

# abr dn OEIC V

Annual Long Report  
For the year ended 31 October 2023

[abr dn.com](http://abr dn.com)

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# Report of the Authorised Corporate Director

abrdrn OEIC V ('the Company') is an open-ended investment company with variable capital. The Company is incorporated in Scotland with registered number IC000281 and is currently authorised pursuant to Regulation 14 of the Open Ended Investment Companies Regulations 2001 (the "OEIC Regulations"). The effective date of the authorisation order made by the Financial Conduct Authority (the "FCA") was 22 April 2004.

The Company is also an UCITS for the purposes of the FCA Rules. Its FCA Product Reference Number ("PRN") is 229258. The Company is structured as an umbrella scheme for the purposes of the Collective Investment Schemes Sourcebook (COLL) and consists of nine live funds and three closed funds (the "funds").

## Appointments

### Authorised Corporate Director

abrdrn Fund Managers Limited

#### Registered office

280 Bishopsgate  
London  
EC2M 4AG

#### Correspondence address

PO Box 12233  
Chelmsford  
CM99 2EE

### Investment Adviser

abrdrn Investment Management Limited

#### Registered office

1 George Street  
Edinburgh  
EH2 2LL

### Depositary

Citibank UK Limited

#### Registered office

Citigroup Centre  
Canada Square  
Canary Wharf  
London  
E14 5LB

### Registrar

SS&C Financial Services Europe Limited  
SS&C House  
St Nicholas Lane  
Basildon  
Essex  
SS15 5FS

### Independent Auditor

KPMG LLP  
319 St Vincent Street  
Glasgow  
G2 5AS

# Report of the Authorised Corporate Director

## Continued

The Authorised Corporate Director (the ACD), abrdr Fund Managers Limited is a wholly owned subsidiary of abrdr plc ('abrdr'), and is accordingly an associate. The Investment Adviser has the authority of the ACD to make decisions on its behalf in all aspects of the investment management of the investments and other property of the Company. The main terms of the agreement with the investment adviser are that it should have the authority of the ACD to make decisions on its behalf in all aspects of the investment management of the investments and other property of the Company, including the Company's powers to enter into hedging transactions relating to efficient portfolio management. The adviser's powers extend to all of the property of the Company except any part which the ACD excludes from the adviser's powers. The adviser is to report details of each transaction to the ACD and to confer with the ACD when required by it. The ACD will notify the adviser of additional cash available for investment.

The ACD of the Company is abrdr Fund Managers Limited, a private company limited by shares which was incorporated in England and Wales on 7 November 1962. Its ultimate holding company is abrdr plc, which is incorporated in Scotland.

Financial details and Fund Managers' reviews of the individual funds for the year ended 31 October 2023 are given in the following pages of this report.

Each fund has an individual investment objective and policy and each differs in regard to the extent to which they concentrate on achieving income or capital growth. There may be funds added to the umbrella of abrdr OEIC V (with consent of the FCA and the Depositary) in the future.

The funds are valued on a mid-price basis and dealt at a single price regardless of whether a purchase or sale is being affected. The daily price for each fund appears on the abrdr plc website at [abrdr.com](http://abrdr.com).

The military offensive from Russia against Ukraine since February 2022 continues to pose widespread sanctions on Russian assets. Geopolitical events can adversely affect assets of funds and performance thereon. To ensure the fair treatment of investors, abrdr's Investor Protection Committee (IPC) undertakes regular reviews of market liquidity across each asset class and fund and making appropriate adjustments where necessary.

abrdr's Valuation and Pricing Committee (VPC) also continue to review the valuation of assets and the recoverability of income from those assets making appropriate adjustments where necessary. The VPC is made up of a wide range of specialists across abrdr with a wide range of experience in asset pricing.

## Cross-holding Information

There were no cross holdings between funds in abrdr OEIC V as at 31 October 2023 (2022: nil).

## Developments and Prospectus Updates Since 1 November 2022

- On 14 December 2022, the abrdr Ethical Corporate Bond Fund updated its Investment Objective and Policy ("IOP") and the Investment Approach document to better reflect the fund's ethical investment approach and environmental, social and governance ("ESG") commitments already met by the fund. This update also included changes to the fund's performance target.
- On 14 December 2022, the abrdr Europe ex UK Ethical Equity Fund updated its Investment Objective and Policy ("IOP") and the Investment Approach document to better reflect the fund's ethical investment approach and environmental, social and governance ("ESG") commitments already met by the fund. This update also included an increase in the upper tracking error expectation, from 8% to 9%.
- On 14 December 2022, any references to the address Bow Bells House, 1 Bread Street, London, EC4M 9HH were replaced with 280 Bishopsgate, London, EC2M 4AG.
- On 31 December 2022, Mrs. Rowan McNay resigned as a director of abrdr Fund Managers Limited.
- On 7 March 2023, Mr. Neil Machray was appointed as a director of abrdr Fund Managers Limited.
- On 31 March 2023, the abrdr Short Dated Corporate Bond Fund updated the Investment Objective and Policy ("IOP") to reflect a change in Performance benchmark from ICE BofAML Sterling Non-Gilt ex Subordinated Financials (1-5 Y) to iBoxx Sterling Corporates (1-5 Year) Index plus 0.5% per annum (before charges).
- On 24 April 2023, the AMC rates on the abrdr Short Dated Corporate Bond Fund were reduced on the Retail shares from 0.90% to 0.60%, the Institutional shares from 0.40% to 0.25%, the Institutional S shares from 0.25% to 0.15% and the Platform 1 shares from 0.40% to 0.25%.
- On 23 June 2023, abrdr Short Dated Corporate Bond Fund Z Acc was launched.
- On 23 June 2023, the abrdr Sterling Short Dated Corporate Bond Fund (OEIC I) merged into the abrdr Short Dated Corporate Bond Fund (OEIC V).
- On 30 September 2023, Mr. Neil Machray resigned as a director of abrdr Fund Managers Limited.
- On 23 November 2023, Mrs. Denise Thomas resigned as a director of abrdr Fund Managers Limited.
- On 21 December 2023, the abrdr Short Duration Global Inflation-Linked Bond Fund Retail Income was closed.
- On 21 December 2023, the benchmarks for abrdr Ethical Corporate Bond Fund and abrdr Short Dated Corporate Bond Fund were updated to reflect a rebrand by the benchmark provider. These changes neither alter the constituents of the benchmark, nor do they impact the relevant fund's risk profile.

# Report of the Authorised Corporate Director

## Continued

- On 21 December 2023, the Global exposure sum of notional figure was updated.
- The list of funds managed by the ACD was updated, where appropriate;
- Performance and dilution figures were refreshed, where appropriate;
- The list of sub-custodians was refreshed, where appropriate.
- The list of eligible markets was refreshed, where appropriate.
- The list of sub-investment advisors to the funds was refreshed, where appropriate.
- The risk disclosures in relation to the funds were refreshed, where appropriate.

## Assessment of Value

In 2017 the Financial Conduct Authority (FCA) published the final Asset Management Market Study. This introduced (among other reforms) new governance rules with the aim of enhancing duty of care and ensuring the industry acts in investors' best interests. The rules were outlined in the FCA policy statement PS18/8 and came into effect from 30 September 2019. As a result, abrdn Fund Managers Limited is required to perform a detailed annual assessment, determining whether our funds are "providing value to investors". The resulting findings will be published on a composite basis throughout the year, and can be found on the 'Literature' pages of our website.

## Climate-related Financial Disclosures

The recommendations by the Taskforce for Climate-related Financial Disclosures (TCFD) – initiated by the Financial Stability Board in 2015 and adopted in 2017 – provide organisations with a consistent framework for disclosing financial impacts of climate-related risks and opportunities. The disclosure in line with TCFD recommendations enables external stakeholders to gain a better understanding of the climate-related risks and opportunities (including how they are managed) that are likely to impact the organisation's future financial position as reflected in its income statement, cash flow statement, and balance sheet. The TCFD has developed 11 recommendations which are structured around four thematic areas, notably governance, strategy, risk management and metrics and target. In Policy Statement 21/24 the Financial Conduct Authority (FCA) have created a regulatory framework for asset managers, life insurers and FCA-regulated pension providers to make climate-related disclosures consistent with the recommendations of the TCFD. As a result of the disclosure requirements abrdn OEIC V is required to perform a detailed annual assessment, determining financial impacts of climate-related risks and opportunities. The resulting findings are published at [Fund literature | abrdn](#).

## Investment Review – 12 months to 31 October 2023

Global equity markets were mostly positive over the past 12 months. Both Europe (excluding the UK) and the US posted solid returns during the period. In the UK, large-cap companies performed more positively than small and mid-cap companies. In Asia, China and Japan performed particularly well over the period. However, there were fluctuating market performances, as fears of high inflation, tightening monetary policy and the risk of a global recession caused volatility. At the start of the fourth quarter of 2022, global equities rebounded, as US inflation data and the relaxing of China's Covid-19 restrictions gave investors cause for optimism. However, global equities fell in December. Markets rose in January but fell again in February due to fears of central bank action. In April, equity markets recovered but then declined in May due to investor fears over the economic outlook. In June and July, global equities rose, with investors positive on the outlook for interest rates, inflation and corporate earnings releases. However, concerns about further monetary tightening and a soft Chinese economy then saw markets weaken in August. Selling pressure continued into September, as investors remained concerned about rising energy costs, higher bond yields and a sluggish global economy. Equities also fell in October, given investor concerns over the interest-rate outlook and the Israel-Hamas war.

In fixed-income markets, most government bond prices fell during the period. Central banks acted to control inflation by reducing policy support and hiking interest rates. The Bank of England (BoE) left rates at 5.25% at the end of August. The US Federal Reserve (FED)'s target rate for the FED funds rate is now at 5.25%–5.50%. The European Central Bank (ECB) hiked rates in September to 4%. In October, the ECB kept rates unchanged, its first meeting in ten without a hike.

The past 12 months saw volatility in global listed real estate, as macroeconomic factors overwhelmed underlying fundamentals. The key themes included high inflation and monetary tightening, the risk of an energy crisis in Europe and concerns of a US banking sector crisis. Rising interest rates led to increased concerns about real estate asset values, particularly for lower-yielding properties vulnerable to rate fluctuations. Despite this, sectors with robust operating fundamentals experienced rental growth, helping to offset some of these pressures. In the Americas, the US real estate investment trust market was adversely affected by the FED stating that interest rates would remain "higher for longer". In Europe, a mild winter helped to avert the looming energy crisis, leading to smaller-than-expected value declines in a number of markets. Solid mid-year results from most companies and expectations that interest rates have peaked were also

# Report of the Authorised Corporate Director

## Continued

supportive. In the Asia Pacific region, early optimism about China's reopening led to market gains. By early 2023, listed real estate performance was mixed, with Singapore and Japan outperforming, while Hong Kong and Australia struggled.

### Outlook as at 31 October 2023

Global equity markets will continue to face challenges, with investors concerned that lingering inflation and sustained rate rises will result in tougher financial conditions. In October, markets dropped again given investors' concerns about the war in the Middle East, the outlook for interest rates and a sluggish global economy.

In fixed-income markets, the ECB kept interest rates unchanged in October, with President Lagarde noting a weak economy. However, inflationary pressures remain, and Lagarde indicated that there may be more hikes in the coming meetings. In the US, the FED is expected to keep rates unchanged at its meeting in November as it continues with its data-dependent approach. The BoE is also expected to leave rates unchanged at its meeting scheduled for the same month. While analysts predicted a fall in annual inflation in September, the UK's consumer price index remained unchanged at 6.7%. However, purchasing managers' index data indicate stagnation in the UK's manufacturing sector. With a recession now likely in 2024, investors are set to focus on when interest rates will be cut to offset any downturn.

In real estate markets, we anticipate that there is only a modest decline in prices left to play out. Although investment activity remains very subdued, there are signs of sentiment improving, particularly for the industrial, residential and alternative sectors where the current fundamentals are encouraging. Uncertainty remains elevated and is being exacerbated by the ongoing geopolitical concerns. Looking forward, how events materialise from a macroeconomic perspective will be key to the future dynamics in the real estate market. There is an ongoing debate as to whether we will have a 'Table Mountain' or 'Matterhorn' interest-rate cycle from here. The abrdn Research Institute's view is that the US will experience a recession in the middle of next year and rates will likely fall as a result, which will help to bolster real estate's relative pricing.

# Statement of Authorised Corporate Director's Responsibilities

The Collective Investment Schemes sourcebook published by the FCA, ("the COLL Rules") require the Authorised Corporate Director ("ACD") to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Company and of the net income and net capital gains or losses on the property of the Company for the period.

In preparing the financial statements the ACD is responsible for:

- selecting suitable accounting policies and then apply them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- complying with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Company and its funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Company or its funds or to cease operations, or have no realistic alternative but to do so. For the reasons stated in the Report of the Authorised Corporate Director, the financial statements of Standard Life Investments Japanese Equity Index Tracker Fund, Standard Life Investments US Equity Index Tracker Fund and Standard Life Investments European Equity Index Tracker Fund have not been prepared on a going concern basis;
- 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
- taking reasonable steps for the prevention and detection of fraud and irregularities.

The ACD is responsible for the management of the Company in accordance with its Instrument of Incorporation, the Prospectus and the COLL Rules.

## Authorised Corporate Director's Statement

In accordance with the requirements of the COLL Rules as issued and amended by the Financial Conduct Authority, we hereby certify the report on behalf of abrdn Fund Managers Limited, the Authorised Corporate Director.

**Aron Mitchell**  
Director  
26 February 2024

**Adam Shanks**  
Director  
26 February 2024

# Statement of Depositary's Responsibilities in respect of the Scheme and Report of the Depositary to the Shareholders of abrdn OEIC V ("the Company") for the year ended 31 October 2023

The Depositary is responsible for the safekeeping of all the property of the Company (other than tangible moveable property) which is entrusted to it and ensuring proper registration of tangible moveable property, and for the collection of income arising from all such scheme property.

It is the duty of the Depositary to take reasonable care to ensure that the Company is managed and operated by the Authorised Corporate Director in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("the Sourcebook"), the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the OEIC Regulations), the Company's Instrument of Incorporation, and the Prospectus, as appropriate, concerning: the pricing of and dealing in Shares in the Company; the application of income of the Company; and the investment portfolio and borrowing activities of the Company.

Having carried out procedures and enquiries considered duly necessary to discharge our responsibilities as Depositary of the Company, based on information and explanations provided to us, we believe that, in all material respects, the Company, acting through the Authorised Corporate Director:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Sourcebook, and where applicable, the OEIC regulations, the Company's Instrument of Incorporation, and the Prospectus;
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company; and
- (iii) has, otherwise, ensured the proper operation of the Company.

Citibank UK Limited

26 February 2024

# Independent auditor's report to the shareholders of abrdrn OEIC V ('the Company')

## Opinion

We have audited the financial statements of the Company for the year ended 31 October 2023 which comprise the Statements of Total Return, the Statements of Change in Net Assets Attributable to Shareholders, the Balance Sheets, the Related Notes and Distribution Tables for each of the Company's sub-funds listed on page 2 and the accounting policies set out on pages 14 to 17.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the financial position of each of the sub-funds as at 31 October 2023 and of the net revenue and the net capital gains/net capital losses on the property of each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with the Instrument of Incorporation, the Statement of Recommended Practice relating to Authorised Funds, and the COLL Rules.

## 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 have received all the information and explanations which we consider necessary for the purposes of our audit and we believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## Emphasis of matter – non going concern basis of preparation

In respect of Standard Life Investments Japanese Equity Index Tracker Fund, Standard Life Investments US Equity Index Tracker Fund and Standard Life Investments European Equity Index Tracker Fund, we draw attention to the disclosure made in accounting policy (a) "Basis of preparation" to the financial statements which explains that the financial statements of the sub-funds have not been prepared on going concern basis for the reason set out in that note. Our opinion is not modified in respect of this matter.

## Going concern

The Authorised Corporate Director has prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or its sub-funds or to cease their operations, and as they have concluded that the Company and its sub-funds' financial position means that this is realistic except for Standard Life Investments Japanese Equity Index Tracker Fund, Standard Life Investments US Equity Index Tracker Fund and Standard Life Investments European Equity Index Tracker Fund. They have also concluded that there are no material uncertainties that could have cast significant doubt over their 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 Authorised Corporate Director's conclusions, we considered the inherent risks to the Company's and its sub-funds' business model and analysed how those risks might affect the Company's and its sub-funds' financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Authorised Corporate Director'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 Authorised Corporate Director's 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 and its sub-funds' 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 or its sub-funds 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:

# Independent auditor's report to the shareholders of abrdn OEIC V ('the Company')

## Continued

- Enquiring of directors 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;
- Assessing the segregation of duties in place between the Authorised Corporate Director, the Depositary, the Administrator and the Investment Adviser.
- Reading Authorised Corporate Director board minutes.

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.

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 Authorised Corporate Director and the Administrator (as required by auditing standards) and discussed with the Directors 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 Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related authorised fund legislation maintained by the Financial Conduct Authority) 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 Company 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 Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors 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 Authorised Corporate Director 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, accordingly, 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; and
- in our opinion the information given in the Authorised Corporate Director's Report is consistent with the financial statements.

# Independent auditor's report to the shareholders of abrdn OEIC V ('the Company')

## Continued

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where under the COLL Rules we are required to report to you if, in our opinion:

- proper accounting records for the Company have not been kept; or
- the financial statements are not in agreement with the accounting records.

### Authorised Corporate Director's responsibilities

As explained more fully in their statement set out on page 7 the Authorised Corporate Director is responsible for: the preparation of financial statements that 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 and its sub-funds' 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 its sub-funds 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](http://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 shareholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook ('the COLL Rules') issued by the Financial Conduct Authority under the Open-Ended Investment Companies Regulations 2001. Our audit work has been undertaken so that we might state to the Company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### Wiqas Qaiser for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants  
20 Castle Terrace  
Edinburgh  
EH1 2EG  
26 February 2024

# Sustainability Standards Group Report

## Sustainability Standards Oversight

abrdn is responsible for managing several ethical funds. The funds are managed according to clearly defined investment mandates and the range of available investments is underpinned by established policies and independent research data on their ethical credentials.

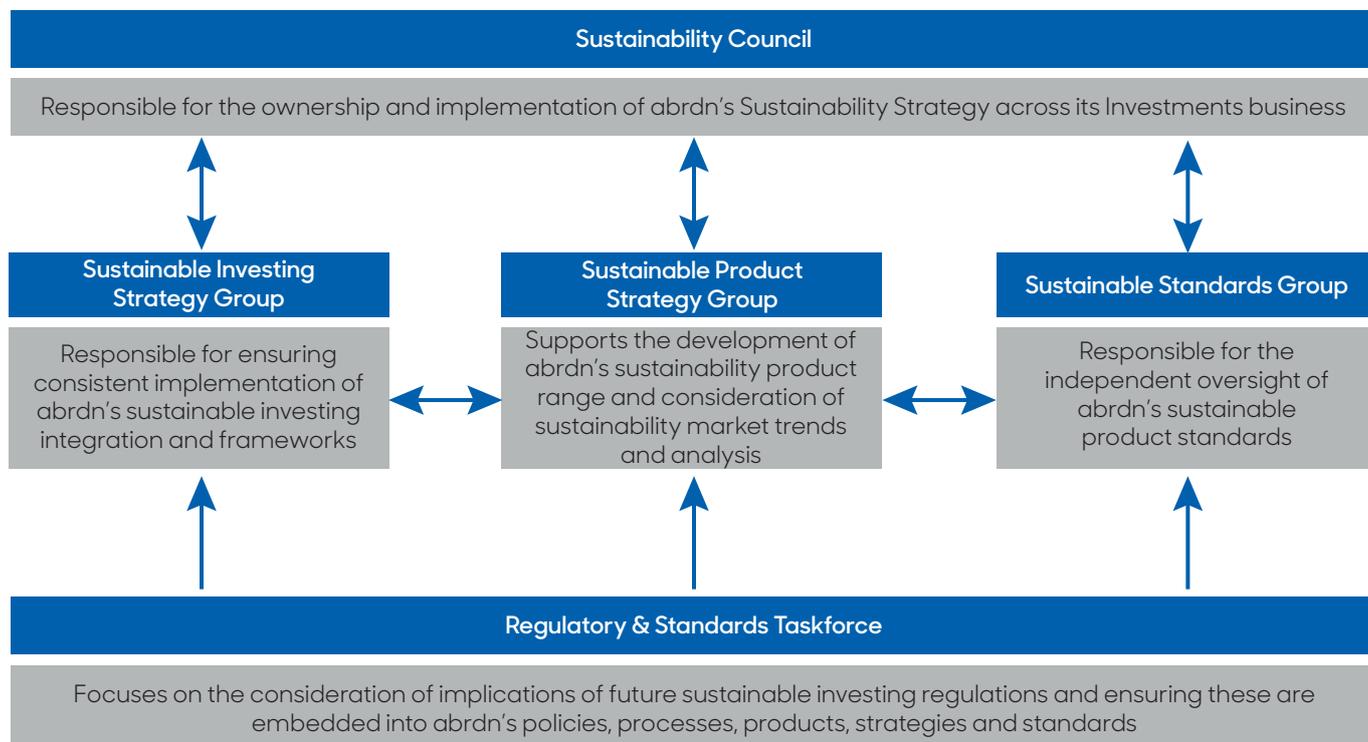
Through this Group, and the Sustainable Investment Oversight model highlighted below, abrdn remains focussed on undertaking market and customer research on sustainability issues, as it has done for the Ethical Funds. abrdn is also committed to considering current sustainability and ethical issues and trends, the implications for its funds, and reviewing and addressing customer queries.

## Governance

The ethical criteria for the funds are advised by the Sustainability Standards Group. The Sustainability Standards Group is chaired by the Head of Sustainable Investing and meets regularly to:

- provide independent oversight and controls surrounding abrdn’s sustainability funds
- review investment and marketing reports
- ensure that abrdn’s sustainable investment process for its sustainability funds is observed

## abrdn’s Sustainable Investment Oversight Model



# Sustainability Standards Group Report

## Continued

### Issues Arising

For the annual year end period between 1 November 2022 to 31 October 2023, the Sustainability Standards Group discussed several ethical issues relating to companies' individual approaches to corporate responsibility. Due consideration was given to the range of funds' ethical criteria and monitoring of ethical issues. Topics discussed by the Sustainability standards group included current ethical issues (e.g. animal testing, taxation, nuclear power, gaming and human rights).

### Funds' Criteria

No changes were made to the criteria of the funds during this period. The ethical funds are invested according to the negative and positive criteria set out in the ethical funds approach document. The funds do not invest in companies that fail the negative criteria and favour investment in companies that meet the positive criteria.

### Voting - abrdn Europe ex UK Ethical Equity Fund

abrdn votes on all holdings held in the funds except where for practical reasons, such as share-blocking, it is not appropriate to do so. For the annual year end period between 1 November 2022 to 31 October 2023, we voted a total of 891 proposals on behalf of the abrdn Europe ex UK Ethical Equity Fund.

We voted against the approval of the remuneration policy at Infineon Technologies. In 2021 we abstained on the company's remuneration policy and encouraged the strengthening of the relative TSR threshold vesting level, which is below median. We also encouraged the introduction of a financial performance metric in addition to ESG and TSR. While there have been some improvements to the policy, our feedback has not been incorporated.

We voted against the approval of the remuneration report at several AGMs, including Amplifon, Kone, Hannover Rueck, HelloFresh, SIG Group and Universal Music.

We have concerns regarding the diversity of the board at Barry Callebaut and therefore considered a vote against the reappointment of the Chair of the Nomination Committee to be appropriate.

While we welcome the intention to increase climate-related transparency and accountability, we have reservations about the implications of Say on Climate votes. We are of the view that presenting climate strategy as a standalone voting item risks diminishing both the integration of climate in strategy and the direct responsibility and accountability of the board and individual directors. Should this resolution be approved, it may limit the scope for subsequent challenge. We believe

that the most effective means for abrdn to encourage high-quality climate disclosure is through a combination of targeted engagement and voting on conventional resolutions, focussed on our highest financed emitters and companies we identify as climate laggards. We therefore chose to abstain on the approval of Schneider Electric's Climate Transition Plan.

We were unresponsive of a proposal at PolyPeptide to approve virtual-only or hybrid shareholder meetings. The change would be permanent, and the company did not provide explanation of the circumstances under which virtual-only meetings would be held.

### Further Information

If you would like to find out more about abrdn's Ethical Funds approach these can be found on our website [www.abrdn.com](http://www.abrdn.com), under Fund Centre.

For any additional information, please write to Dan Grandage, Head of Sustainable Investing, abrdn, 6 St Andrew's Square, Edinburgh, EH2 2AH.

### Dan Grandage

Chair abrdn's Sustainability Standards Group

13th November 2023

# Notes to the Financial Statements of abrdn OEIC V

For the year ended 31 October 2023

## 1. Accounting Policies for all Funds

### (a) Basis of preparation

The financial statements for each of the funds have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice (SORP) for Financial Statements of Authorised Funds issued by the Investment Management Association in May 2014 (IMA SORP 2014), Financial Reporting Standard (FRS) 102 and United Kingdom Generally Accepted Accounting Practice.

For all funds apart from Standard Life Investments European Equity Index Tracker Fund, Standard Life Investments Japanese Equity Index Tracker Fund and Standard Life Investments US Equity Index Tracker Fund, the ACD has undertaken a detailed assessment, and continues to monitor, each fund's ability to meet its liabilities as they fall due, including liquidity, declines in global capital markets and investor redemption levels. Based on this assessment, the funds continue to be open for trading and the ACD is satisfied the funds have adequate financial resources to continue in operation for at least 12 months and accordingly it is appropriate to adopt the going concern basis in preparing the financial statements.

Standard Life Investments Japanese Equity Index Tracker Fund, Standard Life Investments US Equity Index Tracker Fund and Standard Life Investments European Equity Index Tracker Fund are no longer open to investors, having redeemed all shares in 2012. It is the intention of the ACD to terminate the funds at a later date once the residual assets and liabilities are settled. As a result the financial statements for these funds have not been prepared on a going concern basis.

For the funds not prepared on a going concern basis, no adjustments were required to the financial statements to adjust assets or liabilities to their realisable values or to provide for liabilities arising from the decision to terminate the funds. No liabilities have been recorded for costs of the terminations as the intention is that the Authorised Corporate Director will bear any such costs which may arise.

### (b) Valuation of investments

Listed investments have been valued at fair value as at the close of business on 31 October 2023. The SORP defines fair value as the market value of each security, in an active market, this is generally the quoted bid price. Unlisted, unapproved, illiquid or suspended securities are valued at the Authorised Corporate Directors' best estimate of the amount that would be received from an immediate transfer at arm's length. The ACD has appointed a FVP committee to review valuations.

Collective Investment Schemes are valued by reference to their net asset value. Dual priced funds have been valued at the bid price. Single priced funds have been valued using the single price.

Any open positions in derivative contracts or forward foreign currency transactions at the year-end are included in the Balance Sheet at their mark to market value.

### (c) Foreign Exchange

Assets and liabilities denominated in foreign currencies are translated into Sterling at the prevailing exchange rates as at the close of business on the reporting date.

Foreign currency transactions are translated at the rates of exchange ruling on the date of such transactions. Exchange differences on such transactions follow the same treatment as the principal amounts.

### (d) Dilution

In certain circumstances (as detailed in the Prospectus) the ACD may apply a dilution adjustment on the issue or cancellation of shares, which is applied to the capital of the relevant fund on an accruals basis. The adjustment is intended to protect existing investors from the costs of buying or selling underlying investments as a result of large inflows or outflows from the fund.

# Notes to the Financial Statements of abrdn OEIC V

## Continued

### (e) Revenue

Overseas dividends are grossed up at the appropriate rate of withholding tax and the tax consequences are shown within the tax charge.

Revenue from collective investment schemes is recognised when the investments are quoted ex dividend.

Accumulation distributions from shares held in collective investment schemes are reflected as revenue and form part of the distribution.

Equalisation received from distributions or accumulations on units or shares in underlying investments is treated as capital and deducted from the cost of the investment.

Revenue from offshore funds is recognised when income is reported by the offshore fund operator.

Interest on bank deposits is recognised on an accruals basis.

Interest from short-term deposits is recognised on an accruals basis.

Interest on debt securities is recognised on an accruals basis.

Interest from debt securities is recognised as revenue using the effective interest method. The purchase price of the asset, the yield expectation and scheduling of payments, are all part of this calculation. Callable bonds are calculated on a yield to worst expectation generally, which may not match other calculations. Convertible bonds are excluded from a true effective interest calculation owing to the unavailability of option values for the conversion rate.

Stock dividends are recognised as revenue when they are quoted ex dividend. In the case of enhanced stock dividends, the value of the enhancement is recognised as capital.

Special dividends may be treated as repayments of capital or as revenue dependent on the facts of the particular case. Where receipt of a special dividend results in a significant reduction in the capital value of the holding, then the special dividend will be recognised as capital so as to ensure that the matching principle is applied to gains and losses. Otherwise, the special dividends are recognised as revenue.

Underwriting commission is taken to revenue and recognised when the issue takes place, except where the fund is required to take up all or some of the shares underwritten in which case an appropriate proportion of the commission received is deducted from the cost of the relevant shares.

Distributions from Brazilian corporations may take the form of interest on capital as an alternative to making dividend distributions. Interest on capital distributions are recognised on an accruals basis.

Management fee rebates from collective investment schemes are recognised as revenue or capital on a consistent basis to how the underlying scheme accounts for the management fee. Where such rebates are revenue in nature, the income forms part of the distribution.

For dividends received from US Real Estate Investment Trusts ("REITs"), on receipt of the capital/revenue split from the REITs, the allocation of the dividend is adjusted within the financial statements.

### (f) Expenses

All expenses other than those relating to the purchase and sale of investments are charged against revenue on an accruals basis in the Statement of Total Return. Where a fund has an objective of maximising income returned to investors the expenses may be deducted from capital in line with the distribution policy. Details of any deduction from capital for distribution purposes would be disclosed in the distribution notes of the relevant fund.

Expenses relating to the purchases of investments are charged to the cost of investment and expenses relating to the sales of investments are deducted from the proceeds on sales.

### (g) Taxation

Provision is made for corporation tax at the current rate on the excess of taxable income over allowable expenses.

UK dividends are disclosed net of any related tax credit.

Overseas dividends are disclosed gross of any foreign tax suffered and the tax element is separately disclosed in the taxation note.

# Notes to the Financial Statements of abrdn OEIC V

## Continued

The tax accounting treatment follows that of the principal amount, with charges or reliefs allocated using the marginal basis regardless of any alternative treatment that may be permitted in determining the distribution.

Any windfall overseas tax reclaims received are netted off against irrecoverable overseas tax and therefore the irrecoverable overseas tax line in the taxation note may be negative.

Deferred taxation is provided on all timing differences that have originated but not reversed by the balance sheet date other than those differences regarded as permanent. Any liability to deferred tax is provided at the average rate of tax expected to apply. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

Deferred tax assets are only recognised to the extent that it is regarded more likely than not that there will be taxable profits against which the reversal of underlying timing differences can be offset.

abrdn Europe ex UK Ethical Equity Fund, abrdn Global Real Estate Share Fund, Standard Life Investments Japanese Equity Index Tracker Fund, Standard Life Investments US Equity Index Tracker Fund and Standard Life Investments European Equity Index Tracker Fund are party to certain claims and proceedings to recover tax suffered in respect of overseas income. These claims and proceedings are considered to be contingent assets of these funds and have not been recognised in these Financial Statements as the outcome of the claims and the potential recoveries are not sufficiently certain.

### (h) Distributions

All of the net revenue available for distribution at the year end will be distributed. Where a fund has accumulation shareholders, this will be reinvested. Where a fund has income shareholders, this will be paid.

Where expenses are charged to capital, this will increase the distribution with a corresponding reduction to capital. For the purposes of calculating the distribution the effect of marginal tax relief between capital and revenue is not incorporated.

Further details with regards to the distribution policy and deductions from capital can be found in the fund distribution note where it applies.

Gains and losses on non-derivative investments and currencies, whether realised or unrealised, are taken to capital and are not available for distribution. Cash flows associated with derivative transactions are allocated between the revenue and capital property of the funds according to the motives and circumstances of the particular derivative strategy. The investment manager articulates the motives and circumstances underlying the derivative strategy and the ACD assesses these in association with financial reporting constraints enshrined within the SORP to allocate the cash flows accordingly.

