

abrdrn Equity Income Trust plc

(formerly Aberdeen Standard Equity Income Trust plc)

Equity income using an index-agnostic approach focusing on our best ideas from the full UK market cap spectrum

Performance Data and Analytics to 30 April 2022

Investment objective

To provide shareholders with an above average income from their equity investment while also providing real growth in capital and income.

Benchmark

FTSE All-Share Index.

Cumulative performance (%)

	as at 30/04/22	1 month	3 months	6 months	1 year	3 years	5 years
Share Price	370.0p	0.5	3.0	9.2	11.3	3.7	8.7
NAV	381.1p	0.5	3.5	2.3	5.8	0.1	5.2
FTSE All-Share Index		0.3	1.1	3.1	8.7	14.1	26.6
FTSE 350 Higher Yield Index		2.2	6.2	13.9	18.3	14.3	25.9

Discrete performance (%)

	30/04/22	30/04/21	30/04/20	30/04/19	30/04/18
Share Price	11.3	33.7	(30.2)	(6.4)	11.9
NAV	5.8	32.2	(28.4)	(2.4)	7.6
FTSE All-Share Index	8.7	25.9	(16.7)	2.6	8.2
FTSE 350 Higher Yield Index	18.3	26.4	(23.6)	0.8	9.3

Source: abrdrn, total returns. The percentage growth figures are calculated over periods on a mid to mid basis. Past performance is not a guide to future results.

^ © 2022 Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results. For more detailed information about Morningstar's Analyst Rating, including its methodology, please go to: <http://corporate.morningstar.com/us/documents/MethodologyDocuments/AnalystRatingforFundsMethodology.pdf>
The Morningstar Analyst Rating for Funds is a forward-looking analysis of a fund. Morningstar has identified five key areas crucial to predicting the future success of a fund: People, Parent, Process, Performance, and Price. The pillars are used in determining the Morningstar Analyst Rating for a fund. Morningstar Analyst Ratings are assigned on a five-tier scale running from Gold to Negative. The top three ratings, Gold, Silver, and Bronze, all indicate that our analysts think highly of a fund; the difference between them corresponds to differences in the level of analyst conviction in a fund's ability to outperform its benchmark and peers through time, within the context of the level of risk taken over the long term. Neutral represents funds in which our analysts don't have a strong positive or negative conviction over the long term and Negative represents funds that possess at least one flaw that our analysts believe is likely to significantly hamper future performance over the long term. Long term is defined as a full market cycle or at least five years. Past performance of a security may or may not be sustained in future and is no indication of future performance. For detailed information about the Morningstar Analyst Rating for Funds, please visit <http://global.morningstar.com/managerdisclosures>.

Morningstar Analyst Rating™



^ Morningstar Analyst Rating™
Morningstar analysts assign the ratings globally on a five-tier scale with three positive ratings of Gold, Silver and Bronze.

Morningstar Rating™



^ Morningstar Rating™ for Funds
Morningstar rates funds from one to five stars based on how well they've performed (after adjusting for risk and accounting for all sales charges) in comparison to similar funds.



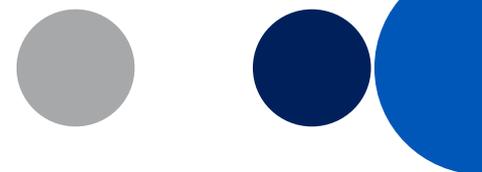
Twenty largest equity holdings (%)

BP	4.6
Shell	4.3
BHP	4.2
Thungela Resources	3.7
SSE	3.4
Rio Tinto	3.4
Glencore	3.3
CMC	2.9
Diversified Energy	2.8
Close Brothers	2.6
British American Tobacco	2.4
OSB	2.3
Vistry	2.1
Standard Chartered	2.0
Anglo American	2.0
River & Mercantile	2.0
Premier Miton	1.9
Chesnara	1.9
Randall & Quilter	1.8
Playtech	1.7
Total	55.3

Total number of investments 69

All sources (unless indicated): abrdrn: 30 April 2022.





1 year Premium/(Discount) Chart (%)



Ten largest positions relative to the benchmark (%)

Overweight Stocks	Portfolio	Benchmark	Relative
BHP	4.2	-	4.2
Thungela Resources	3.7	-	3.7
CMC	2.9	0.0	2.9
Diversified Energy	2.8	0.0	2.8
SSE	3.4	0.7	2.7
Close Brothers	2.6	0.1	2.5
OSB	2.3	0.1	2.2
Vistry	2.1	0.1	2.0
River & Mercantile	2.0	0.0	2.0
Premier Miton	1.9	-	1.9

Fund managers' report

Market review

The FTSE 100 Index hit a five-week low on 25 April but recovered sharply to end the month just ahead. Most developed markets fell as the Russian invasion of Ukraine, the continued presence of Covid-19 restrictions in Shanghai and the introduction of mass testing in Beijing weighed on sentiment. Investors also feared that the US Federal Reserve might overact in its attempt to control rising inflation. The Federal Open Market Committee is due to meet in early May and economists are concerned that hiking interest rates too much and too quickly could push the US into a recession and negatively affect global equities. Aggregate commodity prices continued to rise, with natural gas prices jumping by more than a quarter. Oil remained volatile, while precious metals slightly fell.

