abrdn (General Partner SCF I) Limited
(formerly SLIPC (General Partner SCF I) Limited)

Annual Report and Financial Statements

for the Year Ended 31 December 2022

Registration number: SC574254

Contents

Company Information

Directors

D S Carrie

Dr G Fischbacher

R Melia

Company secretary

abrdn Corporate Secretary Limited

Registered office

1 George Street
Edinburgh
Scotland
EH2 2LL

Auditor

KPMG LLP
Chartered Accountants and Statutory Auditor
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

Directors' Report for the Year Ended 31 December 2022

The Directors present their annual report together with the audited financial statements of abrdn (General Partner SCF I) Limited ("the Company") (formerly SLIPC (General Partner SCF I) Limited) for the year ended 31 December 2022.

The Directors have taken advantage of the small companies exemption provided by Section 414B of the Companies Act 2006 and have not prepared a Strategic Report.

Business review and future developments

The Company's principal activity is to act as a General Partner of a Limited Partnership, abrdn Secure Credit LP ("the Fund"), whose activity is to make investments in secured credit assets. The Company has entered into a management agreement with abrdn Private Equity (Europe) Limited ("aPEEL") (formerly Standard Life Investments (Private Capital) Limited authorising it to manage the business of the Fund.

The Company is part of abrdn plc ("abrdn plc" or, together with its subsidiaries, "the abrdn Group"). There are no plans to change the principal activity of the Company.

Directors of the Company

The Directors, who held office during the year were as follows:

S B C Barton (resigned 26 August 2022)

D S Carrie

R Melia (appointed 26 August 2022)

Dr G Fischbacher (appointed 26 August 2022)

The Company's ultimate parent company, abrdn plc maintains directors' and officers' liability insurance on behalf of its directors and officers.

Company secretary

The Company secretary during the year was as follows:

abrdn Corporate Secretary Limited.

Result for the year

The result for the year ended 31 December 2022 is a profit after tax of £nil (2021: £nil).

Directors' Report for the Year Ended 31 December 2022 (continued)

Principal risks and uncertainties

Principal risks and uncertainties

The management of the business and execution of the Company's strategy are subject to a number of risks.

The abrdn Group, of which the Company is a part, has an Enterprise Risk Management ("ERM") framework comprising three lines of defence.

The ERM framework underpins risk management throughout the abrdn Group, including the Company, which has evolved to ensure it keeps pace with industry best practice and risk profile of the abrdn Group. In 2022, improvements to the framework included refinements to the risk appetite framework, extending our risk taxonomy, refocussing Risk and Control Self Assessments, reviewing our Conflicts of Interest framework and reviewing our policy register.

Business Risk Environment

The commercial environment was challenging during 2022 as the Russian/Ukraine conflict led to a surge in energy prices, higher inflation and a rapid tightening of monetary policy by central banks thereby putting pressure on asset prices. These conditions impacted market levels and client flows over the year.

Though the Company started 2022 dealing with the effects of Omicron, the impact of COVID-19 on the operating environment was much less pronounced as 'blended working' became the default arrangement for the abrdn Group.

Principal risks and uncertainties

The principal risks and uncertainties facing the Company are integrated into the principal risks of the abdrn Group and are therefore not managed separately. The principal risks and uncertainties of abrdn plc, which include those of the Company, are detailed below:

Strategic risk

These are risks that could prevent the achievement of strategic aims and successfully delivering business plans. These could include failing to meet client expectations, poor strategic decision-making, poor implementation or failure to adapt. The abrdn Group continued to develop its single global brand during 2022. These risks have been managed through assessing emerging risks so that action can be taken in a timely and proportionate manner to mitigate these, including detailed stakeholder engagement plans to manage the transition to the new brand and ensuring each business unit has a clear organic growth strategy.

Financial risk

This is the risk of having insufficient resources, suffering losses from adverse markets or the failure or default of counterparties. This is managed through review of abrdn plc's cost base and identifying opportunities for further cost reduction. Capital is also held against identified risks which are reviewed on an ongoing basis.

Directors' Report for the Year Ended 31 December 2022 (continued)

Going concern
The Company traded during the period but exists to make no profit or loss. This is because all regulated investment management activity pertaining to the vehicle is delegated to another abrdn Group undertaking. Consequently any profits or losses in the Company are absorbed by the delegated investment management undertaking. Amounts payable to the delegated investment management undertaking are net of operating costs, so these would be reduced should the Company incur additional operating costs. Consideration has also been given to the going concern assessment of the abrdn Group.

The Board is satisfied that the Company has and will maintain sufficient resources to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements. Further information is provided in note 1.

Dividends
The Directors recommended and paid dividends of £nil (2021: £nil) to the Company's immediate parent, namely aPEEL.

Political donations
It is the Company's policy not to make donations for political purposes.

Independent auditor
The Independent Auditor, KPMG LLP, has indicated their willingness to continue in office.

Disclosure of information to the auditors
Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Modern slavery act
As a global investment company, abrdn plc wants to do all it can to help tackle human trafficking, forced labour, bonded labour and child slavery by focusing on its operations, supply chain and investment process. abrdn plc has published a modern slavery statement, reinforcing its commitment to this important issue. This can be found on the abrdn plc website.

Directors' Report for the Year Ended 31 December 2022 (continued)

Statement of Directors' Responsibilities
The Directors are responsible for preparing the Directors' 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 and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework.*

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 of the Company for that year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Approved by the Board on 26 September 2023 and signed on its behalf by:

....
Douglas Carrie
Director

Independent Auditor's Report to the Members of abrdn (General Partner SCF I) Limited

Opinion

We have audited the financial statements of abrdn (General Partner SCF I) Limited ('the Company') for the year ended 31 December 2022, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including the accounting policies note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its result for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Independent Auditor's Report to the Members of abrdn (General Partner SCF I) Limited

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Independent Auditor's Report to the Members of abrdn (General Partner SCF I) Limited (continued)

Fraud and breaches of laws and regulations - ability to detect
Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

• Enquiring of directors and management as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud; and

• Reading Board minutes to assess for any discussion of fraud.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries.

On this audit, we have rebutted the fraud risk related to revenue recognition as the calculation of revenue is non-judgemental and straightforward, with limited opportunity for manipulation. We did not identify any additional fraud risks.

We performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included material post-year end closing journals.

Identifying and responding to risks of material misstatement due to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Directors and other management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence, and discussed with the Directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and inspection of regulatory and legal correspondence, if any. Therefore

Independent Auditor's Report to the Members of abrdn (General Partner SCF I) Limited (continued)

if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Directors' Report

The Directors are responsible for the Directors' Report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the Directors' Report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Directors' Report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements 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; or
- the Directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Independent Auditor's Report to the Members of abrdn (General Partner SCF I) Limited (continued)

Directors' responsibilities
As explained more fully in their statement set out on page 5, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities
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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities
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.

S Marchant

....

Sarah Marchant (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

27 September 2023

Profit and Loss Account for the Year Ended 31 December 2022

	Note	2022 £	2021 £
Revenue	3	976,523	1,071,089
Administrative expenses		(976,523)	(1,071,089)
Result for the year		-	-

The Company has not recorded any other comprehensive income during the years to 31 December 2022 or 31 December 2021. A separate statement of comprehensive income is therefore not disclosed.

The statutory audit fee of £8,063 (2021: £6,552) has been paid by a fellow abrdn Group undertaking.

Balance Sheet as at 31 December 2022

	Note	2022 £	2021 £
Assets			
Current assets			
Trade and other receivables	4	240,994	264,124
Total current assets		**240,994**	**264,124**
Equity and liabilities			
Equity			
Share capital	5	100	100
Equity attributable to equity holders of the parent		**100**	**100**
Current liabilities			
Trade and other payables	6	240,894	264,024
Total current liabilities		**240,894**	**264,024**
Total equity and liabilities		**240,894**	**264,124**

Approved by the Board on 26 September 2023 and signed on its behalf by:

....
Douglas Carrie
Director

Registration number: SC574254

The notes on pages 13 to 18 form an integral part of these financial statements.

Statement of Changes in Equity for the Year Ended 31 December 2022

	Share capital £	Total £
At 1 January 2021	100	100
At 31 December 2021	**100**	**100**

	Share capital £	Total £
At 1 January 2022	100	100
At 31 December 2022	**100**	**100**

The notes on pages 13 to 18 form an integral part of these financial statements.

Notes to the Financial Statements for the Year Ended 31 December 2022

1 Accounting policies

Summary of significant accounting policies and key accounting estimates
The following accounting policies have been applied consistently to all years presented when dealing with items which are considered material in relation to the Company's financial statements.

Basis of preparation
The Company meets the definition of a qualifying entity under Application of Financial Reporting Requirements 100 as issued by the Financial Reporting Council. Accordingly, the financial statements for year ended 31 December 2022 have been prepared in accordance with FRS 101 as issued by the Financial Reporting Council.

Summary of disclosure exemptions
In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- International Accounting Standard (IAS") 1 Presentation of Financial Statements requirement for comparative period reconciliations for share capital;
- IAS 1 Presentation of Financial Statements disclosures in respect of capital management;
- IAS 7 Statement of Cash Flows and related notes;
- IAS 8 Accounting Polices requirement to disclose the effects of new but not yet effective International Financial Reporting Standards ("IFRSs");
- IFRS 15 Revenue from Contracts with Customers; and
- IAS 24 Related Party disclosures in respect of transactions with wholly owned subsidiaries.

As the consolidated financial statements of abrdn plc include the equivalent disclosures, the Company has also taken the exemption under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 7 Financial Instrument Disclosures.

The Company is a wholly owned subsidiary of abrdn plc which prepares consolidated financial statements and is therefore exempt from the requirement to prepare consolidated accounts by virtue of section 400 of the Companies Act 2006.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

1 Accounting policies (continued)

Going concern
The Company's business activities, together with the factors likely to affect its future development and financial position, are set out in the Directors' report.

The Company traded during the period but exists to make no profit or loss. This is because all regulated investment management activity pertaining to the vehicle is delegated to another abrdn Group undertaking. Consequently any profits or losses in the Company are absorbed by the delegated investment management undertaking. Amounts payable to the delegated investment management undertaking are net of operating costs, so these would be reduced should the Company incur additional operating costs. Consideration has also been given to the going concern assessment of the abrdn Group.

The investment period of the underlying Fund closed on 22 April 2021, however the fund has a total of 38 long-term investments ranging in maturity from 2023 to 2050. Investors have committed the full amount of capital to the AUM of the Fund and there are no concerns over the Funds ability to continue to operate.

Changes in accounting policy
No new standards, interpretations and amendments effective for the first time from 1 January 2022 have had a material impact on the Company.

Revenue recognition
The Company's primary source of revenue is profit sharing from the underlying Limited Partnership. Profit share is generated through the management profit share that is paid by the Fund. Revenue is recognised as the service is provided and when it is probable that the profit share will be received.

Administrative expenses
Administrative expenses are recognised on an accruals basis.

Financial assets

(i) Amortised cost
These instruments are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These instruments are included in current assets and consist of amounts owed by abrdn Group undertakings and amounts owed by the Fund. These instruments are initially recognised at fair value, net of any transaction costs, and subsequently at amortised cost using the effective interest rate method.

The Company has adopted trade date accounting. Accordingly, a financial asset is recognised on the date the Company commits to its purchase and derecognised on the date on which the Company commits to its sale.

Financial liabilities

(i) Amortised cost
These instruments include amounts owed to abrdn Group undertakings. These instruments are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method.

2 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements can necessitate the use of key estimates and judgements. These estimates and judgements can affect the reported amounts of assets and liabilities, contingent or otherwise, at the balance sheet date as well as affecting the reported profit or loss for the year. There are not considered to be any critical estimates or judgements.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

3 Revenue

The analysis of the Company's revenue for the year from continuing operations is as follows:

	2022 £	2021 £
Management profit share	976,523	1,071,089
Total revenue	**976,523**	**1,071,089**

4 Trade and other receivables

	2022	2021
Current trade and other receivables:	**£**	**£**
Amounts owed by abrdn Group undertakings	100	100
Amounts owed by the Fund	240,894	264,024
Total current trade and other receivables	**240,994**	**264,124**

Amounts owed by abrdn Group undertakings and the Fund are unsecured, interest free, have no fixed date of repayment and are repayable on demand and as such they have been classified as current based on expected settlement date.

5 Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No.	**£**	**No.**	**£**
Ordinary Shares of £1 each	100	100	100	100

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

6 *Trade and other payables*

	2022	2021
Current trade and other payables:	**£**	**£**
Amounts owed to abrdn Group undertakings	240,894	264,024
Total current trade and other payables	**240,894**	**264,024**

Amounts owed to abrdn Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

7 Unconsolidated structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only, or when the relevant activities are directed by means of contractual arrangements.

The Company has assessed whether the entities it serves directly or indirectly as General Partner to are structured entities, through review of the above factors. The Company considers the Fund as a structured entity.

The structured entities are generally financed by the purchase of units or shares by investors, although some funds are able to obtain external debt financing, and allow clients to invest in a portfolio of assets in order to provide a return through capital appreciation and/or investment income. Accordingly, they are susceptible to market price risk arising from uncertainties about future values of the assets they hold.

AUM within unconsolidated structured entities is shown below:

	2022	2021
	£	**£**
Unconsolidated structured entities	325,991,049	423,984,340

The table below summarises the revenue & carrying values in the balance sheet:

	2022	2021
	£	**£**
Revenue	976,523	1,071,089
Receivables	240,894	264,024

Maximum exposure to loss

The Company does not have a direct exposure to the AUM of the Fund, with the associated risks and rewards residing with external investors. The Company's maximum exposure to loss is therefore limited to future fee income, where investors decide to withdraw funds, reducing the net asset value of the entities and the fair value of any investments in structured entities held by the Company at each reporting date.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

7 Unconsolidated structured entities (continued)

Financial support

The Company has not provided financial support to any unconsolidated structured entity through guarantees over the repayment of borrowings, or otherwise, and has no contractual obligations or current intention of providing financial support in the future.

8 Related party transactions

In the normal course of business, the Company enters into transactions with related parties in respect of investment management business.

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries.

The following are details of significant transactions with related parties (excluding fellow wholly owned subsidiaries and key management personnel) during the year and the year end balances arising from such transactions.

	2022	
	Revenue	**Receivables**
	£	**£**
Fund	976,523	240,894
	976,523	**240,894**

	2021	
	Revenue	**Receivables**
	£	**£**
Fund	1,071,089	264,024
	1,071,089	**264,024**

9 Parent and ultimate parent undertaking

The Company's immediate parent is abrdn Private Equity (Europe) Limited and its ultimate parent is abrdn plc, both of which are incorporated in the United Kingdom and registered in Scotland.

The most senior parent entity producing publicly available financial statements is abrdn plc. Copies of the consolidated Annual Report and Accounts are available to the public from 1 George Street, Edinburgh, EH2 2LL, or to download on the website www.abrdn.com.

10 Events after the balance sheet date

The Company registered a change of name from SLIPC (General Partner SCF I) Limited to abrdn (General Partner SCF I) Limited effective 31 May 2023, whilst the subsidiary entity renamed from Aberdeen Standard Secure Credit LP to abrdn Secure Credit LP effective 6 June 2023.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

11 Investment holdings

In line with Companies Act requirements, the Company considers the below fund to be a subsidiary entity.