### (i) Equalisation

Equalisation appears within the fund reports as part of the distribution. This represents the net revenue in the funds share price attached to the issue and cancellation of shares. It will form part of any distributions at the period end attributable to shareholders.

### (j) Derivatives

Funds with strategies that permit it, can make use of derivatives. Derivatives can be used to reduce risk or cost, or to generate additional capital or income consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management"). Some strategies may permit use of derivatives with a higher or lower frequency or for investment purposes. The accounting for each derivative is applied consistently in line with the derivative type; the valuation policy and market convention. Market convention for derivatives is often based on total return; however where a fund strategy or derivative type is defined with revenue in mind the accounting treatment can have a revenue element, forming part of the distribution, highlighted in the distribution policy. The Statement of Total Return captures all realised and unrealised gains regardless of nature. The Portfolio Statement will show the individual derivative contracts as net position in line with the valuation policy.

There are three broad transaction types: derivatives create a future asset or liability recognised as unrealised profit or loss until the date of maturity where cash is exchanged; swaps realise amounts of profit or loss in line with an agreed schedule until maturity; options recognise a premium paid or received, with the right or obligation to buy "call" or sell "put" an asset, exercised when the option owner is in the money. These transaction types break into three broad strategies.

# Notes to the Financial Statements of abrdn OEIC V

## Continued

Funds with strategies spanning multiple currencies can make use of the following transactions in line with their policy: forward currency exchange contracts (a derivative of the exchange rate); cross currency swaps; currency options and other currency derivatives. These transactions relate to the future expectations of foreign exchange rates. The future expectation is based on the current interest rates projected to a forward date. Currency derivatives exchange one currency for another currency at a future date.

Funds with strategies in debt instruments (bonds) can make use of the following transactions in line with their policy: bond future contracts (a derivative of the bond market or asset); credit default swaps; interest rate swaps; overnight index swaps; inflation swaps; interest rate options; swaptions; total return bond swaps and other bond related derivatives. These transactions relate to the future expectations on debt assets. The future expectations can be based on an individual asset or a market. Bond derivatives can relate to the future credit expectations; interest rate expectations; inflation expectations or a combination of these.

Funds with strategies in equity instruments (shares) can make use of the following transactions in line with their policy: equity future contracts (a derivative of the equity market or asset); variance swaps (differences in volatility between two assets); equity options; total return equity swaps and other equity related derivatives. These transactions relate to the future expectations on equity assets. The future expectations can be based on an individual asset or a market. Equity derivatives relate to the future expectations in equity markets. Equity markets are subject to the variables found in bond markets, however there is not an explicit relationship to derive a price.

### (k) Collateral and margin

Funds undertaking derivative transactions and exchange investment assets based on legal agreements. In line with collective investment scheme rules and abrdn policy collateral or margin must be exchanged to limit the exposure to investors should an agreement fail. Collateral is exchanged at an agreement level on a net basis following abrdn policy at a counterparty level within a fund. Collateral is monitored and where required exchanged daily. Collateral is bilateral in nature exchanged between the two counterparties in a transaction. Margin is similar to collateral limiting the risk for investors. The main difference is the exchange of initial margin, required before a contract is opened. Once opened the exchange of variation margin is monitored and where required exchanged daily. Both collateral and margin do not affect the valuation of the asset they are protecting or the fund unless re-hypothecated (used to buy) into another investment asset.

All funds do not re-hypothecate but may use liquidity collective investments to manage cash effectively.

## 2. Risk management policies

Generic risks that the abrdn range are exposed to and the risk management techniques employed are disclosed below. Numerical disclosures and specific risks, where relevant, are disclosed within the financial statements.

The Financial Conduct Authority (FCA) Collective Investment Schemes Sourcebook (COLL) and FCA Funds Sourcebook (FUND) rules require the Management Company to establish, implement and maintain an adequate and documented Risk Management Process (RMP) for identifying the risks they manage, or might be, exposed to. The RMP must comprise of such procedures as are necessary to enable abrdn to assess the exposure of each fund it manages to market risk, liquidity risk, counterparty risk, operational risk and all other risks that might be material.

abrdn functionally and hierarchically separates the functions of risk management from the operating units and portfolio management functions, to ensure independence and avoid any potential or actual conflicts of interest. The risk management function has the necessary authority, access to all relevant information, staff and regular contact with senior management and the Board of Directors of the Company. The management of investment risk within abrdn is organised across distinct functions, aligned to the well-established 'three lines of defence' model.

1. Risk ownership, management and control.
2. Oversight of risk, compliance and conduct frameworks.
3. Independent assurance, challenge and advice.

# Notes to the Financial Statements of abrdn OEIC V

## Continued

The risk management process involves monitoring funds on a regular and systematic basis to identify, measure and monitor risk and where necessary escalate appropriately, including to the relevant Board, any concerns and proposed mitigating actions.

The risk team, in line with client expectations and the investment process, develops the risk profiles for the funds in order to set appropriate risk limits. Regulatory limits as well as those agreed, are strictly enforced to ensure that abrdn does not inadvertently (or deliberately) breach them and add additional risk exposure. In addition, there is an early warnings system of potential changes in the portfolio risk monitoring triggers. Where possible, these are coded into the front office dealing system, in a pre-trade capacity, preventing exposures or breaching limits before the trade is actually executed.

### Risk Definitions & Risk Management Processes

i) **Market Risk** is the risk that economic, market or idiosyncratic events cause a change in the market value of Client assets. Market Risk can be broadly separated into two types:

(1) Systematic risk stems from any factor that causes a change in the valuation of groups of assets. These factors may emerge from a number of sources, including but not limited to economic conditions, political events or actions, the actions of central banks or policy makers, industry events or, indeed, investor behaviour and risk appetite.

(2) Specific or Idiosyncratic Risk, which is the part of risk directly associated with a particular asset, outside the realms of, and not captured by Systematic Risk. In other words, it is the component of risk that is peculiar to a specific asset, and may manifest itself in various guises, for example: corporate actions, fraud or bankruptcy.

Portfolios are subject to many sub-categories of market risk. Many of these risks are interlinked and not mutually exclusive. Examples of these types of investment risk include: Country risk; Sector risk; Asset-class risk; Inflation/deflation risk; Interest rate risk; Currency risk; Derivatives risk; Concentration risk; and Default risk. Factors that cause changes in market risks include: future perceived prospects (i.e. changes in perception regarding the future economic position of countries, companies, sectors, etc.); shifts in demand and supply of products and services; political turmoil, changes in interest rate/inflation/taxation policies; major natural disasters; recessions; and terrorist attacks.

There are several ways in which to review and measure investment risk. The risk team recognises that each method is different and has its own unique insights and limits, and applies the following measurements for each Fund, where relevant:

- . **Leverage:** has the effect of gearing a Fund's expected performance by allowing it to gain greater exposure to underlying investment opportunities (gains and losses). The higher the leverage the greater the risk (potential loss).
- . **Value-at-Risk (VaR) and Conditional VaR (CVaR):** VaR measures with a degree of confidence the maximum the Fund could expect to lose in any given time frame. Assuming a normal (Gaussian) distribution, this is a function of the volatility of the Fund's returns. The higher the volatility, the higher the VaR, the greater the risk. CVaR calculates the expected tail loss, under the assumption that the VaR has been reached.
- . **Volatility, Tracking Error (TE):** Volatility measures the size of variation in returns that a Fund is likely to expect. The higher the volatility the higher the risk. TE measures the expected magnitude of divergence of returns between the Fund and benchmark over a given time.
- . **Risk Decomposition:** Volatility, tracking error and VaR may be broken down to show contribution from market related factors ("Systematic" Risk) and instrument specific (Idiosyncratic Risk). This is not a different measure as such, but is intended to highlight the sources of volatility and VaR.
- . **Concentration Risk:** By grouping the portfolio into various different exposures (e.g. country, sector, issuer, asset, etc.), we are able to see where, if any, concentration risk exists.
- . **Stress Tests and Scenario Analysis:** This captures how much the current portfolio will make or lose if certain market conditions occur.
- . **Back Testing:** This process helps to assess the adequacy of the VaR model and is carried out in line with UCITS regulatory requirements (FCA COLL 6.12). Excessive levels of overshoots and the reasons behind them are reported to the Board.

# Notes to the Financial Statements of abrdn OEIC V

## Continued

To generate these risk analytics the risk team relies on third party calculation engines, such as APT, RiskMetrics and Axioma. Once the data has been processed, it is analysed by the risk team, generally reviewing absolute and relative risks, change on month and internal peer analysis. Any issues or concerns that are raised through the analysis prompt further investigation and escalation if required. Breaches of hard limits are also escalated immediately. All client mandated and regulatory risk limits are monitored on a daily basis.

Stress tests are intended to highlight those areas in which a portfolio would be exposed to risk if the current economic conditions were likely to change. An economic event may be a simple change in the direction of interest rates or return expectations, or may take the form of a more extreme market event such as one caused through military conflict. The stress test itself is intended to highlight any weakness in the current portfolio construction that might deliver unnecessary systematic exposure if the market were to move abruptly.

Stress testing is performed on a regular basis using relevant historical and hypothetical scenarios.

- ii) **Liquidity risk** is defined as the risk that a portfolio may need to raise cash or reduce derivative positions on a timely basis either in reaction to market events or to meet client redemption requests and may be obliged to sell long term assets at a price lower than their market value. Liquidity is also an important consideration in the management of portfolios: Portfolio Managers need to pay attention to market liquidity when sizing, entering and exiting trading positions.

Measuring liquidity risk is subject to three main dimensions:

- . Asset Liquidity Risk – how quickly can assets be sold.
- . Liability Risk – managing redemptions as well as all other obligations arising from the liabilities side of the balance sheet.
- . Contingency Arrangements or Liquidity Buffers – utilising credit facilities etc.

### **Liquidity Risk Management Framework**

abrdn has a liquidity risk management framework in place applicable to the funds and set out in accordance with its overall Risk Management Process, relative to the size, scope and complexity of the funds. Liquidity assessment and liquidity stress testing is typically performed monthly, monitoring both the asset and liability sides. Asset side stressed scenarios are considered based on the nature of different asset classes and their liquidity risks to demonstrate the effects of a market stress on the ability to sell-down a fund. Liability side analysis includes stress scenarios on the investor profile as well as liabilities on the balance sheet. Any particular concerns noted or liquidity risk limit breaches are escalated to the relevant Committees and Boards, if material.

- iii) **Counterparty credit risk** is the risk of loss resulting from the fact that the counterparty to a transaction may default on its obligations prior to the final settlement of the transaction's cash flow. Credit risk falls into both market risk and specific risk categories. 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, to a lesser extent, by a weakening in a counterparty's credit quality. The actual default will result in an immediate loss whereas, the lower credit quality will more likely lead to mark-to-market adjustment.

Transactions involving derivatives are only entered into with counterparties having an appropriate internal credit rating that has been validated by the credit research team and approved by the relevant credit committee.

Appropriate counterparty exposure limits will be set and agreed by these committees and the existing credit exposures will be assessed against these limits.

- iv) **Operational Risk**

Operational risk can be defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk also includes the breakdown of processes to comply with laws, regulations or directives.

# Notes to the Financial Statements of abrdn OEIC V

## Continued

### **Operational Risk Management**

An Operational Risk Management Framework is in place to identify, manage and monitor appropriate operational risks, including professional liability risks, to which the Management Company and the Funds are or could be reasonably exposed. The operational risk management activities are performed independently as part of one of the functions of the Risk Division.

The abrdn (the "Group") Risk Management Framework is based upon the Basel II definition of operational risk which is "the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events".

The Group's management of operational risk is therefore aimed at identifying risks in existing processes and improving existing controls to reduce their likelihood of failure and the impact of losses. The Group has developed a framework that embodies continuous improvement to internal controls and ensures that the management of risk is embedded in the culture of the Group.

The identification, management, monitoring and resolution of events, risks and controls are facilitated via the Group's risk management system, Shield. The system is designed to facilitate the convergence of governance, risk and compliance programmes and automate a comprehensive review and assessment of operational risks.

# abrdrn Ethical Corporate Bond Fund

For the year ended 31 October 2023

## Investment Objective

To generate income and some growth over the long term (5 years or more) by investing in Sterling-denominated investment grade corporate bonds which adhere to the abrdrn Ethical Corporate Bond Investment Approach.

Performance Target: To be top quartile within the fund's peer group; as measured by the Investment Association Sterling Corporate Bond Sector Average, over rolling three-year periods (after charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the sector.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 60% in Sterling denominated investment grade corporate bonds issued anywhere in the world.
- The fund may invest in bonds, issued anywhere in the world by corporations and supranational institutions, including sub-sovereigns, sub-investment grade, inflation-linked, convertible, asset backed and mortgage backed bonds. The fund will employ techniques to reduce (hedge) risk related to currency movements on non-Sterling bonds.
- The fund may also invest in other funds (including those managed by abrdrn), money market instruments and cash.
- All investments will adhere to the abrdrn Ethical Corporate Bond Investment Approach which is published at [www.abrdrn.com](http://www.abrdrn.com) under "Fund Centre".
- The fund will invest at least 70% in corporations that the abrdrn ESG House Score quantitatively identifies as having preferred ESG characteristics in a global context, in accordance with the abrdrn Ethical Corporate Bond Investment Approach. This analysis covers areas such as human rights, labour rights, environmental safeguards and combating bribery and corruption.
- The approach utilises abrdrn's fixed income investment process, which enables portfolio managers to assess how ESG factors are likely to impact on the company's ability to repay its debt, both now and in the future. A key component of this is the ESG Risk Rating, which enables the management team to qualitatively identify and

avoid ESG laggards.

- As part of the approach the fund applies a set of company exclusions which are related but not limited to animal testing, weaponry, pornography, gambling, tobacco and alcohol.

## Management Process

- The fund management team use their discretion (active management) to identify bonds and derivatives based on analysis of global economic and market conditions (for example, interest rates and inflation), analysis of a company's prospects and creditworthiness compared to that of the market.
- Engagement with external company management teams is used to evaluate the ownership structures, governance and management quality of those entities, in order to inform portfolio construction.
- Through the application of the abrdrn Ethical Corporate Bond Investment Approach, the fund is expected to have a lower carbon intensity, than the iBoxx Sterling Collateralized & Corporates Index.
- This approach reduces the benchmark investable universe by a minimum of 20%.
- In seeking to achieve the Performance Target, the iBoxx Sterling Collateralized & Corporates Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index, is not ordinarily expected to exceed 3%. Due to the ethical nature of the management process, the fund's performance profile may deviate significantly from that of the iBoxx Sterling Collateralized & Corporates Index.

Please Note: The fund's ability to buy and sell bonds and the associated costs can be affected during periods of market stress which could include periods where interest rates move sharply.

## Derivatives and Techniques

- The fund will make routine use of derivatives to reduce risk, reduce cost and/or generate extra income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivatives include instruments used to manage expected changes in interest rates, inflation, currencies or creditworthiness of corporations.

# abrdrn Ethical Corporate Bond Fund

## Continued

### Performance Review

Over the period under review, the fund returned 2.68%. (Source: FactSet, Platform 1 Accumulation Shares.) This compared to a return of 3.58% for our performance target (Source: Morningstar, IA OE £ Corporate Bond).

Any data contained herein which is attributed to a third party ("Third Party Data") is the property of (a) third party supplier(s) (the "Owner") and is licensed for use by abrdrn\*\*. Third Party Data may not be copied or distributed. Third Party Data is provided "as is" and is not warranted to be accurate, complete or timely. To the extent permitted by applicable law, none of the Owner, abrdrn\*\* or any other third party (including any third party involved in providing and/or compiling Third Party Data) shall have any liability for Third Party Data or for any use made of Third Party Data. Neither the Owner nor any other third party sponsors, endorses or promotes the fund or product to which Third Party Data relates.

\*\*abrdrn means the relevant member of abrdrn group, being abrdrn plc together with its subsidiaries, subsidiary undertakings and associated companies (whether direct or indirect) from time to time.

Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

Companies selected for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.

Corporate bonds rose over the period, in an overall mixed environment for credit. A backdrop of sharply rising interest rates, stubbornly high annual inflation and a worsening economic outlook created challenging market conditions. As a result, credit spreads – the yield premium received by investors in return for the typically greater risk of lending to companies rather than governments – widened until November as the economic environment deteriorated and risk appetite dwindled. Growing expectations that global inflation pressures may be peaking, leading to hopes that the current cycle of interest-rate rises may be nearing its end, then helped corporate bonds to perform better in the second half of the period. Spreads tightened until March as investors' appetite for riskier assets began to return.

Turbulence in the global banking sector in March then caused credit spreads to widen to levels last seen in the autumn of 2022. However, the negative effect of wider credit spreads was offset by lower government bond yields amid a flight to safety. Calm returned to bond markets over the next few months, with spreads steadily tightening, although they still ended the period near to

where they were before March's volatility. More recently, central banks have paused rate rises. The European Central Bank kept interest rates unchanged in October, the first meeting in ten without a hike. While President Christine Lagarde noted a weak economy, inflationary pressures remain and she indicated there may be more hikes in the coming meetings. The Bank of England and US Federal Reserve both held rates unchanged at the start of November.

Within the fund, stock selection was positive, particularly the overweight holding of BBB rated bonds and our off-benchmark high yield holdings outperformed on average. However, duration and asset allocation positioning relative to the index detracted.

Looking at individual holdings, banks performed well over the period, particularly antipodean banks ANZ and Westpac, which were sold during the period. We also benefitted from holding Lloyds and the subordinated financials of DNB. However, Credit Suisse bonds detracted as AT1 debt was wiped out as the Swiss government orchestrated an acquisition by UBS. The property sector was also strong, such as office owner Workspace Group and Cromwell.

On the downside, water utilities struggled, in particular Thames Water financial difficulties, sparking fears the utility could collapse in mid-2023. Welsh water Glas Cymru also detracted, as did Bazalgette, which finances London sewer project Tideway Tunnel. Elsewhere, funeral home Dignity struggled with a profit slump in early 2023.

### Portfolio Activity and Review

Towards the end of the period, the fund bought new issue banking bonds, including the 2027 bond of Coventry Building Society and the subordinated financials of Santander. We took part in a new HSBC senior deal and added some Tier 2 bonds from the same issuer. The fund has been underweight HSBC for some time but valuations now look more compelling. We reduced exposure to Deutsche Bank and Virgin Money Tier 2 bonds after a good run.

We also reduced exposure to Yorkshire Housing on analyst recommendations of a less positive view on the credit and the potential of a downgrade from A3 to Baa1 at Moody's. We exited the remaining small legacy exposure in the funeral operator Dignity. While the new owners are supporting the business, we see limited upside to the bonds in the medium term while the sector remains under pressure. We also reduced our position in London shopping centre Westfield Stratford City.

# abrdn Ethical Corporate Bond Fund

## Continued

### Portfolio Outlook and Strategy

The third quarter of 2023 started strongly for risk assets but weakened towards the end. Sentiment soared as the US economy continued to perform better than expected, with no significant cracks in the labour market to speak of as of yet. However, the large increase in oil prices did not help sentiment. Investors questioned how long interest rates will have to stay at higher levels and if, indeed, they will have to move higher yet.

Credit spreads have performed well year-to-date and still look fair value historically in investment-grade markets, both in the UK and Europe. Spreads look less appealing in the US. Demand for yields at these levels remains healthy from many different investor types, but ultimately cash rates will lead from here and may lead to investors being crowded out of the market.

The forecasts for a US recession have been pushed out to the middle of next year. Indeed, the debate rages about whether a 'soft landing' is possible. As such, the environment remains highly uncertain. We will continue to reduce credit risk as spreads tighten, particularly in higher-risk segments, such as BBBs and subordinated bonds. We are currently long duration relative to the index and this has been too early. We have not further added in the third quarter and are awaiting clearer signals to add more duration as the cycle turns.

### Sterling IG and Aggregate Team

November 2023

# abrdrn Ethical Corporate Bond Fund

## Continued

### Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the fund. The table below shows the fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk			Typically higher rewards, higher risk			
←						→
1	2	3	4	5	6	7

Risk and reward indicator table as at 31 October 2023.

The fund is rated as 4 because of the extent to which the following risk factors apply:

- The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- The fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.
- The fund invests in high yielding bonds which carry a greater risk of default than those with lower yields.
- The fund invests in mortgage and asset-backed securities (which may include collateralised loan, debt or mortgage obligations (respectively CLOs, CDOs or CMOs)). These are subject to prepayment and extension risk and additional liquidity and default risk compared to other credit securities.
- Convertible securities are investments that can be changed into another form upon certain triggers. As such, they can exhibit credit, equity and fixed interest risk. Contingent convertible securities (CoCos) are similar to convertible securities but have additional triggers which mean that they are more vulnerable to losses and volatile price movements and hence become less liquid.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

- Applying ESG and sustainability criteria in the investment process may result in the exclusion of securities within the fund's benchmark or universe of potential investments. The interpretation of ESG and sustainability criteria is subjective meaning that the fund may invest in companies which similar funds do not (and thus perform differently) and which do not align with the personal views of any individual investor.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

# Comparative Tables

	2023	2022	2021
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	72.20	93.04	91.76
Return before operating charges*	2.65	(19.99)	2.24
Operating charges	(0.75)	(0.85)	(0.96)
Return after operating charges*	1.90	(20.84)	1.28
Distributions	(2.02)	(1.68)	(1.45)
Retained distributions on accumulation shares	2.02	1.68	1.45
Closing net asset value per share	74.10	72.20	93.04
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	2.63%	(22.40%)	1.39%
<b>Other information</b>			
Closing net asset value (£'000)	9,499	10,996	15,019
Closing number of shares	12,819,665	15,228,659	16,142,850
Operating charges	1.01%	1.01%	1.02%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	79.09	95.15	96.03
Lowest share price	71.90	66.98	91.28

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2023	2022	2021
Retail income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	45.00	59.19	59.30
Return before operating charges*	1.67	(12.59)	1.44
Operating charges	(0.47)	(0.54)	(0.62)
Return after operating charges*	1.20	(13.13)	0.82
Distributions	(1.25)	(1.06)	(0.93)
Closing net asset value per share	44.95	45.00	59.19
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	2.67%	(22.18%)	1.38%
<b>Other information</b>			
Closing net asset value (£'000)	922	1,130	1,754
Closing number of shares	2,052,037	2,511,837	2,962,639
Operating charges	1.01%	1.01%	1.02%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	48.97	60.55	62.05
Lowest share price	44.23	42.00	58.53

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2023	2022	2021
Institutional accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	77.25	99.13	97.36
Return before operating charges*	2.84	(21.35)	2.37
Operating charges	(0.47)	(0.53)	(0.60)
Return after operating charges*	2.37	(21.88)	1.77
Distributions	(2.51)	(2.17)	(1.96)
Retained distributions on accumulation shares	2.51	2.17	1.96
Closing net asset value per share	79.62	77.25	99.13
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	3.07%	(22.07%)	1.82%
<b>Other information</b>			
Closing net asset value (£'000)	74,718	66,444	56,806
Closing number of shares	93,846,294	86,007,532	57,305,375
Operating charges	0.59%	0.59%	0.60%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	84.71	101.4	102.0
Lowest share price	77.15	71.65	97.00

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2023	2022	2021
Institutional income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	45.12	59.35	59.46
Return before operating charges*	1.67	(12.63)	1.44
Operating charges	(0.27)	(0.31)	(0.36)
Return after operating charges*	1.40	(12.94)	1.08
Distributions	(1.45)	(1.29)	(1.19)
Closing net asset value per share	45.07	45.12	59.35
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	3.10%	(21.80%)	1.82%
<b>Other information</b>			
Closing net asset value (£'000)	83,029	65,296	69,842
Closing number of shares	184,207,243	144,728,519	117,668,750
Operating charges	0.59%	0.59%	0.60%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	49.10	60.74	62.27
Lowest share price	44.39	42.15	58.74

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

<b>Platform 1 accumulation</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	62.60	80.36	78.97
Return before operating charges*	2.30	(17.30)	1.92
Operating charges	(0.42)	(0.46)	(0.53)
Return after operating charges*	1.88	(17.76)	1.39
Distributions	(2.00)	(1.72)	(1.55)
Retained distributions on accumulation shares	2.00	1.72	1.55
Closing net asset value per share	64.48	62.60	80.36
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	3.00%	(22.10%)	1.76%
<b>Other information</b>			
Closing net asset value (£'000)	45,056	55,021	66,127
Closing number of shares	69,871,719	87,890,092	82,284,462
Operating charges	0.64%	0.64%	0.65%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	68.64	82.22	82.70
Lowest share price	62.49	58.06	78.66

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2023	2022	2021
Platform 1 income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	47.81	62.89	63.00
Return before operating charges*	1.77	(13.38)	1.54
Operating charges	(0.31)	(0.36)	(0.42)
Return after operating charges*	1.46	(13.74)	1.12
Distributions	(1.51)	(1.34)	(1.23)
Closing net asset value per share	47.76	47.81	62.89
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	3.05%	(21.85%)	1.78%
<b>Other information</b>			
Closing net asset value (£'000)	14,232	17,109	29,238
Closing number of shares	29,798,805	35,788,710	46,488,308
Operating charges	0.64%	0.64%	0.65%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	52.03	64.36	65.97
Lowest share price	47.03	44.66	62.24

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

ZC accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	83.88	107.09	104.67
Return before operating charges*	3.08	(23.12)	2.53
Operating charges	(0.08)	(0.09)	(0.11)
Return after operating charges*	3.00	(23.21)	2.42
Distributions	(3.16)	(2.84)	(2.65)
Retained distributions on accumulation shares	3.16	2.84	2.65
Closing net asset value per share	86.88	83.88	107.09
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	3.58%	(21.67%)	2.31%
<b>Other information</b>			
Closing net asset value (£'000)	9,009	8,861	21,678
Closing number of shares	10,368,997	10,563,361	20,242,481
Operating charges	0.09%	0.09%	0.10%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	92.10	109.6	109.9
Lowest share price	83.92	77.78	104.5

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

ZB accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	83.30	106.25	103.73
Return before operating charges*	3.05	(22.95)	2.52
Operating charges	-	-	-
Return after operating charges*	3.05	(22.95)	2.52
Distributions	(3.22)	(2.90)	(2.74)
Retained distributions on accumulation shares	3.22	2.90	2.74
Closing net asset value per share	86.35	83.30	106.25
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	3.66%	(21.60%)	2.43%
<b>Other information</b>			
Closing net asset value (£'000)	130,030	141,902	189,161
Closing number of shares	150,585,171	170,355,411	178,032,086
Operating charges	-	-	-
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	91.48	108.8	109.0
Lowest share price	83.34	77.23	103.6

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Portfolio Statement

As at 31 October 2023

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Bonds (94.91%)</b>		<b>351,932</b>	<b>96.03</b>
<b>Euro Denominated Bonds (3.29%)</b>		<b>9,919</b>	<b>2.71</b>
<b>Corporate Bonds (3.29%)</b>		<b>9,919</b>	<b>2.71</b>
less than 5 years to maturity			
1,350,000	Cromwell EREIT 2.125% 2025	1,060	0.29
1,155,000	DS Smith 4.375% 2027	1,003	0.27
between 5 and 10 years to maturity			
2,000,000	Digital Intrepid REIT 0.625% 2031	1,226	0.33
Perpetual			
3,000,000	CaixaBank 5.25% fixed to floating Perpetual	2,261	0.62
1,400,000	Deutsche Bank 10% fixed to floating Perpetual	1,217	0.33
1,847,475	Stichting 6.5% Perpetual	1,450	0.40
2,500,000	Telefonica Europe 2.376% fixed to floating Perpetual	1,702	0.47
<b>Sterling Denominated Bonds (87.95%)</b>		<b>336,415</b>	<b>91.79</b>
<b>Corporate Bonds (84.44%)</b>		<b>321,688</b>	<b>87.77</b>
less than 5 years to maturity			
506,000	AA Bond 5.5% 2027	460	0.13
400,000	AA Bond 6.269% 2025	393	0.11
1,700,000	ABN AMRO Bank 5.125% 2028	1,635	0.45
1,880,000	Anglian Water Osprey Financing 2% 2028	1,433	0.39
2,400,000	Anglian Water Osprey Financing 4% 2026	2,181	0.60
821,000	Arqiva Financing 7.21% 2028	842	0.23
4,521,000	Athene Global Funding 1.75% 2027	3,748	1.02
1,400,000	Banco Santander 1.5% 2026	1,248	0.34
2,000,000	Banco Santander 4.75% fixed to floating 2028	1,902	0.52
1,950,000	Bank of America 7% 2028	2,043	0.56
1,250,000	Bank of America 8.125% 2028	1,320	0.36
3,830,000	Barclays 3% 2026	3,528	0.96
3,682,000	Bazalgette Finance 2.375% 2027	3,226	0.88
993,000	Bellis Acquisition 3.25% 2026	860	0.23
900,000	Bellis Acquisition 4.5% 2026	797	0.22
1,600,000	BNP Paribas 1.875% 2027	1,360	0.37

# Portfolio Statement

As at 31 October 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
2,500,000	CaixaBank 1.5% fixed to floating 2026	2,251	0.61
822,000	Citigroup 1.75% 2026	733	0.20
970,000	Commonwealth Bank of Australia 3% 2026	911	0.25
1,500,000	Cooperatieve Rabobank 1.875% fixed to floating 2028	1,303	0.36
1,265,000	Coventry Building Society 7% fixed to floating 2027	1,264	0.35
1,620,000	CPUK Finance 3.588% 2025	1,536	0.42
1,200,000	Credit Agricole 5.75% fixed to floating 2027	1,181	0.32
3,439,000	Credit Suisse 7.75% 2026	3,532	0.96
1,200,000	Deutsche Bank 2.625% 2024	1,145	0.31
1,200,000	Deutsche Bank 4% fixed to floating 2026	1,143	0.31
1,500,000	DNB Bank 4% fixed to floating 2027	1,409	0.38
1,701,000	Eversholt Funding 6.359% 2025	1,716	0.47
1,573,000	FirstGroup 6.875% 2024	1,575	0.43
2,200,000	Hammerson REIT 3.5% 2025	2,052	0.56
700,000	Hammerson REIT 6% 2026	673	0.18
500,000	Hammerson REIT 7.25% 2028	476	0.13
1,530,000	Heathrow Funding 2.625% 2028	1,279	0.35
1,132,000	Heathrow Funding 6.75% 2026	1,154	0.32
2,015,000	HSBC 2.256% fixed to floating 2026	1,863	0.51
1,300,000	KBC 5.5% fixed to floating 2028	1,266	0.35
2,300,000	Landesbank Baden-Wuerttemberg 1.125% 2025	2,067	0.56
1,000,000	Lloyds Bank 4.875% 2027	988	0.27
1,100,000	Lloyds Banking 2% fixed to floating 2028	953	0.26
3,273,000	Metrocentre Finance REIT 8.75% 2023	1,737	0.47
2,351,000	Mizuho Financial 5.628% 2028	2,316	0.63
2,532,000	Morgan Stanley 2.625% 2027	2,298	0.63
1,000,000	National Grid Electricity Distribution West Midlands 6% 2025	996	0.27
1,783,000	Nationwide Building Society 6.125% 2028	1,799	0.49
904,000	Nationwide Building Society 6.178% fixed to floating 2027	893	0.24
1,191,000	NatWest 3.125% fixed to floating 2027	1,099	0.30
382,000	NewRiver REIT 3.5% 2028	325	0.09
2,066,000	Pension Insurance 6.5% 2024	2,054	0.56
1,436,000	Realty Income REIT 1.875% 2027	1,262	0.34
1,765,000	Royal Bank of Canada 5% 2028	1,701	0.46
2,027,000	Santander UK 3.625% 2026	1,908	0.52
2,763,000	Santander UK 7.098% fixed to floating 2027	2,778	0.76
1,300,000	Societe Generale 1.875% 2024	1,251	0.34

