abrdn
Private Equity
Opportunities Trust plc

Annual Report

30 September 2023
abrdnpeot.co.uk

Company number: SC216638

Making private
equity opportunities
available to all

abrdn
Private Equity
Opportunities Trust plc

Who We Are

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 in private equity funds by making primary commitments and secondary purchases, and it makes "direct" investments into private companies via co-investments and single-asset secondaries. 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.

abrdn Capital Partners LLP, a wholly owned subsidiary of abrdn plc, is APEO's alternative investment fund manager ("AIFM") and Manager (the "Investment Manager" or the "Manager").

abrdnpeot.co.uk
For latest news visit our website

abrdnpeot.co.uk/invest-now
Visit our investors page for more detail on how to invest

Quick Links

Overview

Launched 2001

FTSE 250 company

Private equity funds and direct investments

£1.2bn of net assets

European mid-market focused

Quarterly dividend

See our Investment Portfolio on p55

abrdn

Overview

Who We Are continued

Investment Objective

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, a majority of which will have a European focus.

Notable Figures

11.4%
Annualised net asset value ("NAV") total return* ("NAV TR") since inception in 2001

3.6%
Annual dividend yield* at 30 September 2023

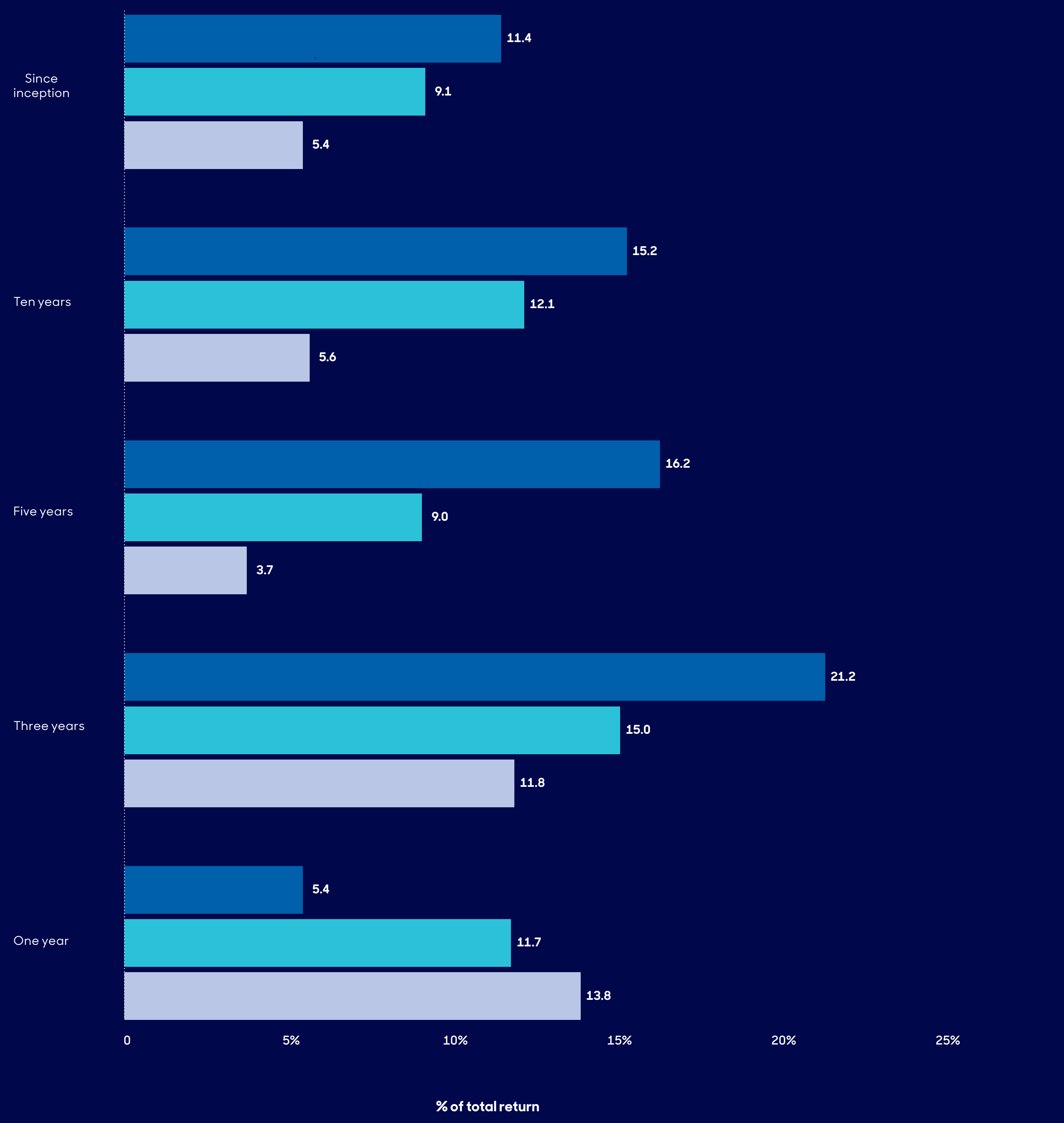
75%
Underlying portfolio companies head-quartered in Europe

95bps
(p.a.) Flat management fee; no performance fee charged by the Manager

19%
Of the portfolio value is now in "direct" investments

* Considered to be an Alternative Performance Measure. Further details can be found on pages 113 and 114.

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



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Who We Are continued

A diversified portfolio of private equity funds and direct investments into private companies, principally focused on the European mid-market.

APEO partners with a carefully selected group of leading private equity firms

Fund Investments
APEO commits to funds managed by these firms, either from the fund's inception (a primary fund) or by buying a fund position from another investor part way through the fund's life (a fund secondary)

Direct Investments
APEO invests directly into private companies alongside the lead private equity investor, either through a co-investment or a single asset secondary investment

The funds invest into private companies

This approach creates an underlying portfolio of 720 private companies, well balanced by sector, geography and maturity.[1]

- **22%** Information technology
- **19%** Healthcare
- **19%** Industrials
- **14%** Consumer discretionary
- **10%** Consumer staples
- **9%** Financials
- **7%** Other

1 As at 30 September 2023. Based on the latest available information from underlying managers. Figures represent percentage of total value of underlying portfolio company exposure.

Our Philosophy

The key pillars that have guided our business for more than two decades and differentiate us.

Access

APEO gives investors access to high-quality private equity managers and private companies, within a market that can be complex to navigate

Read more about Access on page 9

>3,700

With over 3,700 private equity firms in Europe*, identifying the best opportunities can be daunting

Expertise

abrdn Capital Partners LLP has managed APEO since its inception and its team has specialist knowledge in European markets

Read more about Expertise on page 10

>20 years

The senior investment manager team has on average over 20 years' experience investing in European Private Equity

Focus

APEO has a carefully selected portfolio of some of the best investments in mid-market private equity

Read more about Focus on page 11

12 core relationships

APEO partners with 12 core relationships, which are some of the leading private equity firms in the market

Consistency

APEO has a history and track record of more than two decades, based on the foundation of rigorous and disciplined investment analysis

Read more about Consistency on page 12

11.4%

APEO's annualised NAV TR† since inception in 2001 is 11.4%

* Source: Preqin, as at 30 June 2023.
† Considered to be an Alternative Performance Measure. Further details can be found on pages 113 and 114.

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Our Philosophy continued

Access

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

$1,160bn[1]
European private equity market[2]

3,700+[1]
European private equity firms[3]

1 As at 30 June 2023. Source: Preqin.
2 European private equity AUM (NAV plus dry powder) (buyout, growth, turnaround).
3 European-based private equity firms (buyout, growth, turnaround).

Making Private Equity an Essential Part of Every Portfolio
The private equity market can be difficult and complex to navigate, and there are many opportunities for investors to choose from. Investment selection is critical in order to generate the differentiated returns that private equity can deliver, relative to other asset classes.

Our long-standing 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 direct 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 direct investments for as little as the price of one of the Company's shares. 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.

Expertise

The investment management team has specialist knowledge in European markets.

75%
of underlying portfolio companies headquartered in Europe*

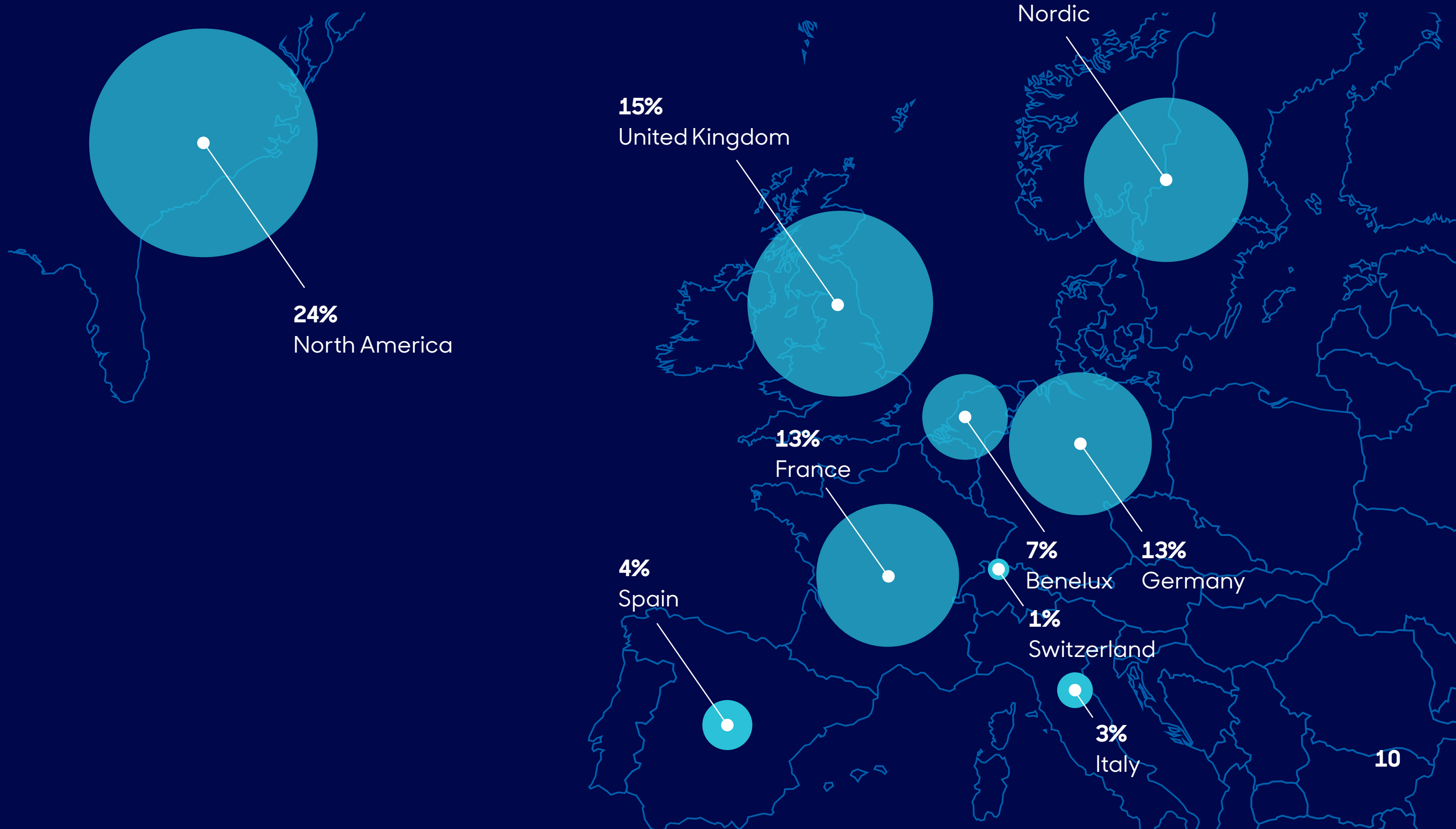
21 years
average senior team time spent investing in European private equity

* Based on the latest available information from underlying managers. Figures represent percentage of total value of underlying portfolio company exposure. Geographic exposure is defined as the geographic region where underlying portfolio companies are headquartered. In addition to the above, 5% of underlying portfolio companies are based in European countries not separately disclosed below, while 1% are based in countries outside of Europe, excluding North America.

The Investment Manager has a large and well established team of investment professionals. It has managed APEO for more than two decades, since inception, and has 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 direct 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.



Focus

Mid-market companies with
€100m–1bn
EV at entry

12
APEO core managers

APEO is focused on the private equity mid-market and partners with a small group of leading private equity firms.

We are predominantly focused on the private equity mid-market, which we define as businesses between €100 million and €1 billion in enterprise value ("EV"). It's our belief that this part of the market is particularly attractive, given it generally relates to growing, profitable, cash generative businesses that are well established but still have clear opportunities to further create further investment value.

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 700 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 investments alongside them in private companies.

Consistency

APEO has a history and track record of more than two decades.

11.4%
annualised NAV TR† since 2001 (inception)

14
consecutive years of annual NAV growth

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.

Source: abrdn, Refinitiv Eikon 30 September 2023.
Note: past performance is not a guide to future performance.
* Considered to be an Alternative Performance Measure. Further details can be found on pages 113 and 114.
† A Key Performance Indicator by which the performance of the Manager is measured by the Board.
~ For definitions, please see Glossary on pages 113 to 116.

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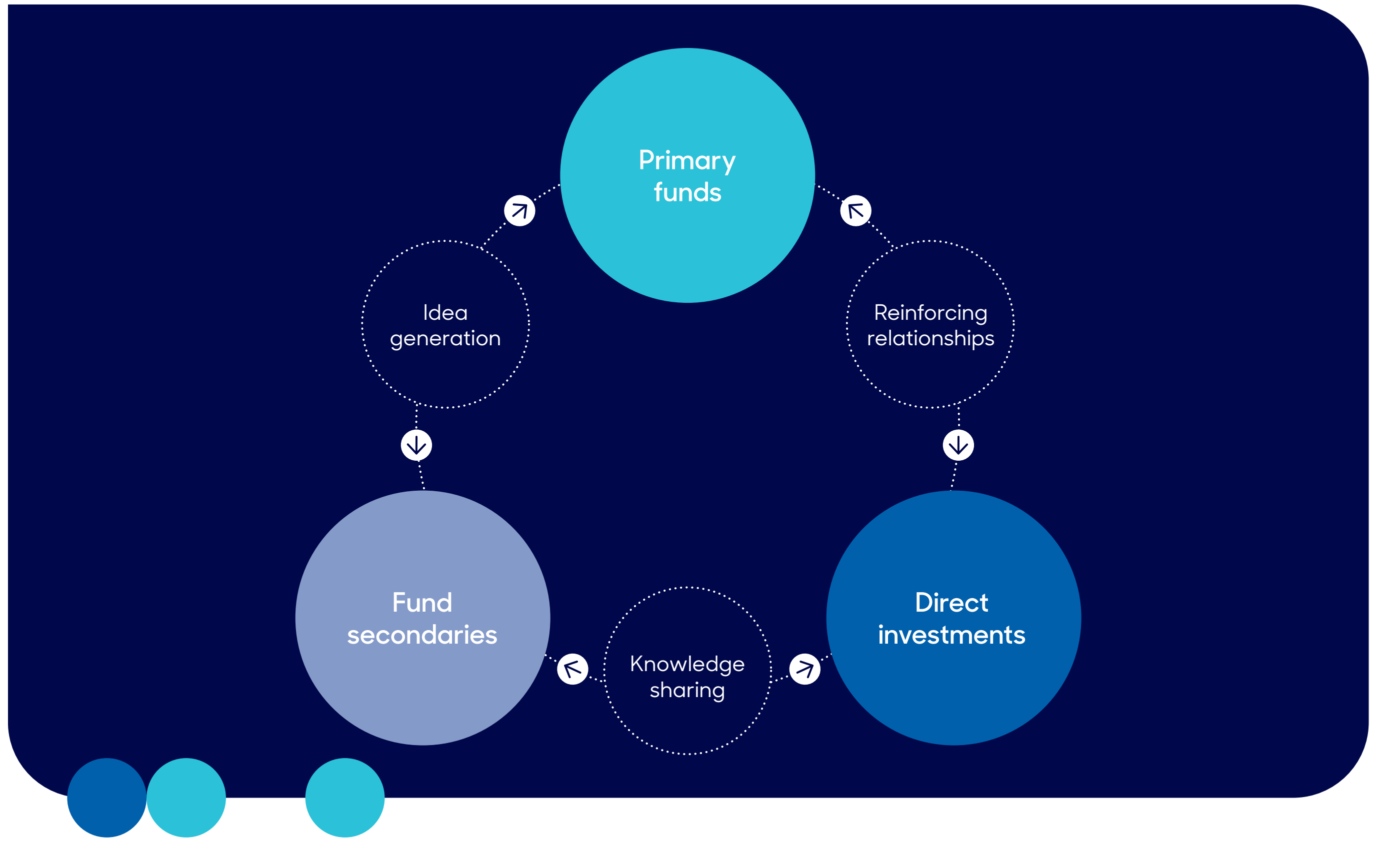
Strategic Report

Investment Strategy

APEO invests in private equity funds, on both a primary and secondary basis, and makes direct investments into private companies. This complementary approach helps APEO to access some of the best opportunities in private equity.



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 and single-asset secondaries. 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 direct investments into private companies, via co-investments alongside private equity managers.

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 cash flows 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 ten years.

As at 30 September 2023, APEO directly held 80 separate fund investments (2022: 75) comprising of primary and secondary fund interests, as well as 26 direct investments (2022: 22).

Through its portfolio of directly held investments, the Company indirectly has exposure to a diverse range of underlying portfolio companies, as well as additional underlying fund of fund and co-investment interests. At 30 September 2023, APEO's underlying portfolio included exposure to 720 separate underlying portfolio companies (2022: 655).

APEO predominantly invests in European mid-market companies. Around 75% (2022: 76%) of the total value of underlying portfolio company exposure 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 exposures. Currently the largest single sector exposure (Information Technology) represents 22% of the total value of underlying portfolio company exposure[1] (2022: 20%) 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 pages 27 and 28.

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

Chair's Statement

"Over the 12 months to 30 September 2023, the share price total return increased by 11.7%."

Annual Performance Highlights

NAV TR*+
Year ended 30 September 2023
5.4%
Year ended 30 September 2022 *14.1%*

Share price total return*+
Year ended 30 September 2023
11.7%
Year ended 30 September 2022 *-15.1%*

FTSE All-Share Index total return
Year ended 30 September 2023
13.8%
Year ended 30 September 2022 *-4.0%*

Net assets
As at 30 September 2023
£1,195.6m
As at 30 September 2022 *£1,158.1m*

Share price
As at 30 September 2023
442.0p
As at 30 September 2022 *410.0p*

Expense ratio*+
Year ended 30 September 2023
1.06%
Year ended 30 September 2022 *1.06%*

* Considered to be an Alternative Performance Measure. Further details can be found on pages 113 and 114.
\+ A Key Performance Indicator by which the performance of the Manager is measured by the Board.
For definitions, please see Glossary on pages 113 to 116.

Introduction
The past 12 months have been eventful, for both APEO and the wider market. Whilst the Investment Trust sector and APEO remain challenged by stubbornly wide share price discounts to NAV, I am heartened that the APEO portfolio has continued to deliver a resilient annual NAV TR during the period of 5.4%, despite a currency FX headwind of -2.8%, and that the Company continues to regularly return capital to shareholders through its enhanced quarterly dividend, delivering a yield of 3.6% as at 30 September 2023.

For this year's Annual Report, I have changed the format of the Chair's Statement to ensure that I am directly addressing the key questions of shareholders. I hope that shareholders find this format more engaging and useful but, as always, I encourage shareholders to provide the Board with feedback on the Annual Report and indeed the Company more broadly. The Board and I can be reached at APEO.Board@abrdn.com.

The Manager announced in October 2023 that it is due to be purchased by Patria Investments Ltd, subject to regulatory approvals. What impact will that have on APEO and its shareholders?
The Board noted the announcement made by abrdn plc on 16 October 2023 of the conditional sale of abrdn Private Equity to Patria, a global alternative asset manager established in Latin America. This includes the sale of abrdn Capital Partners LLP, the Company's Investment Manager and AIFM.

The Board and I place the interests of APEO shareholders at the forefront our minds when considering the Patria transaction. We have been fully engaged with abrdn, the Company's Manager, and Patria for a number of weeks now, indeed even before the conditional sale was formally signed and announced. In this regard, the Board has received assurances from abrdn and Patria that the Company's investment management team will remain unchanged should the sale complete. abrdn has also confirmed that appropriate arrangements will be put in place to maintain the existing administration and other services currently provided by abrdn or third-party service providers.

That said, the Board is evaluating the impact of the sale on the Company and its management team and is continuing to have constructive discussions with Patria. No changes will be made to the Company's existing management and administration arrangements prior to the completion of the sale, and we expect the impact of the sale to be cost neutral for the Company and its shareholders. The Board will provide an update to APEO's shareholders on the progress of the sale, which is expected to complete in the first half of 2024, in due course.

