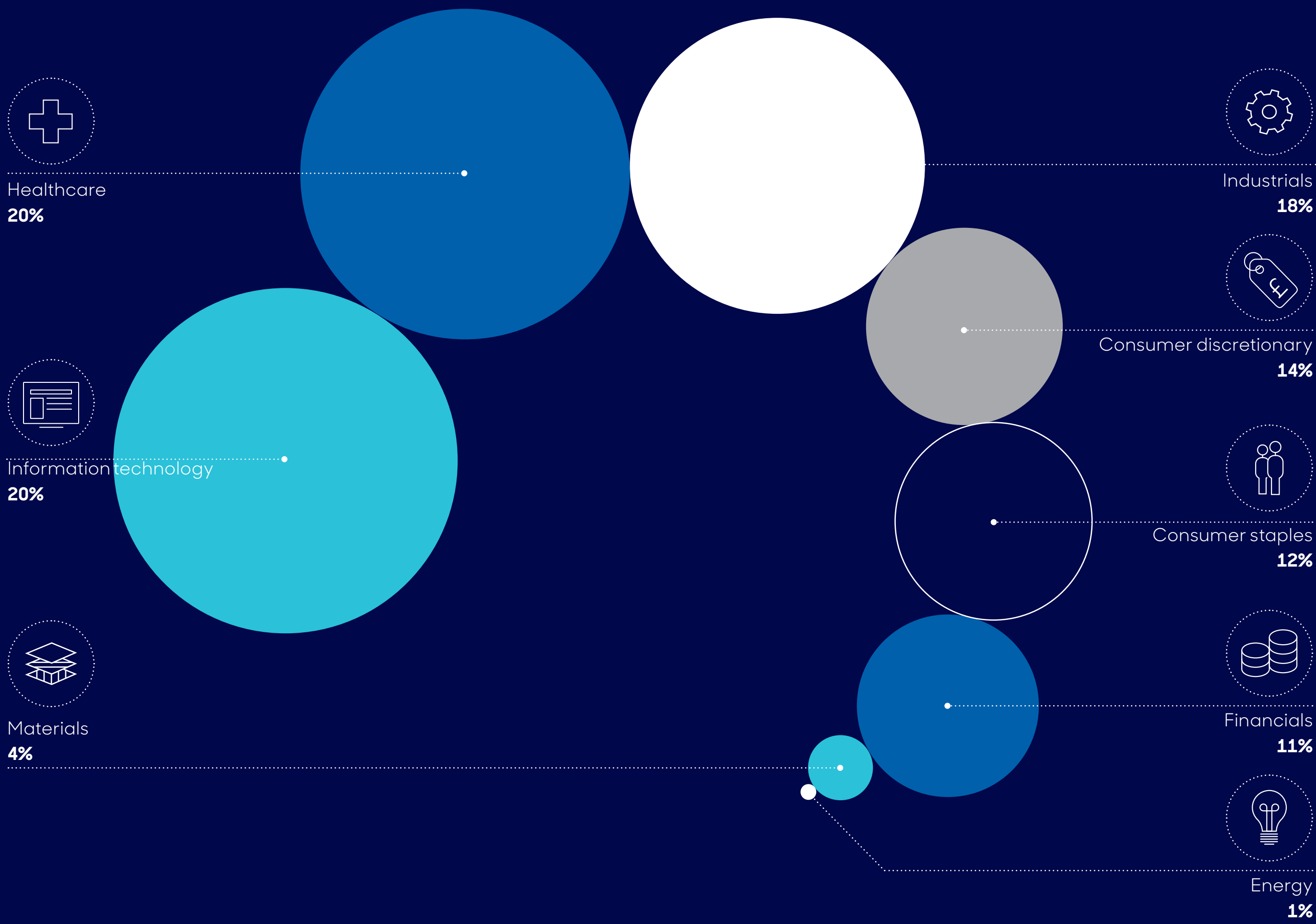
APEO partners with some of the leading private equity firms in Europe, through funds and co-investments. Our 12 core European private equity relationships represent around 59% of portfolio NAV.

PERMIRA, VITRUVIAN PARTNERS, Investindustrial, Nordic Capital, Triton, PAI PARTNERS, Advent International GLOBAL PRIVATE EQUITY, IK Partners, ArchiMed, capiton, Hg, ALTOR FUNDS

Through funds and co-investments, these private equity firms then invest into market-leading private companies, some of which are household names, but many of which are not widely known.

ACTION, Trustly, FRONERI, VISMA, Binding Site, European Camping Group, NAMSA, R1, Questel, Trioworld, NGE, boost.ai, SPORTPURSUIT, ACT, Tropicana, Mademoiselle Desserts, FUNECAP GROUPE, planet

This approach, developed over 21 years, has created a portfolio that provides underlying exposure to over 650 underlying private companies via funds and co-investments, well-balanced across sectors and vintages.



As at 30 September 2022. Based on the latest available information from underlying managers. Figures represent % of total value of underlying private company exposure. This excludes any underlying funds and co-investments held through the Company portfolio.

Strategic Report

Investment Strategy

APEO's investment objective is to achieve long-term total returns through holding a diversified portfolio of private equity funds and direct investments into private companies alongside private equity managers ("co-investments"), a majority of which will have a European focus.

Investment Policy
The Company: (i) commits to private equity funds on a primary basis; (ii) acquires private equity fund interests in the secondary market; and (iii) makes direct investments into private companies via co-investments. Its policy is to maintain a broadly diversified portfolio by country, industry sector, maturity and number of underlying investments.

The objective is for the portfolio to comprise around 50 "active" private equity fund investments; this excludes funds that have recently been raised, but have not yet started investing, and funds that are close to or being wound up. The Company may also invest up to 25% of its assets in co-investments.

The Company may also hold direct private equity investments or quoted securities as a result of distributions in specie from its portfolio of fund investments. The Company's policy is normally to dispose of such assets where they are held on an unrestricted basis.

To maximise the proportion of invested assets, the Company follows an over-commitment strategy by making commitments which exceed its uninvested capital. In making such commitments, the Manager, together with the Board, will take into account the uninvested capital, the value and timing of expected and projected cashflows to and from the portfolio and, from time to time, may use borrowings to meet drawdowns. The Board has agreed that the over-commitment ratio should sit within the range of 30% to 75% over the long-term.

The Company's maximum borrowing capacity, defined in its articles of association, is an amount equal to the aggregate of the amount paid up on the issued share capital of the Company and the amount standing to the credit of the reserves of the Company. However, it is expected that borrowings would not normally exceed 30% of the Company's net assets at the time of drawdown.

The Company's non-sterling currency exposure is principally to the euro and US dollar. The Company does not seek to hedge this exposure into sterling, although any borrowings in euros and other currencies in which the Company is invested would have such a hedging effect.

Cash held pending investment is invested in short-dated government bonds, money-market instruments, bank deposits or other similar investments. Cash held pending investment may also be invested in other listed investment companies or trusts. The Company will not invest more than 15% of its total assets in such listed equities.

The investment limits described above are all measured at the time of investment.

Portfolio Construction Approach

Investments made by APEO are typically with or alongside private equity firms with whom the Manager has an established relationship of more than 10 years.

As at 30 September 2022, APEO directly held 75 separate fund investments (2021: 64) comprising of primary and secondary fund interests, as well as 22 co-investments (2021: 13).

Through its portfolio of directly held investments, the Company indirectly has exposure to a diverse range of underlying private companies, as well as additional underlying fund of fund and co-investment interests. At 30 September 2022, APEO's underlying portfolio included exposure to 655 separate underlying private companies (2021: 578), 41 underlying fund investments (2021: 36) and 9 underlying co-investments (2021: 9).

APEO predominantly invests in European mid-market companies. Around 76% (2021: 79%) of the total value of underlying private company exposure[1] is invested in European domiciled operating companies and the Board expects this to remain the case over the longer term, with a weighting towards North Western Europe. This has been APEO's geographic focus since its inception in 2001 and where it has a strong, long-term track record. However, APEO also selectively seeks exposure to North American mid-market companies, as a means to access emerging growth or investment trends that cannot be fully captured by investing in Europe alone.

APEO has a well-balanced portfolio in terms of non-cyclical and cyclical exposure. Currently the largest single sector exposure represents 20% of the total value of underlying private company exposure[1] (2021: 21%) and it is expected that no single sector will be more than 30% of the portfolio over the longer term. Over time, the Manager anticipates a continuation of the recent shift toward sectors that are experiencing long-term growth (such as Technology and Healthcare) at the expense of more cyclical sectors, such as Industrial and Consumer Discretionary.

Environmental, Social and Governance ("ESG") is a strategic priority for the Board and the Manager. APEO aims to be an active, long-term responsible investor and ESG is a fundamental component of APEO's investment process. Further detail on the Manager's approach to ESG can be found on page 49.

1 Excludes underlying fund and co-investments indirectly held through the Company portfolio.

Chair's Statement

Alan Devine
Chairman

> "The portfolio has delivered a resilient NAV performance in the face of a challenging backdrop in both the global economy and financial markets."

Introduction

In my first year as Chair, I am delighted to present APEO's Annual Report & Accounts for the financial year to 30 September 2022, a year in which the portfolio has delivered a resilient NAV performance in the face of a challenging backdrop in both the global economy and financial markets. This performance is credited to our focused Investment Strategy, the capabilities of our Investment Manager, and an active Board.

2022 has been a year of some key milestones for APEO. Most notably, following shareholder approval at the AGM in early March, the Company changed its name from Standard Life Private Equity Trust plc to abrdn Private Equity Opportunities Trust plc to align itself with the Manager's rebrand. And, on the back of a sustained period of growth for shareholders, APEO was rewarded with a promotion to the FTSE 250 Index for the first time in its history.

Of course, I remain mindful that the macroeconomic environment and financial markets have changed materially in 2022, culminating in higher borrowing rates and inflationary price pressures. This will invariably result in a tougher period for both corporate earnings and the valuation environment in private equity. That said, APEO has held a focused and consistent strategy for over 21 years, and we continue to take comfort from the quality and diversified nature of the existing and evolving portfolio.

Investment Performance & Discount

The deterioration in public market sentiment during the year, including private equity investment trusts, led to share price pressures across the sector during 2022. Disappointingly, APEO's share price total return was -15.1% during the year to 30 September 2022 and therefore underperformed the -4.0% total return from the FTSE All-Share, APEO's comparator index, during the same period.

In contrast, APEO's NAV performance remained strong during the year, with NAV per share total return of 14.1%, outperforming the FTSE All-Share Index. This resilient NAV performance is testament to APEO's investment and relationship strategy, which has remained focused on partnering with a relatively small cohort of high-quality private equity firms, predominately in the European mid-market.

As a result of the contrast between the share price and NAV performance during the year, the share price discount to NAV at 30 September 2022 widened to 45.6%. The discount ranged between 11.2% and 46.7% during the year, and averaged 28.0%, which was slightly narrower than the 29.9% average of its close peer group.

The Board does not have a stated discount control policy. That said, the Board and Manager monitor the discount on a regular basis to ensure that APEO is not an outlier when compared to other investment companies with a similar investment approach and shareholder structure. The Board has bought back its own shares in the past and is seeking shareholder approval to do so again, as we keep this matter under active and careful consideration. Suffice to say there is always a balance to consider in terms of buying-back shares on an accretive discount and preserving cash liquidity for investment purposes. The Board is also cognisant of APEO's relatively concentrated shareholder register and, when considering buybacks, we are mindful of liquidity in the Company's shares, which we believe is a key long-term focus of our shareholders.

Commitments, Investments & Distributions

The 12 months ended 30 September 2022 was an active year for investment, continuing the momentum seen in 2021. APEO made commitments totalling £340.3 million (2021: £307.1 million). In line with our investment policy, these commitments were well across twelve new primary commitments (£257.2 million), two new secondary investments (£17.1 million), nine new direct co-investments (£65.7 million), and one follow-on investment in an existing co-investment. Of particular note is the fact that direct co-investment has continued to grow as a proportion of the portfolio and has now reached a portfolio of 22 underlying companies and 19.1% of portfolio NAV (2021: 13 underlying companies and 10.5% of portfolio NAV). Outstanding commitments at the year end amounted to £678.9 million (2021: £557.1 million).

APEO received £210.2 million of distributions (2021: £197.6 million) from underlying investments during the year, another annual record for APEO, exceeding the previous year's record total. The realised return from the ongoing investment operations of APEO's core portfolio equated to 2.2 times cost (2021: 2.8 times cost). In addition, APEO received an additional £15.7 million (2021: £1.1 million) from proceeds from secondary sales relating to two fund positions, meaning that APEO received a total of £225.9 million cash proceeds during the financial year (2021: £198.7 million). The Manager focused on reinvesting distributions into new investment opportunities during the year, amounting to total drawdowns of £253.6 million (2021: £184.2 million).

Dividends

APEO has paid three interim dividends of 3.6 pence per share and, in December 2022, the Board announced that a fourth interim dividend of 3.6 pence per share would be paid on 27 January 2023 to shareholders on the register on 23 December 2022. This will make a total dividend for the year to 30 September 2022 of 14.4 pence per share. This represents an increase of 5.9% on the 13.6 pence per share paid for the year to 30 September 2021.

Liquidity and Bank Facility

At the year end, APEO had cash and cash equivalents of £30.3 million (2021: £29.7 million). APEO also had £138.0 million remaining undrawn (2021: £200.0 million undrawn) on its £200.0 million revolving credit facility at 30 September 2022.

Following the year-end, the revolving credit facility was increased to £300.0 million and the maturity extended by a year to December 2025. The larger facility, provided by RBS International, Société Générale and State Street Bank International, will provide APEO with additional capacity for new investments in the months and years ahead.

£1,158.1m
net assets

(15.1)%
share price total return*+

14.1%
NAV per share total return*+

* Considered to be an Alternative Performance Measure. Further details can be found on pages 111 and 112.
\+ A Key Performance Indicator by which the performance of the Manager is measured by the Board.

Environmental, Social & Governance ("ESG")
The Board continues to believe that integrating ESG best practice into APEO's investment process will help to generate stronger, more sustainable returns for shareholders over the long term. Accordingly, the Board monitors the Manager's commitment to ESG factors closely and encourages it to stay close to the latest market developments in this area. The majority of our portfolio is managed by third-party managers and the Board takes comfort from the Manager's policy to invest only with private equity firms who the Manager believes are ESG market leaders or have a strong cultural commitment to improve their ESG credentials.

The Board has encouraged the Manager to continue to raise ESG standards across the industry and to publicise the work that it has done in this area. For further detail of the Manager's approach to ESG, including an ESG case study, see page 49.

Investment Manager
Each year, the Board, through the Management Engagement Committee, considers whether the continued appointment of the Manager is in the best interests of shareholders as a whole. Following its most recent review, the Board considers that the Manager continues to have suitably qualified personnel and robust operational processes to deliver APEO's investment objective over the long term for shareholders.

"I believe that the quality and diversification of the existing portfolio, and its strong balance sheet will help to position APEO well during these challenging market conditions and will allow APEO to continue to generate attractive long-term returns to shareholders in the coming years."

Board
Christina McComb retired from the Board following the conclusion of the AGM in March 2022. Christina served on the Board since 2013, the last 3 years as Chair. On behalf of the Board, I would like to thank Christina for her considerable contribution to APEO and wish her well in her future endeavours.

AGM and Manager's Presentation
The Board intends to hold APEO's AGM at the Balmoral Hotel, 1 Princes Street, Edinburgh, EH2 2EQ at 12:30pm on 22 March 2023. The meeting will include a presentation by the Manager and will be followed by lunch. This is a good opportunity for shareholders to meet the Board and the Manager and the Board encourages you to attend. The Notice of the Meeting is contained on pages 119 to 123.

Outlook
The broader financial markets and the outlook for the global economy have shifted materially during the year, with the developed economies of the world moving from a Covid-recovery phase in late 2021 to a much more challenging environment in 2022. Both the Board and the Manager expect this tough environment to persist in the short to medium term, which will continue to have an impact on the performance of APEO as inflationary pressures persist in the underlying portfolio companies and private equity valuations continue to experience headwinds.

I have always viewed private equity as a long-term asset class where new investment decisions are often made with a five-year time horizon in mind. Whilst the immediate road ahead appears more uncertain, the governance model of private equity has proved many times in the past, most notably during the global financial crisis of 2008-09, that it facilitates nimble and active

ownership and allows underlying businesses to adapt more quickly to changing market circumstances. Periods of market dislocation have previously offered up new and different opportunities for investment, which private equity firms have proved adept at generating and completing.

A key lesson from past crises is to ensure that you have ample balance sheet capacity to take advantage of these attractive new investment opportunities, particularly given distributions from private equity funds tend to slow down during these periods of dislocation. In that context, I'd again highlight that, following the financial year end, APEO increased the size of its revolving credit facility to £300.0 million.

With so much new capital having flowed into private equity in recent years and some recent dramatic shifts in the shape of investor portfolios, it is inevitable that investors will look to re-balance their asset allocations and portfolio weightings over the coming quarters, which in turn is beginning to fuel activity in the secondary market – APEO is well placed to take advantage of opportunities in this part of the market.

APEO has invested for over 21 years, emerging in the aftermath of the dot-com bubble, through the global financial crisis and the Covid-19 pandemic. Our strategy has historically worked through the cycle. I believe that the quality and diversification of the existing portfolio, and its strong balance sheet, will help to position APEO well during these challenging market conditions and will allow APEO to continue to generate attractive long-term returns to shareholders in the coming years.

Alan Devine
Chair
30 January 2023

Principal Risks and Uncertainties

The Board and Audit Committee carry out a regular and robust review of the risk environment in which APEO operates. The Board also identifies emerging risks such as a material change in the geopolitical or macroeconomic environment, or developments in climate change from an investor attitude or regulatory expectation, which might affect the APEO's underlying investments.

During the financial year, the outlook for the global economy changed. The world's developed economies moved from a Covid-19 recovery state to a much more challenging environment as geopolitical uncertainty impacted equity markets and inflation impacted the margins of underlying portfolio companies. Private equity valuations experienced high levels of pressure.

The Board has also discussed the potential impact of climate change with the Manager. APEO is committed to being an active, long-term responsible investor and ESG is a fundamental component of its investment process. The Manager commits APEO's capital with private equity managers who demonstrate strong adherence to ESG principles and processes or have a cultural commitment to improve their ESG credentials. Focus on climate change is part of that assessment (see page 49 for further information). The private equity industry is still relatively early in its response to climate change and the Manager is focused on engaging with its portfolio of private equity managers to help promote further positive change.

The Board is aware that there are a number of risks which, if realised, could have a material adverse effect on APEO and its financial condition, performance and prospects. The Board monitors APEO's principal and emerging risks regularly, alongside the Manager, and the operating and control environment in which APEO operates.

The Board considers its risk appetite in relation to each principal risk and monitors this on an ongoing basis. Where a risk is approaching or is outside the tolerance level, the Board will take action to manage the risk. Currently, the Board considers the risks to be managed within acceptable levels.

The principal risks faced by APEO relate to the Company's investment activities and these are set out on the next page.

Overview
Strategic Report
Investment Manager's Review
Corporate Governance
Financial Statements
Corporate Information

Increased risk   Reduced risk   Unchanged risk   ●○○ Low   ●●○ Medium   ●●● High

Risk	Definition	Tolerance	Mitigation/Update	
Market	a) Pricing risk – APEO is at risk of the economic cycle impacting listed financial markets and hence potentially affecting the pricing of underlying investments and timing of exits. b) Currency risk – APEO has a material proportion of its investments and cash balances in currencies other than sterling and is therefore sensitive to movements in foreign exchange rates.	●●○	a) The decline in publicly-listed equities during the year has put pressure on private equity valuations. Investments in APEO's portfolio are generally subject to private equity guidelines such as IPEV with respect of valuations. Private equity market deal activity has declined in 2022 and this expected to continue into 2023. This will likely extend the timing of some investment exits and distributions. Subsequent to the year end, APEO increased the size of its revolving credit facility to £300.0 million to help mitigate this risk. Inflation and interest rate rises have the potential to impact both the valuations of the existing underlying portfolio and the pricing of new investments in the future. Pricing risk is mitigated by APEO having a diversified portfolio of fund investments and co-investments. b) The Manager monitors APEO's exposure to foreign currencies and reports to the Board on a regular basis. It is not the APEO's policy to hedge foreign currency risk. APEO's non-sterling currency exposure is primarily to the euro and the US dollar. During the year ended 30 September 2022, sterling depreciated by 2.1% relative to the euro (2021: appreciated 5.5%) and depreciated by 17.2% relative to the US dollar (2021: appreciated 4.3%). This movement in the euro and the US dollar had a net positive impact on the net assets of APEO.	Increased risk
Liquidity	The risk that APEO is unable to meet short-term financial demands.	●○○	APEO manages its liquid investments to ensure that sufficient cash is available to meet contractual commitments and also seeks to have cash available to meet other short-term needs. Additional short-term flexibility is achieved through the use of the revolving multi-currency loan facility, which was extended to £300.0 million shortly after the financial year end. APEO had cash and cash equivalents of £30.3 million (2021: £29.7 million) as at 30 September 2022.	Unchanged risk
Over-commitment	The risk that APEO is unable to settle outstanding commitments to fund investments.	●●○	APEO makes commitments to private equity funds, which are typically drawn over three to five years. Hence APEO will tolerate a degree of over-commitment risk in order to deliver long-term investment performance. In order to mitigate this risk, the Manager ensures that APEO has appropriate levels of resources, whether through resources available for investment or the revolving credit facility, relative to the levels of over-commitment. The Manager will also forecast and assess the maturity of the underlying portfolio to determine likely levels of distributions in the near term. The Manager will also track the over-commitment ratio and ensure that it sits within the range, agreed with the Board, of 30% to 75% over the long term. At 30 September 2022 APEO had £678.9 million (2021: £557.1 million) of outstanding commitments, with £69.9 million (2021: £46.7 million) expected not to be drawn. The over-commitment ratio was 42.8% (2021: 32.5%).	Unchanged risk

Principal Risks and Uncertainties continued

↑ Increased risk ↓ Reduced risk ↔ Unchanged risk ●○○ Low ●●○ Medium ●●● High

Risk	Definition	Tolerance	Mitigation/Update	
Credit	The exposure to loss from failure of a counterparty to deliver securities or cash for acquisitions or disposals of investments or to repay deposits.	●○○	APEO places funds with authorised deposit takers from time to time and, therefore, is potentially at risk from the failure of such an institution. APEO's cash is held by BNP Paribas Securities Services S.A., which is rated 'A+' by S&P Global Ratings. The credit quality of the counterparties is kept under regular review. Should the credit quality or the financial position of these financial institutions deteriorate significantly, the Manager would move cash balances to other institutions.	↔
Investment selection	The risk that the Manager makes decisions to invest in funds and/or co-investments that are not accretive to APEO's NAV over the long term.	●●○	The Manager undertakes detailed due diligence prior to investing in, or divesting, any fund or co-investment. It has an experienced team which monitors market activity closely. APEO's management team has long-established relationships with the third party fund managers in the Company's portfolio which have been built up over many years. ESG factors are integrated into the investment selection process and the Board and the Manager believes that will improve investment decision making and help to generate stronger, more sustainable returns. Please see page 49 for more information on the Manager's approach to ESG and How We Invest.	↔
Operational	The risk of loss or a missed opportunity resulting from a regulatory failure or a failure relating to people, processes or systems.	●○○	The Manager's business continuity plans, and approach to cyber security risk, are reviewed on an ongoing basis alongside those of APEO's key service providers. The Board has received reports from its key service providers setting out their existing business continuity framework. Having considered these arrangements, the Board is confident that a good level of service will be maintained in the event of an interruption to business operations or other major event, including another global pandemic.	↔

APEO's financial risk management objectives and policies are contained in note 18 to the financial statements which can be found on pages 104 to 108 of this Annual Report.

Review of performance

An outline of the performance, market background, investment activity and portfolio during the year under review and the performance over the longer term, as well as the investment outlook, are provided in the Highlights, Chair's Statement, and Investment Manager's Review. Details of APEO's investments can be found on page 55. The ten largest investments are shown on page 53 and the top ten underlying private company investments are shown on page 59.

Stakeholder Engagement and Responsible Management

Section 172 Statement

The Board is required to describe how the Directors have discharged their duties and responsibilities over the course of the financial year following the guidelines set out in the UK under section 172 (1) of the Companies Act 2006 (the "s172 Statement"). This Statement on pages 18 and 19, provides an explanation of how the Directors have promoted the success of APEO for the benefit of its shareholders as a whole, taking into account the likely long-term consequences of decisions, the need to foster relationships with all stakeholders and the impact of APEO's operations on the environment.

Stakeholders

APEO is an investment trust and is externally managed, has no employees, and is overseen by an independent non-executive board of directors. The Board makes decisions to promote the success of APEO for the benefit of the shareholders as a whole, with the ultimate aim of delivering its investment objective to achieve long-term total returns.

The Directors set APEO's investment mandate, monitor the performance of all service providers (including the Manager), and are responsible for reviewing strategy on a regular basis. All this is done with the aim of preserving and enhancing shareholder value over the longer term.

The following section discusses how the actions taken by the Board work towards ensuring that the interests of all stakeholders are appropriately considered. In line with the FRC Guidance, this statement focuses on stakeholders that are considered key to APEO's business and does not therefore cover every one of APEO's stakeholders.

Shareholders

The Board is committed to maintaining open channels of communication and to engaging with shareholders. The Board seeks shareholder feedback in order to ensure that decisions are taken with the views of shareholders in mind. These shareholder communications include:

Annual General Meeting

The AGM provides an opportunity for the Directors to engage with shareholders, answer their questions and meet them informally. At the AGM there is typically a presentation on APEO's performance and the future outlook as well as an opportunity to ask questions of the Manager and Board. The next AGM will take place on 22 March 2023 in Edinburgh and the Board encourages shareholders to attend the AGM, and for those unable to attend, to lodge their votes by proxy on all of the resolutions put forward. For more information on how to lodge proxy votes in advance of the AGM, please see the How to Attend and Vote at Company Meetings section on page 116.

Shareholder Meetings

Unlike trading companies, shareholders in investment companies often meet representatives of the Manager rather than members of the Board. Feedback from the Manager's meetings with shareholders is provided to the Board at every meeting. The Chair, Senior Independent Director and other members of the Board are also available to meet with shareholders to understand their views at any time during the year.

Publications

APEO publishes a full annual report each year that contains a strategic report, governance section, financial statements and additional information. The report is available online and in paper format. APEO also produces a half-yearly report each year. The purpose of these reports is to provide shareholders with a clear understanding of APEO's activities, portfolio, financial position and performance. The Manager also publishes a Monthly Factsheet, and a Monthly Net Asset Value Statement. The purpose of these publications is to keep shareholders abreast of APEO's developments.

Investor Relations and Website

APEO subscribes to the Manager's Investor Relations programme (further details are on page 70). APEO's website contains a range of information and includes a full monthly portfolio listing of APEO's investments as well as podcasts and presentations by the Manager. Details of financial results, the investment process and Manager together with APEO announcements and contact details can be found at: abrdnpeot.co.uk.

Keeping in Touch

The Board encourages shareholder feedback and invites shareholders to write to the Board at its registered office. The Board has also set up an email account to encourage shareholders to write directly to the Board. Shareholders are invited to email any feedback or questions to the Board at APEOT.Board@abrdn.com. Any questions received will be replied to by either the Manager or Board via the Company Secretary.

The Manager

The Manager's performance is critical for APEO to achieve its investment objective and the Board maintains a close and constructive working relationship with the Manager. The Board meets the Manager at formal Board meetings five times per year and more regularly as necessary. The Board Members also keep in touch with the Manager informally throughout the year and receive reports and updates as appropriate. During the year, the Management Engagement Committee, on behalf of the Board, reviewed the continued appointment of Manager,

Overview
Strategic Report
Investment Manager's Review
Corporate Governance
Financial Statements
Corporate Information

and the terms of the Management Agreement, and believes that the continued appointment of the Manager is in the best interests of shareholders.

Suppliers

As an investment trust, APEO has outsourced its entire operations to third party suppliers. The Board is responsible for selecting the most appropriate outsourced service providers and, alongside the Investment Manager, monitors their services to ensure a constructive working relationship. The Board, through the Investment Manager, maintains regular contact with its key suppliers, namely the Company Secretary, the Administrator, the Registrar, the Depositary and the Broker, and receives regular reporting from them. The Board, via the Management Engagement Committee, ensures that the arrangements with service providers are reviewed at least annually. The aim is to ensure that contractual arrangements remain in line with best practice, services being offered meet the requirements and needs of APEO and performance is in line with the expectations of the Board, Manager, and other relevant stakeholders. The Audit Committee considers the internal controls at these service providers to ensure they are fit for purpose.

Debt Providers

On behalf of the Board, the Manager maintains a positive working relationship with RBS International, Société Générale and State Street Bank International, the providers of APEO's multi-currency revolving credit facility, and provides regular updates on business activity and compliance with its loan covenants.

Investment Managers, Funds and Companies

Responsibility for actively monitoring the activities of investment managers, funds and companies, which make up APEO's portfolio, has been delegated by the Board to the Manager.

On behalf of the Board and its stakeholders, the Manager invests in a carefully selected range of private equity managers, built from years of established relationships and proprietary research. The Manager assesses all investment opportunities and participates on the advisory boards of some investments.

The Board is responsible for overseeing the work of the Manager and this is not limited solely to the investment performance of the investments. The Board also has regard for environmental (including climate change), social and governance matters that subsist within the portfolio companies. Please see the Manager's approach to ESG on page 49 for more details.

Principal Decisions

Pursuant to the Board's aim of promoting APEO's long-term success, the following principal decisions were taken during the year:

- The Investment Manager's Review on pages 35 to 48 details the key investment decisions taken during the year. In the opinion of the Board, the performance of the investment portfolio is the key factor in determining the long-term success of APEO. Accordingly, at each Board meeting the Directors discuss performance in detail with the Investment Manager. As explained in more detail on page 69, during the year the Management Engagement Committee decided that the continuing appointment of the Manager was in the best interests of shareholders.
- During the year, the Board agreed to increase APEO's syndicated multi-currency revolving credit facility from £200.0 million to £300.0 million. The facility, which is provided by RBS International, Société Générale and State Street Bank International, was extended in October 2022, subsequent to the year end. The Board decided to extend the facility in light of the strong pipeline of investment opportunities in primary funds, secondaries and co-investments believing that an extended loan facility would allow the Manager to take advantage of emerging investment opportunities.
- The level of dividend to be paid to shareholders was carefully assessed during the financial year. The Board is pleased to have paid three quarterly dividends of 3.6 pence per share and to have announced a fourth quarterly dividend payment of 3.6 pence per share making a total dividend for the year to 30 September 2022 to 14.4 pence per share. This represents a dividend yield of 3.5%, based on the APEO Share Price at 30 September 2022, and is an increase of 5.9% on the 13.6 pence per share paid for the year to 30 September 2021.
- Following the Manager's sale of the Standard Life brand the Phoenix Group in May 2021, the Board agreed to recommend to shareholders that the Company change its name to abrdn Private Equity Opportunities Trust plc. Shareholders overwhelmingly voted in favour of the name change at the AGM in March 2022. The Board believes that the proposed name change aligns APEO with the Manager's new brand and comes at an exciting time in APEO's development.
- As reported in the Annual Report to 30 September 2021, the Board appointed Alan Devine as Chair on 22 March 2022, following Christina McComb's retirement from the Board. The Board agreed that Alan Devine is an experienced Board Member, having served as Senior Independent Director since 2019 and, has a breadth of experience in debt markets and private equity backed business.

Board Diversity

The Board's statement on diversity is set out in the Statement of Corporate Governance.

At 30 September 2022, there were three male and two female Directors on the Board.

Modern Slavery Act

Being a company that does not offer goods and services to customers and has no turnover, the Board considers that APEO is not within the scope of the Modern Slavery Act 2015. APEO is therefore not required to make a slavery and human trafficking statement. In any event, the Board considers APEO's supply chains, dealing predominantly with professional advisers and service providers in the financial services industry, to be low risk in relation to this matter.

Streamlined Energy and Carbon Reporting ("SECR") Statement: Greenhouse Gas Emissions and Energy Consumption Disclosure

APEO has no employees, premises or operations either as a producer or provider of goods and services. Therefore, it is not required to disclose energy and carbon information as there are zero emissions associated or attributed to the Company and no underlying global energy consumption.

Viability Statement

The Board has decided that five years is an appropriate period over which to consider its viability. The Board considers this to be an appropriate period for an investment trust company with a portfolio of private equity investments and the financial position of the Company.

In determining this time period the Directors considered the nature of APEO's commitments and it's associated cash flows. Generally the private equity funds and co-investments in which APEO invests call monies over a five year period, whilst they are making investments, and these drawdowns should be offset by the more mature funds and co-investments, which are realising their investments and distributing cash back to APEO. The Manager presents the Board with a comprehensive review of APEO's detailed cash flow model on a regular basis, including projections for up to five years ahead depending on the expected life of the commitments. This analysis takes account of the most up to date information provided by the underlying managers, together with the Manager's current expectations in terms of market activity and performance.

The Directors have also carried out an assessment of the principal risks as noted on pages 15 to 17 and discussed in note 18 to the financial statements that are facing APEO over the period of the review. These include those that would threaten its business model, future performance, solvency or liquidity such as over-commitment, liquidity and market risks. When considering the risks, the Board reviewed the impact of stress testing on the portfolio, including multiple downside scenarios which modelled a reduction in forecast distributions from 50% to 100% in an extreme downside case and the impact this would have on liquidity and deployment. Under an extreme downside scenario which involved i) a 100% reduction in forecast distributions over a 12 months period; ii) all underlying General Partner debt facilities being drawn simultaneously; and iii) a 25% reduction in portfolio valuations spread over a period of 12 months, a significant adjustment to planned deployment would be required to maintain sufficient liquid resources over the financial year to 30 September 2023 and over the period through to January 2024. From January 2024 onwards, the implied resumption of forecast distribution activity then provides sufficient liquidity in this extreme downside scenario.

By having a portfolio of predominantly fund investments, diversified by manager, vintage year, sector and geography; by assessing market and economic risks as decisions are made on new commitments; and by monitoring APEO's cash flows together with the Manager, the Directors believe APEO is able to withstand economic cycles. The Directors are also aware of APEO's indirect exposure to ongoing risks through underlying funds.

These are continually assessed by the Manager monitoring the underlying managers themselves and by participation on a number of fund advisory boards.