The FTSE All-Share and FTSE 100 indices rose slightly, while the mid and small-cap-focused FTSE 250 Index fell. The oil and gas, chemicals and waste sub-sectors performed well, while software, media and personal goods were among the weakest sub-sectors.

Economic data was again mixed in April, as the UK's jobless rate fell to 3.8% in the three months to February, the lowest level since 1974. However, the UK's economy expanded by just 0.1% in February, due to a slump in car production. The cost-of-living crisis continued as the Consumer Prices Index rose to 7% year on year in March – the highest recorded level since 1992.

Performance

The Trust slightly outperformed in April, delivering a net asset value total return of 0.6% (gross of fees), compared with a total return of 0.3% for the FTSE All-Share Index.

Fund managers' report continues overleaf

Sector allocation (%)

Financials	32.2
Energy	16.0
Basic Materials	14.0
Industrials	10.2
Consumer Discretionary	10.2
Consumer Staples	5.4
Utilities	5.3
Real Estate	3.3
Health Care	2.0
Telecommunications	1.0
Cash	0.4
Total	100.0

Composition by market capitalisation (Ex Cash) (%)

FTSE 100	44.7
FTSE 250	27.6
FTSE AIM	6.7
Other	21.1
Total	100.0

Key information

Calendar

Launch Date	14 Nov 1991
Accounts Published	December
Annual General Meeting	February
Dividends Paid	March, June, September, January

Trust information

Fund Manager	Thomas Moore
Gross Assets	£208.0million
Borrowing	£25.0 million
Yield (Net)	5.9%
Current Annual Dividend Rate (Per Share)	21.8p
Market Capitalisation	£177.7 million
Discount	(3.0)%
12 Month High	(0.8)%
12 Month Low	(11.3)%
Current Equity Net Gearing	13.0%
Potential Gearing	(5%) to 25%



Fund managers' report – continued

The Trust benefited from its holding in Thungela Resources, which rose strongly on favourable moves in commodity prices, reflecting global energy shortages. Performance also benefited from the holding in CMC Markets, which rose sharply on a trading update pointing to the upper end of the company's guidance range for profitability. We had been adding to this position in recent months, given that we believed the improving outlook was not being fairly valued in the share price. Conversely, BHP detracted from performance as its share price retraced some of its recent gains on fears of a slowdown in Chinese growth. Performance was also hit by our underweight position in AstraZeneca, which rallied on positive pipeline developments.

Activity

We added to our holdings in DS Smith and Mondi. The stocks have pulled back sharply on geopolitical concerns, but their recent trading updates point to robust demand and success in recovering rising input costs. These businesses are more defensive than the market believes, with fast-moving consumer goods producers their most important customer base. We took part in a placing in 888 Holdings, and we will use the proceeds to fund the acquisition of William Hill. The enlarged business will benefit from greater scale, helping it to invest in high growth areas. We also took some profits in BHP and Glencore to control the position sizes after a sizeable rally in both stocks. Both businesses have benefited from tight demand/supply conditions in commodity markets.

Outlook

Our investment process seeks to identify under-appreciated stocks that are set to benefit from positive changes in their corporate fundamentals. Investors can be irrational, losing sight of company fundamentals, especially during periods of macroeconomic disruption. This can create an abundance of opportunities that can play out in the long sweeps of more stable market conditions in the wake of this macroeconomic turmoil.

We have constructed the portfolio using a high-conviction, index-agnostic approach. This means that we ignore index weightings and invest in our best ideas where we see the greatest total return. We see a benefit to shareholders over time from investing in small- and mid-cap stocks where inefficiencies are most prevalent, given the lack of research analysts covering these stocks.

The current period of higher inflation is transforming the backdrop against which we are investing. With commodity prices and bond yields rising, it is becoming clearer that new stocks and sectors are taking over market leadership. In order to be capable of pivoting successfully in these changing market conditions, it is essential to follow a process that is dynamic – constantly focusing on change in company fundamentals and investing right across the UK equity market.

We are identifying companies with strong cash flows, driving growth in dividends. We have consciously positioned the portfolio in stocks and sectors that have the most attractive dividend growth. As we enter more inflationary conditions, we are finding companies that can help to protect against the rising cost of living. Higher inflation is a function of higher input prices, such as rising oil prices and commodity prices, higher interest rates and higher wages. We believe that there are certain sectors that will actually benefit from this environment, specifically financials and resources.