How has APEO performed during the year to 30 September 2023?
Over the 12 months to 30 September 2023, the share price total return increased by 11.7%, which I would normally consider strong performance in isolation.

However, I recognise that this performance is relative to a low base, in terms of the share price declines we saw in most equities and asset classes in 2022. The APEO share price total return underperformed the 13.8% total return from the FTSE All-Share Index over the period and the share price discount to NAV remained wide at 43.2% (30 September 2022: 45.6%).

APEO's share price performance is by no means an outlier in the investment trust landscape, and particularly the private equity investment trust sector, which continues to see lukewarm investor buying demand. I personally find the current share price discount confusing given the quality of APEO's underlying portfolio companies, the robustness of its valuation (see later comments) and the long-term nature of its NAV growth. The NAV TR of 5.4% during the period (30 September 2022: 14.1%), even with the challenging market conditions and into a currency FX headwind, helps to further demonstrate this resiliency and also means that APEO's NAV has grown in every year since 2010.

If we look a little deeper into the NAV performance during the year, I would highlight that the portfolio has grown in value by 9.4% in constant currency terms.

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Over the 12 months to 30 September 2023, the share price total return increased by 11.7%, which I would normally consider strong performance in isolation.

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Chair's Statement continued

I take particular satisfaction in watching the evolution of the Company's direct portfolio of co-investments and single-asset secondaries, which we introduced at the start of 2019. The direct portfolio grew by 21.1% during the year and now equates to 19.4% of the overall portfolio. I would encourage shareholders to read the Investment Manager's Report on pages 31 to 44, where the Manager outlines the portfolio in detail and the drivers of performance.

Private equity market activity has fallen during the year; how has that impacted upon APEO's cash flows, balance sheet, new investment deployment and outstanding commitments?

The decrease in private equity market activity during the year has had an impact on APEO but I believe that the Company remains well positioned. A key focus of the Board's interactions with the Manager over the last 12 months has been around cash flows, with the Board challenging the Manager to provide detailed scenario analysis to ensure that APEO remains in a strong liquidity position in this more difficult environment and can remain so if the current market conditions persist.

In the year to 30 September 2023, drawdowns totalled £193.2 million (30 September 2022: £253.6 million) and distributions totalled £202.9 million (30 September 2022: £210.2 million). I feel that APEO has weathered the sharp decline in private equity activity during the period well. I would highlight that part of the distribution figure includes partial sales relating to APEO's co-investment in Action, the European discount retailer. The Manager decided to take advantage of a liquidity window to reduce APEO's position for portfolio construction reasons. These trades generated £53.0 million of proceeds and were priced at 100% of the most recent valuation of Action in each case. Following these sales, Action remains the largest underlying portfolio company in APEO.

From a balance sheet perspective, we upsized the Company's revolving credit facility during the year, from £200 million to £300 million, and extended the maturity by a year to December 2025.

From a balance sheet perspective, we upsized the Company's revolving credit facility during the year, from £200 million to £300 million, and extended the maturity by a year to December 2025.

At 30 September 2023, APEO had £9.4 million of cash and cash equivalents (30 September 2022: £30.3 million) and £197.7 million remaining undrawn on the revolving credit facility (30 September 2022: £138.0 million). Therefore, should markets result in a period of a relatively low private equity activity, I believe that APEO has a sufficiently strong balance sheet to weather the storm.

In APEO the Manager does not try to time the market, rather it aims to deploy consistently through the cycle so that its underlying managers can capture the best buying opportunities in the market. Therefore, the year to 30 September 2023 was another active year of new investment deployment, with £174.8 million committed to 13 new investments (30 September 2022: £340.3 million to 24 new investments). Whilst new investment deployment was materially behind levels in 2021 and 2022, which were especially active years, I feel excited by the new investments made in 2023, all of which are very much "on strategy" for APEO.

The Manager runs an overcommitment strategy for APEO and has done so since the Company's inception in 2001. This ensures that APEO's resources are efficiently deployed, given it makes primary fund investments – this involves committing an amount of equity capital which is then typically drawn over a three- to five-year period. Outstanding commitments at 30 September 2023 were £652.0 million (30 September 2022: £678.9 million) and this equates to an overcommitment ratio of 35.2%, at the lower end of our target range of 30-75%.

The Investment Manager's Report on pages 31 to 44 provides further information on cash flows, balance sheet, new investments and outstanding commitments.

What is the Board's view on the valuation of the portfolio?

The Board and Audit Committee continually monitor and challenge the Manager on the valuation of the underlying portfolio, and the Board has gained insight and reassurances on the strong governance around the valuation of APEO's portfolio through this ongoing oversight process. It should be noted that the vast majority of APEO's investments are, at an underlying level: (i) revalued on a quarterly basis; (ii) audited independently at least annually; (iii) valued in line with International Private Equity and Venture Capital Valuation ("IPEV") Guidelines; and (iv) audited either in line with International Financial Reporting Standards ("IFRS") or US generally accepted accounting principles ("GAAP") accounting standards. Once the valuations reach APEO, they are scrutinised by the Manager on a quarterly basis under a diligent Valuation Policy, including a fulsome Valuation Committee, as well as APEO's external auditors on an annual basis.

Whilst I could discuss the valuation merits of APEO's portfolio in a lot of detail, including the defensive and profitable nature of APEO's underlying private companies and the strong earnings growth the portfolio has seen over the period, ultimately I believe that the test of any private equity valuation is evidenced by the sale price at exit of each investment. As mentioned earlier, APEO has undertaken a number of partial secondary sales with respect to its position in Action, a European discount retailer, and all of these disposals have been achieved at 100% of the most recent quarterly valuation of that asset. Furthermore, while the volume of private equity exits has been lower over the course of 2023, distributions from fund investments during the year to 30 September 2023 were at an average uplift of 18% when compared to the unrealised valuation two quarters prior.

The Boards conviction on the current valuation of the portfolio was a key factor in progressing with a buyback programme, as announced earlier this month.

What is the Board's view on share buybacks, and could you explain the rationale around the announced buyback programme?

The Board does not have a stated discount management policy. That said, the Board and Manager closely 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. Suffice to say there is a balance to consider in terms of buying-back shares, right now that centres on the ability to provide NAV accretion for our shareholders versus preserving cash liquidity during this period of lower private equity exit activity.

Also, the Board considers the quarterly enhanced dividend effectively a regular return of capital to shareholders at NAV and has prioritised this over share buybacks in recent years.

However, in light of the persistently wide share price discount to NAV, coupled with both the Manager and the Board's strong conviction in the valuation of the portfolio, the Board announced in January 2024 that it will use a portion of the €34.6 million of proceeds realised from its most recent partial sale of APEO's co-investment in Action to commence a buyback programme. The ability to recycle a significant portion of the Action sale proceeds, realised at 100% of NAV, into buying APEO shares at a discount to NAV, is a compelling use of the Company's capital and provides NAV accretion to shareholders. It also highlights in the clearest terms the disconnect between APEO's current share price and the valuation of its underlying portfolio.

APEO has undertaken a number of partial secondary sales with respect to its position in Action and all of these disposals have been achieved at 100% of the most recent quarterly valuation.

Going forward, the Board will continue to monitor the evolution of the share price and, in the event of further sizeable distributions from the portfolio, may look to extend the programme.

Does the Board plan to make any changes regarding the Company's dividend policy?

Since 2016, the Company has paid shareholders an enhanced dividend on a quarterly basis, which is effectively an ongoing return of capital to shareholders at NAV. The Board intends to continue this policy going forward, with the aim of maintaining the value of the dividend in real terms.

Chair's Statement continued

For the year to 30 September 2023, APEO has so far paid three quarterly dividends of 4.0 pence per share and the Board has announced a fourth quarterly dividend of 4.0 pence per share. This was paid on 26 January 2024 to shareholders on the register on 22 December 2023 and will make a total dividend for the year of 16.0 pence per share. This represents an increase of 11.1% on the 14.4 pence per share paid for the year to 30 September 2022.

What is your view on recent discussions around the packaged retail investment and insurance-based products ("PRIIPs") regime and cost disclosure more generally in UK Investment Trusts?
The Board and I welcome the recent discussions on this topic and the involvement of HM Treasury and the Financial Conduct Authority ("FCA"). We have long held the belief that the current cost disclosure requirements for UK Investment Trusts are misleading to investors, especially retail investors. The current regime effectively creates a double counting of costs, given that the NAVs of Investment Trusts are already calculated net of costs. Therefore, costs are already factored into the relevant share prices. I would also add, the synthetic or "look through" costs appear to have been calculated inconsistently across the Investment Trust sector, and therefore have been of limited use in terms of comparing different Investment Trusts. We will monitor developments over the coming weeks and months ahead, and the Board and I will make ourselves available should HM Treasury or the FCA seek direct feedback from the industry.

How has the Board performed during the year and how does the Board engage with shareholders?
The Board regularly considers its own performance and, whilst there have been no changes to the Board composition during the year, we have been active in considering Board succession planning. To help support potential future changes, Diane Seymour-Williams assumed the role of Chair of the Nomination Committee and Yvonne Stillhart was appointed as Chair of the Management Engagement Committee on 13 December 2022. Having served on the Board since 28 May 2014, I stepped down as a Member of the Audit Committee on 28 May 2023.

The Board's Policy on Tenure states that, in normal circumstances, Directors will not serve beyond the Annual General Meeting ("AGM") following the ninth anniversary of their appointment. In accordance with that policy, I would be expected to step down at the conclusion of the next AGM. However, the Board takes the view that the independence of 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. To that end the Nomination Committee recommended to the Board that I stay on the Board as Chair of the Board to oversee the transition of the Patria transaction and support the Manager as it embeds into Patria. The Board intends to recruit an additional Director during 2024 and the Board will address my successor in due course.

The Board enjoys interaction with shareholders and, in my capacity as Chair, I have been fortunate to meet with a number of the larger shareholders during the year and responded to a number of inbound emails from a range of other shareholders.

This year's AGM will be held on 27 March 2024 at 12:30pm at wallacespace, Spitalfields, 15-25 Artillery Lane, London, E1 7HA. The meeting will include a presentation by the Investment 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 121 to 125.

At the AGM, one of the resolutions being proposed relates to a change to the Company's Articles of Association ("the Articles"). The proposed amendments being introduced in the Articles primarily relate to the new power conferred on the Board which provides it with flexibility to change the Company's name by way of Board resolution rather than shareholder resolution. We believe that this is standard practice and will allow the Board to change the Company's name at relatively short notice if required in the future.

Could you outline the Board's view and approach to ESG?
Firstly, I would flag that APEO is not designed as an "ESG investment company" per se; its investment objective is to create attractive returns for its shareholders through building a diversified portfolio of private equity funds and direct investments into private companies. That said, the Board continues to believe that integrating ESG best practice into APEO's strategy and investment processes will help support the investment objective by generating stronger, more sustainable returns for shareholders over the long term.

I am personally encouraged by the Manager's ESG credentials, including obtaining the top rating for indirect private equity from the PRI in its latest assessment.

Whilst I currently hear rumblings in the market about sentiment starting to improve gradually, with more sale processes initiated in the second half of 2023 than in the first half of 2023, both the Board and the Manager are not anticipating a sharp rebound and we suspect a return to "normal" private equity activity levels might be some way off yet.

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 are ESG market leaders or have a strong cultural commitment to improve their ESG credentials.

I am personally encouraged by the Manager's ESG credentials, including obtaining the top rating for indirect private equity from the Principles for Responsible Investment ("PRI") in its latest assessment.

ESG has been embedded into the Manager's investment process since 2015 and every new investment made by APEO in recent years has been subject to specific ESG due diligence.

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, including a Responsible Investment case study, see pages 27 to 30.

What is the outlook for the Company over the next 12 months and beyond?
The current private equity market is proving to be tough, with the sharp rise in interest rates impacting pricing expectations, availability and cost of financing, and ultimately causing a material decrease in private equity activity during 2023.

Whilst I currently hear rumblings in the market about sentiment starting to improve gradually, with more sale processes initiated in the second half of 2023 than in the first half of 2023, both the Board and the Manager are not anticipating a sharp rebound and we suspect a return to "normal" private equity activity levels might be some way off yet.

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abrdn

Periods of uncertainty also tend to offer up new and different opportunities for investment.

However, those that have read my previous Chair Statements will note that I have consistently said that private equity is an asset class that should viewed over the long term, where new investment decisions are often made with a five-year time horizon in mind. The immediate road ahead remains uncertain, but 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 uncertainty also tend to offer up new and different opportunities for investment, which private equity firms have proved adept at generating and completing. This is why I believe that private equity should be particularly attractive to investors at times like these, in order to capture the upside that usually follows.

As we look ahead, I want to underline that the Board will continue to prioritise the interests of APEO shareholders. I remain convinced by the strategy of APEO, which is centred on investment selection conviction and focused principally on the European mid-market buyout segment of private equity, where there is a plentiful supply of private companies that are highly resilient niche market leaders or fast-growing disruptive businesses of the future.

On behalf of our investors, the Manager will continue to grow direct investment as a proportion of APEO's portfolio. This brings a number of advantages, not least lowering the fees APEO pays to underlying third-party managers and therefore enhancing the Company's NAV growth potential. The Board remains committed to maintaining the value of the quarterly dividend in real terms, returning capital regularly to shareholders at NAV. Furthermore, we will stay alive to opportunities to create further NAV for shareholders through opportunistic buybacks.

Lastly, in terms of the transaction relating to APEO's Manager, shareholders can be assured that the Board will remain closely involved and act in their best interests throughout our review. I hope that the Board will, in the very near future, be able to give a formal update and provide more clarity to shareholders on this matter.

Alan Devine
Chair
30 January 2024

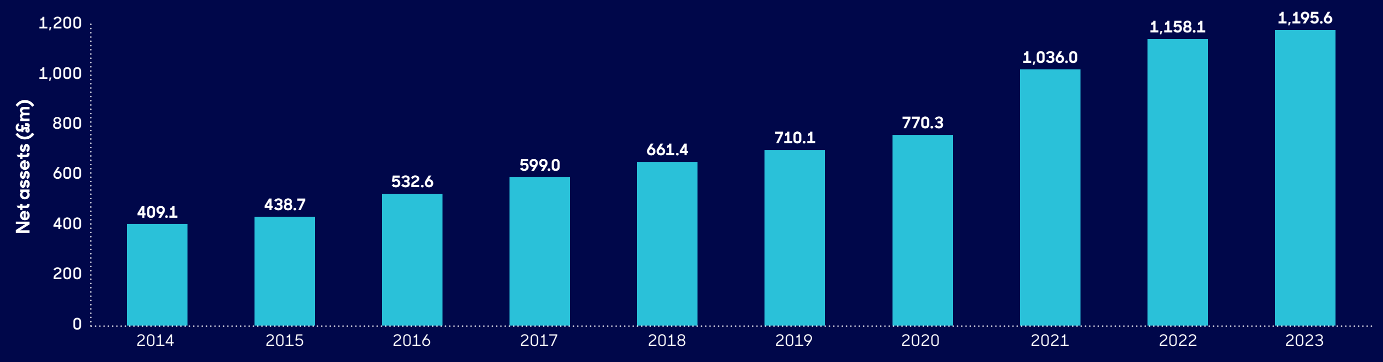
Key Performance Indicators

Key Performance Indicators and Ten-Year Financial Record

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Per share data										
NAV (diluted) (p)	257.4	281.6	346.4	389.6	430.2	461.9	501.0	673.8	753.2	777.7
Share price (p)	230.0	214.0	267.3	341.5	345.5	352.0	320.0	498.0	410.0	442.0
Discount to diluted NAV per share (%)* +	(10.6)	(24.0)	(22.8)	(12.3)	(19.7)	(23.8)	(36.1)	(26.1)	(45.6)	(43.2)
Dividend per share (p)	5.00	5.25	5.40	12.00	12.40	12.80	13.20	13.60	14.40	16.00
Expense ratio (%)* + [1]	0.96	0.98	0.99	1.14[2]	1.10	1.09	1.10	1.10	1.06	1.06
Returns data										
NAV TR (%)* +	7.7	11.9	24.8	14.9	13.3	10.5	11.7	37.9	14.1	5.4
Total shareholder return (%)* +	19.1	(4.0)	27.9	31.9	5.8	5.7	(4.6)	60.6	(15.1)	11.7
Portfolio data										
Net assets (£m)	409.1	438.7	532.6	599.0	661.4	710.1	770.3	1,036.0	1,158.1	1,195.6
Top ten managers as a % of net assets	65.0	65.2	65.0	58.9	63.6	67.9	67.8	62.9	65.1	64.3
Top ten investments as a % net assets	52.9	48.6	45.9	47.7	48.4	53.9	48.3	40.3	35.6	29.9

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 114.
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.
* Considered to be an Alternative Performance Measure. See pages 113 and 114 for more information.
\+ A Key Performance Indicator by which the performance of the Manager is measured by the Board.

Ten-year Growth in Net Assets



Introduction to the Manager

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

APEO Key Executives

Alan Gauld
Lead Investment Manager and Senior Investment Director
- Joined abrdn: 2010
- Years in PE: 14

Mark Nicolson
Head of Primary Investments and Investment Manager
Investment Committee member
- Joined abrdn: 2007
- Years in PE: 21

Patrick Knechtli
Head of Secondaries and Investment Manager
Investment Committee member
- Joined abrdn: 2009
- Years in PE: 26

Our Senior Investment Team

Merrick McKay
Head of Private Equity Europe
Investment Committee member
- Joined abrdn: 2014
- Years in PE: 30

Cameron Graham
Deputy Head of Secondaries
Investment Committee member
- Joined abrdn: 2008
- Years in PE: 15

Colin Burrow
Head of Co-investments
Investment Committee member (chair)
- Joined abrdn: 2006
- Years in PE: 26

Alistair Watson
Head of Strategy Innovation
Investment Committee member
- Joined abrdn: 2008
- Years in PE: 18

Eric Albertson
Senior Investment Director (US)
Investment Committee member
- Joined abrdn: 2008
- Years in PE: 23

Karin Hyland
Senior Investment Director
- Joined abrdn: 2006
- Years in PE: 16

Haresh Vazirani
Senior Investment Director
- Joined abrdn: 2015
- Years in PE: 16

Wider abrdn Private Equity Team

- Multi-functional expertise including marketing, finance and legal specialists
- Global primary, secondaries and co-investment teams
- Provides broad market coverage and sourcing capability
- Supported by dedicated back office teams

abrdn Private Equity in Numbers

£7.6bn private equity AUM in Europe

20 investment professionals

>300 European manager relationships

>22 years as 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 Funds

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 cash flow profile; and
- help drive APEO's dealflow in secondaries and direct investments.

2. Fund Secondaries

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 fund (or funds) has already invested the majority of its capital and so the Manager is able to evaluate the quality of the underlying portfolio of companies prior to investment. 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, therefore can often be at a premium or discount to NAV. Fund secondaries allow the Manager to gain exposure to funds of new or existing managers a later stage in a fund's life.

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

3. Direct Investments

APEO makes direct investments into private companies alongside other private equity managers, either through a co-investment or a single asset secondary transaction. Co-investment was introduced to the investment objective in 2019.

APEO's strategy is to only directly invest alongside private equity managers with which abrdn Private Equity has made a primary fund investment. The Manager is seeking to build a diversified portfolio of around 30 to 35 direct investments in order to mitigate concentration risk.

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Responsible Investment and Sustainability

ESG Integration

Embedded throughout the Manager's investment process

Due diligence
Focus on materiality

Investment
Leveraging our influence

Monitoring
Annual assessments

Reporting
Client focused

Due Diligence – Focus on Materiality

- ESG is a standard due diligence item for all new investments and an ESG section is included in all Investment Committee papers.
- We perform different materiality assessments depending on the type of investment opportunity being presented:
  - Primary – primarily focuses on underwriting the private equity manager's ESG process and identify areas for engagement and improvement.
  - Direct – primarily focuses on the ESG risks and opportunities impacting the business.
  - Secondary – primarily focuses on ESG risks and exclusions.

Investments – Leveraging Our Influence

- When we identify risks or potential for improvement, we work with our private equity managers to drive sustainability enhancements.
- We negotiate ESG reporting requirements and standards in legal documentation prior to investment.

Monitoring – Annual Assessments

- We produce an annual ESG survey focusing on selected areas of interest (e.g. employees' wellbeing or climate risk) while monitoring progress of our portfolio of private equity managers in terms of ESG integration.
- We monitor identified key performance indicators for client vehicles with a sustainability objective.

Reporting – Client Focused

- Task Force on Climate-related Financial Disclosures ("TCFD") entity level report produced for the first time in June 2023.
- Reporting available for Sustainable Finance Disclosure Regulation ("SFDR") Article 8 products.