Name of undertaking: abrdn Secure Credit LP (formerly Aberdeen Standard Secure Credit LP)

Country of registration: United Kingdom

Registered office: 1 George Street, Edinburgh EH2 2LL

For professional investors only –
Not for use by retail investors or advisers.

Annual Report

Aberdeen Standard Secure Credit LP
Annual Report for the year ended 31 December 2022

abrdn.com

Contents

Objective and Financial Highlights

Fund Objective

The Fund's investment policy is to target primarily secured credit assets providing stable and reliable streams of cash flows that are considered investment grade with low propensity for default and higher than average likely recovery of principal in the event of a default.

The Fund will seek to take advantage of private credit opportunities to capture illiquidity premia, when compared with equivalent public market securities, but will also invest in liquid securities.

The Fund may invest in infrastructure debt, commercial real estate debt, corporate debt (including private placements, loans and bonds) and similar private credit instruments, as well as structured credit assets.

Fund Highlights

- The Fund's investment period closed on 22 April 2021. The Fund has a total of 38 long-term investments.
- The total capital committed to long-term investments at the end of the year was £400.3 million, of which £1.03 million remains undrawn and £26.7 million has been repaid. This represents all of the Fund's total commitments.
- Existing long-term investments have performed well and are generally in line with expectations. The Fund had a negative capital return over the year, primarily due to the market correction triggered by the macroeconomic environment.
- The loans 'Commercial Real Estate Debt 1 (Office-City)', 'Commercial Real Estate Debt 4 (Hotel)', 'Corporate Debt 3 (Airport)', 'Infrastructure Debt 5 (Transportation)' and 'Infrastructure Debt 7 (Transportation)' remained on our watchlist. Further details can be found in the Q4 2022 Investment Manager report.

Objective and Financial Highlights

Continued

Financial Summary

	31 December 2022 £m	31 December 2021 £m
Commitments raised (cumulative)	420.80	420.80
Commitments drawn down (cumulative)	420.80	420.80
Commitments outstanding	388.70	404.73
Undrawn commitments	-	-
Fund Net Asset Value - fair value	325.99	423.98
Net Income earned (in the year)*	9.66	8.41

* Excluding realised and unrealised capital gains and losses.
Source: abrdn, 31 December 2022.

Summary Investment Statistics

	31 December 2022
Duration (years)	5.61
Average rating	BBB+
Average gross coupon (%) [1]	3.46
Average yield to maturity (%)[1]	6.38
Average gross spread (%)	2.36

Source: abrdn, 31 December 2022.
[1] Includes arrangement fees and adjustment for inflation on drawn investments.

	Year return	Since inception
Fund income return (%)*	2.60	1.75
Fund capital return (%)*	-18.50	-3.44
Fund total return (%)*	-16.27	-1.73

* Fund return calculations are based on the quarterly returns in the year and since inception. Total return is calculated as the profit for the period over opening net asset value.
Source: abrdn, 31 December 2022. Net of fees.

Market Commentary

Infrastructure Debt

Despite the unpredictable economic backdrop, we had a rather optimistic perspective on the underlying fundamentals seen in the infrastructure debt market throughout 2022. The continued excess demand of infrastructure opportunities continue to work in our favour, which also continued to impact on the risk/reward ratio. Widening spreads made their way through to private markets progressively through the year, thus leading to the prevalence of a risk/reward focus of more investors.

An increasing focus on carbon neutrality, positive transport trends, and the pushing need for energy independence, have all positively impacted our book throughout the year. Renewables continued to be positively affected alongside higher power prices and continued push for renewable expenditure. However, we experienced a number of delays with construction projects, particularly in rail. This led to two projects within the Fund being affected.

In addition, we saw valuations being affected by the rising interest-rate environment. Pricing realigned to an extent, although there remains significant competition for every opportunity. This may be offset by tighter liquidity in the bank market. We also continue to see risk in over-exuberant valuations and risk ratings that do not properly compensate for illiquidity or complexity, particularly as new technologies are funded and are considered mainstream before properly proven. It is critical to remain focused on the outlook as the economic environment remains unpredictable.

Commercial Real Estate Debt

The UK commercial real estate market started the year strongly, with deal activity up 50% on the previous year. However, against a backdrop of the conflict in Ukraine, inflationary pressures and rising base rates, deal activity started to become muted throughout the second and third quarter of 2022.

Rising interest rates for both floating (SONIA) and fixed (gilts) debt increased the cost of financing, putting pressure on investor returns. For debt backed buyers, the market became increasingly challenging to navigate and, while equity values were adjusting, they were unable to keep pace with the rapid increases in interest rates.

The year concluded in an uptick of deal flow in Q4, as markets progressively adjusted and interest rate volatility reduced. The market started to see a correction in capital values for real estate across all sectors, with an increase in logistics/industrial and supermarket opportunities due to the higher levels of liquidity for these sectors from investors.

The focus of lenders remains on the quality and stability of income from underlying tenants. Those sectors where tenants and operators are able to pass on inflation to their end customers will likely outperform. Those tenants and sectors that are more exposed to the cost of living crisis are clearly more vulnerable, and underwriting and understanding these risks is key. In terms of environmental, social and governance, the race for sustainability is being felt most keenly in the office sector but it is a feature of all sectors and increasingly relevant in the living sectors.

Pricing in terms of margins had shown an increase, with spreads rising by 15-25 basis points (bps) across the best-in-class deals. Rising corporate bond spreads have eroded the illiquidity premium, although attractive returns are available on a selective basis and a correction in capital values is likely to create opportunities, as banks will likely pull back. The rise in the base rate has resulted in the cost of debt being higher than the net initial yield for most properties. This has led to an adjustment in yields for real estate assets.

Corporate Debt

Our portfolio sustained its position within a weaker macroeconomic environment, given our focus on more defensive sectors and/or with strong covenant protection. We remained selective, with a focus on strong fundamentals, and continued to avoid very cyclical sectors or sectors impacted by inflation, including those exposed to discretionary spending or non-essential items. We also paid closer attention to the funding mix and interest rate hedging of our existing and new borrowers.

The opportunity set was fairly broad across sectors, countries and currencies; however, the utilities sector was most prominent, in line with the defensive market tone. The utilities sector always needs funding for new investments, helping with security of supply as well as energy transition. In the real estate sector, valuation has declined on the back of rate increases and the number of new transactions. Regardless, the real estate transactions in the portfolio have also been relatively stable, as they provide protection against inflation thanks to inflation-linked leases (e.g. social housing and healthcare). To note regarding the transportation sector, airports continue to recover, with traffic now back to around 80-85% of pre-COVID -19 capacity.

Overall, we have seen more issuances in the higher-quality corporate bond category in 2022. The private placement market aims to catch up quickly with spread widening and the tightening of public bonds, so we continued to generate attractive illiquidity pick-up regardless of the volatility in the public bonds market during the year. Despite elevated inflation, higher interest rates, slowing

Market Commentary

Continued

growth and geopolitical risk, corporate bond quality has so far remained robust for corporates. Investors should, however, keep focusing on fundamentals and particularly on the Fund's ability to generate strong cash flow, pass through inflation costs and maintain a strong liquidity position across business cycles.

We see demand for corporate private placements to continuously increase, as they offer advantages to a portfolio such as additional returns, stronger protection and diversification. Investors show a strong appetite for infrastructure corporates, as they provide stable cash flows with inflation-linked revenues and they are at the heart of the transition to a low-carbon economy. We believe that stock selection remains key, with a desire to remain high in the capital structure in the current macroeconomic backdrop.

Strategic Report

Portfolio Summary
Investments in Debt Securities

As at 31 December 2022	Public Issuer	Credit rating	Undrawn Principal	Outstanding Principal (incl. undrawn)	Financial assets at FVTPL £m	%
Corporate Debt						
Corp 2 (Social Housing)	The Longhurst Group PLC	A-	-	5.03	3.66	1.12
Corp 3 (Airport)	Private	BBB-	-	25.00	21.49	6.59
Corp 4 (Power)	Private	BBB	-	15.00	12.00	3.68
Corp 5 (Healthcare)	Assura PLC	A-	-	5.64	4.91	1.51
Corp 6 (Transportation)	ABP Finance PLC	BBB+	-	5.00	5.09	1.56
Corp 7 (Utilities)	Private	A-	-	15.00	14.43	4.43
Corp 9 (Industrial Real Estate)	Private	A-	-	5.00	3.99	1.22
Corp 10 (Transportation)	Private	BBB-	-	16.50	13.30	4.08
Corp 11 (Social Housing)	Private	A	-	8.00	6.05	1.86
Corp 12 (Transportation)	Private	BBB	-	15.00	12.90	3.96
Corp 13 (Social Housing)	Private	A+	-	10.00	5.97	1.83
Corp 14 (Housebuilder)	Private	BBB	-	3.40	2.86	0.88
Corp 15 (Care Home REIT)	Private	BBB	-	7.80	5.80	1.78
Corp 16 (Food Retailer)	Public	BB	-	5.00	4.09	1.25
Corp 17 (Social Housing)	Public	BBB+	-	10.50	9.24	2.83
Corp 18 (Virgin Media)	Public	BB	-	5.00	3.84	1.18
Corp 19 (Tesco)	Public	BBB-	-	2.06	1.93	0.59
Corp 21 (Annington)	Public	BBB	-	1.60	1.26	0.39
Corp 22 (Utilities)	Private	BBB+	-	5.00	5.17	1.59
Total corporate debt				**165.53**	**137.98**	**42.33**

Commercial Real Estate Loans						
CREL 1 (Office - City)	Private	BBB	-	7.90	7.46	2.29
CREL 2 (Office - West End)	Private	BBB	-	10.85	10.26	3.14
CREL 4 (Hotel)	Private	BBB	-	5.56	5.48	1.68
CREL 5 (Office)	Private	A	-	8.31	7.78	2.39
CREL 6 (Office)	Private	A	-	19.56	17.51	5.37
CREL 7 (Industrial Real Estate)	Private	BBB	-	12.31	11.51	3.53
CREL 8 (Hotel)	Private	A	-	19.31	15.64	4.80
CREL 9 (Mixed Use)	Private	A	-	11.33	10.50	3.22
CREL 10 (Retail Warehouse)	Private	A	-	1.85	1.72	0.53
Total commercial real estate loans				**96.98**	**87.86**	**26.95**

Strategic Report

Continued

Portfolio Summary
Investments in Debt Securities Continued

As at 31 December 2022	Public Issuer	Credit rating	Undrawn Principal	Outstanding Principal (incl. undrawn)	Financial assets at *FVTPL £m	%
Infrastructure Loans						
Infra 1 (PFI)	BWP Issuer PLC	AA	-	3.02	2.54	0.78
Infra 2a (Renewable Power)	Private	BBB-	-	5.65	4.76	1.46
Infra 2b (Renewable Power)	Private	BBB-	-	6.14	6.68	2.05
Infra 3 (Technology Infrastructure)	Private	A-	-	5.45	5.33	1.63
Infra 4 (Social Infrastructure)	Private	BBB+	-	14.30	12.34	3.79
Infra 5 (Transportation)	Private	BBB	1.03	15.00	9.70	2.98
Infra 6 (Renewable Power)	Private	BB+	-	19.63	14.63	4.49
Infra 7 (Transportation)	Private	BBB+	-	19.51	13.10	4.02
Infra 8 (Renewable Power)	Private	BBB-	-	9.21	7.77	2.38
Infra 9 (Smart Meters)	Private	BBB	-	13.17	10.79	3.31
Total infrastructure loans				**111.08**	**87.64**	**26.89**
Investments in debt securities subtotal			**1.03**	**373.59**	**313.48**	**96.17**
Total Portfolio					**313.48**	**96.17**
Aberdeen Standard Investment Liquidity Fund (Lux) - Sterling Income Fund					7.90	2.42
Net other assets					4.61	1.41
Net assets attributable to the Partners					**325.99**	**100.00**

*Fair Value Through Profit or Loss (FVTPL).

Strategic Report

Continued

Investments in Debt Securities

Ratings Breakdown[1]

As at 31 December 2022	Outstanding Principal (incl. undrawn) £m	Financial assets at fair value through profit or loss £m	%
AA	3.02	2.54	0.81
A+	10.00	5.97	1.90
A	68.36	59.20	18.88
A-	36.12	32.32	10.31
BBB+	54.31	44.94	14.34
BBB	107.59	90.02	28.72
BBB-	64.56	55.93	17.84
BB+	19.63	14.63	4.67
BB	10.00	7.93	2.53
Total	**373.59**	**313.48**	**100.00**
Average Rating - Long Term Investments	BBB+		

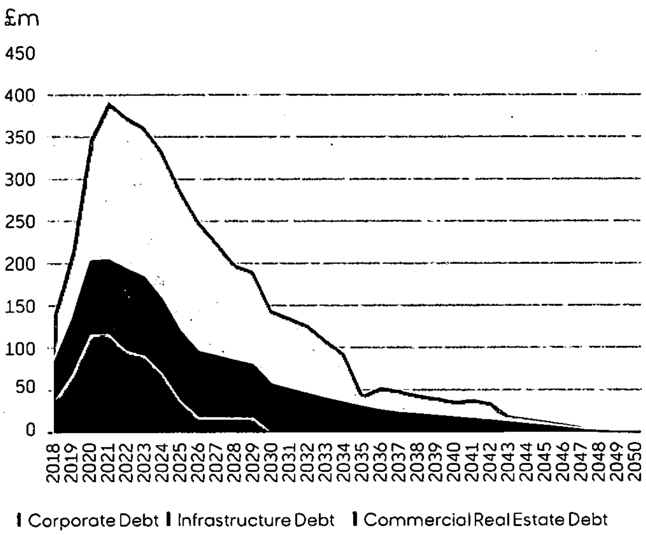
[1] Including undrawn loan commitments. Based on ratings as at 31 December 2022 and remaining time until maturity.

Maturity Breakdown[1]

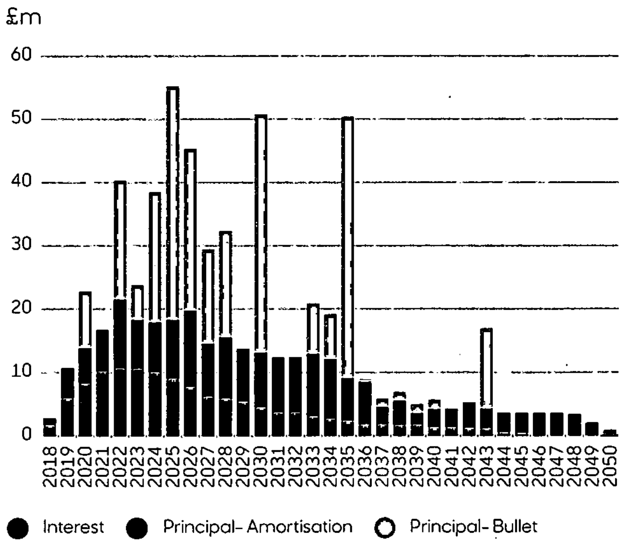
As at 31 December 2022	Outstanding Principal (incl. undrawn) £m	Financial assets at fair value through profit or loss £m	%
0-8 years	169.27	149.85	47.80
8-12 years	28.15	22.54	7.19
12-16 years	96.12	81.00	19.17
16-30 years	80.05	60.09	25.84
Total	**373.59**	**313.48**	**100.00**

[1] Including undrawn loan commitments. Based on ratings as at 31 December 2022 and remaining time until maturity.