Based on the results of this analysis, and the ongoing ability to adjust the portfolio, the Directors have a reasonable expectation that APEO will be able to continue in operation and meet its liabilities as they fall due over the five year period following the date of this report.

Future Strategy

The Board intends to maintain the strategic policies set out in the Strategic Report for the year ending 30 September 2023 as it is believes that these are in the best interests of shareholders.

Long-Term Investment

The Manager's investment process seeks to outperform its comparator index over the longer term. The Board has in place the necessary procedures and processes to continue to promote APEO's long-term success. The Board will continue to monitor, evaluate and seek to improve these processes as APEO continues to grow over time, to ensure that the investment proposition is delivered to shareholders and other stakeholders in line with their expectations.

On behalf of the Board

Alan Devine
Chair
30 January 2023

Investment Manager's Review

The key pillars that have guided our business for more than 21 years and differentiate us in our industry.

Access

Expertise

Consistency

Focus

Access

APEO gives investors access to high quality private equity managers and private companies

Making Private Equity an essential Part of Every Portfolio
Private equity can be a challenging asset class to access and navigate.

Our long-term market presence and local networks provide us with insights and relationships that, we believe, unlock some of the best opportunities for investment in private equity funds and co-investments, alongside our core private equity managers. We work hard to find and foster these relationships so we become strong and reliable partners to these core managers. This enables us to build and maintain a diversified and high quality portfolio of underlying private companies.

As an investment trust listed on the London Stock Exchange, APEO offers shareholders an opportunity to invest in these private equity funds and co-investments for as little as the price of one share. As APEO's shares are listed on the London Stock Exchange, they provide daily tradable access to an asset class which is normally relatively illiquid.

European private equity can be challenging for many investors to access, as illustrated below:

Finding the Best Opportunities
With over 3,000 private equity firms in Europe*, identifying the best opportunities can be daunting.

Hard to Analyse
Conducting analysis on private equity investments is complex and challenging without material investment resources and experience.

Size
Leading private equity funds typically have a minimum investment amount of €5m-€20m per fund.

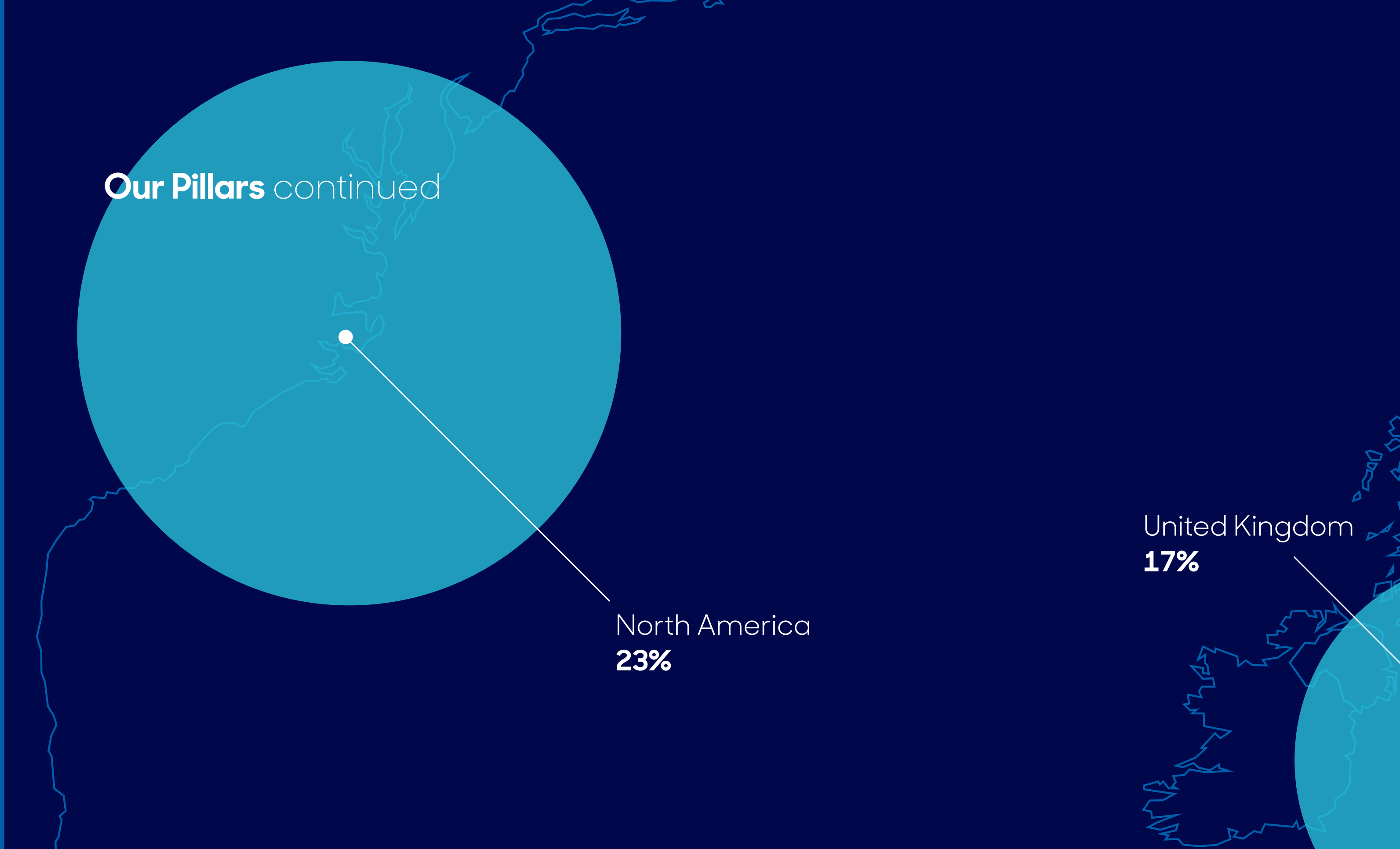
Investor Demand
The best funds are often oversubscribed and closed to new investors.

Complexity
Lots of different types of investment structures which requires investors to take expert advice (legal, tax), at the outset and on an ongoing basis.

Liquidity
Daily liquidity is not available unless invested in a vehicle such as a listed investment trust.

* Source: Preqin, as at 30 June 2022.

Our Pillars continued



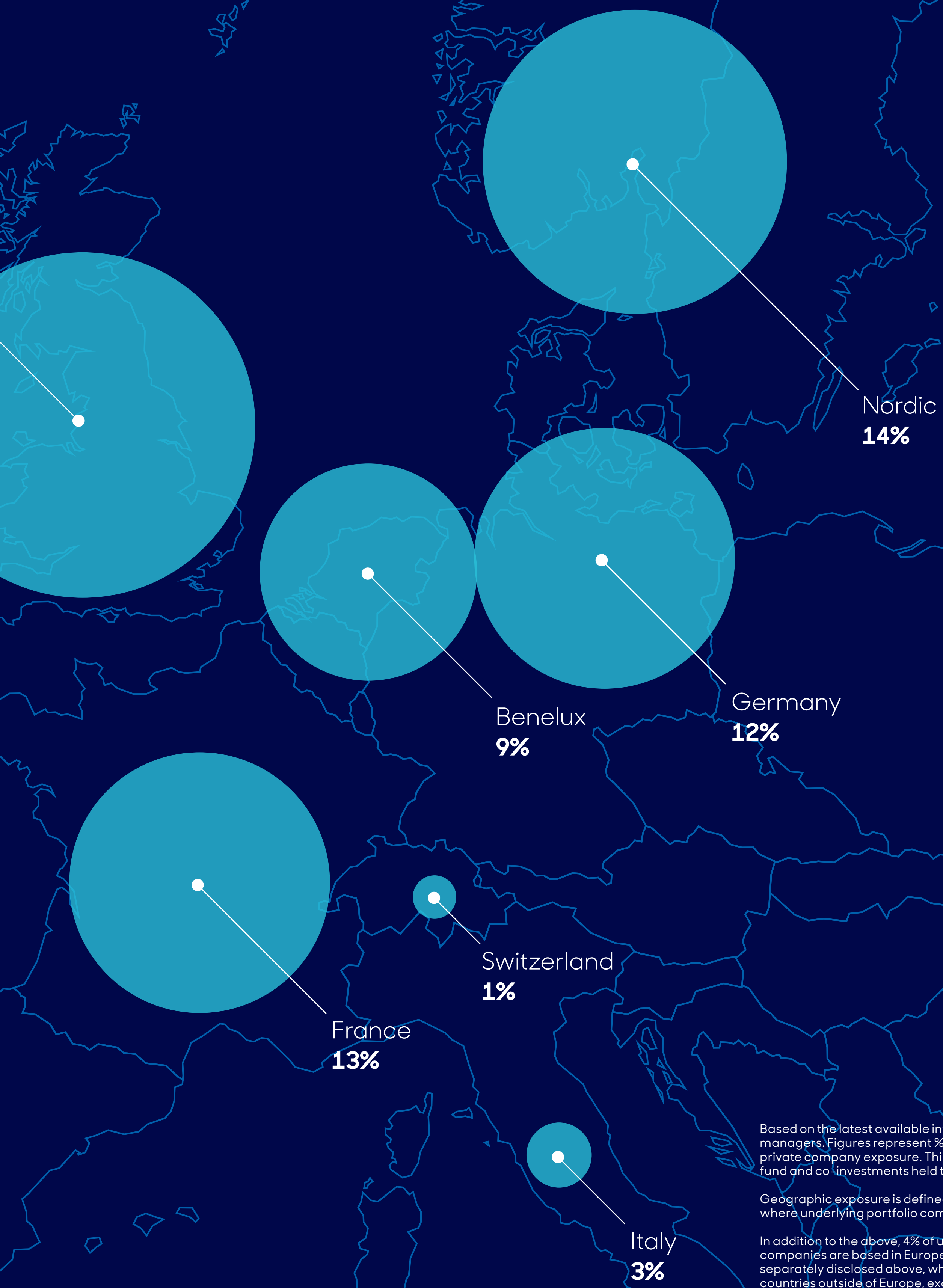
Expertise

The Investment Management team has specialist knowledge in European markets

The Investment Manager has a large and well established team of investment professionals. They have managed APEO for over 21 years, since its inception, and have generated consistent performance over that time.

The European private equity market is a complex investment arena, with multiple strategies and managers to choose from, not to mention the different cultural and technical nuances across the various countries. The Investment Manager's specialist expertise is a key asset in navigating these complexities and honing in on the best private equity managers, funds and co-investments for our shareholders.

Alongside our European focus, we also have exposure to the North American market through our European managers and selectively through North American focused funds.



Based on the latest available information from underlying managers. Figures represent % of total value of underlying private company exposure. This excludes any underlying fund and co-investments held through APEO's portfolio.

Geographic exposure is defined as the geographic region where underlying portfolio companies are headquartered.

In addition to the above, 4% of underlying portfolio companies are based in European countries not separately disclosed above, while 1% are based in countries outside of Europe, excluding North America.

APEO has no Russian, Ukrainian or Belarussian headquartered companies. These three countries make up less than 1% of the underlying company revenues.

abrdn
Private Equity
Opportunities Trust plc

abrdn

abrdnpeot.co.uk

Focus

The APEO portfolio is focused on one of the most established and consistently performing parts of the growing private markets universe.

Our objective is to build and manage a carefully selected and continually evolving portfolio of the best managers, funds and co-investments available in the European private equity market.

Diversification is a well-recognised means of managing investment risk and we achieve that through a portfolio of around 50 "active" private equity fund investments, that in turn have exposure to over 650 underlying portfolio companies. But we also believe it is important to have conviction and to concentrate our firepower. We do this by selecting and focusing our capital with a group of a dozen or so core buyout managers and partnering with them through primary commitments to their funds, providing liquidity to their investors through secondary transactions and making direct co-investments alongside them in private companies.

European Private Equity Market Statistics

$848.5bn[1]
European Private Equity AUM[2]

3,456[1]
European based Private Equity Firms[3]

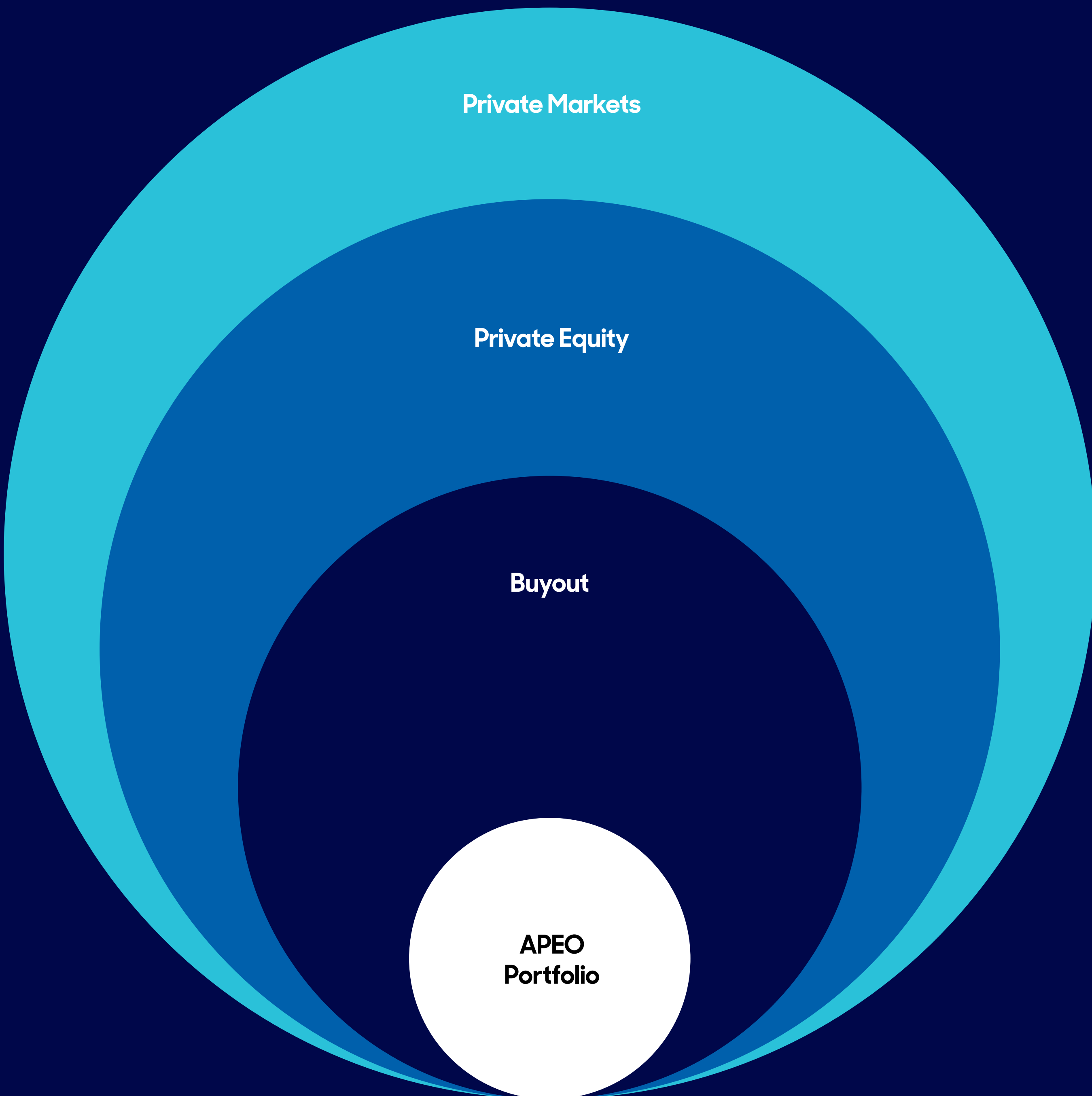
12
APEO Core Managers

1 As at 30 June 2022. Source: Preqin.
2 European private equity AUM (NAV plus dry powder) (buyout, growth, turnaround).
3 European based Private Equity Firms (buyout, growth, turnaround.

59%
portfolio NAV allocated to 12 core European managers

APEO's Selective Approach in Large Private Markets Universe

The APEO portfolio is focused on one of the most established and consistently performing parts of the growing private markets universe.

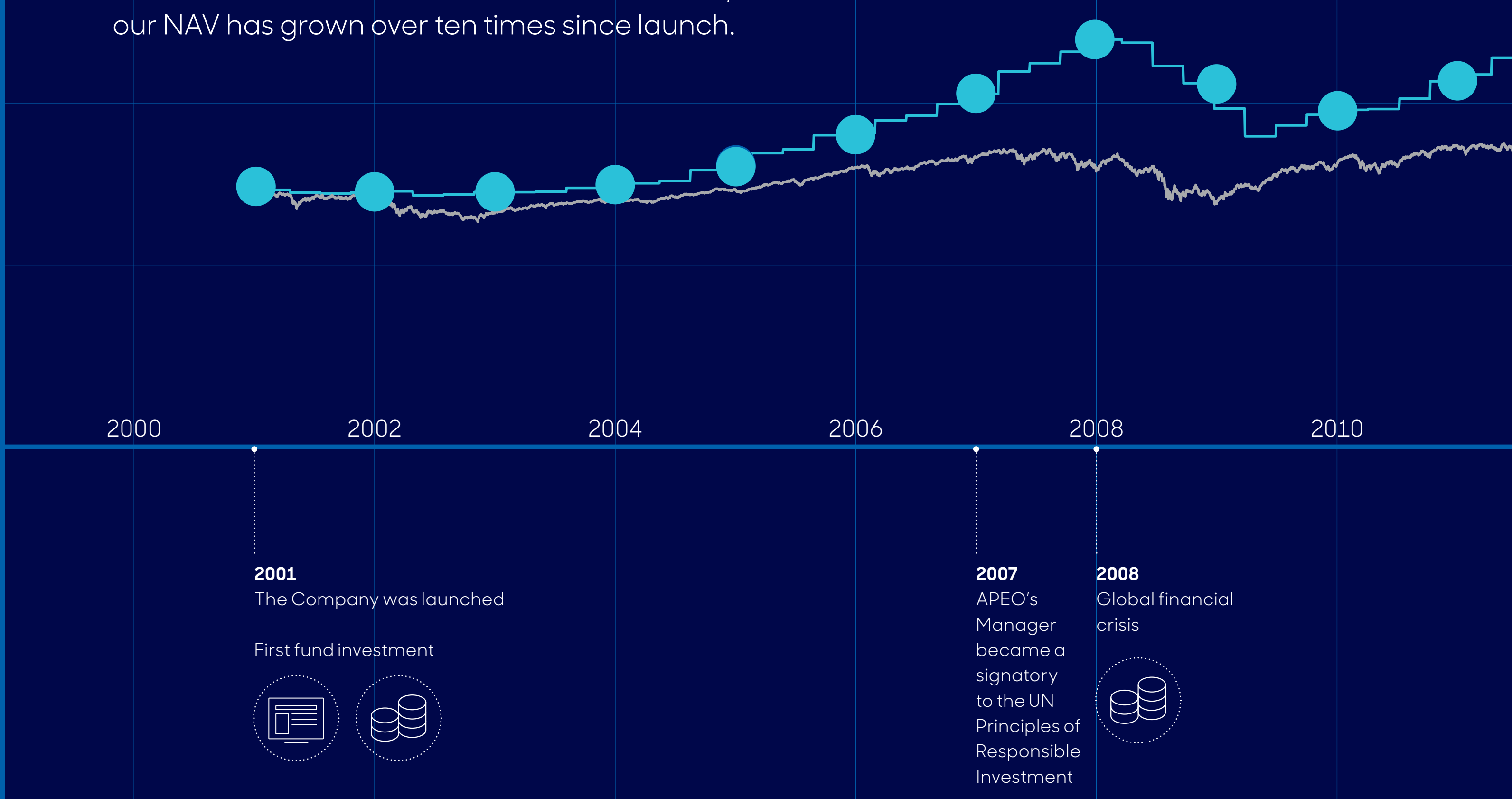


Consistency

APEO has a history and track record of more than 20 years

We take a rigorous and disciplined approach to investment analysis that delivers consistent long term investment returns across market cycles.

Private equity is often perceived to be a risky business, but our historic track record proves that steady NAV performance and consistent growth are possible. What's more, stability does not have to translate into reduced returns; our NAV has grown over ten times since launch.



A History and Track Record of More Than 20 Years

Our NAV has grown over through multiple market cycles.

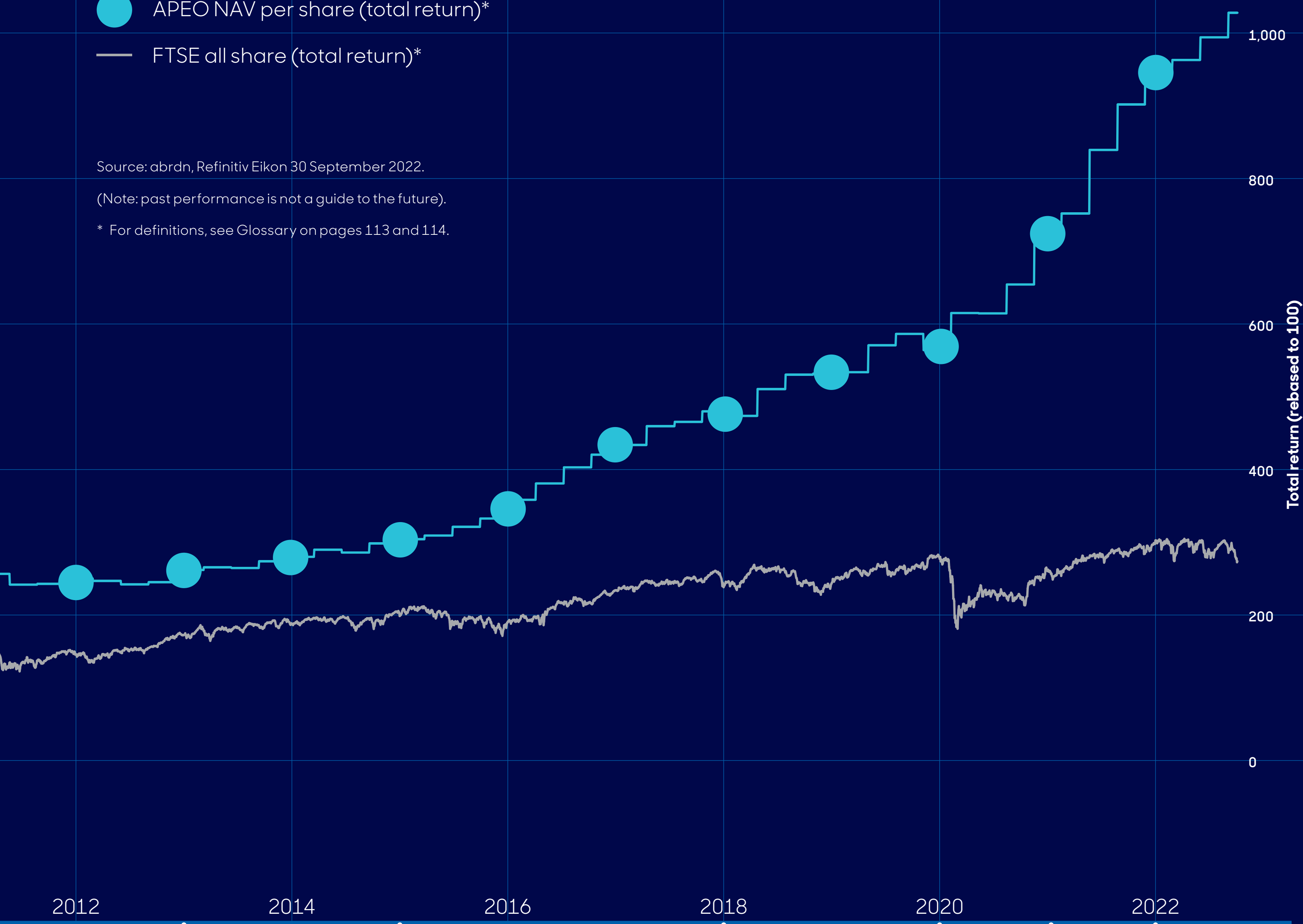
APEO NAV per share (total return)*

FTSE all share (total return)*

Source: abrdn, Refinitiv Eikon 30 September 2022.

(Note: past performance is not a guide to the future).

* For definitions, see Glossary on pages 113 and 114.



2013
First secondary commitment

2015
First ESG survey

2018
First co-investment

2020
Brexit

Covid-19 pandemic

£200m Revolving Credit Facility

2021
NAV exceeds £1bn

2022
Russia Ukraine war

Introduction to the Manager

We are a highly experienced investment management team with specialist knowledge of the private equity market.

APEO team and senior investment resource structure

Alan Gauld
Lead Portfolio Manager

Mark Nicholson
Head of Primaries

Patrick Knechtil
Head of Secondaries

APEO Team

- Three Senior Lead Managers.
- Three Further Investment Professionals.
- Two Finance Professionals.
- Five Marketing and Investment Trust Specialists.

Wider Investment Team

- European and North American primary, secondaries and co-investment teams.
- Provides broad market coverage and sourcing capability.
- Supported by private equity-specific ESG, legal and back-office personnel.
- In-house Listed Private Equity expertise.

Governance

- Portfolio Management Committee. Investment Committee process.
- Pipeline review and cash flow monitoring.
- ESG Forum.
- Annual geographic regional reviews.
- Weekly work-in-progress meetings.
- APEO Valuation Committee.

abrdn Private Equity in Numbers

>£11bn
AUM

41
investment professionals

>1,000
fund commitments and co-investments

>21
years APEO Manager

How We Invest

In order to achieve the investment objective, maintain a balanced portfolio and take advantage of opportunities as they arise, APEO invests in three types of private equity investment:

1.
Primary Investment
APEO commits to investing in a new private equity fund. The committed capital will generally be drawn over a three to five year period as investments in underlying private companies are made. Proceeds are then returned to APEO when the underlying companies are sold, typically over a four to five year holding period.

Primary investment has been the core focus of APEO's Investment Objective since its inception in 2001. Primary investments can provide APEO with:

- consistent exposure to leading private equity managers;
- underlying portfolio diversification;
- a steady, predictable cashflow profile; and
- help drive APEO's dealflow in secondaries and co-investments.

2.
Secondary Investment
APEO acquires a single fund interest or a portfolio of fund interests from another investor, with the prior approval of the private equity managers of the target funds. APEO pays the seller a cash amount for the interests and takes on any outstanding commitments to the target funds.

Typically this would occur at a point where the target funds have already invested the majority of its capital. The price paid in this type of transaction will reflect the age profile of the funds, the quality of the managers and the quality of the underlying portfolios. Secondaries allow the Manager to gain exposure to funds of new or existing managers a later stage in a fund's life.

Therefore they typically have a shorter investment duration than a primary investment. Secondaries are opportunistic in nature and their availability is dependent on multiple market and deal-specific factors.

3.
Co-investment
APEO makes direct investments into private companies alongside other private equity managers. APEO's strategy is to invest alongside private equity managers with which abrdn Private Equity has made a primary investment.

Co-investment was introduced to the Investment Objective in 2019. The Manager is seeking to build a diversified portfolio of around 30 co-investments in order to mitigate concentration risk.

Investment Manager's Review

"We are delighted by APEO's performance during the year, but we remain cautious as we look ahead."

Alan Gauld
Lead Portfolio Manager

Summary of the year
The portfolio has shown strong performance during the financial year, in spite of headwinds in the broader financial markets and the uncertain global economic backdrop. APEO's 21-year-old strategy of partnering with a small group of top performing private equity firms, focusing on underlying businesses in the mid-market (enterprise values between £100 million and £1 billion) and targeting diversification across a range of resilient sectors continues to position it well. This has been reflected in continued strong trading in the underlying portfolio and robust realisation activity, helping APEO to deliver a NAV TR of 14.1% during period, an outperformance of 18.1% to the FTSE All-Share, which declined by -4.0%.

A large part of this performance relates to the record realisation activity that APEO has seen during the year. The Company received £210.2 million of distributions from underlying funds during the year (2021: £197.6 million), exceeding the record total seen in the prior year. These realisations came at an average uplift of 20% when compared with the unrealised valuation two quarters prior, therefore driving valuation increases. Notable exits in the portfolio were General Life (European fertility clinic group), Benvic (European developer and producer of thermoplastic solutions) and Sbanken (Norwegian online bank).

The portfolio of private companies continues to perform well, with the top 50 largest underlying portfolio companies by value showing average revenue and EBITDA growth of 23% and 24% respectively in the twelve months to 30 September 2022.

Highlights

1. Performance
APEO has shown strong annual Net Asset Value ("NAV") growth in spite of the difficult backdrop in both the global economy and financial markets. NAV total return ("NAV TR") for the year to 30 September 2022 was 14.1% versus -4.0% for the FTSE All-Share Index. The valuation of the underlying portfolio increased by 10.5% during the period (excluding FX).

2. Investment Activity
APEO made twelve new primary investments, nine new direct co-investments and two new secondary investments during the year. Direct co-investment has continued to grow as a proportion of the portfolio and has now reached a portfolio of 22 underlying companies and 19.1% of NAV.

That has helped drive the resilient valuation performance in the unrealised book, in spite of declining listed market comparable multiples. We are particularly pleased about progress in APEO's co-investment portfolio, which has seen a valuation uplift of 51.8% on a constant currency basis during the year. The co-investment portfolio now stands at 22 underlying companies and 19.1% of NAV, close to our target of 25%.

The impact of listed equity market declines seen in 2022 has been most apparent in the publicly listed company exposures APEO has. As a reminder, the Company is not a long-term holder of listed shares but saw strong IPO activity in the portfolio in 2021, with successful listings including Moonpig (UK-based online gifting business), Dr Martens (leading consumer footwear brand) and Inpost (self-service lockers for ecommerce consumers). Listed companies equated to 12.4% of the portfolio at the beginning of the financial year. Through a combination of realisations and a decline in the aggregate value of this cohort over twelve months to 30 September 2022, listed companies now equate to 5.4% of the portfolio.

The war in Ukraine had a minimal direct impact on APEO during the year. The Company has no Russian, Belarussian or Ukrainian headquartered businesses in its portfolio of 655 separate underlying companies. In addition, through discussions with the private equity managers in APEO's portfolio, we estimate that revenues from these countries accounted for less than 1% of aggregate underlying portfolio company revenues at the start of the financial year, and have declined further since then. That said, the indirect impacts are materialising in the portfolio, mainly through the war exacerbating already elevated energy and raw materials pricing, impacting upon the margins of many of APEO's underlying businesses.

On the new investment side, the 12 months ended 30 September 2022 was another active year for investment. APEO made commitments totalling £340.3 million (2021: £307.1 million), with twelve new primary investments, two secondary investments, nine direct co-investments and one follow-on investment in an existing co-investment. These new fund commitments are aligned with our long-term strategy of backing private equity firms that have a mid-market orientation and have proven expertise within one or more specified sectors. As aforementioned, we are delighted with the strong deployment in co-investments during the year and the good balance in deployment across our key sectors. Whilst secondary deployment in the year was modest relative to primary and co-investment, we are excited by the potential of the two new investments and see a window of strong secondary opportunities emerging as we move into the new financial year.

In terms of cashflows, the aforementioned exit activity has helped drive record levels of distributions. The realised return

23%

Revenue Growth˜

24%

EBITDA Growth˜

20%

Average Valuation Uplift˜

˜ For definitions, please see Glossary on pages 113 and 114.

3. Realisations

The portfolio generated record levels of realisations (distributions and secondary sales) during the year under review, with distributions of £210.2 million (30 September 2021: £197.6 million). In addition, APEO received an additional £15.7 million (2021: £1.1 million) from proceeds from secondary sales relating to two fund positions.

4. Outstanding Commitments

Outstanding commitments at the year-end amounted to £678.9 million (2021: £557.1 million). The over-commitment ratio of 42.8% at year-end (2021: 32.5%) was at the lower end of APEO's target range (30-75%).

5. Balance Sheet

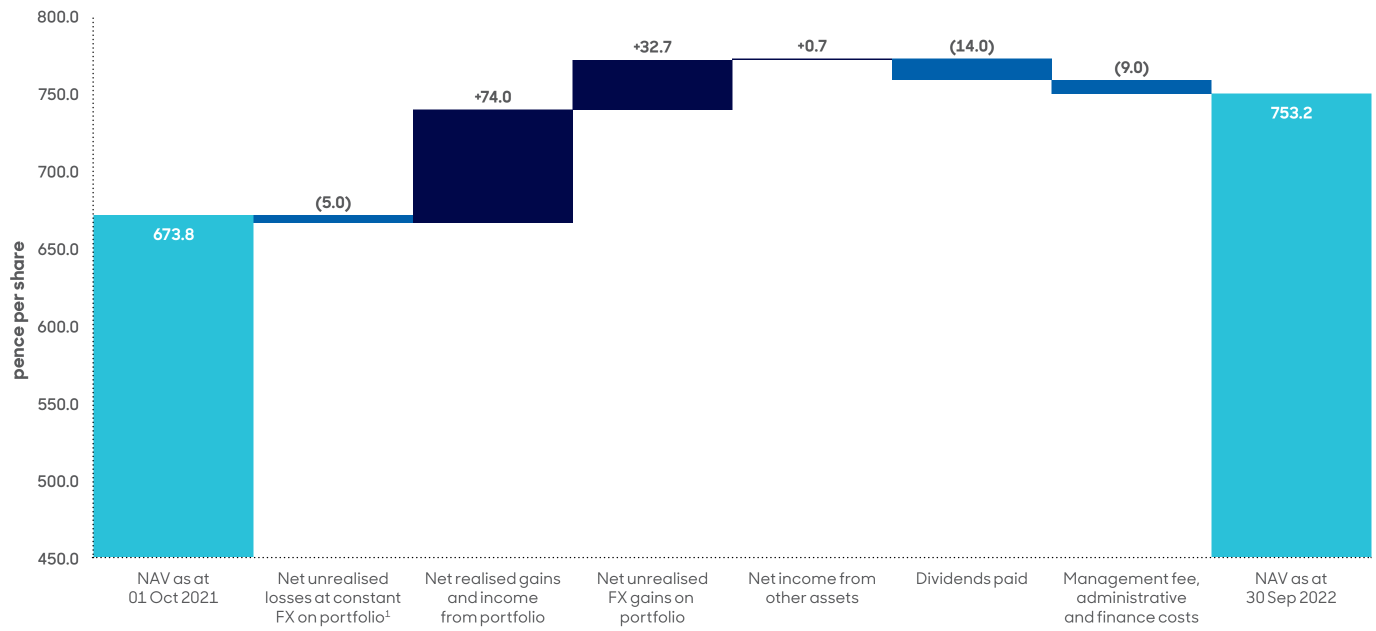
APEO had cash and cash equivalents of £30.3 million (2021: £29.7 million) at year-end. APEO also had £138.0 million remaining undrawn on its £200.0 million revolving credit facility at 30 September 2022 (2021: £200.0 million undrawn). Following year-end, the revolving credit facility was increased to £300.0 million in size and extended in duration by a year (to December 2025).

from the ongoing investment operations of APEO's core portfolio equated to 2.2 times cost (2021: 2.8 times cost).