A Year in Brief

Focus in ESG in 2023

Sustainable Products and Climate Focus

- We defined a "sustainable investment" taxonomy for co-investments and are in the process of defining "impact investing" for primaries.
- We joined **ICI initiatives** to formalise our collaboration across industry.
- TCFD entity level report produced for the first time in June 2023.

Enhanced Due Diligence and Engagement

We have updated the Due Diligence Questionnaire process for primary, secondary and direct investments, piloting external advisor collaboration.

Enhanced Reporting

We have signed up to the ESG Data Convergence Initiative.

Achievements

We have scored the highest mark in PRI's indirect private equity category. We were included in the first products qualified as Article 8+ under SFDR.

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Responsible Investment and Sustainability continued

Case Study
H2 **green steel**

Investment

A fully integrated, digitalised and circular plant in Boden, northern Sweden, H2 Green Steel will produce green steel, reducing CO_2 emissions by up to 95% compared to traditional steelmaking.

Lead Manager

ALTOR

APEO's Investment

via Altor Fund V and Fund VI

Investment Year

2021, 2022 and 2023

Company Size

Large (EV >€1bn)

Geographic Focus

Global

Sectors

Industrial

Company Overview

- H2 Green Steel ("H2GS") was founded in 2020 with the ambition to accelerate the decarbonisation of hard-to-abate industries.
- The company is starting with steel, building a fully integrated, digitalised and circular plant in Boden, northern Sweden.
- Currently under construction, its first steel plant is due to be operational by 2025/26.
- APEO will have exposure to H2GS through its primary fund investments in both Altor Fund V and Altor Fund VI.

Responsible Investment

- Conventional steelmaking is an essential industry in the global economy but is pollutive, responsible for 8-9% of global CO_2 emissions.
- H2GS's final steel product will have a 95% reduction in CO_2 emissions compared to traditional steel making. It aims to produce more than four million tonnes of "green steel" annually by 2030.
- H2GS has the ability to help materially decarbonise the industry and has signed customer agreements with a number of large, "blue-chip" corporations, across industries like automotive and consumer appliances.
- H2GS's activities address five of the UN Sustainable Development Goals ("SDGs").

APEO's Investment

- abrdn Private Equity has a long-term relationship with Altor, supporting the manager in every fundraise since its inception in 2003. APEO first partnered with Altor in 2014, via Altor Fund IV.
- Altor's partnership approach, credibility and track record in the Nordic and DACH mid-market are its traditional key points of difference. However, during the last decade Altor has also built market-leading capabilities in ESG and sustainability, in particular making a number of investments related to the "green transition".
- abrdn Private Equity has been able to monitor Altor's approach to ESG carefully, not least through periodic due diligence and the annual abrdn Private Equity Responsible Investment survey, in which Altor has consistently obtained the highest rating.

Investment Manager's Review

"APEO's underlying portfolio has illustrated its resilience during the year, and we expect it to continue to do so going forward."

Alan Gauld
Lead Investment Manager and Senior Investment Director

Highlights

1.
NAV Performance
NAV TR for the year to 30 September 2023 was 5.4% (year to 30 September 2022: 14.1%). The valuation of the underlying portfolio increased by 9.4% during the period (excluding FX).

2.
Investment Activity
APEO made seven new primary investments, one diversified secondary investment, three new direct investments and two follow-on investments in existing direct investments.

3.
Realisations
The portfolio generated £202.9 million realisations (distributions and secondary sales) during the year, with distributions from fund investments of £149.9 million (30 September 2022: £209.8 million).

4.
Outstanding Commitments
Outstanding commitments at the year-end amounted to £652.0 million (30 September 2022: £678.9 million). The over-commitment ratio of 35.2% at year-end (30 September 2022: 42.8%) was at the lower end of the Company's target range (30-75%).

5.
Balance Sheet
During the year, the Company's revolving credit facility was increased to £300 million in size (from £200 million) and extended in duration by a year (to December 2025).

6.
Acquisition of the Manager by Patria Investments Ltd ("Patria")
During 2023, abrdn announced the conditional sale of abrdn Private Equity, including APEO's Manager, to Patria. The transaction is expected to close in the first half of 2024. Patria is a leading alternative investment firm listed on Nasdaq, with over 30 years of history and combined assets under management of $28.2 billion, and a global presence with offices in ten cities across four continents. Further information on Patria is available at www.patria.com.

Summary of the Year
The portfolio has performed resiliently during the financial year, in spite of uncertainties in both the global economy and financial markets, as well as the private equity market experiencing lower deal activity compared to levels seen in recent years. Whilst the NAV TR of 5.4% is lower than the 14.1% APEO experienced in 2022, once the impacts of currency FX are removed the portfolio grew 9.4% compared with 10.5% in 2022. The NAV TR lagged the 13.8% increase in the FTSE All-Share, its comparator index, which recovered from the listed market headwinds in 2022. However, APEO NAV growth continues to outperform the FTSE All-Share over three, five and ten years, and since inception.

APEO's portfolio of private companies continues to perform well, with the top 50 companies by value, which equate to 40% of the overall portfolio, experiencing average revenue and EBITDA growth of 16% and 23% respectively in the 12 months to 30 September 2023. That has helped drive the resilient valuation performance in the unrealised book. Most notably, APEO's direct investment portfolio, which consists of direct co-investments into private companies and single-asset secondaries, continues to grow strongly, experiencing a valuation uplift in the year of 21.1%, once the effects of currency FX are excluded. The direct investment portfolio now stands at 26 underlying companies and 19.4% of the portfolio, even after the partial realisation of APEO's co-investment in Action, the European discount retailer.

The partial sale of Action was the largest single realisation during the year, returning £53.0 million to APEO. This proactive sale was conducted for portfolio construction reasons, taking advantage of a liquidity window that was facilitated by Action's lead investor 3i Group. The partial sales were made at 100% of the most recent valuation of Action in each case. Action remains APEO's largest single company exposure at 2.1% of the portfolio and the intention as we stand today is to continue to hold that position until an eventual exit of the business, albeit the Manger will continue to monitor the potential to make opportunistic sales in the future.

In terms of further cash coming back to APEO, distributions from fund investments totalled £149.9 million in the year. This was a decrease on the £209.8 million of distributions received by APEO during 2022, a figure that was an all-time annual record for the Company. The decrease is directly attributable to the lower level of private equity market activity we have seen during 2023. It is worth noting that the average exit from the portfolio during the year was at a multiple of 2.5x original cost of investment (2022: 2.2x cost) and at a 18% valuation uplift, when compared to the unrealised valuation two quarters prior. This valuation uplift is similar to the long-term average uplift upon exit (25%) and provides some assurance as to the valuation of APEO's portfolio.

Drawdowns totalled £193.2 million during the year (2022: £253.6 million), the vast majority of which was used to fund underlying investments in new portfolio companies. Whilst total realisations of £202.9 million exceeded the total drawdown figure, it is worth noting that when we only look at fund investments (excluding the impact of sales of direct investments) drawdowns outpaced distributions for the first time since 2010. This trend is linked to the decrease in private equity market activity and the fact that fund investments typically use a credit facility to bridge new investments into portfolio companies before drawing the money from investors. Therefore, drawdowns typically see a lag during periods when private equity market activity changes sharply, like we saw in 2023, and therefore this was fully expected and planned for by the Manager.

On the new investment side, the period ended 30 September 2023 saw APEO make new commitments totalling £174.8 million (2022: £340.3 million), with seven new primary fund investments, one secondary, three direct investments and two follow-on investments in existing direct investments. Whilst new investment

APEO's top 50 underlying portfolio companies by value, which equate to 40% of the overall portfolio, experienced average revenue and EBITDA growth of 16% and 23% respectively in the twelve months to 30 September 2023.

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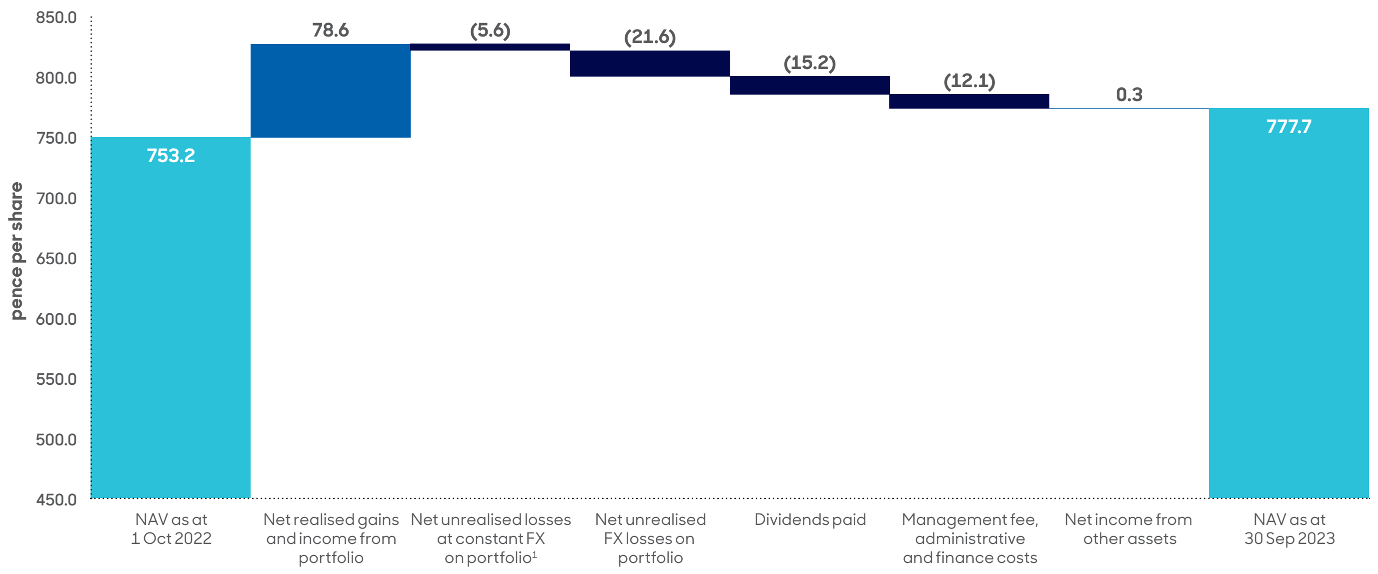
Investment Manager's Review continued

deployment is materially behind the levels seen in 2022, the Manager would note that is partially a function of a less active private equity market and the Manager exercising caution during a relatively uncertain period. New fund investments continue to be aligned with our long-term strategy of backing private equity firms that have a mid-market orientation and have proven deep expertise within one or more specified sectors.

As aforementioned, we continued to deploy capital into new direct investments during the year, with a good balance in deployment across our key sectors.

During the year the revolving credit facility was increased to £300 million (from £200 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, provides the Company with further flexibility and firepower for new investments. The balance sheet remains in a strong position with cash and cash equivalents of £9.4 million (2022: £30.3 million). APEO also had £197.7 million remaining undrawn on its revolving credit facility at 30 September 2023 (2022: £137.0 million undrawn on a £200 million facility).

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 2023 was 5.4% versus 13.8% for the FTSE All-Share Index. The valuation of the portfolio at 30 September 2023 increased 9.4% on the prior year on a constant currency basis, with a decrease of -2.8% attributable to FX gains during the year, principally due to the strength of pound sterling over the period, compared to US dollar and the euro.

The increase in value of the portfolio on a per share basis was 24.5 pence. This was principally made up of realised gains and income of 78.6 pence and net income from other assets of 0.3 pence, partially offset by net unrealised losses from the portfolio, FX in the unrealised portfolio, dividends and costs associated with management fee and administrative and financing costs totalling 54.5 pence.

The overall increase in the portfolio during the period is largely driven by the strong performance of the underlying portfolio companies, which generally continue to perform well operationally and have experienced continued earnings growth. Looking at the top 50 underlying portfolio companies, which are the main value drivers and equate to 40% of the portfolio, the average revenue and EBITDA growth was 15.6% and 23.4% respectively in the 12 months to 30 September 2023. That has helped drive the resilient valuation performance in the portfolio, rather than due to valuation multiples. Focusing on the same cohort, the median valuation multiple was 14.0x EBITDA at 30 September 2023, compared with 14.5x EBITDA a year prior. We are especially pleased about progress in APEO's direct investment portfolio, which has seen a valuation uplift of 18.5% during the 12 months to 30 September 2023, net of FX movements.

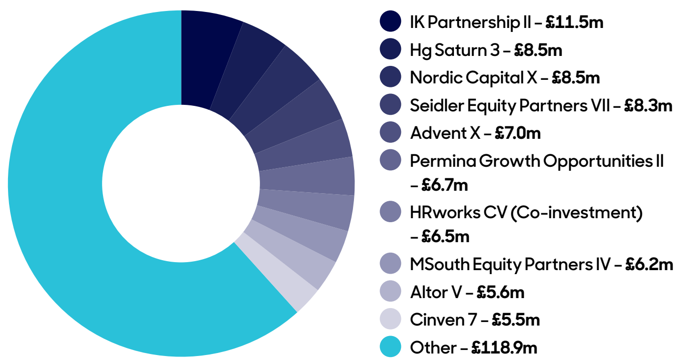
Realised gains were derived from full or partial sales of underlying portfolio companies during the 12-month period, which were at an average uplift of 18% to the unrealised value two quarters prior (30 September 2022: 20%).

The headline realised return from the portfolio exits equated to 2.5 times original cost (30 September 2022: 2.2 times original cost), which we consider a strong performance in what was a challenging backdrop to conduct successful exit processes.

Top companies	% of portfolio	Median valuation multiple	Median leverage multiple	Average LTM revenue growth	Average LTM EBITDA growth
10	14.0%	15.2x	4.6x	19.1%	17.5%
30	30.1%	15.4x	4.6x	16.3%	18.4%
50	40.0%	14.0x	4.3x	15.6%	23.4%

LTM = Last 12 months.

Drawdowns



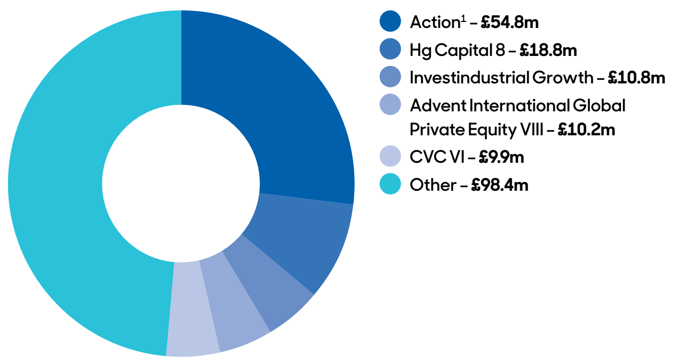
During the year £193.2 million was invested into existing and new underlying companies. £154.2 million of this figure related to primary fund drawdowns, with the remainder related to secondary deployment and direct investment, which are under the control of the Manager and as planned. Secondary and direct 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:

- Safic Alcan (IK Partnership II) – Global speciality chemicals and ingredients distributor;
- Access (Hg Saturn 3) – Leading Enterprise Resource Planning ("ERP") software provider;
- GWI (Permira Growth Opportunities II) – Global consumer data and analytics provider;
- GEDH (IK Partnership II) – Leading higher education group in France; and
- Theramex (PAI VII) – Global specialty pharmaceuticals focused on women's health.

We estimate that APEO had around £79.5 million held on underlying fund credit facilities at 30 September 2023 (30 September 2021: £113.3 million), and we expect that this will all be drawn over the next 12 months. The decline in the amount held on underlying fund credit facilities during the year gives a strong indication that fund drawdowns will likely fall in 2024.

Realisations



1 Distributions from Action are made up predominantly of proceeds from secondary sales during the year amounting to £53.0 million, with the remaining amount of £1.8 million attributable to dividend income.

Total realisations of £202.9 million were received by APEO during the 12 months to 30 September 2023, from distributions from fund investments and the partial realisation of APEO's co-investment in Action during the period.

The partial sale of Action was the largest single realisation event during the year, returning £53.0 million to APEO. This proactive sale was conducted for portfolio construction reasons, taking advantage of a liquidity window that was facilitated by Action's lead investor 3i Group. Action remains APEO's largest single company exposure at 2.1% of the portfolio.

£149.9 million of distributions were received from funds during the year, which is less than the record annual total that APEO received in the prior year (30 September 2022: £210.2 million). Exit activity was slower than prior year due to the decline in private equity market activity during the period. Trade buyers remained active during the period and were the main exit route for APEO's portfolio companies. Demand from financial buyers softened somewhat compared to prior year and there were no Initial Public Offerings in the portfolio during the period. The headline realised return from the portfolio equated to 2.5 times original cost (30 September 2022: 2.2 times original cost).

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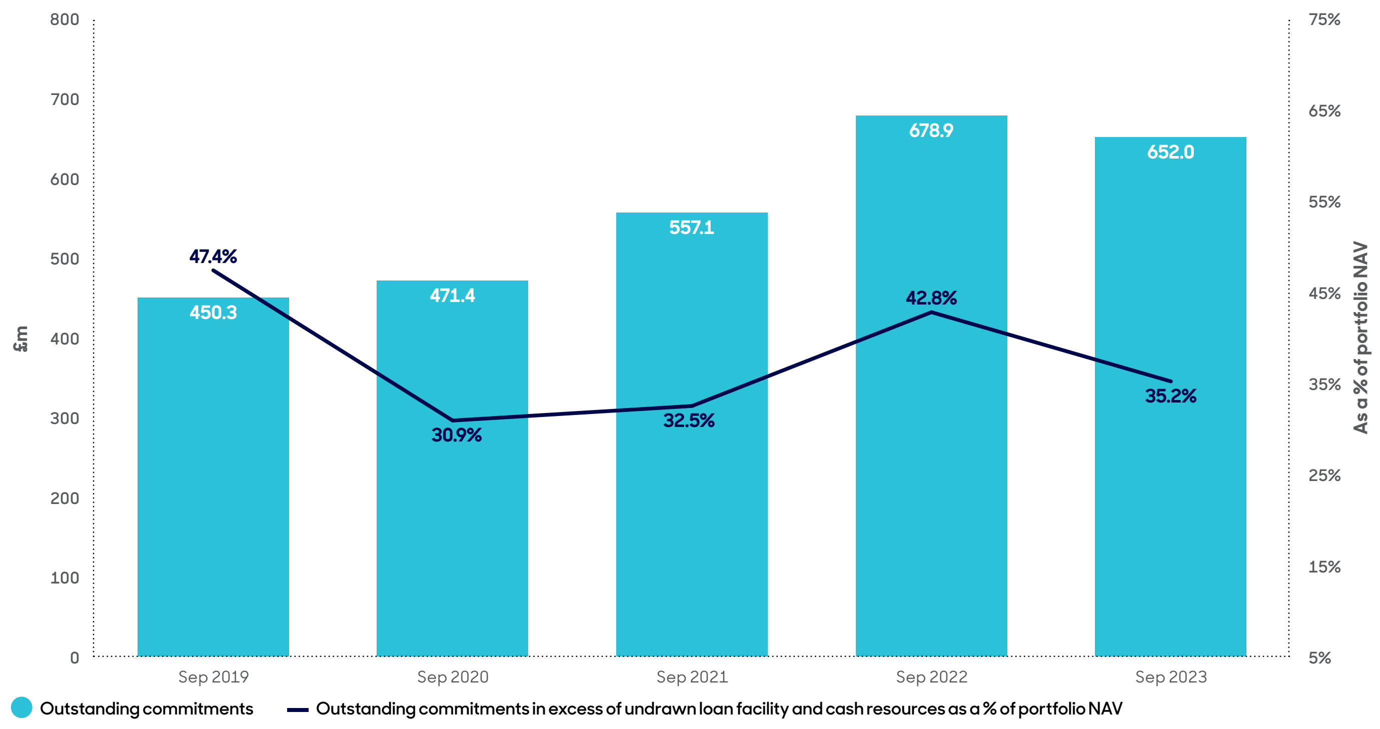
Commitments



APEO made commitments totalling £174.8 million during the year (2022: £340.3 million). These commitments were across seven new primary investments, one secondary investment, three direct investments and two follow-on investments in existing direct investments. The total outstanding commitments at 30 September 2023 were £652.0 million (30 September 2022: £678.9 million).

The value of outstanding commitments in excess of liquid resources as a percentage of portfolio value decreased to 35.2% in the financial year (30 September 2022: 42.8%). The decrease is largely due to the upsizing of APEO's revolving credit facility during the period and the current figure is at the lower end of our long-term target range of 30-75%.

We estimate that £94.3 million of the reported outstanding commitments are unlikely to be drawn down, based on guidance from our underlying private equity managers, and the nature of private equity investing, with private equity funds not always being fully drawn.

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Investment Activity

Primary Funds

£147.5 million was committed to seven new primary funds during the year ended 30 September 2023 (2022: £257.2 million into 12 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 EV between €100 million and €1 billion. The firms that APEO has partnered with during this period fulfil most, if not all, of these criteria and they are all relationships with whom the Manager has known for many years, often decades.