Trust information continued

Trust Annual Management Fee	0.65% per annum of net assets up to £175 million, 0.55% per annum of net assets above £175 million
Ongoing Charges ^B	0.93%
Active Share percentage ^C	83.9%

AIFMD Leverage Limits

Gross Notional	3x
Commitment	2x

Capital structure

Ordinary shares	48,033,474
Treasury shares	1,145,293

Allocation of management fees and finance costs

Capital	70%
Revenue	30%

Trading details

Reuters/Epic/Bloomberg code:	AEI
ISIN code	GB0006039597
Sedol code	0603959
Stockbrokers	J.P. Morgan Cazenove
Market makers	CENK, JPMS, NUMS, PEEL, WINS



Factsheet

Receive the factsheet by email as soon as it is available by registering at www.investments.co.uk/#signup or www.abrdnequityincome.com



Contact

Private investors
0808 500 0040

Institutional investors

InvestmentTrustInvestorRelations-UK@abrdn.com
+44 (0)20 7463 5971
+44 (0)131 222 1863

^B Expressed as a percentage of average daily net assets for the year ended 30 September 2021. The Ongoing Charges Figure (OCF) is the overall cost shown as a percentage of the value of the assets of the Company. It is made up of the Annual Management Fee and other charges. It does not include any costs associated with buying shares in the Company or the cost of buying and selling stocks within the Company. The OCF can help you compare the annual operating expenses of different Companies.

^C The 'Active Share' percentage is a measure used to describe what portion of the Trust's holdings differ from the benchmark index holdings.

Important information overleaf

Important information

Risk factors you should consider prior to investing:

- The value of investments, and the income from them, can go down as well as up and investors may get back less than the amount invested.
- Past performance is not a guide to future results.
- Investment in the Company may not be appropriate for investors who plan to withdraw their money within 5 years.
- There is no guarantee that the market price of the Company's shares will fully reflect their underlying Net Asset Value.
- As with all stock exchange investments the value of the Company's shares purchased will immediately fall by the difference between the buying and selling prices, the bid-offer spread. If trading volumes fall, the bid-offer spread can widen.
- The Company may borrow to finance further investment (gearing). The use of gearing is likely to lead to volatility in the Net Asset Value (NAV) meaning that any movement in the value of the company's assets will result in a magnified movement in the NAV.
- The Company may accumulate investment positions which represent more than normal trading volumes which may make it difficult to realise investments and may lead to volatility in the market price of the Company's shares.
- Yields are estimated figures and may fluctuate, there are no guarantees that future dividends will match or exceed historic dividends and certain investors may be subject to further tax on dividends.
- The Company may charge expenses to capital which may erode the capital value of the investment.
- The Alternative Investment Market (AIM) is a flexible, international market that offers small and growing companies the benefits of trading on a world-class public market within a regulatory environment designed specifically for them. AIM is owned and operated by the London Stock Exchange. Companies that trade on AIM may be harder to buy and sell than larger companies and their share prices may move up and down very sharply because they have lower trading volumes and also because of the nature of the companies themselves. In times of economic difficulty, companies listed on AIM could fail altogether and you could lose all your money.
- The Company invests in the securities of smaller companies which are likely to carry a higher degree of risk than larger companies.

Other important information:

An investment trust should be considered only as part of a balanced portfolio. The information contained in this document should not be considered as an offer, solicitation or investment recommendation to deal in the shares of any securities or financial instruments. It is not intended for distribution or use by any person or entity who is a citizen or resident of or located in any jurisdiction where such distribution, publication or use would be prohibited. Nothing herein constitutes investment, legal, tax or other advice and is not to be relied upon in making an investment or other decision. No recommendation is made, positive or otherwise, regarding individual securities mentioned. This is not an invitation to subscribe for shares and is by way of information only. Subscriptions will only be received and shares issued on the basis of the current Key Information Document (KID). These can be obtained free of charge from Aberdeen Asset Managers Limited, PO Box 11020, Chelmsford, Essex, CM99 2DB or available on www.investments.co.uk. Any data contained herein which is attributed to a third party ("Third Party Data") is the property of (a) third party supplier(s) (the "Owner") and is licensed for use by abrdn*. Third Party Data may not be copied or distributed. Third Party Data is provided "as is" and is not warranted to be accurate, complete or timely. To the extent permitted by applicable law, none of the Owner, abrdn* or any other third party (including any third party involved in providing and/or compiling Third Party Data) shall have any liability for Third Party Data or for any use made of Third Party Data. Neither the Owner nor any other third party sponsors, endorses or promotes the fund or product to which Third Party Data relates. * abrdn means the relevant member of abrdn group, being abrdn PLC together with its subsidiaries, subsidiary undertakings and associated companies (whether direct or indirect) from time to time.

Issued by Aberdeen Asset Managers Limited, registered in Scotland (No. 108419), 10 Queen's Terrace, Aberdeen AB10 1XL. Authorised and regulated by the Financial Conduct Authority in the UK.

FTSE International Limited ('FTSE') © FTSE 2022. 'FTSE®' is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence. RAFI® is a registered trademark of Research Affiliates, LLC. All rights in the FTSE indices and/or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.

For more information visit investments.co.uk