# Portfolio Statement

As at 31 October 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
700,000	Southern Water Services Finance 1.625% 2027	588	0.16
2,371,000	Swedbank 1.375% fixed to floating 2027	2,051	0.56
1,870,000	Thames Water Utilities Finance 3.5% 2028	1,608	0.44
1,000,000	Thames Water Utilities Finance 4% 2025	939	0.26
4,752,000	UBS 7% fixed to floating 2027	4,779	1.30
1,859,000	Virgin Money UK FRN 2025	1,800	0.49
2,500,000	Wells Fargo 3.473% fixed to floating 2028	2,275	0.62
1,900,000	Westfield Stratford City Finance No 2 1.642% 2026	1,663	0.45
4,000,000	Workspace REIT 2.25% 2028	3,134	0.86
between 5 and 10 years to maturity			
1,500,000	Anglian Water Services Financing 5.875% 2031	1,465	0.40
1,086,000	Arqiva Financing 4.882% 2032	639	0.17
600,000	Arqiva Financing 5.34% 2030	555	0.15
1,900,000	Assura Financing REIT 1.5% 2030	1,406	0.38
2,500,000	Assura Financing REIT 1.625% 2033	1,652	0.45
3,300,000	Banco Santander 2.25% fixed to floating 2032	2,699	0.74
1,574,000	Bank of America 3.584% fixed to floating 2031	1,360	0.37
3,174,000	Barclays 3.75% fixed to floating 2030	2,930	0.80
1,500,000	Barclays 6.369% fixed to floating 2031	1,454	0.40
2,305,000	Berkeley 2.5% 2031	1,531	0.42
1,500,000	BNP Paribas 1.25% 2031	1,054	0.29
2,100,000	BNP Paribas 2% fixed to floating 2031	1,829	0.50
1,500,000	BNP Paribas 6% fixed to floating 2029	1,500	0.41
1,500,000	BPCE 2.5% fixed to floating 2032	1,234	0.34
1,050,000	Broadgate Financing 4.821% 2033	959	0.26
775,000	Broadgate Financing 4.999% 2031	730	0.20
1,340,000	Broadgate Financing 5.098% 2033	1,022	0.28
1,269,000	CPUK Finance 6.136% 2031	1,205	0.33
3,800,000	Credit Agricole 4.875% 2029	3,632	0.99
2,400,000	Deutsche Bank 1.875% fixed to floating 2028	1,953	0.53
1,764,000	ENW Finance 4.893% 2032	1,633	0.45
1,999,000	Experian Finance 3.25% 2032	1,668	0.46
866,000	Fidelity National Information Services 3.36% 2031	724	0.20
3,056,000	Grainger 3% 2030	2,382	0.65
1,500,000	Great Rolling Stock 6.5% 2031	1,098	0.30
1,414,000	Heathrow Funding 6.45% 2031	1,432	0.39

# Portfolio Statement

As at 31 October 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,831,000	HSBC 3% fixed to floating 2030	1,533	0.42
1,448,000	HSBC 6.8% fixed to floating 2031	1,457	0.40
3,700,000	ING 1.125% fixed to floating 2028	3,062	0.84
1,800,000	Legal & General Finance 5.875% 2031	1,827	0.50
4,861,000	Lloyds Banking 1.985% fixed to floating 2031	4,174	1.14
1,281,000	Lloyds Banking 6.625% fixed to floating 2033	1,241	0.34
2,420,000	London & Quadrant Housing Trust 2.25% 2029	1,993	0.54
850,000	Meadowhall Finance 4.986% 2032	382	0.10
2,155,000	National Australia Bank 1.699% fixed to floating 2031	1,836	0.50
1,500,000	National Grid Electricity Distribution South West 2.375% 2029	1,250	0.34
1,474,000	NatWest 2.057% fixed to floating 2028	1,247	0.34
2,500,000	NatWest 3.622% fixed to floating 2030	2,347	0.64
800,000	NatWest 7.416% fixed to floating 2033	792	0.22
575,000	NIE Finance 5.875% 2032	570	0.16
862,000	Northumbrian Water Finance 4.5% 2031	769	0.21
1,267,000	Notting Hill Genesis 3.75% 2032	1,078	0.29
1,192,000	Ørsted 2.5% 2033	876	0.24
600,000	Ørsted 4.875% 2032	548	0.15
1,400,000	Pension Insurance 4.625% 2031	1,141	0.31
1,500,000	Prudential Funding Asia 5.875% 2029	1,500	0.41
2,886,000	Realty Income REIT 1.75% 2033	1,936	0.53
2,318,000	Santander UK 2.421% fixed to floating 2029	1,947	0.53
1,000,000	Santander UK 3.875% 2029	900	0.25
500,000	Severn Trent Utilities Finance 2.625% 2033	378	0.10
1,800,000	Severn Trent Utilities Finance 2.75% 2031	1,430	0.39
1,400,000	Societe Generale 6.25% 2033	1,400	0.38
1,095,000	South Eastern Power Networks 5.625% 2030	1,080	0.29
1,250,000	South Eastern Power Networks 6.375% 2031	1,286	0.35
1,820,000	Swedbank 5.875% fixed to floating 2029	1,778	0.49
1,473,000	Telereal Secured Finance 4.01% 2031	728	0.20
339,000	Telereal Securitisation 1.3657% 2031	202	0.06
1,000,000	Telereal Securitisation 6.1645% 2031	814	0.22
700,000	Telereal Securitisation FRN 2031	558	0.15
1,500,000	Tritax Big Box REIT 3.125% 2031	1,199	0.33
3,774,000	UBS 1.875% fixed to floating 2029	3,045	0.83
2,000,000	Virgin Money UK 2.625% fixed to floating 2031	1,703	0.46
1,600,000	Virgin Money UK 5.125% fixed to floating 2030	1,497	0.41

# Portfolio Statement

As at 31 October 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,364,000	Virgin Money UK FRN 2028	1,363	0.37
1,500,000	Vmed O2 UK Financing I 4% 2029	1,237	0.34
1,312,000	Welltower REIT 4.8% 2028	1,226	0.33
1,823,000	Yorkshire Building Society 6.375% fixed to floating 2028	1,775	0.48
1,171,000	Yorkshire Water Finance 1.75% 2032	797	0.22
between 10 and 15 years to maturity			
1,000,000	Aviva 6.125% fixed to floating 2036	989	0.27
1,559,000	Bazalgette Finance 2.75% 2034	1,151	0.31
1,900,000	BNP Paribas 2% 2036	1,205	0.33
600,000	British Land REIT 5.0055% 2035	430	0.12
1,323,000	Comcast 1.875% 2036	873	0.24
4,447,000	DWR Cymru Financing UK 2.375% 2034	2,976	0.81
1,842,000	Eastern Power Networks 1.875% 2035	1,224	0.33
1,160,000	Eastern Power Networks 2.125% 2033	832	0.23
1,000,000	Gatwick Funding 4.625% 2034	864	0.24
1,000,000	HSBC 8.201% fixed to floating 2034	1,026	0.28
1,000,000	Land Securities Capital Markets REIT 2.625% 2037	690	0.19
2,041,000	Lloyds Banking 2.707% fixed to floating 2035	1,496	0.41
1,700,000	London & Quadrant Housing Trust 4.625% 2033	1,528	0.42
2,750,000	Metropolitan Housing Trust 1.875% 2036	1,737	0.47
1,095,000	Morgan Stanley 5.789% fixed to floating 2033	1,059	0.29
3,021,000	Morhomes 3.4% 2038	2,211	0.60
2,323,000	National Grid Electricity Transmission 2% 2038	1,370	0.37
1,109,000	Northumbrian Water Finance 6.375% 2034	1,078	0.29
2,000,000	Optivo Finance 2.857% 2035	1,454	0.40
900,000	Orange 5.625% 2034	884	0.24
1,757,000	Paragon Treasury 2% 2036	1,116	0.30
1,000,000	Peabody Capital No 2 2.75% 2034	750	0.20
1,925,000	Scottish Hydro Electric Transmission 2.25% 2035	1,315	0.36
591,000	Severn Trent Utilities Finance 5.25% 2036	544	0.15
833,000	South Eastern Power Networks 1.75% 2034	557	0.15
407,000	Southern Housing 2.375% 2036	270	0.07
1,831,000	Southern Water Services Finance 3% 2037	1,149	0.31
910,000	SSE 6.25% 2038	895	0.24
1,583,000	Stonewater Funding 1.625% 2036	987	0.27
467,000	Telereal Securitisation 1.9632% fixed to floating 2033	420	0.11

# Portfolio Statement

As at 31 October 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
3,250,000	Thames Water Utilities Finance 4.375% 2034	2,529	0.69
1,000,000	United Utilities Water 5% 2035	901	0.25
2,005,000	United Utilities Water Finance 1.75% 2038	1,173	0.32
1,982,000	United Utilities Water Finance 5.75% 2036	1,910	0.52
2,600,000	Verizon Communications 3.375% 2036	1,952	0.53
988,000	Welltower REIT 4.5% 2034	810	0.22
698,000	Yorkshire Water Finance 5.5% 2035	625	0.17
between 15 and 25 years to maturity			
979,000	Anglian Water Services Financing 6% 2039	928	0.25
2,700,000	AT&T 4.25% 2043	2,010	0.55
1,027,000	AT&T 4.875% 2044	825	0.23
1,700,000	AT&T 7% 2040	1,757	0.48
1,100,000	BPHA Finance 4.816% 2044	938	0.26
950,000	British Telecommunications 5.75% 2041	858	0.23
630,000	Channel Link Enterprises Finance 6.341% 2046	448	0.12
1,170,000	Clarion Funding 3.125% 2048	717	0.20
3,000,000	Connect Plus M25 Issuer 2.607% 2039	2,019	0.55
785,000	Enel Finance International 5.75% 2040	721	0.20
3,274,000	Eversholt Funding 3.529% 2042	2,298	0.63
1,700,000	Futures Treasury 3.375% 2044	1,178	0.32
1,600,000	Heathrow Funding 5.875% 2041	1,477	0.40
2,748,000	Hexagon Housing Association 3.625% 2048	1,754	0.48
2,000,000	HSBC 6% 2040	1,740	0.48
1,000,000	Hyde Housing Association 5.125% 2040	917	0.25
1,000,000	Legal & General 5.375% fixed to floating 2045	971	0.26
1,009,000	Libra (Longhurst) 3.25% 2043	663	0.18
1,791,000	Motability Operations 2.125% 2042	1,052	0.29
1,384,000	Motability Operations 2.375% 2039	903	0.25
1,165,000	National Grid Electricity Transmission 5.272% 2043	1,018	0.28
1,893,000	Northumbrian Water Finance 5.125% 2042	1,582	0.43
1,500,000	Optivo Finance 3.283% 2048	933	0.25
1,100,000	Ørsted 5.375% 2042	961	0.26
800,000	Scottish Power UK 6.375% 2041	789	0.22
1,406,000	Segro REIT 5.125% 2041	1,225	0.33
1,211,000	Severn Trent Utilities Finance 2% 2040	678	0.19
800,000	Severn Trent Utilities Finance 4.875% 2042	669	0.18

# Portfolio Statement

As at 31 October 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
2,233,000	TC Dudgeon Ofco 3.158% 2038	1,586	0.43
3,250,000	Tesco Property Finance 3 5.744% 2040	2,693	0.73
1,500,000	Tesco Property Finance 4 5.8006% 2040	1,272	0.35
2,300,000	Thames Water Utilities Finance 5.5% 2041	1,825	0.50
900,000	Time Warner Cable 5.25% 2042	701	0.19
1,796,000	United Utilities Water Finance 1.875% 2042	949	0.26
3,000,000	Verizon Communications 1.875% 2038	1,727	0.47
660,000	Wheatley Capital 4.375% 2044	526	0.14
191,000	Yorkshire Housing Finance 4.125% 2044	143	0.04
greater than 25 years to maturity			
2,300,000	Assicurazioni Generali 6.269% fixed to floating 2049	2,222	0.61
1,807,000	Aviva 4% fixed to floating 2055	1,326	0.36
1,250,000	Aviva 4.375% fixed to floating 2049	1,074	0.29
835,000	Blend Funding 2.922% 2054	473	0.13
1,625,000	Blend Funding 3.508% 2057	1,016	0.28
1,919,000	Channel Link Enterprises Finance 3.043% fixed to floating 2050	1,610	0.44
1,263,000	Gatwick Funding 2.875% 2049	686	0.19
1,766,000	Hyde Housing Association 1.75% 2055	730	0.20
1,557,000	Income Contingent Student Loans 2 2007-2009 2.5% 2058	841	0.23
1,570,000	Legal & General 4.5% fixed to floating 2050	1,319	0.36
400,000	M&G 5.56% fixed to floating 2055	331	0.09
1,209,000	M&G 5.625% fixed to floating 2051	1,049	0.29
1,000,000	M&G 6.34% fixed to floating 2063	819	0.22
1,000,000	NatWest 5.625% fixed to floating 2065	950	0.26
3,500,000	NGG Finance 5.625% fixed to floating 2073	3,344	0.91
1,700,000	Orange 5.375% 2050	1,541	0.42
2,200,000	Ørsted 2.5% fixed to floating 3021	1,350	0.37
1,444,000	Peabody Capital No 2 4.625% 2053	1,127	0.31
2,000,000	RL Finance No 4 4.875% fixed to floating 2049	1,418	0.39
500,000	Sanctuary Capital 2.375% 2050	262	0.07
1,400,000	Santander UK FRN 2049	1,366	0.37
1,994,000	Vodafone 3% 2056	1,057	0.29
1,690,000	Vodafone 5.125% 2052	1,365	0.37
1,503,000	Zurich Finance Ireland Designated Activity 5.125% fixed to floating 2052	1,315	0.36

# Portfolio Statement

As at 31 October 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Perpetual			
1,795,000	Barclays 7.125% fixed to floating Perpetual	1,669	0.46
1,830,000	Barclays FRN Perpetual	1,700	0.46
1,200,000	Lloyds Banking 8.5% fixed to floating Perpetual	1,120	0.31
2,307,000	Mobico 4.25% fixed to floating Perpetual	1,918	0.52
2,547,000	NatWest 4.5% fixed to floating Perpetual	1,911	0.52
<b>Government Bonds (3.51%)</b>		<b>14,727</b>	<b>4.02</b>
less than 5 years to maturity			
1,331,000	Transport for London 2.125% 2025	1,264	0.35
between 5 and 10 years to maturity			
3,500,000	European Investment Bank 5.625% 2032	3,717	1.01
between 10 and 15 years to maturity			
5,300,000	European Investment Bank 3.875% 2037	4,730	1.29
between 15 and 25 years to maturity			
2,000,000	European Investment Bank 5% 2039	1,986	0.54
2,653,000	Transport for London 3.625% 2045	1,902	0.52
greater than 25 years to maturity			
1,235,000	European Investment Bank 4.625% 2054	1,128	0.31
<b>US Dollar Denominated Bonds (3.67%)</b>		<b>5,598</b>	<b>1.53</b>
<b>Corporate Bonds (3.67%)</b>		<b>5,598</b>	<b>1.53</b>
between 15 and 25 years to maturity			
1,670,000	QBE Insurance 6.75% fixed to floating 2044	1,358	0.37
greater than 25 years to maturity			
2,300,000	Rogers Communications 5.25% fixed to floating 2082	1,668	0.46
Perpetual			
2,940,000	DNB Bank FRN Perpetual	1,887	0.51
900,000	Standard Chartered 7.014% fixed to floating Perpetual	685	0.19

# Portfolio Statement

As at 31 October 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Derivatives (-0.97%)</b>		<b>(5,158)</b>	<b>(1.41)</b>
<b>Forward Currency Contracts (-0.26%)</b>		<b>(599)</b>	<b>(0.17)</b>
	Buy EUR 245,264 Sell GBP 212,367 15/11/2023	2	-
	Buy EUR 538,938 Sell GBP 468,034 15/11/2023	4	-
	Buy EUR 1,390,172 Sell GBP 1,202,179 15/11/2023	15	0.01
	Buy EUR 1,542,231 Sell GBP 1,337,516 15/11/2023	13	-
	Buy GBP 293,412 Sell EUR 339,055 15/11/2023	(4)	-
	Buy GBP 12,893,184 Sell EUR 14,897,488 15/11/2023	(150)	(0.04)
	Buy GBP 11,033,354 Sell USD 14,052,040 15/11/2023	(507)	(0.14)
	Buy USD 177,677 Sell GBP 146,264 15/11/2023	-	-
	Buy USD 284,454 Sell GBP 227,063 15/11/2023	6	-
	Buy USD 451,575 Sell GBP 365,010 15/11/2023	6	-
	Buy USD 701,589 Sell GBP 572,136 15/11/2023	4	-
	Buy USD 2,000,000 Sell GBP 1,632,361 15/11/2023	10	-
	Buy USD 3,580,000 Sell GBP 2,937,746 15/11/2023	2	-
<b>Interest Rate Swaps (-0.71%)</b>		<b>(4,559)</b>	<b>(1.24)</b>
GBP 1,000,000	Pay fixed 0.432% receive floating GBP-SONIA 04/09/2049	606	0.17
EUR 9,200,000	Pay fixed 2.9032% receive floating EURIBOR 09/02/2033	164	0.05
EUR 3,000,000	Pay floating EURIBOR receive fixed 2.9032% 09/02/2033	(53)	(0.01)
GBP 2,500,000	Pay floating GBP-SONIA receive fixed 0.432% 04/09/2049	(1,516)	(0.41)
GBP 46,000,000	Pay floating GBP-SONIA receive fixed 0.8932% 22/11/2023	(1,647)	(0.45)
GBP 6,000,000	Pay floating GBP-SONIA receive fixed 3.1588% 24/03/2033	(606)	(0.17)
GBP 8,000,000	Pay floating GBP-SONIA receive fixed 3.3496% 07/02/2033	(684)	(0.19)
GBP 8,000,000	Pay floating GBP-SONIA receive fixed 3.7398% 01/03/2033	(429)	(0.12)
GBP 7,000,000	Pay floating GBP-SONIA receive fixed 4.1136% 02/11/2027	(138)	(0.04)
GBP 10,000,000	Pay floating GBP-SONIA receive fixed 4.1244% 18/05/2028	(211)	(0.06)
USD 7,500,000	Pay floating USD-SOFR receive fixed 4.3863% 26/09/2028	(45)	(0.01)
Total investment assets and liabilities		346,774	94.62
Net other assets		19,721	5.38
<b>Total Net Assets</b>		<b>366,495</b>	<b>100.00</b>

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities, or are approved derivatives within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 October 2022.

# Financial Statements

## Statement of Total Return

For the year ended 31 October 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(1,545)		(110,700)
Revenue	2	16,763		12,477	
Expenses	3	(1,450)		(1,476)	
Interest payable and similar charges	4	(1,893)		(45)	
Net revenue before taxation		13,420		10,956	
Taxation	5	-		6	
Net revenue after taxation			13,420		10,962
<b>Total return before distributions</b>			<b>11,875</b>		<b>(99,738)</b>
Distributions	6		(13,420)		(10,962)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(1,545)</b>		<b>(110,700)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 October 2023

	2023		2022	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>366,759</b>		<b>449,625</b>
Amounts receivable on the issue of shares	70,733		92,655	
Amounts payable on the cancellation of shares	(79,851)		(73,870)	
		(9,118)		18,785
Dilution adjustment		298		382
Change in net assets attributable to shareholders from investment activities (see above)		(1,545)		(110,700)
Retained distribution on accumulation shares		10,101		8,667
<b>Closing net assets attributable to shareholders</b>		<b>366,495</b>		<b>366,759</b>

# Financial Statements

## Continued

### Balance Sheet

As at 31 October 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			352,764		349,796
<b>Current assets:</b>					
Debtors	7	6,685		8,530	
Cash and bank balances	8	15,463		15,573	
			22,148		24,103
<b>Total assets</b>			<b>374,912</b>		<b>373,899</b>
<b>Liabilities:</b>					
Investment liabilities			(5,990)		(5,258)
Creditors	9	(1,607)		(1,270)	
Distribution payable		(820)		(612)	
			(2,427)		(1,882)
<b>Total liabilities</b>			<b>(8,417)</b>		<b>(7,140)</b>
<b>Net assets attributable to shareholders</b>			<b>366,495</b>		<b>366,759</b>

# Notes to the Financial Statements

## 1 Net Capital Losses

	2023 £'000	2022 £'000
Non-derivative securities	(2,413)	(104,798)
Derivative contracts	267	(3,156)
Forward currency contracts	627	(2,717)
Other losses	(24)	(23)
Subsidised fees taken from the capital account**	2	4
Transaction charges	(4)	(10)
<b>Net capital losses</b>	<b>(1,545)</b>	<b>(110,700)</b>

\*\* Subsidised fees are paid by the ACD.

## 2 Revenue

	2023 £'000	2022 £'000
Bank and margin interest	176	85
Interest on debt securities	16,587	12,392
<b>Total revenue</b>	<b>16,763</b>	<b>12,477</b>

## 3 Expenses

	2023 £'000	2022 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	1,215	1,227
Dealing charge	35	46
General administration charge	184	188
	1,434	1,461
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fees	27	28
	27	28
<b>Other:</b>		
Subsidised fees*	(11)	(13)
	(11)	(13)
<b>Total expenses</b>	<b>1,450</b>	<b>1,476</b>

Irrecoverable VAT is included in the above expenses, where relevant.  
The audit fee for the year, including VAT, was £13,500 (2022: £12,540).

\* Subsidised fees are paid by the ACD.

# Notes to the Financial Statements

## Continued

### 4 Interest Payable and Similar Charges

	2023 £'000	2022 £'000
Derivative expense	1,869	43
Interest payable	24	2
<b>Total interest payable &amp; similar charges</b>	<b>1,893</b>	<b>45</b>

### 5 Taxation

	2023 £'000	2022 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	-	(6)
<b>Total taxation (note 5b)</b>	<b>-</b>	<b>(6)</b>

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

The tax assessed for the year is less than (2022: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

<b>Net revenue before taxation</b>	<b>13,420</b>	<b>10,956</b>
Corporation tax at 20% (2022: 20%)	2,684	2,191
Effects of:		
Overseas taxes	-	(6)
Distributions treated as tax deductible	(2,684)	(2,191)
<b>Total tax charge/(credit) for year (note 5a)</b>	<b>-</b>	<b>(6)</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

#### (c) Factors that may affect future tax charge

At the year end there are no surplus expenses and therefore no deferred tax asset in the current or prior year.

### 6 Distributions

	2023 £'000	2022 £'000
First interim distribution	3,298	2,759
Second interim distribution	3,226	2,620
Third interim distribution	3,459	2,757
Final distribution	3,238	2,895
	<b>13,221</b>	<b>11,031</b>

# Notes to the Financial Statements

## Continued

	2023 £'000	2022 £'000
Add: Income deducted on cancellation of shares	439	254
Deduct: Income received on issue of shares	(240)	(323)
<b>Total distributions for the year</b>	<b>13,420</b>	<b>10,962</b>

Details of the distribution per share are set out in this fund's distribution tables.

## 7 Debtors

	2023 £'000	2022 £'000
Accrued revenue	6,639	5,891
Amounts receivable from the ACD for the issue of shares	27	938
Expenses reimbursement receivable from the ACD	13	11
Overseas withholding tax recoverable	6	6
Sales awaiting settlement	-	1,684
<b>Total debtors</b>	<b>6,685</b>	<b>8,530</b>

## 8 Liquidity

	2023 £'000	2022 £'000
<b>Cash and bank balances</b>		
Cash at bank	3,130	302
Cash at broker	7,790	5,577
Collateral cash pledged to counterparties+	660	780
Deposits with original maturity of less than 3 months	3,883	8,914
	<b>15,463</b>	<b>15,573</b>
<b>Net liquidity</b>	<b>15,463</b>	<b>15,573</b>

+ This reflects cash the fund retains beneficial ownership of however which is currently being used to manage bilateral counterparty exposure on out of the money derivative positions. While included as part of the net liquidity disclosure, this cash is therefore restricted until the related derivative contract expires.

## 9 Creditors

	2023 £'000	2022 £'000
Accrued expenses payable to ACD	120	119
Accrued expenses payable to the Depositary or associates of the Depositary	6	6
Amounts payable to the ACD for cancellation of shares	217	200
Purchases awaiting settlement	1,264	945
<b>Total creditors</b>	<b>1,607</b>	<b>1,270</b>

# Notes to the Financial Statements

## Continued

### 10 Related Party Transactions

abrdr Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to abrdr Fund Managers Limited at the end of the accounting year are disclosed in notes 7 and 9.

Amounts payable to abrdr Fund Managers Limited, in respect of expenses are disclosed in note 3 and any amounts due at the year end in note 9.

Amounts receivable from abrdr Fund Managers Limited in respect of subsidised fees are disclosed in notes 1 and 3 and any amounts due at the year end in note 7 and 9.

### 11 Portfolio Transaction Costs

There are no transaction costs associated with the purchases or sales of bonds and derivatives during the year, or in the prior year.

Bonds are dealt on a spread agreed between buyer and seller with reference to the expected cashflows and current credit profiles.

Derivatives are dealt on a spread agreed between buyer and seller with reference to the underlying investment.

	Purchases		Sales	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Trades in the year</b>				
Bonds	136,290	131,082	129,188	110,384
<b>Trades in the year before transaction costs</b>	<b>136,290</b>	<b>131,082</b>	<b>129,188</b>	<b>110,384</b>
<b>Total net trades in the year after transaction costs</b>	<b>136,290</b>	<b>131,082</b>	<b>129,188</b>	<b>110,384</b>

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.69% (2022: 0.95%), this is representative of the average spread on the assets held during the year.

### 12 Shares in Issue Reconciliation

	Opening shares 2022	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2023
Retail accumulation	15,228,659	548,278	(2,430,320)	(526,952)	12,819,665
Retail income	2,511,837	69,926	(360,743)	(168,983)	2,052,037
Institutional accumulation	86,007,532	25,726,190	(18,529,542)	642,114	93,846,294
Institutional income	144,728,519	63,201,451	(24,182,392)	459,665	184,207,243
Platform 1 accumulation	87,890,092	2,333,752	(20,166,830)	(185,295)	69,871,719
Platform 1 income	35,788,710	4,778,211	(10,493,279)	(274,837)	29,798,805
ZC accumulation	10,563,361	5,894	(200,258)	-	10,368,997
ZB accumulation	170,355,411	19,720,813	(39,491,053)	-	150,585,171

# Notes to the Financial Statements

## Continued

### 13 Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2023 £'000 Level 1	2023 £'000 Level 2	2023 £'000 Level 3	2022 £'000 Level 1	2022 £'000 Level 2	2022 £'000 Level 3
<b>Fair value of investment assets</b>						
Bonds	3,166	348,766	-	1,475	346,625	-
Derivatives	-	832	-	-	1,696	-
<b>Total investment assets</b>	<b>3,166</b>	<b>349,598</b>	<b>-</b>	<b>1,475</b>	<b>348,321</b>	<b>-</b>
<b>Fair value of investment liabilities</b>						
Derivatives	-	(5,990)	-	-	(5,258)	-
<b>Total investment liabilities</b>	<b>-</b>	<b>(5,990)</b>	<b>-</b>	<b>-</b>	<b>(5,258)</b>	<b>-</b>

### 14 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

#### Foreign currency risk

The fund's net exposure to foreign currencies (including any instruments used to hedge against foreign currencies) is not significant. Therefore, the financial statements are not subject to any significant risk of currency movements. This is consistent with the exposure during the prior year.

#### Interest rate risk

Interest rate risk is an unfavourable change in interest rates that can affect the price of a security, which in turn results in the portfolio experiencing a loss. Interest rate changes not only affect fixed income products but have material impacts on funding arrangements and other asset types.

The following table shows separately the value of investments at fixed interest rates, at variable rates and those that are non-interest bearing instruments.

The interest rate risk profile of the fund's investments at the year end consists of:

2023	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>Currency</b>				
UK Sterling	14,591	329,628	19,138	363,357
Euro	110	9,919	(9,936)	93
US Dollar	4,877	3,711	(5,543)	3,045
<b>Total</b>	<b>19,578</b>	<b>343,258</b>	<b>3,659</b>	<b>366,495</b>

# Notes to the Financial Statements

## Continued

2022	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>Currency</b>				
UK Sterling	13,532	321,936	31,275	366,743
Euro	3	12,086	(12,150)	(61)
US Dollar	5,010	8,488	(13,421)	77
<b>Total</b>	<b>18,545</b>	<b>342,510</b>	<b>5,704</b>	<b>366,759</b>

### Other price risk

The fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Adviser in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

### VaR

The table below indicates the VaR of the fund, measured as the maximum one month loss in value from adverse changes in market risk factors (e.g. equity prices, interest rates, inflation rates and foreign currency exchange rates) that is expected with a 99 percent confidence level. Calculated on this basis, the VaR indicates that the net value of the fund could be expected to fall over a one-month period by more than the corresponding VaR in 1% of cases, assuming the fund does not alter its positioning over that period.

2023	Minimum	Maximum	Average
VaR 99% 1 Month	5.76%	7.21%	6.45%
2022	Minimum	Maximum	Average
VaR 99% 1 Month	4.01%	7.00%	4.71%

At the year end date, there was a 1% chance of the portfolio value falling (or rising) more than 5.76%, £19,983,000 (2022: 7.00%, £24,107,000) in a one month period.

This calculation is generally determined by the use of an industry recognised medium term risk model, typically based on 3-5 year history. The method assumes normal market conditions and that the portfolio remains unchanged.

# Notes to the Financial Statements

## Continued

### Counterparty risk

#### Credit quality of debt security investment assets

The following table shows the credit quality of the part of the investment portfolio that is invested in debt securities.

	Market value £'000	Percentage of total net assets %
<b>2023</b>		
Investment grade securities	325,926	88.92
Below investment grade securities	21,125	5.77
Unrated securities	4,881	1.34
<b>Total value of securities</b>	<b>351,932</b>	<b>96.03</b>
<b>2022</b>		
Investment grade securities	316,398	86.28
Below investment grade securities	28,123	7.65
Unrated securities	3,579	0.98
<b>Total value of securities</b>	<b>348,100</b>	<b>94.91</b>

Investment grade information used in the above table is based on credit ratings issued by market vendors.

### Financial derivatives instrument risk

These types of transaction can introduce market exposure greater than the market value of the instrument. These transactions exchange benefits with a third party at a future date creating both counterparty and concentration risk. The Investment Adviser's policies for managing these risks are outlined in the fund's prospectus.

At the balance sheet date the fund had the following exposures:

	2023		2022	
	Market exposure £'000	Market value £'000	Market exposure £'000	Market value £'000
<b>Leveraged instruments</b>				
Forward currency contracts	34,027	(599)	31,205	(944)
Swaps	105,308	(4,559)	71,000	(2,618)
<b>Total market exposure</b>	<b>139,335</b>	<b>(5,158)</b>	<b>102,205</b>	<b>(3,562)</b>

The total market exposure is the sum of the notional derivative contracts on a gross basis with no offsetting.

The fund uses the commitment method to calculate global exposure. Leverage is not significant in this context.

### Counterparty risk

Where the fund enters market transactions this creates concentration risk where a clearing broker operates on an exchange. Where the clearing broker is not solvent the market exposure can be transferred. Exposure is reduced by the daily exchange of margin by both parties held in the name of the depository. At the year end the fund had the following clearing broker exposure.

# Notes to the Financial Statements

## Continued

2023 Broker or exchange exposure	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
Goldman Sachs	(4,559)	7,790	-	3,231	0.88
	<b>(4,559)</b>	<b>7,790</b>	<b>-</b>	<b>3,231</b>	<b>0.88</b>

2022 Broker or exchange exposure	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
Goldman Sachs	(2,618)	5,577	-	2,959	0.81
	<b>(2,618)</b>	<b>5,577</b>	<b>-</b>	<b>2,959</b>	<b>0.81</b>

### Bilateral agreements

Where the fund enters bilateral agreements this introduces counterparty risk. Where a counterparty defaults on their obligation, exposure is reduced by the collateral held/pledged by both parties.

Certain derivatives are conducted on a master ISDA (International Swaps and Derivatives Association) agreement. Positions are collateralised daily in line with the agreement including a right of termination at fair value and a right of recall/substitution on any stock collateral within 24 hours.

At the balance sheet date the fund had the following positions.

2023 Counterparties	Forwards £'000	Collateral (held)/pledged		Net exposure £'000
		Cash £'000	Stock £'000	
Barclays	6	-	-	6
BNP Paribas	(150)	110	-	(40)
Citigroup	(2)	-	-	(2)
Goldman Sachs	(507)	550	-	43
Morgan Stanley	21	-	-	21
Royal Bank of Canada	8	-	-	8
Standard Chartered	10	-	-	10
UBS	15	-	-	15
<b>Total</b>	<b>(599)</b>	<b>660</b>	<b>-</b>	<b>61</b>

The Prospectus outlines allowable collateral. There have been no changes in the year.