Investment	£m	Description
Hg Mercury 4	26.7	Lower mid-market buyout fund targeting investments in software and services businesses primarily in Northern Europe.
Vitruvian Investment Partners V	26.4	Growth-focused fund principally targeting European businesses which operate principally in the Technology, Healthcare, Financial Services and Sustainability sectors.
Hg Genesis 10	26.1	Mid-market buyout fund targeting investments in software and services businesses primarily in Northern Europe.
Altor Fund VI	25.9	Mid-market buyout fund with a strong sustainability focus, which targets businesses across the Nordic and DACH regions.
Montefiore VI	17.6	Mid-market buyout fund primarily focused on investing in companies in the French and Italian services sectors. Target sub-sectors include B2B Services, Digital and IT Services, B2C Healthcare Services and Tourism & Leisure.
Seidler Equity Partners VIII	16.2	Fund focusing primarily on investing in lower mid-market businesses in North America across branded consumer products, business services, and specialty manufacturing sectors.
Montefiore Expansion I	8.8	Lower mid-market buyout fund primarily focused on investing in companies in the French and Italian services sectors. Target sub-sectors include B2B Services, Digital and IT Services, B2C Healthcare Services and Tourism & Leisure.

Case Study – Primary Funds

Montefiore INVESTMENT

Investment

Montefiore is a leading mid-market private equity firm in France, primarily focused on investing in companies in the French and Italian services sectors.

Investment
Fund VI/ Expansion

Fund Size
€1.4bn/€400m

APEO Commitment
€30.0m (across the two funds)

Commitment Year
2023

Geographic Focus
France

Target Company Size
Full mid-market focus

Sectors
Business and Consumer Services

Investment Strategy
Buyout

Previous/Current Investments

ensio PREMIUM GROUP NGE

History and Background

Montefiore Investment ("Montefiore") was established in 2005 by Éric Bismuth and Daniel Elalouf, and is headquartered in Paris, France. The firm was founded with the specific objective to invest in the French Services sector, particularly companies active in B2B Services, Digital and IT Services, B2C Healthcare Services and Tourism & Leisure, segments of the Services industry where Montefiore has deep knowledge and expertise.

Since inception, Montefiore has deployed the same successful strategy, focusing on profitable growth and business transformation. Montefiore typically acts as the lead investor and the first financial investor with a control ownership position. The firm is fully independent and owned by the Partners.

Strategy

The two Montefiore funds (Fund VI and Expansion I) provide APEO with the opportunity to invest in a leading continental-European lower/mid-market manager focused on the French and Italian Services sector.

Montefiore Fund VI is targeting businesses with EVs of €100-500 million and equity cheques of €40-200 million. Montefiore Expansion I is targeting businesses with EVs <€100 million and equity cheques <€40 million.

Montefiore operate a one team structure and are differentiated through their deep sector expertise, broad sourcing networks and capabilities, and their strong brand in the French and Italian markets.

APEO's Exposure

- abrdn Private Equity has partnered with Montefiore since 2016, committing to Funds IV and V and co-investing alongside Montefiore in NGE, an infrastructure services business.
- Montefiore VI and Expansion I are the first Montefiore funds that APEO has committed to. However, APEO made a direct investment alongside Montefiore into NGE in 2022.
- The Montefiore funds will provide APEO with exposure to growing mid-market services businesses in France and Italy, alongside one of the leading private equity managers in the region.

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Opportunities Trust plc

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Investment Manager's Review continued

Fund Secondaries

During the 12-month period, APEO invested and committed £4.6 million into one secondary transaction (2022: £17.2 million into two secondaries).

Investment	£m	Description
Capiton Quantum	4.6	Through APEO's existing commitment to Capiton V, APEO rolled its position of €4.5 million in two underlying private companies into the Capiton Quantum continuation fund, with an additional top-up commitment of €0.7 million also provided for additional M&A opportunities.

Direct Investments

During the 12-month period, APEO invested and committed £22.6 million into three new direct investments and two follow-on investments in existing direct investments (2021: £66.1 million into nine new direct investments and one follow-on investment).

As a reminder, direct 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 medium term the Manager expects direct investments to equate to around 25% of the portfolio. At 30 September 2023 there were 26 direct investments in APEO's portfolio, equating to 19.4% of NAV.

Investment	£m	Description
HRworks	7.7	HRworks is a Human Capital Management ("HCM") software suite provider to small to medium-sized enterprises in the DACH region. See Case Study for further information.
Undisclosed business	5.3	Investment into a European-headquartered technology business in the healthcare sector, the details of which remain undisclosed due to confidentiality restrictions at this time.
Undisclosed business	4.0	Investment into a US-headquartered consumer business alongside one of APEO's core private equity managers, the details of which remain undisclosed due to confidentiality restrictions.
Funecap (follow-on investment)	3.0	Additional commitment provided to Funecap alongside Latour Capital as part of a shareholder reorganisation following a period of strong growth at the business. The additional capital will also be used to support future growth initiatives.
European Camping Group (follow-on investment)	2.6	Additional investment made into European Camping Group in order to fund the strategic acquisition of Vacanceselect, a French headquartered peer in the outdoor accommodation market which, similar to European Camping Group, has campsites across Europe including France, Italy, Spain and Croatia.

Case Study – Direct Investment

HRWORKS

Investment

HRworks is a leading HCM cloud-native software provider to SMEs in the DACH region.

Lead Manager

MAGUAR

APEO's Investment

€9.0m

Investment Year

2023

Size at Entry

Mid-market (<€1bn EV)

Geographic Focus

Germany

Sectors

Technology

Company Overview

- Founded in 1998, HRworks is a leading HCM cloud-native software provider to small- and medium-sized companies ("SMEs") in the DACH region. The company's products cover a broad range of relevant HCM modules, e.g. expense management, time management, employee administration, talent management and recruiting software.
- The company is primarily focused on German SMEs with 50-249 full-time employees. This market still offers material white space with just 30% of the firms in this segment utilising an HR software suite.
- Maguar Capital first invested in HRworks in 2020 and have seen impressive growth of +27% revenue compound annual growth rate. This is materially ahead of initial expectations and so to support the company's next phase of growth, Maguar launched a continuation investment vehicle, allowing the opportunity for APEO and other new investors to participate in the business.

The Opportunity

- abrdn Private Equity originally invested in HRworks alongside Maguar Capital in 2020. Since then, our view on the key attractions of this market and HRworks' positioning within it have been validated and even enhanced.
- The company has provided consistent month-on-month growth with strong customer retention. The fundamentals of the business are best-in-class, with strong quality of earnings, high cash generation and excellent margins. The white space in Germany alone provides ample opportunity for HRworks to achieve its plan over the next five years.
- Going forward the business will increase its marketing/sales focus within existing geographies and modularise its software. There is an opportunity to increase penetration of its existing client base with a broader product offering.
- The company completed its first small acquisition in September 2022. There is significant potential for organic growth to be supplemented by inorganic activity. Add-ons could complement the current HCM suite (e.g. recruitment, HR analytics and organisational management) and/or help to expand in selected adjacencies (e.g. legal compliance, document management and e-signature).
- When the time eventually arrives to exit the investment, its strategic nature means that HRworks will be attractive to both trade buyers and large financial buyers with a software focus.

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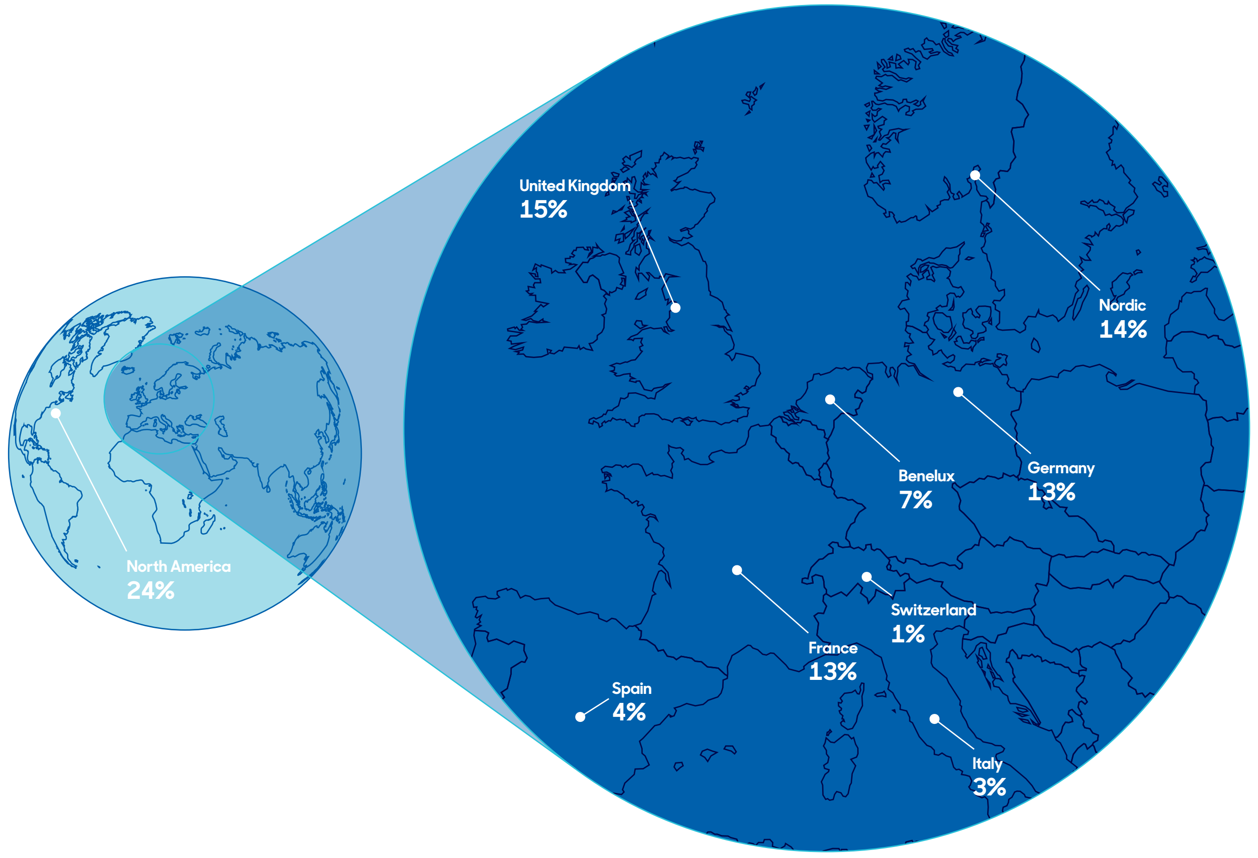
Investment Manager's Review continued

Portfolio Construction

The underlying portfolio consists of over 700 separate portfolio companies, largely within the European mid-market and spread across different countries, sectors and vintages. At 30 September 2023, 12 companies equated to more than 1% of portfolio NAV, with the largest single underlying company exposure equating to 2.1% (Action).

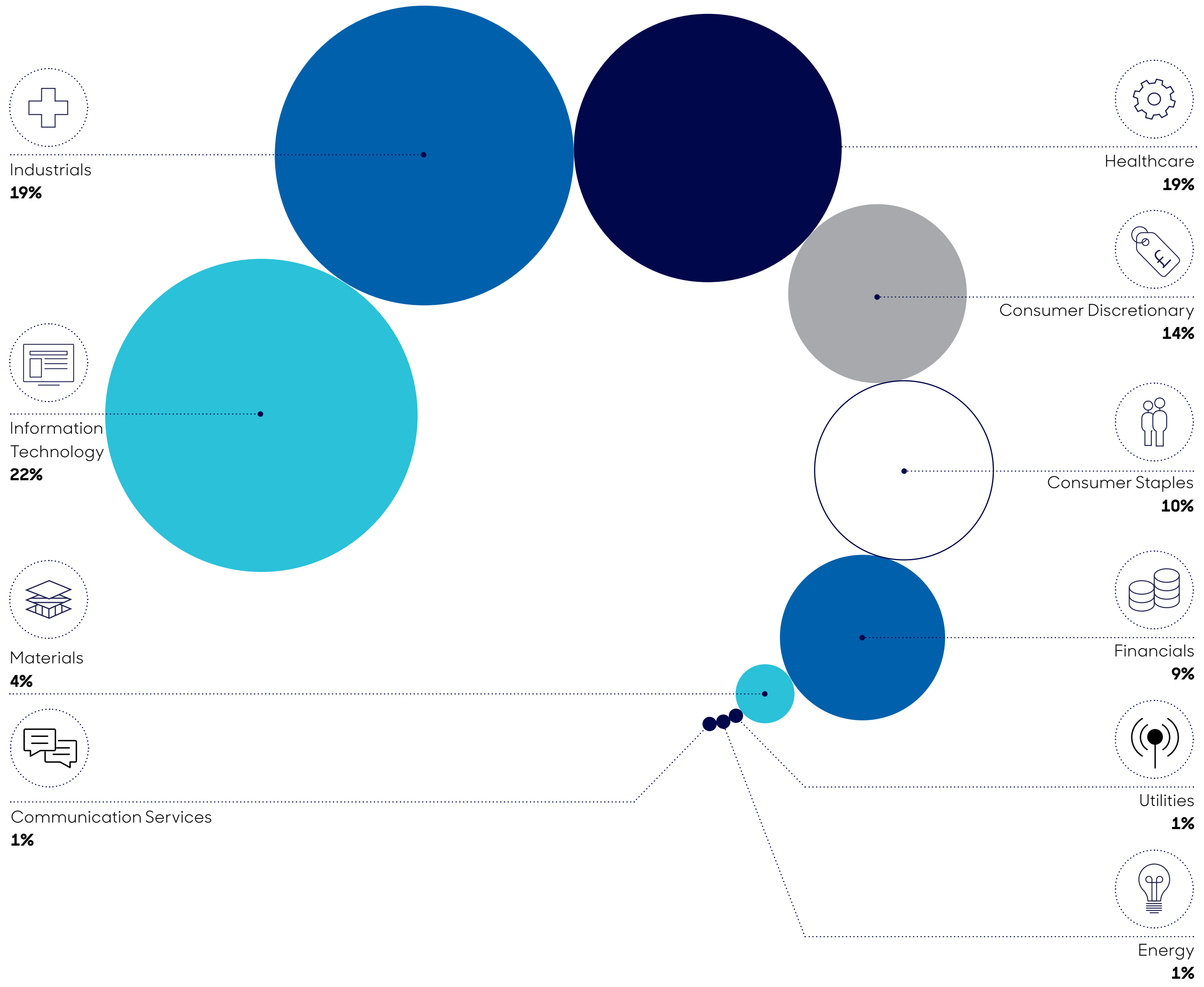
Geographic Exposure[1]



1 Based on the latest available information from underlying managers. Figures represent percentage of total value of underlying portfolio company exposure. Geographic exposure is defined as the geographic region where underlying portfolio companies are headquartered. In addition to the above, 5% 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.

We believe that the portfolio is well diversified and positions APEO well as we continue to navigate this challenging macroeconomic environment. At 30 September 2023, 75% of underlying portfolio companies were headquartered in Europe (2022: 76%). APEO's underlying portfolio remains largely positioned to North Western Europe, with only 7% of underlying portfolio company exposure in Italy and Spain (2022: 6%). APEO is well diversified by region across North Western Europe, with the UK having the largest exposure at 15% (2022: UK 17%). North America equates to 24% of the total (2022: 23%).

Sector Exposure[1]



1 Based on the latest available information from underlying managers. Figures represent percentage of total value of underlying portfolio company exposure.

At 30 September 2023 Information Technology and Healthcare represented a combined 41% of the portfolio (2022: 41%). When combined with Consumer Staples, these more stable, less cyclical sectors equate to over half of APEO's portfolio (2022: 52%). The other half of the portfolio is exposed to sectors that are typically more cyclical, notably Industrials, Consumer Discretionary and Financials. That said, there are sub-sectors within these areas that provide growth opportunities, such as Fintech and B2B Services, where businesses often have a valuable product or an essential service offering with a strong digital component. Some examples within our top 20 companies by underlying portfolio company exposure include ACT (Environmental Services), Funecap (Funeral Services), CFC (Specialist Insurance) and Planet (Payments).

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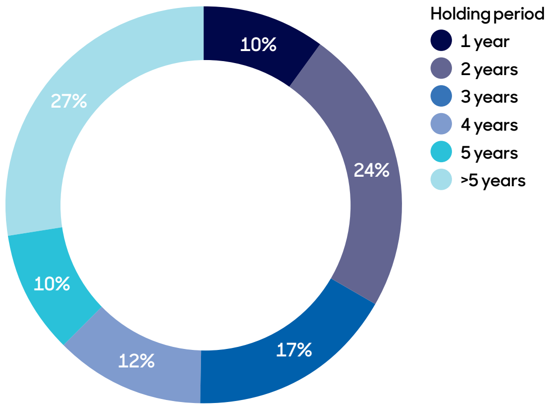
Maturity Analysis[1,2]



1 Based on the latest available information from underlying managers. Figures represent % of total value of underlying portfolio company exposure.
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.

A large proportion of the portfolio is reaching maturity, with 49% being in vintages of four years and older (2022: 47%). This should underpin consistent distribution activity moving forward, once private equity market activity starts to increase.

Outlook

APEO is over two decades old and has remained consistently focused on partnering with a small group of leading private equity managers, principally in the European mid-market. We do not foresee a material change in the Company's investment strategy as we move forward. However, we do expect "direct investment", i.e. co-investments and single-asset secondaries, to continue to increase as a proportion of the portfolio and bring a number of benefits with it, not least lower costs and therefore the potential for higher returns.

In terms of the broader private activity market, we are not planning for an immediate uplift in deal activity as we move into 2024, despite some encouraging noises in the industry about the potential for a pick-up in levels. The uncertain financial market backdrop caused by the sharp increases in both inflation and interest rates has impacted both buyers and sellers' willingness to transact in the short term. Furthermore, availability and pricing of debt to finance new transactions will continue to be a challenge. 2023 was a tough year for private equity deal activity and whilst we can definitely see a scenario where deal volumes materially pick up in 2024, we continue to plan with caution.

APEO distributions held up well in 2023 given these headwinds and we do not currently expect the next 12 months to show a material increase in cash being returned to APEO. Even if we see an increase in deal activity in 2024, it will take time for portfolio exits to translate into distributions to APEO, due to the lag between transaction signing and closing.

For the same reason, we also expect drawdowns to fall next year, with fewer new transactions being struck in 2023 and the use of credit facilities by underlying fund investments creating a lag between deals being completed and cash being drawn from the Company. APEO has a strong balance sheet position and, as Manager, we always feel it's important to "plan for the worst" regarding the use of the Company's resources. Therefore, we will remain disciplined in the year ahead in terms of deploying APEO's cash into new opportunities.

That said, market uncertainty and volatility does provide a silver lining around the attractiveness of new investment opportunities. These periods tend to present differentiated opportunities such as corporate carve outs and public to private transactions, and family owners of attractive businesses can often be more willing to sell long-held assets for liquidity or portfolio reasons. Furthermore, entry multiples tend to be lower during these periods, compared to long-term averages. The aftermath of the dot com bubble and the global financial crisis are good examples of private equity's ability to take advantage of these periods of uncertainty and generate strong investment performance.

APEO's underlying portfolio has illustrated its resilience in the current backdrop, and we expect it to continue to demonstrate this going forward, given the quality of the portfolio, with many market-leading underlying companies offering mission critical, non-discretionary products and/or services. However, we are cognisant that sharp rises in both inflation and interest rates mean that portfolio companies will need to pass through pricing increases and manage their operations efficiently in order to maintain current margin levels and cash flows.

Whilst we are planning for market headwinds to continue in the short-term, our longer-term outlook on private equity and APEO remains bullish. In terms of deal activity levels, the record levels of capital raised by the industry (so called "dry powder") will need to be deployed over the next few years, which will help drive a convergence between buyer and seller pricing expectations and an eventual upturn in M&A. An increase in activity will, in turn, drive an uptick in portfolio company exits and distributions to APEO, especially given 49% of the underlying portfolio has been held for four years or more and should, in theory, be ripe for exit. As well as returning cash to APEO, distributions usually help drive additional NAV growth, given private equity firms tend to sell underlying companies at an uplift to their unrealised valuations two quarters prior.

More broadly, companies continue to stay private for longer and 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 more sector specialised and have deeper value creation toolkits compared to, for example, before the global financial crisis. These firms are not reliant on low interest rates and financial engineering to create investment returns.

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 current headwinds are unlikely to fully abate in the next 12 months, 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 relative uncertainty.

Alan Gauld
Lead Investment Manager and Senior Investment Director
for abrdn Capital Partners LLP
30 January 2024

Ten Largest Investments

1 Advent International

3.8% of NAV

(30 September 2022: 4.5%)

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

Invests in attractive niches within Business and Financial Services, Healthcare, Industrial, Retail and Technology sectors.