In addition, APEO received an additional £15.7 million (2021: £1.1 million) from proceeds from secondary sales relating to two fund positions, meaning that APEO earned a total of £225.9 million cash proceeds during the financial year (2021: £198.7 million). We have focused on reinvesting distributions into new investment opportunities during the period, and therefore drawdowns during the year totalled £253.6 million (2021: £184.2 million). This figure includes £74.7 million of new co-investment and secondaries, which is deployment directly under the Manager's control.

The balance sheet remains in a strong position with cash and cash equivalents of £30.3 million (2021: £29.7 million). APEO also had £138.0 million remaining undrawn on its £200.0 million revolving credit facility at 30 September 2022 (2021: £200.0 million undrawn). We are also delighted that, immediately following the year-end, the revolving credit facility was increased to £300.0 million and the maturity extended by a year to December 2025. The larger facility, provided by RBS International, Société Générale and State Street Bank International, will provide APEO with ample liquidity for new investments in the months and years ahead.

Performance



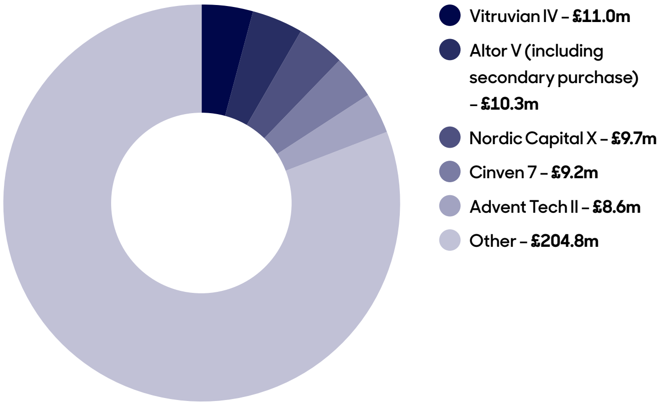
1 Includes the reversal of previously recognised unrealised gains that have realised during the financial year and are therefore included in Net realised gains and income from portfolio.

The NAV TR for the year ended 30 September 2022 was 14.1% versus -4.0% for the FTSE All-Share Index. The valuation of the portfolio at 30 September 2022 increased 10.5% on the prior year on a constant currency basis, with a further increase of 5.1% attributable to FX gains during the year, principally due to the weakness of pound sterling compared to US dollar and the Euro.

The increase in value of the NAV on a per share basis was 79.4p. This was principally made up of unrealised and realised gains and income of 102.4p, partially offset by dividends and costs associated with management fee, administrative and financing of 23.0p.

The unrealised gains in the year are attributable to the strong performance of the underlying portfolio. At 30 September 2022 the top 50 largest underlying portfolio companies by value in APEO exhibited average last twelve months ("LTM") revenue and EBITDA growth of 23% and 24% respectively. Realised gains were derived from full or partial sales of companies during the 12-month period, which were at an average uplift of 20% to the unrealised value two quarters prior.

Drawdowns



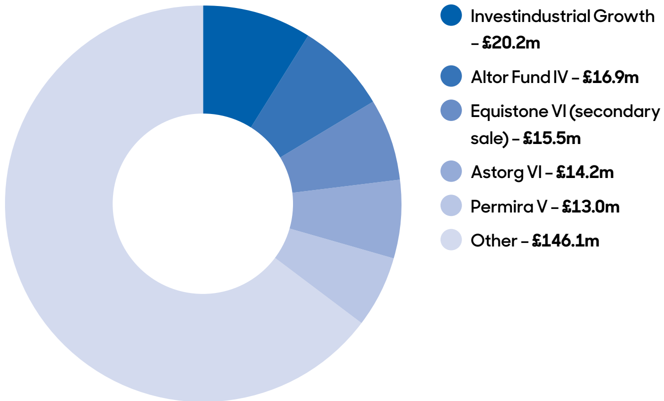
During the year £253.6 million was invested into existing and new underlying companies. £176.7 million of this figure related to primary fund drawdowns, with the remainder related to co-investment and secondary deployment, which are fully under the control of the Manager and as planned. Secondary and co-investment activity are covered in detail later in the review.

Primary fund drawdowns during the year were mainly used to fund new underlying investments into portfolio companies, with notably large drawdowns relating to the following new portfolio companies:

- **CFC Underwriting (Vitruvian IV)** – global leader and category innovator in the cyber security insurance market;
- **Inovalon (Nordic Capital X)** – US-based provider of cloud-based healthcare software and data analytics;
- **BioAgilytix (Cinven 7)** – global healthcare contract research organisation;
- **McAfee (Advent Tech II)** – global provider of cyber security protection; and
- **STARK Group (CVC Fund VII)** – distributor of heavy building materials in Northern Europe.

We estimate that APEO had around £113.3 million held on underlying fund credit facilities at 30 September 2022 (30 September 2021: £47.3 million), and we expect that this will all be drawn over the next 12 months.

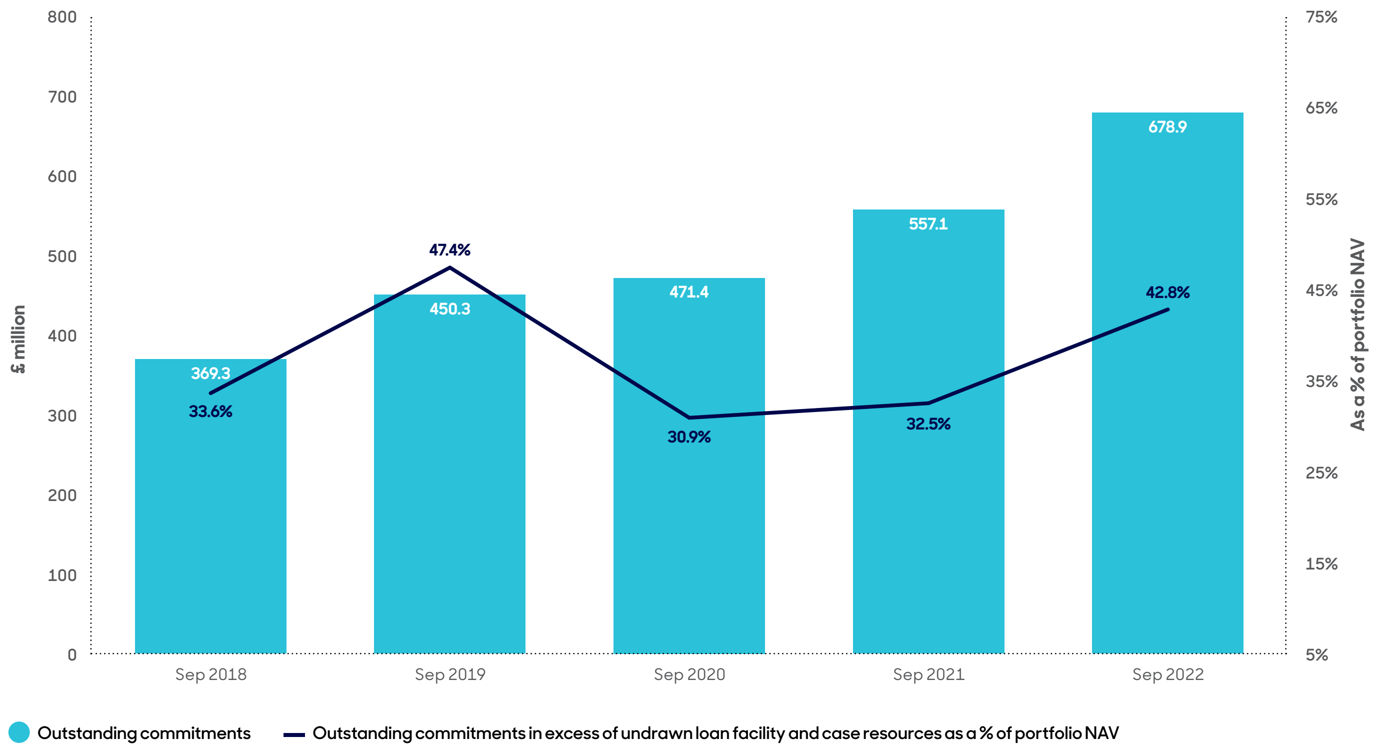
Realisations



£210.2 million of distributions were received from funds during the year, which is a record annual total for APEO. Exit activity was driven by the strong market appetite for high quality private companies in resilient sectors following the global pandemic. Both trade and financial buyers remain active during the period, albeit the demand for IPOs declined significantly in the second half of the year. The headline realised return from the portfolio equated to 2.2 times cost (30 September 2021: 2.8 times cost).

In addition, APEO sold its fund positions in Equistone Fund VI and IK Small Cap Fund III for portfolio management reasons, contributing a further £15.7 million in proceeds and meaning that an aggregate total of £225.9 million was received from distributions and secondary sales during the period.

Outstanding Commitments



Commitments
APEO made commitments totalling £340.3 million during the year (2021: £307.1 million). These commitments were well diversified, with twelve new primary investments, two secondary investments, nine direct co-investments and one follow-on investment in an existing co-investment. The total outstanding commitments at 30 September 2022 were £678.9 million (30 September 2021: £557.1 million).

The value of outstanding commitments in excess of liquid resources as a percentage of portfolio value increased to 42.8% in the financial year (30 September 2021: 32.5%). This is largely due to the strong investment activity during the year ended 30 September 2022. This figure is at the lower end of our long-term target range of 30-75%. We estimate that £69.9 million of the reported outstanding commitments are unlikely to be drawn down, due to the nature of private equity investing, with private equity funds not always being fully drawn.

Investment Activity

Primary Funds

£257.2 million was committed to twelve new primary funds during the year ended 30 September 2022 (2021: £175.7 million into eight new primary funds). As a reminder, APEO's primary fund strategy is to partner with private equity firms, principally in Europe, that have genuine sector expertise and operational value creation capabilities and have a core mid-market buyout orientation, i.e. focusing on businesses with an enterprise value between £100 million and £1 billion. The firms that APEO has partnered with during period fulfil most, if not all, of this criteria and all are relationships with who the Manager known for many years, often decades.

Investment	£m	Description
Capiton VI	16.9	European lower mid-market fund with a focus in Pharma, MedTech, Industrial Automation and Sustainable Consumption.
Great Hill Equity Partners VIII	14.6	Growth-focused private equity fund based in the United States.
Windrose Health Investors Fund VI	15.1	Mid-market buyout fund based in the United States, that has a specialist focus on the healthcare sector.
PAI VIII	25.1	Pan-European upper mid-market fund focused on Food & Consumer, Business Services, General Industrials and Healthcare.
IK Partnership II	20.8	Pan-European mid-market fund focused on co-control and minority opportunities in Food & Consumer, Business Services, Healthcare and Financial Services.
Hg Saturn 3	25.8	European buyout fund focused on Software and B2B Services.
Advent Global Private Equity X	25.2	Global buyout fund which focuses on attractive niches within business and financial services, healthcare, industrial, retail and technology sectors.
ArchiMed MP 2	25.1	Healthcare specialist fund, focused on European and North American mid-market companies.
Investindustrial Growth III	25.2	Southern European lower mid-market fund focused on niches within the Industrials, Business Services and Consumer & Leisure sectors.
Nordic Capital XI	25.2	Northern European buyout fund, principally focused on the Healthcare, Technology & Payments and Financial Services sectors.
One Peak Growth III	12.9	European growth fund which targets rapidly growing technology and tech-enabled companies.
Latour Capital IV	25.4	French mid-market buyout fund which focuses principally on companies in the Business Services and Industrials sectors.

Case study – primary
Investindustrial

Investindustrial is a leading private equity manager in Southern Europe with excellent networks and a high quality and well-resourced team.

Overview
- Founded in 1990, out of an industrial conglomerate owned by the Bonomi family and with more than €11 billion of raised fund capital, Investindustrial is one of Europe's leading private equity managers. The firm is focused on taking majority or control positions in mid-market companies, primarily across the Industrial, Healthcare & Services, Consumer and Technology sectors.
- Investindustrial has a strong Southern European heritage and specialism but today operates globally, with a team of c.160 professionals representing 21 nationalities, based across offices in Switzerland, Spain, United Kingdom, France, United States, Luxembourg, and China.
- The firm covers the entire mid-market across its mid-market and growth investment strategies. The growth strategy is differentiated by its focus on the attractive lower mid-market space and specialism in Southern Europe. It also benefits from the wider Investindustrial platform, with access to the firm's regional offices and dedicated resources across business development (focused on driving international organic and acquisitive growth), capital markets, digitisation and ESG.

APEO's Exposure
- The Manager's relationship with Investindustrial goes back 15 years, with a first commitment to Investindustrial IV in 2008. abrdn has committed to every Investindustrial fund since that time.
- APEO first invested with Investindustrial in 2018 through Growth Fund I and subsequently it committed to Investindustrial VII in 2019.

Investment
Investindustrial Growth III

Fund size
€1bn target

APEO Commitment
€30m

Commitment Year
2022

Geographic Focus
Western Europe but with a focus on Southern Europe

Target Company Size
Lower mid-market

Sectors
Industrials, Healthcare & Services, Consumer and Technology

Investment Strategy
Buyout/Growth

Previous/current investments

Secondaries

During the 12 month period, APEO committed £17.2 million into two secondary transactions (2021: £54.5 million into two secondaries).

Investment	£m	Description
Project Concorde	5.1	The acquisition of interests in a French e-commerce business, initially part of a larger portfolio process where the acquisition of the remaining assets did not subsequently complete.
Project Ivy	12.1	The acquisition of interests in three buyout funds managed by American Industrial Partners, Altor and Vitruvian.

Co-investments

During the 12-month period, APEO invested and committed £66.1 million into nine new co-investments and one follow-on investment in an existing co-investment (2021: £76.9 million into ten new co-investments).

As a reminder, co-investments were introduced to APEO's investment objective in 2019 and bring a number of advantages, most notably greater control over portfolio construction and lower associated costs (and therefore higher return potential). Over the longer term the Manager expects co-investments to equate to around 25% of the portfolio.

At 30 September 2022 there were 22 co-investments in APEO's portfolio, equating to 19.1% of NAV. All companies except one are at least on plan. Mademoiselle Desserts, the co-investment behind original plan, was impacted by the global pandemic as the hotel, restaurant and cafe channel is a core end market for the business. However, the company has been performing strongly following the broad re-opening of the hospitality sector in Europe and we have strong conviction in its prospects moving forward.

Investment	£m	Description
SportPursuit	4.2	Flash sale e-commerce business which sells clearance stock from leading sports and outdoor brands. The co-investment was made alongside bd-capital Partners.
SuanFarma	6.3	Manufacturer, CDMO and distributor of active pharmaceutical and nutraceutical ingredients. The co-investment was made alongside ArchiMed SaS.
Tropicana	8.6	A portfolio of well-known beverage brands, including Tropicana and Naked. The co-investment was made alongside PAI Partners.
CDL Nuclear Technologies	5.2	Provider of turnkey cardiac PET/PET-CT imaging technology solutions and radioisotope delivery to independent cardiology practices and hospitals in the US. The co-investment was made alongside Excellere Partners.
European Camping Group	6.7	European leader in the premium outdoor vacation accommodation market. The co-investment was made alongside PAI Partners.
NGE	8.9	The leading independent player in the construction and public works sector in France. The co-investment was made alongside Montefiore Investment.
ACT	8.4	The largest specialist intermediary in the environmental certification market globally, headquartered in the Netherlands. The co-investment was made alongside Bridgepoint.
Uvesco	8.3	Leading food retail operator in the North of Spain. The co-investment was made alongside PAI.
CFC	9.0	Tech-led insurance platform, who are a global leader and category innovator in the cyber market. The co-investment was made alongside Vitruvian Partners.
Insightsoftware (follow-on)	0.3	Provider of financial reporting and enterprise performance management (ERM) software. The co-investment was made alongside Hg. The initial commitment to this co-investment was made in 2021.

Case Study – Co-investment
NGE

NGE is a leading French civil works and engineering company involved in the construction and ongoing maintenance across a range of infrastructure projects.

Company Overview

- NGE ("Nouvelles Générations d'Entrepreneurs") is the fourth largest infrastructure construction business in France and its growth has consistently outperformed the broader infrastructure market over the past two decades since its founding in 2002.
- NGE provides services across 7 areas including railways, water pipes and networks, road, civil engineering, general earthworks, geotechnical solutions and buildings.
- NGE differentiates itself to clients through its broad geographic footprint and flexible business model which allows it to respond quickly to clients' demands with superior quality.
- The majority of NGE's clients are public authorities in France although the business has a significant and growing exposure internationally. Outside of France NGE is present in 14 countries across Europe, Latin America and French speaking Africa. Activity includes larger scale railway projects and also multi-expertise projects.

The Opportunity

- Strong growth in the French public works market forecast over the investment period supported by major projects (e.g. Paris Metro, Paris Olympic Games 2024).
- NGE management have an outstanding reputation and have built a growing, disruptive player in the French market, with an entrepreneurial culture that includes widespread employee ownership.
- Investing alongside a high-quality private equity manager in Montefiore, with a strong track record and experience in the French civil engineering market.
- Strong ESG focus, with NGE's services delivering improvements and innovations in sustainable infrastructure, specifically addressing multiple UN Sustainable Development Goals ("SDGs").
- Several value creation initiatives started in recent years are expected to bear fruit during the investment period. The most notable initiatives include offering new and more recurring services to grow market share amongst local authority clients. In addition, continued international expansion by strengthening NGE's position in large scale rail infrastructure projects.

Lead Manager
Montefiore

Investment Year
2021

APEO's Investment
€10.5m

Geographic Focus
France / Global

Company Size
Large (>€1bn EV)

Sectors
Infrastructure Services

Case Study – Secondary

Project Ivy

Compelling opportunity to acquire exposure to high-quality private equity funds at attractive relative pricing, out of a wider sale process.

Transaction Overview

- The Seller was looking to manage its eclectic mix of private markets exposure and generate liquidity via a portfolio sale comprising numerous funds and strategies.
- The Manger was able to carve out three specific buyout fund interests from the wider portfolio sale process.
- APEO is an existing investor with all three underlying managers and the Manager had recently undertaken extensive primary diligence on each manager, which provided strong access, portfolio insights and competitive positioning.

Underlying Investments

- Portfolio of three funds with vintages ranging from 2011 to 2019, with the majority of value concentrated in the younger funds but with near-term cash flows expected from the older assets.
- 27 high quality underlying portfolio companies, across a range of geographies and sectors.
- Underlying portfolio likely to grow to around 30 underlying portfolio companies in due course.

Why We Invested

- Unusual deal dynamics – rare opportunity to carve out interests in funds managed by three highly sought-after buyout managers from a larger portfolio sale at attractive relative pricing.
- High conviction in the assets being acquired – the Manager's existing knowledge of the underlying portfolios and confidence in the managers of the funds provided the conviction to pursue and secure this opportunity.
- Strong portfolio fit and diversified profile – all three funds are managed by core APEO managers and the underlying portfolios offer an attractive balance of short-term cash generation and longer-term value growth potential.

Previous/Current Investments

ALTOR FUNDS · VITRUVIAN PARTNERS · AMERICAN INDUSTRIAL PARTNERS

Investments
Portfolio of funds managed by Altor, American Industrial Partners and Vitruvian Investment Partners which will provide exposure to ~30 underlying companies

Transaction Date
September 2022

Vintage Years
2011 – 2019

Fund Size
Various

APEO's Secondary Exposure
€11.6 million

Geographic Focus
Europe and North America

Company Size
Mid-Market

Sectors
Diversified: including Business Services, Industrials, Financial Services, Consumer Goods and Services

Investment Strategy
Buyout

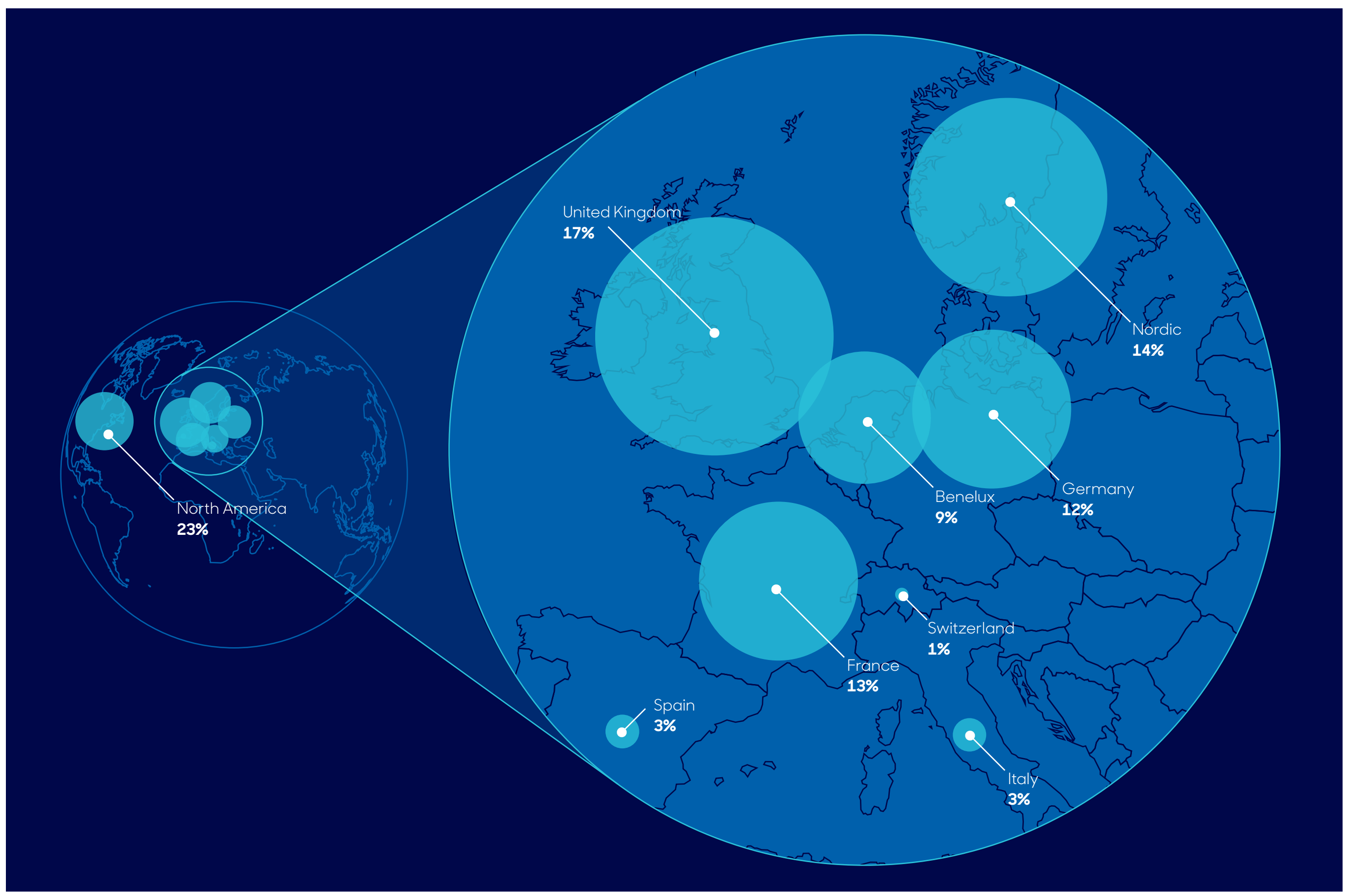
Investment Manager's Review continued

Portfolio Construction

The underlying portfolio consists of over 650 private companies, largely within the European mid-market and spread across different countries, sectors and vintages. At 30 September 2022, only 12 underlying private companies equated to more than 1% of APEO NAV based on the value of underlying private company exposure (2021: 8). The largest single underlying private company exposure is 5.1%, being Action (2021: Action, 4.0%).

Geographic Exposure[1, 2]

We believe that the portfolio is well diversified and that will position APEO well as we move into a more recessionary macroeconomic environment. At 30 September 2022, 76% of underlying private companies, by total value of underlying private company exposure, were headquartered in Europe (2021: 79%). APEO's underlying portfolio remains largely positioned to North Western Europe, with only 6% of underlying private company exposure in Italy and Spain. APEO is well diversified by region across North Western Europe, with exposure of 17% in the UK (2021: 17%). North America has the highest exposure of 23% (2021: 19%) of underlying private company exposure.

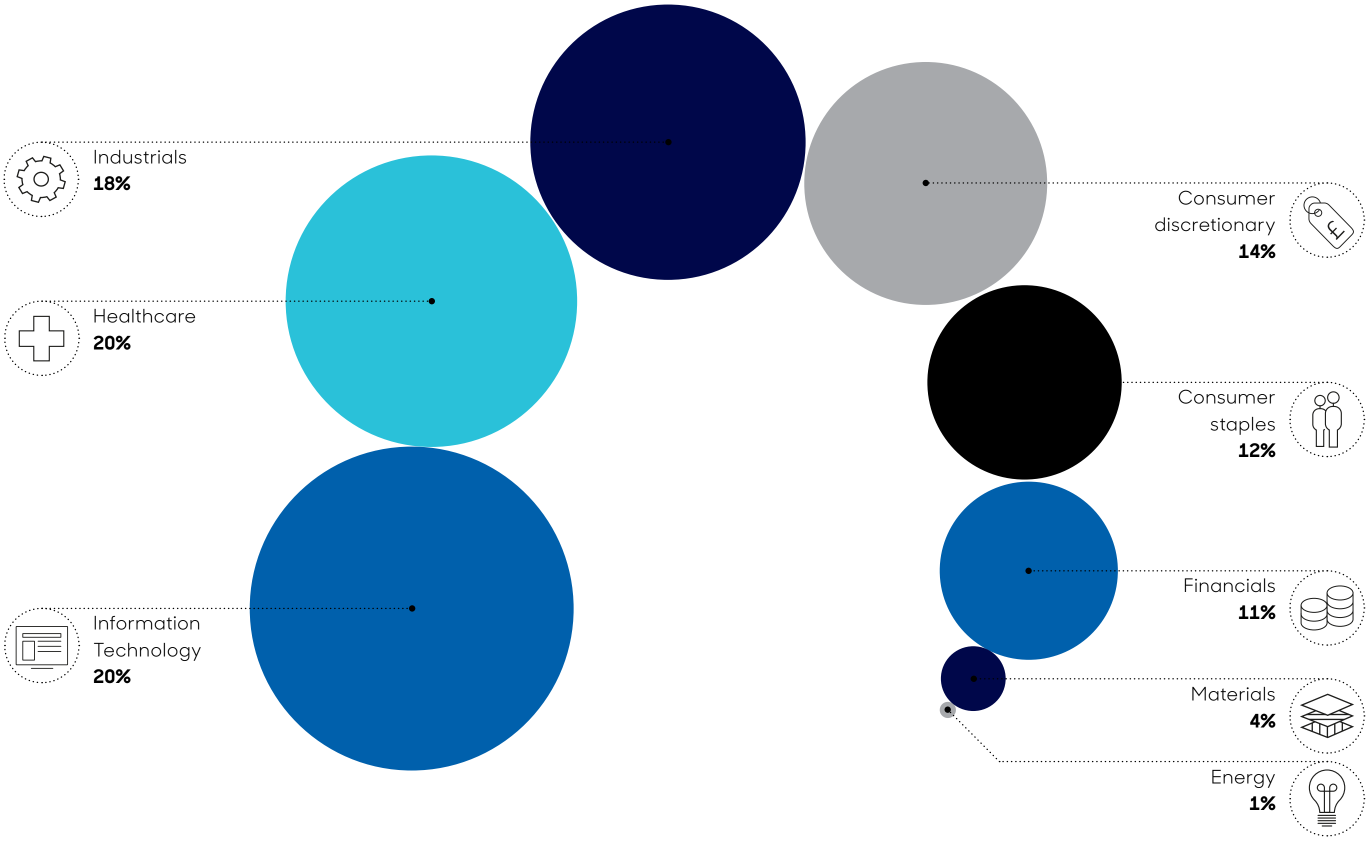


1 Based on the latest available information from underlying managers. Figures represent % of total value of underlying private company exposure. This excludes any underlying fund and co-investments held through the Company portfolio.
Geographic exposure is defined as the geographic region where underlying portfolio companies are headquartered.

2 In addition to the above, 4% of underlying portfolio companies are based in European countries not separately disclosed above, while 1% are based in countries outside of Europe, excluding North America.

3 APEO has no Russian, Ukrainian or Belarussian headquartered companies. These three countries make up less than 1% of the underlying company revenues.

Sector Exposure[1]



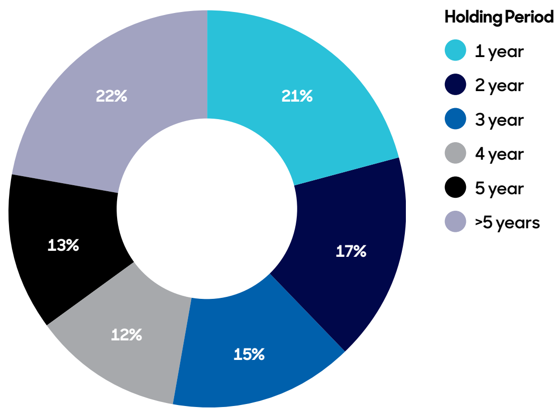
At 30 September 2022 Technology and Healthcare represented a combined 40% of the portfolio (30 September 2021: 41%). When combined with Consumer Staples, these more stable, less cyclical sectors equate to 52% of APEO's portfolio (30 September 2021: 53%). It is worth noting that APEO generally invests in Information Technology businesses that are profitable and B2B-focused and therefore has relatively low exposure to higher growth, unprofitable technology businesses that have been particularly out of favour in the public markets during 2022.

The other half of the portfolio is exposed to more cyclical sectors, notably Industrials, Consumer Discretionary and Financials. That said, there are sub-sectors within these areas that provide growth opportunities, such as Fintech, ecommerce and B2B Services, where businesses often have a valuable product or an essential service offering with a strong digital component.

1 Based on the latest available information from underlying managers. Figures represent % of total value of underlying private company exposure. This excludes any underlying fund and co-investments held through the Company portfolio.

Investment Manager's Review continued

Maturity Analysis[1, 2]



A large proportion of the portfolio is reaching maturity, with 47% being in vintages of four years and older (30 September 2021: 49%). This should underpin consistent distribution activity moving forward.

Outlook

We are delighted by APEO's performance during the year, but we remain cautious as we look ahead. Higher inflation, interest rate rises and the war in Ukraine have created a high degree of uncertainty and volatility in financial markets, and we do not expect these challenging conditions to abate in the immediate short-term. We also don't think the full impact of high inflation has been felt by economies and underlying companies yet; the first half of 2023 will be instructive in this regard.

Specifically in relation to private equity, we are seeing the levels of dealflow slow down as buyers and sellers attempt to reconcile differing price expectations and current access to debt financing is more difficult than in recent years. That will have implication on cashflows going forward, with less short-term distributions coming in but less money being drawn too. It will also have valuation implications, as private equity investments typically sell at an uplift to carrying value, which helps drive APEO's NAV in normal times. Dealflow will pick up again soon, given the record levels of 'dry powder' in private equity, but we expect that the next twelve months might see a slower pace compared to recent years.

That said, it is worth reiterating that APEO has navigated multiple cycles over a 21-year period and the strategy has remained broadly consistent since its inception in 2001. We take comfort in the quality of the private equity firms that APEO partners with, the broad diversification of the underlying portfolio by sector, geography and maturity, and the Company's strong balance sheet position, which has been further enhanced by the extension of its revolving credit facility from £200.0 million to £300.0 million.

More generally, the governance model of private equity, through majority control and active ownership, provides the opportunity for hands-on value creation and for decisions to be taken more efficiently and effectively in response to changing market circumstances. The private equity firms that APEO partners with today are much more specialised within sectors and sub-sectors, and have deeper value creation toolkits compared to, for example, before the global financial crisis.

1 Based on the latest available information from underlying managers. Figures represent % of total value of underlying private company exposure. This excludes any underlying fund and co-investments held through the Company portfolio.
2 The holding period is the length of time that an underlying portfolio company has been held since its initial investment date by the Company.

Furthermore, market volatility does provide a silver lining around attractive new investment opportunities and we believe that private equity particularly thrives in these periods. Trade and family owners of attractive businesses can often be more willing to sell long-held assets for liquidity or portfolio reasons and entry multiples tend to be lower during these periods. In addition to our selected managers taking advantage of these market circumstances, we also expect interesting opportunities in the secondary investment space to emerge as some investors, that are tackling liquidity issues or the 'denominator effect', look to rebalance their portfolios and sell assets. APEO's balance sheet is in a strong position, and we therefore believe that it is well positioned to take advantage of opportunities through the remainder of 2022 and beyond.

In summary, we believe that private equity is a long-term asset class, and we expect it to continue to deliver outperformance on both absolute and relative bases. Whilst the road ahead appears to be more challenging in terms of financial markets and the global economy, we take comfort in the private equity governance model, the quality of APEO's current portfolio and its set of core managers, and the opportunity to make attractive new investments during this period of greater uncertainty.

Alan Gauld
Lead Portfolio Manager
for abrdn Capital Partners LLP,
30 January 2023

Approach to ESG

ESG is a fundamental component of the Manager's investment process. We believe that through consideration of ESG factors, we make better informed investment decisions.

We strongly believe that the private equity model, with its long-term investment horizon and high degree of shareholder control, is well-suited to add value to its portfolio companies through responsible investment. As such, we integrate ESG factors in all stages of the investment process.

APEO is an indirect investor in private companies and therefore its portfolio of underlying companies is controlled by the private equity managers that APEO partners with. However, through direct engagement and legal negotiations, the Manager of APEO can play an important role in ensuring its private equity manager relationships are focused and committed to implementing ESG improvements at a portfolio company level.