Outstanding Principal – Historical and Projected



Cash Flows – Historical and Projected



Strategic Report

Continued

Infrastructure Debt Profile

Loan Details

Loan	Sector	Region	Date of Completion	Final Maturity	Time to maturity (years)	Weighted average life	Yield %	Total commitment £m	Principal drawn £m	Principal distributed £m	Net outstanding principal £m	Fair value £m
Infra 1	PFI	United Kingdom	28-Feb-18	30-Jun-36	13.51	7.74	4.49	3.71	3.71	0.69	3.02	2.54
Infra 2a	Renewable power	United Kingdom	9-Apr-18	19-Mar-37	14.22	8.15	6.04	6.56	6.56	0.91	5.65	4.76
Infra 2b	Renewable power	United Kingdom	9-Apr-18	19-Mar-37	14.22	7.13	6.85	8.05	8.05	1.91	6.14	6.68
Infra 3	Technology infrastructure	United Kingdom	17-Sep-18	1-Mar-25	2.17	1.10	4.35	15.00	15.00	9.55	5.45	5.33
Infra 4	Social Infrastructure	United Kingdom	18-Sep-18	31-Mar-35	12.25	6.98	5.99	15.63	15.63	1.33	14.30	12.34
Infra 5	Transportation	United Kingdom	20-Dec-18	5-Dec-48	25.95	19.38	6.76	15.00	13.97	0.00	13.97	9.70
Infra 6	Renewable power	United Kingdom	22-Jul-19	31-Mar-37	14.26	7.97	7.30	20.00	20.00	0.37	19.63	14.63
Infra 7	Transportation	United Kingdom	16-Aug-19	13-Aug-49	26.64	16.88	6.22	19.51	19.51	0.00	19.51	13.10
Infra 8	Renewable power	United Kingdom	21-Feb-20	21-Jan-36	13.07	5.05	6.25	12.74	12.74	3.53	9.21	7.77
Infra 9	Smart meters	United Kingdom	21-Jul-20	31-Dec-34	12.01	6.00	6.44	13.17	13.17	0.00	13.17	10.79
Total					**15.46**	**9.18**	**6.21**	**129.37**	**128.34**	**18.29**	**110.05**	**87.64**

Source: abrdn, 31 December 2022.

Strategic Report

Continued

Infrastructure Debt Profile Continued

Credit Performance

		At Completion		Current				Covenant levels		
Loan	Sector	Rating	Project status	Rating	Project status	Loan life coverage ratio Times Covered	Debt service coverage ratio Times Covered	Loan life coverage ratio Times Covered	Debt service coverage ratio Times Covered	Watchlist?
Infra 1	PFI	AA	Operational	AA	Operational	n/a	n/a	n/a	n/a[1]	No
Infra 2a	Renewable power	BBB	Operational	BBB-	Operational	1.23	1.65	1.20	1.15	No
Infra 2b	Renewable power	BBB	Operational	BBB-	Operational	1.23	1.65	1.20	1.15	No
Infra 3	Technology infrastructure	A	Operational	A-	Operational	n/a	n/a	n/a	n/a[1]	No
Infra 4	Social Infrastructure	BBB+	Operational	BBB+	Operational	2.27	1.93	1.50	1.25	No
Infra 5	Transportation	BBB	Construction	BBB	Construction	n/a	n/a	n/a	n/a[1]	Yes
Infra 6	Renewable power	BBB	Operational	BB+	Operational	2.48	3.73	1.20	1.15	No
Infra 7	Transportation	BBB+	Construction	BBB+	Construction	n/a	n/a	n/a	n/a[1]	Yes
Infra 8	Renewable power	BBB	Operational	BBB-	Operational	1.50	1.78	1.20	1.20	No
Infra 9	Smart meters	BBB	Operational	BBB	Construction	2.29	2.17	1.15	1.15	No
Total						**2.00**	**2.37**	**1.25**	**1.18**	

[1] These projects are in construction and so the covenants have not yet been tested.
Source: abrdn, 31 December 2022.

Strategic Report

Continued

Commercial Real Estate Debt Profile

Loan Details

Loan	Sector	Region	Date of Completion	Final Maturity	Time to maturity (years)	Yield %	Total commitment £m	Principal drawn £m	Principal distributed £m	Net outstanding principal £m	Fair value £m
CREL 1	Office	United Kingdom	22-Mar-18	30-Jan-25	2.08	6.81	7.90	7.90	0.00	7.90	7.46
CREL 2	Office	United Kingdom	21-May-18	23-Jul-25	2.56	6.25	10.85	10.85	0.00	10.85	10.26
CREL 4	Hotel	United Kingdom	8-Nov-18	9-Jul-23	0.52	6.82	5.89	5.89	0.33	5.56	5.48
CREL 5	Office	United Kingdom	27-Mar-19	31-Dec-24	2.00	6.69	11.75	11.75	3.44	8.31	7.78
CREL 6	Office	United Kingdom	29-May-19	27-Jul-26	3.57	6.43	20.00	20.00	0.44	19.56	17.51
CREL 7	Industrial	United Kingdom	31-Jan-20	30-Sep-24	1.75	6.74	12.31	12.31	0.00	12.31	11.51
CREL 8	Hotel	United Kingdom	31-Mar-20	5-Feb-30	7.10	6.08	20.00	20.00	0.69	19.31	15.64
CREL 9	Mixed Use	United Kingdom	12-Jun-20	20-Jul-25	2.55	5.86	11.33	11.33	0.00	11.33	10.50
CREL 10	Retail Warehouse	United Kingdom	13-Nov-20	30-Oct-25	2.83	7.05	1.85	1.85	0.00	1.85	1.72
Total					**3.34**	**6.41**	**101.88**	**101.88**	**4.90**	**96.98**	**87.86**

CREL 11 was repaid as at 25 April 2022.
CREL 12 was repaid as at 31 July 2022.
CREL 3 was repaid as at 30 September 2022.
Source: abrdn, 31 December 2022.

Strategic Report

Continued

Commercial Real Estate Debt Profile Continued

Credit Performance

		At Completion			Current			Covenant levels		
Loan	Sector	Rating	LTV %	Interest coverage ratio Times Covered	Rating	LTV %	Interest coverage ratio Times Covered	LTV %	Interest coverage ratio Times Covered	Watchlist?
CREL 1	Office	BBB	57.45	2.14	BBB	Waived	Waived	Waived	Waived	Yes
CREL 2	Office	BBB	45.00	n/a	BBB	45.00	Waived	55.00	Waived	No
CREL 4	Hotel[1]	A	55.00	n/a	BBB	51.96	n/a	55.00	n/a	Yes
CREL 5	Office	A	63.50	3.91	A	55.62	5.53	70.00	2.00	No
CREL 6	Office	A	35.60	5.88	A	45.79	3.97	60.00	2.25	No
CREL 7	Industrial	BBB	55.00	4.99	BBB	54.91	4.44	65.00	2.00	No
CREL 8	Hotel[1]	A	41.30	n/a	A	39.91	n/a	60.00	n/a	No
CREL 9	Mixed Use	A	40.00	5.88	A	40.00	7.56	50.00	2.25	No
CREL 10	Retail Warehouse	A	45.00	4.67	A	45.00	4.84	55.00	2.50	No
Total			**46.76**	**4.87**		**42.94**	**5.13**			

[1] CREL 4 and CREL 8 are hotel assets and do not have an ICR covenant.
Source: abrdn, 31 December 2022.

Strategic Report
Continued
Corporate Debt Profile
Loan Details

Loan	Type	Description	Date of Completion or Purchase	Final Maturity	Time to maturity (years)	Yield %	Total commitment £m	Principal drawn £m	Principal distributed £m	Net outstanding principal £m	Fair value £m
Corp 2	Social Housing	Corporate IG	15-May-18	15-May-43	20.38	5.50	5.03	5.03	0.00	5.03	3.66
Corp 3	Airport	Corporate IG	19-Mar-20	19-Mar-35	12.22	7.09	25.00	25.00	0.00	25.00	21.49
Corp 4	Gas Distribution	Corporate IG	30-Aug-18	30-Aug-30	7.67	6.66	15.00	15.00	0.00	15.00	12.00
Corp 5	Healthcare	Corporate IG	19-Jul-18	19-Jul-28	5.55	5.78	5.64	5.64	0.00	5.64	4.91
Corp 6	Transportation	Corporate IG	7-Aug-18	14-Dec-26	3.96	5.75	5.00	5.00	0.00	5.00	5.09
Corp 7	Water	Corporate IG	3-Apr-20	3-Apr-40	17.27	6.11	15.00	15.00	0.00	15.00	14.43
Corp 9	Industrial Real Estate	Corporate IG	30-Nov-18	30-Nov-43	20.93	6.06	5.00	5.00	0.00	5.00	3.99
Corp 10	Transportation	Corporate IG	24-Jun-19	25-Jun-34	11.49	6.75	20.00	20.00	3.50	16.50	13.30
Corp 11	Social housing	Corporate IG	5-Aug-20	5-Aug-33	10.60	5.30	8.00	8.00	0.00	8.00	6.05
Corp 12	Transportation	Corporate IG	10-Jun-20	10-Jun-27	4.44	6.01	15.00	15.00	0.00	15.00	12.90
Corp 13	Social Housing	Corporate IG	8-Feb-21	6-Feb-50	27.12	5.67	10.00	10.00	0.00	10.00	5.97
Corp 14	Housebuilder	Corporate IG	17-Feb-21	17-Feb-28	5.13	6.25	3.40	3.40	0.00	3.40	2.86
Corp 15	Care Home REIT	Corporate IG	3-Mar-21	3-Mar-28	5.18	8.88	7.80	7.80	0.00	7.80	5.80
Corp 16	ASDA	Corporate IG	24-Feb-21	16-Feb-26	3.13	10.38	5.00	5.00	0.00	5.00	4.09
Corp 17	Poplar Harca	Corporate IG	9-Apr-21	30-Sep-43	20.76	5.85	10.50	10.50	0.00	10.50	9.24
Corp 18	Virgin Media	Corporate IG	9-Apr-21	15-Aug-30	7.63	8.36	5.00	5.00	0.00	5.00	3.84
Corp 19	Tesco	Corporate IG	23-Apr-21	19-Feb-34	11.15	6.53	2.12	2.12	0.06	2.06	1.93
Corp 21	Annington	Corporate IG	24-Apr-21	12-Jul-34	11.54	13.14	1.60	1.60	0.00	1.60	1.26
Corp 22	Utilities	Corporate IG	9-Nov-22	9-Nov-25	2.86	5.24	5.00	5.00	0.00	5.00	5.17
Total					**11.69**	**6.62**	**169.09**	**169.09**	**3.56**	**165.53**	**137.98**

Corp 1a, Corp 1b and Corp 1c loan was repaid as at 14 September 2022.
Source: abrdn, 31 December 2022.

Strategic Report

Continued

Corporate Debt Profile Continued

Credit Performance

		At Completion			Current			Covenant levels		
Loan	Sector	Rating	Asset cover	Interest/debt service coverage ratio Times Covered	Rating	Asset cover	Interest/debt service coverage ratio Times Covered	Asset cover	Interest/debt service coverage ratio Times Covered	Watchlist?
Corp 2	Social Housing	A-	n/a	n/a	A-	n/a	n/a	n/a	n/a	No
Corp 3	Airport	BBB	n/a	2.90	BBB-	1.48	5.24	1.18	1.20	Yes
Corp 4	Gas Distribution	BBB	n/a	3.40	BBB	n/a	2.40	n/a	1.10	No
Corp 5	Healthcare	A-	n/a	3.30	A-	2.77	4.10	1.67	1.50	No
Corp 6	Transportation	BBB+	n/a	2.10	BBB+	n/a	2.33	n/a	1.75	No
Corp 7	Water	A-	n/a	4.20	A-	1.54	4.00	1.33	1.33	No
Corp 9	Industrial Real Estate	A-	n/a	7.30	A-	3.00	4.39	1.50	2.00	No
Corp 10	Transportation	BBB-	n/a	3.90	BBB-	1.75	5.64	n/a	2.50	No
Corp 11	Social housing	A+	n/a	n/a	A	1.49	3.23	1.15	1.10	No
Corp 12	Transportation	BBB-	n/a	n/a	BBB	n/a	n/a	n/a	n/a	No
Corp 13	Social Housing	A+	n/a	n/a	A+	2.12	2.40	1.15	n/a	No
Corp 14	Housebuilder	BBB	n/a	n/a	BBB	n/a	110.78	n/a	3.10	No
Corp 15	Care Home REIT	BBB	2.38	5.50	BBB	2.43	7.90	1.67	2.00	No
Corp 16	ASDA	BB	n/a	n/a	BB	n/a	n/a	n/a	n/a	No
Corp 17	Poplar Harca	BBB+	n/a	n/a	BBB+	n/a	n/a	n/a	n/a	No
Corp 18	Virgin Media	BB-	n/a	n/a	BB	n/a	n/a	n/a	n/a	No
Corp 19	Tesco	BBB-	n/a	n/a	BBB-	n/a	n/a	n/a	n/a	No
Corp 21	Annington	BBB	n/a	n/a	BBB	n/a	n/a	n/a	n/a	No

Strategic Report

Continued

Corporate Debt Profile Continued

Credit Performance Continued

Loan	Sector	At Completion			Current			Covenant levels		
		Rating	Asset cover	Interest/debt service coverage ratio Times Covered	Rating	Asset cover	Interest/debt service coverage ratio Times Covered	Asset cover	Interest/debt service coverage ratio Times Covered	Watchlist?
Corp 22	Utilities	BBB+	n/a	7.00	BBB+	n/a	7.00	n/a	3.50	No
Total			**2.38**	**3.94**		**1.84**	**7.37**[1]			

[1] Total excluding Corp 14 Housebuilder is 4.47.
Corp 1a, Corp 1b and Corp 1c loan was repaid as at 14 September 2022.
Source: abrdn, 31 December 2022.

Strategic Report

Continued

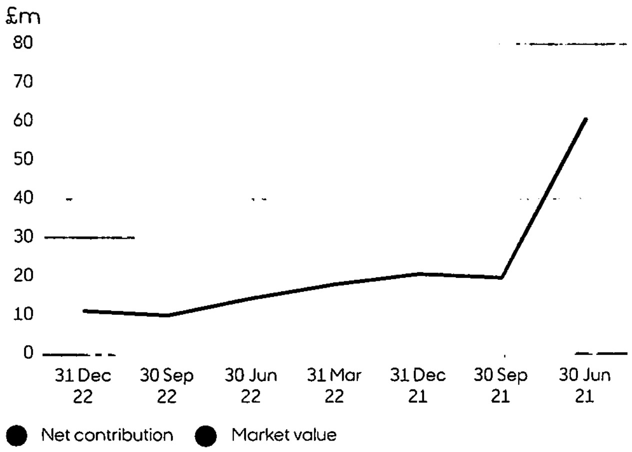
Short Term Investments

Performance

Asset	Gross Since inception Return %
Prime RMBS	3.09
Auto ABS	2.31
Credit card ABS	1.88
Cash & equivalents	1.24
Total	**2.87**

Source: abrdn, 31 December 2022.