Advent International Global Private Equity VIII	30/09/23	30/09/22
Value (£'000)	45,051	52,171
Cost (£'000)	27,671	31,652
Commitment (€'000)	45,000	45,000
Amount funded	100.0%	100.0%
Income (£'000)	–	–

2 CVC Capital Partners

3.8% of NAV

(30 September 2022: 3.8%)

Fund Size: €16.4bn
Strategy: Mid to large buyouts
EV 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	30/09/23	30/09/22
Value (£'000)	44,945	44,399
Cost (£'000)	24,898	24,862
Commitment (€'000)	35,000	35,000
Amount funded	97.2%	84.1%
Income (£'000)*	9	50

3 Nordic Capital

3.2% of NAV

(30 September 2022: 3.1%)

Fund Size: €4.3bn
Strategy: Mid to large buyouts
EV of investments: €200-800m
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	30/09/23	30/09/22
Value (£'000)	37,762	35,841
Cost (£'000)	23,403	22,355
Commitment (€'000)	30,000	30,000
Amount funded	100.0%	89.0%
Income (£'000)	–	–

4

3.1% of NAV

(30 September 2022: 3.2%)

Fund Size: $125m
Strategy: Various
EV 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	30/09/23	30/09/22
Value (£'000)	36,687	36,504
Cost (£'000)	31,066	27,594
Commitment ($'000)	62,500	62,500
Amount funded	72.0%	62.9%
Income (£'000)	–	–

5 IK Partners

2.9% of NAV

(30 September 2022: 3.3%)

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

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

IK Fund VIII	30/09/23	30/09/22
Value (£'000)	35,090	38,225
Cost (£'000)	19,371	22,947
Commitment (€'000)	46,000	46,000
Amount funded	94.7%	94.7%
Income (£'000)*	558	4

6 Altor

2.9% of NAV

(30 September 2022: 3.2%)

Fund Size: €2.1bn
Strategy: Mid-market buyouts
EV of investments: €50-500m
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	30/09/23	30/09/22
Value (£'000)	34,954	37,158
Cost (£'000)	29,206	27,886
Commitment (€'000)	55,000	55,000
Amount funded	76.0%	73.2%
Income (£'000)*	–	847

7 Bridgepoint

2.9% of NAV

(30 September 2022: 2.5%)

Fund Size: €5.8bn
Strategy: Mid-market buyouts
EV of investments: €200m-€1bn
Geography: Europe
Website: www.bridgepoint.eu

A leading mid-market focused private equity firm targeting buyout investments in European companies with strong market positions and earnings growth potential across six core sectors.

Bridgepoint Europe VI	30/09/23	30/09/22
Value (£'000)	34,488	28,650
Cost (£'000)	23,707	20,118
Commitment (€'000)	30,000	30,000
Amount funded	94.4%	79.7%
Income (£'000)*	55	–

8 Exponent

2.5% of NAV

(30 September 2022: 3.0%)

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

Exponent Private Equity Partners III, LP.	30/09/22	30/09/21
Value (£'000)	30,273	34,963
Cost (£'000)	21,232	22,749
Commitment (£'000)	28,000	28,000
Amount funded	100.0%	87.5%
Income (£'000)*	1,566	411

9 PAI Partners

2.5% of NAV

(30 September 2022: 2.1%)

Fund Size: €5.1bn
Strategy: Upper Mid-market buyouts
EV of investments: €300m-€1.2bn
Geography: Western Europe
Website: www.paipartners.com

Targets upper mid-market businesses in Western Europe, with a particular focus on continental Europe. Typically invests in market leaders across Food and Consumer Goods, Healthcare, Business Services, and Industrials sectors.

PAI Europe VII	30/09/23	30/09/22
Value (£'000)	29,681	24,801
Cost (£'000)	22,789	19,402
Commitment (€'000)	30,000	30,000
Amount funded	86.5%	73.5%
Income (£'000)	–	–

10 Advent International

2.3% of NAV

(30 September 2022: 2.7%)

Fund Size: $17.5bn
Strategy: Mid to large buyouts
EV of investments: $200m-$3bn
Geography: Primarily Europe and North America
Website: www.adventinternational.com

Targets high growth, international expansion and strategic restructuring opportunities in five core sectors: Business and Financial Services; Healthcare; Industrial and Energy; Retail, Consumer and Leisure; and Technology.

Advent International Global Private Equity IX	30/09/23	30/09/22
Value (£'000)	27,262	31,000
Cost (£'000)	19,794	18,401
Commitment (€'000)	25,000	25,000
Amount funded	94.1%	87.3%
Income (£'000)	–	–

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 2023 and 30 September 2022 respectively.

Ten Largest Underlying Private Companies

Largest Ten Underlying Private Companies at 30 September 2023[1,2]

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

1 ACTION

2.2% 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 EUROPEAN CAMPING GROUP

1.8% of NAV

Sector: Consumer Discretionary
Location: France
Year of Investment: 2021
Private Equity Manager: PAI Partners
Investments: ECG Co-invest SLP/PAI Europe VII/ PAI Europe VIII/ECG 2 Co-invest SLP
Company Website: www.europeancampinggroup.com

European Camping Group ("ECG") 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.

3 ACT

1.7% of NAV

Sector: Industrials
Location: Netherlands
Year of Investment: 2021
Private Fund Manager: Bridgepoint Capital
Investments: Arbor Co-Investment LP/ Bridgepoint Europe VI
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 access

1.6% of NAV

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

Founded in 1991, the Access Group ("Access") is a leading UK mid-market ERP 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.

5 UVESCO

1.4% 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.

6 NAMSA

1.4% 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 for preclinical and clinical medical device companies, and a global market leader in preclinical and biocompatability testing.

7 FRONERI

1.3% 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 cfc

1.2% of NAV

Sector: Financials
Location: United Kingdom
Year of Investment: 2022
Private Equity Manager: Vitruvian Partners
Investments: CFC Continuation Fund/Vitruvian IV
Company Website: www.cfc.com

CFC is a technology-led vertically integrated insurance platform, focusing on the highest growth most attractive risk categories in their markets. CFC is a global market leader in Cyber insurance, particularly to SMEs, given its early mover advantage in the Cyber space through product innovation.

9 Trioworld

1.1% of NAV

Sector: Industrials
Location: Sweden
Year of Investment: 2018
Private Equity Manager: Altor Equity Partners
Investment: Altor Fund IV
Company Website www.trioworld.com

Trioworld (formerly Trioplast) offers innovative and sustainable, high-performance polyethylene and polypropylene film solutions for consumer and industrial packaging, transport packaging, agriculture, hygiene and medical technology. The company was founded in 1965 in Smalandsstenar, Sweden.

10 FUNECAP GROUPE

1.1% of NAV

Sector: Industrials
Location: France
Year of Investment: 2021
Private Equity Manager: Latour Capital
Investments: Latour Co-invest Funecap/ Latour Co-invest Funecap II/Latour IV
Company Website: www.funecap.group

Founded in 2010 by Thierry Gisserot and Xavier Thoumieux, Funecap is the number two vertically-integrated funeral services and crematoria provider in France.

1 All percentage of NAV figures are based on gross valuations, before any carry provision.
2 Based on latest available information.

Investment Portfolio

Vintage	Investment	Number of investments	Outstanding commitments £'000	Cost £'000	Valuation £'000[1]	Net multiple[2]	% of NAV
2016	Advent International Global Private Equity VIII	27	–	27,671	45,051	2.1x	3.8
2017	CVC Capital Partners VII	31	2,582	24,898	44,945	1.9x	3.8
2018	Nordic Capital Fund IX	13	7,800	23,403	37,762	1.7x	3.2
2021	Structured Solutions IV Primary Holdings*	53	14,328	31,066	36,687	1.3x	3.1
2016	IK Fund VIII	11	2,125	19,371	35,090	1.9x	2.9
2014	Altor Fund IV	16	11,465	29,206	34,954	1.7x	2.9
2018	Bridgepoint Europe VI	17	1,455	23,707	34,488	1.5x	2.9
2015	Exponent Private Equity Partners III, LP.	10	3,034	21,232	30,273	1.9x	2.5
2018	PAI Europe VII	18	5,321	22,789	29,681	1.5x	2.5
2019	Advent International Global Private Equity IX	37	1,292	19,794	27,262	1.4x	2.3
2016	Sixth Cinven Fund	14	2,559	16,079	27,230	2.0x	2.3
2019	Altor Fund V	18	14,101	23,069	26,706	1.3x	2.2
2018	Triton Fund V	18	10,497	15,632	26,375	1.5x	2.2
2020	3i 2020 Co-investment 1 SCSp[3,4]	1	–	6,380	26,160	3.5x	2.2
2017	HgCapital 8	7	2,269	7,528	25,369	2.8x	2.1
2014	CVC VI	22	2,293	14,043	22,470	2.2x	1.9
2020	Nordic Capital X	16	4,740	16,856	22,334	1.3x	1.9
2019	Investindustrial VII	12	6,823	15,316	21,760	1.4x	1.8
2019	Cinven 7	17	3,724	17,827	21,523	1.2x	1.8
2018	MSouth Equity Partners IV	13	1,604	15,456	20,669	1.4x	1.7
2020	Vitruvian IV	28	4,135	17,192	20,492	1.2x	1.7
2013	TowerBrook Investors IV	10	10,915	13,329	20,440	2.3x	1.7
2014	Permira V	12	730	9,832	19,766	3.5x	1.7
2019	IK IX	14	3,832	17,658	19,689	1.1x	1.6
2019	American Industrial Partners VII	13	4,766	12,999	19,626	1.6x	1.6
2021	Arbor Co-Investment LP[3]	1	–	8,374	17,296	2.1x	1.4
2015	Bridgepoint Europe V	9	2,521	13,159	17,123	2.0x	1.4
2020	MPI-COI-NAMSA SLP[3]	1	1,896	5,562	16,723	2.6x	1.4
2014	PAI Europe VI	12	1,774	9,371	16,652	1.9x	1.4
2020	Capiton VI	10	7,236	9,979	16,280	1.6x	1.4
2021	IK Partnership II	5	6,935	14,829	16,083	1.1x	1.3
2015	Equistone Partners Europe Fund V	10	2,035	16,476	13,839	1.6x	1.2
2022	Uvesco Co-invest[3]	1	2,212	6,268	13,797	2.0x	1.2
2021	Excellere Partners Fund IV	4	15,982	12,470	13,762	1.1x	1.2
2018	Investindustrial Growth	3	5,922	11,669	13,685	2.3x	1.1
2021	ECG Co-invest SLP[3]	1	247	6,663	13,263	2.0x	1.1
2020	Seidler Equity Partners VII L.P.	7	1,749	12,425	13,114	1.1x	1.1
2020	Hg Genesis 9	12	3,033	9,872	12,898	1.3x	1.1
2019	PAI Strategic Partnerships SCSp	2	121	6,659	12,540	1.9x	1.0
2020	Hg Saturn 2	7	3,507	8,584	11,862	1.3x	1.0
2013	Nordic Capital VIII	11	3,495	17,311	11,806	1.5x	1.0

Vintage	Investment	Number of investments	Outstanding commitments £'000	Cost £'000	Valuation £'000[1]	Net multiple[2]	% of NAV
2021	Advent Technology II-A	11	16,388	9,394	11,627	1.2x	1.0
2021	MI NGE S.L.P.[3]	1	837	8,153	11,447	1.4x	1.0
2021	MPI-COI-PROLLENIUM SLP[3]	1	1,417	7,147	11,256	1.6x	0.9
2020	PAI Mid-Market I	7	12,622	8,988	11,075	1.2x	0.9
2017	Onex Partners IV LP	7	1,046	10,259	10,810	1.4x	0.9
2019	Great Hill Partners VII	18	813	8,012	10,506	1.5x	0.9
2021	Hg Isaac Co-Invest LP[3]	1	41	7,571	10,453	1.4x	0.9
2020	Triton Smaller Mid-Cap Fund II	8	11,555	9,963	10,176	1.0x	0.9
2019	Vitruvian I CF LP	5	8,077	7,828	10,125	1.3x	0.8
2020	Vitruvian III	30	1,089	5,312	9,652	2.1x	0.8
2021	Eurazeo Payment Luxembourg Fund SCSp[3]	1	1,090	7,798	9,646	1.2x	0.8
2021	Capiton VI Wundex Co-Investment[3]	1	3,199	5,378	9,226	1.7x	0.8
2021	Hg Riley Co-Invest LP[3]	1	–	6,836	8,958	1.3x	0.7
2021	IK Co-invest Questel[3]	1	–	8,658	8,957	1.0x	0.7
2022	Hg Saturn 3	2	19,818	8,681	8,923	1.0x	0.7
2016	Astorg VI	5	1,595	205	8,646	1.7x	0.7
2020	Hg Mercury 3	11	4,715	5,959	8,240	1.3x	0.7
2021	CDL Coinvestment SPV[3]	1	–	5,294	7,938	1.5x	0.7
2021	WindRose Health Investors Fund VI	5	9,631	6,962	7,671	1.1x	0.6
2020	Hg Vardos Co-invest L.P.[3]	1	–	4,244	7,589	1.8x	0.6
2021	Bengal Co-Invest SCSp[3]	1	2,521	6,198	7,550	1.2x	0.6
2022	Advent International Global Private Equity X	12	18,130	7,970	7,401	0.9x	0.6
2021	MPI-COI-SUAN SLP[3]	1	37	6,402	7,073	1.1x	0.6
2021	Latour Co-invest Funecap*[3]	1	–	4,287	6,908	1.5x	0.6
2021	VIP SIV I LP3	1	4,781	4,219	6,705	1.6x	0.6
2019	Alphaone International S.à.r.l.[3]	1	1,720	3,522	6,481	1.8x	0.5
2023	Maguar Continuation Fund I GmbH & Co. KG[3]	1	1,210	6,505	6,459	1.0x	0.5
2021	Permira Growth Opportunities II	11	19,973	9,037	5,904	0.7x	0.5
2015	Nordic Capital VII	7	1,580	10,998	5,870	1.4x	0.5
2023	One Peak Co-invest III LP[3]	1	–	5,277	5,193	1.0x	0.4
2021	bd-capital Partners Chase[3]	1	–	4,279	5,077	1.2x	0.4
2022	Hg Genesis 10	2	21,406	4,610	4,954	1.1x	0.4
2021	Nordic Capital Evolution Fund	8	21,378	4,661	4,925	1.1x	0.4
2023	Capiton Quantum GmbH & Co	2	732	3,857	4,850	1.3x	0.4
2022	Leviathan Holdings, L.P.[3]	1	–	4,103	4,637	1.1x	0.4
2012	Equistone Partners Europe Fund IV	6	493	8,762	4,427	2.1x	0.4
2019	ASI Omega Holdco Limited[3]	1	18	4,259	4,096	1.0x	0.3
2021	Nordic Capital WH1 Beta, L.P.[3]	1	511	3,192	3,896	1.1x	0.3
2022	ArchiMed – Med Platform 2	2	22,133	3,747	3,725	1.0x	0.3
2015	Capiton V	9	228	7,262	3,283	0.8x	0.3
2022	AV Invest B3*[3]	1	312	4,789	3,040	0.6x	0.3

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Investment Portfolio continued

Vintage	Investment	Number of investments	Outstanding commitments £'000	Cost £'000	Valuation £'000[1]	Net multiple[2]	% of NAV
2023	Latour Co-invest Funecap II*,[3]	1	–	2,952	2,908	1.0x	0.2
2012	Advent International Global Private Equity VII	18	824	5,149	2,856	2.1x	0.2
2021	Great Hill Equity Partners VIII	5	12,973	3,349	2,560	0.8x	0.2
2012	IK Fund VII	2	1,734	5,871	2,427	2.1x	0.2
2021	ArchiMed III	5	10,448	2,573	2,195	0.9x	0.2
2001	CVC III*	1	426	4,283	2,101	2.7x	0.2
2022	Nordic Capital Fund XI	4	23,389	2,615	1,989	0.8x	0.2
2023	ECG 2 Co-Invest S.L.P.[3]	1	900	1,753	1,973	1.1x	0.2
2013	Bridgepoint Europe IV	5	785	2,920	1,764	1.6x	0.1
2011	American Industrial Partners V	7	33	1,313	1,573	1.4x	0.1
2011	Montagu IV	4	667	4,771	1,510	1.8x	0.1
2022	One Peak Growth III	6	10,997	2,032	1,447	0.7x	0.1
2022	Investindustrial Growth III	1	24,938	1,112	894	0.8x	0.1
2008	CVC V*	2	433	4,310	802	2.4x	0.1
2023	Vitruvian V	1	24,973	1,039	716	0.7x	0.1
2019	Gilde Buy-Out Fund IV	1	–	2,262	518	1.2x	0.0
2006	3i Eurofund V	0	–	9,282	381	2.7x	0.0
2022	PAI Europe VIII	4	25,509	508	224	0.4x	0.0
2022	Latour Capital IV	1	25,320	715	129	0.2x	0.0
2007	Industri Kapital 2007 Fund	0	1,506	5,545	72	1.4x	0.0
2023	Hg Mercury 4	1	25,851	172	25	0.1x	0.0
2009	Capiton IV GmbH & Co. Beteiligungs KG	5	147	241	16	1.1x	0.0
2022	Altor Fund VI	4	25,656	371	15	0.0x	0.0
2023	Montefiore Expansion I	0	8,648	26	–	0.0x	0.0
2023	Montefiore Investment VI	0	17,297	51	–	0.0x	0.0
2023	Seidler Equity Partners VIII, L.P.	0	16,386	–	–	0.0x	0.0
	Total investments[5]	**812**	**651,991**	**957,797**	**1,261,995**		**105.2**
	Non-portfolio assets less liabilities				**(66,352)**		**(5.2)**
	Total shareholders' funds				**1,195,643**		**100.0**

1. All funds are valued by the manager of the relevant fund or co-investment as at 30 September 2023, with the exception of those funds suffixed with an * which were valued as at 30 June 2023 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.
4. Formerly known as 3i Venice SCSp.
5. The 812 underlying investments represent holdings in 720 separate underlying portfolio companies, as well as 44 underlying fund investments and 9 underlying co-investments which are indirectly held by the Company through its Investment Portfolio.

Top 30 Underlying Private Company Investments at 30 September 2023

Entity+A4:B11	Description	Fund/Co-investment	Year of Investment[1]	% of NAV[2]
Action	Non-food discount retailer	3i 2020 Co-Investment 1 SCSp	2011	2.2%
ECG	European leader in outdoor accommodation market	ECG Co-invest SLP/PAI Europe VII/ PAI Europe VIII/ECG 2 Co-invest SLP	2021	1.8%
ACT	Leading global provider of market-based sustainability solutions	Arbor Co-Investment LP/ Bridgepoint Europe VI	2021	1.7%
Access Group	Enterprise Resource Planning ('ERP') software business	HgCapital 8/Hg Saturn 3	2018	1.6%
Uvesco	Leading Spanish regional grocer	Uvesco Co-invest/PAI Mid-Market I	2022	1.4%
NAMSA	Provider of medical devices	MPI-COI-NAMSA SLP	2020	1.4%
Froneri	Ice cream manufacturer for take home and private label segments	PAI Strategic Partnerships SCSp/ PAI Europe VII	2019	1.3%
CFC Underwriting	Global leader in the cyber insurance market	CFC Continuation Fund/Vitruvian IV	2022	1.2%
Trioworld	Manufacturer of sustainable polyethylene film	Altor Fund IV	2018	1.1%
Funecap	Operator of funeral infrastructures and services	Latour Co-invest Funecap/ Latour Co-invest Funecap II/Latour IV	2021	1.1%
Mademoiselle Desserts	Dessert and confectionery producer	Alphaone International S.à.r.l./IK Fund VIII	2018	1.1%
CDL	Providing support to the medical profession through advanced diagnostics	CDL Coinvestment SPV/ Excellere Partners Fund IV	2021	1.1%
Questel	IP management company	IK Co-invest Questel/IK IX	2020	1.0%
Planet	Leading provider of integrated payment solutions for hospitality and retail	Eurazeo Payment Luxembourg Fund SCSp	2021	1.0%
Insight software	Financial reporting and enterprise performance management software provider	Hg Isaac Co-Invest LP/Hg Saturn 2	2021	1.0%
Undisclosed[3]	Medical aesthetics company	MPI-COI-PROLLENIUM SLP	2021	0.9%
Visma	Provider of business-critical software to Small- to Medium-sized Enterprises ("SMEs")	Visma/Hg Saturn 2/Montagu IV	2014	0.9%
Groupe NGE	Independent public works concessions group	MI NGE S.L.P.	2021	0.9%
Undisclosed[3]	Software provider to automotive collision repairers, parts suppliers and insurers	Advent International Global Private Equity VIII	2017	0.9%
Wundex	Home care provider	Capiton VI Wundex Co-Investment/Capiton VI	2021	0.9%
Riskalyze	Risk tolerance software for the wealth management industry	Hg Riley Co-Invest LP/Hg Mercury 3	2021	0.9%
Undisclosed[3]	Space conglomerate	Advent International Global Private Equity X	2023	0.8%
R1 RCM	Healthcare revenue services	TowerBrook Investors IV	2016	0.8%
Norican	Metallic parts formation and preparation industry	Altor Fund IV	2015	0.8%
Tropicana	Non-alcoholic beverages	Bengal Co-Invest SCSp/PAI Europe VII	2022	0.8%
Infradata	Cyber security and secure networking solutions	IK Fund VIII	2019	0.7%
Undisclosed[3]	Global top-three pure player in engineering materials	Advent International Global Private Equity X	2023	0.7%
Aspia	Leader within accounting, payroll, tax and related services in Sweden	IK Fund VIII	2018	0.7%
Undisclosed[3]	Generics pharmaceutical company	Advent International Global Private Equity VIII	2018	0.7%
Litera	Provider of legal technology solutions	HgCapital 8/Hg Genesis 9	2019	0.7%

1 Year of investment is disclosed as the first year of investment by a portfolio investment.
2 All percentage of NAV figures are based on gross valuations, before any carry provision.
3 Due to disclosure restrictions associated with our holding in the associated fund or co-investment, we are unable to name the underlying private company.