2022 Counterparties	Forwards £'000	Collateral (held)/pledged		Net exposure £'000
		Cash £'000	Stock £'000	
Citigroup	(192)	160	-	(32)
HSBC	(4)	-	-	(4)
JP Morgan	1	-	-	1
Lloyds Bank	(2)	-	-	(2)
Morgan Stanley	(1)	-	-	(1)

# Notes to the Financial Statements

## Continued

2022 Counterparties	Forwards £'000	Collateral (held)/pledged		Net exposure £'000
		Cash £'000	Stock £'000	
Royal Bank of Canada	(702)	620	-	(82)
Standard Chartered	(31)	-	-	(31)
UBS	(13)	-	-	(13)
<b>Total</b>	<b>(944)</b>	<b>780</b>	<b>-</b>	<b>(164)</b>

### Liquidity risk

The following table provides a maturity analysis of the fund's financial liabilities on a contractual basis.

2023	On demand £'000	Up to one year £'000	Over one year but not more than five years		Total £'000
			£'000	Over five years £'000	
<b>Derivatives</b>					
Investment liabilities	-	(2,308)	(394)	(3,288)	(5,990)
<b>Non-derivatives</b>					
Other creditors	-	(1,607)	-	-	(1,607)
Distribution payable	-	(820)	-	-	(820)
<b>Total financial liabilities</b>	<b>-</b>	<b>(4,735)</b>	<b>(394)</b>	<b>(3,288)</b>	<b>(8,417)</b>

2022	On demand £'000	Up to one year £'000	Over one year but not more than five years		Total £'000
			£'000	Over five years £'000	
<b>Derivatives</b>					
Investment liabilities	-	(951)	(1,662)	(2,645)	(5,258)
<b>Non-derivatives</b>					
Other creditors	-	(1,270)	-	-	(1,270)
Distribution payable	-	(612)	-	-	(612)
<b>Total financial liabilities</b>	<b>-</b>	<b>(2,833)</b>	<b>(1,662)</b>	<b>(2,645)</b>	<b>(7,140)</b>

# Distribution Tables

For the year ended 31 October 2023 (in pence per share)

## First interim interest distribution

Group 1 – shares purchased prior to 1 November 2022

Group 2 – shares purchased between 1 November 2022 and 31 January 2023

	Revenue	Equalisation	Distribution paid 31/03/23	Distribution paid 31/03/22
<b>Retail accumulation</b>				
Group 1	0.5007	-	0.5007	0.4052
Group 2	0.2819	0.2188	0.5007	0.4052
<b>Retail income</b>				
Group 1	0.3120	-	0.3120	0.2580
Group 2	0.1943	0.1177	0.3120	0.2580
<b>Institutional accumulation</b>				
Group 1	0.6213	-	0.6213	0.5374
Group 2	0.3663	0.2550	0.6213	0.5374
<b>Institutional income</b>				
Group 1	0.3628	-	0.3628	0.3217
Group 2	0.3125	0.0503	0.3628	0.3217
<b>Platform 1 accumulation</b>				
Group 1	0.4951	-	0.4951	0.4254
Group 2	0.3087	0.1864	0.4951	0.4254
<b>Platform 1 income</b>				
Group 1	0.3781	-	0.3781	0.3330
Group 2	0.1444	0.2337	0.3781	0.3330
<b>ZC accumulation</b>				
Group 1	0.7853	-	0.7853	0.7165
Group 2	0.5683	0.2170	0.7853	0.7165
<b>ZB accumulation</b>				
Group 1	0.7986	-	0.7986	0.7353
Group 2	0.4626	0.3360	0.7986	0.7353

# Distribution Tables

For the year ended 31 October 2023 (in pence per share) continued

## Second interim interest distribution

Group 1 – shares purchased prior to 1 February 2023

Group 2 – shares purchased between 1 February 2023 and 30 April 2023

	Revenue	Equalisation	Distribution paid 30/06/23	Distribution paid 30/06/22
<b>Retail accumulation</b>				
Group 1	0.4816	-	0.4816	0.3869
Group 2	0.1587	0.3229	0.4816	0.3869
<b>Retail income</b>				
Group 1	0.2981	-	0.2981	0.2450
Group 2	0.0518	0.2463	0.2981	0.2450
<b>Institutional accumulation</b>				
Group 1	0.5997	-	0.5997	0.5078
Group 2	0.2490	0.3507	0.5997	0.5078
<b>Institutional income</b>				
Group 1	0.3475	-	0.3475	0.3024
Group 2	0.2245	0.1230	0.3475	0.3024
<b>Platform 1 accumulation</b>				
Group 1	0.4779	-	0.4779	0.4024
Group 2	0.2315	0.2464	0.4779	0.4024
<b>Platform 1 income</b>				
Group 1	0.3622	-	0.3622	0.3132
Group 2	0.1718	0.1904	0.3622	0.3132
<b>ZC accumulation</b>				
Group 1	0.7608	-	0.7608	0.6722
Group 2	0.4958	0.2650	0.7608	0.6722
<b>ZB accumulation</b>				
Group 1	0.7747	-	0.7747	0.6883
Group 2	0.5011	0.2736	0.7747	0.6883

# Distribution Tables

For the year ended 31 October 2023 (in pence per share) continued

## Third interim interest distribution

Group 1 – shares purchased prior to 1 May 2023

Group 2 – shares purchased between 1 May 2023 and 31 July 2023

	Revenue	Equalisation	Distribution paid 29/09/23	Distribution paid 30/09/22
<b>Retail accumulation</b>				
Group 1	0.5014	-	0.5014	0.4382
Group 2	0.3182	0.1832	0.5014	0.4382
<b>Retail income</b>				
Group 1	0.3083	-	0.3083	0.2764
Group 2	0.1451	0.1632	0.3083	0.2764
<b>Institutional accumulation</b>				
Group 1	0.6264	-	0.6264	0.5604
Group 2	0.3214	0.3050	0.6264	0.5604
<b>Institutional income</b>				
Group 1	0.3578	-	0.3578	0.3316
Group 2	0.1368	0.2210	0.3578	0.3316
<b>Platform 1 accumulation</b>				
Group 1	0.4956	-	0.4956	0.4454
Group 2	0.2342	0.2614	0.4956	0.4454
<b>Platform 1 income</b>				
Group 1	0.3732	-	0.3732	0.3448
Group 2	0.2089	0.1643	0.3732	0.3448
<b>ZC accumulation</b>				
Group 1	0.7868	-	0.7868	0.7261
Group 2	0.2421	0.5447	0.7868	0.7261
<b>ZB accumulation</b>				
Group 1	0.8008	-	0.8008	0.7402
Group 2	0.8008	-	0.8008	0.7402

# Distribution Tables

For the year ended 31 October 2023 (in pence per share) continued

## Final interest distribution

Group 1 – shares purchased prior to 1 August 2023

Group 2 – shares purchased between 1 August 2023 and 31 October 2023

	Revenue	Equalisation	Distribution paid 29/12/23	Distribution paid 30/12/22
<b>Retail accumulation</b>				
Group 1	0.5378	-	0.5378	0.4491
Group 2	0.1201	0.4177	0.5378	0.4491
<b>Retail income</b>				
Group 1	0.3286	-	0.3286	0.2814
Group 2	0.1833	0.1453	0.3286	0.2814
<b>Institutional accumulation</b>				
Group 1	0.6619	-	0.6619	0.5652
Group 2	0.2383	0.4236	0.6619	0.5652
<b>Institutional income</b>				
Group 1	0.3778	-	0.3778	0.3324
Group 2	0.1702	0.2076	0.3778	0.3324
<b>Platform 1 accumulation</b>				
Group 1	0.5279	-	0.5279	0.4493
Group 2	0.2599	0.2680	0.5279	0.4493
<b>Platform 1 income</b>				
Group 1	0.3941	-	0.3941	0.3461
Group 2	0.2153	0.1788	0.3941	0.3461
<b>ZC accumulation</b>				
Group 1	0.8310	-	0.8310	0.7232
Group 2	0.5734	0.2576	0.8310	0.7232
<b>ZB accumulation</b>				
Group 1	0.8450	-	0.8450	0.7382
Group 2	0.8450	-	0.8450	0.7382

## Equalisation

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the holders of these shares as a return of capital.

Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# abrdn Europe ex UK Ethical Equity Fund

For the year ended 31 October 2023

## Investment Objective

To generate growth over the long term (5 years or more) by investing in European equities (company shares) which adhere to the abrdn Europe ex UK Ethical Equity Investment Approach.

**Performance Target:** To achieve the return of the FTSE World Europe ex UK Index plus 2% per annum over rolling five year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 70% in equities and equity related securities of companies listed, incorporated or domiciled in European countries or companies that derive a significant proportion of their revenues or profits from European operations or have a significant proportion of their assets there.
- European countries can include the emerging markets of Europe, but excludes the UK.
- All investments will adhere to the abrdn Europe ex UK Ethical Equity Investment Approach available on [www.abrdn.com](http://www.abrdn.com) under "Fund Centre".
- The fund may also invest in other funds (including those managed by abrdn), money-market instruments, and cash.
- The fund will invest at least 70% in companies that the abrdn ESG House Score quantitatively identifies as having preferred ESG characteristics in a global context, in accordance with the abrdn Europe ex UK Ethical Equity Investment Approach. This analysis covers areas such as human rights, labour rights, environmental safeguards and combating bribery and corruption. The approach utilises abrdn's equity investment process, where companies invested in are given an overall quality rating, a component of which is the ESG Quality Rating which enables the management teams to qualitatively identify and avoid ESG laggards.

- As part of the approach the fund applies a set of company exclusions which are related but not limited to animal testing, weaponry, pornography, gambling, tobacco and alcohol.

### Management Process

- The fund management team use their discretion (active management) to maintain a concentrated asset mix at country, sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual companies where the management team have a different view than that of the market, and which align with their views regarding future economic and business conditions.
- Engagement with external company management teams is used to evaluate the ownership structures, governance and management quality of those companies in order to inform portfolio construction.
- Through the application of the abrdn Europe ex UK Ethical Equity Investment Approach the fund is expected to have a lower carbon intensity than the FTSE World Europe ex UK Index.
- This approach reduces the benchmark investable universe by a minimum of 20%.
- In seeking to achieve the Performance Target, the FTSE World Europe ex UK Index is used as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index, is not ordinarily expected to exceed 9%. Due to the ethical nature of the management process, there are a material number of stocks and sectors in the FTSE World Europe ex UK Index that the fund is unable to invest in, which means the fund's performance profile may deviate significantly from that of the FTSE World Europe ex UK Index.

### Derivatives and Techniques

- The fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivative usage in the fund is expected to be very limited. Where derivatives are used, this would mainly be in response to significant inflows into the fund so that in these instances, cash can be invested while maintaining the fund's existing allocations to company shares.

# abrdn Europe ex UK Ethical Equity Fund

## Continued

### Performance Review

Over the period under review, the fund returned -0.16% (Source: FactSet, Platform 1 Accumulation, net of fees). This compared with a return of 14.03% for our performance target (Source: FactSet, the FTSE World Europe ex UK Index +2%).

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Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

Companies selected for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.

Global stock markets rose over the 12 months. Inflation dominated the economic environment. Central banks in Western economies raised interest rates faster and much further than previously anticipated to counter multi-decade-high inflation. Despite these aggressive central bank actions, core inflation stayed at elevated levels in many countries. Nevertheless, global economic growth held up better than many investors expected, defying fears of a recession triggered by higher rates.

As US and eurozone inflation trended down towards the end of 2022, investor hopes rose that an end to interest-rate rises could be in sight. Therefore, 2023 started with strong stock market gains. However, the collapse of two regional US banks and the forced sale of Credit Suisse to rival UBS in March then evoked fears of a banking crisis. Despite an initial sell-off, stock markets recovered, helped by expectations of lower peak interest rates. After more market volatility in April and May, equities performed strongly over June and July due to news of a compromise agreement on the US debt ceiling and further encouraging inflation data. This was despite still-hawkish rhetoric from central banks. Equities then generated negative returns in August, September and October given concerns that interest rates would stay higher for longer, with the outbreak of war between Israel and Hamas adding to existing inflationary worries.

Over the 12 months under review, stock selection detracted from relative performance while sector allocation was marginally positive. In stock-specific terms, Adyen's shares sold off materially after weaker-than-expected growth in its first-half report, particularly in the North American market, where competition has intensified

in some areas. However, the company has reiterated its mid-term targets. Although the timing for operating leverage to reaccelerate has been pushed out, we do not think that the company's mid-to-long-term growth has been materially impaired. The holding in payments sector peer Worldline was a further negative as the company revised its outlook sharply lower, while our off-benchmark exposure to Antin Infrastructure Partners hurt performance due to private-market sector headwinds. Shares in renewable energy specialist Orsted detracted after the company announced an impairment related to its offshore wind activity in the US. Our lack of exposure to Novo Nordisk, a stock which does not pass the fund's ethical screens, detracted from performance as demand for its obesity drug Wegovy remained extremely strong, reflecting the degree to which this product addresses a significant unmet medical need.

Conversely, the lack of a holding in pharmaceutical giant Roche was a positive for performance as the firm's shares lagged the wider market due to the company's defensive nature and the reduction in revenues related to the Covid-19 pandemic. The fund also benefited from its underweight to Nestle, another defensive holding. Shares in natural gas supplier Enel added to relative returns and Ferrari outperformed the market thanks to strong sales growth with full order books into 2025. Finally, Nemetschek also added to returns after a trading update showing resilience in its design business helped to alleviate macroeconomic concerns.

In terms of sector allocation, the overweight to the industrials sector weighed on performance, as did the underweight position in financials. However, the underweight holding in healthcare and the overweight to technology were both beneficial.

### Portfolio Activity and Review

We initiated a position in Atlas Copco, arguably Europe's highest-quality industrial, early in the period. We introduced Universal Music Group, a global leader with a dominant position in the structurally growing music industry, which should add defensive consumer exposure at a reasonable valuation. The fund also introduced Partners Group, which benefits from a diversified portfolio that should give a significant degree of stability in an increasingly uncertain macro environment. We also added to existing positions in Barry Callebaut, Kone and Hannover Re to reduce portfolio beta and continue consolidating down into higher-conviction investment ideas. Further additions were made to the holdings in Amplifon, Cellnex Telecom, Orsted and Adyen.

# abrdn Europe ex UK Ethical Equity Fund

## Continued

To fund these transactions, we exited a number of businesses including Bankinter, Worldline, Nordnet, Medistim, Assa Abloy and Kingspan. We also sold out of Inditex, which had held up relatively well in a more turbulent market environment. Additionally, we believe that we can do better from an ethical point of view, given its exposure to fast fashion where the company is not making as rapid progress as we might have liked. Lastly, we exited the fund's residual position in Polypeptide to reallocate capital to stronger ideas following a robust meeting with the company's chair, as we remain concerned that operational issues and cuts in capital expenditure may materially impair the firm's long-term prospects. We also reduced the fund's holdings in Telenor, Schibsted, Schneider Electric, Nemetschek, Wolters Kluwer, Enel, Deutsche Boerse, Vinci, Edenred, Tryg and Azelis Group, among others.

## Portfolio Outlook and Strategy

Signs of a weakening economic cycle are becoming more and more evident, along with indications of pressure on credit as savings are being eroded and financing costs for businesses are rising. We therefore believe the outlook for the global economy and for corporate earnings remains fragile. While recession is not inevitable, we are clearly late in the rate hiking cycle; one where the pace and quantum has been marked, while the impact on the real economy has yet to be fully felt. As a consequence, the degree of uncertainty around the outlook is likely to bring further volatility. In this context, although estimates for the European market have come down, expectations for high single-digit earnings growth for the European market in 2024 look optimistic.

Against this backdrop, we believe the case for our quality-led approach is stronger than ever. The valuation de-rating witnessed last year is behind us and quality tends to outperform from this stage in the market cycle. With earnings multiples having contracted to discounted levels in historic terms, the focus is shifting to the resilience of those earnings going forward. We have proven that our fund's holdings deliver much stronger and more consistent earnings growth than the market, or indeed European GDP, over the cycle – giving us confidence in their ability to deliver long-term outperformance, regardless of the external environment. Moreover, our emphasis on the highest-quality companies in Europe also translates into businesses with superior pricing power, leaving the portfolio particularly well-positioned for a scenario of persistently higher inflation. We have bought more of these companies over the past year and are excited by the compelling upside potential in multiple holdings following a period of valuation dislocation.

Our strategy is unchanged. Our focus remains on what we can control – researching, engaging with, and investing in great companies at attractive prices. We may not know exactly how the economic or geopolitical landscape will unfold, but we do know that our companies are in a strong position to deliver superior earnings growth, with high returns on capital and strong ethical credentials. We will remain alive to the unfolding risks and opportunities and, as the external environment changes, we will continue to look to adapt the portfolio's positioning accordingly.

**DM Sustainable and Thematic Equity Team**

November 2023

# abrdn Europe ex UK Ethical Equity Fund

## Continued

### Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the fund. The table below shows the fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk				Typically higher rewards, higher risk		
←				→		
1	2	3	4	5	6	7

Risk and reward indicator table as at 31 October 2023.

The fund is rated as 6 because of the extent to which the following risk factors apply:

- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- Applying ESG and sustainability criteria in the investment process may result in the exclusion of securities within the fund's benchmark or universe of potential investments. The interpretation of ESG and sustainability criteria is subjective meaning that the fund may invest in companies which similar funds do not (and thus perform differently) and which do not align with the personal views of any individual investor.
- The fund invests in emerging market equities and/or bonds. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

# Comparative Tables

	2023	2022	2021
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	77.25	104.82	80.16
Return before operating charges*	0.58	(26.39)	25.95
Operating charges	(1.12)	(1.18)	(1.29)
Return after operating charges*	(0.54)	(27.57)	24.66
Distributions	(0.35)	(0.48)	(0.32)
Retained distributions on accumulation shares	0.35	0.48	0.32
Closing net asset value per share	76.71	77.25	104.82
* after direct transaction costs of:	0.02	0.04	0.06
<b>Performance</b>			
Return after charges	(0.70%)	(26.30%)	30.76%
<b>Other information</b>			
Closing net asset value (£'000)	13,254	15,229	20,370
Closing number of shares	17,278,252	19,714,528	19,434,276
Operating charges	1.31%	1.32%	1.33%
Direct transaction costs	0.02%	0.05%	0.06%
<b>Prices</b>			
Highest share price	90.85	109.7	108.9
Lowest share price	75.65	72.98	81.18

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2023	2022	2021
Institutional accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	84.16	113.66	86.52
Return before operating charges*	0.59	(28.68)	28.04
Operating charges	(0.78)	(0.82)	(0.90)
Return after operating charges*	(0.19)	(29.50)	27.14
Distributions	(0.82)	(0.98)	(0.83)
Retained distributions on accumulation shares	0.82	0.98	0.83
Closing net asset value per share	83.97	84.16	113.66
* after direct transaction costs of:	0.02	0.05	0.07
<b>Performance</b>			
Return after charges	(0.23%)	(25.95%)	31.37%
<b>Other information</b>			
Closing net asset value (£'000)	7,515	9,680	12,444
Closing number of shares	8,949,521	11,501,462	10,948,426
Operating charges	0.84%	0.85%	0.86%
Direct transaction costs	0.02%	0.05%	0.06%
<b>Prices</b>			
Highest share price	99.12	119.0	118.0
Lowest share price	82.80	79.49	87.62

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2023	2022	2021
Institutional income <sup>A</sup>	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	35.76	49.15	50.00 <sup>B</sup>
Return before operating charges*	0.14	(12.62)	(0.78)
Operating charges	(0.33)	(0.35)	(0.06)
Return after operating charges*	(0.19)	(12.97)	(0.84)
Distributions	(0.32)	(0.42)	(0.01)
Closing net asset value per share	35.25	35.76	49.15
* after direct transaction costs of:	0.01	0.02	-
<b>Performance</b>			
Return after charges	(0.53%)	(26.39%)	(1.68%)
<b>Other information</b>			
Closing net asset value (£'000)	1	1	1
Closing number of shares	2,000	2,000	2,000
Operating charges	0.84%	0.85%	0.86%
Direct transaction costs	0.02%	0.05%	0.06%
<b>Prices</b>			
Highest share price	42.38	51.45	50.11
Lowest share price	34.92	34.22	46.31

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> Institutional income share class was launched on 9 September 2021.

<sup>B</sup> The opening net asset value stated is the share class launch price.

# Comparative Tables

## Continued

Institutional regulated accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	89.83	120.77	91.51
Return before operating charges*	0.57	(30.53)	29.71
Operating charges	(0.39)	(0.41)	(0.45)
Return after operating charges*	0.18	(30.94)	29.26
Distributions	(1.29)	(1.51)	(1.38)
Retained distributions on accumulation shares	1.29	1.51	1.38
Closing net asset value per share	90.01	89.83	120.77
* after direct transaction costs of:	0.03	0.05	0.07
<b>Performance</b>			
Return after charges	0.20%	(25.62%)	31.97%
<b>Other information</b>			
Closing net asset value (£'000)	6,155	5,807	8,787
Closing number of shares	6,838,063	6,464,168	7,275,435
Operating charges	0.39%	0.40%	0.41%
Direct transaction costs	0.02%	0.05%	0.06%
<b>Prices</b>			
Highest share price	105.9	126.4	125.3
Lowest share price	88.75	84.82	92.67

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

<b>Platform 1 accumulation</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	122.01	164.84	125.54
Return before operating charges*	0.85	(41.55)	40.68
Operating charges	(1.20)	(1.28)	(1.38)
Return after operating charges*	(0.35)	(42.83)	39.30
Distributions	(1.11)	(1.35)	(1.13)
Retained distributions on accumulation shares	1.11	1.35	1.13
Closing net asset value per share	121.66	122.01	164.84
* after direct transaction costs of:	0.04	0.07	0.10
<b>Performance</b>			
Return after charges	(0.29%)	(25.98%)	31.30%
<b>Other information</b>			
Closing net asset value (£'000)	29,227	29,891	55,081
Closing number of shares	24,022,746	24,498,916	33,413,711
Operating charges	0.89%	0.90%	0.91%
Direct transaction costs	0.02%	0.05%	0.06%
<b>Prices</b>			
Highest share price	143.7	172.5	171.1
Lowest share price	120.0	115.2	127.1

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

ZC accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	94.04	126.06	95.23
Return before operating charges*	0.54	(31.91)	30.96
Operating charges	(0.10)	(0.11)	(0.13)
Return after operating charges*	0.44	(32.02)	30.83
Distributions	(1.66)	(1.90)	(1.78)
Retained distributions on accumulation shares	1.66	1.90	1.78
Closing net asset value per share	94.48	94.04	126.06
* after direct transaction costs of:	0.03	0.06	0.08
<b>Performance</b>			
Return after charges	0.47%	(25.40%)	32.37%
<b>Other information</b>			
Closing net asset value (£'000)	784	730	3,080
Closing number of shares	829,460	776,334	2,443,495
Operating charges	0.09%	0.10%	0.11%
Direct transaction costs	0.02%	0.05%	0.06%
<b>Prices</b>			
Highest share price	111.0	131.9	130.7
Lowest share price	93.15	88.79	96.44

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

ZB accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	95.25	127.55	96.26
Return before operating charges*	0.54	(32.30)	31.29
Operating charges	-	-	-
Return after operating charges*	0.54	(32.30)	31.29
Distributions	(1.76)	(2.03)	(1.92)
Retained distributions on accumulation shares	1.76	2.03	1.92
Closing net asset value per share	95.79	95.25	127.55
* after direct transaction costs of:	0.03	0.06	0.07
<b>Performance</b>			
Return after charges	0.57%	(25.32%)	32.51%
<b>Other information</b>			
Closing net asset value (£'000)	124,034	148,250	213,236
Closing number of shares	129,489,541	155,637,366	167,182,577
Operating charges	-	-	-
Direct transaction costs	0.02%	0.05%	0.06%
<b>Prices</b>			
Highest share price	112.5	133.5	132.2
Lowest share price	94.44	89.92	97.48

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Portfolio Statement

As at 31 October 2023

Holding	Investment	Market value £'000	Percentage of total net assets
<b>European Equities (98.12%)</b>		<b>176,680</b>	<b>97.63</b>
<b>Belgium (5.00%)</b>		<b>7,173</b>	<b>3.96</b>
322,326	Azelis	4,518	2.49
86,313	Shurgard Self Storage REIT	2,655	1.47
<b>Denmark (7.19%)</b>		<b>12,538</b>	<b>6.93</b>
34,549	DSV	4,246	2.35
93,347	Ørsted	3,691	2.04
285,987	Tryg	4,601	2.54
<b>Finland (1.49%)</b>		<b>3,752</b>	<b>2.07</b>
105,095	Kone 'B'	3,752	2.07
<b>France (17.12%)</b>		<b>24,509</b>	<b>13.54</b>
127,526	Dassault Systemes	4,312	2.38
108,670	Edenred	4,756	2.63
83,585	Schneider Electric	10,556	5.83
53,690	Vinci	4,885	2.70
<b>Germany (12.00%)</b>		<b>25,424</b>	<b>14.05</b>
47,285	Deutsche Boerse	6,384	3.53
33,479	Hannover Rueck	6,063	3.35
18,243	Hypoport	1,826	1.01
186,377	Infineon Technologies	4,455	2.46
46,106	Knorr-Bremse	2,104	1.16
75,203	Nemetschek	4,592	2.54
<b>Ireland (1.88%)</b>		<b>-</b>	<b>-</b>
<b>Italy (9.73%)</b>		<b>23,630</b>	<b>13.06</b>
235,673	Amplifon	5,469	3.02
1,495,378	Enel	7,798	4.31

# Portfolio Statement

As at 31 October 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
29,078	Ferrari	7,229	4.00
323,658	FinecoBank	3,134	1.73
<b>Netherlands (14.75%)</b>		<b>35,566</b>	<b>19.65</b>
9,519	Adyen	5,256	2.90
30,200	ASML	14,868	8.22
269,912	Universal Music	5,431	3.00
94,905	Wolters Kluwer	10,011	5.53
<b>Norway (6.66%)</b>		<b>7,415</b>	<b>4.10</b>
221,294	Schibsted 'A'	3,643	2.01
276,647	Telenor	2,329	1.29
221,545	TOMRA Systems	1,443	0.80
<b>Spain (9.11%)</b>		<b>10,312</b>	<b>5.70</b>
154,825	Cellnex Telecom	3,737	2.07
137,232	Coca-Cola Europacific Partners	6,575	3.63
<b>Sweden (6.70%)</b>		<b>12,784</b>	<b>7.07</b>
442,629	Atlas Copco 'A'	4,718	2.61
388,926	Millicom International Cellular	4,997	2.76
164,412	Thule	3,069	1.70
<b>Switzerland (6.49%)</b>		<b>13,577</b>	<b>7.50</b>
4,830	Barry Callebaut	6,010	3.32
3,479	Partners	3,014	1.66
251,523	SIG	4,553	2.52
Total investment assets		176,680	97.63
Net other assets		4,290	2.37
<b>Total Net Assets</b>		<b>180,970</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 October 2022.

# Financial Statements

## Statement of Total Return

For the year ended 31 October 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(635)		(80,909)
Revenue	2	4,626		5,162	
Expenses	3	(610)		(720)	
Interest payable and similar charges		-		(12)	
Net revenue before taxation		4,016		4,430	
Taxation	4	(884)		(407)	
Net revenue after taxation			3,132		4,023
<b>Total return before distributions</b>			<b>2,497</b>		<b>(76,886)</b>
Distributions	5		(3,132)		(4,023)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(635)</b>		<b>(80,909)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 October 2023

	2023		2022	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>209,588</b>		<b>312,999</b>
Amounts receivable on the issue of shares	6,811		28,185	
Amounts payable on the cancellation of shares	(37,745)		(54,609)	
		(30,934)		(26,424)
Dilution adjustment		7		-
Change in net assets attributable to shareholders from investment activities (see above)		(635)		(80,909)
Retained distribution on accumulation shares		2,944		3,922
<b>Closing net assets attributable to shareholders</b>		<b>180,970</b>		<b>209,588</b>

# Financial Statements

## Continued

### Balance Sheet

As at 31 October 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			176,680		205,644
<b>Current assets:</b>					
Debtors	6	968		1,249	
Cash and bank balances	7	3,526		2,759	
			4,494		4,008
<b>Total assets</b>			<b>181,174</b>		<b>209,652</b>
<b>Liabilities:</b>					
Creditors	8	(204)		(64)	
			(204)		(64)
<b>Total liabilities</b>			<b>(204)</b>		<b>(64)</b>
<b>Net assets attributable to shareholders</b>			<b>180,970</b>		<b>209,588</b>

# Notes to the Financial Statements

## 1 Net Capital Losses

	2023 £'000	2022 £'000
Non-derivative securities	(507)	(80,907)
Other (losses)/gains	(125)	4
Subsidised fees taken from the capital account*	5	13
Transaction charges	(8)	(19)
<b>Net capital losses</b>	<b>(635)</b>	<b>(80,909)</b>

\* Subsidised fees are paid by the ACD.

## 2 Revenue

	2023 £'000	2022 £'000
Bank and margin interest	157	15
Overseas dividends	4,469	5,147
<b>Total revenue</b>	<b>4,626</b>	<b>5,162</b>

## 3 Expenses

	2023 £'000	2022 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	547	650
Dealing charge	17	20
General administration charge	40	49
	604	719
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	21	26
	21	26
<b>Other:</b>		
Subsidised fees**	(15)	(25)
	(15)	(25)
<b>Total expenses</b>	<b>610</b>	<b>720</b>

Irrecoverable VAT is included in the above expenses, where relevant.  
The audit fee for the year, including VAT, was £10,200 (2022: £9,480).

\*\* Subsidised fees are paid by the ACD.

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2023 £'000	2022 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	884	407
<b>Total taxation (note 4b)</b>	<b>884</b>	<b>407</b>

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

The tax assessed for the year is greater than (2022: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

<b>Net revenue before taxation</b>	<b>4,016</b>	<b>4,430</b>
Corporation tax at 20% (2022: 20%)	803	886
Effects of:		
Revenue not subject to taxation	(894)	(1,030)
Overseas taxes	884	407
Excess allowable expenses	91	144
<b>Total tax charge for year (note 4a)</b>	<b>884</b>	<b>407</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

#### (c) Factors that may affect future tax charge

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £592,000 (2022: £501,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

### 5 Distributions

	2023 £'000	2022 £'000
Interim distribution	1,557	1,954
Final distribution	1,387	1,968
	2,944	3,922
Add: Income deducted on cancellation of shares	207	190
Deduct: Income received on issue of shares	(19)	(89)
<b>Total distributions for the year</b>	<b>3,132</b>	<b>4,023</b>

Details of the distribution per share are set out in this fund's distribution tables.

# Notes to the Financial Statements

## Continued

### 6 Debtors

	2023 £'000	2022 £'000
Accrued revenue	-	57
Amounts receivable from the ACD for the issue of shares	150	24
Expenses reimbursement receivable from the ACD	21	10
Overseas withholding tax recoverable	797	1,158
<b>Total debtors</b>	<b>968</b>	<b>1,249</b>

### 7 Liquidity

	2023 £'000	2022 £'000
<b>Cash and bank balances</b>		
Cash at bank	91	936
Deposits with original maturity of less than 3 months	3,435	1,823
	<b>3,526</b>	<b>2,759</b>
<b>Net liquidity</b>	<b>3,526</b>	<b>2,759</b>

### 8 Creditors

	2023 £'000	2022 £'000
Accrued expenses payable to ACD	45	50
Accrued expenses payable to the Depositary or associates of the Depositary	4	7
Amounts payable to the ACD for cancellation of shares	155	7
<b>Total creditors</b>	<b>204</b>	<b>64</b>

### 9 Related Party Transactions

abrdr Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to abrdr Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to abrdr Fund Managers Limited, in respect of expenses are disclosed in note 3 and any amounts due at the year end in note 8.

Amounts receivable from abrdr Fund Managers Limited in respect of subsidised fees are disclosed in notes 1 and 3 and any amounts due at the year end in note 6 and 8.