The Manager has been a signatory to the Principles for Responsible Investment ("PRI") since 2007 and was awarded the top PRI rating for Indirect Private Equity in 2021. Our commitment to ESG starts at the top. While in 2021 we hired a dedicated ESG function, the whole investment team takes responsibility to input and implement our ESG agenda. To strengthen our commitment, we introduced ESG objectives in the investment team's annual performance assessment.

The Manager's Investment Committee ("IC") is ultimately accountable for our ESG policies and to ensure that ESG risks and opportunities are adequately flagged and discussed for investment decision making.

As ESG has evolved across multiple areas, in mid-2021 we introduced a cross-functional ESG forum, chaired by our Head of ESG, to bring together senior team representatives from Investment, Legal, Operations, Product and Compliance.

The Manager's ESG investment process for primary fund investments is outlined at a high-level overleaf:

Roadmap to Multistakeholders Success

2015

ESG Integration

The Manager begins testing the market with its first ESG survey, for primary funds. ESG considerations begin to feature the Manager's Investment Committee papers and ESG terms in legal negotiations.

2019

Enhanced Side Letters and Products

The Manager develops more advanced ESG requirements in investment side letters. More broadly, it launched its first sustainability themed Fund of Funds.

Focus on underwriting the ESG processes of our underlying private equity managers

Due Diligence

Focus on Materiality

- ESG DD questionnaire built in line with ILPA, UNPRI and TCFD guidelines to underwrite private equity managers' ESG integration process.

Investment

Leverage our Influence

- Engagement with private equity managers to drive ESG improvement when required.
- Negotiation of reporting requirements and ESG standards in side letters.

Monitoring

Annual Assessments

- Thematic survey focusing on selected areas of interest (e g employees wellbeing or climate risk) while monitoring private equity managers progress in broader ESG integration.

Reporting

SFDR Compliant

- Reporting available for SFDR Article 8 products where proxies are integrated to cope with data gap in the market.
- TCFD report scheduled for 2023 for abrdn PE group.

Utilising our position to raise awareness and drive ESG enhancements when gaps are identified.

2020

ESG Team and Targets

Dedicated ESG resources appointed to private markets, with a Head of ESG appointed in March 2021. The Manager starts a dedicated ESG co investment survey and integrates ESG linked performance outcome in investment team's valuation.

2021

SFDR Products and ESG Forum

Enhancement of abrdn's private equity approach to ESG integration to comply with SFDR standards and integrate market developments. Introduced consideration related to Biodiversity and Human Rights. abrdn launched Article 8 Fund of Funds. abrdn launched private equity multi functional ESG Forum. Introduced a "Good Governance Policy".

2022

Climate and Engagement

abrdn signed up to iC International and ESG Data Convergence Initiative. Defined a Climate Strategy and start drafting reporting according to TCFD for June 2023. More broadly, launched an Article 8+ co-investment product, with 25% commitment to sustainable investment.

Approach to ESG

The Manager focuses on the integration of ESG principles into the operations of underlying private equity managers. Key facets include culture, governance with senior accountability, full integration into a manager's investment processes and appropriate disclosure to assist investors.

There are different ESG approaches depending on the type of private equity investment:

- **Primary investment** – Assessment typically includes analysing private equity manager's ESG cultural buy-in, its ESG process, procedures and reporting, its engagement with underlying portfolio companies, its ESG Survey score and an Operational Due Diligence review of the manager and the fund.
- **Co-investment** – Assessment normally includes a detailed review of the underlying company's ESG due diligence documents, sector and company analysis using RepRisk, a third party ESG database, and leveraging expertise on specific ESG issues, be it via the Manager's central ESG & Stewardship team or a third party expert. The primary ESG assessment of the private equity manager will be taken into account in all cases.
- **Secondary investment** – Leverages primary investment and/or co-investment processes depending on the transaction characteristics. If the secondary is concentrated in a small number of underlying portfolio companies then it may follow the co-investment process. The primary ESG assessment of the private equity manager will be taken into account where possible.

In summary, the Board and Manager fundamentally believe that integrating ESG into APEO's strategy and investment processes improves the investment decision making and ultimately will help to generate stronger, more sustainable returns for its investors.

ESG Achievements 2022

Top Rating

achieved in the UN PRI assessment for indirect Private Equity.

Initiative Climate International (iCI)

abrdn joined the first of its kind climate initiative for private equity committed to step up climate action across the industry.

Case Study – ESG

ACT

ACT is a leading global provider of market-based environmental solutions.

7 AFFORDABLE AND CLEAN ENERGY
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

Company Overview

- ACT is the largest specialist intermediary in the environmental certification market globally, offering 80+ products to 5000+ customers across five core markets, with its headquarters in the Netherlands and hubs across Europe, the US and China.
- ACT intermediates between sellers of certificates / offsets (e.g. renewable energy producers) and buyers (e.g. businesses with a need to prove compliance with a regulatory standard or offset emissions), leveraging its large network and technical and regulatory know-how to advise companies and trade certificates, often 'making a market' in new areas as a first mover.

Responsible Investment

- Environmental certificates are an increasingly important instrument in successfully managing climate change and are becoming essential for organisations that are required to reduce greenhouse gases from operations.
- ACT sourced ≈168 TWh of renewable energy to help its clients achieve their sustainability goals, equivalent to almost 4% of the US energy consumption as of the 2021/2022 fiscal year.
- Through carbon credit sourcing on behalf of its clients, ACT set aside 48 million metric tons of CO_2 to be used for offsetting solutions, equivalent to 4% of the carbon removed annually by the Amazon rainforest.
- In supporting its French clients in their energy efficiency initiatives, ACT helped save 1 TWhc of energy, equivalent to the annual energy usage of more than 71,000 households in Europe.
- ACT's activities directly address three of the UN SDGs.

APEO's Investment

- Having made a primary commitment to Bridgepoint Europe VI (which led the investment into ACT), APEO made a co-investment alongside Bridgepoint in ACT in 2022.
- The Manager has had a close relationship with Bridgepoint over many years and has monitored the development of its ESG policies and approach, which are highly rated.
- The fact that environmental solutions and ESG are at the core of what ACT offers its clients was a clear attraction for Bridgepoint (and APEO) in making the investment.

Lead Manager
Bridgepoint

APEO's Investment
€10.0m

Investment Year
2022

Geographic Focus
Global

Company Size
Large (enterprise value >€1 billion)

Sectors
Technology/ Services

Ten Largest Investments

1. Action

5.1% of NAV
(30 September 2021: 4.0%)

Fund Size: €2.5bn
Sector: Consumer staples
Location: Netherlands
Year of investment: 2020
Private Equity Manager: 3i Group plc
Investment: Co-investment
Website: www.action.nl

Since its establishment in 1993, Benelux-based Action has grown into the leading non-food discount retailer in the region with more than 2,100 stores and over 65,000 employees

3i 2020 Co-investment 1 SCSp	30/09/22	30/09/21
Value (£'000)	58,695	41,454
Cost (£'000)	22,630	22,630
Commitment (€'000)	26,540	26,540
Amount Funded	100.0%	100.0%
Income (£'000)*	1,771	–

2. Advent International

4.5% of NAV
(30 September 2021: 5.4%)

Fund Size: €13.0bn
Strategy: Mid to large buyouts
Enterprise Value of investments: $200m-$3bn
Geography: Global with a focus on Europe and North America
Website: www.adventinternational.com

Invests in attractive niches within business & financial services, healthcare, industrial, retail and technology sectors

Advent International Global Private Equity VIII	30/09/22	30/09/21
Value (£'000)	52,171	55,818
Cost (£'000)	31,652	31,102
Commitment (€'000)	45,000	45,000
Amount Funded	100.0%	95.2%
Income (£'000)*	–	–

3. CVC Capital Partners

3.8% of NAV
(30 September 2021: 2.8%)

Fund Size: €16.4bn
Strategy: Mid to large buyouts
Enterprise Value of investments: €500m-€5bn
Geography: Europe and North America
Website: www.cvc.com

Undertakes medium and large sized buyout transactions across a range of industries and geographies

CVC Capital Partners VII	30/09/22	30/09/21
Value (£'000)	44,399	28,902
Cost (£'000)	24,862	18,616
Commitment (€'000)	35,000	35,000
Amount Funded	84.1%	64.3%
Income (£'000)*	50	101

4. Hg

3.6% of NAV
(30 September 2021: 3.0%)

Fund Size: £2.5bn
Strategy: Mid-market buyouts
Enterprise Value of investments: £100m-£500m
Geography: Northern Europe
Website: www.hgcapital.com

Invests in medium sized buyout transactions in the technology and services sectors, primarily in Northern Europe

HgCapital 8	30/09/22	30/09/21
Value (£'000)	42,144	30,769
Cost (£'000)	12,668	13,083
Commitment (£'000)	22,000	22,000
Amount Funded	79.5%	67.1%
Income (£'000)*	–	–

5. IK Partners

3.3% of NAV
(30 September 2021: 3.4%)

Fund Size: €1.9bn
Strategy: Mid-market buyouts
Enterprise Value of investments: €100m-€500m
Geography: Northern Europe
Website: www.ikinvest.com

Invests in growth strategies supporting business transformation. Unique Northern Continental European footprint

IK Fund VIII	30/09/22	30/09/21
Value (£'000)	38,225	35,006
Cost (£'000)	22,947	28,909
Commitment (€'000)	46,000	46,000
Amount Funded	94.7%	94.7%
Income (£'000)*	4	391

6.

ALTOR FUNDS

3.2%
of NAV
(30 September 2021: 4.9%)

Fund Size: €2.1bn
Strategy: Mid-market buyouts
Enterprise Value of investments: €50m-€500m
Geography: Northern Europe
Website: www.altor.com

Focuses on investing in and developing medium-sized companies with a Nordic origin that offer potential for value creation through revenue growth, margin expansion, improved capital management and strategic re-positioning

Altor Fund IV	30/09/22	30/09/21
Value (£'000)	37,158	51,229
Cost (£'000)	27,886	30,679
Commitment (€'000)	55,000	55,000
Amount Funded	73.2%	69.7%
Income (£'000)*	847	2,614

7.

3.2%
of NAV
(30 September 2021: 2.7%)

Fund Size: $125m
Strategy: Various
Enterprise Value of investments: $500m-$5bn
Geography: Europe and North America
Website: N/A

A diversified secondary transaction comprising large cap buyout funds in Europe and the US

Structured Solutions IV Primary Holdings	30/09/22	30/09/21
Value (£'000)	36,504	28,507
Cost (£'000)	27,594	28,093
Commitment ($'000)	62,500	62,500
Amount Funded	62.9%	61.5%
Income (£'000)*	–	–

8.

NORDIC CAPITAL

3.1%
of NAV
(30 September 2021: 4.2%)

Fund Size: €4.3bn
Strategy: Mid to large buyouts
Enterprise Value of investments: €200m-800m
Geography: Northern Europe (Global in Healthcare)
Website: www.nordiccapital.com

Invests in medium to large-sized buyout deals in Northern Europe, through five dedicated sector teams, with the ability to invest in healthcare on a global basis

Nordic Capital Fund IX	30/09/22	30/09/21
Value (£'000)	35,841	43,119
Cost (£'000)	22,355	21,065
Commitment (€'000)	30,000	30,000
Amount Funded	89.0%	79.3%
Income (£'000)	–	–

9.

Exponent

3.0%
of NAV
(30 September 2021: 3.6%)

Fund Size: £1.0bn
Strategy: Mid-market buyouts
Enterprise Value of investments: £75m-£350m
Geography: UK
Website: www.exponentpe.com

Target businesses have strong market positions, evidence of historical constraints and are capable of transformation. Companies often have a significant international footprint

Exponent Private Equity Partners III, LP.	30/09/22	30/09/21
Value (£'000)	34,963	37,704
Cost (£'000)	22,749	25,262
Commitment (£'000)	28,000	28,000
Amount Funded	87.5%	87.8%
Income (£'000)*	411	348

10.

TOWERBROOK

2.8%
of NAV
(30 September 2021: 3.5%)

Fund Size: $3.6bn
Strategy: Mid-market buyouts
Enterprise Value of investments: $200m-$1bn
Geography: Europe and North America
Website: www.towerbrook.com

Control-oriented private equity investments in mid-market companies in Europe and North America, principally on a proprietary basis and in situations characterized by complexity

TowerBrook Investors IV	30/09/22	30/09/21
Value (£'000)	31,936	35,816
Cost (£'000)	16,056	16,947
Commitment ($'000)	36,561	36,561
Amount Funded	61.8%	59.9%
Income (£'000)*	72	456

Notes:
Performance information has been prepared by APEO and has not been approved by the General Partners of the funds or any of their Associates.
* Income figures are for the year ended 30 September 2022 and 30 September 2021 respectively.
APEO's position in Action is held through 3i 2020 Co-investment 1 SCSp (formerly known as 3i Venice SCSp, a special purpose vehicle managed by 3i as co-investment lead).

Investment Portfolio

Vintage	Investment	Number of investments	Outstanding commitments £'000	Cost £'000	Valuation £'000[1]	Net multiple[2]	% of NAV
2020	3i 2020 Co-investment 1 SCSp (Action)[3,4]	1	–	22,630	58,695	2.7x	5.1
2016	Advent International Global Private Equity VIII	29	–	31,652	52,171	2.0x	4.5
2017	CVC Capital Partners VII	33	4,887	24,862	44,399	1.8x	3.8
2017	HgCapital 8	11	4,504	12,668	42,144	2.5x	3.6
2016	IK Fund VIII	12	2,150	22,947	38,225	1.8x	3.3
2014	Altor Fund IV	16	12,930	27,886	37,158	1.9x	3.2
2021	Structured Solutions IV Primary Holdings*	50	20,780	27,594	36,504	1.4x	3.2
2018	Nordic Capital Fund IX	14	2,905	22,355	35,841	1.6x	3.1
2015	Exponent Private Equity Partners III, LP.	9	3,511	22,749	34,963	1.9x	3.0
2013	TowerBrook Investors IV	10	12,497	16,056	31,936	2.4x	2.8
2014	CVC VI	22	2,715	14,889	31,927	2.2x	2.8
2019	Advent International Global Private Equity IX	36	2,788	18,401	31,000	1.7x	2.7
2018	Bridgepoint Europe VI	17	5,341	20,118	28,650	1.5x	2.5
2016	Sixth Cinven Fund	15	1,906	16,651	28,151	1.9x	2.4
2018	PAI Europe VII	18	6,978	19,402	24,801	1.4x	2.1
2018	Investindustrial Growth	4	6,283	14,201	22,979	2.4x	2.0
2014	PAI Europe VI	12	1,960	13,745	22,510	2.0x	1.9
2014	Permira V	10	739	11,079	22,334	3.5x	1.9
2019	Altor Fund V	18	19,676	17,845	21,271	1.3x	1.8
2013	Nordic Capital VIII	10	2,745	18,673	20,810	1.6x	1.8
2018	Triton Fund V	17	13,059	13,174	19,887	1.4x	1.7
2015	Bridgepoint Europe V	9	2,551	13,158	19,273	2.1x	1.7
2019	American Industrial Partners VII	12	5,115	12,532	16,875	1.4x	1.5
2020	MPI-COI-NAMSA SLP (NAMSA)[3]	1	2,614	4,863	16,860	2.9x	1.5
2019	Cinven 7	12	9,277	12,362	15,486	1.2x	1.3
2021	Arbor Co-Investment LP (ACT)[3]	1	–	8,374	15,345	1.8x	1.3
2020	Vitruvian IV	26	8,734	12,707	15,082	1.2x	1.3
2015	Nordic Capital VII	4	1,599	14,145	15,045	1.4x	1.3
2019	IK IX	12	8,399	13,163	14,590	1.1x	1.3
2019	Vitruvian I CF LP	5	8,349	10,403	14,369	1.3x	1.2
2015	Equistone Partners Europe Fund V	12	2,351	16,313	13,893	1.6x	1.2
2020	Nordic Capital X	16	11,199	10,433	13,499	1.3x	1.2
2019	Investindustrial VII	11	10,636	11,642	13,485	1.2x	1.2
2018	MSouth Equity Partners IV	10	8,330	9,282	12,323	1.3x	1.1
2021	MPI-COI-PROLLENIUM SLP (Undisclosed)[3,5]	1	1,448	7,133	12,198	1.7x	1.1
2017	Onex Partners IV LP	8	1,143	10,404	11,222	1.4x	1.0
2019	PAI Strategic Partnerships SCSp	2	204	6,579	10,647	1.6x	0.9
2022	Uvesco Co-invest SCSp (Uvesco)[3]	1	–	8,451	10,443	1.2x	0.9
2021	ECG Co-invest SLP (European Camping Group)[3]	1	1,401	5,485	10,355	1.9x	0.9
2021	Hg Isaac Co-Invest LP (Insightsoftware)[3]	1	174	7,452	10,032	1.3x	0.8
2012	IK Fund VII	4	1,754	9,867	9,991	2.1x	0.8

Vintage	Investment	Number of investments	Outstanding commitments £'000	Cost £'000	Valuation £'000[1]	Net multiple[2]	% of NAV
2016	Astorg VI	5	4,033	205	9,825	1.7x	0.8
2021	Hg Riley Co-Invest LP (Riskalyze)[3]	1	–	6,836	9,440	1.4x	0.8
2020	Capiton VI	10	9,815	7,522	9,265	1.2x	0.8
2021	IK Co-invest Questel (Questel)[3]	1	–	8,554	9,222	1.1x	0.8
2021	MI NGE S.L.P. (NGE)[3]	1	847	8,153	9,102	1.1x	0.8
2020	Vitruvian III	28	1,664	5,001	9,080	2.0x	0.8
2019	Great Hill Partners VII	18	2,402	6,581	8,779	1.6x	0.7
2021	Advent Technology II	10	18,765	8,630	8,479	1.0x	0.7
2020	Hg Saturn 2	6	6,896	5,966	8,362	1.3x	0.7
2021	Eurazeo Payment Luxembourg Fund SCSp (Planet)[3]	1	1,103	7,798	8,088	1.0x	0.7
2021	Bengal Co-Invest SCSp (Tropicana Brands Group)[3]	1	2,756	6,198	7,973	1.3x	0.7
2020	Hg Vardos Co-invest L.P. (Visma)[3]	1	–	4,871	7,893	1.6x	0.7
2020	Hg Genesis 9	12	7,045	5,979	7,630	1.2x	0.7
2021	Excellere Partners Fund IV	3	23,567	7,045	7,308	1.0x	0.6
2015	Capiton V	10	930	6,929	6,500	0.9x	0.6
2012	Equistone Partners Europe Fund IV	7	648	8,762	6,448	2.2x	0.6
2011	Montagu IV	5	663	5,740	6,418	1.8x	0.6
2021	CDL Coinvestment SPV (CDL)[3]	1	–	5,294	6,292	1.2x	0.5
2021	Latour Co-invest Funecap (Funecap)*[3]	1	811	4,287	5,879	1.3x	0.5
2020	Triton Smaller Mid-Cap Fund II	8	14,751	6,944	5,788	0.9x	0.5
2021	MPI-COI-SUAN SLP (Suanfarma)[3]	1	991	5,452	5,587	1.0x	0.5
2021	Capiton VI Wundex Co-Investment (Wundex)[3]	1	3,263	5,352	5,505	1.0x	0.5
2020	PAI Mid-Market I	5	16,786	4,987	5,339	1.1x	0.5
2021	bd-capital Partners Chase (Sport Pursuit)[3]	1	–	4,279	5,304	1.2x	0.5
2020	Seidler Equity Partners VII L.P.	4	10,873	4,082	5,167	1.2x	0.4
2020	Hg Mercury 3	8	6,742	4,015	5,148	1.3x	0.4
2022	AV Invest B3*	1	413	4,691	4,841	1.0x	0.4
2019	Alphaone International S.à.r.l. (Mademoiselle Desserts)[3]	1	1,740	3,522	4,773	1.4x	0.4
2021	VIP SIV I LP (CFC)[3]	1	5,085	3,915	4,483	1.1x	0.4
2021	WindRose Health Investors Fund VI	4	13,253	4,493	4,461	1.0x	0.4
2012	Advent International Global Private Equity VII	13	834	5,495	4,370	2.1x	0.4
2022	ArchiMed – Med Platform 2	2	22,525	3,642	4,015	1.1x	0.3
2021	IK Partnership II	2	18,562	3,375	3,374	1.0x	0.3
2021	Nordic Capital WH1 Beta, L.P. (Boost.ai)[3]	1	1,193	2,524	3,070	1.1x	0.3
2001	CVC III*	0	466	4,283	2,258	2.7x	0.2
2013	Bridgepoint Europe IV	5	794	2,920	1,801	1.6x	0.2
2021	ASI Omega Holdco Limited (KD Pharma)[3]	1	2,832	1,462	1,785	1.2x	0.2
2011	American Industrial Partners V	7	13	1,257	1,715	1.4x	0.1
2008	CVC V*	1	438	4,329	1,161	2.4x	0.1

Investment Portfolio continued

Vintage	Investment	Number of investments	Outstanding commitments £'000	Cost £'000	Valuation £'000[1]	Net multiple[2]	% of NAV
2006	3i Eurofund V	1	–	11,308	834	2.7x	0.1
2022	Advent International Global Private Equity X	1	25,406	944	756	0.8x	0.1
2021	ArchiMed III	3	12,379	759	540	0.7x	0.0
2019	Gilde Buy-Out Fund IV	1	–	2,262	525	1.2x	0.0
2022	Investindustrial Growth III	0	25,789	521	192	0.4x	0.0
2021	Permira Growth Opportunities II	9	28,845	2,303	121	0.1x	0.0
2007	Industri Kapital 2007 Fund	0	1,523	5,545	68	1.4x	0.0
2009	Capiton IV GmbH & Co. Beteiligungs KG	5	149	241	41	1.1x	0.0
2019	Borromin Capital Fund III L.P.	0	212	808	6	1.6x	0.0
2021	Great Hill Equity Partners VIII	4	17,916	–	–	0.0x	0.0
2022	Hg Saturn 3	1	31,195	157	–	0.0x	0.0
2006	HgCapital 5	0	–	5,642	–	1.7x	0.0
2022	Latour Capital IV*	0	26,327	–	–	0.0x	0.0
2021	Nordic Capital Evolution Fund	4	26,327	–	–	0.0x	0.0
2022	Nordic Capital Fund XI	0	26,327	–	–	0.0x	0.0
2022	One Peak Growth III	4	13,027	133	–	0.0x	0.0
2022	PAI Europe VIII	0	26,327	–	–	0.0x	0.0
	Total investments[6]	**735**	**678,880**	**846,318**	**1,192,380**		**103.0**
	Non-portfolio assets less liabilities				**(34,328)**		**(-3.0)**
	Total shareholders' funds				**1,158,052**		**100.0**

1 All funds are valued by the manager of the relevant fund or co-investment as at 30 September 2022, with the exception of those funds suffixed with an * which were valued as at 30 June 2022 or initial funding amount paid.
2 The net multiple has been calculated by the Manager in sterling on the basis of the total realised and unrealised return for the interest held in each fund and co-investments. These figures have not been reviewed or approved by the relevant fund or its manager.
3 Co-investment position. The name of the underlying co-investment which is indirectly held by APEO has been included within the bracketed text.
4 Formerly known as 3i Venice SCSp.
5 Due to disclosure restrictions associated with this investment, the underlying Company name cannot be disclosed.
6 The 735 underlying investments represent holdings in 655 separate underlying private companies, 41 underlying fund investments and 9 underlying co-investments.

Top 30 Underlying Private Company Investments at 30 September 2022[1]

Entity	Description	Fund	Year of Investment[2]	% of NAV[3]
Action	Non-food discount retailer	3i 2020 Co-investment 1 SCSp	2020	5.1%
Access Group	Software solutions	HgCapital 8	2018	2.3%
ACT	Leading global provider of market-based sustainability solutions	Arbor Co-Investment LP/Bridgepoint Europe VI	2021	1.5%
NAMSA	Provider of medical devices	MPI-COI-NAMSA SLP	2020	1.5%
R1 RCM	Healthcare revenue services	TowerBrook Investors IV	2016	1.1%
ECG	European leader in outdoor accommodation market	ECG Co-invest SLP/PAI Europe VII	2021	1.1%
Froneri	Ice cream manufacturer for take home and private label segments	PAI Strategic Partnerships SCSp/PAI Europe VII	2019	1.1%
Uvesco	Leading Spanish regional grocer	Uvesco Co-invest SCSp/PAI Mid-Market I	2022	1.1%
Undisclosed[4]	Medical aesthetics company	MPI-COI-PROLLENIUM SLP	2021	1.1%
Binding Site	Clinical laboratory diagnostics	Nordic Capital VII	2011	1.0%
Insightsoftware	Financial reporting and enterprise performance management software provider	Hg Isaac Co-Invest LP/Hg Saturn 2	2021	1.0%
InfoPro Digital	B2B professional information services	TowerBrook Investors IV	2016	1.0%
Riskalyze	Risk tolerance software	Hg Riley Co-Invest LP/Hg Mercury 3	2021	0.9%
CFC	Global leader in the cyber insurance market	VIP SIV I LP/Vitruvian IV	2022	0.9%
Trioplast	Manufacturer of polyethylene film	Altor Fund IV	2018	0.9%
CDL	Provides support to the medical profession through advanced diagnostics	CDL Coinvestment SPV/Excellere Partners Fund IV	2021	0.9%
Tropicana	Global portfolio of juice brands	Bengal Co-Invest SCSp/PAI Europe VII	2022	0.9%
Visma	Accounting software and services	Hg Vardos Co-invest L.P./Hg Saturn 2	2020	0.8%
Planet	Leading provider of integrated payment solutions for hospitality and retail	Eurazeo Payment Luxembourg Fund SCSp/Advent International Global Private Equity IX	2021	0.8%
Mademoiselle Desserts	Dessert and confectionary producer	Alphaone International S.à.r.l./IK Fund VIII	2018	0.8%
Questel	Intelligence software	IK Co-invest Questel	2021	0.8%
Groupe NGE	Independent public works concessions group	MI NGE S.L.P.	2021	0.8%
Norican	Metallic parts formation and preparation industry	Altor Fund IV	2015	0.7%
Transcom	Customer management specialist	Altor Fund IV	2015	0.7%
Natus	Medical device solutions provider for the diagnosis and treatment of patients with central nervous and sensory systems disorders	ArchiMed – Med Platform 2	2022	0.7%
Undisclosed[4]	Software provider to automotive collision repairers, parts suppliers and insurers	Advent International Global Private Equity VIII	2017	0.7%
RL360	Specialist international life assurance provider	Vitruvian I CF LP	2019	0.7%
Linxis Group	Industrial equipment for bakery, dairy, pharma and cosmetics manufacturing	IK Fund VIII	2017	0.6%
Infradata	Cybersecurity and secure networking solutions	IK Fund VIII	2019	0.6%
Trustly	Online payment provider	Nordic Capital Fund IX	2018	0.6%
Total				**32.8%**

1 Based on latest available information. This excludes any underlying fund and co-investments held through the Company portfolio.
2 Year of investment is disclosed as the first year of investment by a portfolio investment.
3 All % of NAV figures are based on gross valuations, before any carry provision.
4 Due to disclosure restrictions associated with our holding in the associated investments, we are unable to name the underlying private company.

Ten Largest Underlying Private Companies[1,2]

The below represents the ten largest underlying private companies which are indirectly held through APEO's fund investments and/or co-investments.

1.

ACTION

5.1%
of NAV

Sector: Consumer staples
Location: Netherlands
Year of Investment: 2020
Private Equity Manager: 3i Group plc
Investment: 3i 2020 Co-investment 1 SCSp
Company Website: www.action.nl

Since its establishment in 1993, Benelux-based Action has grown into the leading non-food discount retailer in the region with more than 2,100 stores and over 65,000 employees.

2.

access

2.3%
of NAV

Sector: Information technology
Location: UK
Year of Investment: 2018
Private Equity Manager: HgCapital
Investment: HgCapital 8
Company Website: www.theaccessgroup.com

Founded in 1991, the Access Group ("Access") is a leading UK mid market Enterprise Resource Planning business, providing financial management systems and human capital management software, as well as industry specific software solutions. Access' software helps over 75,000 customers across commercial and not-for-profit organisations to work efficiently, with expertise across numerous industries.

3.

ACT

1.5%
of NAV

Sector: Industrials
Location: Netherlands
Year of Investment: 2021
Private Fund Manager: Bridgepoint Capital
Investments: Arbor Co-Investment LP/Bridgepoint Europe VI
Company Website: www.actcommodities.com

ACT is the leading global provider of market-based sustainability solutions. It is headquartered in the Netherlands but operates from a global platform, and is the largest specialist intermediary in the global environmental certificate sector. ACT acts as an intermediary between corporates seeking to purchase certificates and suppliers with whom it has entrenched relationships. It also provides advisory services, helping clients to navigate this rapidly evolving market and meet their environmental goals.

4.

NAMSA

1.5%
of NAV

Sector: Healthcare
Location: United States
Year of Investment: 2020
Private Fund Manager: ArchiMed SaS
Investment: MPI-COI-NAMSA SLP
Company Website: www.namsa.com

NAMSA is the global industry leading Contract Research Organisation ("CRO") for preclinical and clinical medical device companies, and a global market leader in preclinical and biocompatability testing.

5.

R1

1.1%
of NAV

Sector: Healthcare
Location: USA
Year of Investment: 2016
Private Fund Manager: TowerBrook Investors
Investment: TowerBrook Investors IV
Company Website: www.r1rcm.com

R1 RCM, headquartered in Chicago, provides outsourced revenue cycle management services that help healthcare providers to more efficiently and cost effectively manage their revenue cycles through people, processes and integrated technology and analytics solutions. The company offers a fully outsourced end-to-end-technology enabled solution, which spans the entire revenue cycle from patient registration to collection from patients and third-party payors.

6.

EUROPEAN CAMPING GROUP

1.1% of NAV

Sector: Consumer Discretionary
Location: France
Year of Investment: 2021
Private Equity Manager: PAI Partners
Investments: ECG Co-invest SLP/PAI Europe VII
Company Website: www.europeancampinggroup.com

European Camping Group is a leading outdoor accommodation operator in Europe. At acquisition, ECG operated a fleet of 21,000 high-quality holiday lets across over 300 European sites. It operates under a number of strong brands, including Eurocamp and Homair.

7.

FRONERI

1.1% of NAV

Sector: Consumer Discretionary
Location: United Kingdom
Year of Investment: 2019
Private Equity Manager: PAI Partners
Investments: PAI Strategic Partnerships SCSp/PAI Europe VII
Company Website: www.froneri.com

Froneri is a global ice cream manufacturer, and largest pure-play ice-cream manufacturer globally, benefitting from market-leading positioning in both branded and private label ice cream. It was formed as a joint venture between R&R Ice cream plc and Nestlé in 2016.

8.

UVESCO

1.1% of NAV

Sector: Consumer Staples
Location: Spain
Year of Investment: 2022
Private Equity Manager: PAI Partners
Investments: Uvesco Co-Invest SCSp/PAI Mid-Market I
Company Website: www.uvesco.es

Uvesco is a leading food retailer in the North of Spain with a growing presence in Madrid. The company follows a differentiated model based on proximity stores and a high-quality offering, including a significant fresh product component that is locally sourced and sold through its network of over 270 stores across six regions.

9.

1.1% of NAV

Sector: Healthcare
Location: Canada
Year of Investment: 2021
Private Equity Manager: ArchiMed SaS
Investment: MPI-COI-PROLLENIUM SLP
Company Website: restricted

Medical aesthetics company.

Due to disclosure restrictions associated with this investment, no further information can be provided.

10.

Binding Site

1.0% of NAV

Sector: Healthcare
Location: United Kingdom
Year of Investment: 2011
Private Equity Manager: Nordic Capital Partners
Investment: Nordic Capital VII
Company Website: www.bindingsite.com

Binding Site provides specialist diagnostic products to clinicians and laboratory professionals worldwide, principally for the diagnosis of blood cancers and immune system disorders. Founded by researchers at the University of Birmingham, Binding Site has continued to build on its strong scientific foundations, supporting research and development within their field and responding to the changing needs of patients, researchers and clinicians for over 25 years.

1 All % of APEO's NAV figures are based on gross valuations, before any carry provision.
2 Based on latest available information. This excludes any underlying fund and co-investments held through the Company portfolio.

Corporate Governance

Board of Directors

The Board of Directors of the Company is a highly experienced group of individuals with significant experience of investment trusts, private equity and the financial services industry.

The Board works closely with the Investment Manager to deliver shareholder value.

The Board is responsible for stewardship, including overall strategy, investment policy, borrowings, dividends, corporate governance procedures and risk management.

Alan Devine
Chair

Experience
Alan holds an MBA and is a Fellow of the Institute of Bankers in Scotland. He was formerly CEO of the Royal Bank of Scotland Shipping Group and has a wide background of knowledge and over 40 years' experience in both commercial and investment banking. Alan is a Non-Executive Director of Capitalflow Holdings DAC where he is Chair of the Remuneration , Audit and Risk Committees. Alan is also Chair of the private equity owned Irish based cash logistics company known as GSLS and is a member of the Court of Heriot Watt University.

Length of Service:
Appointed on 28 May 2014, and as Senior Independent Director on 1 January 2019

Last re-elected to the Board:
22 March 2022

Committee Member:
Audit Committee, Management Engagement Committee, and Nomination Committee

Contribution:
The Board has reviewed the contribution of Alan Devine in light of his proposed re-election at the AGM and has concluded that he is an extremely effective Chair and his contribution to the Board, from a funding, industry and corporate governance perspective, has been invaluable.

Dugald Agble
Independent Non-Executive Director

Experience
Dugald holds a PhD in Chemical Engineering from Imperial College London and has spent over 20 years direct investment experience in Private Equity. He started his career at Nomura Principal Finance Group, which later evolved into Terra Firma Capital Partners. More recently, Dugald has been involved in investing in emerging and frontier markets at Helios Investment Partners and 8 Miles. Dugald is a Supervisory Board Member at FMO, the Dutch finance institution.