Value Over Time



Net contribution and Market Value are similar and as a result a separate line for Market Value is not separately identifiable on the graph.
Source: abrdn, 31 December 2022.

Report of the General Partner

SLIPC (General Partner SCF I) Limited (the "General Partner") presents its report and audited consolidated financial statements for Aberdeen Standard Secure Credit LP (the "Fund" or "Partnership") and its subsidiary, SLI Secure Credit (Investments) Limited (in the process of being wound up) (the "Subsidiary"), (together the "Group") for the year ended 31 December 2022.

Principal activities

The Fund is a limited partnership domiciled in the United Kingdom.

The objective of the Fund is to deliver reliable and predictable cash flows to investors by investing in primarily investment grade quality private credit assets. Such assets are expected to have an illiquidity premium over similarly rated public bonds, offer better expected recovery rates in the event of default, and should have a relatively low correlation to public markets and the broader economic environment.

Total partner commitments are £420.8m. The full amount, £420.8m was drawn down and £32.1m has been subsequently distributed to investors. Investor commitments outstanding as at 31 December 2022 were £388.7m.

Structure of the Fund

The Fund was established in Scotland as a Limited Partnership under the Limited Partnership Act, 1907 (the "Act") on 30 August 2017 under the Limited Partnership Agreement which was amended and restated on 24 October 2017 (the "LPA"). The Partnership has also been designated as a private fund limited partnership under the Act. The Partnership is continuous as established by the LPA.

The Fund's investment policy, either investing directly or indirectly, is to target secured credit assets providing stable and reliable streams of cash flows that are considered investment grade with low propensity for default, and higher than average likely recovery of principal in the event of a default. The Fund will seek to take advantage of private credit opportunities to capture illiquidity premia when compared with equivalent public market securities but will also invest in liquid securities. The Fund may invest in infrastructure debt, commercial real estate debt, corporate debt (including private placements, loans and bonds) and similar private credit instruments, as well as Short Term Investments.

The financial statements present together the consolidated results of the Fund and its Subsidiary. The Subsidiary, a UK registered company, was incorporated on 11 September 2017.

As at 30 August 2022, the Directors of the Subsidiary have resolved to strike off the Subsidiary. The Subsidiary is currently dormant with no activity being recorded from 1 October 2022 to 31 December 2022.

Results, activities and future developments

The results for the year are set out in the Consolidated Statement of Comprehensive Income on page 26. The change in net assets attributable to the Partners for the year was a decrease of £82.0m (2021: decrease of £10.6m).

Board of Managers of the General Partner of the Fund

On 26 August 2022, Steven Barton resigned as a director of the General Partner.

On 26 August 2022, Dr. Gordon Fischbacher and Ronan Melia were appointed as directors of the General Partner.

There were no changes in registered office during the year.

Events after the reporting date

The summary of events after the reporting date are detailed in Note 18 to the financial statements.

Financial risk management

The Group's operations and debt holdings exposes it to a variety of financial risks including credit risk, liquidity risk and market risk.

The impact of these risks and the Group's strategies to manage these risk are detailed in Note 3 to the consolidated financial statements.

Data Protection

The AIFM has implemented measures that it believes are necessary in order to comply with the General Data Protection Regulation 2016.

Alternative Investment Fund Managers Directive

The Alternative Investment Fund Managers Directive ("AIFMD") is a European Union directive the scope of which is broad and, with a few exceptions, covers the management, administration and marketing of Alternative Investment Funds ("AIFs"). Its focus is on regulating the Alternative Investment Fund Manager (the "AIFM" or "Manager") rather than the AIF. The Partnership is an AIF and Aberdeen

Report of the General Partner

Continued

Standard Alternative Funds Limited is the Fund's AIFM. On 6 December 2017, the Partnership appointed Bank of New York Mellon as its Depository. The Depository's responsibilities include cash monitoring, safe keeping of the Partnership's financial instruments and monitoring the Partnership's compliance with investment limits and leverage requirements. In accordance with the AIFM Directive, information in relation to the Partnership's leverage and the remuneration of the Partnership's AIFM, Aberdeen Standard Alternative Funds Limited, is required to be made available to investors.

Leverage of the AIF

There have been no changes to the maximum leverage allowed in the period. The Partnership's maximum and actual leverage levels at 31 December 2022 are shown below:

Leverage Exposure	Gross Method	Commitment Method
Maximum limit	200%	200%
Actual	96.75%	96.75%

For the purposes of the AIFM Directive, leverage is any method which increases the Partnership's exposure, including the borrowing of cash and the use of derivatives. It is expressed as a percentage of the Partnership's exposure to its net asset value and is calculated using both the gross and commitment method. Under the gross method, exposure represents the sum of the Partnership's positions after deduction of cash balances, without taking account of any hedging or netting arrangements. Under the commitment method, exposure is calculated without the deduction of cash balances and after certain hedging and netting positions are offset against each other.

Remuneration Policy

Details of the abrdn plc Remuneration Policy can be found in Appendix II.

Going concern

The Manager has been monitoring, and continues to actively monitor, the Fund's assets relative to contracted commitments.

The General Partner has a reasonable expectation that the Fund has adequate financial resources to continue in operational existence for a period of not less than 12 months from the date of approval of this report. They have arrived at this conclusion having confirmed that there are sufficient liquid investments that could be used to meet short-term funding requirements were they to arise. Management has also performed stress testing on revenue and investments, and reviewed revenue and ongoing expenses forecasts for the coming year, with no issues. They also note that the Fund holds no debt and is fully funded.

Accordingly, the Fund continues to adopt the going concern basis in preparing the financial statements.

Statement of disclosure of information to auditors

The General Partner confirms that:

- So far as the General Partner is aware, there is no relevant audit information of which the Fund's auditor is unaware; and
- The General Partner has taken all the steps that it ought to have taken as General Partner in order to make itself aware of any relevant audit information and to establish that the Fund's auditor is aware of that information.

Independent auditor

KPMG LLP, Chartered Accountants and Statutory Audit Firm, have signified their willingness to continue in office.

Signed on behalf of:

SLIPC (General Partner SCFI) Limited

Douglas Carrie
Director

Date: 31 March 2023

Statement of the General Partner's Responsibilities in respect of the Strategic Report, the General Partner's Report and the financial statements

The General Partner is responsible for preparing the Strategic Report, the General Partner's Report and the Group and the qualifying partnership financial statements in accordance with applicable law and regulations.

The Partnerships (Accounts) Regulations 2008 require the General Partner to prepare group and qualifying partnership financial statements for each financial year in accordance with Part 15 and Chapter 1 of Part 16 of the Companies Act 2006. Under that law the General Partner has elected to prepare both the Group and the qualifying partnership financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and applicable law.

Under company law the General Partner 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 Group and the qualifying partnership and of the profit or loss of the Group for that period. In preparing each of the Group and the qualifying partnership financial statements, the General Partner is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- assess the qualifying partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the qualifying partnership or to cease operations, or have no realistic alternative but to do so.

The General Partner is responsible for keeping adequate accounting records that are sufficient to show and explain the qualifying partnership's transactions and disclose with reasonable accuracy at any time the financial position of the qualifying partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and qualifying partnership and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the members of Aberdeen Standard Secure Credit LP

Opinion

We have audited the financial statements of Aberdeen Standard Secure Credit LP ("the qualifying partnership") for the year ended 31 December 2022 which comprise the Consolidated Statement of Financial Position, Unconsolidated Statement of Financial Position - Fund, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Net Assets attributable to the Partners, Consolidated Statement of Cash Flows and related notes, including the accounting policies in note 2.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the qualifying partnership's affairs as at 31 December 2022 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the qualifying partnership financial statements have been properly prepared in accordance with UK-adopted international accounting standards; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The General Partner has prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the qualifying partnership or to cease its operations, and as they have concluded that the Group and the qualifying partnership's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the General Partner's conclusions, we considered the inherent risks to the Group and the qualifying partnership's business model and analysed how those risks might affect the Group and the qualifying partnership's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the General Partner's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the general partner's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the qualifying partnership's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the qualifying partnership will continue in operation.

Fraud and breaches of laws and regulations - ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the General Partner as to the Group and the qualifying partnership high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Assessing the segregation of duties in place between the Manager, the General Partner, the Administrator and the Depositary;
- Reading board minutes of the General Partner.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the revenue is principally non-judgemental and based on publicly available information, with limited opportunity for manipulation. We did not identify any additional fraud risks.

Independent Auditor's Report to the members of Aberdeen Standard Secure Credit LP

Continued

We evaluated the design and implementation of the controls over journal entries and other adjustments and made inquiries of the Administrator about inappropriate or unusual activity relating to the processing of journal entries and other adjustments. We identified and selected a sample of journal entries made at the end of the reporting period and tested those substantively including all material post-closing entries. Based on the results of our risk assessment procedures and understanding of the process, including the segregation of duties between the Directors and the Administrator, no further high-risk journal entries or other adjustments were identified.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Manager and the Administrator (as required by auditing standards) and discussed with the General Partner the policies and procedures regarding compliance with laws and regulations.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the qualifying partnership is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related partnerships legislation and companies legislation) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the qualifying partnership is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: money laundering, data protection and bribery and corruption legislation recognising the qualifying partnership activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the General Partner and the Administrator and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non- detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other Information

The General Partner is responsible for the other information presented in the Annual Report together with the Financial Statements. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- *we have not identified material misstatements in the* other information;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Independent Auditor's Report to the members of Aberdeen Standard Secure Credit LP

Continued

Matters on which we are required to report by exception

Under the Companies Act 2006 as applied to qualifying partnerships we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

General partner's responsibilities

As explained more fully in their statement set out on page 20, the General Partner is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and the qualifying partnership'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 they either intend to liquidate the Group or the qualifying partnership or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the qualifying partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by regulation 4 of the Partnerships (Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the qualifying partnership'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 qualifying partnership and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Wiqas Qaiser

Wiqas Qaiser (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Saltire Court
20 Castle Terrace Edinburgh
EH1 2EG
31 March 2023

Consolidated Statement of Financial Position as at 31 December 2022

	Note	2022 £	2021 £
Assets			
Cash and cash equivalents	7	11,203,247	18,138,422
Interest receivable		1,851,704	1,696,457
Other receivables		79,257	-
Financial assets at FVTPL	5	313,479,239	404,831,816
Total assets		**326,613,447**	**424,666,695**
Liabilities			
Other payables and accrued expenses	9	(622,400)	(682,355)
Total liabilities (excluding net assets attributable to the Partners)		**(622,400)**	**(682,355)**
Net assets attributable to the Partners	**14**	**325,991,047**	**423,984,340**

The notes on pages 29 - 47 form an integral part of these consolidated financial statements.

Approved for issue and signed on behalf of Aberdeen Standard Secure Credit LP by SLIPC (General Partner of SCF I) Limited acting as general partner.

Douglas Carrie
Director
31 March 2023

Unconsolidated Statement of Financial Position - Limited Partnership only as at 31 December 2022

	Note	2022 £	2021 £
Assets			
Cash and cash equivalents	7	11,203,247	1,830,134
Interest receivable		1,851,704	1,694,563
Other receivables		79,257	-
Intercompany loan interest receivable	8	-	344,261
Intercompany loans receivable	8	-	13,891,100
Investment in subsidiary		1	1
Financial assets at FVTPL	5	313,479,239	404,831,816
Total assets		**326,613,448**	**422,591,875**
Liabilities			
Other payables and accrued expenses	9	(622,401)	(606,102)
Total liabilities (excluding net assets attributable to the Partners)		**(622,401)**	**(606,102)**
Net assets attributable to the Partners		**325,991,047**	**421,985,773**

The notes on pages 29 - 47 form an integral part of these consolidated financial statements.

Approved for issue and signed on behalf of Aberdeen Standard Secure Credit LP by SLIPC (General Partner of SCF I) Limited acting as general partner.

Douglas Carrie
Director
31 March 2023

Consolidated Statement of Comprehensive Income for the year ended 31 December 2022

	Note	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Revenue			
Interest income	10	10,964,344	9,999,487
Other income		356,716	291,807
Net loss on financial instruments at FVTPL	6	(79,974,639)	(10,871,152)
Total revenue		**(68,653,579)**	**(579,858)**
Operating expenses			
Priority profit share		(1,335,638)	(1,417,646)
Administration and depositary fees	11	(194,252)	(306,559)
Legal and professional expenses	12	(112,520)	(150,649)
Other operating expenses		(7,657)	(6,558)
Total operating expenses		**(1,650,067)**	**(1,881,412)**
Operating loss before tax and finance costs		**(70,303,646)**	**(2,461,270)**
Taxation	13	(14,217)	-
Loss after tax and before finance costs		**(70,317,863)**	**(2,461,270)**
Finance costs			
Distributions to the Partners		(11,648,783)	(8,126,239)
Total finance costs		**(11,648,783)**	**(8,126,239)**
Decrease in net assets attributable to the Partners from operations		**(81,966,646)**	**(10,587,509)**

The notes on pages 29 - 47 form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Net Assets attributable to the Partners for the year ended 31 December 2022

	2022 £	2021 £
Net assets attributable to the Partners at start of the year	**423,984,340**	**450,646,210**
Capital withdrawal	(16,026,647)	(16,074,361)
Net decrease in Partners' capital	**(16,026,647)**	**(16,074,361)**
Decrease in net assets attributable to the Partners from operations	(81,966,646)	(10,587,509)
Net assets attributable to the Partners at end of the year	**325,991,047**	**423,984,340**

The notes on pages 29 - 47 form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows for the year ended 31 December 2022

	Note	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Cash flows from operating activities			
Loss after tax and before finance costs		(70,317,863)	(2,461,270)
Adjustment for:			
Unrealised loss on financial instruments at FVTPL	5	73,145,243	10,982,013
Realised loss/(gain) on financial instruments at FVTPL	5	6,829,396	(110,861)
Amortisation		(196,431)	157,480
Net operating cash flows before changes in operating assets and liabilities		**9,460,345**	**8,567,362**
Purchases of financial assets at FVTPL		(18,350,947)	(59,832,470)
Sales/paydowns of financial assets at FVTPL		29,925,316	82,071,676
Increase in interest receivable		(155,247)	(400,131)
(Increase)/decrease in other receivables		(79,257)	73,240
Decrease in taxation payable		-	(203,092)
(Decrease)/increase in other payables and accrued expenses		(59,955)	43,267
Changes in operating assets and liabilities		**11,279,910**	**21,752,490**
Cash flows used in financing activities			
Capital withdrawal		(16,026,647)	(16,074,361)
Distributions to the Partners		(11,648,783)	(8,126,239)
Net cash used in financing activities		**(27,675,430)**	**(24,200,600)**
Net (decrease)/increase in cash and cash equivalents		**(6,935,175)**	**6,119,252**
Cash and cash equivalents at beginning of the year		18,138,422	12,019,170
Cash and cash equivalents at end of the year		**11,203,247**	**18,138,422**
Supplementary information on cash flows from operating activities			
Interest received		10,809,097	9,599,356

The notes on pages 29 - 47 form an integral part of these consolidated financial statements.