# Notes to the Financial Statements

## Continued

### 10 Portfolio Transaction Costs

	Purchases		Sales	
	2023	2022	2023	2022
Trades in the year	£'000	£'000	£'000	£'000
Equities	38,412	83,084	66,926	104,068
Corporate actions	-	1,524	-	-
<b>Trades in the year before transaction costs</b>	<b>38,412</b>	<b>84,608</b>	<b>66,926</b>	<b>104,068</b>
<b>Commissions</b>				
Equities	18	52	(30)	(54)
<b>Total commissions</b>	<b>18</b>	<b>52</b>	<b>(30)</b>	<b>(54)</b>
<b>Taxes</b>				
Equities	11	23	-	-
<b>Total taxes</b>	<b>11</b>	<b>23</b>	<b>-</b>	<b>-</b>
<b>Total transaction costs</b>	<b>29</b>	<b>75</b>	<b>(30)</b>	<b>(54)</b>
<b>Total net trades in the year after transaction costs</b>	<b>38,441</b>	<b>84,683</b>	<b>66,896</b>	<b>104,014</b>
	Purchases		Sales	
	2023	2022	2023	2022
	%	%	%	%
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.05	0.06	0.05	0.05
<b>Taxes</b>				
Equities	0.03	0.03	-	-
			2023	2022
			%	%
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Commissions			0.02	0.04
Taxes			-	0.01

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.12% (2022: 0.12%), this is representative of the average spread on the assets held during the year.

# Notes to the Financial Statements

## Continued

### 11 Shares in Issue Reconciliation

	Opening shares 2022	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2023
Retail accumulation	19,714,528	1,163,819	(3,098,854)	(501,241)	17,278,252
Institutional accumulation	11,501,462	1,239,778	(3,768,464)	(23,255)	8,949,521
Institutional income	2,000	-	-	-	2,000
Institutional regulated accumulation	6,464,168	1,134,438	(760,543)	-	6,838,063
Platform 1 accumulation	24,498,916	2,527,706	(3,337,061)	333,185	24,022,746
ZC accumulation	776,334	61,806	(8,680)	-	829,460
ZB accumulation	155,637,366	-	(26,147,825)	-	129,489,541

### 12 Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2023 £'000	2023 £'000	2023 £'000	2022 £'000	2022 £'000	2022 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	176,680	-	-	205,644	-	-
<b>Total investment assets</b>	<b>176,680</b>	<b>-</b>	<b>-</b>	<b>205,644</b>	<b>-</b>	<b>-</b>

# Notes to the Financial Statements

## Continued

### 13 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

#### Foreign currency risk

Fluctuations in the foreign exchange rates can adversely affect the value of a portfolio. The following table details the net exposure to the principal foreign currencies that the fund is exposed to including any instruments used to hedge against foreign currencies, if applicable.

Currency	Net foreign currency exposure	Net foreign currency exposure
	2023 £'000	2022 £'000
Danish Krone	12,791	15,327
Euro	130,973	150,411
Norwegian Krone	7,602	14,026
Swedish Krona	12,784	14,050
Swiss Franc	13,413	13,973
<b>Total</b>	<b>177,563</b>	<b>207,787</b>

At 31 October 2023, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £8,878,000 (2022: £10,389,000).

#### Interest rate risk

The majority of the fund's financial assets are in non-interest bearing assets. Therefore, the fund's exposure to interest rate risk is considered insignificant. This is consistent with the exposure during the prior year.

#### Other price risk

The fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Adviser in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

As at 31 October 2023, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £8,834,000 (2022: £10,282,000).

#### Financial derivatives instrument risk

The fund had no exposure to derivatives as at 31 October 2023 (2022: £Nil).

#### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2023 £204,000 (2022: £64,000).

# Distribution Tables

For the year ended 31 October 2023 (in pence per share)

## Interim dividend distribution

Group 1 – shares purchased prior to 1 November 2022

Group 2 – shares purchased between 1 November 2022 and 30 April 2023

	Revenue	Equalisation	Distribution paid 30/06/23	Distribution paid 30/06/22
<b>Retail accumulation</b>				
Group 1	0.1725	-	0.1725	0.1865
Group 2	0.1438	0.0287	0.1725	0.1865
<b>Institutional accumulation</b>				
Group 1	0.4072	-	0.4072	0.4469
Group 2	0.2759	0.1313	0.4072	0.4469
<b>Institutional income</b>				
Group 1	0.1510	-	0.1510	0.1930
Group 2	0.1510	-	0.1510	0.1930
<b>Institutional regulated accumulation</b>				
Group 1	0.6460	-	0.6460	0.7245
Group 2	0.3562	0.2898	0.6460	0.7245
<b>Platform 1 accumulation</b>				
Group 1	0.5527	-	0.5527	0.6101
Group 2	0.3568	0.1959	0.5527	0.6101
<b>ZC accumulation</b>				
Group 1	0.8322	-	0.8322	0.9303
Group 2	0.0330	0.7992	0.8322	0.9303
<b>ZB accumulation</b>				
Group 1	0.8781	-	0.8781	0.9940
Group 2	0.8781	-	0.8781	0.9940

# Distribution Tables

For the year ended 31 October 2023 (in pence per share) continued

## Final dividend distribution

Group 1 – shares purchased prior to 1 May 2023

Group 2 – shares purchased between 1 May 2023 and 31 October 2023

	Revenue	Equalisation	Distribution paid 29/02/24	Distribution paid 28/02/23
<b>Retail accumulation</b>				
Group 1	0.1731	-	0.1731	0.2975
Group 2	-	0.1731	0.1731	0.2975
<b>Institutional accumulation</b>				
Group 1	0.4094	-	0.4094	0.5348
Group 2	-	0.4094	0.4094	0.5348
<b>Institutional income</b>				
Group 1	0.1640	-	0.1640	0.2285
Group 2	0.1640	-	0.1640	0.2285
<b>Institutional regulated accumulation</b>				
Group 1	0.6465	-	0.6465	0.7851
Group 2	0.0309	0.6156	0.6465	0.7851
<b>Platform 1 accumulation</b>				
Group 1	0.5550	-	0.5550	0.7440
Group 2	-	0.5550	0.5550	0.7440
<b>ZC accumulation</b>				
Group 1	0.8290	-	0.8290	0.9712
Group 2	0.1451	0.6839	0.8290	0.9712
<b>ZB accumulation</b>				
Group 1	0.8775	-	0.8775	1.0328
Group 2	0.8775	-	0.8775	1.0328

## Equalisation

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# abrdrn Global Inflation-Linked Bond Fund

For the year ended 31 October 2023

## Investment Objective

To generate income and some growth over the long term (5 years or more) by investing in inflation-linked bonds.

Performance Target: to achieve the return of the Bloomberg World Government Inflation Linked Index (Hedged to GBP), plus 0.5% per annum (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- At least 70% of the fund will be invested in inflation-linked government bonds issued anywhere in the world.
- The fund may also invest in inflation-linked and non-inflation-linked investment grade corporate bonds and sub-sovereign bonds issued anywhere in the world. The fund will employ techniques to reduce (hedge) risk related to currency movements on non-Sterling bonds.
- The fund may also invest in other funds (including those managed by abrdrn) and money-market instruments, and cash.

### Management Process

- The management team use their discretion (active management) to identify investments after analysing global economic and market conditions (for example, interest rates and inflation) in addition to analysing of individual bonds and derivatives.
- In seeking to achieve the Performance Target, the Bloomberg World Government Inflation Linked Index (Hedged to GBP) is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 1.5%. Due to the fund's risk constraints, the intention is that the fund's performance profile will not deviate significantly from that of the Bloomberg World Government Inflation Linked Index (Hedged to GBP) over the longer term.

### Derivatives and Techniques

- The fund will make routine use of derivatives to reduce risk, reduce cost and/or generate extra income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").

- Derivatives can be used to generate growth, consistent with the fund's risk profile, if market prices are expected to rise ("long positions") or fall ("short positions").
- Derivatives include instruments used to manage expected changes in interest rates, inflation, currencies or creditworthiness of corporations or governments.

## Performance Review

Over the period under review, the Fund returned -3.81% (source: FactSet, Platform 1 share class, net of fees). In comparison, the performance target returned -2.64% (source: FactSet, the Bloomberg World Government Inflation Linked Index (Hedged to GBP) +0.5%).

Source: Bloomberg. For illustrative purposes only. No assumptions regarding future performance should be made.

Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

Companies selected for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.

Persistently high inflation and central bank policy drove investor sentiment over the period, with most government bond prices falling. At the start of the period, the UK Government's September mini-budget drove volatility. The Bank of England (BoE) began to unwind its financial stability Gilt purchases in the fourth quarter of 2022, with the demand for bonds providing support to the UK index-linked Gilt market in December. In March of 2023, the collapse of Silicon Valley Bank and Signature Bank spurred a huge turnaround in government bond markets. However, in the second quarter of 2023, the threat of contagion across the banking sector appeared contained, allowing investors and central banks to switch their attention to inflation. While headline inflation declined across most developed economies in the second quarter, the core component persisted at levels above mandated central bank targets. The third quarter of 2023 then saw the US Federal Reserve (FED) look to temper its stance given the moderation in inflation data, while other economic indicators proved resilient and emboldened the views of those calling for a soft landing. As the quarter progressed, it became an increasingly weaker period for government bonds, with the market contending with developed market central banks looking to pause their rate hiking cycles while advocating a higher-for-longer mantra when it comes to future policy settings. This came alongside a mixed economic backdrop, with data surprising to the upside in China and Europe, disappointing in the UK, and the US proving to be resilient. Then, in October, we saw

# abrdn Global Inflation-Linked Bond Fund

## Continued

global political risk surge as a result of the Israel-Hamas conflict. Markets were worried about whether this would lead to a broader escalation. Government bonds rallied on the back of this, but oil prices also saw the biggest weekly gain since February. As a result, short-term inflation expectations heightened, which led to a sell-off in the nominal government bond space, with US 10-year government bonds reaching intraday highs of 5%. US inflation breakevens increased, and these moves were more pronounced at the front end. The BoE left rates at 5.25% at the end of August. The FED's target rate for the FED funds rate is now at 5.25%-5.50%. The ECB hiked rates in September to 4%. All three banks held rates at their last meetings.

At the start of the period, our UK 25s50s real yield steepener position was positive for performance, as it benefitted from the unwinding of the real yield curve position from the inversion that was reached following the liability-drive investment crisis.

Our long position in New Zealand real yields was volatile over the period. Initially, the position was beneficial, as it rallied in line with global duration moves. However, the position detracted in December 2022, as New Zealand real yields rose alongside global duration into the year-end. Then, in January, the contribution turned positive again, as duration rallied strongly after markets pre-empted a less aggressive stance from banks regarding monetary policy. However, in February, the position contributed negatively, cheapening in the global sell-off, while the Reserve Bank of New Zealand (RBNZ) continued to strike a less supportive tone. In March and April, it contributed positively, as it performed alongside duration assets in the global risk-off tone, as investors sought the perceived relative safety of government bonds. However, going into the latter half of the period, the position hurt performance, as New Zealand real yields moved higher alongside global duration moves, with the RBNZ having been one of the most aggressive central banks during this hiking cycle. This performance continued into October, as the global move in duration continued to drive yields higher.

At the start of the period, our short position in 10-year US bond futures was also volatile. Initially, it contributed negatively, as markets sought to price in a 'pivot' in monetary policy from the FED following weaker CPI data. In December, the position turned positive, as global duration sold off. This was further boosted towards the end of December by the less-supportive move by the Bank of Japan to raise its yield curve control target. However, in January, the position detracted from performance, as the duration weakness we saw in December was sharply reversed. Then, in February, the position contributed positively, as the duration sell-off gathered pace and yields rose strongly. Then, the contribution from the position

turned negative again, as it was affected by the general fixed income rally and as yields fell late in April on concerns around US regional banks. However, in the latter half of the period, the position was a positive contributor to the fund's performance. This positive performance continued into October, as economic data suggested the US economy was proving more resilient than expected.

Weaker CPI data at the start of the period also affected our long position in 30-year US CPI. The position also contributed negatively to fund performance in March and April amid the duration rally and as inflation pricing fell over April.

Our long 10-year Treasury inflation-protected securities (TIPS) versus 10-year UK Gilt futures position contributed positively over the period. At the end of the first half of the period, US bonds outperformed given that the banking turmoil was concentrated primarily on US banks. In April, the position contributed positively, as UK bonds continued to underperform global peers given concerns over firm economic data that could lead the BoE to be less accommodative in its monetary policy than the FED. At the start of the second half of the period, due to the same reasoning, the position again boosted performance.

Towards the end of the period, the fund benefitted from exposure to US 30-year CPI swaps. Inflation expectations have moved higher as the Federal Reserve (FED) now approaches its terminal rate amid an economic backdrop that remains robust. Also towards the end of the period, a negative contributor to fund performance was our overweight position in US TIPS, due to yields moving higher as the market questions the neutral rate of interest and the level at which the FED may hold rates.

## Portfolio Activity and Review

In the first half of the review period, we removed and took profit on our underweight position in Italian linkers amid the duration rally. We added an underweight position in UK Gilt futures, as we believed the BoE would reassess their more supportive messaging versus market rate expectations. We then removed this position in January, as we looked to soften the short-duration stance of the portfolio amid the global strength in government bond markets. We opened a cross-market position, buying 30-year UK real yields versus selling French and German 30-year linkers, as we thought UK real yields could fall as a result of increasing liability-drive investment demand while European supply was set to increase alongside quantitative tightening and following a period of outperformance for euro linkers. We also entered into a UKTI curve trade, going short 30-year bonds versus 20-year and 40-year, as we sought to oppose the richness of the 30-year on the curve as we approached 30-year supply in early March. We then

# abrdn Global Inflation-Linked Bond Fund

## Continued

removed our long 30-year UK real yields against French and German 30-year linkers for a near-flat return, as we felt the UK leg would not outperform relatively in the medium term. We removed our 10-year, 30-year US real yield flattener bias for a profit, as it had flattened substantially. We took profit on our UKTI curve trade, where we were short 30-year UKTIs versus 20-year and 40-year bonds, after the 30-year sector cheapened substantially on the curve and the trade hit our targets. We also initiated a new trade, going long 10-year US TIPS against a short position in 10-year UK Gilt futures. We initiated this trade as we felt that inflation-linked bonds could outperform and that TIPS offered attractive entry levels, while the underweight in 10-year UK Gilts allowed us to offset the duration in a market we thought may underperform after a period of recent outperformance that we didn't believe was justified by the economic fundamentals of the UK. In April, we took profit on our long 10-year US TIPS versus 10-year UK Gilt futures trade after UK duration underperformed markedly. We closed the UK leg, as we continued to believe that 10-year TIPS offered attractive yields.

Early in June, we added to our long position in 10-year US TIPS. This left the fund overweight US duration overall at increasingly attractive real yield levels. We also initiated a new position, going short 30-year French breakevens, utilising a duration-matched structure to improve the return dynamics of the trade. The aim was to challenge the richness of long-dated European inflation. In July, we added a UK real yield steepening position to the fund as we sought to oppose the marked flattening seen in June in the 5-year/30-year curve. The sell-off in duration had hit the UK front-end hard, pushing 5-year yields higher and causing the 5-year/30-year yield curve to invert. We also increased the size of a small position in 10-year US TIPS, which we believed offered increasingly good value given real yields were significantly above 1.5%. In August, we opened a US 10-year Treasury versus 10-year German Bund position on the expectation that US data would continue to outperform European data. We reduced US inflation exposure by selling US TIPS and covering part of the US futures short at the 10-year point of the curve. We also reduced the TIPS flattening bias by selling the 2052 bond and purchasing 2033s, thereby reducing duration slightly too. In September, we switched out of 2068 UK index-linked bonds and into 2058s to open a steepening bias in the long end of the UK curve. We cut the 0.2-year duration position in German 10-year Bunds in half. We left the US Treasury 10-year exposure at 0.2-year duration, thereby reducing fund duration overall by 0.1 year. Finally, in October, we closed the long 10-year Germany versus US bond futures position (which performed positively in October, as the US economy proved more resilient relative to Germany) and increased our short 10-year US bond

futures position by 0.10-years to maintain some short exposure to the US. We also closed the long US 10-year TIPS position and shifted the exposure across the curve, where we added a 0.15-year overweight in 30-year US TIPS. We closed a 0.13-year short US bond futures position.

## Portfolio Outlook and Strategy

The most recent inflation data shows that while the trend of inflation is expected to be lower in the medium term, it is likely to be a volatile journey and one in which there is still considerable uncertainty about the effect that past policy moves will have on the broad economy. Future central bank moves will be highly data-dependent, as the banks gauge how tight current financial conditions are relative to the perceived neutral rate and, thereby, what will be required of them going forward. In October, central banks continued to show more willingness to pause in an attempt to evaluate the effect of previous hikes.

We maintain our long position in 30-year US CPI, expressing a positive inflation bias in the US that should benefit if data continues to prove resilient, as has been the case for a number of months now. This sits alongside our continued overweight real yield position in New Zealand, which we believe also offers attractive return prospects, with real yields being kept at elevated levels in part by the global duration backdrop.

We remain neutral outright in terms of UK duration positioning but maintain a curve position that opposes the inversion of the 30s50s real yield curve. Recent moves in duration have pushed the UK front-end higher and have elevated 5-year real yields to levels not seen since the September 2022 mini-budget, driving a material flattening in the real yield curve at these points. Therefore, we see relative value in the front end of the curve relative to the belly and prefer 30-year to ultra-long dated bonds. We also retain other curve positions, which seek a long-term normalisation of dislocations that arose during that volatile autumn period.

## Inflation Team

November 2023

# abrdrn Global Inflation-Linked Bond Fund

## Continued

### Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the fund. The table below shows the fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk			Typically higher rewards, higher risk				
←				→			
1	2	3	4	5	6	7	

Risk and reward indicator table as at 31 October 2023.

The fund is rated as 4 because of the extent to which the following risk factors apply:

- The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- The fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

# Comparative Tables

	2023	2022	2021
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	171.10	205.84	197.81
Return before operating charges*	(5.45)	(32.97)	9.87
Operating charges	(1.56)	(1.77)	(1.84)
Return after operating charges*	(7.01)	(34.74)	8.03
Distributions	(7.58)	(5.81)	(1.18)
Retained distributions on accumulation shares	7.58	5.81	1.18
Closing net asset value per share	164.09	171.10	205.84
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(4.10%)	(16.88%)	4.06%
<b>Other information</b>			
Closing net asset value (£'000)	4,761	7,338	10,693
Closing number of shares	2,901,483	4,288,900	5,194,578
Operating charges	0.91%	0.91%	0.92%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	177.7	212.4	209.9
Lowest share price	162.6	162.2	192.1

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2023	2022	2021
Retail income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	138.22	171.56	165.82
Return before operating charges*	(4.19)	(27.09)	8.26
Operating charges	(1.24)	(1.46)	(1.53)
Return after operating charges*	(5.43)	(28.55)	6.73
Distributions	(6.03)	(4.79)	(0.99)
Closing net asset value per share	126.76	138.22	171.56
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(3.93%)	(16.64%)	4.06%
<b>Other information</b>			
Closing net asset value (£'000)	867	1,220	1,639
Closing number of shares	683,700	882,617	955,341
Operating charges	0.91%	0.91%	0.92%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	143.6	177.0	175.4
Lowest share price	127.4	132.5	161.0

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2023	2022	2021
Institutional accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	183.73	220.14	210.67
Return before operating charges*	(5.87)	(35.40)	10.53
Operating charges	(0.90)	(1.01)	(1.06)
Return after operating charges*	(6.77)	(36.41)	9.47
Distributions	(8.94)	(7.10)	(2.16)
Retained distributions on accumulation shares	8.94	7.10	2.16
Closing net asset value per share	176.96	183.73	220.14
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(3.68%)	(16.54%)	4.50%
<b>Other information</b>			
Closing net asset value (£'000)	247,132	154,615	38,538
Closing number of shares	139,653,544	84,155,707	17,506,029
Operating charges	0.49%	0.49%	0.50%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	190.9	227.2	224.5
Lowest share price	175.3	174.2	204.9

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Institutional regulated accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	85.50	102.33	97.83
Return before operating charges*	(2.73)	(16.45)	4.89
Operating charges	(0.34)	(0.38)	(0.39)
Return after operating charges*	(3.07)	(16.83)	4.50
Distributions	(4.25)	(3.40)	(1.10)
Retained distributions on accumulation shares	4.25	3.40	1.10
Closing net asset value per share	82.43	85.50	102.33
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(3.59%)	(16.45%)	4.60%
<b>Other information</b>			
Closing net asset value (£'000)	10,239	11,984	17,689
Closing number of shares	12,421,823	14,016,489	17,286,180
Operating charges	0.39%	0.39%	0.40%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	88.85	105.6	104.4
Lowest share price	81.64	81.04	95.17

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2023	2022	2021
Institutional income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	139.19	172.78	166.99
Return before operating charges*	(4.21)	(27.29)	8.34
Operating charges	(0.68)	(0.79)	(0.84)
Return after operating charges*	(4.89)	(28.08)	7.50
Distributions	(6.65)	(5.51)	(1.71)
Closing net asset value per share	127.65	139.19	172.78
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(3.51%)	(16.25%)	4.49%
<b>Other information</b>			
Closing net asset value (£'000)	13,989	31,327	56,760
Closing number of shares	10,958,535	22,507,067	32,851,228
Operating charges	0.49%	0.49%	0.50%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	144.6	178.3	176.9
Lowest share price	128.4	133.5	162.1

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

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Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Institutional S accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	58.58	70.03	66.88
Return before operating charges*	(1.88)	(11.26)	3.35
Operating charges	(0.17)	(0.19)	(0.20)
Return after operating charges*	(2.05)	(11.45)	3.15
Distributions	(2.97)	(2.39)	(0.82)
Retained distributions on accumulation shares	2.97	2.39	0.82
Closing net asset value per share	56.53	58.58	70.03
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(3.50%)	(16.35%)	4.71%
<b>Other information</b>			
Closing net asset value (£'000)	146,930	135,036	163,654
Closing number of shares	259,926,316	230,532,372	233,679,347
Operating charges	0.29%	0.29%	0.30%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	60.87	72.30	71.42
Lowest share price	55.98	55.51	65.09

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Institutional S income	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	51.09	63.43	61.30
Return before operating charges*	(1.55)	(10.03)	3.06
Operating charges	(0.15)	(0.17)	(0.18)
Return after operating charges*	(1.70)	(10.20)	2.88
Distributions	(2.54)	(2.14)	(0.75)
Closing net asset value per share	46.85	51.09	63.43
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(3.33%)	(16.08%)	4.70%
<b>Other information</b>			
Closing net asset value (£'000)	425,863	475,806	610,605
Closing number of shares	908,898,236	931,252,333	962,714,520
Operating charges	0.29%	0.29%	0.30%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	53.10	65.48	64.96
Lowest share price	47.16	49.03	59.53

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

<b>Platform 1 accumulation</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	56.36	67.55	64.67
Return before operating charges*	(1.80)	(10.85)	3.24
Operating charges	(0.31)	(0.34)	(0.36)
Return after operating charges*	(2.11)	(11.19)	2.88
Distributions	(2.71)	(2.15)	(0.63)
Retained distributions on accumulation shares	2.71	2.15	0.63
Closing net asset value per share	54.25	56.36	67.55
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(3.74%)	(16.57%)	4.45%
<b>Other information</b>			
Closing net asset value (£'000)	87,274	104,507	130,076
Closing number of shares	160,872,379	185,437,814	192,564,421
Operating charges	0.54%	0.54%	0.55%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	58.55	69.72	68.89
Lowest share price	53.74	53.42	62.89

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2023	2022	2021
Platform 1 income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	49.27	61.16	59.11
Return before operating charges*	(1.50)	(9.66)	2.95
Operating charges	(0.26)	(0.31)	(0.33)
Return after operating charges*	(1.76)	(9.97)	2.62
Distributions	(2.33)	(1.92)	(0.57)
Closing net asset value per share	45.18	49.27	61.16
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(3.57%)	(16.30%)	4.43%
<b>Other information</b>			
Closing net asset value (£'000)	30,756	32,219	41,712
Closing number of shares	68,068,328	65,393,050	68,202,770
Operating charges	0.54%	0.54%	0.55%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	51.19	63.12	62.60
Lowest share price	45.46	47.26	57.39

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

ZC accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	198.23	236.53	225.45
Return before operating charges*	(6.37)	(38.10)	11.30
Operating charges	(0.18)	(0.20)	(0.22)
Return after operating charges*	(6.55)	(38.30)	11.08
Distributions	(10.46)	(8.54)	(3.23)
Retained distributions on accumulation shares	10.46	8.54	3.23
Closing net asset value per share	191.68	198.23	236.53
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(3.30%)	(16.19%)	4.91%
<b>Other information</b>			
Closing net asset value (£'000)	108	103	141
Closing number of shares	56,467	51,988	59,523
Operating charges	0.09%	0.09%	0.10%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	206.2	244.2	241.2
Lowest share price	189.8	187.8	219.6

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

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Highest and Lowest prices are based on official published daily NAVs.

# Portfolio Statement

As at 31 October 2023

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Bonds (97.73%)</b>		<b>995,688</b>	<b>102.87</b>
<b>Australian Dollar Denominated Bonds (0.58%)</b>		<b>4,937</b>	<b>0.51</b>
<b>Government Bonds (0.58%)</b>		<b>4,937</b>	<b>0.51</b>
less than 5 years to maturity			
3,123,000	Australia (Commonwealth of) 3% Index-Linked 2025	2,406	0.25
greater than 25 years to maturity			
5,806,000	Australia (Commonwealth of) 1% Index-Linked 2050	2,531	0.26
<b>Canadian Dollar Denominated Bonds (2.21%)</b>		<b>18,183</b>	<b>1.88</b>
<b>Government Bonds (2.21%)</b>		<b>18,183</b>	<b>1.88</b>
less than 5 years to maturity			
1,133,000	Canada (Govt of) 4.25% Index-Linked 2026	1,286	0.13
between 5 and 10 years to maturity			
8,441,000	Canada (Govt of) 4% Index-Linked 2031	9,774	1.01
between 15 and 25 years to maturity			
9,115,000	Canada (Govt of) 1.5% Index-Linked 2044	6,472	0.67
809,000	Canada (Govt of) 2% Index-Linked 2041	651	0.07
<b>Danish Krone Denominated Bonds (0.30%)</b>		<b>-</b>	<b>-</b>
<b>Government Bonds (0.30%)</b>		<b>-</b>	<b>-</b>
<b>Euro Denominated Bonds (16.21%)</b>		<b>188,658</b>	<b>19.49</b>
<b>Government Bonds (16.21%)</b>		<b>188,658</b>	<b>19.49</b>
less than 5 years to maturity			
5,123,300	France (Govt of) 0.1% Index-Linked 2025	5,149	0.53
7,924,700	France (Govt of) 1.85% Index-Linked 2027	9,522	0.98
7,620,900	Germany (Fed Rep of) 0.1% Index-Linked 2026	8,097	0.84
8,665,000	Italy (Govt of) 1.3% Index-Linked 2028	9,044	0.94
3,773,000	Italy (Govt of) 3.1% Index-Linked 2026	4,484	0.46
6,638,000	Spain (Govt of) 0.65% Index-Linked 2027	6,975	0.72
9,331,000	Spain (Govt of) 1.8% Index-Linked 2024	10,078	1.04

# Portfolio Statement

As at 31 October 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
between 5 and 10 years to maturity			
5,388,500	France (Govt of) 0.1% Index-Linked 2029	5,392	0.56
6,587,200	France (Govt of) 0.1% Index-Linked 2031	6,420	0.66
1,850,000	France (Govt of) 0.1% Index-Linked 2032	1,714	0.18
13,371,800	France (Govt of) 0.7% Index-Linked 2030	14,402	1.49
2,713,800	France (Govt of) 3.15% Index-Linked 2032	4,284	0.44
3,437,000	France (Govt of) 3.4% Index-Linked 2029	5,067	0.52
2,570,100	Germany (Fed Rep of) 0.1% Index-Linked 2033	2,553	0.26
10,618,000	Germany (Fed Rep of) 0.5% Index-Linked 2030	11,582	1.20
6,000,000	Italy (Govt of) 0.1% Index-Linked 2033	4,737	0.49
11,143,000	Italy (Govt of) 0.4% Index-Linked 2030	10,331	1.07
5,358,000	Italy (Govt of) 1.25% Index-Linked 2032	5,255	0.54
7,715,000	Spain (Govt of) 1% Index-Linked 2030	8,092	0.84
between 10 and 15 years to maturity			
6,282,700	France (Govt of) 0.1% Index-Linked July 2036	5,808	0.60
3,040,000	France (Govt of) 0.1% Index-Linked March 2036	2,625	0.27
5,454,000	Italy (Govt of) 2.35% Index-Linked 2035	6,824	0.71
6,850,000	Spain (Govt of) 0.7% Index-Linked 2033	6,619	0.68
between 15 and 25 years to maturity			
11,031,500	France (Govt of) 1.8% Index-Linked 2040	14,689	1.52
6,099,600	Germany (Fed Rep of) 0.1% Index-Linked 2046	5,889	0.61
822,000	Italy (Govt of) 2.4% Index-Linked 2039	685	0.07
5,648,000	Italy (Govt of) 2.55% Index-Linked 2041	6,407	0.66
greater than 25 years to maturity			
9,222,200	France (Govt of) 1.75% 2066	4,571	0.47
2,506,000	Italy (Govt of) 0.15% Index-Linked 2051	1,363	0.14
<b>Japanese Yen Denominated Bonds (2.79%)</b>		<b>16,046</b>	<b>1.66</b>
<b>Government Bonds (2.79%)</b>		<b>16,046</b>	<b>1.66</b>
less than 5 years to maturity			
160,800,000	Japan (Govt of) 0.1% Index-Linked 2024	964	0.10
541,300,000	Japan (Govt of) 0.1% Index-Linked 2025	3,275	0.34
611,400,000	Japan (Govt of) 0.1% Index-Linked 2026	3,739	0.39

# Portfolio Statement

As at 31 October 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
339,500,000	Japan (Govt of) 0.1% Index-Linked 2027	2,130	0.22
522,800,000	Japan (Govt of) 0.1% Index-Linked 2028	3,196	0.33
between 5 and 10 years to maturity			
369,000,000	Japan (Govt of) 0.005% Index-Linked 2032	2,238	0.23
82,800,000	Japan (Govt of) 0.1% Index-Linked 2029	504	0.05
<b>New Zealand Dollar Denominated Bonds (3.68%)</b>		<b>32,525</b>	<b>3.36</b>
<b>Government Bonds (3.68%)</b>		<b>32,525</b>	<b>3.36</b>
less than 5 years to maturity			
5,207,000	New Zealand (Govt of) 2% Index-Linked 2025	3,173	0.33
between 5 and 10 years to maturity			
5,026,000	New Zealand (Govt of) 3% Index-Linked 2030	3,057	0.31
between 10 and 15 years to maturity			
47,181,000	New Zealand (Govt of) 2.5% Index-Linked 2035	26,295	2.72
<b>Sterling Denominated Bonds (21.50%)</b>		<b>213,860</b>	<b>22.09</b>
<b>Corporate Bonds (4.46%)</b>		<b>37,855</b>	<b>3.91</b>
less than 5 years to maturity			
4,691,000	Network Rail Infrastructure Finance 1.75% Index-Linked 2027	8,873	0.92
between 10 and 15 years to maturity			
6,360,000	European Investment Bank 1.939% Index-Linked 2037	7,570	0.78
5,210,000	Network Rail Infrastructure Finance 1.375% Index-Linked 2037	9,596	0.99
1,778,000	Southern Water Services Finance 3.706% Index-Linked 2034	3,914	0.40
between 15 and 25 years to maturity			
1,500,000	Affinity Water Finance 1.548% Index-Linked 2045	1,709	0.18
2,425,000	Network Rail Infrastructure Finance 1.125% Index-Linked 2047	3,875	0.40
greater than 25 years to maturity			
2,670,000	Aberdeen City Council 0.1% Index-Linked 2054	2,318	0.24