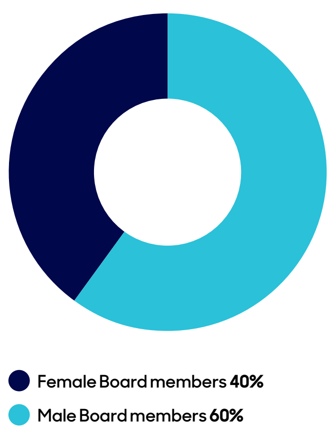
Length of Service:
Appointed on 1 September 2021

Last Elected to the Board:
22 March 2022

Committee Member:
Audit Committee, Management Engagement Committee, and Nomination Committee

Contribution:
The Board has reviewed the contribution of Dugald Agble, in light of his proposed re-election at the AGM, and has concluded that he continues to provide significant investment insight to the Board and knowledge of the private equity and investment management sector.

% Female Board Members



Diane Seymour-Williams
Independent Non-Executive Director and Chair of the Nomination Committee

Experience
Diane is a Non-executive Director of Mercia Asset Management PLC and Praxis Group Limited, and is a Director of Acorn Capital Advisers Limited. Diane worked at Deutsche Asset Management Group (previously Morgan Grenfell) for 23 years where she held various senior positions, including CIO and CEO of Asia. More recently, she spent nine years at LGM Investments, a specialist global emerging and frontier markets equities manager, where she was Global Head of Relationship Management. She is a pro-bono member of the Investment Committees of Newnham College, Cambridge and the Canal & River Trust.

Length of Service:
Appointed on 7 June 2017

Last re-elected to the Board:
22 March 2022

Committee Member:
Audit Committee, Management Engagement Committee, and Nomination Committee (Chair)

Contribution:
The Board has reviewed the contribution of Diane Seymour-Williams in light of her proposed re-election at the AGM and has concluded that she continues to provide significant investment and ESG insight to the Board and knowledge of the investment management sector.

Calum Thomson
Independent Non-Executive Director and Chair of the Audit Committee

Experience
Calum is a qualified chartered accountant and was an audit partner with Deloitte LLP for over 21 years. Calum is a Non-executive Director and the Audit Committee chair of the Diverse Income Trust plc, the AVI Global Trust plc and Baring Emerging EMEA Opportunities plc. He is also a Non-executive Director and Audit Committee chair of BLME Holdings Limited and Ghana International Bank plc.

Length of Service:
Appointed on 30 November 2017

Last re-elected to the Board:
22 March 2022

Committee Member:
Audit Committee (Chair), Management Engagement Committee, and Nomination Committee

Contribution:
The Board has reviewed the contribution of Calum Thomson in light of his proposed re-election at the AGM and has concluded that he has chaired the Audit Committee expertly and continues to provide significant financial and risk management insight to Board discussions.

Yvonne Stillhart
Independent Non-Executive Director and Chair of the Management Engagement Committee

Experience
Yvonne has over 30 years' experience in private asset investment and risk management. She is an independent non-executive member of the board and audit and risk committee of UBS Asset Management Switzerland AG and Integrated Diagnostics Holding Plc. She chairs the JSE-listed EPE Capital Ltd. Previously she chaired Unigestion (Luxembourg) S.A., an alternative investment fund manager ("AIFM"), investing globally via direct private equity investments, secondary and primary partnership investments. She was a co-founder and vice chair of the investment committee of Akina Ltd, a Swiss-based independent private equity manager who was acquired in 2017 by Unigestion S.A. She holds a Directors Certificate from Harvard Business School and is a Qualified Risk Director from the DCRO Institute. She also holds the ESG Competent Boards Certificate and is fluent in German, English, Spanish and French.

Length of Service:
Appointed on 1 September 2021

Last Elected to the Board:
22 March 2022

Committee Member:
Audit Committee, Management Engagement Committee (Chair), and Nomination Committee

Contribution:
The Board has reviewed the contribution of Yvonne Stillhart since appointment, in light of her proposed re-election at the AGM and has concluded that she continues to provide significant knowledge of the private equity sector and financial and risk insights to Board discussions.

Directors' Report

The Directors present their report and the audited financial statements of the Company for the year ended 30 September 2022.

The Directors consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

Results and Dividends
The financial statements for the year ended 30 September 2022 are contained on pages 91 to 108. Interim dividends of 3.6 pence per Ordinary share were paid in April, July and October 2022. The Board declared, on 14 December 2022, a fourth interim dividend for the year to 30 September 2022 of 3.6 pence per share to be paid on 27 January 2023 to shareholders on the register on 23 December 2022.

Principal Activity and Status
The Company is registered as a public limited company in Scotland under company number SC216638, is an investment company within the meaning of Section 833 of the Companies Act 2006 and carries on business as an investment trust.

The Company has applied for and has been accepted as an investment trust under Sections 1158 and 1159 of the Corporation Tax Act 2010 and Part 2 Chapter 1 of Statutory Instrument 2011/2999. This approval relates to accounting periods commencing on or after 1 October 2012. The Directors are of the opinion that the Company has conducted its affairs so as to be able to retain such approval.

The Company intends to manage its affairs so that its Ordinary shares continue to be a qualifying investment for inclusion in the stocks and shares component of an Individual Savings Account.

Capital Structure and Voting Rights
The Company's issued share capital at 30 September 2022 consisted of 153,746,294 (2021: 153,746,294) Ordinary shares of 0.2 pence each in issue.

Each ordinary shareholder is entitled to one vote on a show of hands and, on a poll, to one vote for every Ordinary share held.

Management Agreement
The Company has appointed abrdn Capital Partners LLP, a wholly owned subsidiary of abrdn, as its alternative investment fund manager ("AIFM") and Manager (the "Manager"). abrdn Capital Partners LLP has been appointed to provide investment management, risk management, administration and company secretarial services, and promotional activities to the Company. abrdn Capital Partners LLP has sub-delegated administrative and secretarial services to abrdn Holdings Limited (previously known as Aberdeen Asset Management PLC) and promotional activities to abrdn.

The management fee, payable quarterly, is calculated as 0.95% per annum of the Company's net asset value at the end of the relative quarter. No fee is payable on any investments in any investment trust, collective investment scheme or any other company or fund managed, operated or advised by the Manager or any other subsidiary of abrdn where there is an entitlement to a fee on that investment.

Further details of the fees payable to the Manager are shown in notes 3 and 4 to the financial statements.

The management agreement is terminable on not less than twelve months' written notice.

External Agencies
The Board has contractually delegated depositary services (which include the custody and safeguarding of the Company's assets) to IQ-EQ Depositary Company (UK) Limited and the share registration services to Equiniti Limited. These contracts were entered into after full and proper consideration by the Board of the quality and cost of services offered in so far as they relate to the affairs of the Company.

Substantial Interests
Information provided to the Company by major shareholders pursuant to the FCA's Disclosure, Guidance and Transparency Rules is published by the Company via a Regulatory Information Service.

The table below sets out the interests in 3% or more of the issued share capital of the Company, of which the Board was aware as at 30 September 2022.

Shareholder	Number of Ordinary shares	% held
Phoenix Group Holdings[1]	86,736,912	56.4
Interactive investor	7,609,065	5.0
Hargreaves Lansdown	5,676,406	3.7
Oxfordshire County Council Pension Fund	4,839,784	3.2
Quilter Cheviot Investment Management	4,589,572	3.0

1 The voting rights of these shares are exercisable by abrdn.

The Company has not been notified of any changes to these holdings as at the date of this Report.

Relationship Agreement with Standard Life Assurance Limited

The Company's largest shareholder, Phoenix Group Holdings, holds its shares through Standard Life Assurance Limited ("SLAL", which is 100% owned by Phoenix Group Holdings). SLAL has irrevocably undertaken to the Company that, at any time when SLAL and its Associates (meaning any company which is a member of the SLAL group) are entitled to exercise or control 30% or more of the rights to vote at general meetings of the Company, it will not (and will procure that none of its Associates will) seek to nominate directors to the Board of the Company who are not independent of SLAL and its Associates, enter into any transaction or arrangement with the Company which is not conducted at arm's length and on normal commercial terms, take any action that would have the effect of preventing the Company from carrying on an independent business as its main activity or from complying with its obligations under the Listing Rules or propose or procure the proposal of any shareholder resolution which is intended or appears to be intended to circumvent the proper application of the Listing Rules.

Directors

Each of the Directors of the Company as at 30 September 2022, whose biographies are shown on pages 63 and 64 are considered by the Board to be independent of the Company and the Manager and free of any relationship which could materially interfere with the exercise of their independent judgement on issues of strategy, performance, resources and standards of conduct.

All of the Directors held office throughout the year under review and up to the date of signing the financial statements.

The Directors attended scheduled Board and Committee meetings during the year ended 30 September 2022 as follows (with their eligibility to attend the relevant meetings in brackets):

	Board meetings	Audit committee Meetings	Management engagement and nomination committee meetings
Dugald Agble	5 (5)	2 (2)	1 (1)
Alan Devine	5 (5)	2 (2)	1 (1)
Christina McComb[1]	3 (3)	1 (1)	1 (1)
Diane Seymour-Williams	5 (5)	2 (2)	1 (1)
Yvonne Stillhart	5 (5)	2 (2)	1 (1)
Calum Thomson	5 (5)	2 (2)	1 (1)

1 Retired from the Board on 22 March 2022.

The Board and Committees meet more frequently when business needs require. There are a number of matters reserved for the Board's approval which include overall strategy, investment policy, borrowings, dividend policy and Board composition.

All of the Directors will retire and, being eligible, will offer themselves for re-election at the Annual General Meeting.

The Board believes that each Director has the requisite high level and range of business, investment and financial experience which enables the Board to provide clear and effective leadership and proper governance of the Company. Each Director remains independent and free from any relationship which could materially interfere with the exercise of their judgement on issues of strategy, performance, resources and standards of conduct. Following the Company's formal annual performance evaluation, the Board concluded that each Director's performance continues to be effective and each Director demonstrates commitment to the role, and their individual performances contribute to the long-term sustainable success of the Company. The Board therefore recommends the re-election, of each of the Directors at the Annual General Meeting. The biographies on pages 63 and 64 set out their range of skills and experience as well as length of service and their contribution to the Board during the year.

Board's Policy on Tenure

In normal circumstances, it is the Board's expectation that Directors will not serve beyond the Annual General Meeting following the ninth anniversary of their appointment. However, the Board takes the view that independence of individual Directors is not necessarily compromised by length of tenure on the Board and that continuity and experience can add significantly to the Board's strength. The Board believes that recommendation for re-election should be on an individual basis following a rigorous review which assesses the contribution made by the Director concerned, but also taking into account the need for regular refreshment and diversity.

It is the Board's policy that the Chair of the Board will not normally serve as a Director beyond the Annual General Meeting following the ninth anniversary of his or her appointment to the Board. However, this may be extended in certain circumstances or to facilitate effective succession planning and the development of a diverse Board. In such a situation the reasons for the extension will be fully explained to shareholders and a timetable for the departure of the Chair clearly set out. Alan Devine was appointed to the Board on 28 May 2014, and as Chairman on 22 March 2022, and the Annual General Meeting in March 2023 follows the eighth anniversary of his appointment.

Directors' Report continued

Board Diversity
The Board recognises the importance of having a range of skilled, experienced individuals with appropriate knowledge represented on the Board in order to allow it to fulfil its obligations. The Board also recognises the benefits and is supportive of the principle of diversity in its recruitment of new Board members. The Board will not display any bias for age, gender, race, sexual orientation, religion, ethnic or national origins, or disability in considering the appointment of its Directors. In view of its size, the Board will continue to ensure that all appointments are made on the basis of merit against the specification prepared for each appointment. The Board does not therefore consider it appropriate to set measurable objectives in relation to its diversity.

However, the Board will take account of the diversity targets set out in the FCA's Listing Rules, which are set out below. The Board voluntarily discloses the following information in relation to its diversity.

As an externally managed investment company, the Board employs no executive staff, and therefore does not have a chief executive officer ("CEO") or a chief financial officer ("CFO") both of which are deemed senior board positions by the FCA. Other senior board positions recognised by the FCA are chair of the board and senior independent director ("SID"). In addition, the Board has resolved that the Company's year end date be the most appropriate date for disclosure purposes.

The following information has been provided by each Director. There have been no changes since 30 September 2022.

	Number of Board members	Percentage of the Board	Number of senior positions on the Board
Men	3	60	2
Women	2	40[1]	0

1 Meets target of at least 40% as set out in LR 9.8.6R (9)(a)(i).

	Number of Board members	Percentage of the Board	Number of senior positions on the Board
White British or other White (including minority-white groups)	4	80	2
Black/African/Caribbean/ Black British	1	20[1]	0

1 Meets target of at least one individual from a minority background as set out in LR 9.8.6R (9)(a)(i).

The role of the Chair and Senior Independent Director
Alan Devine is the Chair and Calum Thomson is the Senior Independent Director.

The Chair is responsible for providing effective leadership to the Board, by setting the tone of the Company, demonstrating objective judgement and promoting a culture of openness and debate. The Chair facilitates the effective contribution and encourages active engagement by each Director. In conjunction with the Company Secretary, the Chair ensures that Directors receive accurate, timely and clear information to assist them with effective decision making. The Chair leads and acts upon the results of the formal and rigorous annual Board and Committee evaluation process by recognising strengths and addressing any weaknesses of the Board. He also ensures that the Board engages with major shareholders and that all Directors understand shareholder views.

The Senior Independent Director acts as a sounding board for the Chair and acts as an intermediary for other directors, when necessary. Working closely with the Nomination Committee, the Senior Independent Director takes responsibility for an orderly succession process for the Chair, and leads the annual appraisal of the Chair's performance. The Senior Independent Director is also available to shareholders to discuss any concerns they may have.

Directors' and Officers' Liability Insurance
The Company maintains insurance in respect of directors' and officers' liabilities in relation to their acts on behalf of the Company. The Company's articles of association provide that any director or other officer of the Company is to be indemnified out of the assets of the Company against any liability incurred by him as a director or other officer of the Company to the extent permitted by law.

Management of Conflicts of Interest
The Board has a procedure in place to deal with a situation where a Director has a conflict of interest. As part of this process, each Director discloses other positions held and all other conflict situations that may need to be authorised either in relation to the Director concerned or his or her connected persons. The Board considers each Director's situation and decides whether to approve any conflict or other external positions, taking into consideration what is in the best interests of the Company and whether the Director's ability to act in accordance with his or her wider duties is affected. Each Director is required to notify the Company Secretary of any potential, or actual, conflict situations that will need authorising by the Board. Authorisations given by the Board are reviewed at each Board meeting.

No Director has a service contract with the Company although all Directors are issued with letters of appointment. There were no contracts during, or at the end of the year, in which any Director was interested.

The Company has a policy of conducting its business in an honest and ethical manner. The Company takes a zero-tolerance approach to bribery and corruption and has procedures in place that are proportionate to the Company's circumstances to prevent them. The Manager also adopts a group-wide zero-tolerance approach and has its own detailed policy and procedures in place to prevent bribery and corruption. Copies of the Manager's anti-bribery and corruption policies are available on its website.

In relation to the corporate offence of failing to prevent tax evasion, it is the Company's policy to conduct all business in an honest and ethical manner. The Company takes a zero-tolerance approach to facilitation of tax evasion whether under UK law or under the law of any foreign country and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships.

Financial Risk Management
The principal risk and uncertainties facing the Company are set out on pages 15 to 17. The principal financial risks and the Company's policies for managing these risks are set out in note 18 to the financial statements.

Corporate Governance
The Company is committed to high standards of corporate governance. The Board is accountable to the Company's shareholders for good governance and this statement describes how the Company has applied the principles identified in the UK Corporate Governance Code as published in July 2018 (the "UK Code"), which is available on the Financial Reporting Council's (the "FRC") website: frc.org.uk.

The Board has also considered the principles and provisions of the AIC Code of Corporate Governance as published in February 2019 (the "AIC Code"). The AIC Code addresses the principles and provisions set out in the UK Code, as well as setting out additional provisions on issues that are of specific relevance to the Company. The AIC Code is available on the AIC's website: theaic.co.uk.

The Board considers that reporting against the principles and provisions of the AIC Code, which has been endorsed by the FRC, provides more relevant information to shareholders.

The Board confirms that, during the year, the Company complied with the principles and provisions of the AIC Code and the relevant provisions of the UK Code, except as set out below.

The UK Code includes provisions relating to:
- interaction with the workforce (provisions 2, 5 and 6);
- the role and responsibility of the chief executive (provisions 9 and 14);
- previous experience of the chair of a remuneration committee (provision 32); and
- executive directors' remuneration (provisions 33 and 36 to 40).

The Board considers that these provisions are not relevant to the position of the Company, being an externally managed investment company. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations. The Company has therefore not reported further in respect of these provisions.
The full text of the Company's Corporate Governance Statement can be found on its website.

Board Committees
The Board has appointed a number of Committees, as set out below. Copies of their terms of reference, which clearly define the responsibilities and duties of each Committee, are available on the Company's website, or upon request from the Company.

The performance of the Committees and their terms of reference are reviewed by the Board on an ongoing basis and formally at least annually.

Audit Committee
The Audit Committee is chaired by Calum Thomson who is a Chartered Accountant and has recent and relevant financial experience. The Committee comprises all non-executive Directors. The Chair of the Board is a member of the Audit Committee as the Audit Committee and Board consider that Alan Devine was independent on appointment, and continues to be independent of the Manager. Given the size of the Board, and the continued independence of Alan Devine, the Board believes that it is appropriate for all the independent Directors, including the Chair, to constitute the Audit Committee. The Board is satisfied that the Committee as a whole has competence relevant to the investment trust sector.

The Audit Committee's Report is contained on pages 76 to 79.

Directors' Report continued

Management Engagement Committee
The Management Engagement Committee comprises the full Board and was chaired by Alan Devine during the financial year. Given the size of the Board, the Board believes that it is appropriate for all the independent Directors to constitute the Management Engagement Committee. Subsequent to the financial year end, Yvonne Stillhart was appointed as Chair of the Management Engagement Committee with effect from 13 December 2022. The main responsibilities of the Committee include:
- monitoring and evaluating the performance of the Manager;
- reviewing at least annually the continued retention of the Manager;
- reviewing, at least annually, the terms of appointment of the Manager including, but not limited to, the level and method of remuneration and the notice period of the Manager; and
- reviewing the performance and remuneration of the other key service providers to the Company.

The Committee met in respect of the year ended 30 September 2022 to review of performance and the terms of appointment of the Manager. Following which, the Committee recommended to the Board that the continuing appointment of the Manager was in the best interests of the shareholders and the Company as a whole.

In reaching this decision, the Committee considered the Company's long-term performance record and concluded that it remained satisfied with the capability of the Manager to deliver satisfactory investment performance, that its processes are thorough and robust and that it employs a well-resourced team of skilled and experienced fund managers. In addition, the Committee is satisfied that the Manager has the secretarial, administrative and promotional skills required for the effective operation and administration of the Company.

Nomination Committee
The Nomination Committee comprises the full Board and was chaired by Alan Devine during the financial year. Given the size of the Board, the Board believes that it is appropriate for all the independent Directors to constitute the Nomination Committee. Subsequent to the financial year end, Diane Seymour-Williams was appointed as Chair of the Nomination Committee with effect from 13 December 2022. The Committee met once during the year to carry out its responsibilities. The main responsibilities of the Committee include:
- regularly reviewing the structure, size and composition (including the skills, knowledge, experience, diversity and gender) of the Board;
- undertaking succession planning, taking into account the challenges and opportunities facing the Company and identifying candidates to fill vacancies;
- recruiting new Directors, undertaking open advertising or engaging external advisers to facilitate the search, as appropriate, with a view to considering candidates from a wide range of backgrounds, on merit, and with due regard for the benefits of diversity on the Board, taking care to ensure that appointees have enough time available to devote to the position;
- ensuring that new appointees receive a formal letter of appointment and suitable induction and ongoing training;
- arranging for the annual Board and Committee performance evaluations and ensuring that Directors are able to commit the time required to properly discharge their duties;
- making recommendations to the Board as to the position of Chair, Senior Independent Director and Chair of the Nomination, Audit and Management Engagement Committees;
- assessing, on an annual basis, the independence of each Director; and
- approving the re-election of any Director, subject to the UK Code, the AIC Code, or the Articles of Association, at the Annual General Meeting, having due regard to their performance, ability to continue to contribute to the Board in the light of the knowledge, skills and experience required and the need for progressive refreshing of the Board.

Going Concern
The Board has considered its obligation to satisfy itself as to the appropriateness of the adoption of the going concern assumption as a basis for the preparation of the financial statements.

At 30 September 2022, the Company had a £200.0 million (2021: £200.0 million) committed, multi-currency syndicated revolving credit facility, under which £62.0 million (2021: £nil) had been drawn down. The facility is provided by Citi, Société Générale and State Street Bank International. Following the year end, the revolving credit facility was increased to £300.0 million and the maturity extended by a year to December 2025. The larger facility is provided by RBS International, Société Générale and State Street Bank International.

The Directors are mindful of the Principal Risks and Uncertainties disclosed in the Strategic Report on pages 15 to 17, including the difficult conditions in the global economy and financial markets, and they believe that the Company has adequate financial resources to continue its operational existence for a period of not less than 12 months from the date of approval of this Report. They have arrived at this conclusion having reviewed the Company's revolving credit facility, the future cash flow projections, including the impact of stress testing on the portfolio, the ongoing expenses forecasts for the coming year, and taking into account that the Company had net resources available for investment at the year end.

Accordingly, the Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

Accountability and Audit

The respective responsibilities of the Directors and the Independent Auditor in connection with the financial statements appear on page 89.

The Directors confirm that, so far as they are each aware, there is no relevant audit information of which the Company's Independent Auditor was unaware, and that each Director has taken all the steps that they might reasonably be expected to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's Independent Auditor was aware of that information.

Independent Auditor

Shareholders approved the re-appointment of BDO LLP as the Company's Independent Auditor at the AGM on 22 March 2022 and resolutions to approve its re-appointment for the year to 30 September 2023 and to authorise the Directors to determine its remuneration will be proposed at the AGM on 22 March 2023.

Relations with Shareholders

The Board recognises the importance of promoting the Company to prospective investors both for improving liquidity and enhancing the value and rating of the Company's shares. One of the benefits of being managed by abrdn is the ability to subscribe to, and participate in, the promotional programme run by abrdn on behalf of a number of investment trusts under its management. The Company's financial contribution to the programme is matched by abrdn. The Company also supports abrdn's investor relations programme which involves regional roadshows, promotional and public relations campaigns. abrdn's promotional and investor relations teams report to the Board on a quarterly basis giving analysis of the promotional activities as well as updates on the shareholder register and any changes in the make-up of that register.

Shareholders and investors may obtain up to date information on the Company through its website and the Manager's Customer Services Department (see contact details on page 115).

The Board also communicates directly with shareholders and their representative bodies without the involvement of the management group (including the Company Secretary or the Manager) in situations where direct communication is required, and representatives from the Manager and Board meet with major shareholders on at least an annual basis in order to gauge their views, and report back to the Board on these meetings.

In addition, the Company Secretary only acts on behalf of the Board, not the Manager, and there is no filtering of communication.

The Company's Annual General Meeting provides a forum for communication primarily with private shareholders and is attended by the Board. The Manager makes a presentation to the meeting and all shareholders have the opportunity to put questions to both the Board and the Manager at the meeting.

The notice of the Annual General Meeting is sent out at least 20 working days in advance of the meeting. All shareholders have the opportunity to put questions to the Board and Manager at the meeting.

Directors' Report continued

Additional Information

Where not provided elsewhere in the Directors' Report, the following provides the additional information required to be disclosed by Part 15 of the Companies Act 2006.

There are no restrictions on the transfer of Ordinary shares in the Company issued by the Company other than certain restrictions which may from time to time be imposed by law. The Company is not aware of any agreements between shareholders that may result in a transfer of securities and/or voting rights.

The rules governing the appointment of Directors are set out in the Directors' Remuneration Report on pages 73 and 75. The Company's Articles of Association may only be amended by a special resolution passed at a general meeting of shareholders.

Annual General Meeting

The Notice of the Annual General Meeting, which will be held at 12:30pm at the Balmoral Hotel, 1 Princes Street, Edinburgh, EH2 2EQ, Edinburgh on Wednesday, 22 March 2023, and related notes, may be found on pages 119 to 123.

Shareholders are encouraged vote on the resolutions proposed in advance of the AGM and submit questions to the Board and the Manager by emailing APEOT.Board@abrdn.com.

Resolutions including the following business will be proposed:

Dividend Policy

As a result of the timing of the payment of the Company's interim dividends, the Company's shareholders are unable to approve a final dividend each year. In line with good corporate governance, the Board therefore proposes to put the Company's dividend policy to shareholders for approval at the Annual General Meeting and on an annual basis thereafter.

The Company's dividend policy is that interim dividends on the Ordinary shares are payable quarterly. Resolution 4 will seek shareholder approval for the dividend policy.

Issue of Ordinary Shares

Resolution 12, which is an ordinary resolution, will, if passed, renew the Directors' authority to allot new Ordinary shares up to 10% of the issued share capital of the Company (excluding treasury shares) as at the date of the passing of the resolution.

Resolution 13, which is a special resolution, will, if passed, renew the Directors' existing authority to allot new Ordinary shares or sell treasury shares for cash without the new Ordinary shares first being offered to existing shareholders in proportion to their existing holdings. This will give the Directors authority to allot Ordinary shares or sell shares from treasury on a non pre-emptive basis for cash up to an aggregate nominal amount of £30,749.25 (representing 10% of the issued ordinary share capital of the Company (excluding treasury shares) as at 30 January 2023).

New Ordinary shares, issued under this authority, will only be issued at prices representing a premium to the last published net asset value per share.

The authorities being sought under Resolutions 12 and 13 shall expire at the conclusion of the Company's next AGM in 2024 or, if earlier, on the expiry of 15 months from the date of the passing of the resolutions, unless such authorities are renewed, varied or extended prior to such time. The Directors have no current intention to exercise these authorities and will only do so if they believe it is advantageous and in the best interests of shareholders as a whole.

Purchase of the Company's Ordinary Shares

Resolution 14, which is a special resolution, seeks to renew the Board's authority to make market purchases of the Company's Ordinary shares in accordance with the provisions contained in the Companies Act 2006 and the FCA's Listing Rules. Accordingly, the Company will seek authority to purchase up to a maximum of 14.99% of the issued share capital (excluding treasury shares) at the date of passing of the resolution at a minimum price of 0.2 pence per share (being the nominal value). Under the Listing Rules, the maximum price that may be paid on the exercise of this authority must not exceed the higher of: (i) 105% of the average of the middle market quotations (as derived from the Daily Official List of the London Stock Exchange) for the shares over the five business days immediately preceding the date of purchase; and (ii) the higher of the last independent trade and the highest current independent bid on the trading venue on which the purchase is carried out.

The Board does not intend to use this authority to purchase the Company's Ordinary shares, unless to do so would result in an increase in the net asset value per Ordinary share and would be in the best interests of shareholders. Any Ordinary shares purchased shall either be cancelled or held in treasury. The authority being sought shall expire at the conclusion of the AGM in 2024 or, if earlier, on the expiry of 15 months from the date of the passing of the resolution unless such authority is renewed prior to such time.

Notice of General Meetings

The Companies Act 2006 provides that the minimum notice period for general meetings of listed companies is 21 days, but with an ability for companies to reduce this period to 14 days (other than for annual general meetings) provided that two conditions are met. The first condition is that the company offers a facility, accessible to all shareholders, to appoint a proxy by means of a website. The second condition is that there is an annual resolution of shareholders approving the reduction of the minimum notice period from 21 days to 14 days.

The Board is therefore proposing Resolution 15 as a special resolution to approve 14 days as the minimum period of notice for all general meetings of the Company other than annual general meetings, renewing the authority passed at last year's annual general meeting. The approval would be effective until the end of the Company's next annual general meeting, when it is intended that the approval be renewed.

The Board would consider on a case by case basis whether the use of the flexibility offered by the shorter notice period is merited, taking into account the circumstances, including whether the business of the meeting is time sensitive and it would therefore be to the advantage of the shareholders to call the meeting on shorter notice.

Recommendation

The Board considers that the resolutions to be proposed at the Annual General Meeting are in the best interests of the Company and most likely to promote the success of the Company for the benefit of its members as a whole. Accordingly, the Board recommends that shareholders vote in favour of the resolutions as they intend to do in respect of their own beneficial shareholdings, amounting to 64,457 Ordinary shares, representing 0.04% of the issued share capital.

By order of the Board
abrdn Holdings Limited
Company Secretary
1 George Street
Edinburgh EH2 2LL
30 January 2023

Directors' Remuneration Report

This Directors' Remuneration Report comprises three parts:

1. Remuneration Policy which is subject to a binding shareholder vote every three years (or sooner if varied during this interval) – most recently voted on at the Annual General Meeting on 22 March 2022;
2. an Implementation Report which is subject to an advisory vote on the level of remuneration paid during the year; and
3. an Annual Statement.

Company law requires the Company's Independent Auditor to audit certain of the disclosures provided in the Directors' Remuneration Report. Where disclosures have been audited, they are indicated as such. The Independent Auditor's report is included on pages 83 to 90.

As the Company has no employees, and the Board is comprised wholly of non-executive Directors, and given the size and nature of the Company, the Board has not established a separate Remuneration Committee. The Director's Remuneration Policy and level of Directors' remuneration are determined by the Nomination Committee, which is chaired by Diane Seymour-Williams and comprises all of the Directors.

Remuneration Policy

The Directors' Remuneration Policy takes into consideration the principles of UK corporate governance and the AIC's recommendations regarding the application of those principles to investment companies.

No communication was received from shareholders during the year regarding Directors' remuneration.

The Company's policy is that the remuneration of the Directors, all of whom are non-executive, should reflect the experience of the Board as a whole and be fair and comparable to that of other investment trusts with a similar capital structure and similar investment objectives. Directors are remunerated exclusively in the form of fees, payable quarterly in arrears to the Director personally. The fees for the Directors are determined within the limits set out in this Remuneration Policy which limits the aggregate of the fees payable to the Directors to £350,000 per annum. It is intended that the fees payable to the Directors should reflect their duties, responsibilities, and the value and amount of time committed to the Company's affairs, and should also be sufficient to enable candidates of a high quality to be recruited and retained.

There is no performance-related remuneration scheme and therefore the Directors do not receive bonuses, pension benefits, share options, long-term incentive schemes or other benefits, and the fees are not specifically related to the Directors' performance, either individually or collectively.

The fees for the two years ended 30 September 2022 and 2021 are set out in the table below. Fees are reviewed annually and, if considered appropriate, increased accordingly.

Shareholder	30 September 2022 £	30 September 2021 £
Chair	64,500	62,500
Chair of Audit Committee[1]	49,500	46,500
Director	44,000	42,500

1 The Chair of the Audit Committee is also the Senior Independent Director. The fees paid reflect both duties.

Appointment

- The Company only intends to appoint non-executive Directors.
- All the Directors are non-executive and are appointed under the terms of letters of appointment.
- The terms of appointment provide that Directors should retire and be subject to election at the first Annual General Meeting after their appointment. The Company's Articles of Association require all Directors to retire by rotation at least every three years. However, notwithstanding the Articles of Association, the Board has agreed that all Directors should retire annually and seek re-election at the AGM.
- Any Director newly appointed to the Board will receive the fee applicable to each of the other Directors at the time of appointment together with any other fee then currently payable in respect of a specific role which the new Director is to undertake for the Company.
- Directors who are resident outside of the United Kingdom, will be entitled to an incremental fee of £1,000 per annum.
- No incentive or introductory fees will be paid to encourage a person to become a Director.
- Directors are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits.
- Directors are not entitled to re-imbursement of out-of-pocket expenses incurred in connection with the performance of their duties, including travel expenses.
- The Company indemnifies its Directors for all costs, charges, losses, expenses and liabilities which may be incurred in the discharge of duties as a Director of the Company.

Performance, Service Contracts, Compensation and Loss of Office

- Directors' remuneration is not subject to any performance related fee.
- No Director has a service contract.
- No Director was interested in contracts with the Company during the period or subsequently.
- The terms of appointment provide that a Director may be removed without notice.
- There is no notice period and no provision for compensation upon early termination of appointment, save for any arrears of fees which may be due.
- No Director is entitled to any other monetary payment or any assets of the Company.

Directors' & Officers' liability insurance cover is maintained by the Company on behalf of the Directors.

Subsequent to the financial year end, the Board recommended minor changes to the Directors' Remuneration Policy to allow Directors re-imbursement of out-of pocket expenses incurred in connection with the performance of their duties, including travel expenses. The incremental fee payable to Directors resident outside of the UK has been withdrawn.

A resolution to approve the updated Directors' Remuneration Policy will be proposed at the AGM. It is the Nomination Committee's intention that the Remuneration Policy to be proposed at the Annual General Meeting will apply for the three year period ending 30 September 2025.

Statement of Voting on the Directors' Remuneration Policy at General Meeting

At the Annual General Meeting held on 22 March 2022, shareholders approved the Directors' Remuneration Policy. 99.88% of proxy votes were cast in favour of the resolution and 0.12% were cast against.

Implementation Report

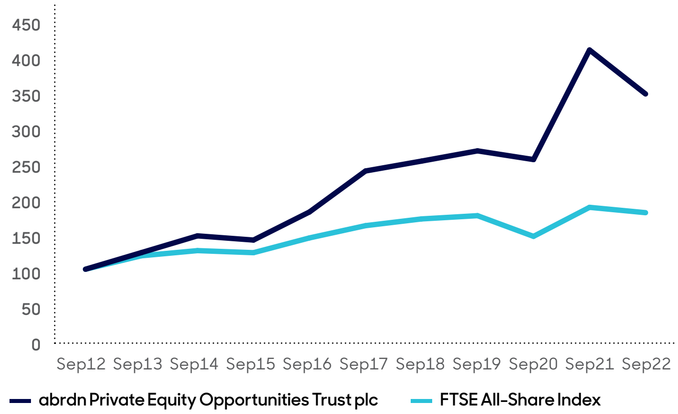
Review of Directors' fees

Subsequent to the financial year end, the Nomination Committee carried out a review of the level of Directors' fees, which included consideration of fees paid by comparable investment trusts and the sector as a whole. Following this review, the Nomination Committee recommended to the Board that the Chair of the Board is paid £74,000 per annum, the Chair of the Audit Committee and Senior Independent Director is paid £54,000 per annum, and Non-executive Directors are paid £47,000 per annum. The Board accepted the recommendation and the fees are payable with effect from 1 October 2022.

The Nomination Committee was not provided with advice or services by any person in respect of its consideration of the Directors' remuneration.