Notes to the Consolidated and Unconsolidated Financial Statements

1. General Information

Aberdeen Standard Secure Credit LP (the "Fund" or "Partnership") is a Limited Partnership established in Scotland by the Limited Partnership Agreement dated 30 August 2017, under the Limited Partnership Agreement which was amended and restated on 24 October 2017 (the "LPA"). The Partnership commenced operations on 10 November 2017 and will continue in existence until terminated in accordance with clause 19 of the LPA.

The registered office and principal place of business of the Fund is 1 George Street, Edinburgh, EH2 2LL, Scotland.

The Fund was formed by SLIPC (General Partner SCF I) Limited (the "General Partner" or "GP") with abrdn Private Equity (Europe) Limited (the "Initial Limited Partner" or "ILP"). The first, second and third investor was admitted to the Limited Partnership on 24 October 2017 and the fourth investor was admitted to the Limited Partnership on 26 April 2018. The General Partner was incorporated on 30 August 2017 as a limited company in Scotland with registered number SC574254 with registered office at 1 George Street, Edinburgh, EH2 2LL, Scotland ("General Partner" or "GP Co") The General Partner is responsible for the management, operation and administration of the affairs of the Partnership.

The General Partner has delegated most of the day to day investment activities to Aberdeen Standard Alternative Funds Limited (the "Manager" or "AIFM"). This includes but is not limited to the initial assessment and recommendation to the General Partner of potential investment acquisitions and exits; the day to day monitoring and interaction with the investment portfolio on behalf of the General Partner; creation of the fair value recommendations to the General Partner and certain investor relation activities of the Partnership. Whilst this delegation exists, the General Partner remains responsible for approving all actions taken as a result of these activities.

The Manager is a limited liability company incorporated under the laws of Scotland and wholly owned by abrdn Investment Management Limited (the "Asset Manager").

The Group's investment objective is to target secured credit assets providing stable and reliable stream of cash flows that are considered investment grade with low propensity for default, and higher than average likely recovery of principal in the event of a default. The Fund and Subsidiary will seek to take advantage of private credit opportunities to capture illiquidity premia when compared with equivalent public market securities but will also invest in liquid securities. The Group may invest in infrastructure debt, commercial real estate debt, corporate debt (including private placements, loans and bonds) and similar private credit instruments. The Fund will invest in debt securities and structured credit with a view to building a portfolio of Long Term Investments reflecting the restrictions and guidelines in the LPA.

The financial statements present together the consolidated results of the Fund and its Subsidiary, for the year ended 31 December 2022.

The Group's financial year runs from 1 January to 31 December each year.

The Group's capital is represented by the net assets attributable to the Partners. See Note 14 'Net assets attributable to the Partners' for further details with respect to the Fund's capital.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to the period presented, unless otherwise stated.

2.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Subsidiary controlled by the Fund. Control is achieved when the Fund is exposed, or has rights, to variable returns from its involvement with an entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Fund. They are deconsolidated from the date that control ceases. All intercompany transactions are eliminated on consolidation.

The Fund applies the acquisition method to account for business combinations. The intercompany balances and transactions were eliminated for purposes of preparing the consolidated financial statements.

As at 31 December 2022 and 31 December 2021, the Fund holds 100% of the voting rights and ownership interests in the fully consolidated Subsidiary with a registered address of 280 Bishopsgate, London, ECD2M 4AG, United Kingdom. Consolidated financial statements are prepared using uniform accounting policies.

Notes to the Consolidated and Unconsolidated Financial Statements

Continued

2.2 Basis of preparation

The consolidated financial statements have been prepared in accordance with the LPA, UK-adopted international accounting standards ("UK-IFRS") and as adopted by the Companies Act 2006, as applied to qualifying partnerships by the Partnership (Accounts) Regulation 2008, under the going concern principle on the basis that the Group has sufficient resources to continue in operation for the foreseeable future. The exemption of the Companies Act 2006 has been taken and a Statement of Comprehensive Income and a Statement of Cash Flows for the Fund have not been disclosed.

The Group has elected to present a single statement of comprehensive income and its expenses by nature.

The Group reports cash flows from operating activities using the indirect method. Interest received from cash at bank and tax paid or refunded are presented within operating cash flows.

These consolidated financial statements have been prepared under the historical cost convention with the exception of financial assets held at fair value through profit or loss that have been measured at fair value.

The preparation of consolidated financial statements in conformity with UK-IFRS requires the use of certain critical accounting estimates. It also requires the Manager to exercise its judgement in the process of applying the Group's accounting policies and making any estimates. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Further details are disclosed in Note 4.

The Manager believes that the underlying assumptions are appropriate and that the Group's financial statements are fairly presented.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

(a) Standards and interpretations in issue and adopted during the year

The Fund has adopted all standards and interpretations issued by the International Accounting Standards Board ("IASB") that are effective for annual reporting periods beginning on or after 1 January 2022.

- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16.
- Onerous Contracts – Cost of Fulfilling a Contract – Amendments to IAS 37.
- Annual Improvements to IFRS Standards 2018-2020.
- Reference to the Conceptual Framework – Amendments to IFRS 3.

The adoption of these accounting standards updates has had no material effect on the consolidated financial statements.

(b) Standards and interpretations in issue but not yet effective

- IFRS 17 'Insurance contracts' (effective 1 January 2023)

2.3 Foreign currency translation

(a) Functional and presentation currency

Contributions received from and paid to the Partners are denominated in British Pounds ("GBP" or "£"). The performance of the Group is measured and reported to the investors in GBP. The General Partner considers GBP as the currency that most faithfully represents the economic effects of the underlying transactions, events conditions. The financial statements are presented in GBP, which is also the Group's functional currency.

The presentation currency and functional currency of the Fund and the Subsidiary is the same as the presentation and functional currency of the Group.

2.4 Financial assets at fair value through profit or loss

(a) Classification

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money directly to a debtor with no intention of trading the receivable.

In accordance with IFRS 9, a debt instrument such as a loan receivable or debt security held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding generally must be classified and measured at amortised cost using the effective interest rate method, less provision for impairment. If a debt instrument is held as part of a business model whose objective is achieved by both collecting contractual cash flows and selling the debt instrument, it generally would be classified and measured at FVTPL.

Notes to the Consolidated and Unconsolidated Financial Statements

Continued

(b) Initial Recognition and subsequent measurement

In making an assessment of the objective of the business model in which a financial asset is held, the Group considers all of the relevant information about how the business is managed. The Group has determined that it has two business models.

Held-to-collect business model: this includes cash at bank and intercompany loans. These financial assets are held to collect contractual cash flow.

Other business model: this includes debt securities. These financial assets are managed and their performance is evaluated, on a fair value basis.

All other debt instruments held must be classified and measured at FVTPL.

For the year ended 31 December 2022 and the year ended 31 December 2021, all debt instruments are held in the "Other business model" category as defined above and are therefore classified and measured at FVTPL using mid prices.

(c) Impairment

The Group recognises an allowance for expected credit losses ("ECLs") for all financial assets held at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For short-term receivables and Intercompany loans, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision approach that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(d) Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expires, or it transfers to the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards or ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

2.5 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Consolidated Statement of Financial Position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.6 Cash and cash equivalents

Cash and cash equivalents are classified at amortised cost and include cash in hand with banks and other short-term highly liquid investments.

2.7 Other payables and accrued expenses

The Group classifies its other payables and accrued expenses as financial liabilities. These are initially recognised at fair value and subsequently stated at fair value. The carrying amount of payables and accrued expenses approximate their fair value.

2.8 Net assets attributable to the Partners

Net assets attributable to the Partners include contributions from Limited Partners which are the investors of the Fund.

Contribution from Limited Partners are classified as a financial liability, due to a finite life and contractual payment provisions to the Limited Partners within the LPA.

Income not distributed is included in net assets attributable to the Partners. Movement in net assets attributable to the Partners are recognised in the Consolidated Statement of Comprehensive Income.

2.9 Distributions to the Partners

The Fund's available cash attributable to operating profit shall be applied first in paying or providing for the establishment expenses, operating expenses and any other liabilities and obligations of the Partnership. All remaining cash and any partnership assets to be distributed in kind shall then be apportioned amongst the investors pro rata to their commitments and distributed in the order of priority as outlined in the LPA.

Notes to the Consolidated and Unconsolidated Financial Statements

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2.10 Repayment of Partners' loans

In accordance with the LPA, the Manager decides how and when the available income will be used including whether to repay Partners' loans or to re-invest. All income proceeds available for repayment of Partners' loans, as determined by the Manager, will be distributed as soon as reasonably practical after each Quarter Date or more frequently at the discretion of the General Partner; provided that the General Partner shall not be obliged to distribute amounts which it considers to be de minimis.

Repayments of Partners' loans shall only be made after payment of or making appropriate provision or reserve (if any) for amounts determined by the Manager to be necessary or desirable in respect of costs, expenses and liabilities (including the debts of the Fund or any portfolio vehicle) and working capital requirements of the Fund and any portfolio vehicle.

If the Manager decides to distribute income proceeds as repayment of Partners' loans, these shall be distributed in the following order of priority:

- first, to the General Partner in payment of its pro rata PPS (less any drawings on account of that pro rata proportion of the PPS already made) to the extent not already paid; and
- second, to the Limited Partner(s) pro rata to their percentage interests from time to time.

The repayment to the Partners is measured at amortised cost and calculated based on the amortised cost of the investments of the Fund as measured at the reporting date. Repayments are paid when the particular payment distribution arrangements as set out in the LPA are met.

2.11 Revenue recognition

The effective interest rate is a method calculating the amortised cost of the financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is that which exactly discounts estimated future cash payment or receipts throughout the expected life of the financial instrument, or when appropriate a shorter period, to the net carrying amount of the financial asset or financial liability.

2.12 Priority profit share

From the commencement date to and including the last day of the Investment Period, the General Partner is entitled to an annual fee ("Priority Profit Share" or "PPS") of an aggregate amount of:

0.35% per annum multiplied by the Investor's proportionate share of the net invested capital in Long Term Investments; and

0.15% per annum multiplied by the Investor's Proportionate Share of the Short Term Investments value; payable per annum quarterly in arrears.

For the period thereafter, the General Partner is entitled to 0.35% per annum multiplied by the Investor's proportionate share of the net invested capital.

(a) Calculation of the PPS

The following provisions shall apply to the calculation and payment of the PPS:

For any quarter it shall be calculated by reference to the contributions as at each quarter end. For the avoidance of doubt, no return of contributions made to the Fund or distribution of any amounts pursuant to the LPA shall be taken into account in calculating contributions;

If a financial year covers a period of more or less than 12 months, the PPS for that period shall be increased or reduced (as the case may be) pro rata to the number of days in the relevant financial period; and the PPS shall be reduced by the amount of any fee that has been paid to the Manager by any portfolio vehicles, net of any VAT.

(b) Payment of the PPS

If the net income or capital gains in any financial period are less than the PPS calculated, any deficiency (to the extent not already drawn by the General Partner) shall be paid to the General Partner as an interest-free loan.

Such payment shall not extinguish the amount of the PPS outstanding which shall be carried forward to subsequent financial periods. If any part of the PPS then unpaid can subsequently be satisfied by an allocation of net income or capital gains to the General Partner, such allocation shall be applied in the discharge of an equivalent amount of such loan. In no circumstances shall such loan be recoverable from the General Partner other than by an allocation of net income or capital gains.

The Fund shall pay the PPS to the General Partner quarterly in arrears on each payment date (or as soon as practicable thereafter). The General Partner shall be entitled to make drawings out of the Fund's cash funds on the ICD and quarterly on each payment date on account of the PPS for the quarter commencing on that date.

These costs are immediately recognised in the Consolidated Statement of Comprehensive Income as an expense.

Notes to the Consolidated and Unconsolidated Financial Statements

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2.13 Legal and professional expenses and administration fees

Legal and professional expenses are immediately recognised in the Consolidated Statement of Comprehensive Income as an expense in the year in which they are incurred.

Administration fees are paid to agents to administer the Group on behalf of the Partners. These costs are immediately recognised in the Consolidated Statement of Comprehensive Income as an expense in the year they are incurred.

2.14 Tax expense

The Fund is domiciled in the United Kingdom. Under the current laws of the United Kingdom, there are no taxes payable by the Group except for the corporate income tax incurred by the Subsidiary. Any other tax liability arising on the activities of the Fund will be borne by the individual Partners.

The current income tax charge of the Subsidiary is calculated on the basis of the tax laws enacted or substantively enacted to the date of the statement of financial position in the UK. The Manager periodically evaluates the Subsidiary's tax position with respect to situations in which applicable tax regulation is subject to interpretation, and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2.15 Going concern basis of accounting

The Manager has been monitoring, and continues to actively monitor, the Group's assets relative to contracted commitments.

The General Partner has a reasonable expectation that the Fund has adequate financial resources to continue in operational existence for a period of not less than 12 months from the date of approval of this report. They have arrived at this conclusion having confirmed that there are sufficient liquid investments that could be used to meet short-term funding requirements were they to arise. Management has also performed stress testing on revenue and investments, and reviewed revenue and ongoing expenses forecasts for the coming year, with no issues. They also note that the Fund holds no debt and is fully funded.

Accordingly, the Fund continues to adopt the going concern basis in preparing the financial statements.

2.16 Deferred tax income

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the Consolidated Statement of Financial Position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that the future taxable profit will be available against which the temporary differences can be utilised.

2.17 Investment in Subsidiary

The investment in the Fund's Subsidiary is held at cost less impairment in the Unconsolidated Statement of Financial Position of the Fund. As at 31 December 2022, the carrying value of the Subsidiary is £1 (2021: £1).

3. Financial risk management

3.1 Financial risk factors

During the year ended 31 December 2022 and the year ended 31 December 2021, the Group, through its investments in debt instruments, was exposed to a variety of financial risks, market risk (including interest rate risk and other price risk), credit risk and liquidity risk. The Group's overall risk management programme focused on the unpredictability of financial markets and sought to minimise potential adverse effects on the Group's financial performance.

A risk management framework has been established by the Manager to define the obligations and regulatory requirements for the Group and minimise the risks in investments activities.

Notes to the Consolidated and Unconsolidated Financial Statements

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3.1.1 Market risk

The investment activities of the Group are managed in accordance with the investment strategy specifically tailored for the Group's objectives. The strategy is approved by the General Partner and must comply with any authorised investments and management restrictions specified in the LPA. The Group is permitted to use derivative financial instruments to moderate certain risk exposures. This note presents information about the Group's exposure to each of the above risks. The Group uses different methods to measure different types of risks to which it is exposed. These methods include sensitivity analysis in the case of interest rate risk and ratings analysis for credit risk.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The potential market risks are price risk, currency risk and interest rate risk. The Group may use derivative instruments to manage these risks. However, the use of derivatives is limited to the investment strategy and restrictions specified in the LPA.

There were no derivatives held as at and for the year ended 31 December 2022 and the year ended 31 December 2021.