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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 53 to 55, 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 Financial Reporting Council ("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 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 Board has agreed to alternate the location of the AGM between Edinburgh and London and the next AGM will take place on 27 March 2024 in London. 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 page118.

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. 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 at least four 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, 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 pages 27 to 30 for more details.

Principal Decisions

Pursuant to the Board's aim of promoting APEO's long-term success, the Directors were particularly mindful of stakeholder considerations when considering the following items during the year ended 30 September 2023:

- The Investment Manager's Review on pages 31 to 44 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.
- As set out in the Chair's Statement, the Board was notified of abrdn plc's intention to sell the abrdn Private Equity business, including the Company's Manager, to Patria. On behalf of the Company's shareholders, the Board is undertaking diligence on Patria, its systems and processes, and seeking assurance that the Manager will continue to have sufficient skills and resources to continue to manage the Company in accordance with its investment policy and mandate. Diligence started during the financial year, and has continued since then, and the Board will update the market following its conclusions in due course.
- The level of dividend to be paid to shareholders was carefully assessed during the financial year. The Board is pleased to have paid four quarterly dividends of 4.0 pence per share making a total dividend for the year to 30 September 2023 of 16.0 pence per share. This represents a dividend yield of 3.6%, based on the APEO share price at 30 September 2023, and is an increase of 11.1% on the 14.4 pence per share paid for the year to 30 September 2022.
- Subsequent to the year end, the Board announced a buyback programme using proceeds from a recent sale. The buyback is intended to provide an accretion to NAV for shareholders as well as underlines the Board's belief in the Company's underlying portfolio valuations.

Stakeholder Engagement and Responsible Management continued

- The Board is wholly aligned with the concept of good customer outcomes as defined by the new Consumer Duty Regulations but believes that the current cost disclosure regime misleads investors and overall provides poor results for retail investors. The Board has written to the FCA to outline its dissatisfaction with the current cost disclosure regime.
- The Board regularly considers succession planning and, as set out in the Chair's Statement, the Board has asked Alan Devine to remain as the Company's Chair during the transition of the Company's Manager to Patria. The Board believes that Alan Devine's continued appointment is in the best interests of the shareholders as a whole. The Board is actively considering Chair succession, and intends to appointment an additional non-executive director to the Board during 2024.

Board Diversity

The Board's statement on diversity is set out in the Statement of Corporate Governance on page 67.

At 30 September 2023, 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 its 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 57 to 60 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-month 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 2024 and over the period through to December 2024. From December 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 2024 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 2024

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 APEO's underlying investments.

During the financial year, global economic conditions continued to be challenging, in particular with higher inflation and sharp interest rate rises. This impacted APEO both at a Company level but also in its underlying portfolio.

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 in the following table.

Principal Risks and Uncertainties continued

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) Public markets remain volatile but have generally increased over levels seen in 2022, which has impacted the valuation of the APEO portfolio. Investments in APEO's portfolio are all subject to private equity guidelines such as IPEV Guidelines with respect of valuations. Furthermore, they are predominantly in line with either IFRS or US GAAP accounting standards. Inflation and interest rate rises have impacted both the valuations of the existing underlying portfolio and the pricing of new investments. Pricing risk is mitigated by APEO having a diversified portfolio of fund investments and co-investments. Private equity market deal activity has remained low in 2023, continuing the trend seen in the second half of 2022. This has extended the timing of some investment exits and distributions. The Manager forecasts an uptick in market activity in 2024 but continues to plan in case the exit environment remains similar to 2023. As such, APEO increased the size of its revolving credit facility to £300 million and took extra caution in new investment deployment in 2023 to help mitigate this risk. b) The Manager monitors APEO's exposure to foreign currencies and reports to the Board on a regular basis. It is not 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 2023, sterling appreciated by 1.2% relative to the euro (2022: depreciated 2.1%) and appreciated by 9.3% relative to the US dollar (2022: depreciated 17.2%). This movement in the euro and the US dollar had a net negative impact on the net assets of APEO.	Unchanged
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 2023 APEO had £651.9 million (2022: £678.9 million) of outstanding commitments, with £94.3 million (2022: £69.9 million) expected not to be drawn. The over-commitment ratio was 35.2% (2022: 42.8%).	Unchanged
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.	Unchanged

Risk	Definition	Tolerance	Mitigation/Update	
Climate	The risk that climate change impacts the APEO portfolio, either from a physical or transition point of view.	●●○	APEO is committed to being an active, long-term responsible investor. As such sustainability and ESG is a fundamental component of its Manager's investment process. The Manager commits APEO's capital with or alongside 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 pages 27 to 30 for further information on the Manager's ESG approach). 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.	Increased
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 £300 million revolving multi-currency loan facility. APEO had cash and cash equivalents of £9.4 million (2022: £30.3 million) and £197.7m (2022: £138.0 million) available on its revolving credit facility as at 30 September 2023.	Unchanged
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.	Unchanged
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.	Unchanged

APEO's financial risk management objectives and policies are contained in note 18 to the financial statements which can be found on pages 106 to 110 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 pages 49 to 51. The ten largest investments are shown on pages 45 and 46 and the top ten underlying private company investments are shown on pages 46 and 47.

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abrdn Private Equity Opportunities Trust plc

abrdn

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.

% Female Board Members

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 2023

Committee Member:
None

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. In particular, the Board has noted the significant amount of time he dedicates to the Company, his leadership of the Board and its advisors through the Patria announcement and ongoing due diligence process, and his overarching contribution to the Board, from a funding, industry and corporate governance perspective.

Dugald Agble
Independent Non-Executive Director

Experience
Dugald holds a PhD in Chemical Engineering from Imperial College London and has 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 2023

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.

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. 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 2023

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 lead the Nomination Committee effectively and provides significant investment and ESG insight to the Board and knowledge of the investment management sector.

Calum Thomson
Senior 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 and the AVI Global Trust 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 2023

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 is an effective Senior Independent Director, whilst chairing the Audit Committee expertly. He 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 AIFM, investing globally via direct private equity investments, secondary and primary partnership investments and was a co-founder and vice chair of the Investment Committee of Akina Ltd. She holds a Directors Certificate from Harvard Business School, is a Qualified Risk Director from the DCRO Institute and 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 2023

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

Contribution:
The Board has reviewed the contribution of Yvonne Stillhart, in light of her proposed re-election at the AGM and has concluded that she has led the Management Engagement Committee effectively and 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 2023.

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 and performance, business model and strategy.

Results and Dividends

The financial statements for the year ended 30 September 2023 are contained on pages 93 to 110. Interim dividends of 4.0 pence per Ordinary share were paid in April, July and October 2023. The Board declared, on 13 December 2023, a fourth interim dividend for the year to 30 September 2023 of 4.0 pence per share to be paid on 26 January 2024 to shareholders on the register on 22 December 2023. The total dividend for the financial year to 30 September 2023 was 16.0 pence per Ordinary share, an increase of 11.1% on the 14.4 pence per Ordinary share paid for the financial year to 30 September 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 2023 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 AIFM and 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 NAV 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 12 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, and are subject to regular review by the Management Engagement Committee.

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 2023.

Shareholder	Number of Ordinary shares	% held
Phoenix Group Holdings[1]	84,945,125	55.25
Interactive investor	6,897,577	4.49
Hargreaves Lansdown, stockbrokers	6,046,840	3.93
Oxfordshire CC PF	5,038,909	3.28

1 The Phoenix Group Holdings shareholding reflects a holding of 82,467,496 (53.60%) with the voting rights of those shares exercisable by abrdn Investments Limited, and 2,477,628 (1.61%) of shares held by abrdn Holdings Limited.

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

Relationship Agreement with the Phoenix Group

The Company's largest shareholder, Phoenix Group Holdings plc, previously held its shares through Standard Life Assurance Limited and Phoenix Life Assurance Limited ("SLAL" and "PLAL" which were 100% owned by Phoenix Group Holdings). Subsequent to the financial year end, Phoenix Group Holdings notified the Company that the shares held in the Company by SLAL and PLAL had been transferred intra-group to Phoenix Life Limited ("PLL", which is owned 100% by Phoenix Group Holdings). PLL has irrevocably undertaken to the Company that, at any time when PLL and its Associates (meaning any company which is a member of the PLL 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 PLL 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 2023, 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 2023 as follows (with their eligibility to attend the relevant meetings in brackets):

	Board meetings	Audit Committee meetings	Management Engagement and Nomination Committee meetings	Nomination Committee meetings
Dugald Agble[1]	5 (6)	2 (3)	1 (1)	1 (1)
Alan Devine[2]	6 (6)	2 (2)	1 (1)	1 (1)
Diane Seymour-Williams	6 (6)	3 (3)	1 (1)	1 (1)
Yvonne Stillhart	6 (6)	3 (3)	1 (1)	1 (1)
Calum Thomson	6 (6)	3 (3)	1 (1)	1 (1)

1 Unable to attend one Board and one Audit Committee meeting due to a family bereavement.
2 Stepped down as a member of the Audit Committee, Management Engagement Committee and Nomination Committee on 28 May 2023.

The Board and Committees meet more frequently when business needs require and met a further seven times during the financial year. 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 AGM.

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 AGM. The biographies on pages 63 and 64 set out the Directors' range of skills and experience as well as length of service and their contribution to the Board during the year.

Directors' Report continued

The Chair, with support from the Company Secretary, led the annual performance evaluation during the financial year. The process was based around a questionnaire which was issued to and completed by all Directors. The collated results of the questionnaires were discussed by the Directors at the Board meeting in October 2023. Overall the performance of the Board, collectively and individually, was considered to be satisfactory. The Board last engaged an external independent consultancy, Lintstock Limited, to undertake a formal evaluation of the Board and Committees during the financial year to 30 September 2019. In accordance with corporate governance best practice, the Company intends to appoint an external provider to undertake the evaluation during 2024.

Board's Policy on Tenure
In normal circumstances, it is the Board's expectation that Directors will not serve beyond the AGM 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 AGM 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 AGM in March 2024 follows the ninth anniversary of his appointment. The Board has asked Alan Devine to remain on the Board for an additional year to oversee the transition of the Manager from abrdn to Patria. The plans for Alan Devine's successor as Chair will be announced in due course.

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 2023.

	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 of 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 risks and uncertainties facing the Company are set out on pages 57 to 60. 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 FRC's 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.

Directors' Report continued

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, except Alan Devine who stepped down as a member on 28 May 2023, the ninth anniversary of his appointment as a Board Director. 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 80.

Management Engagement Committee
The Management Engagement Committee was chaired by Alan Devine until 13 December 2022, at which point Yvonne Stillhart assumed the role of Chair. Alan Devine stepped down as a member on 28 May 2023, the ninth anniversary of his appointment as a Board Director.

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 2023 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. As set out in the Chair's Statement, the Board and Committee is actively considering the impact of the sale of abrdn Private Equity to Patria and is undertaking due diligence to ensure that the Manager continues to have the appropriate resources to continue to manage the Company effectively and that the functions providing the secretarial, administrative and promotional sills are effectively resourced.

Nomination Committee
The Nomination Committee was chaired by Alan Devine until 13 December 2022, at which point Diane Seymour-Williams assumed the role of Chair. Alan Devine stepped down as a member on 28 May 2023, the ninth anniversary of his appointment as a Board Director.

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 AGM, 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.

The Nomination Committee did not engage any firm during the financial year to assist with recruitment or Board succession planning. The Nomination Committee last used the services of an external recruitment agency in 2021 during the search which resulted in the appointment of Yvonne Stillhart and Dugald Agble as Directors of the Company. During the search in 2021, the Company engaged the services of the services of Nurole Limited. Nurole Limited is independent of the Company and Board of Directors.

Going Concern
The Company's business activities, together with the factors likely to affect its future development, performance, and financial position, are set out in the Strategic Report and Investment Manager's Review.

The financial statements have been prepared on the going concern basis and on the basis that approval as an investment trust company will continue to be met. The Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date when these financial statements were approved.

In making the assessment, the Directors of the Company have considered the likely impacts of geopolitical and economic uncertainties on the Company, the investment portfolio and the Company's operations. These include, but are not limited to, the impact of the war in Ukraine, the ongoing Israel/Palestine conflict, political and economic instability in the UK, supply shortages and inflationary pressures.

The Directors noted that, following a review of the Company's latest management accounts and other financial information of the Company, the Company is able to meet the obligations of the Company as they fall due. At each Board meeting, the Directors review the Company's latest management accounts and other financial information. The Company's commitments to investments are reviewed at each Board meeting, together with its financial resources, including cash held and its borrowing capability. Cash flow scenarios are also presented and discussed at each meeting as well as stress testing and downside liquidity modelling scenarios with varying degrees of decline in investment valuations, decreased investment distributions, and increased call rates.

In the event of a downside scenario, APEO can take steps to limit or mitigate the impact on the Balance Sheet, by drawing on the £300 million credit facility and pausing on new commitments. It could also look to raise additional credit or capital, sell assets to increase liquidity and reduce its over-commitment ratio.

After due consideration of the Balance Sheet, activities of the Company, its assets, liabilities, commitments and financial resources, the Directors have concluded that the Company has adequate resources to continue in operation for at least 12 months from the approval of the financial statements for the year ended 30 September 2024. For this reason, they consider it appropriate to continue to adopt the going concern basis in preparing the financial statements.

Directors' Report continued

Accountability and Audit
The respective responsibilities of the Directors and the Independent Auditor in connection with the financial statements appear on page 91.

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 2023 and resolutions to approve its re-appointment for the year to 30 September 2024 and to authorise the Directors to determine its remuneration will be proposed at the AGM on 27 March 2024.

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 page 73. 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 on 27 March 2024 at 12:30p.m. at wallacespace Spitalfields, 15-25 Artillery Lane, London E1 7HA, and the related notes, may be found on pages 121 to 125.

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

At the AGM on 27 March 2024, 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 AGM and on an annual basis thereafter.

The Company's dividend policy is that interim dividends on the Ordinary shares are payable quarterly. Resolution 3 will seek shareholder approval for the dividend policy.

Issue of Ordinary Shares
Resolution 11, 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 12, 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 2024).

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

The authorities being sought under Resolutions 11 and 12 shall expire at the conclusion of the Company's next AGM in 2025 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 13, 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 NAV 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 2025 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 14 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 AGM. The approval would be effective until the end of the Company's next AGM, 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.

Adoption of new Articles of Association
Resolution 15, which will be proposed as a special resolution, seeks shareholder approval to adopt new Articles of Association (the "New Articles") in order to update the Company's current Articles of Association (the "Existing Articles"). The proposed amendments being introduced in the New Articles primarily relate to the new power conferred on the Board which provides it with flexibility to change the Company's name by way of Board resolution and the increase to the cap on the aggregate of all fees paid to Directors per annum.

A copy of the New Articles, together with a copy showing all of the proposed changes to the Existing Articles, will be available for inspection on the Company's website, abrdnpeot.co.uk, and at the offices of wallacespace Spitalfields, 15-25 Artillery Lane, London, E1 7HA, which is also the venue of the AGM, from 15 minutes before and during the AGM.

Recommendation
The Board considers that the resolutions to be proposed at the AGM 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 64,993 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
United Kingdom
30 January 2024

Directors' Remuneration Report

This Directors' Remuneration Report comprises three parts:

1. the 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 AGM on 22 March 2023;
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 85 to 92.

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, except the Chair who stepped down from the Nomination Committee on 28 May 2023.

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 and the Company's Articles of Association which currently limit the aggregate of the fees payable to the Directors to £350,000 per annum. However it is proposed that this limit be increased to £450,000 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.

The proposed increase to the limit on the Directors' remuneration cap per annum is subject to the approval by shareholders, by way of passing a special resolution at the AGM of the Company, to adopt the New Articles.

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 2023 and 2022 are set out in the table below. Fees are reviewed annually and, if considered appropriate, increased accordingly.

Shareholder	30 September 2023 £	30 September 2022 £
Chair	74,000	64,500
Chair of Audit Committee[1]	54,000	49,500
Director	47,000	44,000

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 AGM 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.
- 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 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' and officers' liability insurance cover is maintained by the Company on behalf of the Directors.

There has been no changes to the Directors' Remuneration Policy since shareholders approved it on 23 March 2023. It is the Nomination Committee's intention that the Remuneration Policy to be proposed at the AGM will apply for the three-year period ending 30 September 2025.

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

At the AGM held on 22 March 2023, shareholders approved the Directors' Remuneration Policy. 99.87% of proxy votes were cast in favour of the resolution and 0.13% were cast against.

Implementation Report

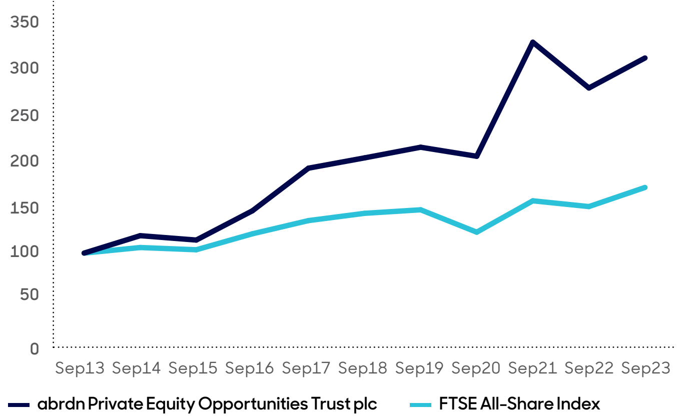
Review of Directors' fees

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 cap on the aggregate of all fees paid to Directors contained within Article 92 of the Articles of Association be increased from £350,000 per annum to £450,000 per annum (the "Fee Cap"). The Board considers that the increase and change to an aggregate Fee Cap will provide sufficient head-room to enable the Board to execute any succession plans for the future and to ensure that the levels of the remuneration for each Director is maintained at market levels. Further to this, the Nomination Committee recommended that the Chair of the Board is paid £78,000 per annum, the Chair of the Audit Committee and Senior Independent Director is paid £57,000 per annum, and Non-Executive Directors are paid £50,000 per annum. The Board accepted the recommendation and the fees are payable with effect from 1 October 2023. For the avoidance of doubt these increases are in line with the current Fee Cap within the Company's current Articles of Association and the proposed increase in this Fee Cap is subject to the approval of shareholders, by way of a special resolution at the AGM of the Company, in respect of the adoption of the New Articles.

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 TR (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 2023 (rebased to 100 at 30 September 2013). 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 2023, shareholders approved the Directors' Remuneration Report in respect of the year ended 30 September 2023. 99.87% of proxy votes were in favour of the resolution and 0.13% were against.

A resolution to approve the Directors' Remuneration Report in respect of the year ended 30 September 2023 will be proposed at the AGM.

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 and the share capital is shown in notes 7 and 13, respectively, to the financial statements.

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 2023	Year ended 30 September 2022
Dugald Agble	47,000	44,000
Alan Devine[1]	74,000	56,663
Christina McComb[2]	0	30,638
Diane Seymour-Williams	47,000	44,000
Yvonne Stillhart[3]	47,000	45,000
Calum Thomson[4]	54,000	49,050
Total	**269,000**	**269,351**

1 Appointed as Chair on 22 March 2022.
2 Retired from the Board and as Chair on 22 March 2022.
3 Entitled to an incremental fee of £1,000 per annum during the financial year to 30 September 2022 as a Director resident outside of the United Kingdom.
4 Appointed as Senior Independent Director on 22 March 2022, in addition to his role as Chair of the Audit Committee.

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.

Annual Percentage Change in Directors' Remuneration (Unaudited)*

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

Director	Year ended 30 September 2023	2022	2021	2020
	Fees %	Fees %	Fees %	Fees %
Dugald Agble[1]	6.8	3.5	n/a	n/a
Alan Devine[2]	14.7	21.9	0.0	3.3
Diane Seymour-Williams	6.8	3.5	0.0	3.7
Yvonne Stillhart[1]	4.4	3.4	n/a	n/a
Calum Thomson[3]	10.1	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 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.