Company Performance

The graph below shows the share price and NAV total return (assuming all dividends are reinvested) to Ordinary shareholders compared to the total return from the FTSE All-Share Index for the ten year period to 30 September 2022 (rebased to 100 at 30 September 2012). This index was chosen for comparison purposes only.



Statement of voting on the Directors' remuneration report at General Meeting

At the Annual General Meeting held on 22 March 2022, shareholders approved the Directors' Remuneration Report in respect of the year ended 30 September 2021. 99.88% of proxy votes were in favour of the resolution and 0.12% were against.

A resolution to approve the Directors' Remuneration Report in respect of the year ended 30 September 2022 will be proposed at the Annual General Meeting.

Spend on Pay

As the Company has no employees, the Directors do not consider it appropriate to present a table comparing remuneration paid to employees with distributions to shareholders. However, for ease of reference, the total fees paid to Directors are shown in the table on page 75 while dividends paid to shareholders are set out in note 7 and the share capital is shown in note 7.

Directors' Remuneration Report continued

Audited Information

Directors' Remuneration

The Directors who served during the year received the following emoluments in the form of fees:

Director	Year ended 30 September 2022	Year ended 30 September 2021
Dugald Agble[1]	44,000	3,106
Alan Devine[2]	56,663	46,500
Christina McComb[3]	30,638	62,500
Diane Seymour-Williams	44,000	42,500
Yvonne Stillhart[1]	45,000	3,179
Calum Thomson[4]	49,050	46,500
Jonathon Bond[5]	n/a	20,173
Total	**269,351**	**224,458**

1 Appointed as a Director on 1 September 2021.
2 Appointed as Chair on 22 March 2022.
3 Retired from the Board and as Chair on 22 March 2022.
4 Appointed as Senior Independent Director on 22 March 2022, in addition to his role as Chair of the Audit Committee.
5 Retired from the Board on 23 March 2021.

The above amounts exclude any employers' national insurance contributions, if applicable. All fees are at a fixed rate and there is no variable remuneration. Fees are pro-rated where a change takes place during a financial year. There were no payments to third parties included in the fees referred to in the table above. No other forms of remuneration were received by the Directors and none of the Directors has any taxable expenses, compensation for loss of office or non-cash benefit for the year ended 30 September 2022 (2021: nil).

Annual Percentage Change in Directors' Remuneration (Unaudited)*

The table below sets out the annual percentage change in Directors' remuneration for the past three years.

Director	Year ended 30 September 2022	Year ended 30 September 2021	Year ended 30 September 2020
	Fees %	Fees %	Fees %
Dugald Agble[1]	3.5	n/a	n/a
Alan Devine[2]	21.9	0.0	3.3
Christina McComb[3]	3.2	n/a	2.5
Diane Seymour-Williams	3.5	0.0	3.7
Yvonne Stillhart[1]	3.4	n/a	n/a
Calum Thomson[4]	5.5	0.0	3.3

1 Appointed as a Director on 1 September 2021.
2 Appointed as Chair on 22 March 2022.
3 Appointed as Chair on 1 January 2019 and retired from the Board on 23 March 2021.
4 Appointed as Senior Independent Director on 22 March 2022.
* The above percentage movements assume that each director has served a full year with respect of their salary entitlement for that period.

Directors' Interests in the Company

The Directors are not required to have a shareholding in the Company. The Directors (including their connected persons) at 30 September 2022 and 30 September 2021 had no interest in the share capital of the Company other than those interests, all of which are beneficial, shown in the following table.

Director	Year ended 30 September 2022 Ordinary shares	Year ended 30 September 2021 Ordinary shares
Dugald Agble[1]	1,400	0
Alan Devine	13,857	6,460
Christina McComb[2]	14,128	14,128
Diane Seymour-Williams	31,500	31,500
Yvonne Stillhart[1]	4,000	0
Calum Thomson	13,700	13,700

1 Appointed as a Director on 1 September 2021.
2 As at 22 March 2022, date of retirement.

Since the financial year end, Alan Devine has purchased an additional 55 ordinary shares in the capital of the Company through the Dividend Reinvestment Scheme. There have been no other changes to the Directors' interests in the share capital of the Company since the year end up to the date of approval of this Report.

Annual Statement

On behalf of the Board and in accordance with Part 2 of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, it is confirmed that the above Remuneration Report summarises, as applicable, for the year to 30 September 2022:

- the major decisions on Directors' remuneration;
- any substantial changes relating to Directors' remuneration made during the year; and
- the context in which the changes occurred and decisions have been taken.

Diane Seymour-Williams
Chair of the Nomination Committee
30 January 2023

Audit Committee Report

The Audit Committee presents its Report for the year ended 30 September 2022.

Principal Objective of the Audit Committee

The principal objective of the Audit Committee is to assist the Board in relation to the reporting of financial information, the review of financial controls and the management of risk.

The Committee has defined terms of reference which are reviewed and re-assessed for their adequacy on at least an annual basis. Copies of the terms of reference are published on the Company's website and are available from the Company on request.

Main Functions of the Audit Committee

The Committee's main functions are:

- to review and monitor the internal control systems and risk management systems (including review of non-financial risks) on which the Company is reliant (the Directors' statement on the Company's internal controls and risk management is set out below);
- to consider whether there is a need for the Company to have its own internal audit function;
- to monitor the integrity of the half-yearly and annual financial statements of the Company and any formal announcements relating to the Company's financial performance, by reviewing, and challenging where necessary, the actions and judgements of the Manager;
- to review, and report to the Board on, the significant financial reporting issues and judgements made in connection with the preparation of the Company's financial statements, half-yearly financial reports, any formal announcements relating to the Company's financial performance;
- to review the content of the Annual Report and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy;
- to review and challenge the assessment of going concern and viability statement;
- to meet with the Auditor to review the proposed audit programme of work and the findings of the Auditor. The Committee shall also use this as an opportunity to assess the effectiveness of the audit process;
- to develop and implement policy on the engagement of the Auditor to supply non-audit services. Non-audit fees paid to the Auditor during the year under review amounted to £nil (2021: £nil). All non-audit services must be approved in advance by the Audit Committee and will be reviewed in the light of relevant guidance and statutory requirements regarding the provision of non-audit services by the external audit firm, and the need to maintain the Auditor's independence;
- to review a statement from abrdn detailing the arrangements in place within the group whereby staff may, in confidence, escalate concerns about possible improprieties in matters of financial reporting or other matters;
- to make recommendations to the Board in relation to the appointment of the Auditor and to approve the remuneration and terms of engagement of the Auditor; and
- to monitor and review the Auditor's independence, objectivity, effectiveness, resources and qualification, taking into consideration relevant UK professional and regulatory requirements.

Activities During the Year

The Audit Committee met twice during the financial year ended 30 September 2022.

Meeting	Audit committee activity
January 2022	• Review of Annual Report • Review of Report from the External Auditor • Review of the External Auditor's performance and audit quality • Review of Principal Risks and Uncertainties • Review of Control Environment and Internal Control Reports • Review of Going Concern and Viability • Review of Risk Appetite Statements • Review of Corporate Governance arrangements • Review of Capital: Revenue Split
June 2022	• Review of Half-Yearly Report • Review of the External Auditor's Audit Plan • Review of Principal and Emerging Risks • Review of Control Environment and Internal Control Reports • Review of Going Concern • Review of the Dividend Strategy • Review of Capital: Revenue Split

Representatives of abrdn's internal audit, risk and compliance departments reported to the Committee at these meetings and the Company's Independent Auditor also attended the Meetings.

Viability Statement

The Audit Committee reviewed the assessment of viability and challenged the assumptions made. In additional the stress testing applied to the viability statement was challenged and reviewed.

Audit Committee Report continued

Internal Controls and Risk Management
The Board, via the Audit Committee, confirms that there is an ongoing process for identifying, evaluating and managing the Company's significant business and operational risks, that has been in place for the year ended 30 September 2022 and up to the date of approval of the Annual Report, is regularly reviewed by the Board and accords with the FRC's guidance on internal controls.

The Board has overall responsibility for ensuring that there is a system of internal controls and risk management in place and a process for reviewing its effectiveness. Day-to-day measures have been delegated to the Manager with an effective process of reporting to the Board for supervision and control. The system of internal controls and risk management is designed to meet the Company's particular needs and the risks to which it is exposed. Accordingly, the system of internal control and risk management is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and, by its nature, can only provide reasonable and not absolute assurance against material misstatement or loss.

The design, implementation and maintenance of controls and procedures to safeguard the assets of the Company and to manage its affairs properly extends to operational and compliance controls and risk management. The Board, via the Audit Committee, considers the potential cause and possible effect of the risk as well as reviewing the controls in place to mitigate them.

Clear lines of accountability have been established between the Board and the Manager. The Board and Audit Committee receive regular reports covering key performance and risk indicators and consider control and compliance issues brought to its attention. In carrying out its review, the Board has had regard to the activities of abrdn, including its internal audit and compliance functions, and the Auditor.

The Board, via the Audit Committee, has reviewed the abrdn process for identifying and evaluating the significant risks faced by the Company and the policies and procedures by which these risks are managed. The Board has also reviewed the effectiveness of abrdn's system of internal control including its annual internal controls report prepared in accordance with the International Auditing and Assurance Standards Board's International Standard on Assurances Engagements ("ISAE") 3402, "Assurance Reports on Controls at a Service Organisation".

Risks are identified and documented through a risk management framework by each function within the abrdn's activities. Risk is considered in the context of the FRC's guidance on internal controls and includes financial, regulatory, market, operational and reputational risk. This helps the internal audit risk assessment model identify those functions for review. Any weaknesses identified are reported to the Board and timetables are agreed for implementing improvements to systems. The implementation of any remedial action required is monitored and feedback provided to the Board.

The key components designed to provide effective internal control are outlined below:

- written agreements are in place which specifically define the roles and responsibilities of the Manager and other third party service providers;
- the Board and Manager have agreed clearly defined investment criteria, specified levels of authority and exposure limits. Reports on these issues, including performance
- statistics and investment valuations, are regularly submitted to the Board;
- the Manager prepares forecasts and management accounts which allow the Board to assess the Company's activities and review its performance; the emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception;
- as a matter of course abrdn's internal audit and compliance departments continually review its operations; and
- bi-annually, the Audit Committee carries out an assessment of internal controls by considering documentation from abrdn, including the internal audit and compliance functions and reports to the Board on its conclusions.

The Board, via the Audit Committee, has considered the need for an internal audit function. However, the Company has no employees and the day-to-day management of the Company's assets has been delegated to abrdn which has its own compliance and internal control systems. The Board has therefore decided to place reliance on those systems and internal audit procedures and has concluded that it is not necessary for the Company to have its own internal audit function.

No significant weaknesses in the control environment were identified. The Committee, therefore, concluded that there were no significant issues which required to be reported to the Board.

Financial Statements and Significant Issues

During its review of the Company's financial statements for the year ended 30 September 2022, the Audit Committee considered the following significant issues, in particular those communicated by the Auditor during its planning and reporting of the year end audit.

The Committee also considered the appropriateness of the external auditor's audit plan and challenged the specific work to be undertaken in relation to the over-commitment ratio and its impact on the cash flow forecasts as well as the work undertaken on valuations detailed below.

Significant issue	How the issue was addressed:
Valuation of Unquoted Investments	The Company's accounting policy for valuing unquoted investments is set out in note 1 c) on page 95. The Audit Committee reviewed and challenged the valuations prepared by the Manager taking account of the latest available information about the Company's investments, the Manager's knowledge of the underlying investments through its participation on fund advisory boards and comparison to current market data where appropriate. The Audit Committee satisfied itself that the valuation of investments had been carried out consistently with prior periods and in accordance with published industry guidelines. The external auditors, with the agreement of the Audit Committee, also attended the Manager's Private Equity focused Local Valuation Committee Meeting on 9 December 2022 at which the valuations received from the underlying managers were challenged.
Over-commitment Risk	The Board considers and monitors commitments and the risk of over-commitment at all Board meetings. The Audit Committee reviewed how the Company's commitment risks and cash flow had been managed over the course of the financial year and expectations for the future and also reviewed the future cash flow projections prepared by the Manager. In particular, the Audit Committee considered and questioned the underlying assumptions as to outflows and inflows, based on the Manager's knowledge of developments at the underlying funds and historical accuracy of the model in projecting cash flow. The Audit Committee also considered the Independent Auditor's work and conclusions in this area. In particular, the Independent Auditors were requested to challenge the Manager's calculation of commitments. The Auditor tested the stress scenarios relating to the cash flow forecast and challenged the Manager to provide explanations relating to additional stress scenarios. No adjustments were found to be necessary.
Fair, Balanced and Understandable	The Audit Committee, when considering the draft Annual Report and financial statements for the year ended 30 September 2022, concluded that taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy. In reaching this conclusion, the Committee has assumed that the reader of the Annual Report and financial statements would have a reasonable knowledge of the investment industry in general and of investments trusts in particular.

Audit Committee Report continued

Review of Independent Auditor
The Audit Committee has reviewed the effectiveness of the independent Auditor, BDO LLP ("BDO"), including:

- Independence – the Auditor discusses with the Audit Committee, at least annually, the steps it takes to ensure its independence and objectivity and makes the Committee aware of any potential issues, explaining all relevant safeguards.
- Quality of audit work – including the ability to resolve issues in a timely manner (identified issues are satisfactorily and promptly resolved), its communications/presentation of outputs (the explanation of the audit plan, any deviations from it and the subsequent audit findings are comprehensive and comprehensible), and working relationship with management (the Audit Committee believes that the Auditor has a constructive working relationship with the Manager).
- Quality of people and service – including continuity and succession plans (the audit team is made up of sufficient, suitably experienced staff with provision made for knowledge of the investment trust sector and consistency in the team on the periodic rotation of the audit partner).
- Fees – including current and proposed fees for future years. The Audit Committee has also reviewed the findings of the FRC issued in July 2022, relating to its annual review of BDO and has confirmed that no change of audit approach, relating to the Company, was necessary as a result of those findings.

The Audit Committee discussed the findings of the FRC's recent 2022 Audit Quality Report on the quality of audits performed by BDO. The Audit Committee questioned the audit team on any particular areas of the findings which had caused them to change their audit approach or was relevant to the audit of the Company. The Audit Committee is satisfied that none of the shortcomings identified are directly relevant to the audit of the Company.

The Independent Auditor's report is included on pages 83 to 90. Details of the amounts paid to BDO during the year for audit services are set out in note 4 to the financial statements.

Tenure of the Independent Auditor
BDO was initially appointed as the Company's independent Auditor on 24 August 2018. In accordance with present professional guidelines the audit partner is rotated after no more than five years and the year ended 30 September 2022 is the fifth year for which the present audit partner has served. A new audit partner has been proposed to the Audit Committee to lead the Company's audit during the financial year to 30 September 2023.

In accordance with the Statutory Audit Services Order 2014, issued by the Competition and Markets Authority ("CMA Order"), a competitive audit tender must be carried out at least every ten years. The Company is therefore required to carry out an audit tender no later than in respect of the financial year ending 30 September 2028.

The Audit Committee is satisfied that BDO is independent and therefore supports the recommendation to the Board that the re-appointment of BDO be put to shareholders for approval at the Annual General Meeting.

Calum Thomson
Chair of the Audit Committee
30 January 2023

Directors' Responsibility Statement

Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with UK Accounting Standards.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with applicable UK Accounting Standards, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- prepare a Directors' Report, a Strategic Report and Directors' Remuneration Report which comply with the requirements of the Companies Act 2006.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for ensuring that the annual report and accounts, taken as a whole, are fair, balanced, and understandable and provides the information necessary for shareholders to assess the company's position and performance, business model and strategy.

Website Publication

The Directors are responsible for ensuring the Annual Report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Directors' Responsibilities Pursuant to DTR4

The Directors confirm to the best of their knowledge:

- the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company; and
- the Annual Report includes a fair review of the development and performance of the business and the financial position of the Company, together with a description of the principal risks and uncertainties that the Company faces.

On behalf of the Board

Alan Devine
Chair
30 January 2023

abrdn
Private Equity
Opportunities Trust plc

Financial Statements

Independent Auditor's Report to The Members of abrdn Private Equity Opportunities Trust Plc

Opinion on the Financial Statements

In our opinion the financial statements:
- give a true and fair view of the state of the Company's affairs as at 30 September 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Abrdn Private Equity Opportunities Trust plc (the 'Company') for the year ended 30 September 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the audit committee.

Independence

Following the recommendation of the audit committee, we were appointed by the Directors on 24 August 2018 to audit the financial statements for the year ending 30 September 2018 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is five years, covering the years ending 30 September 2018 to 30 September 2022. We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Company.

Conclusions Relating to Going Concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:
- Reviewing the forecasted cash flows that support the Directors' assessment of going concern and challenging the assumptions and judgements made in the forecasts, assessing them for reasonableness, and checking the precision of the prior forecast to current year actuals. In particular we considered the available cash resources relative to the forecast expenditure and future commitments given that the Board has taken the decision to make commitments to new fund investments which are greater than the current cash and committed credit facilities (see key audit matter below); and
- Evaluating the appropriateness of Directors' method of assessing the going concern in light of worst-case assumptions and the undrawn commitments modelling, details of which are included in the key audit matter below.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

		2022	2021
Key audit matters	Valuation of investments	Yes	Yes
	Unfunded commitments and cash flow modelling	Yes	No
Materiality	£11,500,000 (2021: £10,300,000) based on 1% (2021: 1%) of net assets		

An overview of the Scope of our Audit

Our audit was scoped by obtaining an understanding of the Company and its environment, including the Company's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement. All audit work was performed by BDO LLP.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report to The Members of abrdn Private Equity Opportunities Trust Plc continued

Key audit matter		How the scope of our audit addressed the key audit matter
Valuation and ownership of investments: (Note 1(c) page 95 and Note 9 on page 101)	All the company's investments are held in private equity funds and direct investments into private companies alongside private equity managers ('co-investments'). For co-investment vehicles, we have assessed that the risk over the valuation is higher than the regular funds. This is because the Company invests directly into these companies and therefore can have more of an input in the valuation process. The Company is also more exposed to an error in valuation from these co-investments given these are not part of a portfolio. There is a level of estimation uncertainty and judgement involved in the preparation of the underlying general partner ("GP") valuations which apply to all investments, and as such, there is a significant risk over the valuation of these investments. In addition, the Investment Manager's fee is based on the value of the net assets of the fund. As the Investment Manager is able to make adjustments to the underlying valuations, there is a potential risk of overstatement of investment valuations. The increase in direct co-investments in the portfolio opens the valuations to more judgement in determining fair values as the valuations of these investments are more exposed to the individual input assumptions. Due to the level of judgement involved, there is a risk that the valuation inputs may not be appropriate, therefore the valuation of investments was considered to be a key audit matter.	We responded to this matter by performing the following procedures: • Considered the appropriateness of the overall valuation policies undertaken by underlying private equity fund managers in line with the International Private Equity and Venture Capital Valuation ('IPEV') Guidelines. • Discussed with the Investment Manager key judgements affecting the private equity fund valuations, such as the basis for the valuation and any adjustments made to the independent valuation produced by the underlying fund manager on the private equity funds. We reviewed the investment manager's internal processes for considering the movements in fair value of the underlying portfolio. • We attended the Local Valuation Committee meeting held on 9 December 2022 to obtain evidence of good governance and challenges from the Members of the Committee on the inputs in the valuation preparation. • We tested the operating effectiveness of controls relating to the due diligence performed of investment additions that are involved with a new underlying fund manager to gain comfort on the reliance of GP statements. The due diligence covers a number of areas such as valuations, cash controls and an understanding of key counterparties. • We compared the year-end valuations per the accounting records to the valuation statements received from the managers of the underlying funds. Where an up-to-date fund manager's valuation was not available, we agreed the cash roll forward to direct confirmation from the GP. A total of 1% of the investments by value were cash roll forward valuations for this year end. Our detailed sample covered 97% of the total population of investments by value. • Considered the need for the Investment Manager to adjust the underlying valuations for specific cases, such as carried interest, and agreed these adjustments to the underlying support. • Considered the accuracy of the underlying GPs' valuation process by comparing the Net Asset Value per the most recent audited financial statements for a sample of funds to the GP statement for the coterminous period in order to determine the reliability of the year end GP reports. We also determined whether the audit firm signing the financial statements was a recognised audit firm and checked whether there were any modifications made to their audit reports. • Reviewed the year end GP statements for any possible inconsistent information pertaining to the valuations.

Key audit matter	How the scope of our audit addressed the key audit matter
Valuation and ownership of investments: (Note 1(c) page 95 and Note 9 on page 101) (continued)	• We tested the operating effectiveness of controls around the ongoing monitoring of the GP statements and underlying investment valuations by the abrdn valuations team, which included their review of the accuracy of the valuation inputs to GP statements, the accuracy of portfolio company data input, the reasonableness of any adjustments applied and the treatment of carried interest by the GP and the movement in the valuation from the previous reported figure. • For a sample of realised investments during the year, we agreed the proceeds of the disposal to the GP statements and performed back testing by comparing the sale price and subsequent cash receipts to the most recent valuation recorded by the Company for the investment. Our back testing included looking at the percentage gains vs the fair value uplift from the prior periods. In doing so we challenged the Investment Managers on the trends observed to gain comfort on the accuracy of the historic GP valuations. For co-investment vehicles we have: • Obtained and assessed evidence for inputs to the valuation models. We have checked inputs including EV/EBITDA multiples for reasonableness against market benchmark multiples. • Reviewed and challenged a sample of the valuations, including reviewing the underlying GP valuation papers, assessing whether the valuations have been performed in line with the IPEV guidelines and challenged assumptions used to support the valuations, and assessed other facts and circumstances such as market movement and comparative company information that might have an impact on the valuation. • Tested the operating effectiveness of controls around the ongoing monitoring of the underlying investment valuations by the abrdn valuations team as set out above. **Key Observations** Based on our procedures performed we did not identify any matters to suggest that the valuation of investments was inappropriate.

Independent Auditor's Report to The Members of abrdn Private Equity Opportunities Trust Plc continued

Key audit matter		How the scope of our audit addressed the key audit matter
Unfunded commitments and cash flow modelling: (Note 16)	The Board has taken the decision to make commitments to new fund investments which are greater than the current cash and committed credit facilities. As private equity funds generally call monies over a five-year period whilst they are making investments, the drawdowns for funds which are investing should be offset by the more mature funds which are realising their investments and distributing cash back to the Company. To minimise the risk of having an obligation to pay out more cash than is in the bank or on short-term deposit on any particular day, a committed, multi-currency revolving credit facility was arranged. However, there is a risk of having an obligation to pay out more cash than is available at any particular time therefore this was considered to be a key audit matter.	The Investment Manager monitors the Company's ongoing cash requirements by the use of cash flow modelling and reports to the Board on a regular basis. We have reviewed these and the underlying assumptions by performing the following procedures: • We reviewed the accuracy of the model including the valuations and commitment balances by agreeing valuations and commitments in the model to general partners' statements • Reviewed the model for timing and accuracy of projected commitments and tested the likelihood of anticipated drawdowns based on historic data. • Agreed inputs in the model to third party general partners' statements. • Tested the reasonableness of the forecasted dividends to be paid by the Company by confirming the sufficiency of the cash reserves and cash surplus from the forecasts. • Performed sensitivity on the cash flow model by assuming accelerated drawdowns of the total amount of outstanding commitments as well as lower realisations from investment disposals. We have agreed the facility terms to the facility agreement and confirmed the year-end balance on this facility with the third party provider. **Key Observations** Based on our procedures performed we did not identify any matters to suggest that the unfunded commitments and cash flow modelling was inappropriate.

Our Application of Materiality
We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Overview
Strategic Report
Investment Manager's Review
Corporate Governance
Financial Statements
Corporate Information

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Company Financial Statements	
	2022	2021
Materiality	£11,500,000	£10,300,000
Basis for determining materiality	1% of net assets	
Rationale for the benchmark applied	In setting materiality, we considered the nature and composition of the investment portfolio. Given that the fund portfolio is comprised of unquoted funds which typically are not complex in nature, we have applied 1% of net assets.	
Performance materiality	£8,600,000	£7,700,000
Basis for determining performance materiality	75% of materiality The level of performance materiality applied was set after having considered a number of factors including the expected total value of known and likely misstatements and the level of transactions in the year.	

Lower Threshold
We have set a lower testing threshold for those items impacting revenue return of £690,000 (2021: £674,000), which is based on 10% of revenue return before tax (2021: 10%).

Reporting Threshold
We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £570,000 (2021: £200,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other Information
The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Corporate Governance Statement
The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit.

Independent Auditor's Report to The Members of abrdn Private Equity Opportunities Trust Plc continued

Going concern and longer-term viability	• The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified; and • The Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate.
Other Code provisions	• Directors' statement on fair, balanced and understandable; • Board's confirmation that it has carried out a robust assessment of the emerging and principal risks; • The section of the annual report that describes the review of effectiveness of risk management and internal control systems; and • The section describing the work of the Audit Committee.

Other Companies Act 2006 Reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: • the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.
Directors' remuneration	In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: • adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or • the financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or • certain disclosures of Directors' remuneration specified by law are not made; or • we have not received all the information and explanations we require for our audit.

Responsibilities of the Directors

As explained more fully in the Directors' responsibility statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to Which the Audit was Capable of Detecting Irregularities, Including Fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the entity and the industry in which it operates and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to the Companies Act 2006, the UK Listing rules, the DTR rules, the principles of the UK Corporate Governance Code, FRS 102, VAT and other taxes. We also considered the Company's qualification as an Investment Trust under UK tax legislation.

We assessed the susceptibility of the financial statements to material misstatement, including fraud and considered the fraud risk areas to be management override of controls and valuation of investments.

Our tests included:
- agreement of the financial statement disclosures to underlying supporting documentation;
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations;
- enquiries of management and those charged with governance regarding any known or suspected instances of non-compliance with laws and regulations or fraud;
- review of correspondence with the relevant authorities;
- testing the appropriateness of a sample of journal entries in the general ledger to supporting documentation, and adjustments made in the preparation of the financial statements, reviewing accounting estimates for possible bias and obtaining an understanding of the business rationale of any significant transactions that are outside the normal course of the business for the Company and those that appear to be unusual;
- obtaining independent confirmations for bank, investment and loan balances.
- review of minutes of board meetings throughout the period for any known or suspected instances of non-compliance with laws and regulations or fraud; and
- the procedures set out in the Key Audit Matters section above.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of Our Report
This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Peter Smith (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London UK
30 January 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of Comprehensive Income

		For the year ended 30 September 2022			For the year ended 30 September 2021		
	Notes	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Total capital gains on investments	9	**–**	**147,940**	**147,940**	–	291,578	291,578
Currency gains/(losses)	14	**–**	**942**	**942**	–	(2,368)	(2,368)
Income	2	**9,368**	**–**	**9,368**	8,968	–	8,968
Investment management fee	3	**(1,060)**	**(9,540)**	**(10,600)**	(884)	(7,959)	(8,843)
Administrative expenses	4	**(1,054)**	**–**	**(1,054)**	(1,020)	–	(1,020)
Profit before finance costs and taxation		**7,254**	**139,342**	**146,596**	7,064	281,251	288,315
Finance costs	5	**(318)**	**(1,907)**	**(2,225)**	(323)	(1,568)	(1,891)
Profit before taxation		**6,936**	**137,435**	**144,371**	6,741	279,683	286,424
Taxation	6	**(1,174)**	**414**	**(760)**	(735)	587	(148)
Profit after taxation		**5,762**	**137,849**	**143,611**	6,006	280,270	286,276
Earnings per share – basic and diluted	8	**3.75p**	**89.66p**	**93.41p**	3.91p	182.29p	186.20p

The Total columns of this statement represents the profit and loss account of the Company.

There are no items of other comprehensive income, therefore this statement is the single statement of comprehensive income of the Company.

All revenue and capital items in the above statement are derived from continuing operations.

No operations were acquired or discontinued in the year.

The dividend which has been recommended based on this Statement of Comprehensive Income is 14.40p (2021: 13.60p) per ordinary share.

The accompanying notes form an integral part of these financial statements.

Statement of Financial Position

	Notes	As at 30 September 2022 £'000	As at 30 September 2021 £'000
Non-current assets			
Investments	9	**1,192,380**	1,007,843
Current assets			
Receivables	10	**1,056**	1,144
Cash and cash equivalents		**30,341**	29,714
Total current assets		**31,397**	30,858
Creditors: amounts falling due within one year			
Payables	11	**(3,713)**	(2,734)
Revolving credit facility	12	**(62,012)**	–
Net current (liabilities)/assets		**(34,328)**	28,124
Total assets less current liabilities		**1,158,052**	1,035,967
Capital and reserves			
Called-up share capital	13	**307**	307
Share premium account	14	**86,485**	86,485
Special reserve	14	**51,503**	51,503
Capital redemption reserve	14	**94**	94
Capital reserves	14	**1,019,663**	897,578
Revenue reserve	14	**–**	–
Total shareholders' funds		**1,158,052**	1,035,967
Net asset value per equity share	15	**753.2p**	673.8p

The accompanying notes form an integral part of these financial statements.

The Financial Statements of abrdn Private Equity Opportunities Trust plc, registered number SC216638 on pages 91 to 108 were approved and authorised for issue by the Board of Directors on 30 January 2023 and were signed on its behalf by Alan Devine, Chair.

Alan Devine
Chair
30 January 2023

Statement of Changes in Equity

For the year ended 30 September 2022

	Notes	Called-up share capital £'000	Share premium account £'000	Special reserve £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
Balance at 1 October 2021		**307**	**86,485**	**51,503**	**94**	**897,578**	**–**	**1,035,967**
Profit after taxation		–	–	–	–	137,849	5,762	143,611
Dividends paid	7	–	–	–	–	(15,764)	(5,762)	(21,526)
Balance at 30 September 2022	13, 14	**307**	**86,485**	**51,503**	**94**	**1,019,663**	**–**	**1,158,052**

For the year ended 30 September 2021

	Notes	Called-up share capital £'000	Share premium account £'000	Special reserve £'000	Capital redemption reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
Balance at 1 October 2020		307	86,485	51,503	94	631,904	–	770,293
Profit after taxation		–	–	–	–	280,270	6,006	286,276
Dividends paid	7	–	–	–	–	(14,596)	(6,006)	(20,602)
Balance at 30 September 2021	13, 14	307	86,485	51,503	94	897,578	–	1,035,967

The accompanying notes form an integral part of these financial statements.

Statement of Cash Flows

	Notes	For the year ended 30 September 2022 £'000	For the year ended 30 September 2021 £'000
Cashflows from operating activities			
Profit before taxation		**144,371**	286,424
Adjusted for:			
Finance costs	5	**2,225**	1,891
Gains on disposal of investments	9	**(107,007)**	(96,065)
Revaluation of investments	9	**(41,433)**	(195,839)
Currency (gains)/losses	14	**(942)**	2,368
(Increase)/decrease in debtors		**(6)**	60
Increase in creditors		**854**	1,394
Tax deducted from non-UK income	6	**(760)**	(148)
Net cash (outflow)/inflow from operating activities		**(2,698)**	85
Investing activities			
Purchase of investments	9	**(245,270)**	(185,338)
Purchase of secondary investments	9	**(8,347)**	–
Distributions of capital proceeds received by investments		**201,557**	187,772
Disposal of quoted investments	9	**–**	2,193
Receipt of proceeds from disposal of unquoted investments	9	**15,714**	16,376
Net cash (outflow)/inflow from investing activities		**(36,346)**	21,003
Financing activities			
Revolving credit facility – amounts drawn	12	**79,031**	–
Revolving credit facility – amounts repaid	12	**(17,019)**	–
Interest paid and arrangement fees		**(1,757)**	(1,539)
Ordinary dividends paid	7	**(21,526)**	(20,602)
Net cash inflow/(outflow) from financing activities		**38,729**	(22,141)
Net decrease in cash and cash equivalents		**(315)**	(1,053)
Cash and cash equivalents at the beginning of the year		**29,714**	33,135
Currency gains/(losses) on cash and cash equivalents		**942**	(2,368)
Cash and cash equivalents at the end of the year		**30,341**	29,714
Cash and cash equivalents consist of:			
Money-market funds		**–**	16,414
Cash		**30,341**	13,300
Cash and cash equivalents		**30,341**	29,714

Included in profit before taxation is dividends received from investments of £3,964,000 (2021: £3,651,000), interest received from investments of £4,538,000 (2021: £5,305,000) and interest received from cash balances and money market funds of £46,000 (2021: £12,000).

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

1. Accounting policies

(a) Basis of Accounting

The financial statements have been prepared in accordance with the Companies Act 2006, Financial Reporting Standard 102 and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts (the "SORP"), updated in July 2022. They have also been prepared on the assumption that approval as an investment trust will continue to be granted. The financial statements have been prepared on a going concern basis. The Directors believe that this is appropriate for the reasons outlined in the Directors' Report on page 80. The principal accounting policies adopted are set out below. These policies have been applied consistently throughout the current and prior year.

Rounding is applied to the disclosures in these financial statements, where considered relevant.

(b) Revenue, Expenses and Finance Costs

Dividends and income from unquoted investments are included when the right to receipt is established, which is the notice value date. Dividends are accounted for as revenue in the Statement of Comprehensive Income. Interest receivable is dealt with on an accruals basis.

All expenses are accounted for on an accruals basis. Expenses are charged through the revenue account of the Statement of Comprehensive Income except as follows:

- transaction costs incurred on the purchase and disposal of investments are recognised as a capital item in the Statement of Comprehensive Income;
- the Company charges 90% of investment management fees and finance costs to capital, in accordance with the Board's expected long-term split of returns between capital gains and income from the Company's investment portfolio. Bank interest expense has been charged wholly to revenue.

(c) Investments

Investments are accounted for at fair value through profit or loss as detailed below. On the date of making a legal commitment to invest in a fund or co-investment, such commitment is recorded and disclosed. When funds are drawn in respect of these commitments, the resulting investment is recognised in the financial statements. The investment is removed when it is realised or when the investment is wound up. Gains and losses arising from changes in fair value are included as a capital item in the Statement of Comprehensive Income and are ultimately recognised in the capital reserves.