(a) Price risk

The Group is exposed to market-price risk. The risk arises from investments held for which prices in the future are uncertain (other than arising from currency risk or interest rate risk).

The Group will invest in a diversified portfolio of debt instruments. The Manager follows a rigorous investment due diligence process and considers both qualitative and quantitative criteria in the areas of financial performance, business strategy, tax and legal compliance such as financial information obtained on site visits, interviews and questionnaires together with information gathered from external sources. Prior to entering into an investment, gathered information is confirmed through reference checks or through the Manager's standing data and experience.

(b) Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group may, at the discretion of the Manager, engage in foreign exchange rate hedging for efficient portfolio management purposes. As at 31 December 2022 and 31 December 2021, the Group has no significant exposure to foreign exchange risk as all the material assets and liabilities are denominated in GBP.

(c) Interest rate risk

The Group is subject to cash flow interest rate risk due to fluctuations in the prevailing levels of market interest rates. The debt instruments have both fixed and floating interest rates.

In accordance with Group's policy, the Manager monitors the Group's overall interest sensitivity on a monthly basis, and the General Partner reviews it on a quarterly basis with reference to market interest rates.

The table overleaf summarises the Group's exposure to interest rate risk. It includes the Group's assets and liabilities, categorised by the earlier of contractual re-pricing or maturity dates.

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	Group 31 December 2022				
	Up to 1 Month £	From 1 month to 2 Years £	More than 2 Years £	Non- Interest bearing £	Total £
Assets					
Cash and cash equivalents	11,203,247	-	-	-	11,203,247
Interest receivable	-	-	-	1,851,704	1,851,704
Other receivables	-	-	-	79,257	79,257
Financial assets at FVTPL	-	24,770,684	288,708,555	-	313,479,239
Total Assets	**11,203,247**	**24,770,684**	**288,708,555**	**1,930,961**	**326,613,447**
Liabilities					
Other payables and accrued expenses	-	-	-	(622,400)	(622,400)
Net assets attributable to the Partners	-	-	-	(325,991,047)	(325,991,047)
Total Liabilities	**-**	**-**	**-**	**(326,613,447)**	**(326,613,447)**

Investment type	**Fair Value**	**Spread adjustment**	**%**	**Impact of movement in 1bps yield to Fair Value**
Investment in debt securities	313,479,239	Global interest rate curve shift + 1bps	(0.06)	(153,364)
	313,479,239			**(153,364)**

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	Group 31 December 2021				
	Up to 1 Month £	From 1 month to 2 Years £	More than 2 Years £	Non- Interest bearing £	Total £
Assets					
Cash and cash equivalents	18,138,422	-	-	-	18,138,422
Interest receivable	-	-	-	1,696,457	1,696,457
Financial assets at FVTPL	-	18,370,006	386,461,810	-	404,831,816
Total Assets	**18,138,422**	**18,370,006**	**386,461,810**	**1,696,457**	**424,666,695**
Liabilities					
Other payables and accrued expenses	-	-	-	(682,355)	(682,355)
Net assets attributable to the Partners	-	-	-	(423,984,340)	(423,984,340)
Total Liabilities	**-**	**-**	**-**	**(424,666,695)**	**(424,666,695)**

Investment type	Fair Value	Spread adjustment	%	Impact of movement in 1bps yield to Fair Value
Investment in debt securities	404,831,816	Global interest rate curve shift + 1bps	(0.08)	(266,811)
	404,831,816			**(266,811)**

Interest rate benchmark reform

During the year ended 31 December 2021, the Fund had exposure to Sterling LIBOR. As at 31 December 2021, the Fund had fully transitioned to alternative rates.

3.1.2 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group is exposed to counterparty credit risk on parties with whom it trades and bears the risk of settlement default. The extent of the Group's exposure to counterparty credit risk in respect of these financial assets approximates their carrying value as recorded in the Consolidated Statement of Financial Position.

The carrying amount of financial assets best represents the maximum credit risk exposure at the Consolidated Statement of Financial Position date. At the year end, the Group's financial assets exposed to credit risk amounted to the following:

	Group 31 December 2022 £	Group 31 December 2021 £
Cash and cash equivalents	11,203,247	18,138,422
Interest receivable	1,851,704	1,696,457
Other receivables	79,257	-
Total Assets	**13,134,208**	**19,834,879**

All receivables are not past due and it is believed that the risk of default is low and the capital repayments and interest payment will be made in accordance with the agreed terms and conditions.

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As at 31 December 2022, no loans are past due or impaired. As at 31 December 2021, with the exception of INTU, no loans were past due or impaired.

Commercial Real Estate Loans are secured against commercial real estate, Infrastructure and Private Placement loans are secured against cash flows of assets to which the Fund has priority in the event of default. All investments are considered to be investment grade. Please refer to the Market and Strategic commentary section which provides details on the credit ratings of the investments.

At 31 December 2022 and 31 December 2021, the Group maintains the majority of its cash equivalents at Aberdeen Liquidity Fund (Lux)- Sterling Income Fund which complies with the applicable regulatory and rating agency frameworks, and the Institutional Money Market Funds Association Code of Conduct, and which is rated AAAmmf (2021: AAAmmf) by Fitch.

During the year ended 31 December 2022 and 31 December 2021, the Fund invested in intercompany loans with the Subsidiary. As at 31 December 2022, the intercompany loans with the Subsidiary were fully repaid. Please refer to Note 8 for further details on the intercompany loans receivable.

3.1.3 Liquidity risk

Liquidity risk is the risk that the Group may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Group may periodically invest in loans and advances traded over the counter or that are not traded in an organised market and may be illiquid. As a result, the Group may not be able to quickly liquidate its investments in these instruments at an amount close to their fair value in order to meet significant unplanned liquidity requirements, or be able to respond to specific events such as deterioration in the creditworthiness of any particular issuer.

The Group manages its liquidity risk in the following way:

The Manager is responsible for ensuring appropriate levels of liquidity are held within the Group on a day-to-day basis. In case derivative financial instruments are held, the Manager is also required to maintain an appropriate level of liquid assets for the purpose of meeting margin and collateral calls. Any significant liquidity risk issues are reported to the "Risk and Exposures Committee" of the Manager and formally discussed with the Heads of Desks at the quarterly portfolio reviews.

As at 31 December 2022, the Group's financial liabilities classified into relevant maturity groupings based on the remaining period to the contractual maturity date were as follows:

	Group 31 December 2022			
	Up to 1 Month £	1 month to 1 Year £	Over 1 Year £	Total £
Liabilities				
Other payables and accrued expenses	(622,400)	-	-	(622,400)
Net assets attributable to the Partners	-	-	(325,991,047)	(325,991,047)
Total Liabilities	**(622,400)**	**-**	**(325,991,047)**	**(326,613,447)**

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As at 31 December 2021, the Group's financial liabilities classified into relevant maturity groupings based on the remaining period to the contractual maturity date were as follows:

	Group 31 December 2021			
	Up to 1 Month £	1 month to 1 Year £	Over 1 Year £	Total £
Liabilities				
Other payables and accrued expenses	(682,355)	-	-	(682,355)
Net assets attributable to the Partners	-	-	(423,984,340)	(423,984,340)
Total Liabilities	**(682,355)**	-	**(423,984,340)**	**(424,666,695)**

As at 31 December 2022, the Group held £276,915,691 in debt securities that it considered to be illiquid (2021: £351,115,877).

As at 31 December 2022, the Fund has total capital commitment from its Limited Partners of £420,800,000 (2021: £420,800,000). As at 31 December 2022, capital distributed to investors was £32,101,008 (2021: £16,074,361) and the commitment outstanding was £388,698,992 (2021: £404,725,639). No commitment remains undrawn as at 31 December 2022 and 31 December 2021.

Please refer to Note 3.1.1(c) for details of the maturity dates of the Group's assets.

3.2 Capital risk management

The capital of the Fund is represented by the net assets attributable to the Partners. The Group's objective when managing the capital is to safeguard the ability to continue as a going concern in order to provide returns to the Partners and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Group. In order to maintain or adjust the capital structure, the General Partner may call unfunded commitment from the Limited Partners or distribute partnerships to the Limited Partners.

The General Partner monitors capital on the basis of the value of net assets attributable to the Partners.

3.3 Fair Value of Financial Instruments

The Group classifies financial instruments measured at fair value using a fair value hierarchy. The fair value hierarchy has the following categories:

Level 1: Quoted prices for identical instruments in active markets

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis. The Fund does not adjust the quoted price for these instruments.

Level 2: Valuation techniques using observable inputs

This category includes instruments valued using: quoted prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. Valuation techniques used for non-standardised financial instruments, include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity determined inputs.

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Level 3: Valuation techniques using significant unobservable inputs

This category includes all instruments where the valuation techniques used include inputs not based on market data and these inputs could have a significant impact on the instrument's valuation.

This category also includes instruments that are valued based on quoted prices for similar instruments where significant entity determined adjustments or assumptions are required to reflect differences between the instruments and instruments for which there is no active market. The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement.

The Group uses proprietary discounted cash flow valuation models. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates or are estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for the selection of the appropriate valuation model to be used and determination of expected future cash flows on the financial instrument being valued. Model inputs and values are calibrated against historical data and published forecasts and, when possible, against current or recent observed transactions. This calibration process is inherently subjective and it yields ranges of possible inputs and estimates of fair value, and management judgement is required to select the most appropriate point in the range.

The following table is a summary of the Group's financial assets and financial liabilities carried at fair value as at 31 December 2022:

	Group			
	Level 1 £	Level 2 £	Level 3 £	Total £
Financial assets mandatorily measured at FVTPL				
Infrastructure Debt	-	2,538,884	85,101,474	87,640,358
Corporate Debt	-	34,024,664	103,951,840	137,976,504
Commercial Real Estate Debt	-	-	87,862,377	87,862,377
Total	**-**	**36,563,548**	**276,915,691**	**313,479,239**

The following table is a summary of the Group's financial assets and financial liabilities carried at fair value as at 31 December 2021:

	Group			
	Level 1 £	Level 2 £	Level 3 £	Total £
Financial assets mandatorily measured at FVTPL				
Infrastructure Debt	-	3,297,266	104,675,567	107,972,833
Corporate Debt	-	50,418,673	132,256,740	182,675,413
Commercial Real Estate Debt	-	-	114,183,570	114,183,570
Total	**-**	**53,715,939**	**351,115,877**	**404,831,816**

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The following table shows a reconciliation of all investments categorised within Level 3 during the year:

	2022 Level 3 £	2021 Level 3 £
Opening balance	**351,115,877**	**337,561,829**
Total loss recognised in profit or loss	(66,593,554)	(9,077,964)
Purchases	18,350,947	30,583,455
Sales/paydowns	(25,957,579)	(7,951,443)
Closing balance	**276,915,691**	**351,115,877**

The change in unrealised gains or losses for the year included in the profit or loss relating to those assets and liabilities held at 31 December 2022 were (£66,593,554) (2021: (£9,077,964)) and are recognised in the Consolidated Statement of Comprehensive Income within net gain on financial instruments at FVTPL.

Significant unobservable inputs used in measuring fair value

The table below sets out information about significant unobservable inputs used at 31 December 2022 in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

As at 31 December 2022

Investment type	Fair Value £	Valuation technique	Unobservable input	Shock range of unobservable inputs utilised	Sensitivity of fair value to changes in unobservable inputs* FV increase	Sensitivity of fair value to changes in unobservable inputs* FV decrease
Infrastructure Debt	85,101,474	Discounted Cash Flow	Yield of comparable gilt (chosen by comparing WAL of the loans, maturity of the gilt)	+/-100bps	6,304,222	(5,603,758)
Corporate Debt	103,951,840	Discounted Cash Flow	Yield of comparable gilt (chosen by comparing WAL of the loans, maturity of the gilt)	+/-100bps	8,624,890	(7,746,800)
Commercial Real Estate Debt	87,862,377	Discounted Cash Flow	Movement in base rate and spread	+/-35bps	1,023,299	(1,023,299)
			Property valuation sensitivity analysis (Market value)	+/-5bps	1,041,069	(1,041,069)

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The table below sets out information about significant unobservable inputs used at 31 December 2021 in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

As at 31 December 2021

Investment type	Fair Value £	Valuation technique	Unobservable input	Shock range of unobservable inputs utilised	Sensitivity of fair value to changes in unobservable inputs* FV increase	Sensitivity of fair value to changes in unobservable inputs* FV decrease
Infrastructure Debt	104,675,567	Discounted Cash Flow	Yield of comparable gilt (chosen by comparing WAL of the loans, maturity of the gilt)	+/-65bps	7,027,783	(6,415,777)
Corporate Debt	132,256,740	Discounted Cash Flow	Yield of comparable gilt (chosen by comparing WAL of the loans, maturity of the gilt)	+/-65bps	5,870,721	(7,973,268)
Commercial Real Estate Debt	114,183,570	Discounted Cash Flow	Movement in base rate and spread	+/-35bps	1,619,199	(1,619,199)
			Property valuation sensitivity analysis (Market value)	+/-5bps	1,621,710	(1,621,710)

4. Critical accounting estimates and judgements

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the financial period. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Investment entity status

The Fund was set up with an intention to have multiple investors and to hold multiple investments. Ownership interests in the Fund are in the form of the Partner's share of capital in the Fund and are exposed to variable returns from changes in the fair value of the Fund's net assets. The Fund meets the definition of an investment entity per IFRS 10 'Consolidated Financial Statements', as follows:

i. The Fund has obtained funds for the purpose of providing investors with investment management services;

ii. The Fund's business purpose, which was communicated directly to investors via the LPA, is providing Partners with an overall rate of return from investments by means of both income and capital growth; and

iii. The performance of investments made is measured and evaluated on a fair value basis.

As at 31 December 2022 and 31 December 2021, the Fund qualifies for the definition of an investment entity as, substantially, all the assets are carried at fair value, however, the Fund is not exempt from consolidation as the Subsidiary provides services that relate to the Fund's investment activities. On this basis, the Fund must prepare consolidated financial statements for the activities of the Group.

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4.2 Fair value of investments not quoted in an active market

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets that are not traded in an active market is determined using valuation techniques. Where the active price are not available the Group values its investments using discounted cash flow analysis, the inputs and assumption used in the valuation are disclosed in Note 3 of the consolidated financial statements.

Notwithstanding this basis of valuation, the eventual realisation proceeds will inevitably differ from the valuation and those differences could be significant.

5. Financial assets at fair value through profit or loss

The tables below sets out the classifications of the carrying amounts of the Group's financial assets and financial liabilities into categories of financial instruments as at 31 December 2022.