# Portfolio Statement

As at 31 October 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Government Bonds (17.04%)</b>		<b>176,005</b>	<b>18.18</b>
less than 5 years to maturity			
2,690,000	European Bank for Reconstruction & Development 2.746% Index-Linked 2024	5,951	0.61
1,820,000	Nordic Investment Bank 2.805% Index-Linked 2024	4,055	0.42
21,239,500	UK (Govt of) 0.125% Index-Linked 2028	27,998	2.89
2,200,000	UK (Govt of) 1.25% Index-Linked 2027	4,382	0.45
between 5 and 10 years to maturity			
320,000	European Investment Bank 2.4% Index-Linked 2030	743	0.08
6,120,300	UK (Govt of) 0.125% Index-Linked 2029	9,419	0.97
4,543,100	UK (Govt of) 0.125% Index-Linked 2031	5,603	0.58
3,752,100	UK (Govt of) 1.25% Index-Linked 2032	6,791	0.70
between 10 and 15 years to maturity			
8,596,200	UK (Govt of) 0.125% Index-Linked 2036	11,019	1.14
1,209,000	UK (Govt of) 1.125% Index-Linked 2037	2,244	0.23
3,117,000	UK (Govt of) 2% Index-Linked 2035	7,347	0.76
between 15 and 25 years to maturity			
588,700	UK (Govt of) 0.125% Index-Linked 2039	626	0.06
4,340,400	UK (Govt of) 0.125% Index-Linked 2041	4,702	0.49
725,900	UK (Govt of) 0.125% Index-Linked 2044	857	0.09
7,299,700	UK (Govt of) 0.125% Index-Linked 2046	7,823	0.81
7,286,100	UK (Govt of) 0.125% Index-Linked 2048	7,059	0.73
4,492,300	UK (Govt of) 0.625% Index-Linked 2040	7,012	0.72
9,190,800	UK (Govt of) 0.625% Index-Linked 2042	14,177	1.46
158,300	UK (Govt of) 0.625% Index-Linked 2045	137	0.01
4,617,500	UK (Govt of) 0.75% Index-Linked 2047	7,037	0.73
greater than 25 years to maturity			
3,295,000	UK (Govt of) 0.125% Index-Linked 2056	3,010	0.31
12,193,000	UK (Govt of) 0.125% Index-Linked 2058	11,314	1.17
4,119,300	UK (Govt of) 0.125% Index-Linked 2065	3,564	0.37
662,700	UK (Govt of) 0.125% Index-Linked 2068	591	0.06
5,805,900	UK (Govt of) 0.25% Index-Linked 2052	6,343	0.66
5,864,700	UK (Govt of) 0.375% Index-Linked 2062	6,389	0.66

# Portfolio Statement

As at 31 October 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
5,539,400	UK (Govt of) 0.5% Index-Linked 2050	7,530	0.78
1,250,500	UK (Govt of) 1.25% Index-Linked 2055	2,282	0.24
<b>Swedish Krona Denominated Bonds (0.76%)</b>		<b>6,757</b>	<b>0.70</b>
<b>Government Bonds (0.76%)</b>		<b>6,757</b>	<b>0.70</b>
less than 5 years to maturity			
41,760,000	Sweden (Kingdom of) 1% Index-Linked 2025	3,953	0.41
between 5 and 10 years to maturity			
21,690,000	Sweden (Kingdom of) 3.5% Index-Linked 2028	2,804	0.29
<b>US Dollar Denominated Bonds (49.70%)</b>		<b>514,722</b>	<b>53.18</b>
<b>Government Bonds (49.70%)</b>		<b>514,722</b>	<b>53.18</b>
less than 5 years to maturity			
29,843,900	US Treasury 0.125% Index-Linked 2026	25,696	2.65
10,852,000	US Treasury 0.125% Index-Linked April 2025	10,152	1.05
27,909,500	US Treasury 0.125% Index-Linked October 2025	25,824	2.67
11,522,500	US Treasury 0.375% Index-Linked 2025	11,777	1.22
29,101,200	US Treasury 0.5% Index-Linked 2028	27,408	2.83
7,106,700	US Treasury 0.625% Index-Linked 2026	7,202	0.74
29,061,400	US Treasury 0.75% Index-Linked 2028	27,116	2.80
11,000,000	US Treasury 1.25% Index-Linked 2028	8,776	0.91
16,906,600	US Treasury 1.75% Index-Linked 2028	19,737	2.04
7,884,200	US Treasury 2% Index-Linked 2026	9,708	1.00
16,250,000	US Treasury 2.375% Index-Linked 2025	21,541	2.23
47,911,200	US Treasury 2.375% Index-Linked 2027	58,667	6.06
7,113,100	US Treasury 3.625% Index-Linked 2028	11,617	1.20
between 5 and 10 years to maturity			
11,081,300	US Treasury 0.125% Index-Linked 2032	8,355	0.86
28,691,600	US Treasury 0.125% Index-Linked January 2030	24,393	2.52
11,933,700	US Treasury 0.125% Index-Linked January 2031	9,803	1.01
16,130,600	US Treasury 0.125% Index-Linked July 2030	13,663	1.41
14,431,400	US Treasury 0.125% Index-Linked July 2031	11,427	1.18
25,745,000	US Treasury 0.25% Index-Linked 2029	22,550	2.33

# Portfolio Statement

As at 31 October 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
19,386,000	US Treasury 0.625% Index-Linked 2032	14,484	1.50
12,243,300	US Treasury 0.875% Index-Linked 2029	11,303	1.17
49,697,400	US Treasury 1.125% Index-Linked 2033	37,484	3.87
2,534,400	US Treasury 2.5% Index-Linked 2029	2,984	0.31
1,864,200	US Treasury 3.375% Index-Linked 2032	2,820	0.29
between 15 and 25 years to maturity			
13,978,200	US Treasury 0.625% Index-Linked 2043	10,703	1.11
13,123,300	US Treasury 0.75% Index-Linked 2042	10,670	1.10
11,440,600	US Treasury 0.75% Index-Linked 2045	8,534	0.88
9,248,300	US Treasury 0.875% Index-Linked 2047	6,755	0.70
7,664,700	US Treasury 1% Index-Linked 2046	5,945	0.61
10,243,700	US Treasury 1% Index-Linked 2048	7,464	0.77
5,989,600	US Treasury 1.375% Index-Linked 2044	5,216	0.54
6,509,800	US Treasury 2.125% Index-Linked 2040	7,146	0.74
3,364,700	US Treasury 2.125% Index-Linked 2041	3,637	0.38
greater than 25 years to maturity			
13,301,400	US Treasury 0.125% Index-Linked 2052	6,317	0.65
12,530,500	US Treasury 0.25% Index-Linked 2050	6,906	0.71
10,164,500	US Treasury 1% Index-Linked 2049	7,209	0.75
5,553,600	US Treasury 1.5% Index-Linked 2053	3,733	0.39
<b>Collective Investment Schemes (3.35%)</b>		<b>5,203</b>	<b>0.54</b>
462	Aberdeen Standard Liquidity Fund (Lux) – Euro Fund Z3 Inc+	396	0.04
4,807	Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund Z1 Inc+	4,807	0.50
<b>Derivatives (1.44%)</b>		<b>(24,193)</b>	<b>(2.50)</b>
<b>Forward Currency Contracts (1.29%)</b>		<b>(25,418)</b>	<b>(2.62)</b>
	Buy AUD 107,137 Sell GBP 56,491 15/11/2023	(1)	-
	Buy AUD 110,488 Sell GBP 57,676 15/11/2023	-	-
	Buy AUD 122,924 Sell GBP 64,121 15/11/2023	-	-
	Buy AUD 126,323 Sell GBP 66,122 15/11/2023	-	-
	Buy AUD 131,996 Sell GBP 69,351 15/11/2023	-	-
	Buy AUD 133,905 Sell GBP 68,311 15/11/2023	2	-

# Portfolio Statement

As at 31 October 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
	Buy AUD 149,681 Sell GBP 78,392 15/11/2023	-	-
	Buy AUD 170,880 Sell GBP 87,639 15/11/2023	2	-
	Buy AUD 173,995 Sell GBP 90,936 15/11/2023	-	-
	Buy AUD 196,004 Sell GBP 98,858 15/11/2023	4	-
	Buy AUD 207,232 Sell GBP 107,762 15/11/2023	1	-
	Buy CAD 314,046 Sell GBP 183,274 15/11/2023	3	-
	Buy CAD 339,318 Sell GBP 202,844 15/11/2023	(1)	-
	Buy CAD 339,888 Sell GBP 198,531 15/11/2023	3	-
	Buy CAD 354,732 Sell GBP 207,519 15/11/2023	3	-
	Buy CAD 393,542 Sell GBP 239,016 15/11/2023	(5)	-
	Buy CAD 529,886 Sell GBP 318,934 15/11/2023	(4)	-
	Buy CAD 789,175 Sell GBP 472,809 15/11/2023	(4)	-
	Buy EUR 2,364,681 Sell GBP 2,060,687 15/11/2023	10	-
	Buy EUR 2,771,302 Sell GBP 2,387,694 15/11/2023	39	-
	Buy EUR 2,873,083 Sell GBP 2,492,190 15/11/2023	24	-
	Buy EUR 3,023,190 Sell GBP 2,599,974 15/11/2023	47	0.01
	Buy EUR 3,340,974 Sell GBP 2,896,258 15/11/2023	29	-
	Buy EUR 3,751,842 Sell GBP 3,271,005 15/11/2023	14	-
	Buy GBP 58,940 Sell AUD 116,909 15/11/2023	(2)	-
	Buy GBP 61,131 Sell AUD 119,147 15/11/2023	(1)	-
	Buy GBP 75,810 Sell AUD 145,878 15/11/2023	-	-
	Buy GBP 76,491 Sell AUD 149,591 15/11/2023	(2)	-
	Buy GBP 79,842 Sell AUD 152,662 15/11/2023	-	-
	Buy GBP 91,817 Sell AUD 175,510 15/11/2023	-	-
	Buy GBP 97,441 Sell AUD 189,265 15/11/2023	(2)	-
	Buy GBP 573,783 Sell AUD 1,113,352 15/11/2023	(8)	-
	Buy GBP 4,643,187 Sell AUD 9,011,099 15/11/2023	(68)	(0.01)
	Buy GBP 200,850 Sell CAD 335,146 15/11/2023	2	-
	Buy GBP 208,914 Sell CAD 351,341 15/11/2023	-	-
	Buy GBP 286,313 Sell CAD 478,575 15/11/2023	2	-
	Buy GBP 303,693 Sell CAD 520,371 15/11/2023	(5)	-
	Buy GBP 323,943 Sell CAD 541,868 15/11/2023	2	-
	Buy GBP 432,267 Sell CAD 738,379 15/11/2023	(6)	-
	Buy GBP 18,330,257 Sell CAD 31,298,396 15/11/2023	(257)	(0.03)
	Buy GBP 1,881,306 Sell EUR 2,188,343 15/11/2023	(35)	-
	Buy GBP 2,292,949 Sell EUR 2,654,536 15/11/2023	(31)	-
	Buy GBP 6,443,613 Sell EUR 7,513,652 15/11/2023	(135)	(0.01)

# Portfolio Statement

As at 31 October 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
	Buy GBP 8,856,457 Sell EUR 10,298,528 15/11/2023	(160)	(0.02)
	Buy GBP 10,974,737 Sell EUR 12,681,978 15/11/2023	(129)	(0.01)
	Buy GBP 170,108,705 Sell EUR 196,569,290 15/11/2023	(1,998)	(0.21)
	Buy GBP 2,280,473 Sell JPY 409,735,139 15/11/2023	43	0.01
	Buy GBP 13,956,812 Sell JPY 2,513,145,748 15/11/2023	232	0.02
	Buy GBP 420,358 Sell NZD 895,682 15/11/2023	(10)	-
	Buy GBP 1,572,608 Sell NZD 3,303,106 15/11/2023	(14)	-
	Buy GBP 32,253,940 Sell NZD 67,768,624 15/11/2023	(292)	(0.03)
	Buy GBP 6,857,336 Sell SEK 92,881,034 15/11/2023	(14)	-
	Buy GBP 2,841,619 Sell USD 3,446,754 15/11/2023	11	-
	Buy GBP 6,248,644 Sell USD 7,651,327 15/11/2023	(34)	-
	Buy GBP 8,079,204 Sell USD 9,857,956 15/11/2023	(15)	-
	Buy GBP 9,010,556 Sell USD 11,312,780 15/11/2023	(280)	(0.03)
	Buy GBP 13,205,605 Sell USD 16,825,469 15/11/2023	(612)	(0.06)
	Buy GBP 20,530,476 Sell USD 25,777,540 15/11/2023	(638)	(0.06)
	Buy GBP 155,762,049 Sell USD 198,384,589 15/11/2023	(7,160)	(0.74)
	Buy GBP 156,579,163 Sell USD 199,411,863 15/11/2023	(7,186)	(0.74)
	Buy GBP 162,143,528 Sell USD 206,481,920 15/11/2023	(7,428)	(0.77)
	Buy NZD 718,187 Sell GBP 350,854 15/11/2023	(6)	-
	Buy NZD 989,998 Sell GBP 459,455 15/11/2023	16	-
	Buy NZD 1,149,386 Sell GBP 543,007 15/11/2023	9	-
	Buy NZD 1,160,162 Sell GBP 566,780 15/11/2023	(10)	-
	Buy USD 3,562,617 Sell GBP 2,795,111 15/11/2023	130	0.01
	Buy USD 6,518,413 Sell GBP 5,359,919 15/11/2023	(8)	-
	Buy USD 6,931,838 Sell GBP 5,557,484 15/11/2023	134	0.01
	Buy USD 7,146,510 Sell GBP 5,864,452 15/11/2023	4	-
	Buy USD 8,093,774 Sell GBP 6,606,523 15/11/2023	39	-
	Buy USD 9,471,351 Sell GBP 7,430,067 15/11/2023	347	0.04
	Buy USD 9,903,394 Sell GBP 8,140,310 15/11/2023	(9)	-
<b>Futures (0.13%)</b>		<b>1,298</b>	<b>0.13</b>
(272)	Short US 10 Year Ultra Future 19/12/2023	1,298	0.13

# Portfolio Statement

As at 31 October 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Inflation Swaps (0.02%)</b>		<b>(73)</b>	<b>(0.01)</b>
USD 4,930,000	Pay fixed 2.311% receive floating USDCPI 12/07/2051	516	0.05
USD 5,256,000	Pay fixed 2.425% receive floating USDCPI 09/09/2051	420	0.05
GBP 9,920,000	Pay fixed 3.17% receive floating UKRPI 15/05/2046	2,108	0.22
GBP 2,455,000	Pay fixed 3.19125% receive floating UKRPI 15/05/2046	507	0.05
GBP 9,920,000	Pay floating UKRPI receive fixed 3.1925% 15/05/2041	(2,205)	(0.23)
GBP 6,530,000	Pay floating UKRPI receive fixed 3.2125% 15/05/2041	(1,419)	(0.15)
Total investment assets and liabilities		976,698	100.91
Net other liabilities		(8,779)	(0.91)
<b>Total Net Assets</b>		<b>967,919</b>	<b>100.00</b>

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities, or are regulated collective investment schemes or are approved derivatives within the meaning of the FCA rules.

The percentage figures in brackets show the comparative holding as at 31 October 2022.

+ Managed by subsidiaries of abrdn plc.

# Financial Statements

## Statement of Total Return

For the year ended 31 October 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(81,904)		(205,591)
Revenue	2	51,448		38,972	
Expenses	3	(3,540)		(3,526)	
Interest payable and similar charges		(323)		(12)	
Net revenue before taxation		47,585		35,434	
Taxation	4	-		-	
Net revenue after taxation			47,585		35,434
<b>Total return before distributions</b>			<b>(34,319)</b>		<b>(170,157)</b>
Distributions	5		(47,585)		(35,434)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(81,904)</b>		<b>(205,591)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 October 2023

	2023		2022	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>954,155</b>		<b>1,071,507</b>
Amounts receivable on the issue of shares	233,232		227,260	
Amounts payable on the cancellation of shares	(159,792)		(152,705)	
		73,440		74,555
Dilution adjustment		140		206
Change in net assets attributable to shareholders from investment activities (see above)		(81,904)		(205,591)
Retained distribution on accumulation shares		22,088		13,478
<b>Closing net assets attributable to shareholders</b>		<b>967,919</b>		<b>954,155</b>

# Financial Statements

## Continued

### Balance Sheet

As at 31 October 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			1,006,892		994,788
<b>Current assets:</b>					
Debtors	6	13,576		44,141	
Cash and bank balances	7	2		1,496	
			13,578		45,637
<b>Total assets</b>			<b>1,020,470</b>		<b>1,040,425</b>
<b>Liabilities:</b>					
Investment liabilities			(30,194)		(16,551)
Bank overdrafts	7	(2,021)		(24,039)	
Creditors	8	(12,642)		(38,858)	
Distribution payable		(7,694)		(6,822)	
			(22,357)		(69,719)
<b>Total liabilities</b>			<b>(52,551)</b>		<b>(86,270)</b>
<b>Net assets attributable to shareholders</b>			<b>967,919</b>		<b>954,155</b>

# Notes to the Financial Statements

## 1 Net Capital Losses

	2023 £'000	2022 £'000
Non-derivative securities	(106,215)	(130,545)
Derivative contracts	389	4,916
Forward currency contracts	24,953	(80,481)
Other (losses)/gains	(1,007)	549
Transaction charges	(24)	(30)
<b>Net capital losses</b>	<b>(81,904)</b>	<b>(205,591)</b>

## 2 Revenue

	2023 £'000	2022 £'000
Bank and margin interest	588	112
Derivative revenue	26	-
Interest on debt securities	50,834	38,860
<b>Total revenue</b>	<b>51,448</b>	<b>38,972</b>

## 3 Expenses

	2023 £'000	2022 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	2,498	2,383
Dealing charge	240	302
General administration charge	758	793
	3,496	3,478
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	44	48
	44	48
<b>Total expenses</b>	<b>3,540</b>	<b>3,526</b>

Irrecoverable VAT is included in the above expenses, where relevant.  
The audit fee for the year, including VAT, was £13,500 (2022: £12,540).

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2023 £'000	2022 £'000
<b>(a) Analysis of charge in year</b>		
Total taxation (note 4b)	-	-

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

The tax assessed for the year is less than (2022: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

	2023 £'000	2022 £'000
<b>Net revenue before taxation</b>	<b>47,585</b>	<b>35,434</b>
Corporation tax at 20% (2022: 20%)	9,517	7,087
Effects of:		
Distributions treated as tax deductible	(7,557)	(576)
UK Indexation relief	(1,960)	(6,511)
<b>Total tax charge for year (note 4a)</b>	<b>-</b>	<b>-</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

#### (c) Factors that may affect future tax charge

At the year end there are no surplus expenses and therefore no deferred tax asset in the current or prior year.

### 5 Distributions (including the movement between net revenue and distributions)

	2023 £'000	2022 £'000
First interim distribution	9,377	6,503
Second interim distribution	10,675	8,525
Third interim distribution	12,382	9,668
Final distribution	15,504	11,844
	47,938	36,540
Add: Income deducted on cancellation of shares	1,044	757
Deduct: Income received on issue of shares	(1,397)	(1,863)
<b>Total distributions for the year</b>	<b>47,585</b>	<b>35,434</b>
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	47,585	35,434
Undistributed revenue brought forward	1	1
Undistributed revenue carried forward	(1)	(1)
<b>Total distributions</b>	<b>47,585</b>	<b>35,434</b>

Details of the distribution per share are set out in this fund's distribution tables.

# Notes to the Financial Statements

## Continued

### 6 Debtors

	2023 £'000	2022 £'000
Accrued revenue	3,179	2,809
Amounts receivable from the ACD for the issue of shares	560	41,331
Sales awaiting settlement	9,837	-
United Kingdom income tax recoverable	-	1
<b>Total debtors</b>	<b>13,576</b>	<b>44,141</b>

### 7 Liquidity

	2023 £'000	2022 £'000
<b>Cash and bank balances</b>		
Cash at bank	2	1,496
	<b>2</b>	<b>1,496</b>
<b>Bank overdrafts</b>		
Collateral cash pledged by counterparties <sup>^</sup>	(395)	(22,335)
Overdraft at broker	(1,626)	(1,704)
	<b>(2,021)</b>	<b>(24,039)</b>
Aberdeen Standard Liquidity Fund (Lux) - Euro Fund Z3 Inc*	396	18,193
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	4,807	13,801
<b>Net liquidity</b>	<b>3,184</b>	<b>9,451</b>

<sup>^</sup> This reflects cash the fund has taken receipt of to support in the money derivative positions and mitigate counterparty risk to the fund.

\* Although reflected in the investment assets figure, liquidity funds are used by the fund as a liquidity vehicle and commonly reflects collateral held by the fund. Therefore, the ACD considers the net liquidity position of the fund as the aggregate of cash at bank and in hand, bank overdrafts and liquidity fund positions.

### 8 Creditors

	2023 £'000	2022 £'000
Accrued expenses payable to ACD	306	316
Accrued expenses payable to the Depositary or associates of the Depositary	12	14
Amounts payable to the ACD for cancellation of shares	598	2,172
Purchases awaiting settlement	11,726	36,356
<b>Total creditors</b>	<b>12,642</b>	<b>38,858</b>

# Notes to the Financial Statements

## Continued

### 9 Related Party Transactions

abrdr Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to abrdr Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to abrdr Fund Managers Limited, in respect of expenses are disclosed in note 3 and any amounts due at the year end in note 8.

### 10 Portfolio Transaction Costs

There are no transaction costs associated with the purchases or sales of bonds and derivatives during the year, or in the prior year.

Bonds are dealt on a spread agreed between buyer and seller with reference to the expected cashflows and current credit profiles.

Derivatives are dealt on a spread agreed between buyer and seller with reference to the underlying investment.

Trades in the year	Purchases		Sales	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Bonds	485,939	479,497	356,209	512,450
<b>Trades in the year before transaction costs</b>	<b>485,939</b>	<b>479,497</b>	<b>356,209</b>	<b>512,450</b>
<b>Total net trades in the year after transaction costs</b>	<b>485,939</b>	<b>479,497</b>	<b>356,209</b>	<b>512,450</b>

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.26% (2022: 0.40%), this is representative of the average spread on the assets held during the year.

### 11 Shares in Issue Reconciliation

	Opening shares 2022	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2023
Retail accumulation	4,288,900	107,783	(1,183,616)	(311,584)	2,901,483
Retail income	882,617	2,333	(134,353)	(66,897)	683,700
Institutional accumulation	84,155,707	71,303,566	(15,160,161)	(645,568)	139,653,544
Institutional regulated accumulation	14,016,489	894,798	(2,489,464)	-	12,421,823
Institutional income	22,507,067	2,246,945	(10,761,613)	(3,033,864)	10,958,535
Institutional S accumulation	230,532,372	81,484,923	(54,401,748)	2,310,769	259,926,316
Institutional S income	931,252,333	78,984,205	(109,575,556)	8,237,254	908,898,236

# Notes to the Financial Statements

## Continued

	Opening shares 2022	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2023
Platform 1 accumulation	185,437,814	11,286,865	(36,513,165)	660,865	160,872,379
Platform 1 income	65,393,050	14,013,301	(11,536,098)	198,075	68,068,328
ZC accumulation	51,988	6,463	(1,984)	-	56,467

## 12 Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2023 £'000	2023 £'000	2023 £'000	2022 £'000	2022 £'000	2022 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Bonds	871,101	124,587	-	803,663	128,859	-
Collective Investment Schemes	-	5,203	-	-	31,994	-
Derivatives	1,298	4,703	-	1,265	29,007	-
<b>Total investment assets</b>	<b>872,399</b>	<b>134,493</b>	<b>-</b>	<b>804,928</b>	<b>189,860</b>	<b>-</b>
<b>Fair value of investment liabilities</b>						
Derivatives	-	(30,194)	-	-	(16,551)	-
<b>Total investment liabilities</b>	<b>-</b>	<b>(30,194)</b>	<b>-</b>	<b>-</b>	<b>(16,551)</b>	<b>-</b>

## 13 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

### Foreign currency risk

The fund's net exposure to foreign currencies (including any instruments used to hedge against foreign currencies) is not significant. Therefore, the financial statements are not subject to any significant risk of currency movements. This is consistent with the exposure during the prior year.

### Interest rate risk

Interest rate risk is an unfavourable change in interest rates that can affect the price of a security, which in turn results in the portfolio experiencing a loss. Interest rate changes not only affect fixed income products but have material impacts on funding arrangements and other asset types.

The following table shows separately the value of investments at fixed interest rates, at variable rates and those that are non-interest bearing instruments.

# Notes to the Financial Statements

## Continued

The interest rate risk profile of the fund's investments at the year end consists of:

2023	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>Currency</b>				
UK Sterling	216,037	-	747,689	963,726
Australian Dollar	4,937	-	(4,974)	(37)
Canadian Dollar	18,183	-	(18,313)	(130)
Euro	184,090	4,571	(188,411)	250
Japanese Yen	16,046	-	(15,961)	85
New Zealand Dollar	32,526	-	(32,534)	(8)
Swedish Krona	6,757	-	(6,774)	(17)
US Dollar	515,652	-	(511,602)	4,050
<b>Total</b>	<b>994,228</b>	<b>4,571</b>	<b>(30,880)</b>	<b>967,919</b>

2022	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>Currency</b>				
UK Sterling	213,365	-	771,707	985,072
Australian Dollar	5,722	-	(5,531)	191
Canadian Dollar	21,069	-	(21,135)	(66)
Danish Krone	2,891	-	(2,904)	(13)
Euro	154,757	-	(164,587)	(9,830)
Japanese Yen	26,660	-	(26,636)	24
New Zealand Dollar	35,105	-	(36,195)	(1,090)
Swedish Krona	7,222	-	(7,256)	(34)
US Dollar	475,307	-	(495,406)	(20,099)
<b>Total</b>	<b>942,098</b>	<b>-</b>	<b>12,057</b>	<b>954,155</b>

### Other price risk

The fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Adviser in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

# Notes to the Financial Statements

## Continued

### VaR

The table below indicates the VaR of the fund, measured as the maximum one month loss in value from adverse changes in market risk factors (e.g. equity prices, interest rates, inflation rates and foreign currency exchange rates) that is expected with a 99 percent confidence level. Calculated on this basis, the VaR indicates that the net value of the fund could be expected to fall over a one-month period by more than the corresponding VaR in 1% of cases, assuming the fund does not alter its positioning over that period.

2023	Minimum	Maximum	Average
VaR 99% 1 Month	5.68%	7.04%	6.35%
2022	Minimum	Maximum	Average
VaR 99% 1 Month	4.35%	6.96%	5.14%

At the year end date, there was a 1% chance of the portfolio value falling (or rising) more than 5.68%, £55,450,000 (2022: 6.96%, £68,041,000) in a one month period.

This calculation is generally determined by the use of an industry recognised medium term risk model, typically based on 3–5 year history. The method assumes normal market conditions and that the portfolio remains unchanged.

### Counterparty risk

#### Credit quality of debt security investment assets

The following table shows the credit quality of the part of the investment portfolio that is invested in debt securities.

	Market value £'000	Percentage of total net assets %
<b>2023</b>		
Investment grade securities	995,688	102.87
Below investment grade securities	-	-
Unrated securities	-	-
<b>Total value of securities</b>	<b>995,688</b>	<b>102.87</b>
	Market value £'000	Percentage of total net assets %
<b>2022</b>		
Investment grade securities	932,522	97.73
Below investment grade securities	-	-
Unrated securities	-	-
<b>Total value of securities</b>	<b>932,522</b>	<b>97.73</b>

Investment grade information used in the above table is based on credit ratings issued by market vendors.

# Notes to the Financial Statements

## Continued

### Financial derivatives instrument risk

These types of transaction can introduce market exposure greater than the market value of the instrument. These transactions exchange benefits with a third party at a future date creating both counterparty and concentration risk. The Investment Adviser's policies for managing these risks are outlined in the fund's prospectus.

At the balance sheet date the fund had the following exposures:

	2023		2022	
	Market exposure £'000	Market value £'000	Market exposure £'000	Market value £'000
<b>Leveraged instruments</b>				
Forward currency contracts	908,154	(25,418)	1,336,616	12,330
Futures	24,394	1,298	17,730	1,265
Swaps	37,219	(73)	37,672	126
<b>Total market exposure</b>	<b>969,767</b>	<b>(24,193)</b>	<b>1,392,018</b>	<b>13,721</b>

The total market exposure is the sum of the notional derivative contracts on a gross basis with no offsetting.

The fund uses the commitment method to calculate global exposure. Leverage is not significant in this context.

### Counterparty risk

Where the fund enters market transactions this creates concentration risk where a clearing broker operates on an exchange. Where the clearing broker is not solvent the market exposure can be transferred. Exposure is reduced by the daily exchange of margin by both parties held in the name of the depositary. At the year end the fund had the following clearing broker exposure.

2023	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
<b>Broker or exchange exposure</b>					
Goldman Sachs	2,234	(1,626)	3,085	3,693	0.38
	<b>2,234</b>	<b>(1,626)</b>	<b>3,085</b>	<b>3,693</b>	<b>0.38</b>

2022	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
<b>Broker or exchange exposure</b>					
Goldman Sachs	2,309	(1,704)	3,086	3,691	0.39
	<b>2,309</b>	<b>(1,704)</b>	<b>3,086</b>	<b>3,691</b>	<b>0.39</b>

### Bilateral agreements

Where the fund enters bilateral agreements this introduces counterparty risk. Where a counterparty defaults on their obligation, exposure is reduced by the collateral held/pledged by both parties.

Certain derivatives are conducted on a master ISDA (International Swaps and Derivatives Association) agreement. Positions are collateralised daily in line with the agreement including a right of termination at fair value and a right of recall/substitution on any stock collateral within 24 hours.

# Notes to the Financial Statements

## Continued

At the balance sheet date the fund had the following positions.

2023 Counterparties	Swaps £'000	Forwards £'000	Collateral (held)/pledged		Net exposure £'000
			Cash £'000	Stock £'000	
Barclays	-	(1,280)	-	1,384	104
BNP Paribas	-	(52)	-	-	(52)
Citigroup	-	(10)	(91)	-	(101)
Deutsche Bank	-	(257)	-	283	26
Goldman Sachs	-	(7,134)	-	7,397	263
HSBC	-	11	-	-	11
JP Morgan	-	351	(304)	-	47
Lloyds Bank	-	10	-	-	10
Morgan Stanley	-	(70)	-	210	140
Natwest Markets	(912)	(7,544)	-	8,871	415
Nomura	(97)	-	-	-	(97)
Royal Bank of Canada	-	(1,975)	-	1,222	(753)
Standard Chartered	-	(7,468)	-	7,763	295
<b>Total</b>	<b>(1,009)</b>	<b>(25,418)</b>	<b>(395)</b>	<b>27,130</b>	<b>308</b>

Collateral positions for Swaps are aggregated, not at individual trade level.

The Prospectus outlines allowable collateral. There have been no changes in the year.

Top Issuers 2023	Type	Collateral Stock £'000
UK (Gov't of)	Bond	27,446
Germany (Fed Rep of)	Bond	2,723
France (Gov't of)	Bond	46
		<b>30,215</b>

2022 Counterparties	Swaps £'000	Forwards £'000	Collateral (held)/pledged		Net exposure £'000
			Cash £'000	Stock £'000	
Bank of America Merrill Lynch	-	1,946	1,960	-	3,906
Barclays	-	(112)	-	150	38
BNP Paribas	-	(15)	-	-	(15)
Citigroup	-	431	458	-	889
Deutsche Bank	-	(41)	-	-	(41)
Goldman Sachs	-	1,334	1,290	-	2,624
HSBC	-	(162)	-	144	(18)
JP Morgan	-	(1)	-	(221)	(222)

# Notes to the Financial Statements

## Continued

2022 Counterparties	Swaps £'000	Forwards £'000	Collateral (held)/pledged		Net exposure £'000
			Cash £'000	Stock £'000	
Lloyds Bank	-	21	-	-	21
Morgan Stanley	-	16,501	17,242	-	33,743
Natwest Markets	(737)	(220)	-	1,089	132
Nomura	(181)	-	-	-	(181)
Royal Bank of Canada	-	(1,546)	-	652	(894)
Societe Generale	-	2	-	71	73
Standard Chartered	-	1,082	1,385	-	2,467
State Street	-	(48)	-	-	(48)
UBS	-	(6,842)	-	6,684	(158)
<b>Total</b>	<b>(918)</b>	<b>12,330</b>	<b>22,335</b>	<b>8,569</b>	<b>42,316</b>

Collateral positions for Swaps is aggregated, not at individual trade level.