The Board considers that the increased fees are reflective of the increased workloads and that the current levels of remuneration for each Director is appropriate and in line with market level.

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 2023 and 30 September 2022 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 2023 Ordinary shares	Year ended 30 September 2022 Ordinary shares
Dugald Agble[1]	1,400	1,400
Alan Devine	14,264	13,857
Diane Seymour-Williams	31,500	31,500
Yvonne Stillhart[1]	4,000	4,000
Calum Thomson	13,700	13,700

1 Appointed as a Director on 1 September 2021.

Since the financial year end, Alan Devine has purchased an additional 245 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 Annual 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 2023:

- 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 2024

Audit Committee Report

I am pleased to present the Audit Committee Report for the year ended 30 September 2023.

The Audit Committee comprises myself, as Chair, and all of the independent Non-Executive Directors except the Chair of the Board. Further details on the composition of the Audit Committee are set out on page 69.

Role 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 Independent Auditor (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 (2022: £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 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.

The Committee also reviews the Manager's whistleblowing procedures.

The Committee has direct access to the Company's Auditor, BDO LLP, and representatives of BDO attend Committee meetings from time to time.

Audit Committee Report continued

Activities During the Year

The Audit Committee met three times during the financial year ended 30 September 2023.

Meeting	Audit Committee activity
January 2023	• Review of the 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 • Review of the Manager's valuation processes and procedures and the valuation of the portfolio as at 30 September 2022
April 2023	• Review of the Manager's valuation processes and procedures and the valuation of the portfolio as at 31 December 2022 • Deep dive into APEO's co-investment valuation processes and procedures • Deep dive into the valuation processes and procedures of APEO's largest investment
June 2023	• 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 • Review of the Manager's valuation processes and procedures and the valuation of the portfolio as at 31 March 2023

The principal issues considered by the Committee were as follows:

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) to the financial statements on page 97. 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 8 December 2023 at which the valuations received from the underlying managers were challenged.
FRC Audit Quality Review	The Financial Reporting Council ("the FRC") selected the 2022 year end audit, conducted by BDO, for detailed review. The findings identified by the FRC have been discussed in detail with the FRC and the Audit Committee Chair and the Chair as well as with the audit partner. The Audit Committee, as a whole, discussed the results of the review with BDO and is satisfied that the recommendations have been appropriately addressed in the delivery of the audit for the year ended 30 September 2023.
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.
Going Concern and Long-term Viability	The Committee considered the Company's financial requirements and viability for the forthcoming year, taking into account the Company's performance and financial position as at 30 September 2023. The Committee reviewed the assessment of viability and challenged the assumptions made. In addition, the stress testing applied to the viability statement was challenged and reviewed. As a result of this assessment, the Committee concluded that the Company had adequate resources to continue in operation and meet its liabilities as they fall due both for the forthcoming year. Related going concern and long-term viability disclosures are set out on pages 55 and 70.
Fair, Balanced and Understandable	The Audit Committee, when considering the draft Annual Report and financial statements for the year ended 30 September 2023, 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

Significant issue	How the issue was addressed:
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. The process 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 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.

External Audit

The Committee monitors and reviews the effectiveness of the external audit process for the publication of the Annual Report and makes recommendations to the Board on the re-appointment, remuneration and terms of engagement of the Auditor.

Audit Fees

The audit fee incurred for the review of the 2023 Annual Report and Audit was £84,000 (30 September 2022: £63,000). BDO had initially proposed a substantially increased fee versus 2022 but the Committee negotiated a three-year agreement pursuant to which fee increases will be staggered as agreed between the Committee and BDO.

Review of Independent Auditor

The Audit Committee meets at least twice a year with the Auditor. The Auditor provides a planning report in advance of the annual audit, and a report on the annual audit. The Audit Committee has an opportunity to question and challenge the Auditor in respect of each of these reports. In addition, at least once a year, the Audit Committee has an opportunity to discuss any aspect of the Auditor's work with the Auditor in the absence of the Manager. After each audit, the Audit Committee reviews the audit process and considers its effectiveness.

The Audit Committee has reviewed the effectiveness of 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.

As set out on page 78, the Audit Committee, as a whole, discussed the results of the FRC review of the 2022 year end audit with BDO and is satisfied that the recommendations have been appropriately addressed in the delivery of the audit for the year ended 30 September 2023.

The Independent Auditor's report is included on pages 85 to 92.

Tenure of the 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 was the fifth year for which Mr Peter Smith had served. Mr Chris Meyrick was approved by 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 2024 AGM.

Calum Thomson
Chair of the Audit Committee
30 January 2024

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 2024

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 2023 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 2023 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 ended 30 September 2018 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is six years, covering the years ended 30 September 2018 to 30 September 2023. 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 evaluating the appropriateness of Directors' method of assessing the going concern including cash flow modelling, and stress testing performed, further details of which, including our challenge, are included in the key audit matters section 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

		2023	2022
Key audit matters	Valuation and ownership of investments	Yes	Yes
	Unfunded commitments and cash flow modelling	Yes	Yes
Materiality	£11,900,000 (2022: £11,500,000) based on 1% (2022: 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.

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: (Notes 1(c) on page 97 and Note 9 on page 103)	All the company's investments are held in private equity funds and direct investments into private companies alongside private equity managers ("co-investments"). There is a level of estimation uncertainty and judgement involved in valuing the investments, including the use of information provided by the underlying general partner ("GP") and any adjustments made by the manager, 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. There is also a risk of error in the recording of the investment holdings such that those recorded do not appropriately reflect the investments owned by the Company. Due to all of these reasons, the valuation and ownership 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 valuation policies to determine if they are in line with the International Private Equity and Venture Capital Valuation ("IPEV") Guidelines. • We performed walkthroughs of the investment manager's internal process and obtained an understanding of the design and implementation of controls in place in relation to the valuation of investments. • We attended the Valuation Committee meeting held on 9 December 2023 to assess how the members of the Committee challenge the valuation determined. • We tested a sample of investments representing 99.5% of the total population of investments by value. For the sample, we: – Performed a risk assessment to ensure our testing was appropriately tailored to the specific risk characteristics of those investments. – Compared the year-end valuations per the accounting records to the capital statements received from the GPs of the underlying funds. Where a coterminous capital statement was not available, we agreed the cash roll forward to transactions in that period and reviewed management's assessment of other potential movements in that period. – Reviewed management's assessments of the capital statements provided by the GPs to assess their appropriateness in determining the fair value of the Company's investments. – 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. – Assessed the appropriateness of the valuations provided by the underlying general partners and the reliability of the capital statement of net asset value through back testing to audited accounts by comparing the audited net asset value to the coterminous capital statement. We also assessed whether those audited financial statements provided are an appropriate reflection of fair value by considering the accounting policies, conclusions in the audit reports and the auditors providing the reports. Where audited accounts of the underlying investments were not available, we designed and performed procedures to address the specific risk of each investment. – Reviewed the year end capital statements prepared by the GPs for any possible inconsistent information pertaining to the valuations. We obtained direct confirmation from the depositary regarding all investments held at the year-end date. Key Observations Based on our procedures performed we did not identify any matters to suggest that the valuation and ownership of investments was inappropriate.

Key audit matter		How the scope of our audit addressed the key audit matter
Unfunded commitments and cash flow modelling: (Note 16 on page 105)	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 period of years, whilst the Company is 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 reduce 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 this and the underlying assumptions by performing the following procedures: • We reviewed the accuracy of the model including the commitment balances and valuations in the model by agreeing the commitments to the general partners' statements; and the valuations to the work performed on valuation of investments. • We reviewed the model for timing and accuracy of projected commitments and tested the likelihood of anticipated drawdowns based on historic experience. • We agreed inputs in the model to third party general partners' statements where appropriate. • We 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. • We 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.

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

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.

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

	Company Financial Statements	
	2023	2022
Materiality	£11,900,000	£11,500,000
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 Company's portfolio is comprised of unquoted funds, we have applied 1% of net assets.	
Performance materiality	£8,900,000	£8,600,000
Basis for determining performance materiality	75% of materiality	
Rationale for the percentage applied for performance 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.	

Reporting threshold
We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £590,000 (2022: £570,000). 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.

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 by the Company, or returns adequate for our audit have not been received from branches not visited by us; or • the Company 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.

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

Responsibilities of 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:

Non-compliance with laws and regulations
- We gained an understanding of the legal and regulatory framework applicable to the entity and the industry in which it operates;
- We considered the risk of the Company acting in ways which are 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, and UK tax legislation. We also considered the Company's qualification as an Investment Trust under UK tax legislation as any non-compliance of this would lead to the Company losing various deductions and exemptions from corporation tax.

Our procedures in respect of the above 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 relating to the existence of any non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance throughout the period for instances of non-compliance with laws and regulations; and
- Reviewing the calculation in relation to Investment Trust compliance to check that the Company was meeting its requirements to retain their Investment Trust Status.

Fraud
We assessed the susceptibility of the financial statements to material misstatement, including fraud.

Our risk assessment procedures included:
- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud; and
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls and valuation of investments.

Our procedures in respect of the above included:
- Recalculating investment management fees in total;
- Obtaining independent confirmation of bank balances, investments and loan balance;
- Review and consideration of the appropriateness of adjustments made in the preparation of the financial statements;
- Review of estimates and judgements applied by management in the financial statements to assess their appropriateness and the existence of any systematic bias;
- Review of unadjusted audit differences, if any, for indications of bias or deliberate misstatement; and
- The procedures set out in the Key Audit Matters section above to the extent that they relate to the fraud risks.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were deemed to have the necessary competence and capabilities 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.

Chris Meyrick (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Edinburgh, UK
30 January 2024

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

abrdn

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Statement of Comprehensive Income

	Notes	For the year ended 30 September 2023 Revenue £'000	Capital £'000	Total £'000	For the year ended 30 September 2022 Revenue £'000	Capital £'000	Total £'000
Total capital gains on investments	9	**-**	**70,562**	**70,562**	–	147,940	147,940
Currency (losses)/gains	14	**-**	**(60)**	**(60)**	–	942	942
Income	2	**9,645**	**-**	**9,645**	9,368	–	9,368
Investment management fee	3	**(561)**	**(10,652)**	**(11,213)**	(1,060)	(9,540)	(10,600)
Administrative expenses	4	**(1,234)**	**-**	**(1,234)**	(1,054)	–	(1,054)
Profit before finance costs and taxation		**7,850**	**59,850**	**67,700**	7,254	139,342	146,596
Finance costs	5	**(332)**	**(5,821)**	**(6,153)**	(318)	(1,907)	(2,225)
Profit before taxation		**7,518**	**54,029**	**61,547**	6,936	137,435	144,371
Taxation	6	**(1,462)**	**878**	**(584)**	(1,174)	414	(760)
Profit after taxation		**6,056**	**54,907**	**60,963**	5,762	137,849	143,611
Earnings per share – basic and diluted	8	**3.94p**	**35.71p**	**39.65p**	3.75p	89.66p	93.41p

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 total dividend which has been recommended based on this Statement of Comprehensive Income is 16.00p (2022: 14.40p) per Ordinary share.

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

Statement of Financial Position

	Notes	As at 30 September 2023 £'000	£'000	As at 30 September 2022 £'000	£'000
Non-current assets					
Investments	9		**1,261,995**		1,192,380
Current assets			**1,261,995**		1,192,380
Receivables	10	**30,117**		1,056	
Cash and cash equivalents		**9,436**		30,341	
Total current assets		**39,553**		31,397	
Creditors: amounts falling due within one year					
Payables	11	**(5,022)**		(3,713)	
Revolving credit facility	12	**(100,883)**		(62,012)	
Net current liabilities			**(66,352)**		(34,328)
Total assets less current liabilities			**1,195,643**		1,158,052
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		**1,057,254**		1,019,663
Revenue reserve	14		**-**		–
Total shareholders' funds			**1,195,643**		1,158,052
Net asset value per equity share	15		**777.7p**		753.2p

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 93 to 110 were approved and authorised for issue by the Board of Directors on 30 January 2024 and were signed on its behalf by Alan Devine, Chair.

Alan Devine
Chair
30 January 2024

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Statement of Changes in Equity

For the year ended 30 September 2023

	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 2022		**307**	**86,485**	**51,503**	**94**	**1,019,663**	**-**	**1,158,052**
Profit after taxation		–	–	–	–	54,907	6,056	60,963
Dividends paid	7	–	–	–	–	(17,316)	(6,056)	(23,372)
Balance at 30 September 2023	**13, 14**	**307**	**86,485**	**51,503**	**94**	**1,057,254**	**–**	**1,195,643**

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

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

Statement of Cash Flows

	Notes	For the year ended 30 September 2023 £'000	£'000	For the year ended 30 September 2022 £'000	£'000
Cash flows from operating activities					
Profit before taxation			**61,547**		144,371
Adjusted for:					
Finance costs	5		**6,153**		2,225
Gains on disposal of investments	9		**(112,726)**		(107,007)
Revaluation of investments	9		**41,864**		(41,433)
Currency losses/(gains)	14		**60**		(942)
Decrease/(increase) in debtors			**241**		(6)
Increase in creditors			**880**		854
Tax deducted from non-UK income	6		**(584)**		(760)
Net cash outflow from operating activities			**(2,565)**		(2,698)
Investing activities					
Purchase of investments	9	**(189,446)**		(245,270)	
Purchase of secondary investments	9	**(3,857)**		(8,347)	
Distributions of capital proceeds by investments	9	**141,555**		201,557	
Receipt of proceeds from disposal of unquoted investments	9	**22,955**		15,714	
Net cash outflow from investing activities			**(28,793)**		(36,346)
Financing activities					
Revolving credit facility – amounts drawn	12	**60,239**		79,031	
Revolving credit facility – amounts repaid	12	**(19,893)**		(17,019)	
Interest paid and arrangement fees		**(6,461)**		(1,757)	
Ordinary dividends paid	7	**(23,372)**		(21,526)	
Net cash inflow from financing activities			**10,513**		38,729
Net decrease in cash and cash equivalents			**(20,845)**		(315)
Cash and cash equivalents at the beginning of the year			**30,341**		29,714
Currency (losses)/gains on cash and cash equivalents			**(60)**		942
Cash and cash equivalents at the end of the year			**9,436**		30,341
Cash and cash equivalents consist of:					
Cash			**9,436**		30,341
Cash and cash equivalents			**9,436**		30,341

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

Included in profit before taxation is dividends received from investments of £3,532,000 (2022: £4,759,000), interest received from investments of £5,519,000 (2022: £4,538,000) and interest received from cash balances of £593,000 (2022: £71,000).

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 81. 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 95% 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. Prior to 1 October 2022, the investment management fees and finance costs were allocated 90% to the realised capital reserve – gains/(losses) on disposal and 10% to the revenue account. Bank interest expense has been charged wholly to revenue.

(c) Investments

Investments are measured 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 ("IPEV") 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. This reserve also represents unrealised currency gains/losses from non-investment activity.

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. All other aforementioned reserves are not 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:

	2023	2022
Euro	**1.1528**	1.1395
US Dollar	**1.2206**	1.1163
Canadian Dollar	**1.6502**	1.5339

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, and 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 fair value. 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 fair value. 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 2023 £'000	Year to 30 September 2022 £'000
Interest from fund investments	**5,519**	4,538
Dividends from fund investments	**3,532**	4,759
Interest from cash balances	**594**	71
Total income	**9,645**	9,368

3. Investment Management Fees

	Year to 30 September 2023			Year to 30 September 2022		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee	**561**	**10,652**	**11,213**	1,060	9,540	10,600

The Manager of the Company is abrdn Capital Partners LLP. In order to comply with the Alternative Investment Fund Managers Directive ("AIFMD"), the Company appointed abrdn Capital Partners LLP as its AIFM 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 95% to the realised capital reserve – gains/(losses) on disposal and 5% to the revenue account. Prior to 1 October 2022, the investment management fee was allocated 90% to the realised capital reserve – gains/(losses) on disposal and 10% to the revenue account. The management agreement between the Company and the Manager is terminable by either party on 12 months' written notice.

Investment management fees due to the Manager as at 30 September 2023 amounted to £3,943,000 (30 September 2022: £2,888,000).

4. Administrative Expenses

	Year to 30 September 2023 £'000	Year to 30 September 2022 £'000
Directors' fees	**269**	269
Employers' national insurance	**31**	32
Marketing fees	**323**	243
Secretarial and administration fees	**266**	247
Fees and subscriptions	**99**	78
Auditor's remuneration	**84**	63
Depositary fees	**62**	59
Professional and consultancy fees	**55**	49
Legal fees	**7**	12
Other expenses	**38**	2
Total	**1,234**	1,054

No non-audit services were provided by the Company Auditor, BDO LLP during the year to 30 September 2023.

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 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 2023 Revenue £'000	Capital £'000	Total £'000	Year to 30 September 2022 Revenue £'000	Capital £'000	Total £'000
Revolving credit facility interest expense	**215**	**3,604**	**3,819**	107	965	1,072
Revolving credit facility commitment fee	**84**	**1,590**	**1,674**	70	634	704
Revolving credit facility arrangement fee	**33**	**627**	**660**	34	308	342
Bank interest expense	**–**	**–**	**–**	107	–	107
Total	**332**	**5,821**	**6,153**	318	1,907	2,225

6. Taxation

(a) Analysis of the Tax Charge Throughout the Year

	Year to 30 September 2023 £'000	Year to 30 September 2022 £'000
Overseas withholding tax	**584**	760

(b) Factors Affecting the Total Tax Charge for the Year

	Year to 30 September 2023 Revenue £'000	Capital £'000	Total £'000	Year to 30 September 2022 Revenue £'000	Capital £'000	Total £'000
Profit before taxation	**7,518**	**54,029**	**61,547**	6,936	137,435	144,371

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 2023 Revenue £'000	Capital £'000	Total £'000	Year to 30 September 2022 Revenue £'000	Capital £'000	Total £'000
Profit multiplied by the effective rate of corporation tax in the UK – 22.0% (2022: 19.0%)	**1,655**	**11,887**	**13,542**	1,318	26,113	27,431
Non-taxable capital gains on investments[1]	**–**	**(15,524)**	**(15,524)**	–	(28,109)	(28,109)
Non-taxable currency losses/(gains)	**–**	**13**	**13**	–	(179)	(179)
Non-taxable income	**(777)**	**–**	**(777)**	(904)	–	(904)
Overseas withholding tax	**584**	**–**	**584**	760	–	760
Surplus management expenses and loan relationship deficits not relieved	**–**	**2,746**	**2,746**	–	1,761	1,761
Total tax charge/(credit) for the year	**1,462**	**(878)**	**584**	1,174	(414)	760

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 £11,202,939 (2022: £8,081,044) 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 2021 and 2022 was 19%. A revision to Corporation Tax was introduced in Finance Bill 2021, which retained the main rate at 19% from 1 April 2022, followed by an increase to 25% from 1 April 2023. The effective tax rate applied for the year ended 30 September 2023 is therefore a blended rate of 22%. 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 2023 £'000	Year to 30 September 2022 £'000
Amount recognised as a distribution to equity holders in the year:		
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
2022 fourth quarterly dividend of 3.60p per Ordinary share (2021: 3.40p) paid on 27 January 2023 (2021: paid on 28 January 2022)	**5,536**	5,227
2023 first quarterly dividend of 4.00p (2022: 3.60p) per Ordinary share paid on 21 April 2023 (2022: paid on 22 April 2022)	**6,150**	5,536
2023 second quarterly dividend of 4.00p (2022: 3.60p) per Ordinary share paid on 28 July 2023 (2022: paid on 29 July 2022)	**6,150**	5,536
Total	**23,372**	21,526

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 £60,963,000 (2022: £143,611,000), the total revenue and capital profits which are available for distribution by way of a dividend for the year is £102,208,000 (2022: £102,755,000).

	Year to 30 September 2023 £'000	Year to 30 September 2022 £'000
2023 first quarterly dividend of 4.00p (2022: 3.60p) per Ordinary share paid on 21 April 2023 (2022: paid on 22 April 2022)	**6,150**	5,536
2023 second quarterly dividend of 4.00p (2022: 3.60p) per Ordinary share paid on 28 July 2023 (2022: paid on 29 July 2022)	**6,150**	5,536
2023 third quarterly dividend of 4.00p (2022: 3.60p) per Ordinary share paid on 27 October 2023 (2022: paid on 28 October 2022)	**6,150**	5,536
Proposed 2023 fourth quarterly dividend of 4.00p per Ordinary share (2022: 3.60p per ordinary share) due to be paid on 26 January 2024 (2022: 27 January 2023).	**6,150**	5,536
Total	**24,600**	22,144

8. Earnings Per Share – Basic and Diluted

	Year to 30 September 2023 pence	£'000	Year to 30 September 2022 pence	£'000
The net return per Ordinary share is based on the following figures:				
Revenue net return	**3.94**	**6,056**	3.75	5,762
Capital net return	**35.71**	**54,907**	89.66	137,849
Total net return	**39.65**	**60,963**	93.41	143,611
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 2023 (2022: none).