	Group 31 December 2022 £	Fund' 31 December 2022 £
Financial assets mandatorily measured at FVTPL		
Infrastructure Debt	87,640,358	87,640,358
Corporate Debt	137,976,504	137,976,504
Commercial Real Estate Debt	87,862,377	87,862,377
Total	**313,479,239**	**313,479,239**

	Corporate Debt £	Commercial Real Estate Debt £	Infrastructure Debt £	Group Total £
Opening balance	182,675,413	114,183,570	107,972,833	404,831,816
Additions	5,000,000	-	13,350,947	18,350,947
Loans Repayments/Paydown	(4,816,429)	(19,776,681)	(5,332,206)	(29,925,316)
Realised losses on investments during the year	(6,829,396)	-	-	(6,829,396)
Unrealised losses on investments during the year	(38,249,515)	(6,544,512)	(28,351,216)	(73,145,243)
Amortisation	196,431	-	-	196,431
Total	**137,976,504**	**87,862,377**	**87,640,358**	**313,479,239**

The tables below sets out the classifications of the carrying amounts of the Group's financial assets and financial liabilities into categories of financial instruments as at 31 December 2021.

	Group 31 December 2021 £	Fund 31 December 2021 £
Financial assets mandatorily measured at FVTPL		
Infrastructure Debt	107,972,833	107,972,833
Corporate Debt	182,675,413	182,675,413
Commercial Real Estate Debt	114,183,570	114,183,570
Total	**404,831,816**	**404,831,816**

Notes to the Consolidated and Unconsolidated Financial Statements

Continued

	Corporate Debt £	Commercial Real Estate Debt £	Infrastructure Debt £	Structured Credit £	Group Total £
Opening balance	137,243,021	114,317,386	112,848,238	73,691,009	438,099,654
Additions	50,449,014	5,588,348	3,795,108	-	59,832,470
Loans Repayments/Paydown	(1,126,866)	(2,137,208)	(4,957,039)	(73,850,563)	(82,071,676)
Realised gains on investments during the year	-	-	-	110,861	110,861
Unrealised losses on investments during the year	(3,485,192)	(3,584,956)	(3,713,474)	(198,391)	(10,982,013)
Amortisation	(404,564)	-	-	247,084	(157,480)
Closing balance	**182,675,413**	**114,183,570**	**107,972,833**	**-**	**404,831,816**

6. Net loss on financial instruments at fair value through profit or loss

	Group 31 December 2022 £	Group 31 December 2021 £
Net realised (loss)/gain on investments held at FVTPL	(6,829,396)	110,861
Net unrealised loss on investments held at FVTPL	(73,145,243)	(10,982,013)
Net loss on financial instruments at FVTPL	**(79,974,639)**	**(10,871,152)**

7. Cash and cash equivalents

As at 31 December 2022, cash and cash equivalents is as follows:

	Group 31 December 2022 £	Fund 31 December 2022 £
Cash at Bank	3,301,247	3,301,247
Aberdeen Liquidity Fund (Lux)-Sterling Income Fund	7,902,000	7,902,000
Total	**11,203,247**	**11,203,247**

As at 31 December 2021, cash and cash equivalents is as follows:

	Group 31 December 2021 £	Fund 31 December 2021 £
Cash at Bank	2,009,696	1,830,134
Aberdeen Liquidity Fund (Lux)-Sterling Income Fund	16,128,726	-
Total	**18,138,422**	**1,830,134**

Notes to the Consolidated and Unconsolidated Financial Statements

Continued

8. Intercompany loans receivable

The Fund has approved the following loans to the Subsidiary:

	Fund 31 December 2022 £	Fund 31 December 2021 £
Interest bearing SLI Secure Credit (Investments) Limited inter-company loan	-	11,807,435
0% SLI Secure Credit (Investments) Limited inter-company loan	-	2,083,665
Interest receivable	-	344,261
Loans at amortised cost and respective interest	**-**	**14,235,361**

As at 31 December 2022, the intercompany loans with the Subsidiary were fully repaid.

9. Other payables and accrued expenses

As at 31 December 2022, other payables and accrued expenses are as follows:

	Group 31 December 2022 £	Fund 31 December 2022 £
Accrued priority profit share	329,577	329,577
Accrued administration fees	29,331	29,331
Accrued depositary fees	57,985	57,985
Accrued audit fees	33,600	33,600
Other accrued expenses/payables	171,907	171,908
Total	**622,400**	**622,401**

As at 31 December 2021, other payables and accrued expenses are as follows:

	Group 31 December 2021 £	Fund 31 December 2021 £
Accrued priority profit share	352,216	352,216
Accrued administration fees	31,456	25,176
Accrued depositary fees	93,670	42,821
Accrued audit fees	44,640	28,800
Other accrued expenses/payables	160,373	157,089
Total	**682,355**	**606,102**

Notes to the Consolidated and Unconsolidated Financial Statements

Continued

10. Interest Income

	Group Year ended 31 December 2022 £	Group Year ended 31 December 2021 £
Interest on loans and debt securities	10,820,711	9,903,343
Interest on asset backed securities	-	83,052
Interest on money market fund	128,611	13,017
Interest on cash	15,022	75
Total	**10,964,344**	**9,999,487**

11. Administration and depositary fees

	Group Year ended 31 December 2022 £	Group Year ended 31 December 2021 £
Administration fees	116,018	129,102
Depositary fees	7,700	98,320
Corporate Trust fees	70,534	79,137
Total	**194,252**	**306,559**

12. Legal and professional fees

	Group Year ended 31 December 2022 £	Group Year ended 31 December 2021 £
Audit fees	45,600	45,808
Loans administration fees	54,544	95,419
Tax advisory fee	5,926	7,953
Legal fees	4,500	-
FATCA fees	1,950	1,469
Total	**112,520**	**150,649**

The audit fee for the Group is £38,000 (2021: £38,173) plus VAT of £7,600 (2021: £7,635).

13. Corporation tax

	Group Year ended 31 December 2022 £	Group Year ended 31 December 2021 £
Corporate tax (United Kingdom)	(14,217)	-
Total Corporate tax expense	**(14,217)**	**-**

The tax rate used is 19%, which is the corporate income tax rate applicable in the United Kingdom.

Notes to the Consolidated and Unconsolidated Financial Statements

Continued

	Group Year ended 31 December 2022 £	Group Year ended 31 December 2021 £
Profit/(loss) before tax of the Subsidiary	74,833	(30,030)
Current tax at 19%	14,218	(5,706)
Effects of:		
Other adjustments	(1)	5,706
Tax for the year	**14,217**	-

14. Net assets attributable to the Partners

The movement in the net assets attributable to the Partners at Fund level are as follows:

	31 December 2022 £	31 December 2021 £
Net assets attributable to the Partners as at start of the year	423,984,340	450,646,210
Capital withdrawal	(16,026,647)	(16,074,361)
Net decrease in Partners' transactions	**(16,026,647)**	**(16,074,361)**
Decrease in net assets attributable to the Partners from operations	(81,966,646)	(10,587,509)
Net assets attributable to the Partners as at end of the year	**325,991,047**	**423,984,340**

15. Related parties

The related parties the Group interacted and/or transacted with during the year are the following:

- Standard Life Investments Private Capital (General Partner SCF I) Limited;
- Aberdeen Standard Alternative Funds Limited (Manager)
- abrdn Investment Management Limited (Asset Manager)
- Standard Life Staff Pension Scheme (Initial Limited Partner)
- Aberdeen Standard Investment Liquidity Fund (Lux)-(Sterling Income Fund)

The transactions during the year and outstanding balances as at 31 December 2022 with related parties are the following:

- Transactions and balances with the General Partner concern the priority profit share. The priority profit share earned in respect of the year was £1,335,638 (2021: £1,417,646). The amount unpaid as at 31 December 2022 was £329,577 (2021: £352,216).
- Standard Life Staff Pension Scheme is a Standard Life Aberdeen Plc defined benefit pension plan invested in investment vehicles managed by Standard Life Aberdeen Plc. Its holding in the Fund as at 31 December 2022 was £77,469,355 (2021: £100,756,735).
- As at 31 December 2022, the Group held £7,902,000 (2021: £16,128,726) in Aberdeen Liquidity Fund (Lux)-Sterling Income Fund. This holding is included within the cash and cash equivalents line in the Consolidated Statement of Financial Position. The Fund earned interest income on this holding of £128,611 (2021: £13,017) for the year ended 31 December 2022.
- As at 31 December 2022, the Fund has approved Nil (2021: two) loans to the Subsidiary. See Note 8 for specific details on the loans.
- The Fund holds the equity interests in the Subsidiary. As at 31 December 2022, the intercompany share capital payable is £1 (2021: £1).

Notes to the Consolidated and Unconsolidated Financial Statements

Continued

16. Contingencies and commitments

As at 31 December 2022, the Group does not have any external borrowings or contingencies. The Group has the following outstanding investment commitments:

- Infra 5 (Transportation) £1.03m

17. Significant events

As at 30 August 2022, the Directors of the Subsidiary have resolved to strike off the Subsidiary.

There were no other significant events during the year.

18. Events after the reporting date

The outsourcing of Transfer Agency and Administrator services to BNY Mellon Fund Services (Ireland) DAC for the Fund are in the process of being transitioned to Brown Brothers Harriman (Luxembourg) S.C.A., with Depositary being transitioned from The Bank of New York Mellon (International) Limited to State Street Trustees Limited. The new providers will be conducting their services from the beginning of Quarter 2 2023 onwards.

During March 2023, Silicon Valley Bank ("SVB") and Signature Bank were closed by the US regulator as a result of mounting losses, a loss in consumer confidence and a lack of liquidity. In mid-March, Credit Suisse also experienced financial difficulty and was subsequently acquired by UBS.

The Fund does not have any known exposure to SVB, Signature Bank or Credit Suisse and is actively managing its banking exposures and of the counterparties that it works with. The impacts continue to be assessed and monitored and as at the date of this report, the direct impact on the Fund of these banking failures is not expected to be significant.

There were no other significant events after the Consolidated Statement of Financial Position date.

19. Approval of the financial statements

The Board of Directors of the General Partner approved the Consolidated Financial Statements on 31 March 2023.

The Limited Partnership, General Partner, Manager and Advisers

The Limited Partnership

Aberdeen Standard Secure Credit LP

1 George Street
Edinburgh, EH2 2LL
Scotland

Manager[1]

abrdn Alternative Funds Limited

1 George Street
Edinburgh, EH2 2LL
Scotland

General Partner

SLIPC (General Partner SCF I) Limited

1 George Street
Edinburgh, EH2 2LL
Scotland

Directors:

Douglas Carrie (British)
Dr. Gordon Fischbacher (British)
Ronan Melia (Irish)

Company Secretary:

abrdn Corporate Secretary Limited
1 George Street
Edinburgh, EH2 2LL
Scotland

Transfer Agent and Administrator

BNY Mellon Fund Services (Ireland) DAC

One Dockland Central
Guild Street
IFSC
Dublin 1
Ireland

Independent Auditor

KPMG LLP

Saltire Court, 20 Castle Terrace
Edinburgh, EH1 2EG
Scotland

Asset Manager

abrdn Investment Management Limited

1 George Street
Edinburgh, EH2 2LL
Scotland

Depositary[2]

The Bank of New York Mellon (International) Limited

One Canada Square
160 Queen Victoria Street, London,
England, EC4V 4LA

Legal Adviser

Macfarlanes LLP

20 Cursitor Street
London, EC4A 1LT
England

[1] Effective 25 November 2022, abrdn Alternative Funds Limited changed its name from Aberdeen Standard Alternative Funds Limited.
[2] Effective 30 September 2022, The Bank of New York Mellon (International) Limited changed its address to 160 Queen Victoria Street, London, England, EC4V 4LA.

Appendix I: Risk Exposures and Risk Management Policies (unaudited)

Risk Management function

abrdn is committed to building and continuously improving a sound and effective system of internal control and a Risk Management framework that is embedded within its operations; this is the first line of defence.

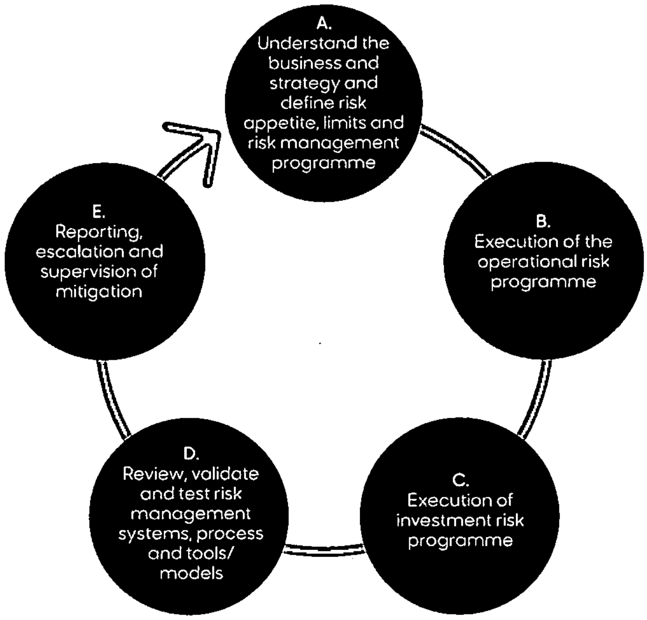
abrdn's Risk Division, as the second line of defence, exists to support management in the identification and mitigation of risks and provides independent monitoring of the business. The Risk Division includes vector-aligned CRO teams providing operational risk and compliance activities, along with centralised specialist teams covering Investment Risk, Anti-Financial Crime and Enterprise Risk. The team is headed by the abrdn's Chief Risk Officer, who reports to the Chief Executive Officer. The Risk Division achieves its objective through embedding the Risk Management framework throughout the organisation using abrdn's operational Risk Management system (SHIELD).

abrdn's Internal Audit Department is independent of the Risk Division and reports to the CEO and the Chair of the Audit Committee of the Board of Directors. The Internal Audit Department is responsible for providing an independent assessment of the control environment; it is abrdn's third line of defence.

abrdn's corporate governance structure is supported by several committees that bring together subject matter experts from different departments, to assist abrdn's Board of Directors, its subsidiaries and the funds to fulfil their roles and responsibilities. The Risk Division is represented on all committees, with the exception of those that deal with investment recommendations. The specific goals and guidelines on the functioning of those committees are described in their respective terms of reference.

Risk Management programme

The Risk Management programme is typically aligned with the valuation and reporting cycle of the funds and can be summarised broadly in five steps, see the chart below.



The first step of the programme allows the Risk Management team to identify, assess and understand the inherent risks of the fund and to define the risk management programme. This step allows the Risk Management team to understand potential changes in the risk profile of the fund and to focus and adapt their level of analysis to the most significant risks. The operational risk programme execution allows the risk teams to assess whether the internal controls mitigating those risks are sufficient and effective. Further, the execution of the investment risk programme relates to the identification and measurement of risks embedded in the investments of the fund. The review of the risk management systems allows the risk teams to confirm whether the processes are operating as described in the procedures and whether they are still fit for purpose.

The review of the risk management systems, processes and tools results of the independent risk assessment are escalated to the relevant committees and boards which are responsible for overseeing how the business implements the necessary mitigating actions.