Unquoted investments are stated at the directors' estimate of fair value and follow the recommendations of the European Private Equity & Venture Capital Association ("EVCA") and the British Private Equity & Venture Capital Association ("BVCA"). The estimate of fair value is normally the latest valuation placed on an investment by its manager as at the Statement of Financial Position date. The valuation policies used by the manager in undertaking that valuation will generally be in line with the joint publication from the EVCA and the BVCA, 'International Private Equity and Venture Capital Valuation guidelines'. Where formal valuations are not completed as at the Statement of Financial Position date, the last available valuation from the manager is adjusted for any subsequent cash flows occurring between the valuation date and the Statement of Financial Position date. The Company's Manager may further adjust such valuations to reflect any changes in circumstances from the last manager's formal valuation date to arrive at the estimate of fair value.

For listed investments, which were actively traded on recognised stock exchanges, fair value is determined by reference to their quoted bid prices on the relevant exchange as at the close of business on the last trading day of the Company's financial year.

(d) Dividends payable

Dividends are recognised in the period in which they are paid.

(e) Capital and Reserves

Share Premium – The share premium account represents the premium above nominal value received by the Company on issuing shares net of issue costs.

Special Reserve – Court approval was given on 27 September 2001 for 50% of the initial premium arising on the issue of the ordinary share capital to be cancelled and transferred to a special reserve. The reserve is a distributable reserve and may be applied in any manner as a distribution, other than by way of a dividend.

Capital Redemption Reserve – This reserve is used to record the amount equivalent to the nominal value of any of the Company's own shares purchased and cancelled in order to maintain the Company's capital.

Capital Reserve – Gains/(Losses) on Disposal – Represents gains or losses on investments realised in the period that have been recognised in the Statement of Comprehensive Income, in addition to the transfer of any previously recognised unrealised gains or losses on investments within "Capital reserve – revaluation" upon disposal. This reserve also represents other accumulated capital related expenditure such as management fees and finance costs, as well as other currency gains/losses from non-investment activity.

Capital Reserve – Revaluation – Represents increases and decreases in the fair value of investments that have been recognised in the Statement of Comprehensive Income during the period.

Revenue Reserve – The revenue reserve represents accumulated revenue profits retained by the Company that have not currently been distributed to shareholders as a dividend.

The revenue and capital reserves – Gains/(losses) on disposal represent the amount of the Company's reserves distributable by way of dividend.

(f) Taxation

i) Current taxation – Provision for corporation tax is made at the current rate on the excess of taxable income net of any allowable deductions. In line with the recommendations of the SORP, the allocation method used to calculate tax relief on expenses presented against capital in the Statement of Comprehensive Income is the "marginal basis". Under this basis, if taxable income is capable of being offset entirely by expenses presented in the revenue column of the Statement of Comprehensive Income, then no tax relief is transferred to the capital column. Withholding tax suffered on income from overseas investments is taken to the revenue column of the Statement of Comprehensive Income.

ii) Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the Statement of Financial Position date, where transactions or events that result in an obligation to pay more or a right to pay less tax in future have occurred at the Statement of Financial Position date, measured on an undiscounted basis and based on enacted tax rates. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are differences arising between the Company's taxable profits and its results as stated in the financial statements which are capable of reversal in one or more subsequent periods.

Due to the Company's status as an investment trust company, and the intention to continue meeting the conditions required to obtain approval in the foreseeable future, the Company has not provided deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

Notes to the Financial Statements continued

1. Accounting Policies continued

(g) Foreign currency translation, functional and presentation currency

Foreign currency translation – Transactions in foreign currencies are converted to sterling at the exchange rate ruling at the date of the transaction. Overseas assets and liabilities are translated at the exchange rate prevailing at the Company's Statement of Financial Position date. Gains or losses on translation of investments held at the year end are accounted for in the Statement of Comprehensive Income through inclusion in total capital gains/losses on investments and is transferred to capital reserves. Gains or losses on the translation of overseas currency balances held at the year end are also accounted for through the Statement of Comprehensive Income and are transferred to capital reserves.

Functional and presentation currency – For the purposes of the financial statements, the results and financial position of the Company is expressed in sterling, which is the functional currency and the presentation currency of the Company.

Rates of exchange to sterling at 30 September were:

	2022	2021
Euro	**1.1395**	1.1635
US Dollar	**1.1163**	1.3484
Canadian Dollar	**1.5339**	1.7082

Transactions in overseas currency are translated at the exchange rate prevailing on the date of transaction.

The Company's investments are made in a number of currencies. However, the Board considers the Company's functional currency to be sterling. In arriving at this conclusion, the Board considers that the shares of the Company are listed on the London Stock Exchange. The Company is regulated in the United Kingdom, principally having its shareholder base in the United Kingdom, pays dividends as well as expenses in sterling.

(h) Cash and Cash Equivalents

Cash comprises bank balances and cash held by the Company. Cash equivalents comprise money-market funds which are used by the Company to provide additional short-term liquidity. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(i) Debtors

Debtors are recognised initially at transaction price. They are subsequently measured at amortised cost using the effective interest method, less the appropriate allowances for estimated irrecoverable amounts.

(j) Creditors

Creditors are recognised initially at transaction price. They are subsequently stated at amortised cost using the effective interest method.

(k) Revolving Credit Facility

Revolving credit facility drawdowns are recognised initially at cost, being the fair value of the consideration received. They are subsequently stated at amortised cost using the effective interest method.

(l) Segmental Reporting

The Directors are of the opinion that the Company is engaged in a single segment of business activity, being investment business. Consequently, no business segmental analysis is provided.

(m) Judgements and Key Sources of Estimation Uncertainty

The preparation of financial statements requires the Company to make estimates and assumptions and exercise judgements in applying the accounting policies that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses arising during the year. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The area where estimates and assumptions have the most significant effect on the amounts recognised in the financial statements is the determination of fair value of unquoted investments, as disclosed in note 1(c).

2. Income

	Year to 30 September 2022 £'000	Year to 30 September 2021 £'000
Dividends from investments	**4,759**	3,651
Interest from investments	**4,538**	5,305
Interest from cash balances and money-market funds	**71**	12
Total income	**9,368**	8,968

3. Investment Management Fees

	Year to 30 September 2022			Year to 30 September 2021		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee	**1,060**	**9,540**	**10,600**	884	7,959	8,843

The Manager of the Company is abrdn Capital Partners LLP. In order to comply with the Alternative Investment Fund Managers Directive, the Company appointed abrdn Capital Partners LLP as its Alternative Investment Fund Manager from 1 July 2014.

The investment management fee payable to the Manager is 0.95% per annum of the NAV of the Company. The investment management fee is allocated 90% to the realised capital reserve – gains/(losses) on disposal and 10% to the revenue account. Effective 1 October 2022, the investment management fee will be allocated 95% to the realised capital reserve – gains/(losses) on disposal and 5% to the revenue account. The management agreement between the Company and the Manager is terminable by either party on twelve months written notice.

Investment management fees due to the Manager as at 30 September 2022 amounted to £2,888,000 (30 September 2021: £2,227,000).

4. Administrative Expenses

	Year to 30 September 2022 £'000	Year to 30 September 2021 £'000
Directors' fees	**269**	224
Employers' national insurance	**32**	26
Secretarial and administration fees	**247**	222
Marketing fees	**243**	244
Fees and subscriptions	**78**	67
Auditor's remuneration	**63**	45
Depositary fees	**59**	53
Professional and consultancy fees	**49**	49
Legal fees	**12**	2
Other expenses	**2**	88
Total	**1,054**	1,020

No non-audit services were provided by the Company auditor, BDO LLP during the year to 30 September 2022.

Irrecoverable VAT has been shown under the relevant expense line.

The administration fee payable to IQ EQ Administration Services (UK) Ltd is adjusted annually in line with the retail prices index. The administration agreement is terminable by the Company on three months' notice.

The secretarial fee payable to abrdn Holdings plc (formerly known as Aberdeen Asset Management plc) is adjusted annually in line with the retail price index. The secretarial agreement is terminable by the Company on six months' notice.

The emoluments paid to the directors during the year can be found in the Directors' Remuneration Report on page 75.

Notes to the Financial Statements continued

5. Finance Costs

	Year to 30 September 2022			Year to 30 September 2021		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Revolving credit facility interest expense	**107**	**965**	**1,072**	–	–	–
Revolving credit facility commitment fee	**70**	**634**	**704**	140	1,260	1,400
Revolving credit facility arrangement fee	**34**	**308**	**342**	34	308	342
Bank interest expense	**107**	**-**	**107**	149	–	149
Total	**318**	**1,907**	**2,225**	323	1,568	1,891

6. Taxation

(a) Analysis of the tax charge throughout the year

	Year to 30 September 2022 £'000	Year to 30 September 2021 £'000
Overseas withholding tax	**760**	148

(b) Factors affecting the total tax charge for the year

	Year to 30 September 2022			Year to 30 September 2021		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Profit before taxation	**6,936**	**137,435**	**144,371**	6,741	279,683	286,424

The tax assessed for the year is different from the standard rate of corporation tax in the UK. The differences are explained below.

	Year to 30 September 2022			Year to 30 September 2021		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Profit multiplied by the effective rate of corporation tax in the UK – 19.0% (2021: 19.0%)	**1,318**	**26,113**	**27,431**	1,281	53,140	54,421
Non-taxable capital gains on investments[1]	**-**	**(28,109)**	**(28,109)**	–	(55,400)	(55,400)
Non-taxable currency (gains)/losses	**-**	**(179)**	**(179)**	–	450	450
Non-taxable income	**(904)**	**-**	**(904)**	(694)	–	(694)
Overseas withholding tax	**760**	**-**	**760**	148	–	148
Surplus management expenses and loan relationship deficits not relieved	**-**	**1,761**	**1,761**	–	1,223	1,223
Total tax charge/(credit) for the year	**1,174**	**(414)**	**760**	735	(587)	148

1 The Company carries on business as an investment trust company with respect to sections 1158-1159 of the Corporation Tax Act 2010. As such any capital gains are exempt from UK taxation.

(c) Factors That May Affect Future Tax Charges

At the year end there is a potential deferred tax asset of £8,081,000 (2021: £5,764,000) in relation to excess management expenses carried forward. The deferred tax asset is unrecognised at the year end in line with the Company's stated accounting policy.

The Corporation Tax main rate for the years 1 April 2020 and 2021 was 19%. A proposed revision to Corporation Tax was introduced in Finance Bill 2021, which retains the main rate at 19% from 1 April 2022, followed by an increase to 25% from 1 April 2023. Deferred taxes at the Statement of Financial Position date have been measured at these enacted rates and reflected in these financial statements.

7. Dividend on Ordinary Shares

	Year to 30 September 2022 £'000	Year to 30 September 2021 £'000
Amount recognised as a distribution to equity holders in the year:		
2021 third quarterly dividend of 3.40p (2020: 3.30p) per ordinary share paid on 29 October 2021 (2020: paid on 30 October 2020)	**5,227**	5,074
2021 fourth quarterly dividend of 3.40p per ordinary share (2020: 3.30p) paid on 28 January 2022 (2020: paid on 29 January 2021)	**5,227**	5,074
2022 first quarterly dividend of 3.60p (2021: 3.40p) per ordinary share paid on 22 April 2022 (2021: paid on 20 April 2021)	**5,536**	5,227
2022 second quarterly dividend of 3.60p (2021: 3.40p) per ordinary share paid on 29 July 2022 (2021: paid on 27 July 2021)	**5,536**	5,227
Total	**21,526**	20,602

Set out below are the total dividends paid and proposed in respect of the financial year, which is the basis on which the requirements of sections 1158-1159 of the Corporation Tax Act 2010 are considered. Of the total profit after taxation for the year of £143,611,000 (2021: £286,276,000), the total revenue and capital profits which are available for distribution by way of a dividend for the year is £102,755,000 (2021: £90,437,000).

	Year to 30 September 2022 £'000	Year to 30 September 2021 £'000
2022 first quarterly dividend of 3.60p (2021: 3.40p) per ordinary share paid on 22 April 2022 (2021: paid on 20 April 2021)	**5,536**	5,227
2022 second quarterly dividend of 3.60p (2021: 3.40p) per ordinary share paid on 29 July 2022 (2021: paid on 27 July 2021)	**5,536**	5,227
2022 third quarterly dividend of 3.60p (2021: 3.40p) per ordinary share paid on 28 October 2022 (2021: paid on 29 October 2021)	**5,536**	5,227
Proposed 2022 fourth quarterly dividend of 3.60p per ordinary share (2021: 3.40p per ordinary share) paid on 27 January 2023 (2021: 28 January 2022).	**5,536**	5,227
Total	**22,144**	20,908

8. Earnings Per Share – Basic and Diluted

	Year to 30 September 2022		Year to 30 September 2021	
	p	£'000	p	£'000
The net return per ordinary share is based on the following figures:				
Revenue net return	**3.75**	**5,762**	3.91	6,006
Capital net return	**89.66**	**137,849**	182.29	280,270
Total net return	**93.41**	**143,611**	186.20	286,276
Weighted average number of ordinary shares in issue:		**153,746,294**		153,746,294

There are no diluting elements to the earnings per share calculation in 2022 (2021: none).

Notes to the Financial Statements continued

9. Investments

	Year to 30 September 2022 Quoted Investments £'000	Year to 30 September 2022 Unquoted Investments £'000	Year to 30 September 2022 Total £'000	Year to 30 September 2021 Quoted Investments £'000	Year to 30 September 2021 Unquoted Investments £'000	Year to 30 September 2021 Total £'000
Fair value through profit or loss:						
Opening market value	–	**1,007,843**	**1,007,843**	–	721,650	721,650
Opening investment holding gains	–	**(304,629)**	**(304,629)**	–	(108,790)	(108,790)
Opening book cost	–	**703,214**	**703,214**	–	612,860	612,860
Movements in the year:						
Additions at cost	–	**245,270**	**245,270**	2,422	147,656	150,078
Secondary purchases	–	**8,347**	**8,347**	–	35,260	35,260
Distribution of capital proceeds	–	**(201,806)**	**(201,806)**	–	(187,772)	(187,772)
Disposal of quoted investments	–	–	–	(2,193)	–	(2,193)
Secondary sales	–	**(15,714)**	**(15,714)**	–	(1,084)	(1,084)
	–	**739,311**	**739,311**	229	606,920	607,149
Gains on disposal of underlying investments	–	**107,007**	**107,007**	–	96,294	96,294
Losses on disposal of quoted investments	–	–	–	(229)	–	(229)
Closing book cost	–	**846,318**	**846,318**	–	703,214	703,214
Closing investment holding gains	–	**346,062**	**346,062**	–	304,629	304,629
Closing market value	–	**1,192,380**	**1,192,380**	–	1,007,843	1,007,843

	Year to 30 September 2022 Quoted Investments £'000	Year to 30 September 2022 Unquoted Investments £'000	Year to 30 September 2022 Total £'000	Year to 30 September 2021 Quoted Investments £'000	Year to 30 September 2021 Unquoted Investments £'000	Year to 30 September 2021 Total £'000
Gains/(losses) on investments held at fair value through profit or loss based on historical costs	–	**107,007**	**107,007**	(229)	96,294	96,065
(Gains)/losses recognised as unrealised in previous years in respect of distributed capital proceeds or disposal of investments	–	**(44,999)**	**(44,999)**	–	3,370	3,370
Gains/(losses) on distribution of capital proceeds or disposal of investments based on the carrying value at the previous year end date	–	**62,008**	**62,008**	(229)	99,664	99,435
Net movement in unrealised investment gains	–	**86,432**	**86,432**	–	192,469	192,469
Total capital Gains/(losses) on investments held at fair value through profit or loss	–	**148,440**	**148,440**	(229)	292,133	291,904

Transaction Costs

During the year expenses were incurred in acquiring or disposing of investments. These have been expensed through capital and are included within capital gains on investments of £147,940,000 (2021: £291,578,000) in the Statement of Comprehensive Income. The total costs were as follows:

	Year to 30 September 2022 £'000	Year to 30 September 2021 £'000
Transaction costs	**500**	326

Overview
Strategic Report
Investment Manager's Review
Corporate Governance
Financial Statements
Corporate Information

10. Receivables

	As at 30 September 2022 £'000	As at 30 September 2021 £'000
Amounts falling due within one year:		
Unamortised revolving credit facility arrangement fees	**748**	1,091
Investments receivable	**249**	–
Prepayments	**34**	53
Interest receivable	**25**	–
Total	**1,056**	1,144

11. Payables

	As at 30 September 2022 £'000	As at 30 September 2021 £'000
Amounts falling due within one year:		
Management fee	**2,888**	2,227
Accruals	**719**	448
Secretarial and administration fee	**105**	48
Bank interest	**1**	11
Total	**3,713**	2,734

12. Revolving Credit Facility

	As at 30 September 2022 £'000	As at 30 September 2021 £'000
Revolving credit facility	**62,012**	–

As at 30 September 2022, the Company had a £200.0 million syndicated revolving credit facility provided by Citi, Société Générale and State Street Bank International GmbH, which was to expire in December 2024.

The interest rate on the facility at that time was calculated as the defined reference rate of the currency drawn plus 1.625%, rising to 2.0% depending on the level of facility utilisation. The commitment fee rate payable on non-utilisation was 0.7% per annum.

On 10 October 2022, the Company announced an expansion of the credit facility which increased from £200.0 million to £300.0 million with The Royal Bank of Scotland International Limited joining as a lender and Natwest Markets Plc replacing Citibank Europe plc as Agent in the syndicate of banks providing the revolving credit facility, alongside current providers Société Générale and State Street Bank International GmbH.

The interest rate on the expanded facility is unchanged, whilst the commitment fee rate payable on non-utilisation is now between 0.7% and 0.8% per annum based on the level of facility utilisation.

13. Called-up Share Capital

	As at 30 September 2022 £'000	As at 30 September 2021 £'000
Issued and fully paid:		
Ordinary shares of 0.2p		
Opening balance of 153,746,294 (2021: 153,746,294) ordinary shares	**307**	307
Closing balance of 153,746,294 (2021: 153,746,294) ordinary shares	**307**	307

The Company may buy back its own shares where it is judged to be beneficial to shareholders, taking into account the discount between the Company's Net Asset Value and the share price, and the supply and demand for the Company's shares in the open market.

No shares were bought back during the year (2021: Nil).

Notes to the Financial Statements continued

14. Reserves

	Share premium account £'000	Special reserve £'000	Capital redemption reserve £'000	Capital reserves: Gains/(losses) on disposal £'000	Capital reserves: Revaluation £'000	Revenue reserve £'000
Opening balances at 1 October 2021	**86,485**	**51,503**	**94**	**592,949**	**304,629**	**-**
Gains on disposal of investments	–	–	–	107,007	–	–
Management fee charged to capital	–	–	–	(9,540)	–	–
Finance costs charged to capital	–	–	–	(1,907)	–	–
Transaction costs	–	–	–	(500)	–	–
Tax relief on management fee and finance costs above	–	–	–	414	–	–
Currency gains/(losses)	–	–	–	1,514	(572)	–
Revaluation of investments	–	–	–	–	41,433	–
Return after taxation	–	–	–	–	–	5,762
Dividends during the year	–	–	–	(15,764)	–	(5,762)
Closing balances at 30 September 2022	**86,485**	**51,503**	**94**	**674,173**	**345,490**	**-**

The revenue and capital reserve – gains/(losses) on disposal represent the amounts of the Company's reserve distributable by way of dividend.

15. Net Asset Value Per Equity Share

	As at 30 September 2022	As at 30 September 2021
Basic and diluted:		
Ordinary shareholders' funds	**£1,158,052,447**	£1,035,967,006
Number of ordinary shares in issue	**153,746,294**	153,746,294
Net asset value per ordinary share	**753.2p**	673.8p

The net asset value per ordinary share and the ordinary shareholders' funds are calculated in accordance with the Company's articles of association.

There are no diluting elements to the net asset value per equity share calculation in 2022 (2021: none).

16. Commitments and Contingent Liabilities

	As at 30 September 2022 £'000	As at 30 September 2021 £'000
Outstanding calls on investments	**678,880**	557,051

This represents commitments made to fund and co-investment interests remaining undrawn.

17. Parent Undertaking, Related Party Transactions and Transactions with the Manager

The ultimate parent undertaking of the Company is Phoenix Group Holdings. The results for the year to 30 September 2022 are incorporated into the group financial statements of Phoenix Group Holdings, which will be available to download from the website www.thephoenixgroup.com.

Standard Life Assurance Limited ("SLAL", which is 100% owned by Phoenix Group Holdings), and the Company have entered into a relationship agreement which provides that, for so long as SLAL and its Associates exercise, or control the exercise, of 30% or more of the voting rights of the Company, SLAL and its Associates, will not seek to enter into any transaction or arrangement with the Company which is not conducted at arm's length and on normal commercial terms, take any action that would have the effect of preventing the Company from carrying on an independent business as its main activity or from complying with its obligations under the Listing Rules or propose or procure the proposal of any shareholder resolution which is intended or appears to be intended to circumvent the proper application of the Listing Rules. During the year ended 30 September 2022, SLAL received dividends from the Company totalling £11,533,000 (2021: £11,539,000).

During the year ended 30 September 2022 the Manager charged management fees totalling £10,600,000 (2021: £8,843,000) to the Company in the normal course of business. The balance of management fees outstanding at 30 September 2022 was £2,888,000 (30 September 2021: £2,227,000).

abrdn Investment Management Limited, which shares the same ultimate parent as the Manager, received fees for the provision of promotional activities of £145,200 (2021: £240,000) during the year. The balance of promotional fees outstanding at 30 September 2022 was a payable of £325,000 (30 September 2021: payable of £180,000).

The Company Secretarial services for the Company are provided by abrdn Holdings plc (formerly known as Aberdeen Asset Management plc), which shares the same ultimate parent as the Manager. During the year ended 30 September 2022, the Company incurred secretarial fees of £70,000 (2021: £71,000). The balance of secretarial fees outstanding at 30 September 2022 was £104,000 (2021: £35,000).

The Company previously invested in liquidity funds managed by abrdn Investments Luxembourg S.A. (formerly known as Aberdeen Standard Investments (Lux)), which share the same ultimate parent as the Manager. During the year ended 30 September 2022, the Company received interest amounting to £2,000 (30 September 2021: £10,000) on sterling denominated positions and £nil on euro denominated positions (30 September 2021: £nil). The Company realised its holding in the liquidity funds in November 2021.

No other related party transactions were undertaken during the year ended 30 September 2022.

18. Risk Management, Financial Assets and Liabilities

Financial Assets and Liabilities

The Company's financial instruments comprise fund and other investments, money-market funds, cash balances, debtors and creditors that arise from its operations. The assets and liabilities are managed with the overall objective of achieving long-term total returns for shareholders.

Summary of Financial Assets and Financial Liabilities by Category

The carrying amounts of the Company's financial assets and financial liabilities, as recognised at the Statement of Financial Position date of the reporting periods under review, are categorised as follows:

	As at 30 September 2022 £'000	As at 30 September 2021 £'000
Financial assets		
Financial assets measured at fair value through profit or loss:		
Fixed asset investments	**1,192,380**	1,007,843
Financial assets measured at amortised cost:		
Investment receivable	**249**	–
Money-market funds, cash and short-term deposits	**30,341**	29,714
	1,222,970	1,037,557
Non-financial assets		
Other receivables	**807**	1,144
	807	1,144
Financial liabilities		
Measured at amortised cost:		
Creditors: amounts falling due within one year:		
Accruals	**3,713**	2,734
Revolving credit facility	**62,012**	–
	65,725	2,734

Notes to the Financial Statements continued

18. Risk Management, Financial Assets and Liabilities continued

Assets/Liabilities Measured at Amortised Cost

The carrying value of the current assets and liabilities is deemed to be fair value due to the short-term nature of the instruments and/or the instruments bearing interest at the market rates.

Risk Management

The Directors manage investment risk principally through setting an investment policy and by contracting management of the Company's investments to an investment manager under terms which incorporate appropriate duties and restrictions and by monitoring performance in relation to these. The Company's investments are in private equity funds, typically unquoted limited partnerships and co-investments. These are valued by their managers generally in line with the EVCA and the BVCA guidelines, which provide for a fair value basis of valuation. The funds may hold investments that have become quoted or the co-investment may become quoted and these will be valued at the appropriate listed price, subject to any discount for marketability restrictions.

As explained in the Company's investment policy, risk is spread by investing across a range of countries and industrial sectors, thereby reducing excessive exposure to particular areas. The Manager's investment review and monitoring process is used to identify and, where possible, reduce risk of loss of value in the Company's investments.

The Company's investing activities expose it to various types of risk that are associated with the financial instruments and markets in which it invests. The most important types of financial risk to which the Company is exposed are market risk, overcommitment risk, liquidity risk, credit risk and interest rate risk.

The nature and extent of the financial instruments outstanding at the Statement of Financial Position date and the risk management policies employed by the Company are discussed below.

Market Risk

a) Price Risk

The Company is at risk of the economic cycle impacting the listed financial markets and hence potentially affecting the pricing of new underlying investments, the valuation of existing underlying investments and the price and timing of exits. By having a diversified and rolling portfolio of investments the Company is well placed to take advantage of economic cycles.

100% of the Company's investments are held at fair value. The valuation methodology employed by the managers of the unquoted investments may include the application of EBITDA ratios derived from listed companies with similar characteristics. Therefore, the value of the Company's portfolio is indirectly affected by price movements on listed financial exchanges. A 10% increase in the valuation of investments at 30 September 2022 would have increased the net assets attributable to the Company's shareholders and the total return for the year by £119,238,000 (2021: £100,784,000); a 10% change in the opposite direction would have decreased the net assets attributable to the Company's shareholders and the total return for the year by an equivalent amount. Due to the private nature of the underlying companies in which the Company's investments are invested, it is not possible for the Company to pinpoint the effect to the Company's net assets of changes to the EBITDA ratios of listed markets any more accurately.

b) Currency Risk

The Company makes fund and co-investment commitments in currencies other than sterling and, accordingly, a significant proportion of its investments and cash balances are in currencies other than sterling. In addition, the Company's syndicated revolving credit facility is a multi-currency facility. Therefore, the Company's NAV is sensitive to movements in foreign exchange rates.

The Manager monitors the Company's exposure to foreign currencies and reports to the Board on a regular basis. It is not the Company's policy to hedge foreign currency risk. It is expected that the majority of the Company's commitments and investments will be denominated in euros. Accordingly, the majority of the Company's indebtedness will usually be held in that currency. No currency swaps or forwards were used during the year.

Overview
Strategic Report
Investment Manager's Review
Corporate Governance
Financial Statements
Corporate Information

The table below sets out the Company's currency exposure.

	As at 30 September 2022		As at 30 September 2021	
	Local Currency '000	Sterling Equivalent £'000	Local Currency '000	Sterling Equivalent £'000
Fixed asset investments:				
Euro	**1,045,818**	**917,787**	951,223	817,588
Sterling	**86,894**	**86,894**	69,213	69,213
US Dollar	**209,527**	**187,698**	163,206	121,042
Money-market funds, cash and short-term deposits:				
Euro	**17,596**	**15,442**	12,243	10,523
Sterling	**5,624**	**5,624**	16,523	16,523
US Dollar	**10,351**	**9,273**	3,596	2,667
Canadian Dollar	**3**	**2**	3	1
Investment receivable				
US Dollar	**278**	**249**	–	–
Revolving credit facility:				
Euro	**(53,000)**	**(46,512)**	–	–
Sterling	**(15,500)**	**(15,500)**	–	–
Other debtors and creditors:				
Euro	**(86)**	**(75)**	(14)	(12)
Sterling	**(2,817)**	**(2,817)**	(1,537)	(1,537)
US Dollar	**(16)**	**(14)**	(55)	(41)
Total		**1,158,052**		1,035,967
Outstanding commitments:				
Euro	**525,075**	**460,794**	463,209	398,134
Sterling	**13,100**	**13,100**	10,878	10,878
US Dollar	**228,826**	**204,986**	199,608	148,039
Total		**678,880**		557,051

c) Currency Sensitivity

During the year ended 30 September 2022 sterling depreciated by 2.1% relative to the euro (2021: appreciated 5.5%) and depreciated by 17.2% relative to the US dollar (2021: appreciated 4.3%).

To highlight the sensitivity to currency movements, if the value of sterling had weakened against both of the above currencies by 10% compared to the exchange rates at 30 September 2022, the capital gain for the year would have increased by £120,428,000 (2021: £105,752,000); a 10% change in the opposite direction would have decreased the capital gain for the year by £98,532,000 (2021: £86,524,000).

The calculations above are based on the portfolio valuation and cash and revolving credit facility balances as at the respective Statement of Financial Position dates and are not necessarily representative of the year as a whole.

Based on similar assumptions, the amount of outstanding commitments would have increased by £73,976,000 at the year end (2021: £60,686,000), a 10% change in the opposite direction would have decreased the amount of outstanding commitments by £60,525,000 (2021: £49,652,000).

Overview

Strategic Report

Investment Manager's Review

Corporate Governance

Financial Statements

Corporate Information

Notes to the Financial Statements continued

18. Risk Management, Financial Assets and Liabilities continued

Market Risk continued

c) Currency Sensitivity continued

Liquidity Risk

The Company has significant investments in unquoted investments which are relatively illiquid. As a result, the Company may not be able to quickly liquidate its investments at an amount close to their fair value in order to meet its liquidity requirements, including the need to meet outstanding undrawn commitments. The Company manages its liquid investments to ensure sufficient cash is available to meet contractual commitments and also seeks to have cash available to meet other short-term financial needs. Short term flexibility is achieved, where necessary, through the use of the syndicated revolving credit facility. Liquidity risk is monitored by the Manager on an ongoing basis and by the Board on a regular basis. Payables, as disclosed in note 11, all fall due within one year and the revolving credit facility, as described in note 12, has drawn £62,012,000 as at 30 September 2022 (2021: undrawn), with an amount of £137,988,000 (2021: £200,000,000) still available to be drawn.

Credit Risk

Credit risk is the exposure to loss from failure of a counterparty to deliver securities or cash for acquisitions or disposals of investments or to repay deposits. The Company places funds with authorised deposit takers from time to time and, therefore, is potentially at risk from the failure of any such institution. At the year end, the Company's financial assets exposed to credit risk amounted to the following:

	30 September 2022 £'000	30 September 2021 £'000
Money-market funds, cash and short-term deposits	**30,341**	29,714
Investment receivable	**249**	–
	30,590	29,714

The Company's cash is held by BNP Paribas Securities Services S.A., which is rated 'A+' by Standard and Poors. The Company's money-market funds are held in two Aberdeen Standard Investments (Lux) Liquidity funds, rated 'A' by Standard and Poors. Should the credit quality or the financial position of either bank deteriorate significantly, the Manager would move the cash balances to another institution.

The investment receivable relates to distribution proceeds payable to the Company as at 30 September 2022 which were received subsequent to the financial year end and is therefore no longer at risk of default.

Interest Rate Risk

The Company will be affected by interest rate changes as it holds some interest bearing financial assets and liabilities which are shown in the table below, however, the majority of its financial assets are investments in private equity investments which are non-interest bearing. Interest rate movements may affect the level of income receivable on money-market funds and cash deposits and interest payable on the Company's variable rate borrowings. The possible effects on the cash flows that could arise as a result of changes in interest rates are taken into account when making investment and borrowing decisions. Derivative contracts are not used to hedge against any exposure to interest rate risk.

Interest Risk Profile

The interest rate risk profile of the portfolio of financial assets and liabilities at the Statement of Financial Position date was as follows:

	30 September 2022		30 September 2021	
	Weighted average interest rate %	£'000	Weighted average interest rate %	£'000
Floating rate				
Financial assets: Money-market funds, cash and short-term deposits	**1.06**	**30,341**	(0.24)	29,714
Financial liabilities: Revolving credit facility	**0.40**	**62,012**	–	–
Fixed rate				
Financial liabilities: Revolving credit facility	**1.63**	**62,012**	–	–

The weighted average interest rate on the bank balances is based on the interest rate payable, weighted by the total value of the balances. The weighted average period for which interest rates are fixed on the bank balances is 31.0 days (2021: 31.0 days).

The weighted average interest rate on the revolving credit facility is based on the interest rate paid on the individual loan balances, weighted by the duration and value of each individual loan balance outstanding during the financial year.

Interest rate Sensitivity

An increase of 1% in interest rates would have decreased the net assets attributable to the Company's shareholders and decreased the total gain for the year ended 30 September 2022 by £530,000 (2021: £1,000). A decrease of 1% would have increased the net assets attributable to the Company's shareholders and increased the total gain for the year ended 30 September 2022 by £158,000 (2021: £1,000). The calculations are based on the interest paid and received during the year.

19. Fair Value hierarchy

FRS 102 requires an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following classifications:

- Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e., developed using market data) for the asset or liability, either directly or indirectly.
- Level 3: Inputs are unobservable (i.e., for which market data is unavailable) for the asset or liability.

The Company's financial assets and liabilities, measured at fair value in the Statement of Financial Position, are grouped into the following fair value hierarchy at 30 September 2022:

Financial assets at fair value through profit or loss	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Unquoted investments	–	–	1,192,380	1,192,380
Net fair value	**–**	**–**	**1,192,380**	**1,192,380**

As at 30 September 2021:

Financial assets at fair value through profit or loss	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Unquoted investments	–	–	1,007,843	1,007,843
Net fair value	–	–	1,007,843	1,007,843

Unquoted Investments

Unquoted investments are stated at the directors' estimate of fair value and follow the recommendations of the EVCA and the BVCA. The estimate of fair value is normally the latest valuation placed on an investment by its manager as at the Statement of Financial Position date. The valuation policies used by the manager in undertaking that valuation will generally be in line with the joint publication from the EVCA and the BVCA, 'International Private Equity and Venture Capital Valuation guidelines'. Fair value can be calculated by the manager of the investment in a number of ways. In general, the managers with whom the Company invests adopt a valuation approach which applies an appropriate comparable listed company multiple to a private company's earnings or by reference to recent transactions. Where formal valuations are not completed as at the Statement of Financial Position date, the last available valuation from the manager is adjusted for any subsequent cash flows occurring between the valuation date and the Statement of Financial Position date. The Company's Manager may further adjust such valuations to reflect any changes in circumstances from the last manager's formal valuation date to arrive at the estimate of fair value.

Corporate Information

abrdn

Glossary of Terms – Alternative Performance Measures

Alternative performance measures ("APMs") are numerical measures of the Company's current, historical or future performance, financial position or cash flows, other than financial measures defined or specified in the applicable financial framework. The Company's applicable financial framework includes FRS 102 and the AIC SORP.

In selecting these Alternative Performance Measures, the Directors considered the key objectives and expectations of typical investors in an investment trust such as APEO.