2022	Type	Collateral Stock £'000
US Treasury	Bond	6,684
United Kingdom (Gov't of)	Bond	4,931
French (Gov't of)	Bond	40
		<b>11,655</b>

### Liquidity risk

The following table provides a maturity analysis of the fund's financial liabilities on a contractual basis.

2023	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
<b>Derivatives</b>					
Investment liabilities	-	(26,570)	-	(3,624)	(30,194)
<b>Non-derivatives</b>					
Other creditors	-	(12,642)	-	-	(12,642)
Bank overdrafts	(2,021)	-	-	-	(2,021)
Distribution payable	-	(7,694)	-	-	(7,694)
<b>Total financial liabilities</b>	<b>(2,021)</b>	<b>(46,906)</b>	<b>-</b>	<b>(3,624)</b>	<b>(52,551)</b>

# Notes to the Financial Statements

## Continued

2022	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
<b>Derivatives</b>					
Investment liabilities	-	(13,716)	-	(2,835)	(16,551)
<b>Non-derivatives</b>					
Other creditors	-	(38,858)	-	-	(38,858)
Bank overdrafts	(24,039)	-	-	-	(24,039)
Distribution payable	-	(6,822)	-	-	(6,822)
<b>Total financial liabilities</b>	<b>(24,039)</b>	<b>(59,396)</b>	<b>-</b>	<b>(2,835)</b>	<b>(86,270)</b>

# Distribution Tables

For the year ended 31 October 2023 (in pence per share)

## First interim interest distribution

Group 1 – shares purchased prior to 1 November 2022

Group 2 – shares purchased between 1 November 2022 and 31 January 2023

	Revenue	Equalisation	Distribution paid 31/03/23	Distribution paid 31/03/22
<b>Retail accumulation</b>				
Group 1	1.4869	-	1.4869	0.9376
Group 2	1.0023	0.4846	1.4869	0.9376
<b>Retail income</b>				
Group 1	1.2013	-	1.2013	0.7827
Group 2	0.4340	0.7673	1.2013	0.7827
<b>Institutional accumulation</b>				
Group 1	1.7948	-	1.7948	1.2391
Group 2	1.0955	0.6993	1.7948	1.2391
<b>Institutional regulated accumulation</b>				
Group 1	0.8572	-	0.8572	0.6022
Group 2	0.6035	0.2537	0.8572	0.6022
<b>Institutional income</b>				
Group 1	1.3598	-	1.3598	0.9727
Group 2	0.6266	0.7332	1.3598	0.9727
<b>Institutional S accumulation</b>				
Group 1	0.6023	-	0.6023	0.4300
Group 2	0.2638	0.3385	0.6023	0.4300
<b>Institutional S income</b>				
Group 1	0.5256	-	0.5256	0.3895
Group 2	0.1631	0.3625	0.5256	0.3895
<b>Platform 1 accumulation</b>				
Group 1	0.5433	-	0.5433	0.3714
Group 2	0.3008	0.2425	0.5433	0.3714
<b>Platform 1 income</b>				
Group 1	0.4750	-	0.4750	0.3364
Group 2	0.2915	0.1835	0.4750	0.3364
<b>ZC accumulation</b>				
Group 1	2.1408	-	2.1408	1.5733
Group 2	1.1578	0.9830	2.1408	1.5733

# Distribution Tables

For the year ended 31 October 2023 (in pence per share) continued

## Second interim interest distribution

Group 1 – shares purchased prior to 1 February 2023

Group 2 – shares purchased between 1 February 2023 and 30 April 2023

	Revenue	Equalisation	Distribution paid 30/06/23	Distribution paid 30/06/22
<b>Retail accumulation</b>				
Group 1	1.7920	-	1.7920	1.3676
Group 2	0.9656	0.8264	1.7920	1.3676
<b>Retail income</b>				
Group 1	1.4352	-	1.4352	1.1345
Group 2	0.4330	1.0022	1.4352	1.1345
<b>Institutional accumulation</b>				
Group 1	2.1183	-	2.1183	1.6862
Group 2	1.1286	0.9897	2.1183	1.6862
<b>Institutional regulated accumulation</b>				
Group 1	1.0075	-	1.0075	0.8085
Group 2	0.2349	0.7726	1.0075	0.8085
<b>Institutional income</b>				
Group 1	1.5896	-	1.5896	1.3159
Group 2	0.6836	0.9060	1.5896	1.3159
<b>Institutional S accumulation</b>				
Group 1	0.7050	-	0.7050	0.5704
Group 2	0.4330	0.2720	0.7050	0.5704
<b>Institutional S income</b>				
Group 1	0.6087	-	0.6087	0.5133
Group 2	0.2962	0.3125	0.6087	0.5133
<b>Platform 1 accumulation</b>				
Group 1	0.6428	-	0.6428	0.5092
Group 2	0.3183	0.3245	0.6428	0.5092
<b>Platform 1 income</b>				
Group 1	0.5566	-	0.5566	0.4585
Group 2	0.2418	0.3148	0.5566	0.4585
<b>ZC accumulation</b>				
Group 1	2.4865	-	2.4865	2.0409
Group 2	0.1196	2.3669	2.4865	2.0409

# Distribution Tables

For the year ended 31 October 2023 (in pence per share) continued

## Third interim interest distribution

Group 1 – shares purchased prior to 1 May 2023

Group 2 – shares purchased between 1 May 2023 and 31 July 2023

	Revenue	Equalisation	Distribution paid 29/09/23	Distribution paid 30/09/22
<b>Retail accumulation</b>				
Group 1	1.9190	-	1.9190	1.6392
Group 2	0.9515	0.9675	1.9190	1.6392
<b>Retail income</b>				
Group 1	1.5211	-	1.5211	1.3505
Group 2	0.5222	0.9989	1.5211	1.3505
<b>Institutional accumulation</b>				
Group 1	2.2635	-	2.2635	1.9703
Group 2	1.3470	0.9165	2.2635	1.9703
<b>Institutional regulated accumulation</b>				
Group 1	1.0747	-	1.0747	0.9400
Group 2	0.6177	0.4570	1.0747	0.9400
<b>Institutional income</b>				
Group 1	1.6774	-	1.6774	1.5253
Group 2	0.9595	0.7179	1.6774	1.5253
<b>Institutional S accumulation</b>				
Group 1	0.7516	-	0.7516	0.6598
Group 2	0.4176	0.3340	0.7516	0.6598
<b>Institutional S income</b>				
Group 1	0.6413	-	0.6413	0.5889
Group 2	0.3419	0.2994	0.6413	0.5889
<b>Platform 1 accumulation</b>				
Group 1	0.6862	-	0.6862	0.5966
Group 2	0.3614	0.3248	0.6862	0.5966
<b>Platform 1 income</b>				
Group 1	0.5878	-	0.5878	0.5330
Group 2	0.1244	0.4634	0.5878	0.5330
<b>ZC accumulation</b>				
Group 1	2.6484	-	2.6484	2.3402
Group 2	1.8350	0.8134	2.6484	2.3402

# Distribution Tables

For the year ended 31 October 2023 (in pence per share) continued

## Final interest distribution

Group 1 – shares purchased prior to 1 August 2023

Group 2 – shares purchased between 1 August 2023 and 31 October 2023

	Revenue	Equalisation	Distribution paid 29/12/23	Distribution paid 30/12/22
<b>Retail accumulation</b>				
Group 1	2.3856	-	2.3856	1.8692
Group 2	1.2707	1.1149	2.3856	1.8692
<b>Retail income</b>				
Group 1	1.8702	-	1.8702	1.5267
Group 2	0.6782	1.1920	1.8702	1.5267
<b>Institutional accumulation</b>				
Group 1	2.7621	-	2.7621	2.2082
Group 2	0.8992	1.8629	2.7621	2.2082
<b>Institutional regulated accumulation</b>				
Group 1	1.3076	-	1.3076	1.0496
Group 2	0.9625	0.3451	1.3076	1.0496
<b>Institutional income</b>				
Group 1	2.0238	-	2.0238	1.6928
Group 2	1.0709	0.9529	2.0238	1.6928
<b>Institutional S accumulation</b>				
Group 1	0.9110	-	0.9110	0.7343
Group 2	0.5641	0.3469	0.9110	0.7343
<b>Institutional S income</b>				
Group 1	0.7675	-	0.7675	0.6486
Group 2	0.2817	0.4858	0.7675	0.6486
<b>Platform 1 accumulation</b>				
Group 1	0.8399	-	0.8399	0.6699
Group 2	0.4538	0.3861	0.8399	0.6699
<b>Platform 1 income</b>				
Group 1	0.7104	-	0.7104	0.5926
Group 2	0.3597	0.3507	0.7104	0.5926
<b>ZC accumulation</b>				
Group 1	3.1871	-	3.1871	2.5866
Group 2	2.5391	0.6480	3.1871	2.5866

## Equalisation

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# abrdrn Global Real Estate Share Fund

For the year ended 31 October 2023

## Investment Objective

To generate income and some growth over the long term (5 years or more) by investing in listed closed ended real estate investment trusts ("REITs") and equities (company shares) of companies engaged in real estate activities.

Performance Target: To achieve the return of the FTSE EPRA Nareit Developed Net Return Index (Hedged to GBP) plus 2% per annum over rolling three year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund invests at least 70% in REITs and equities and equity related securities of real estate related companies listed on global stock exchanges.
- The fund may also invest in other funds (including those managed by abrdrn), money-market instruments, and cash.

### Management Process

- The management team use their discretion (active management) to maintain a diverse asset mix at country and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on identifying companies where the management team have a different view of a company's prospects to that of the market, and which align with their views regarding future economic and business conditions.
- The FTSE EPRA Nareit Developed Net Return Index (Hedged to GBP) is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 6%. Due to the fund's risk constraints, the intention is that the fund's performance profile will not deviate significantly from that of the FTSE EPRA Nareit Developed Net Return Index (Hedged to GBP).

## Derivatives and Techniques

- The fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Where derivatives are used, this would typically be to maintain allocations while meeting cash inflows or outflows, or to manage currency risk.

## Performance Review

Over the period under review, the fund returned -7.89% (Source: FactSet, Platform 1 Accumulation, net of fees). This is compared with a return of -4.72% for our performance target (Source: FactSet, the FTSE EPRA NAREIT Developed Index [hedged to sterling], plus 2% per annum over rolling three-year periods).

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Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

Companies selected for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.

The past 12 months were volatile for the global real estate sector, as macroeconomic factors overwhelmed underlying real estate fundamentals as a driver of performance. The key themes during the period included high inflation and monetary tightening, the risk of an energy shortfall in Europe and concerns of a banking sector crisis after the collapse of a few regional banks in the US. As the review period progressed, economic data was generally better than feared, although the risk of a global recession remained. That said, central banks remained vigilant in their fight against inflation and indicated that, while there will likely be fewer rate hikes going forward, interest rates will probably remain "higher for longer".

Rising interest rates led to increased concerns about real estate asset values, particularly for lower-yielding assets, which would be more susceptible to changes in the rate environment. However, in many cases, these sectors also offered the best operating fundamentals, driving

# abrdn Global Real Estate Share Fund

## Continued

rental-rate growth that could help to offset some of these pressures. The higher-rate environment had an uncertain impact on economic growth, which in turn affected the demand for space. Additionally, tighter lending standards for real estate, adopted by a number of banks looking to reduce their risk profiles, further complicated the situation. These factors collectively negatively affected the transaction markets, making it more difficult to ascertain underlying real estate values. That said, these uncertainties also served to limit new development and kept supply pressures at bay. This could become a positive for rental growth outlooks once the economy starts to rebound. Nonetheless, with the exception of the office sector, leasing activity remained relatively strong; despite concerns about a potential recession, landlords still passed through rent increases in most markets.

The fund's Asia Pacific ex Japan exposure was the largest detractor from performance relative to the benchmark due to stock selection and, to a lesser extent, an underweight position. The main stocks that detracted were Link Real Estate Investment Trust (REIT), Wharf Real Estate Investment Company, Swire Properties, and Sun Hung Kai Properties. The fund's stock selection in Japan was also detrimental, with the largest detractors being the holdings in Mitsubishi Estate Company, CRE Logistics REIT, and Nippon Prologis REIT. In contrast, the fund's North America exposure was the largest contributor on a relative basis due to positive stock selection. The holdings in Digital Realty Trust, Welltower, Healthpeak Properties and W.P. Carey added the most value. The fund's non-benchmark Latin America exposure, which comprises holdings in Mexican companies Corporacion Inmobiliaria Vesta and Prologis Property Mexico, was another notable contributor.

## Portfolio Activity and Review

The fund's country positioning remains overweight relative to the US, where we feel that the underlying real estate fundamentals are best positioned to withstand an economic downturn and pressures from rising interest rates. Over the period, the fund's activity reflected the relative valuation opportunities as they presented themselves throughout the year. The fund selectively increased its exposure to the industrial sector by investing in CPT in Europe and Goodman in Australia. The fund's positioning reflected our more constructive view on the German residential sector as the companies started to address their balance sheet problems. In the Asia Pacific region, we maintain our cautious view on Hong Kong real estate. In Japan, the fund has rotated from the Japanese developers to a more overweight position in Japanese real estate investment trusts, reflecting our relatively dovish position on the Bank of Japan earlier in the period.

## Portfolio Outlook and Strategy

The global real estate sector continues to grapple with the ramifications of a "higher for longer" monetary policy and a return to a world of higher interest rates and elevated inflation. Investors are adapting to an economy where central-bank intervention, which consistently bailed out risk assets over the last 10-15 years, is not providing a backstop to prices. In the near term, the volatility in the fixed income market and rate pressures may weigh on the performance of the global real estate sector. That said, the sector is now trading at valuations that are back at levels last seen 7-10 years ago both on an absolute basis and relative to other asset classes. Therefore, it could be attractive to patient investors who are willing to admit that they would not perfectly time a change in sentiment. We continue to believe that active portfolio management, focused on sectors with strong underlying supply and demand fundamentals, high-quality assets and healthy balance sheets, could drive outperformance in the coming months.

## RE Global Listed Team

November 2023

# abrdn Global Real Estate Share Fund

## Continued

### Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the fund. The table below shows the fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk				Typically higher rewards, higher risk		
←				→		
1	2	3	4	5	6	7

Risk and reward indicator table as at 31 October 2023.

The fund is rated as 6 because of the extent to which the following risk factors apply:

- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- The fund invests in emerging market equities and/or bonds. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector, or closely related group of industries or sectors.
- Dividend payment policies of the REITs in which the fund invests are not representative of the dividend payment policy of the fund.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

# Comparative Tables

	2023	2022	2021
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	47.60	60.65	43.67
Return before operating charges*	(2.63)	(12.28)	17.73
Operating charges	(0.66)	(0.77)	(0.75)
Return after operating charges*	(3.29)	(13.05)	16.98
Distributions	(1.50)	(1.47)	(1.31)
Retained distributions on accumulation shares	1.50	1.47	1.31
Closing net asset value per share	44.31	47.60	60.65
* after direct transaction costs of:	0.04	0.05	0.05
<b>Performance</b>			
Return after charges	(6.91%)	(21.52%)	38.88%
<b>Other information</b>			
Closing net asset value (£'000)	1,746	2,227	3,601
Closing number of shares	3,939,558	4,677,029	5,937,276
Operating charges	1.37%	1.36%	1.38%
Direct transaction costs	0.08%	0.08%	0.09%
<b>Prices</b>			
Highest share price	52.60	63.87	61.33
Lowest share price	43.32	44.37	43.87

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2023	2022	2021
Retail income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	32.60	42.66	31.44
Return before operating charges*	(1.73)	(8.50)	12.68
Operating charges	(0.45)	(0.54)	(0.53)
Return after operating charges*	(2.18)	(9.04)	12.15
Distributions	(1.01)	(1.02)	(0.93)
Closing net asset value per share	29.41	32.60	42.66
* after direct transaction costs of:	0.03	0.03	0.03
<b>Performance</b>			
Return after charges	(6.69%)	(21.19%)	38.65%
<b>Other information</b>			
Closing net asset value (£'000)	105	143	186
Closing number of shares	357,766	437,172	435,535
Operating charges	1.37%	1.36%	1.38%
Direct transaction costs	0.08%	0.08%	0.09%
<b>Prices</b>			
Highest share price	35.80	44.92	43.35
Lowest share price	28.97	30.60	31.58

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2023	2022	2021
Institutional accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	52.03	66.03	47.37
Return before operating charges*	(2.95)	(13.45)	19.19
Operating charges	(0.47)	(0.55)	(0.53)
Return after operating charges*	(3.42)	(14.00)	18.66
Distributions	(1.59)	(1.54)	(1.36)
Retained distributions on accumulation shares	1.59	1.54	1.36
Closing net asset value per share	48.61	52.03	66.03
* after direct transaction costs of:	0.05	0.05	0.05
<b>Performance</b>			
Return after charges	(6.57%)	(21.20%)	39.39%
<b>Other information</b>			
Closing net asset value (£'000)	4,011	6,479	6,993
Closing number of shares	8,251,755	12,453,412	10,590,054
Operating charges	0.90%	0.89%	0.91%
Direct transaction costs	0.08%	0.08%	0.09%
<b>Prices</b>			
Highest share price	57.54	69.58	66.73
Lowest share price	47.52	48.49	47.58

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Institutional regulated accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	54.44	68.94	49.33
Return before operating charges*	(3.12)	(14.12)	19.98
Operating charges	(0.33)	(0.38)	(0.37)
Return after operating charges*	(3.45)	(14.50)	19.61
Distributions	(1.63)	(1.57)	(1.39)
Retained distributions on accumulation shares	1.63	1.57	1.39
Closing net asset value per share	50.99	54.44	68.94
* after direct transaction costs of:	0.05	0.05	0.06
<b>Performance</b>			
Return after charges	(6.34%)	(21.03%)	39.75%
<b>Other information</b>			
Closing net asset value (£'000)	5,757	6,916	9,042
Closing number of shares	11,291,170	12,704,682	13,116,540
Operating charges	0.60%	0.59%	0.61%
Direct transaction costs	0.08%	0.08%	0.09%
<b>Prices</b>			
Highest share price	60.25	72.67	69.63
Lowest share price	49.84	50.73	49.56

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2023	2022	2021
Institutional income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	35.44	46.15	33.85
Return before operating charges*	(1.93)	(9.26)	13.65
Operating charges	(0.32)	(0.38)	(0.38)
Return after operating charges*	(2.25)	(9.64)	13.27
Distributions	(1.07)	(1.07)	(0.97)
Closing net asset value per share	32.12	35.44	46.15
* after direct transaction costs of:	0.03	0.03	0.04
<b>Performance</b>			
Return after charges	(6.35%)	(20.89%)	39.20%
<b>Other information</b>			
Closing net asset value (£'000)	583	803	1,501
Closing number of shares	1,814,989	2,267,200	3,251,888
Operating charges	0.90%	0.89%	0.91%
Direct transaction costs	0.08%	0.08%	0.09%
<b>Prices</b>			
Highest share price	38.96	48.63	46.87
Lowest share price	31.63	33.24	34.01

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

<b>Platform 1 accumulation</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	76.52	97.19	69.74
Return before operating charges*	(4.31)	(19.81)	28.28
Operating charges	(0.74)	(0.86)	(0.83)
Return after operating charges*	(5.05)	(20.67)	27.45
Distributions	(2.34)	(2.28)	(2.02)
Retained distributions on accumulation shares	2.34	2.28	2.02
Closing net asset value per share	71.47	76.52	97.19
* after direct transaction costs of:	0.07	0.07	0.08
<b>Performance</b>			
Return after charges	(6.60%)	(21.27%)	39.36%
<b>Other information</b>			
Closing net asset value (£'000)	7,100	9,086	12,715
Closing number of shares	9,934,794	11,873,699	13,083,368
Operating charges	0.95%	0.94%	0.96%
Direct transaction costs	0.08%	0.08%	0.09%
<b>Prices</b>			
Highest share price	84.62	102.4	98.21
Lowest share price	69.86	71.32	70.06

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2023	2022	2021
Platform 1 income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	59.96	78.13	57.34
Return before operating charges*	(3.28)	(15.68)	23.12
Operating charges	(0.57)	(0.68)	(0.68)
Return after operating charges*	(3.85)	(16.36)	22.44
Distributions	(1.81)	(1.81)	(1.65)
Closing net asset value per share	54.30	59.96	78.13
* after direct transaction costs of:	0.05	0.06	0.06
<b>Performance</b>			
Return after charges	(6.42%)	(20.94%)	39.13%
<b>Other information</b>			
Closing net asset value (£'000)	2,002	2,486	3,635
Closing number of shares	3,687,122	4,146,295	4,652,407
Operating charges	0.95%	0.94%	0.96%
Direct transaction costs	0.08%	0.08%	0.09%
<b>Prices</b>			
Highest share price	65.92	82.31	79.34
Lowest share price	53.48	56.25	57.60

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

ZC accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	57.96	73.13	52.14
Return before operating charges*	(3.39)	(15.07)	21.09
Operating charges	(0.09)	(0.10)	(0.10)
Return after operating charges*	(3.48)	(15.17)	20.99
Distributions	(1.68)	(1.61)	(1.41)
Retained distributions on accumulation shares	1.68	1.61	1.41
Closing net asset value per share	54.48	57.96	73.13
* after direct transaction costs of:	0.05	0.05	0.06
<b>Performance</b>			
Return after charges	(6.00%)	(20.74%)	40.26%
<b>Other information</b>			
Closing net asset value (£'000)	10,047	10,739	13,549
Closing number of shares	18,443,992	18,529,288	18,527,520
Operating charges	0.15%	0.14%	0.16%
Direct transaction costs	0.08%	0.08%	0.09%
<b>Prices</b>			
Highest share price	64.20	77.13	73.83
Lowest share price	53.25	54.00	52.38

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

ZA income	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	40.12	51.82	37.70
Return before operating charges*	(2.27)	(10.55)	15.16
Operating charges	(0.03)	(0.03)	(0.04)
Return after operating charges*	(2.30)	(10.58)	15.12
Distributions	(1.15)	(1.12)	(1.00)
Closing net asset value per share	36.67	40.12	51.82
* after direct transaction costs of:	0.04	0.04	0.04
<b>Performance</b>			
Return after charges	(5.73%)	(20.42%)	40.11%
<b>Other information</b>			
Closing net asset value (£'000)	1,552	2,021	2,610
Closing number of shares	4,232,838	5,037,293	5,037,293
Operating charges	0.07%	0.06%	0.08%
Direct transaction costs	0.08%	0.08%	0.09%
<b>Prices</b>			
Highest share price	44.21	54.66	52.54
Lowest share price	36.10	37.61	37.87

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Portfolio Statement

As at 31 October 2023

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (94.51%)</b>		<b>32,585</b>	<b>99.03</b>
<b>European Equities (5.86%)</b>		<b>2,727</b>	<b>8.28</b>
<b>Belgium (1.64%)</b>		<b>666</b>	<b>2.02</b>
8,453	Aedifica REIT	379	1.15
14,151	Warehouses De Pauw REIT	287	0.87
<b>France (1.11%)</b>		<b>900</b>	<b>2.73</b>
8,788	Covivio REIT	309	0.94
4,328	Gecina REIT	349	1.06
5,964	Unibail-Rodamco-Westfield REIT	242	0.73
<b>Germany (1.55%)</b>		<b>431</b>	<b>1.31</b>
22,828	Vonovia	431	1.31
<b>Netherlands (0.73%)</b>		<b>266</b>	<b>0.81</b>
22,214	CTP	266	0.81
<b>Sweden (0.83%)</b>		<b>256</b>	<b>0.78</b>
9,365	Catena	256	0.78
<b>Switzerland (0.00%)</b>		<b>208</b>	<b>0.63</b>
2,063	PSP Swiss Property	208	0.63
<b>Japanese Equities (9.23%)</b>		<b>3,564</b>	<b>10.83</b>
168	Comforia Residential REIT	291	0.88
116	Daiwa House REIT	169	0.51
312	Daiwa Securities Living Investments REIT	189	0.57
1,091	Invincible Investment REIT	344	1.05
267	Japan Hotel REIT	100	0.30
208	Kenedix Residential Next Investment REIT	238	0.72

# Portfolio Statement

As at 31 October 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
164	Kenedix Retail REIT	236	0.72
32,400	Mitsui Fudosan	572	1.74
83	Nippon Building Fund REIT	273	0.83
180	Nippon Prologis REIT	263	0.80
16,700	Sumitomo Realty & Development	341	1.04
115,600	Tokyu Fudosan	548	1.67
<b>North American Equities (69.83%)</b>		<b>22,477</b>	<b>68.31</b>
<b>Canada (0.81%)</b>		<b>289</b>	<b>0.88</b>
11,926	Canadian Apartment Properties REIT	289	0.88
<b>Mexico (0.00%)</b>		<b>587</b>	<b>1.78</b>
111,391	Corp Inmobiliaria Vesta	287	0.87
101,852	Prologis Property Mexico REIT	300	0.91
<b>United States (69.02%)</b>		<b>21,601</b>	<b>65.65</b>
6,852	Alexandria Real Estate Equities REIT	526	1.60
26,935	American Homes 4 Rent 'A' REIT	727	2.21
2,281	American Tower REIT	335	1.02
30,945	Americold Realty REIT	668	2.03
8,415	AvalonBay Communities REIT	1,149	3.49
6,697	Boston Properties REIT	296	0.90
32,835	Brixmor Property REIT	562	1.71
68,546	DiamondRock Hospitality REIT	437	1.33
15,921	Digital Realty Trust REIT	1,632	4.96
3,736	Equinix REIT	2,247	6.83
10,117	Equity LifeStyle Properties REIT	549	1.67
2,812	Essex Property Trust REIT	496	1.51
15,086	Gaming and Leisure Properties REIT	564	1.71
42,225	Host Hotels & Resorts REIT	538	1.63
34,670	Hudson Pacific Properties REIT	127	0.39
14,671	NNN REIT	439	1.34
14,947	Omega Healthcare Investors REIT	408	1.24
31,791	Prologis REIT	2,637	8.01

# Portfolio Statement

As at 31 October 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
5,996	Public Storage REIT	1,179	3.58
30,892	Realty Income REIT	1,206	3.67
11,073	Regency Centers REIT	550	1.67
9,236	Simon Property REIT	836	2.54
10,964	UDR REIT	287	0.87
17,348	Ventas REIT	607	1.85
45,181	VICI Properties REIT	1,038	3.15
22,657	Welltower REIT	1,561	4.74
<b>Pacific Basin Equities (6.44%)</b>		<b>2,495</b>	<b>7.59</b>
<b>Australia (1.68%)</b>		<b>1,020</b>	<b>3.10</b>
12,154	Goodman REIT	131	0.40
63,096	Ingenia Communities REIT	128	0.39
326,586	Mirvac REIT	310	0.94
173,173	National Storage REIT	179	0.55
216,840	Scentre REIT	272	0.82
<b>Hong Kong (2.30%)</b>		<b>598</b>	<b>1.82</b>
81,000	CK Asset	333	1.01
166,400	Swire Properties	265	0.81
<b>Singapore (2.46%)</b>		<b>877</b>	<b>2.67</b>
278,600	CapitaLand Ascendas REIT	434	1.32
124,300	Capitaland Investment	220	0.67
173,600	Mapletree Industrial Trust REIT	223	0.68
<b>UK Equities (3.15%)</b>		<b>1,322</b>	<b>4.02</b>
<b>Real Estate (3.15%)</b>		<b>1,322</b>	<b>4.02</b>
43,729	Land Securities REIT	249	0.76
85,956	Segro REIT	613	1.86
52,993	Unite REIT	460	1.40

# Portfolio Statement

As at 31 October 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Collective Investment Schemes (4.54%)</b>		<b>285</b>	<b>0.87</b>
285	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc+	285	0.87
<b>Derivatives (6.48%)</b>		<b>(223)</b>	<b>(0.68)</b>
<b>Forward Currency Contracts (6.48%)</b>		<b>(223)</b>	<b>(0.68)</b>
	Buy AUD 64,990 Sell GBP 33,993 19/01/2024	-	-
	Buy AUD 88,935 Sell GBP 46,534 19/01/2024	-	-
	Buy AUD 93,919 Sell GBP 49,268 19/01/2024	-	-
	Buy CAD 12,653 Sell GBP 7,549 19/01/2024	-	-
	Buy CAD 15,546 Sell GBP 9,334 19/01/2024	-	-
	Buy CAD 23,461 Sell GBP 14,129 19/01/2024	-	-
	Buy CAD 23,658 Sell GBP 14,172 19/01/2024	-	-
	Buy CHF 6,679 Sell GBP 6,187 19/01/2024	-	-
	Buy CHF 6,759 Sell GBP 6,280 19/01/2024	-	-
	Buy EUR 69,071 Sell GBP 60,293 19/01/2024	-	-
	Buy EUR 84,350 Sell GBP 73,666 19/01/2024	1	-
	Buy EUR 84,996 Sell GBP 73,861 19/01/2024	1	-
	Buy EUR 107,614 Sell GBP 94,131 19/01/2024	-	-
	Buy GBP 28,310 Sell AUD 54,259 19/01/2024	-	-
	Buy GBP 134,183 Sell AUD 257,075 19/01/2024	(1)	-
	Buy GBP 145,181 Sell AUD 276,559 19/01/2024	-	-
	Buy GBP 859,259 Sell AUD 1,640,360 19/01/2024	-	-
	Buy GBP 24,595 Sell CAD 40,923 19/01/2024	-	-
	Buy GBP 313,941 Sell CAD 523,831 19/01/2024	3	0.01
	Buy GBP 7,071 Sell CHF 7,749 19/01/2024	-	-
	Buy GBP 211,637 Sell CHF 232,417 19/01/2024	(2)	-
	Buy GBP 62,433 Sell EUR 72,082 19/01/2024	(1)	-
	Buy GBP 134,595 Sell EUR 155,048 19/01/2024	(2)	-
	Buy GBP 2,224,385 Sell EUR 2,566,470 19/01/2024	(29)	(0.09)
	Buy GBP 16,317 Sell HKD 154,823 19/01/2024	-	-
	Buy GBP 16,542 Sell HKD 158,303 19/01/2024	-	-
	Buy GBP 732,127 Sell HKD 7,029,645 19/01/2024	(6)	(0.02)
	Buy GBP 160,714 Sell JPY 29,009,129 19/01/2024	1	-
	Buy GBP 3,773,104 Sell JPY 678,851,752 19/01/2024	26	0.08
	Buy GBP 15,125 Sell MXN 342,349 19/01/2024	-	-

# Portfolio Statement

As at 31 October 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
	Buy GBP 609,694 Sell MXN 13,629,316 19/01/2024	(4)	(0.01)
	Buy GBP 9,050 Sell SEK 122,175 19/01/2024	-	-
	Buy GBP 13,195 Sell SEK 175,974 19/01/2024	-	-
	Buy GBP 63,114 Sell SEK 839,000 19/01/2024	1	-
	Buy GBP 204,826 Sell SEK 2,735,778 19/01/2024	2	-
	Buy GBP 975,032 Sell SGD 1,627,299 19/01/2024	(6)	(0.02)
	Buy GBP 3,600,769 Sell USD 4,415,444 19/01/2024	(23)	(0.07)
	Buy GBP 19,352,168 Sell USD 23,800,519 19/01/2024	(180)	(0.55)
	Buy HKD 142,221 Sell GBP 14,977 19/01/2024	-	-
	Buy HKD 164,454 Sell GBP 17,296 19/01/2024	-	-
	Buy HKD 245,765 Sell GBP 25,995 19/01/2024	-	-
	Buy HKD 264,841 Sell GBP 27,881 19/01/2024	-	-
	Buy HKD 826,857 Sell GBP 86,356 19/01/2024	1	-
	Buy JPY 21,511,921 Sell GBP 119,592 19/01/2024	(1)	-
	Buy JPY 28,188,771 Sell GBP 156,934 19/01/2024	(1)	-
	Buy MXN 528,930 Sell GBP 23,771 19/01/2024	-	-
	Buy MXN 557,468 Sell GBP 24,746 19/01/2024	-	-
	Buy SEK 90,037 Sell GBP 6,768 19/01/2024	-	-
	Buy SEK 104,854 Sell GBP 7,873 19/01/2024	-	-
	Buy SEK 152,061 Sell GBP 11,270 19/01/2024	-	-
	Buy SEK 176,949 Sell GBP 13,144 19/01/2024	-	-
	Buy SGD 36,210 Sell GBP 21,733 19/01/2024	-	-
	Buy SGD 63,435 Sell GBP 38,367 19/01/2024	-	-
	Buy SGD 65,164 Sell GBP 39,210 19/01/2024	-	-
	Buy USD 571,057 Sell GBP 468,291 19/01/2024	-	-
	Buy USD 890,400 Sell GBP 730,698 19/01/2024	-	-
	Buy USD 1,113,349 Sell GBP 916,492 19/01/2024	(3)	(0.01)
	<b>Total investment assets and liabilities</b>	<b>32,647</b>	<b>99.22</b>
	Net other assets	256	0.78
	<b>Total Net Assets</b>	<b>32,903</b>	<b>100.00</b>

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities, or are regulated collective investment schemes or are approved derivatives within the meaning of the FCA rules.