Appendix I: Risk Exposures and Risk Management Policies (unaudited)

Continued

Description of the process of identifying, assessing and managing risks

- **Market risk:** Means the risk that economic, market or idiosyncratic events cause a change in the market value of a fund's assets. The market risk is monitored through various techniques including computation of the level of leverage by both the gross and net approach, scenario analysis, concentration analysis and duration. The market risk linked to the concentration risk is mitigated through investment restrictions set according to the basic principle of diversification.
- **Liquidity risk:** abrdn has a Liquidity Risk Management Policy in place applicable to the funds set out in accordance with its overall Risk Management Process, relative to the size, scope and complexity of the funds. Liquidity risk is monitored on both the asset and liability with the objective of assessing any potential mismatch. abrdn employs a number of methods to estimate the time to liquidate the underlying assets under both normal and stressed market conditions. In addition, the Risk Management team performs periodic analysis in respect of the shareholder concentration and transactional behaviour, including sensitivity analysis/ stress testing. For funds which are unleveraged and closed ended, limited liquidity monitoring is conducted. For those funds which employ leverage, liquidity is monitored continuously to ensure ongoing compliance with internal liquidity limits and with external regulatory requirements. For open-ended funds, investor transactions and behaviour are examples of main drivers of liquidity risk. In this context, the articles and prospectuses contain certain key provisions, limits and/ or tools which provide protection to the funds and ultimately investors, in situations where liquidity might become a concern. The adequacy of these liquidity management provisions, limits and tools are monitored by the Investor Protection Committee (IPC).
- **Sustainability risk:** ESG risk factors are integrated in the investment management process through an internally developed ESG Risk Rating Framework. The Framework is designed to help focus the knowledge and expertise of credit analysts in a systematic way to substantiate the overall ESG Risk Rating (low/medium/high) assigned to debt issuers. The assessment is made at the time of underwriting and re-assessed at least annually as part of the annual credit rating review. The ESG Risk Rating is representing how impactful the team believes ESG risks are likely to be to the credit quality of the issuer now and in the future - a 'high' ESG risk rating indicates that there are potentially significant risks whose impact and timing could negatively impact the credit profile.
- **Counterparty/Credit risk:** Is the risk that an underlying issuer may be unable (or unwilling) to make a payment or to fulfil their contractual obligations. This may materialise as an actual default or, or to a lesser extent, by a weakening in a counterparty's credit quality. Credit and counterparty risk arises mainly from cash and cash equivalent accounts or derivative transactions. abrdn has a Global Counterparty Credit Risk Policy (GCCP) in place to ensure appropriate management of credit risk and standards for approving trading counterparties. The policy is reviewed and approved by the Counterparty and Credit Risk Forum Credit Committee on at least an annual basis. Transactions involving derivatives are only entered with approved counterparties and if the terms of the bilateral agreements and collateral terms are in line with abrdn Derivative Management Policy. This process is overseen by the Derivative Management Forum.
- **Legal risk:** All key contractual arrangements entered into by the funds are reviewed by the internal Legal team and, where required, by external legal counsel. If these contracts refer to delegation arrangements, where applicable, there is an operating memorandum defining information flows between the parties, frequency of services and deadlines, a clear attribution of rights and responsibilities of each party and, when applicable, the key performance indicators to measure performance. Any litigation issues are also handled by the internal Legal team, which would provide updates to the Risk Management team on any existing litigation, status of the litigation and the extent of any impact to the funds.
- **Tax risk:** The internal Tax team is supported by external tax consultants to advise on tax structuring, transactions and tax reporting.
- **Operational risk:** The Operational Risk Management Framework ensures that the operational risks taken and their contribution to the overall risk profile are accurately measured on the basis of sound and reliable data and that the risk measurement arrangements, processes and techniques are adequately documented. The identification, measurement, management and monitoring of operational risk within abrdn are achieved through the use of the Operational Risk Management Framework System, SHIELD. This system provides the following key Risk Management Modules:
  - *Events & Losses:* This module serves as a historical loss database, in which any operational failures, loss and damage experience (Events) will be recorded. The records include professional liability damages. The process for recording, investigation and mitigation of Events aims to ensure that they are not repeated.

Appendix I: Risk Exposures and Risk Management Policies (unaudited)

Continued

- *Issues and Actions:* The issues and actions module provides a standardised mechanism for identifying, prioritising, classifying, escalating and reporting internal audit findings and other on-going/unresolved matters impacting abrdn from a risk or regulatory perspective (Issues).
- *Risk and Control Self-Assessment (RCSA):* The RCSA process is to ensure key risks and key controls are identified and managed effectively in order to satisfy, where applicable, Internal Capital Adequacy (ICAAP) requirements. The RCSA also provides a systematic and holistic means of identifying risk and control gaps that could impact business or process objectives which are agreed by Senior Management to complete.

Measuring risk

Where appropriate abrdn applies the following measurements for each fund:

- **Leverage:** If applicable, measures the effect of gearing a fund's expected performance by allowing a fund to gain greater exposure to underlying investment opportunities (gains and losses). The higher the leverage the greater the risk (potential loss).
- **Stress test and scenario analysis:** Captures how much the current portfolio will lose if certain market conditions occur.
- **Concentration:** By grouping the portfolio through various different exposures: geography, sector, issuer, etc., to identify where concentration risk exists.
- **Counterparty Credit Risk:** Assesses whether an issuer is unable (or unwilling) to make a payment or to fulfil their contractual obligations. This may materialise as an actual default or, or to a lesser extent, by a weakening in a counterparty's credit quality.
- **Alignment of asset/liability liquidity terms:** Assesses whether the fund has enough liquidity to cover its short term liabilities and whether the maturity of the remaining fund liabilities are aligned with the asset liquidity profile under both normal and stressed market conditions.
- **Activities to measure sustainability risks:** Monitoring adherence to any sustainability risk restrictions/ guidelines and ESG performance, where applicable.
- **Activities to measure operational risks:** Inquires to legal and tax teams on litigations and tax developments impacting the funds. Assessments of investor satisfaction. Understanding processes related to NAV production, investing and monitoring of investments. Analysis of SHIELD Events and Issues, etc.

For some of the risk measurements above, the Board of Directors and Risk Management team will determine and set specific risk limits, which will be appropriate for each fund.

Escalation and reporting

abrdn recognises timely and adequate reporting measures as well as escalation channels to be key components of the control process and management of risk.

The Risk Management team provides regular updates to the Board/Senior Management on the adequacy and effectiveness of the Risk Management Process indicating, where applicable, actual or anticipated deficiencies and the remedial measures.

Risks identified at the level of the funds are reported to the Board of each fund, to the Board of the Manager and to the relevant Committee.

In addition, all issues and events impacting any abrdn entity or the funds are logged in SHIELD, by the relevant area within the prescribed time limits.

Appendix II: Alternative Investment Fund Managers Directive (unaudited)

Remuneration Policy

The abrdn plc Remuneration Policy applies with effect from 1 January 2022. The purpose of the abrdn plc Remuneration Policy (the "Policy") is to document clearly the remuneration policies, practices and procedures of abrdn as approved by the abrdn plc Remuneration Committee (the "Committee"). The Policy is available on request.

The Policy applies to employees of the abrdn group of companies ("Group" or "abrdn") including AIFMD Management Companies ("ManCos") and the AIFMD funds that the ManCo manages.

Remuneration Principles

abrdn applies Group wide principles for remuneration policies, procedures and practices ensuring that:

- Remuneration within the Group is simple, transparent and fair.
- Our Policy supports our long-term strategy by reinforcing a performance-driven culture. It aligns the interests of our employees, shareholders and, importantly, our clients/customers.
- Our remuneration structure recognises the different challenges and priorities of roles and Vectors and Functions across the organisation as appropriate.
- Remuneration policies, procedures and practices promote good conduct, including sound and effective risk management and do not encourage risk taking that exceeds the level of tolerated risk appetite.
- Remuneration extends beyond the provision of fixed and variable pay, with a focus on the retirement provision and the wellbeing needs of our employees, as part of our remuneration philosophy. Total remuneration delivered is affordable for the Group.

Remuneration Framework

Employee remuneration is composed of fixed and variable elements of reward as follows:

a. Fixed reward (fixed remuneration: salary and cash allowances, if appropriate); and Benefits (including pension).
b. Variable reward (bonus, a proportion of which may be subject to retention or deferral depending on role and regulatory requirements; and senior employees may also be awarded a long-term incentive award).

Appropriate ratios of fixed: variable remuneration will be set to as to ensure that:

a. Fixed and variable components of total remuneration are appropriately balanced and
b. The fixed component is a sufficiently high proportion of total remuneration to allow abrdn to operate a fully flexible policy on variable remuneration components, including having the ability to award no variable remuneration component in certain circumstances where either individual and/or Group performance does not support such award.

Base salary	Base salary provides a core reward for undertaking the role and depending on the role, geographical or business market variances or other indicators, additional fixed cash allowances may make up a portion of fixed remuneration. Periodic reviews take into account the employee's role, scope of responsibilities, skills and experience, salary benchmarks (where available) and, where relevant, any local legislative or regulatory requirements.
Benefits (including retirement benefit where appropriate)	Benefits are made up of core benefits which are provided to all employees; and extra voluntary benefits that may be chosen by certain employees which may require contribution through salary sacrifice or other arrangements. *Retirement benefits are managed in line with the relevant legislative requirements and governance structures. In certain, very* limited circumstances, a cash allowance may be offered in lieu of a retirement arrangement.

Appendix II: Alternative Investment Fund Managers Directive (unaudited)

Continued

Annual Performance Bonus Awards	Employees who have been employed during a performance year (1 January to 31 December) may be eligible to be considered for an annual bonus in respect of that year. Annual bonuses are based upon Group, Vector, Function, Team and Individual performance (with individual performance assessed against agreed goals and behaviours). The variable remuneration pool for all eligible employees, including Identified Staff or Material Risk Takers ("MRTs"), is determined initially by reference to profitability and other quantitative and qualitative financial and non-financial factors including risk considerations (on an ex-post and ex-ante basis). In reaching its final funding decision, the Committee exercises its judgement to ensure that the outcome reflects holistic Company performance considerations. abrdn Alternative Funds Limited has specific obligations to act in the best interests of the AIFMD funds it manages and its investors. Accordingly, the performance of the underlying funds and the interests of investors (including, where relevant, investment risk) are also taken into account as appropriate. The Risk and Capital Committee and the Audit Committee formally advise the Committee as part of this process. The overall bonus pool is allocated to vectors and functions based on absolute and relative performance for each vector and function, and their alignment with strategic priorities and risk considerations. Allocation by region and subdivision/team is determined on a discretionary basis by the vector, regional and functional heads based on the absolute and relative performance of the constituent teams and alignment with strategic priorities. Individual annual bonus awards are determined at the end of the 12-month performance period with performance assessed against financial and nonfinancial individual objectives, including behaviour and conduct. Individual awards for Identified Staff are reviewed and approved by the Committee (with some individual award approvals delegated, as appropriate, to the Group's Compensation Committee, over which the Committee retains oversight). In carrying out these approvals, the Committee seeks to ensure that outcomes are fair in the context of overall Group performance measures and adjusted, where appropriate, reflect input from the Risk and Capital Committee and the Audit Committee. Variable remuneration awards are subject to deferral for a period of up to three years. A retention period may also be applied as required by the relevant regulatory requirements. Deferral rates and periods comply, at a minimum, with regulatory requirements and may exceed these. In addition to the application of ex-ante adjustments described above, variable remuneration is subject to ex-post adjustment (malus/clawback arrangements).
Other elements of remuneration - selected employees	The following remuneration arrangements may be awarded in certain very limited circumstances: **Carried Interest Plans** - These arrangements are designed to reward performance in roles where a carried interest plan is appropriate. Selected employees are granted carried interest shares in private market funds established by the Group. **Buy-Out Awards/Guaranteed Bonuses** - These are intended to facilitate/support the recruitment of new employees. Buy-outs are not awarded, paid or provided unless they are in the context of hiring new employees. Guaranteed bonuses are not awarded, paid or provided unless they are exceptional and in the context of hiring new employees and limited to the first year of service. These awards are only made where such a payment or award is permitted under any relevant remuneration regulations and are designed to compensate for actual or expected remuneration foregone from previous employers by virtue of their recruitment. **Retention and Special Performance Awards/LTIP** - Supports retention and/or the delivery of specific performance outcomes. The Company may determine that it is appropriate to grant an exceptional award in limited circumstances. Awards are structured to deliver specific retention and/or performance outcomes. Retention and/or special performance awards comply with all relevant regulatory requirements. **Severance Pay** - Payment made to support an employee whose role is considered to be redundant. Severance payments comply with any legislative and regulatory requirements and any payments are inclusive of any statutory entitlement. In the event of severance, the treatment of any individual elements of an employee's remuneration is governed, as appropriate, by relevant plan or scheme rules.

Control Functions

The Group ensures that, as appropriate, senior employees engaged in a control function are independent from the business units they oversee and have appropriate authority to undertake their roles and duties. These include, but are not necessarily limited to, Risk, Compliance and Internal Audit function roles. Senior employees engaged in a control function are remunerated in a way that ensures they are independent from the business areas they oversee, have appropriate authority, and have their remuneration directly overseen by the Remuneration Committee.

Appendix II: Alternative Investment Fund Managers Directive (unaudited)

Continued

Conflicts of interest

The Remuneration Policy is designed to avoid conflicts of interest between the Group and its clients and is designed to adhere to local legislation, regulations or other provisions. In circumstances or jurisdictions where there is any conflict between the Policy and local legislation, regulations or other provisions then the latter prevail. Where the Committee receives input from members of management on the remuneration arrangements in operation across the Group this never relates to their own remuneration.

Personal Investment Strategies

The Company adheres to the regulatory principles and industry best practice on the use of personal hedging strategies which act in restricting the risk alignment embedded in employee remuneration arrangements.

AIFMD Identified Staff/MRTs

The 'Identified Staff' or MRTs of abrdn Alternative Funds Limited are those employees who could have a material impact on the risk profile of abrdn Alternative Funds Limited or the AIFMD Funds it manages. This broadly includes senior management, decision makers and control functions. For the purposes of this disclosure, 'Identified Staff' includes employees of entities to which activities have been delegated.

Quantitative remuneration disclosure

The table below provides an overview of the following:

- Aggregate total remuneration paid by abrdn Alternative Funds Limited to its entire staff; and
- Aggregate total remuneration paid by abrdn Alternative Funds Limited to its AIFMD 'Identified Staff'.

Amounts shown reflect payments made during the financial reporting period in question. The reporting period runs from **1 January 2022 to 31 December 2022** inclusive.

	Headcount	Total Remuneration £'000
abrdn Alternative Funds Limited[1]	**183**	**63,860**
of which		
Fixed remuneration		33,706
Variable remuneration		30,154
abrdn Alternative Funds Limited 'Identified Staff'[2]	**104**	**55,451**
of which		
Senior Management[3]	46	35,017
Other 'Identified Staff'	58	20,434

[1] As there are a number of individuals indirectly and directly employed by abrdn Alternative Funds Limited this figure represents an apportioned amount of abrdn's total remuneration fixed and variable pay, apportioned to the Management Company on an AUM basis, plus any carried interest paid. The Headcount figure provided reflects the number of beneficiaries calculated on a Full Time Equivalent basis.
[2] The Identified Staff disclosure relates to AIFMD MRTs and represents total compensation of those staff of the Management Company who are fully or partly involved in the activities of the Management Company.
[3] Senior management are defined in this table as Management Company Directors and members of the abrdn plc Board, together with its Executive Committee, Investment Management Committee and Group Product Committee.

Important Information

For more information visit abrdn.com