Discount

The amount by which the market price per share is lower than the net asset value per share of an investment trust. The discount is normally expressed as a percentage of the net asset value per share.

		As at 30 September 2022	As at 30 September 2021
Share price (p)	a	410.0	498.0
Net Asset Value per share (p)	b	753.2	673.8
Discount (%)	c = (b – a) / b	45.6	26.1

Dividend Yield

The total dividend per ordinary share in respect of the financial year divided by the share price, expressed as a percentage, calculated at the year end date of the Company:

		As at 30 September 2022	As at 30 September 2021
Dividend per share (p)	a	14.4	13.6
Share price (p)	b	410.0	498.0
Dividend yield (%)	c = a / b	3.5	2.7

NAV Total Return/NAV TR

NAV total return shows how the NAV has performed over a period of time in percentage terms, taking into account both capital returns and dividends paid to shareholders. This involves reinvesting the net dividend into the NAV at the end of the quarter in which the shares go ex-dividend. Returns are calculated to each quarter end in the year and then the total return for the year is derived from the product of these individual returns.

NAV per share (p) as at 30 September 2021	a	673.8
NAV per share (p) as at 30 September 2022	b	753.2
Price Movement	c = (b / a) -1	11.8%
Dividend Reinvestment[1]	d	2.3%
NAV Total return	e = c + d	14.1%

1 NAV total return assumes investing the dividend in the NAV of the Company on the date on which that dividend goes ex-dividend.

Ongoing Charges Ratio/Expense Ratio

The ongoing charges ratio is calculated as management fees and all other recurring operating expenses that are payable by the Company, excluding the costs of purchasing and selling investments, performance fees, finance costs, taxation, non-recurring costs, and the costs of any share buy-back transactions, expressed as a percentage of the average NAV during the period. The ratio also includes an allocation of the look-through expenses of the Company's underlying investments, excluding performance-related fees.

The ongoing charges ratio has been calculated in accordance with the applicable guidance issued by the Association of Investment Companies ("AIC"), which was last updated in October 2020.

Director		Year ended 30 September 2022 £000	Year ended 30 September 2021 £'000
Investment management fee	a	10,600	8,843
Administrative expenses	b	1,054	1,020
Ongoing charges	c = a + b	11,654	9,863
Average net assets	d	1,099,764	899,097
Expense ratio	e = c / d	1.06%	1.10%
Look-through expenses	f	1.67%	1.69%
Ongoing charges ratio	g = e + f	2.73%	2.79%

The look-through expenses represent an allocation of the management fees and other expenses charged by the underlying investments held in the portfolio of the Company. Performance related fees, such as carried interest, are excluded from this figure. This is calculated over a five year historic average, and is recalculated on an annual basis based on the previous calendar year.

Over-commitment Ratio

Outstanding commitments less cash and cash equivalents and the value of undrawn loan facilities divided by portfolio NAV.

Director		As at 30 September 2022 £'000	As at 30 September 2021 £'000
Undrawn commitments	a	678,880	557,051
Less undrawn loan facility	b	(137,988)	(200,000)
Less cash and cash equivalents	c	(30,341)	(29,714)
Net outstanding commitments	d = a – b – c	510,550	327,337
Portfolio NAV	e	1,192,380	1,007,843
Over-commitment ratio	f = d / e	42.8%	32.5%

Share Price Total Return

The theoretical return derived from reinvesting each dividend in additional shares in the Company on the day that the share price goes ex-dividend.

Date		Share price (p)
Share price (p) as at 30 September 2021	a	498.0
Share price (p) as at 30 September 2022	b	410.0
Price Movement	c = (b / a) -1	-17.7%
Dividend Reinvestment[1]	d	2.6%
Share price total return	e = c + d	-15.1%

1 Share price total return assumes reinvesting the dividend in the share price of the Company on the date on which that dividend goes ex-dividend.

Glossary of Terms continued

abrdn
abrdn plc

abrdn Private Equity
The private equity division of abrdn.

AIFM or Manager
The AIFM or Manager is abrdn Capital Partners LLP, a wholly owned subsidiary of abrdn plc.

AIC
The Association of Investment Companies.

Alternative Performance Measures
Alternative performance measures ("APMs") are numerical measures of the Company's current, historical or future performance, financial position or cash flows, other than financial measures defined or specified in the applicable financial framework. The Company's applicable financial framework includes FRS 102 and the AIC SORP.

Average Valuation Uplift
Calculated as the gross multiple realised on exit compared to the corresponding gross multiple 2 quarters prior. The calculation is based on the largest portfolio exits and does not reflect all portfolio exits during the financial year.

Buy-out Fund
A fund which acquires controlling stakes in established private companies.

Close Peer Group
Similarly positioned private equity investment trusts.

Co-investment
An investment made directly into a private company alongside other private equity managers.

Commitment
The amount committed by the Company to an investment, whether or not such amount has been advanced in whole or in part by or repaid in whole or in part to the Company (see also Over-commitment).

Comparator Index
A market index against which the overall performance of the Company can be assessed. The manager does not manage the portfolio with direct reference to any index or its constituents.

Discount
See Alternative Performance Measures on pages 111 and 112.

Distribution
A return that an investor in a private equity fund receives. Within the Annual Report and Financial Statements, the terms "cash realisations" and "distributions" are used interchangeably, the figure being derived as follows: proceeds from disposal of underlying investments by funds, plus income from those fund investments less overseas withholding tax suffered.

Dividend Yield
See Alternative Performance Measures on pages 111 and 112.

Drawdown
A portion of a commitment which is called to pay for an investment.

Dry Powder
Capital committed by investors to private equity funds that has yet to be invested.

Earnings Before Interest Expense, Taxes, Depreciation and Amortisation ("EBITDA")
A proxy for the cash flow generated by a business – it is most commonly used for business that do not (yet) generate operating or shareholder profits.

EBITDA Growth
Calculated as the weighted average growth in EBITDA at the top 50 underlying private companies over the twelve months to 30 September 2022.

Enterprise Value ("EV")
The value of the financial instruments representing ownership interests in a company plus the net financial debt of the company.

Gearing
Gearing refers to the ratio of the Company's debt to its equity capital. The Company may borrow money to invest in additional investments for its portfolio.

IPO
Initial Public Offering, the first sale of stock by a private company to the public market.

Internal Rate of Return ("IRR")
The IRR is the annualised rate of return earned by an investment, adjusted for dividends, purchases and sales, since the holding was first purchased.

Net Asset Value ("NAV")
The value of total assets less liabilities. Liabilities for this purpose include current and long-term liabilities. The net asset value divided by the number of shares in issue produces the net asset value per share.

NAV Total Return ("NAV TR")
See Alternative Performance Measures on pages 111 and 112.

Ongoing Charges/Expenses Ratio
See Alternative Performance Measures on pages 111 and 112.

Outstanding Commitments
The outstanding commitments represents the sum of the promises the Company has made to invest in particular funds at the launch of those funds, with the expectation that the underlying manager will call on the Company at different times in the future. The Manager works on the basis that these commitments, which may not be called upon for up to five years, will be funded by the distributions from existing funds in which the Company has been invested.

Over-commitment
Where the aggregate commitments to invest by the Company exceed the sum of its cash and cash equivalents plus the value of any undrawn loan facilities.

Over-commitment Ratio
See Alternative Performance Measures on pages 111 and 112.

Portfolio NAV
The total value of the portfolio of the Company.

Primaries/Primary Investment/Primary Funds
The Company commits to investing in a new private equity fund. The committed capital will generally be drawn over a three to five year period as investments in underlying private companies are made. Proceeds are then returned to the Company when the underlying companies are sold, typically over a four to five year holding period.

Realisations
See the definition for Distribution.

Revenue Growth
Calculated as the weighted average growth in revenue at the top 50 underlying private companies over the twelve months to 30 September 2022.

Roll Forward
The latest valuation calculated on a bottom-up valuation basis adjusted for any subsequent cash movements up to the reporting date and updated for exchange rates at the reporting date.

Secondary Exposure
Secondary exposure acquired equals purchase price plus any unfunded commitment.

Secondaries/Secondary Transaction/Secondary Funds
The purchase or sale of a fund interest or a portfolio of fund interests. Once a private equity fund is raised, new investors are typically not permitted into the fund. However, an existing investor may agree to sell their interest in the fund to a secondary buyer through a negotiated transaction, with the prior approval of the manager of the target fund. The secondary buyer typically pays a cash amount to the seller for the investments held in the target fund and takes on any outstanding commitments to the fund. Within this report, the terms "Secondaries", "Secondary transaction" and "Secondary investment" are used interchangeably.

Share Price Total Return
See Alternative Performance Measures on pages 111 and 112.

Share Buy-back Transaction
The repurchase by the Company of its own shares in order to reduce the number of shares on the market. This is often used by investment trusts to narrow the discount to NAV.

Total Value to Paid In ("TVPI")
The ratio of the current value of the remaining investments within a fund, plus the total value of all distributions to date, relative to the total amount of capital paid into the fund to date.

Treasury Share
When a share is bought back it may be cancelled immediately or held (at zero value) as a Treasury Share. Shares that are held in treasury can be reissued for cash at minimal cost.

Vintage Year
Refers to the year in which the first influx of investment capital is delivered to a fund.

Investor Information

Alternative Investment Fund Managers Directive ("AIFMD") and Pre-Investment Disclosure Document ("PIDD")
The Company has appointed abrdn Fund Managers Limited as its Alternative Investment Fund Manager and IQ EQ Depositary Company (UK) Limited as its Depositary under the AIFMD.

The AIFMD requires abrdn Fund Managers Limited, as the Company's AIFM, to make available to investors certain information prior to such investors' investment in the Company. Details of the leverage and risk policies which the Company is required to have in place under the AIFMD are published in the Company's PIDD which can be found on its website: abrdnpeot.co.uk. The periodic disclosures required to be made by the AIFM under the AIFMD are set out on page 118.

Investor Warning: Be Alert to Share Fraud and Boiler Room Scams
abrdn has been contacted by investors informing us that they have received telephone calls and emails from people who have offered to buy their investment company shares, purporting to work for abrdn or for third party firms. abrdn has also been notified of emails claiming that certain investment companies under our management have issued claims in the courts against individuals. These may be scams which attempt to gain your personal information with which to commit identity fraud or could be 'boiler room' scams where a payment from you is required to release the supposed payment for your shares. These callers/senders do not work for abrdn and any third party making such offers/claims has no link with abrdn.

abrdn does not 'cold-call' investors in this way. If you have any doubt over the veracity of a caller, do not offer any personal information, end the call and contact our Customer Services Department.

The Financial Conduct Authority provides advice with respect to share fraud and boiler room scams at: fca.org.uk/consumers/scams.

Shareholder Enquiries
For queries regarding shareholdings, lost certificates, dividend payments, registered details and related matters, shareholders holding their shares directly in the Company are advised to contact the Registrars (see Contact Addresses). Changes of address must be notified to the Registrars in writing.

Any general queries, comments or complaints, including for the specific attention of the Chair or Senior Independent Director, should be directed to the Company Secretary in writing (see Contact Addresses) or by email to: CEF.CoSec@abrdn.com.

For questions about an investment held through the abrdn Investment Plan for Children, Investment Trust Share Plan or Investment Trust Stocks and Shares ISA, please telephone the Manager's Customer Services Department on 0808 500 0040, email inv.trusts@abrdn.com or write to:

abrdn Investment Trusts
PO Box 11020
Chelmsford
Essex CM99 2DB

Dividend Tax Allowance
The annual tax-free personal allowance for dividend income, for UK investors, is £2,000 for the 2022/23 tax year. Above this amount, individuals will pay tax on their dividend income at a rate dependent on their income tax bracket and personal circumstances. The Company will continue to provide registered shareholders with a confirmation of dividends paid by the Company and this should be included with any other dividend income received when calculating and reporting to HMRC total dividend income received. It is the shareholder's responsibility to include all dividend income when calculating any tax liability.

How to Invest
Investors can buy and sell shares in abrdn Private Equity Opportunities Trust plc (the "Company") directly through a stockbroker or indirectly through a lawyer, accountant or other professional adviser. Many have online facilities. Alternatively, for retail clients, shares may be bought directly through the abrdn Investment Trust Share Plan, Individual Savings Account ("ISA") and Investment Plan for Children.

abrdn Investment Plan for Children

abrdn operates an Investment Plan for Children (the "Children's Plan") which covers a number of investment companies under its management including the Company. Anyone can invest in the Children's Plan (subject to the eligibility criteria as stated within the terms and conditions), including parents, grandparents and family friends. All investments are free of dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Lump sum investments start at £150 per trust, while regular savers may invest from £30 per month. Investors simply pay Government Stamp Duty (currently 0.5%) where applicable on purchases. Selling costs are £10+VAT. There is no restriction on how long an investor need invest in the Children's Plan, and regular savers can stop or suspend participation by instructing abrdn in writing at any time.

abrdn Investment Trust Share Plan

abrdn operates an Investment Trust Share Plan (the "Plan") through which shares in the Company can be purchased. There are no dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Lump sum investments start at £250, while regular savers may invest from £100 per month. Investors simply pay Government Stamp Duty (currently 0.5%) where applicable on purchases. Selling costs are £10+ VAT. There is no restriction on how long an investor need invest in a Plan, and regular savers can stop or suspend participation by instructing abrdn in writing at any time.

abrdn Investment Trust Stocks and Shares ISA

abrdn operates an Investment Trust Stocks and Shares ISA ("ISA") through which an investment made be made of up to £20,000 in the tax year 2022/23.

There are no brokerage or initial charges for the ISA, although investors will suffer the bid-offer spread, which can be a significant amount. Investors only pay Government Stamp Duty (currently 0.5%) on purchases where applicable. Selling costs are £15 + VAT. The annual ISA administration charge is £24 + VAT, calculated annually and deducted on 31 March (or the last business day in March) either by direct debit or, if there is no valid direct debit mandate in place, from the available cash in the Plan prior to the distribution or reinvestment of any income, or, where there is insufficient cash in the Plan, from the sale of investments held in the Plan. Under current legislation, investments in ISAs can grow free of capital gains tax.

ISA Transfer

Investors can choose to transfer previous tax year investments to abrdn which can be invested in the Company while retaining their ISA wrapper. The minimum lump sum for an ISA transfer is £1,000 and is subject to a minimum per trust of £250.

Nominee Accounts and Voting Rights

In common with other schemes of this type, all investments in the abrdn Investment Trust Share Plan, Investment Trust ISA or Investment Plan for Children are held in nominee accounts and investors have full voting and other rights of share ownership.

How to Attend and Vote at Company Meetings

Investors who hold their shares in the Company via the abrdn Investment Plan for Children, Investment Trust Share Plan and Investment Trust Stocks and Shares ISA and who would like to attend and vote at Company meetings (including AGMs) will be sent for completion and return a Letter of Direction in connection with the relevant meeting.

Investors who hold their shares via another platform or share plan provider (for example Hargreaves Lansdown, Interactive Investor or AJ Bell) and would like to attend and vote at Company meetings (including AGMs) should contact their platform or share plan provider directly to make arrangements.

Investors who hold their shares through platforms and have their shares held through platform nominees, may not necessarily receive notification of general meetings and are advised to keep themselves informed of Company business by referring to the Company's website. Where voting is required, and the Board encourages shareholders to vote at all general meetings of the Company, shareholders with their holdings in nominees, need to instruct the nominee to vote on their behalf and should do so in good time before the meetings.

Keeping You Informed

Information on the Company can be found on its dedicated website abrdnpeot.co.uk.

This provides access to information on the Company's share price performance, capital structure, London Stock Exchange announcements, current and historic Annual and Half-Yearly Reports, and the latest monthly factsheet on the Company issued by the Manager.

Details are also available at: invtrusts.co.uk.
Twitter: @abrdnTrusts
LinkedIn: abrdn Investment Trusts

Investor Information continued

Key Information Document ("KID")
Key Information Document ("KID") The KID relating to the Company and published by the Manager can be found on the Company's website.

Investors should be aware that the PRIIPS Regulation requires the Manager, as PRIIP manufacturer, to prepare a key information document ("KID") in respect of the Company. This KID must be made available by the Manager to retail investors prior to them making any investment decision and is available on the Manager's website. The Company is not responsible for the information contained in the KID and investors should note that the procedures for calculating the risks, costs and potential returns are prescribed by law. The figures in the KID may not reflect the expected returns for the Company and anticipated performance returns cannot be guaranteed.

Literature Service Request
For literature and application forms for abrdn's investment trust products, please contact us through: invtrusts.co.uk.

Or telephone: 0808 500 4000

Or write to:
abrdn Investment Trusts
PO Box 11020
Chelmsford
Essex CM99 2DB

Terms and Conditions
Terms and conditions for the abrdn investment trust products can also be found at: invtrusts.co.uk.

Suitable for Retail/NMPI Status
The Company's shares are intended for investors, primarily in the UK, including retail investors, professionally-advised private clients and institutional investors. Investors should consider consulting a financial adviser who specialises in advising on the acquisition of shares and other securities before acquiring shares. Investors should be capable of evaluating the risks and merits of such an investment and should have sufficient resources to bear any loss that may result.

The Company currently conducts its affairs so that the securities issued by the Company can be recommended by a financial adviser to ordinary retail investors in accordance with the Financial Conduct Authority's rules in relation to non-mainstream pooled investments ("NMPIs") and intends to continue to do so for the foreseeable future. The Company's securities are excluded from the Financial Conduct Authority's restrictions which apply to NMPIs because they are securities issued by an investment trust.

Online Dealing
There are a number of online dealing platforms for private investors that offer share dealing, ISAs and other means to invest in the Company. Real-time execution-only stockbroking services allow you to trade online, manage your portfolio and buy UK listed shares. These sites do not give advice. Some comparison websites also look at dealing rates and terms.

Discretionary Private Client Stockbrokers
If you have a large sum to invest, you may wish to contact a discretionary private client stockbroker. They can manage your entire portfolio of shares and will advise you on your investments. To find a private client stockbroker visit The Personal Investment Management & Financial Advice Association at: pimfa.co.uk.

Independent Financial Advisers
To find an adviser who recommends on investment trusts, visit: unbiased.co.uk.

Regulation of Stockbrokers
Before approaching a stockbroker, always check that they are regulated by the Financial Conduct Authority:

Tel: 0800 111 6768
or at: register.fca.org.uk
or email: register@fca.org.uk

Note
Please remember that past performance is not a guide to the future. Stock market and currency movements may cause the value of shares and the income from them to fall as well as rise and investors may not get back the amount they originally invested.

As with all equity investments, the value of investment trusts purchased will immediately be reduced by the difference between the buying and selling prices of the shares, the market maker's spread.

Investors should further bear in mind that the value of any tax relief will depend on the individual circumstances of the investor and that tax rates and reliefs, as well as the tax treatment of ISAs may be changed by future legislation.

AIFMD Disclosures (Unaudited)

The Manager and the Company are required to make certain disclosures available to investors in accordance with the Alternative Investment Fund Managers Directive ("AIFMD"). Those disclosures that are required to be made pre-investment are included within a pre-investment disclosure document ("PIDD") which can be found on the Company's website.

There have been no material changes to the disclosures contained within the PIDD since its most recent update in January 2022.

The periodic disclosures as required under the AIFMD to investors are made below:

- information on the investment strategy, geographic and sector investment focus and principal stock exposures is included in the Strategic Report;
- none of the Company's assets are subject to special arrangements arising from their illiquid nature;
- the Strategic Report, note 18 to the financial statements and the PIDD together set out the risk profile and risk management systems in place. There have been no changes to the risk management systems in place in the period under review and no breaches of any of the risk limits set, with no breach expected;
- there are no new arrangements for managing the liquidity of the Company or any material changes to the liquidity management systems and procedures employed by the Manager; and
- all authorised Alternative Investment Fund Managers are required to comply with the AIFMD Remuneration Code. In accordance with the Remuneration Code, the AIFM's remuneration policy is available from the Company Secretary, abrdn Holdings Limited, on request, and the remuneration disclosures in respect of the AIFM's reporting period for the year ended 31 December 2021 are available on the Company's website.

Leverage

The table below sets out the current maximum permitted limit and actual level of leverage for the Company:

	Gross Method	Commitment Method
Maximum level of leverage	250.0%	250.0%
Actual level at 30 September 2022	105.2%	105.7%

There have been no breaches of the maximum level during the period and no changes to the maximum level of leverage employed by the Company. There have been no changes to the circumstances in which the Company may be required to post assets as collateral and no guarantees granted under the leveraging arrangement. Changes to the information contained either within this Annual Report or the PIDD in relation to any special arrangements in place, the maximum level of leverage which the Manager may employ on behalf of the Company, the right of use of collateral or any guarantee granted under any leveraging arrangement, or any change to the position in relation to any discharge of liability by the Depositary will be notified via a regulatory news service without undue delay in accordance with the AIFMD.

The information on this page has been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000 (as amended by the Financial Services Act 2012) by the Manager which is authorised and regulated by the Financial Conduct Authority in the United Kingdom.

Notice of Annual General Meeting

The twenty-second Annual General Meeting of abrdn Private Equity Opportunities Trust plc will be held at the Balmoral Hotel, 1 Princes Street, Edinburgh, EH2 2EQ, Edinburgh on Wednesday, 22 March 2023 at 12.30 p.m.

NOTICE IS HEREBY GIVEN that the twenty-second Annual General Meeting of abrdn Private Equity Opportunities Trust plc (the "Company") will be held at the Balmoral Hotel, 1 Princes Street, Edinburgh, EH2 2EQ on Wednesday, 22 March 2023 at 12.30 p.m. for the following purposes:

To consider and, if thought fit, pass resolutions 1 to 12 (inclusive) as ordinary resolutions:

Ordinary Business

1. To receive and adopt the Directors' Report and financial statements of the Company for the year ended 30 September 2022, together with the independent Auditor's report thereon.

2. To receive and approve the Directors' Remuneration Policy.

3. To receive and approve the Directors' Remuneration Report for the year ended 30 September 2022.

4. To approve the Company's dividend policy to pay four interim dividends per annum.

5. To re-elect Mr Agble as a Director of the Company.

6. To re-elect Mr Devine as a Director of the Company.

7. To re-elect Ms Seymour-Williams as a Director of the Company.

8. To re-elect Ms Stillhart as a Director of the Company.

9. To re-elect Mr Thomson as a Director of the Company.

10. To re-appoint BDO LLP as independent Auditor of the Company to hold office until the conclusion of the next Annual General Meeting at which accounts are laid before the Company.

11. To authorise the Directors to fix the remuneration of the independent Auditor for the year to 30 September 2023.

Special Business

12. That, in substitution for any existing authority, but without prejudice to the exercise of any such authority prior to the date of the passing of this resolution, the Directors of the Company be and they are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company ("Securities") provided that such authority shall be limited to the allotment of shares and the grant of rights in respect of shares with an aggregate nominal value of up to £30,749.25 (representing 10% of the Company's total issued share capital (excluding shares held in treasury) as at the date of this notice. Such authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on the expiry of 15 months from the passing of this resolution, whichever is the earlier, unless previously revoked, varied, extended or renewed by the Company in a general meeting, save that the Company may at any time prior to the expiry of this authority make an offer or enter into an agreement which would or might require Securities to be allotted or granted after the expiry of such authority and the Directors shall be entitled to allot or grant Securities in pursuance of such an offer or agreement as if such authority had not expired.

To consider and, if thought fit, to pass resolutions 13 to 15 (inclusive) as special resolutions:

13. That, subject to the passing of resolution 12 set out above, and in substitution for any existing power but without prejudice to the exercise of any such power prior to the date of the passing of this resolution, the Directors of the Company be and they are hereby generally empowered, pursuant to sections 570 and 573 of the Companies Act 2006 (the "Act"), to allot equity securities (within the meaning of section 560(1) of the Act), for cash pursuant to the authority given by resolution 12 above, and to sell treasury shares for cash, as if Section 561(1) of the Act did not apply to any such allotment or sale provided that this power:

a) expires at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on the expiry of 15 months from the passing of this resolution, whichever is the earlier, unless previously revoked, varied, extended or renewed by the Company in a general meeting, save that the Company may, at any time prior to the expiry of this authority, make an offer or enter into an agreement which would or might require equity securities to be allotted or sold out of treasury after such expiry and the Directors may allot or sell out of treasury equity securities in pursuance of any such offer or agreement as if the power conferred hereby had not expired; and

b) shall be limited to the allotment, or sale out of treasury, of equity securities up to an aggregate nominal value of £30,749.25, being approximately 10% of the nominal value of the issued share capital of the Company (excluding treasury shares), as at the date of this notice.

14. That, in substitution for any existing authority, but without prejudice to the exercise of any such authority prior to the date of the passing of this resolution, the Company be and is hereby generally and, subject as hereinafter appears, unconditionally authorised in accordance with Section 701 of the Companies Act 2006 (the "Act") to make market purchases (within the meaning of Section 693(4) of the Act) of Ordinary shares of 0.2p each in the capital of the Company (the "Shares") either for retention as treasury shares for future reissue, resale or transfer, or for cancellation provided always that:

a) the maximum number of Shares hereby authorised to be purchased shall be 8,056,569, or, if less, the number representing approximately 14.99% of the Company's issued share capital (excluding shares held in treasury) at the date of the passing of this resolution;

b) the minimum price (exclusive of expenses) which may be paid for each Share shall be 0.2p;

c) the maximum price (exclusive of expenses) which may be paid for a Share is the higher of (i) 105% of the average of the middle market quotations (as derived from the Daily Official List of the London Stock Exchange) for the Shares over the five business days immediately preceding the date of purchase and (ii) the higher of the last independent trade and the highest current independent bid on the trading venue which the purchase is carried out; and

d) the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on the expiry of 15 months from the passing of this resolution, whichever is earlier, unless previously revoked, varied, extended or renewed by the Company in a general meeting, save that the Company may, at any time prior to the expiry of this authority, enter into a contract to purchase shares under such authority which will or might be completed or executed wholly or partly after the expiration of such authority and may make a purchase of Shares pursuant to any such contract.

15. That a general meeting other than an Annual General Meeting may be called on not less than 14 clear days' notice.

By order of the Board
abrdn Holdings Limited
Company Secretary
1 George Street,
Edinburgh, EH2 2LL
30 January 2023

Notice of Annual General Meeting continued

Notes

1. Attending the Annual General Meeting in Person
If you wish to attend the Annual General Meeting in person, you should arrive at the venue for the Annual General Meeting in good time to allow your attendance to be registered. It is advisable to have some form of identification with you as you may be asked to provide evidence of your identity prior to being admitted to the Annual General Meeting.

2. Appointment of Proxies
Members are entitled to appoint one or more proxies to exercise all or any of their rights to attend, speak and vote at the Annual General Meeting. A proxy need not be a member of the Company but must attend the Annual General Meeting to represent a member. To be validly appointed, a proxy must be appointed using the procedures set out in these notes and in the notes to the accompanying Form of Proxy. If a member wishes a proxy to speak on their behalf at the meeting, the member will need to appoint their own choice of proxy (not the Chair of the Annual General Meeting) and give their instructions directly to them. Such an appointment can be made using the Form of Proxy accompanying this Notice of Annual General Meeting or through CREST.

Members can only appoint more than one proxy where each proxy is appointed to exercise rights attached to different shares. Members cannot appoint more than one proxy to exercise the rights attached to the same share(s). If a member wishes to appoint more than one proxy, they should contact the Company's registrar Equiniti Limited (the "Registrar") at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA.

A member may instruct their proxy to abstain from voting on a particular resolution to be considered at the meeting by marking the "Vote withheld" option in relation to that particular resolution when appointing their proxy.

It should be noted that an abstention is not a vote in law and will not be counted in the calculation of the proportion of votes "For" or "Against" the resolution.

The appointment of a proxy will not prevent a member from attending the Annual General Meeting and voting in person if he or she wishes.

A person who is not a member of the Company but who has been nominated by a member to enjoy information rights does not have a right to appoint any proxies under the procedures set out in these notes and should read note 8 below.

3. Appointment of a Proxy Using a Form of Proxy
A Form of Proxy for use in connection with the Annual General Meeting is enclosed. To be valid any Form of Proxy or other instrument appointing a proxy, together with any power of attorney or other authority under which it is signed or a certified copy thereof, must be received by post or (during normal business hours only) by hand by the Registrar at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA at least 48 hours (excluding non-working days) before the time of the Annual General Meeting or any adjournment of that meeting.

If you do not have a Form of Proxy and believe that you should have one, or you require additional Forms of Proxy, please contact the Registrar at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA.

4. Appointment of a Proxy Through CREST
CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual and by logging on to the following website: euroclear.com.

CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) 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 using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Registrar (ID RA19) no later than 48 hours (excluding non-working days) before the time of the Annual General Meeting or any adjournment of that meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Registrar 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 UK & Ireland Limited does not make available special procedures in CREST for any particular message. 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 (a) voting service provider(s), to procure that his 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. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers 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 Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

5. Appointment of Proxy by Joint Holders
In the case of joint holders, where more than one of the joint holders purports to appoint one or more proxies, only the purported appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first named being the most senior).

6. Corporate Representatives
Any corporation which is a member can appoint one or more corporate representatives. Members can only appoint more than one corporate representative where each corporate representative is appointed to exercise rights attached to different shares. Members cannot appoint more than one corporate representative to exercise the rights attached to the same share(s).

7. Entitlement to Attend and Vote
To be entitled to attend and vote at the Annual General Meeting (and for the purpose of determining the votes they may cast), members must be registered in the Company's register of members at 6.30 p.m. on 20 March 2023 (or, if the Annual General Meeting is adjourned, at 6.30 p.m. on the day two days (excluding non-working days) prior to the adjourned meeting). Changes to the Company's register of members after the relevant deadline will be disregarded in determining the rights of any person to attend and vote at the Annual General Meeting.

8. Nominated Persons
Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 (the "Act") to enjoy information rights (a "Nominated Person") may, under an agreement between him or her and the member by whom he or she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he or she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.

9. Website Giving Information Regarding the Annual General Meeting
Information regarding the Annual General Meeting, including information required by section 311A of the Act, and a copy of this Notice of Annual General Meeting is available from abrdnpeot.co.uk.

10. Audit Concerns
Members should note that it is possible that, pursuant to requests made by members of the Company under section 527 of the Act, the Company may be required to publish on a website a statement setting out any matter relating to: (a) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (b) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which Annual Report and Financial Statements were laid in accordance with section 437 of the Act. The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Act to publish on a website.

11. Voting Rights
As at 30 January 2023 (being the latest practicable date prior to the publication of this notice) the Company's issued share capital consisted of 153,746,294 Ordinary shares of 0.2 pence each. The Company held no shares in treasury. Only holders of Ordinary shares are entitled to attend and vote at the Annual General Meeting. Each Ordinary share carries one vote. Therefore, the total voting rights in the Company as at 30 January 2023 were 153,746,294 votes.

Notice of Annual General Meeting continued

12. Notification of Shareholdings
Any person holding 3% or more of the total voting rights of the Company who appoints a person other than the Chair of the Annual General Meeting as his proxy will need to ensure that both he, and his proxy, comply with their respective disclosure obligations under the UK Disclosure Guidance and Transparency Rules.

13. Further Questions and Communication
Under section 319A of the Act, the Company must cause to be answered any question relating to the business being dealt with at the Annual General Meeting put by a member attending the meeting unless answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, or the answer has already been given on a website in the form of an answer to a question, or it is undesirable in the interests of the Company or the good order of the meeting that the question be answered. Members may not use any electronic address provided in this notice or in any related documents (including the accompanying document, Form of Proxy or Letter of Direction to communicate with the Company for any purpose other than those expressly stated.

Under Sections 338 and 338A of the Companies Act 2006, members meeting the threshold requirements in those sections have the right to require the Company: (i) to give, to members of the Company entitled to receive notice of the Annual General Meeting, notice of a resolution which those members intend to move (and which may properly be moved) at the Annual General Meeting; and/or (ii) to include in the business to be dealt with at the Annual General Meeting any matter (other than a proposed resolution) which may properly be included in the business at the Annual General Meeting. A resolution may properly be moved, or a matter properly included in the business unless: (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of any inconsistency with any enactment or the Company's constitution or otherwise); (b) it is defamatory of any person; or (c) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be accompanied by a statement setting out the grounds for the request, must be authenticated by the person(s) making it and must be received by the Company not later than the date that is six clear weeks before the Annual General Meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

14. Directors' Letters of Appointment
The Directors' letters of appointment will be available for inspection at the registered office of the Company and at the offices of Dickson Minto W.S. at Broadgate Tower, 20 Primrose Street, London EC2A 2EW during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this notice until the conclusion of the Annual General Meeting and on the date of the Annual General Meeting at the Balmoral Hotel, 1 Princes Street, Edinburgh, EH2 2EQ, from 12:15 p.m. until the conclusion of the Annual General Meeting.

15. Customers of abrdn Share Plan
Participants in the abrdn Investment Plan for Children, Share Plan or ISA are entitled to vote by completing the enclosed Letter of Direction and returning it in the accompanying envelope no later than 12:30 p.m. on Wednesday, 15 March 2023.

Contact Addresses

Directors
Alan Devine, Chair
Dugald Agble
Diane Seymour-Williams
Yvonne Stillhart
Calum Thomson

Investment Manager
abrdn Capital Partners LLP
1 George Street
Edinburgh
EH2 2LL
United Kingdom

Company Secretary
abrdn Holdings Limited
1 George Street
Edinburgh
EH2 2LL
United Kingdom

Company Administrator
IQ EQ Administration Services (UK) Limited
Two London Bridge
London
SE1 9RA
United Kingdom

Company Depositary
IQ EQ Depositary Company (UK) Limited
Two London Bridge
London
SE1 9RA
United Kingdom

Company Broker
Winterflood Securities
The Atrium Building
Cannon Bridge
London
EC4R 2GA
United Kingdom

Solicitor
Dickson Minto WS
16 Charlotte Square
Edinburgh
EH2 4DF
United Kingdom

Tax Adviser
PricewaterhouseCoopers LLP
Atria One
144 Morrison Street
Edinburgh
EH3 8EX
United Kingdom

Independent Auditor
BDO LLP
55 Baker Street
London
W1U 7EU
United Kingdom

Banker
BNP Paribas Securities Services S.A.
10 Harewood Avenue
London
NW1 6AA
United Kingdom

Registrar
Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA
United Kingdom

Designed and produced by emperor
Visit us at emperor.works

abrdn
Private Equity
Opportunities Trust plc

abrdn

abrdnpeot.co.uk

Company number: SC216638