Notes to the Financial Statements continued

9. Investments

	Year to 30 September 2023 Total £'000	Year to 30 September 2022 Total £'000
Fair value through profit or loss:		
Opening market value	**1,192,380**	1,007,843
Opening investment holding gains	**(346,062)**	(304,629)
Opening book cost	**846,318**	703,214
Movements in the year:		
Additions at cost	**189,446**	245,270
Secondary purchases	**3,857**	8,347
Distribution of capital proceeds	**(141,555)**	(201,806)
Secondary sales	**(52,995)**	(15,714)
	845,071	739,311
Gains on disposal of underlying investments	**112,726**	107,007
Closing book cost	**957,797**	846,318
Closing investment holding gains	**304,198**	346,062
Closing market value	**1,261,995**	1,192,380

	Year to 30 September 2023 Total £'000	Year to 30 September 2022 Total £'000
Gains on investments held at fair value through profit or loss based on historical costs	**112,726**	107,007
Gains recognised as unrealised in previous years in respect of distributed capital proceeds or disposal of investments	**(46,367)**	(44,999)
Gains on distribution of capital proceeds or disposal of investments based on the carrying value at the previous year end date	**66,359**	62,008
Net movement in unrealised investment gains	**4,503**	86,432
Total capital gains on investments held at fair value through profit or loss	**70,862**	148,440

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 £70,562,000 (2022: £147,940,000) in the Statement of Comprehensive Income. The total costs were as follows:

	Year to 30 September 2023 £'000	Year to 30 September 2022 £'000
Transaction costs	**300**	500

10. Receivables

	As at 30 September 2023 £'000	As at 30 September 2022 £'000
Amounts falling due within one year:		
Investments receivable	**30,040**	249
Prepayments	**39**	34
Interest receivable	**38**	25
Unamortised arrangement fees	**–**	748
Total	**30,117**	1,056

Investments receivable as at 30 September 2023 relate to the future receipt of proceeds from a partial sale of Action during the financial year. These proceeds were received shortly after the financial year end of the Company.

11. Payables

	As at 30 September 2023 £'000	As at 30 September 2022 £'000
Amounts falling due within one year:		
Management fee	**3,943**	2,888
Accruals	**888**	719
Secretarial and administration fee	**191**	105
Bank interest	**–**	1
Total	**5,022**	3,713

12. Revolving Credit Facility

	As at 30 September 2023 £'000	As at 30 September 2022 £'000
Revolving credit facility	**100,883**	62,012

On 10 October 2022, the Company announced an expansion of the credit facility which increased from £200 million to £300 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 and is calculated as the defined reference rate of the currency drawn plus 1.625% rising to 2.0% depending on the level of utilisation, 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. The maturity date of the facility was extended by one year to December 2025.

Inclusive of the revolving credit facility balance is £1,475,000 of unamortised revolving credit facility fees which partially offsets the total amount of the facility balance drawn as at 30 September 2023. With respect of the comparative period to 30 September 2022, the unamortised revolving credit facility fees of £748,000 were included as part of Receivables. This amount is not considered material to require restatement of the prior year financial statements, and does not impact the NAV of the Company at either date.

13. Called-up Share Capital

	As at 30 September 2023 £'000	As at 30 September 2022 £'000
Issued and fully paid:		
Ordinary shares of 0.2p		
Opening balance of 153,746,294 (2022: 153,746,294) Ordinary shares	**307**	307
Closing balance of 153,746,294 (2022: 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 NAV 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 (2022: 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 2022	**86,485**	**51,503**	**94**	**674,173**	**345,490**	**–**
Gains on disposal of investments	–	–	–	112,726	–	–
Management fee charged to capital	–	–	–	(10,652)	–	–
Finance costs charged to capital	–	–	–	(5,821)	–	–
Transaction costs	–	–	–	(300)	–	–
Tax relief on management fee and finance costs above	–	–	–	878	–	–
Currency (losses)/gains	–	–	–	(679)	619	–
Revaluation of investments	–	–	–	–	(41,864)	–
Return after taxation	–	–	–	–	–	6,056
Dividends during the year	–	–	–	(17,316)	–	(6,056)
Closing balances at 30 September 2023	**86,485**	**51,503**	**94**	**753,009**	**304,245**	**–**

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 2023	As at 30 September 2022
Basic and diluted:		
Ordinary shareholders' funds	**£1,195,643,000**	£1,158,052,447
Number of Ordinary shares in issue	**153,746,294**	153,746,294
Net asset value per Ordinary share	**777.7p**	753.2p

The NAV 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 NAV per equity share calculation in 2023 (2022: none).

16. Commitments and Contingent Liabilities

	As at 30 September 2023 £'000	As at 30 September 2022 £'000
Outstanding calls on investments	**651,991**	678,880

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 plc. The results for the year to 30 September 2023 are incorporated into the group financial statements of Phoenix Group Holdings plc, which will be available to download from the website thephoenixgroup.com.

Phoenix Group Holdings plc previously held its shares through Standard Life Assurance Limited and Phoenix Life Assurance Limited ("SLAL" and "PLAL"which were 100% owned by Phoenix Group Holdings). Subsequent to the financial year end, Phoenix Group Holdings notified the Company that the shares held in the Company by SLAL and PLAL had been transferred intra-group to Phoenix Life Limited ("PLL", which is owned 100% by Phoenix Group Holdings). PLL has irrevocably undertaken to the Company that, at any time when PLL and its Associates (meaning any company which is a member of the PLL 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 PLL 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. During the year ended 30 September 2023, SLAL and PLAL received dividends from the Company totalling £12,521,000 (2022: £11,533,000).

During the year ended 30 September 2023 the Manager charged management fees totalling £11,213,000 (2022: £10,600,000) to the Company in the normal course of business. The balance of management fees outstanding at 30 September 2023 was £3,943,000 (30 September 2022: £2,888,000).

abrdn Investment Management Limited, which shares the same ultimate parent as the Manager, received fees for the provision of promotional activities of £108,000 (2022: £145,200) during the year. The balance of promotional fees outstanding at 30 September 2023 was a payable of £89,000 (30 September 2022: payable of £325,000).

The Company Secretarial services for the Company are provided by abrdn Holdings plc, which shares the same ultimate parent as the Manager. During the year ended 30 September 2023, the Company incurred secretarial fees of £81,000 (2022: £70,000). The balance of secretarial fees outstanding at 30 September 2023 was £154,000 (2022: £104,000).

No other related party transactions were undertaken during the year ended 30 September 2023.

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 2023 £'000	As at 30 September 2022 £'000
Financial assets		
Financial assets measured at fair value through profit or loss:		
Fixed asset investments – designated as such on initial recognition	**1,261,995**	1,192,380
Financial assets measured at amortised cost:		
Investment receivable	**30,040**	249
Cash and cash equivalents	**9,436**	30,341
	1,301,471	1,222,970
Non-financial assets		
Other receivables	**77**	807
	77	807
Financial liabilities		
Measured at amortised cost:		
Creditors: amounts falling due within one year:		
Accruals	**5,022**	3,713
Revolving credit facility	**100,883**	62,012
	105,905	65,725

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, over-commitment 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 2023 would have increased the net assets attributable to the Company's shareholders and the total return for the year by £126,995,000 (2022: £119,238,000); 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.

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

	As at 30 September 2023 Local currency '000	As at 30 September 2023 Sterling equivalent £'000	As at 30 September 2022 Local currency '000	As at 30 September 2022 Sterling equivalent £'000
Fixed asset investments:				
Euro	**1,105,059**	**958,569**	1,045,818	917,787
Sterling	**67,425**	**67,425**	86,894	86,894
US dollar	**288,052**	**236,002**	209,527	187,698
Cash and cash equivalents:				
Euro	**9,056**	**7,856**	17,596	15,442
Sterling	**569**	**569**	5,624	5,624
US dollar	**1,232**	**1,009**	10,351	9,273
Canadian dollar	**3**	**2**	3	2
Investment receivable				
Euro	**34,631**	**30,040**	–	–
US dollar	**–**	**–**	278	249
Revolving credit facility:				
Euro	**(116,300)**	**(100,883)**	(53,000)	(46,512)
Sterling	**–**	**–**	(15,500)	(15,500)
Other debtors and creditors:				
Euro	**(624)**	**(543)**	(86)	(75)
Sterling	**(4,381)**	**(4,381)**	(2,817)	(2,817)
US dollar	**(27)**	**(22)**	(16)	(14)
Total		**1,195,643**		1,158,052
Outstanding commitments:				
Euro	**563,736**	**489,006**	525,075	460,794
Sterling	**10,084**	**10,084**	13,100	13,100
US dollar	**186,623**	**152,901**	228,826	204,986
Total		**651,991**		678,880

c) Currency Sensitivity

During the year ended 30 September 2023 sterling appreciated by 1.2% relative to the euro (2022: depreciated 2.1%) and appreciated by 9.3% relative to the US dollar (2022: depreciated 17.2%).

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 2023, the capital gain for the year would have increased by £125,617,000 (2022: £120,428,000); a 10% change in the opposite direction would have decreased the capital gain for the year by £102,777,000 (2022: £98,532,000).

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 £71,323,000 at the year end (2022: £73,976,0000), a 10% change in the opposite direction would have decreased the amount of outstanding commitments by £58,355,000 (2022: £60,525,000).

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 £102,358,000 as at 30 September 2023 (2022: 62,012,000), with an amount of £197,642,000 (2022: £137,988,000) 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 2023 £'000	30 September 2022 £'000
Cash and cash equivalents	**9,436**	30,341
Investment receivable	**30,040**	249
	39,476	30,590

The Company's cash is held by BNP Paribas Securities Services S.A., which is rated "A+" by Standard and Poors. Should the credit quality or the financial position of the bank deteriorate significantly, the Manager would move the cash balances to another institution.

The investment receivable relates to secondary sale proceeds payable to the Company as at 30 September 2023 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 2023		30 September 2022	
	Weighted average interest rate %	£'000	Weighted average interest rate %	£'000
Floating rate				
Financial assets: Cash and cash equivalents	**2.72**	**9,436**	1.06	30,341
Financial liabilities: Revolving credit facility	**4.49**	**100,883**	2.03	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 (2022: 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 2023 by £853,000 (2022: £530,000). 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 2023 by £853,000 (2022: £158,000). 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 2023:

Financial assets at fair value through profit or loss	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Unquoted investments	–	–	1,261,995	1,261,995
Net fair value	**–**	**–**	**1,261,995**	**1,261,995**

As 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

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 ("IPEV") 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

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 Association of Investment Companies ("AIC") SORP.

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

Annualised NAV Total Return
Annualised NAV Total Return is calculated as the return of the Net Asset Value ("NAV") per share compounded on a quarterly basis, based on reported NAV per share from inception to 30 September 2023. NAV Total Return is inclusive of all dividends received since inception and assumes all dividends are reinvested at the time they are received and generate the same return as NAV per share during each reporting period. Assuming dividends are not reinvested results in a annualised NAV total return of 10.4% since inception.

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

		As at 30 September 2023	As at 30 September 2022
Share price (p)	a	442.0	410.0
NAV per share (p)	b	777.7	753.2
Discount (%)	c = (b – a)/b	43.2	45.6

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 2023	As at 30 September 2022
Dividend per share (p)	a	16.0	14.4
Share price (p)	b	442.0	410.0
Dividend yield (%)	c = a/b	3.6	3.5

NAV total return ("NAV TR")
NAV TR 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.

		Share price total return
NAV per share (p) as at 30 September 2022	a	753.2
NAV per share (p) as at 30 September 2023	b	777.7
Price movement (%)	c = (b/a) - 1	3.2%
Dividend reinvestment (%)[1]	d	2.2%
NAV TR (%)	e = c + d	5.4%

1 NAV TR 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 buyback 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 AIC.

Director		As at 30 September 2023 £'000	As at 30 September 2022 £'000
Investment management fee	a	11,213	10,600
Administrative expenses	b	1,234	1,054
Ongoing charges	c = a + b	12,447	11,654
Average net assets	d	1,175,937	1,099,764
Expense ratio	e = c/d	1.06%	1.06%
Look-through expenses	f	1.78%	1.67%
Ongoing charges ratio	g = e + f	2.84%	2.73%

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 2023 £'000	As at 30 September 2022 £'000
Undrawn commitments	a	651,991	678,880
Less undrawn loan facility	b	(197,720)	(137,988)
Less cash and cash equivalents	c	(9,436)	(30,341)
Net outstanding commitments	d = a + b + c	444,805	510,550
Portfolio NAV	e	1,261,995	1,192,380
Over-commitment ratio	f = d/e	35.2%	42.8%

Share price total return/total shareholder return ("TSR")
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
Share price (p) as at 30 September 2022	a	410.0
Share price (p) as at 30 September 2023	b	442.0
Price movement (%)	c = (b/a) - 1	7.8%
Dividend reinvestment (%)[1]	d	3.9%
Share price total return (%)	e = c + d	11.7%

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 ("APMs")
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 two quarters prior. The calculation is based on the largest portfolio exits and does not reflect all portfolio exits during the financial year.

Buyout fund
A fund which acquires controlling stakes in established private companies.

Carried interest
Portion of realised investment gains payable to the General Partner as a profit share.

Co-investment/Direct 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.

Direct peer group
Similarly positioned private equity investment trusts.

Discount
See Alternative Performance Measures on pages 113 and 114.

Distribution
A return that an investor in a private equity investment 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, plus income from those investments less overseas withholding tax suffered.

Dividend yield
See Alternative Performance Measures on pages 113 and 114.

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 12 months to 30 September 2023.

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.

General partner ("GP")
The entity managing a private equity fund that has been established as a limited partnership.

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

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

NAV total return ("NAV TR")
See Alternative Performance Measures on pages 113 and 114.

Expenses Ratio/Ongoing Charges
See Alternative Performance Measures on pages 113 and 114.

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 113 and 114.

Patria
Patria Investments Ltd is a leading alternative investment firm listed on Nasdaq, with over 30 years of history and combined assets under management of $28.2 billion, and a global presence with offices in 10 cities across 4 continents.

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 12 months to 30 September 2023.

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/Fund Secondaries
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/total shareholder return ("TSR")
See Alternative Performance Measures on pages 113 and 114.

Share buyback 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 multiple
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.

Underlying portfolio company exposure
The total value of underlying portfolio/private companies which are held by through its investment portfolio of fund and direct investments. Where a fund investment has itself invested in a fund or co-investment interest as opposed to a portfolio company, this is not included as part of the total exposure.

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 Capital Partners LLP as its AIFM and IQ EQ Depositary Company (UK) Limited as its Depositary under the AIFMD.

The AIFMD requires abrdn Capital Partners LLP, 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 120.

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 FCA 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 on page 127). 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 contract address on page 127) or by email to: CEF.CoSec@abrdn.com.

Dividend Tax Allowance
The annual tax-free personal allowance for dividend income, for UK investors, is £1,000 for the 2023/24 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.

Closure of the abrdn Investment Trust Savings Plans (the "Plans")
In June 2023, abrdn notified existing investors in the abrdn Investment Trust ISA, Share Plan and Investment Plan for Children that these plans will be closing in December 2023.

The Plans closed on 8 December 2023. All investors with a holding or cash balance at that time will transfer to interactive investor ("ii"). ii communicated with investors in late November to set up account security to ensure that investors can access holdings via ii as the Plans close.

Please contact ii for any ongoing support with your account on 0345 646 1366, or +44 113 346 2309 if you are calling from outside the UK. Lines are open 8:00a.m. to 5:00p.m. Monday to Friday. Alternatively you can access the ii Website at www.ii.co.uk/abrdn-welcomeii.co.uk/abrdn-welcome.

How to Attend and Vote at Company Meetings
Investors who hold their shares via platforms or share plan provider (for example Hargreaves Lansdown, ii 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

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 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.

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 FCA'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 FCA'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.

Investor Information continued

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

Tel: 0800 111 6768
Or visit: register.fca.org.uk
Or email: register@fca.org.uk

Note
Please remember that past performance is not a guide to future performance. 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 AIFMD. Those disclosures that are required to be made pre-investment are included within a 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 10 February 2023.

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 AIFMs 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 2022 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	300.0%	300.0%
Actual level at 30 September 2023	108.8%	109.3%

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 FCA in the United Kingdom.

Notice of Annual General Meeting

The twenty-third Annual General Meeting of abrdn Private Equity Opportunities Trust plc will be held at wallacespace Spitalfields, 15-25 Artillery Lane, London E1 7HA on Wednesday, 27 March 2024 at 12:30p.m.

NOTICE IS HEREBY GIVEN that the twenty-third Annual General Meeting of abrdn Private Equity Opportunities Trust plc (the "Company") will be held at wallacespace Spitalfields, 15-25 Artillery Lane, London E1 7HA on Wednesday, 27 March 2024 at 12:30p.m. for the following purposes:

To consider and, if thought fit, pass resolutions 1 to 11 (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 2023, together with the Independent Auditor's report thereon.

2. To receive and approve the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) for the year ended 30 September 2023.

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

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

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

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

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

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

9. 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.

10. To authorise the Directors to fix the remuneration of the Independent Auditor for the year to 30 September 2024.

11. 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 12 to 15 (inclusive) as special resolutions:

12. That, subject to the passing of resolution 11 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 11 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.

13. 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 0.2 pence 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 23,046,569, 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 0.2 pence;

    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.

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

Special Business

15. That the Articles of Association produced to the meeting and signed by the chairman of the meeting for the purposes of identification be approved and adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association with effect from the conclusion of the meeting.

By order of the Board
abrdn Holdings Limited
Company Secretary
1 George Street,
Edinburgh
EH2 2LL
United Kingdom
30 January 2024

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 6:30p.m. on 25 March 2024 (or, if the Annual General Meeting is adjourned, at 6:30p.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 at: 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 2024 (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 2024 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 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 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 at the offices of wallacespace Spitalfields, 15-25 Artillery Lane, London E1 7HA, which is also the venue of the Annual General Meeting, from 15 minutes before and during the Annual General Meeting.

15. Articles of Association
A copy of the proposed new Articles of Association of the Company, together with a copy showing all of the proposed changes to the existing Articles of Association, will be available for inspection on the Company's website, abrdnpeot.co.uk, and at the offices of wallacespace Spitalfields, 15-25 Artillery Lane, London, E1 7HA, which is also the venue of the Annual General Meeting, from 15 minutes before and during the Annual General Meeting.

Appendix
Summary of the Principal Amendments to the Company's Articles of Association

Set out below is a summary of the amendments which are minor and/or technical in nature and which will be made to the Company's existing Articles of Association through the adoption of the new Articles of Association (the "New Articles") if resolution 15 to be proposed at the Annual General Meeting is approved by shareholders.

This summary is intended only to highlight the amendments which are likely to be of interest to shareholders. It is not intended to be comprehensive and cannot be relied upon to identify amendments or issues which may be of interest to all shareholders. This summary is not a substitute for reviewing the full terms of the New Articles which will be available for inspection on the Company's website, abrdnpeot.co.uk, and at the offices of wallacespace Spitalfields, 15-25 Artillery Lane, London E1 7HA, which is also the venue of the Annual General Meeting, from 15 minutes before and during the Annual General Meeting.

Change of Name
The New Articles reflect the change in the Company's name from "Standard Life Private Equity Trust plc" to "abrdn Private Equity Opportunities Trust plc" on 1 April 2022. The New Articles also provide the Board with the flexibility to change the Company's name by way of Board resolution.

Directors' Remuneration
The Board is proposing to amend the current Articles of Association to increase the cap on the aggregate of all fees paid to Directors from £350,000 per annum to £450,000 per annum. The Board believes this increase will provide flexibility when recruiting new Directors and will enable the Company to keep Directors' remuneration at or around market levels. Both the current Articles of Association and the New Articles allow for a higher amount to be approved from time to time by ordinary resolution of the Company.

Minor Amendments
The other proposed amendments being introduced in the New Articles primarily relate to changes in law and regulation and developments in market practice since the current Articles of Association were adopted, and principally include:

- expanding the circumstances under which the chair of a shareholder meeting may adjourn the meeting without the consent of the meeting, including where the safety or security of those entitled to attend would be put at risk by their attendance at the meeting;
- expanding the provisions which allow the Board to immediately remove a Director from office; and
- amendments to cater for the requirements of AIFMD in relation to the ability of the Board to agree a liability cap in relation to the services provided by the Company's custodian.

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
4th Floor
More London Riverside
London
SE1 2AQ
United Kingdom

Company Depositary
IQ EQ Depositary Company (UK) Limited
4th Floor
More London Riverside
London
SE1 2AQ
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
Citypoint
65 Haymarket Terrace
Edinburgh
EH12 5HD
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

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