The percentage figures in brackets show the comparative holding as at 31 October 2022.

\* Managed by subsidiaries of abrdn plc.

# Financial Statements

## Statement of Total Return

For the year ended 31 October 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(3,084)		(12,256)
Revenue	2	1,369		1,444	
Expenses	3	(220)		(302)	
Interest payable and similar charges		(30)		(6)	
Net revenue before taxation		1,119		1,136	
Taxation	4	(197)		(203)	
Net revenue after taxation			922		933
<b>Total return before distributions</b>			<b>(2,162)</b>		<b>(11,323)</b>
Distributions	5		(1,140)		(1,232)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(3,302)</b>		<b>(12,555)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 October 2023

	2023		2022	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>40,900</b>		<b>53,832</b>
Amounts receivable on the issue of shares	1,428		7,536	
Amounts payable on the cancellation of shares	(7,094)		(8,964)	
		(5,666)		(1,428)
Dilution adjustment		-		(4)
Change in net assets attributable to shareholders from investment activities (see above)		(3,302)		(12,555)
Retained distribution on accumulation shares		971		1,055
<b>Closing net assets attributable to shareholders</b>		<b>32,903</b>		<b>40,900</b>

# Financial Statements

## Continued

### Balance Sheet

As at 31 October 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			32,906		43,348
<b>Current assets:</b>					
Debtors	6	900		87	
Cash and bank balances	7	28		887	
			928		974
<b>Total assets</b>			<b>33,834</b>		<b>44,322</b>
<b>Liabilities:</b>					
Investment liabilities			(259)		(186)
Provisions for liabilities	8		(3)		(3)
Bank overdrafts	7	(1)		(3,122)	
Creditors	9	(637)		(76)	
Distribution payable		(31)		(35)	
			(669)		(3,233)
<b>Total liabilities</b>			<b>(931)</b>		<b>(3,422)</b>
<b>Net assets attributable to shareholders</b>			<b>32,903</b>		<b>40,900</b>

# Notes to the Financial Statements

## 1 Net Capital Losses

	2023 £'000	2022 £'000
Non-derivative securities	(4,868)	(5,839)
Forward currency contracts	1,801	(6,376)
Other gains/(losses)	8	(13)
Transaction charges	(25)	(28)
<b>Net capital losses</b>	<b>(3,084)</b>	<b>(12,256)</b>

## 2 Revenue

	2023 £'000	2022 £'000
Bank and margin interest	54	19
Overseas dividends	215	265
Overseas REIT	1,026	1,084
UK dividends	14	17
UK REIT	60	59
<b>Total revenue</b>	<b>1,369</b>	<b>1,444</b>

## 3 Expenses

	2023 £'000	2022 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	185	256
Dealing charge	5	7
General administration charge	28	36
	218	299
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	2	3
	2	3
<b>Total expenses</b>	<b>220</b>	<b>302</b>

Irrecoverable VAT is included in the above expenses, where relevant.  
The audit fee for the year, including VAT, was £10,200 (2022: £9,480).

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2023 £'000	2022 £'000
<b>(a) Analysis of charge in year</b>		
Corporation tax	179	169
Double taxation relief	(141)	(149)
Adjustments in respect of prior periods	1	-
Overseas taxes	158	183
<b>Total taxation (note 4b)</b>	<b>197</b>	<b>203</b>

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

The tax assessed for the year is less than (2022: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

<b>Net revenue before taxation</b>	<b>1,119</b>	<b>1,136</b>
Corporation tax at 20% (2022: 20%)	224	227
Effects of:		
Revenue not subject to taxation	(46)	(55)
Overseas taxes	158	183
Double taxation relief	(141)	(149)
Adjustments in respect of prior periods	1	-
Deferred tax	1	(3)
<b>Total tax charge for year (note 4a)</b>	<b>197</b>	<b>203</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

#### (c) Deferred tax

Deferred tax charge at the start of the year	3	3
<b>Provision at the end of the year</b>	<b>3</b>	<b>3</b>

#### (d) Factors that may affect future tax charge

At the year end there are no surplus expenses and therefore no deferred tax asset in the current or prior year.

# Notes to the Financial Statements

## Continued

### 5 Distributions (including the movement between net revenue and distributions)

	2023 £'000	2022 £'000
First interim distribution	244	299
Second interim distribution	367	241
Third interim distribution	272	420
Final distribution	236	260
	1,119	1,220
Add: Income deducted on cancellation of shares	25	33
Deduct: Income received on issue of shares	(4)	(21)
<b>Total distributions for the year</b>	<b>1,140</b>	<b>1,232</b>
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	922	933
Expenses charged to capital	218	299
<b>Total distributions for the year</b>	<b>1,140</b>	<b>1,232</b>

Expenses taken to capital include the ACD, Registration, Dealing expenses and the General administration charge. This policy only applies to the income classes.

Where deductions are made from capital these may limit the growth in value of the relevant fund. However, more income is generally available to distribute to shareholders.

Details of the distribution per share are set out in this fund's distribution tables.

### 6 Debtors

	2023 £'000	2022 £'000
Accrued revenue	62	63
Amounts receivable from the ACD for the issue of shares	1	12
Overseas withholding tax recoverable	14	12
Sales awaiting settlement	823	-
<b>Total debtors</b>	<b>900</b>	<b>87</b>

### 7 Liquidity

	2023 £'000	2022 £'000
<b>Cash and bank balances</b>		
Cash at bank	28	7
Deposits with original maturity of less than 3 months	-	880
	<b>28</b>	<b>887</b>

# Notes to the Financial Statements

## Continued

	2023 £'000	2022 £'000
<b>Bank overdrafts</b>		
Collateral cash pledged by counterparties <sup>^</sup>	-	(2,730)
Overdraft at bank	(1)	(392)
	<b>(1)</b>	<b>(3,122)</b>
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	285	1,855
<b>Net liquidity</b>	<b>312</b>	<b>(380)</b>

<sup>^</sup> This reflects cash the fund has taken receipt of to support in the money derivative positions and mitigate counterparty risk to the fund.

\* Although reflected in the investment assets figure, liquidity funds are used by the fund as a liquidity vehicle and commonly reflects collateral held by the fund. Therefore, the ACD considers the net liquidity position of the fund as the aggregate of cash at bank and in hand, bank overdrafts and liquidity fund positions.

## 8 Provisions for Liabilities

	2023 £'000	2022 £'000
The provisions for liabilities comprise:		
Deferred tax payable on overseas taxable dividends (US REITS)	3	3
<b>Total provisions for liabilities</b>	<b>3</b>	<b>3</b>

## 9 Creditors

	2023 £'000	2022 £'000
Accrued expenses payable to ACD	16	22
Accrued expenses payable to the Depositary or associates of the Depositary	4	5
Amounts payable to the ACD for cancellation of shares	13	30
Corporation tax payable	38	19
Purchases awaiting settlement	566	-
<b>Total creditors</b>	<b>637</b>	<b>76</b>

## 10 Related Party Transactions

abrdr Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to abrdr Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 9.

Amounts payable to abrdr Fund Managers Limited, in respect of expenses are disclosed in note 3 and any amounts due at the year end in note 9.

# Notes to the Financial Statements

## Continued

### 11 Portfolio Transaction Costs

There are no transaction costs associated with the purchases or sales of derivatives during the year, or in the prior year.

Derivatives are dealt on a spread agreed between buyer and seller with reference to the underlying investment.

	Purchases		Sales	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Trades in the year</b>				
Equities	19,576	19,837	20,859	28,733
Corporate actions	200	246	1	71
<b>Trades in the year before transaction costs</b>	<b>19,776</b>	<b>20,083</b>	<b>20,860</b>	<b>28,804</b>
<b>Commissions</b>				
Equities	8	11	(9)	(14)
<b>Total commissions</b>	<b>8</b>	<b>11</b>	<b>(9)</b>	<b>(14)</b>
<b>Taxes</b>				
Equities	12	11	(5)	(4)
<b>Total taxes</b>	<b>12</b>	<b>11</b>	<b>(5)</b>	<b>(4)</b>
<b>Total transaction costs</b>	<b>20</b>	<b>22</b>	<b>(14)</b>	<b>(18)</b>
<b>Total net trades in the year after transaction costs</b>	<b>19,796</b>	<b>20,105</b>	<b>20,846</b>	<b>28,786</b>
	Purchases		Sales	
	2023 %	2022 %	2023 %	2022 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.04	0.05	0.04	0.05
<b>Taxes</b>				
Equities	0.06	0.06	0.02	0.01
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Commissions			0.04	0.05
Taxes			0.04	0.03

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.16% (2022: 0.13%), this is representative of the average spread on the assets held during the year.

# Notes to the Financial Statements

## Continued

### 12 Shares in Issue Reconciliation

	Opening shares 2022	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2023
Retail accumulation	4,677,029	378,007	(572,081)	(543,397)	3,939,558
Retail income	437,172	53,872	(76,762)	(56,516)	357,766
Institutional accumulation	12,453,412	250,732	(4,452,389)	-	8,251,755
Institutional regulated accumulation	12,704,682	371,534	(1,785,046)	-	11,291,170
Institutional income	2,267,200	54,936	(507,147)	-	1,814,989
Platform 1 accumulation	11,873,699	831,370	(3,108,091)	337,816	9,934,794
Platform 1 income	4,146,295	351,158	(841,050)	30,719	3,687,122
ZC accumulation	18,529,288	1,428	(86,724)	-	18,443,992
ZA income	5,037,293	-	(804,455)	-	4,232,838

### 13 Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2023 £'000 Level 1	2023 £'000 Level 2	2023 £'000 Level 3	2022 £'000 Level 1	2022 £'000 Level 2	2022 £'000 Level 3
<b>Fair value of investment assets</b>						
Equities	32,585	-	-	38,655	-	-
Collective Investment Schemes	-	285	-	-	1,855	-
Derivatives	-	36	-	-	2,838	-
<b>Total investment assets</b>	<b>32,585</b>	<b>321</b>	<b>-</b>	<b>38,655</b>	<b>4,693</b>	<b>-</b>
<b>Fair value of investment liabilities</b>						
Derivatives	-	(259)	-	-	(186)	-
<b>Total investment liabilities</b>	<b>-</b>	<b>(259)</b>	<b>-</b>	<b>-</b>	<b>(186)</b>	<b>-</b>

# Notes to the Financial Statements

## Continued

### 14 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

#### Foreign currency risk

The fund's net exposure to foreign currencies (including any instruments used to hedge against foreign currencies) is not significant. Therefore, the financial statements are not subject to any significant risk of currency movements. This is consistent with the exposure during the prior year.

#### Interest rate risk

The majority of the fund's financial assets are in non-interest bearing assets. Therefore, the fund's exposure to interest rate risk is considered insignificant. This is consistent with the exposure during the prior year.

#### Other price risk

The fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Adviser in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

As at 31 October 2023, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £1,632,000 (2022: £2,158,000).

#### Counterparty risk

##### Financial derivatives instrument risk

These types of transaction can introduce market exposure greater than the market value of the instrument. These transactions exchange benefits with a third party at a future date creating both counterparty and concentration risk. The Investment Adviser's policies for managing these risks are outlined in the fund's prospectus.

At the balance sheet date the fund had the following exposures:

	2023		2022	
	Market exposure £'000	Market value £'000	Market exposure £'000	Market value £'000
<b>Leveraged instruments</b>				
Forward currency contracts	37,216	(223)	49,233	2,652
<b>Total market exposure</b>	<b>37,216</b>	<b>(223)</b>	<b>49,233</b>	<b>2,652</b>

The total market exposure is the sum of the notional derivative contracts on a gross basis with no offsetting.

The fund uses the commitment method to calculate global exposure. Leverage is not significant in this context.

#### Bilateral agreements

Where the fund enters bilateral agreements this introduces counterparty risk. Where a counterparty defaults on their obligation, exposure is reduced by the collateral held/pledged by both parties.

# Notes to the Financial Statements

## Continued

At the balance sheet date the fund had the following positions.

2023 Counterparties	Forwards £'000	Collateral (held)/pledged		Net exposure £'000
		Cash £'000	Stock £'000	
Bank of America Merrill Lynch	(2)	-	-	(2)
Goldman Sachs	(26)	-	-	(26)
Morgan Stanley	(1)	-	-	(1)
Natwest Markets	(6)	-	-	(6)
Royal Bank of Canada	(183)	-	-	(183)
UBS	(5)	-	-	(5)
<b>Total</b>	<b>(223)</b>	<b>-</b>	<b>-</b>	<b>(223)</b>

The Prospectus outlines allowable collateral. There have been no changes in the year.

2022 Counterparties	Forwards £'000	Collateral (held)/pledged		Net exposure £'000
		Cash £'000	Stock £'000	
Bank of America Merrill Lynch	126	(120)	-	6
Barclays	(4)	-	-	(4)
Citigroup	6	-	-	6
Deutsche Bank	9	-	-	9
Goldman Sachs	435	(400)	-	35
HSBC	(10)	-	-	(10)
JP Morgan	(38)	-	-	(38)
Morgan Stanley	2,069	(2,210)	-	(141)
Natwest Markets	73	-	-	73
Royal Bank of Canada	(17)	-	-	(17)
Societe Generale	(1)	-	-	(1)
Standard Chartered	1	-	-	1
State Street	(8)	-	-	(8)
UBS	11	-	-	11
<b>Total</b>	<b>2,652</b>	<b>(2,730)</b>	<b>-</b>	<b>(78)</b>

### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2023 £931,000 (2022: £3,422,000).

# Distribution Tables

For the year ended 31 October 2023 (in pence per share)

## First interim dividend distribution

Group 1 – shares purchased prior to 1 November 2022

Group 2 – shares purchased between 1 November 2022 and 31 January 2023

	Revenue	Equalisation	Distribution paid 31/03/23	Distribution paid 31/03/22
<b>Retail accumulation</b>				
Group 1	0.3138	-	0.3138	0.3593
Group 2	0.0979	0.2159	0.3138	0.3593
<b>Retail income</b>				
Group 1	0.2148	-	0.2148	0.2524
Group 2	0.1526	0.0622	0.2148	0.2524
<b>Institutional accumulation</b>				
Group 1	0.3297	-	0.3297	0.3751
Group 2	0.2085	0.1212	0.3297	0.3751
<b>Institutional regulated accumulation</b>				
Group 1	0.3359	-	0.3359	0.3813
Group 2	0.2748	0.0611	0.3359	0.3813
<b>Institutional income</b>				
Group 1	0.2242	-	0.2242	0.2623
Group 2	0.0997	0.1245	0.2242	0.2623
<b>Platform 1 accumulation</b>				
Group 1	0.4857	-	0.4857	0.5546
Group 2	0.3285	0.1572	0.4857	0.5546
<b>Platform 1 income</b>				
Group 1	0.3808	-	0.3808	0.4459
Group 2	0.1801	0.2007	0.3808	0.4459
<b>ZC accumulation</b>				
Group 1	0.3442	-	0.3442	0.3874
Group 2	0.1742	0.1700	0.3442	0.3874
<b>ZA income</b>				
Group 1	0.2367	-	0.2367	0.2724
Group 2	0.2367	-	0.2367	0.2724

# Distribution Tables

For the year ended 31 October 2023 (in pence per share) continued

## Second interim dividend distribution

Group 1 – shares purchased prior to 1 February 2023

Group 2 – shares purchased between 1 February 2023 and 30 April 2023

	Revenue	Equalisation	Distribution paid 30/06/23	Distribution paid 30/06/22
<b>Retail accumulation</b>				
Group 1	0.4715	-	0.4715	0.2846
Group 2	0.3725	0.0990	0.4715	0.2846
<b>Retail income</b>				
Group 1	0.3209	-	0.3209	0.1991
Group 2	0.1474	0.1735	0.3209	0.1991
<b>Institutional accumulation</b>				
Group 1	0.5047	-	0.5047	0.2964
Group 2	0.3497	0.1550	0.5047	0.2964
<b>Institutional regulated accumulation</b>				
Group 1	0.5197	-	0.5197	0.2987
Group 2	0.4886	0.0311	0.5197	0.2987
<b>Institutional income</b>				
Group 1	0.3415	-	0.3415	0.2044
Group 2	0.2646	0.0769	0.3415	0.2044
<b>Platform 1 accumulation</b>				
Group 1	0.7432	-	0.7432	0.4388
Group 2	0.5977	0.1455	0.7432	0.4388
<b>Platform 1 income</b>				
Group 1	0.5786	-	0.5786	0.3489
Group 2	0.2770	0.3016	0.5786	0.3489
<b>ZC accumulation</b>				
Group 1	0.5411	-	0.5411	0.3012
Group 2	0.5411	-	0.5411	0.3012
<b>ZA income</b>				
Group 1	0.3710	-	0.3710	0.2103
Group 2	0.3710	-	0.3710	0.2103

# Distribution Tables

For the year ended 31 October 2023 (in pence per share) continued

## Third interim dividend distribution

Group 1 – shares purchased prior to 1 May 2023

Group 2 – shares purchased between 1 May 2023 and 31 July 2023

	Revenue	Equalisation	Distribution paid 29/09/23	Distribution paid 30/09/22
<b>Retail accumulation</b>				
Group 1	0.3735	-	0.3735	0.5024
Group 2	0.2051	0.1684	0.3735	0.5024
<b>Retail income</b>				
Group 1	0.2516	-	0.2516	0.3485
Group 2	0.1160	0.1356	0.2516	0.3485
<b>Institutional accumulation</b>				
Group 1	0.3959	-	0.3959	0.5310
Group 2	0.1074	0.2885	0.3959	0.5310
<b>Institutional regulated accumulation</b>				
Group 1	0.4070	-	0.4070	0.5471
Group 2	0.3333	0.0737	0.4070	0.5471
<b>Institutional income</b>				
Group 1	0.2658	-	0.2658	0.3692
Group 2	0.1152	0.1506	0.2658	0.3692
<b>Platform 1 accumulation</b>				
Group 1	0.5846	-	0.5846	0.7856
Group 2	0.1444	0.4402	0.5846	0.7856
<b>Platform 1 income</b>				
Group 1	0.4508	-	0.4508	0.6253
Group 2	0.2401	0.2107	0.4508	0.6253
<b>ZC accumulation</b>				
Group 1	0.4209	-	0.4209	0.5668
Group 2	0.4209	-	0.4209	0.5668
<b>ZA income</b>				
Group 1	0.2843	-	0.2843	0.3962
Group 2	0.2843	-	0.2843	0.3962

# Distribution Tables

For the year ended 31 October 2023 (in pence per share) continued

## Final dividend distribution

Group 1 – shares purchased prior to 1 August 2023

Group 2 – shares purchased between 1 August 2023 and 31 October 2023

	Revenue	Equalisation	Distribution paid 29/12/23	Distribution paid 30/12/22
<b>Retail accumulation</b>				
Group 1	0.3363	-	0.3363	0.3222
Group 2	0.2581	0.0782	0.3363	0.3222
<b>Retail income</b>				
Group 1	0.2251	-	0.2251	0.2220
Group 2	0.1779	0.0472	0.2251	0.2220
<b>Institutional accumulation</b>				
Group 1	0.3551	-	0.3551	0.3369
Group 2	0.2027	0.1524	0.3551	0.3369
<b>Institutional regulated accumulation</b>				
Group 1	0.3654	-	0.3654	0.3443
Group 2	0.2449	0.1205	0.3654	0.3443
<b>Institutional income</b>				
Group 1	0.2370	-	0.2370	0.2325
Group 2	0.1164	0.1206	0.2370	0.2325
<b>Platform 1 accumulation</b>				
Group 1	0.5258	-	0.5258	0.4994
Group 2	0.1796	0.3462	0.5258	0.4994
<b>Platform 1 income</b>				
Group 1	0.4024	-	0.4024	0.3936
Group 2	0.1318	0.2706	0.4024	0.3936
<b>ZC accumulation</b>				
Group 1	0.3777	-	0.3777	0.3525
Group 2	0.3777	-	0.3777	0.3525
<b>ZA income</b>				
Group 1	0.2538	-	0.2538	0.2438
Group 2	0.2538	-	0.2538	0.2438

## Equalisation

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# abrdn Multi-Asset Climate Solutions Fund

For the year ended 31 October 2023

## Investment Objective

To generate growth over the long term (5 years or more) by investing in a diversified portfolio of equities (company shares) and corporate bonds (loans to companies) issued by companies whose core business is to offer products and services that enable the transition to a sustainable low carbon economy.

Performance Comparator: For comparison purposes, investors can compare the fund's long term performance to the IA Mixed Investment 40-85% Shares Sector Average return over a 5 year period.

The ACD believes this is an appropriate comparator for the fund since it reflects the risk and return profile and aligns with the investment policy of the fund. Due to the Multi-Asset Climate Solutions Investment Approach, the fund's performance and risk and return profile may deviate significantly from that of the IA Mixed Investment 40-85% Shares Sector, where the sector average comprises many funds with different investment approaches.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 80% in global equities (company shares), and investment grade corporate bonds (loans to companies) issued anywhere in the world and in any currency.
- The equity holdings may include investments in listed renewable energy infrastructure investment trusts and real estate investment trusts.
- The fund may also invest in bonds of any maturity, issued anywhere in the world including supnationals and other funds (including those managed by abrdn), money-market instruments, and cash.
- The fund will employ techniques to reduce (hedge) risk related to currency movements on non-Sterling assets.
- All investments in bonds and equity will adhere to the "Multi-Asset Climate Solutions Investment Approach" available on [www.abrdn.com](http://www.abrdn.com) under "Fund Centre". Financial derivative instruments, money-market instruments and cash are exempt from the approach.

### Management Process

- The management team use their discretion (active management) to create a diversified portfolio of assets in line with the objective of the fund.
- Asset allocation is informed by forecasts for the expected returns and volatility of the available assets.
- Individual holdings will be selected primarily by using positive screening criteria that identify companies whose core business is to offer products and services

that enable mitigation of climate change and other forms of environmental harm. Examples of relevant products and services include renewable energy (wind turbines, solar panels), electric vehicles and battery technologies, energy efficiency equipment, pollution control and sustainable water. These activities are among those identified by the EU Taxonomy on Sustainable Activities.

- The fund's investment process incorporates an environmental, social and governance (ESG) approach in other ways, notably through negative screens which exclude investment in companies whose activities are judged to materially exacerbate climate change and contribute to other forms of harm. These criteria are explained in more detail in the "Multi-Asset Climate Solutions Investment Approach."
- The fund will be subject to constraints which are intended to manage risk such as the fund must not hold more than 85% of its assets in equities. The constraints may vary over time.

### Derivatives and Techniques

- The fund will make routine use of derivatives to reduce risk, reduce cost and/or generate extra income or growth consistent with the risk profile of the fund (often referred to as 'Efficient Portfolio Management').
- Derivatives include instruments used to hedge non-Sterling assets and change equity and bond allocations.

## Performance Review

Over the period under review, the Multi-Asset Climate Solutions (MACS) Fund delivered a return of -9.86% (Source: FactSet, Platform 1 Accumulation net of fees). In comparison, the comparator benchmark returned 1.96% (source: Morningstar, IA OE Mixed Investment 40-85% Shares).

Any data contained herein which is attributed to a third party ("Third Party Data") is the property of (a) third party supplier(s) (the "Owner") and is licensed for use by abrdn\*\*. Third Party Data may not be copied or distributed. Third Party Data is provided "as is" and is not warranted to be accurate, complete or timely. To the extent permitted by applicable law, none of the Owner, abrdn\*\* or any other third party (including any third party involved in providing and/or compiling Third Party Data) shall have any liability for Third Party Data or for any use made of Third Party Data. Neither the Owner nor any other third party sponsors, endorses or promotes the fund or product to which Third Party Data relates.

\*\*abrdn means the relevant member of abrdn group, being abrdn plc together with its subsidiaries, subsidiary undertakings and associated companies (whether direct or indirect) from time to time.

# abrdn Multi-Asset Climate Solutions Fund

## Continued

Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

Companies selected for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.

This fund, like many multi-asset funds, does not have a formal benchmark. In this case, it is because its exposures are significantly different to those of standard benchmarks. For example, it has a strong exposure to the utility and industrial sectors, but no exposure to financial and healthcare companies. Similar comments can be made regarding our infrastructure and green bond allocations. This means that over periods of a few quarters, its performance is likely to deviate significantly from its peers where sector rotation and climate drivers can dominate. However, over periods of several years, we think its performance should be similar to the average of multi-asset funds in the IA Mixed Investment 40-85% Shares sector.

At the start of the review period, inflation appeared to be moderating, with two downside surprises in US headline consumer price inflation leading to a slower pace in central bank rate hikes. Also early in the period, the Bank of Japan shifted its yield-curve-control policy. Low Japanese yields had anchored global borrowing costs for years, so the effect of this move was a focus for investors. At the start of 2023, expectations of central bank interest rate hikes fluctuated materially. Despite positive surprises in economic data, inflation was more persistent than previously expected and the US labour market was operating at its tightest levels since 1969. Against this backdrop, most central banks reverted to 25 basis point (bp) increases as opposed to the 50 bp or 75 bp hikes seen in 2022. Given this macroeconomic backdrop, the collapse of several key US banks, namely Silicon Valley Bank and Signature Bank, in March was unwelcome news and led many market participants to consider broader banking system contagion and slowing rate hikes. However, concerns abated during late March.

In the latter part of the period, there were larger-than-expected interest rate increases in the UK following lofty inflation prints. However, several banks – including the US Federal Reserve (FED) and the Bank of England (BoE) – then paused their hiking cycles amid slightly softening inflation and macroeconomic data releases. Policymakers grappled with the level at which rates are high enough to bring down inflation while also not causing a recession, the so-called “neutral rate”. September was one of the worst months for financial markets so far in 2023, with the

majority of assets declining; this can be attributed largely to the ‘higher-for-longer’ narrative, which resulted in the continued upward march of global bond yields. In addition, oil prices have been volatile owing to cuts in production announced by Saudi Arabia and Russia, in addition to the Hamas militants attacking Israel. While oil prices rose nearly 30% in the third quarter, they have since fallen back. Equity markets have similarly been volatile, but the increased optimism over a so-called “soft-landing” meant equities have had a strong year, particularly due to AI optimism and the outperformance of the ‘magnificent seven’, which make up 30% of the market capitalisation of the S&P 500. The tech-dominated NASDAQ is up over 20% year to date (YTD).

The other key drivers of the fund's performance are climate policy and regulation. During the first half of the period, the Coalition of Trade Ministers on Climate was announced as the first ministerial-level global forum dedicated to trade, climate and sustainable development issues. Spearheaded by Kenya, New Zealand, the European Union (EU) and Ecuador, this coalition aims to identify ways in which trade policy can contribute to addressing climate change. Meanwhile, the EU Commission proposed the Net-Zero Industry Act to scale up the manufacturing of clean technologies. There was also a development in the EU carbon market, with the enactment of cross-border taxes on carbon. US President Biden issued the first veto of his presidency, rejecting a Republican proposal to prevent pension fund managers from basing investment decisions on factors like climate change. The rule reversed restrictions imposed by the Trump administration that made it harder for retirement fund managers to consider such factors. This will allow capital to flow to vital parts of the economy that target economy-wide decarbonisation. Lastly, Japan and the US announced a new trade deal on electric vehicle (EV) battery materials, wherein raw materials such as lithium, cobalt, graphite, manganese and nickel will have no bilateral export restrictions. This allows Japanese-made EVs, or those containing Japanese batteries, to be eligible for the US subsidies announced in the 2022 Inflation Reduction Act and, therefore, they are more affordable.

In the latter half of the period, key climate-related news included the UK's announcement of delays to the previously agreed upon EV quotas; a probe into the competitiveness of Chinese EVs in the EU; France's announcement of a plan to end fossil fuel usage by 2030 (notwithstanding the ongoing incentive discussions with the European Commission, specifically surrounding nuclear energy); and the preparations for this year's COP28.

# abrdn Multi-Asset Climate Solutions Fund

## Continued

### Portfolio Activity and Review

The fund's holdings cover a broad range of green themes including power (renewable energy generation and turbines), transport (EVs and electrified rail), buildings (energy-efficient heating and cooling of buildings) and other environmental solutions (sustainable water and pollution control).

During the year, the primary detractor from performance was the renewable energy theme, which is centred around energy generators. Companies operating in the development of energy generation assets enter into agreements of energy prices before project commencement to reduce risk. Such prices have widely been argued by industry participants to be prohibitively low given the significant increase in input costs (some estimates have this rise in input costs as high as 40% YTD). For example, in the UK in September, there were zero developer bids for an offshore wind project.

Of particular note were European wind operators such as Ørsted (-35 basis points (bps) contribution) and Vestas (-34 bps). Ørsted, in particular, warned of a US\$2.3 billion hit in its US business due to supply-chain issues and soaring interest rates, in addition to the abandonment of two projects in New Jersey. The poster child of wind operators, the stock has slumped nearly 55% this year, causing many other wind names to also fall; additional restraints in the sector continue to be slowing wind speeds alongside falling energy prices.

Solar operators saw similar declines. Energy Absolute (-85 bp), the Thai wind and solar operator, was the largest renewable energy detractor YTD. There were a few specific catalysts, though the wider Thai utility sector did slump given its interest rate sensitivity. SunPower Corp (-31 bps) was the largest absolute negative solar performer at -76% over the period. This has been fairly representative of the US solar industry in 2023, owing to some amendments to US regulations (for example NEM 3.0, which reduces compensation for excess solar-generated power sent to the grid); moderating European demand due to milder weather, falling electricity prices and high inventory levels; and the rising interest rate environment.

The varied industry exposure in the energy efficiency theme, for example in water utilities, IT processes and efficient lighting, helped provide additional diversification, detracting only slightly (-7 bps) YTD. Our resource efficiency exposures, in recycling, waste management and pollution control, were additive (+7 bps).

Similar themes were present in the renewable infrastructure holdings, where rising yields, falling short-term power prices and considerations of the relative attractiveness of infrastructure yields versus other less-risky assets continue to weigh on the area. The net asset values (NAVs) of the companies we are invested in have generally been stable, with negative share price returns largely coming through discounts to NAV increasing. Key detractors were SDCL Energy Income (-55 bps), Gresham House Storage Fund (-57 bps) and The Renewables Infrastructure Group (-57 bps).

Our renewable energy credit names have added valuable diversification this year, adding +18 bp to fund-level performance, largely owing to the narrowing of spreads and elevated income from the assets.

### Portfolio Outlook and Strategy

Over the past year, we have taken steps to position more defensively in our portfolio, tilting more towards fixed-income securities and away from riskier equity allocations. This is a result of the increased recession expectations owing to central banks' rapid policy tightening, as history shows that most hiking cycles end in recession and equity bear markets. In recent months, macroeconomic data, particularly inflation levels, has started to soften, meaning pricing and expectations of further hikes have slowed and recession calls have been pushed further into the future.

Our infrastructure allocation continues to be at the upper end of the allowable range. While higher bond yields may result in higher discount rates used to value assets, most of our renewables continue to benefit from long-term, stable, inflation-linked revenues. Indeed, when companies have been publishing quarterly NAVs, we have seen headwinds from higher discount rates and falling short-term power prices being largely offset from higher inflation and high levels of excess cash generation. Some companies have also fixed a lot of their near-term power price exposure when prices have been higher, serving to dampen the effect from declining short-term power prices.

We continue to take input from our SAA team, who view premia as depleted in equity risk and suggest fixed income as having a superior risk-return trade-off on a five-year horizon given the presently elevated yields in markets and our expectations of policy normalisation. However, we believe it is too early to position fully for the next major cycle phase – that of an economic downturn – and, therefore, we maintain a moderate allocation to equities and listed renewable infrastructure, resulting in risk levels at around 65% of maximum.

### SAA Research Team

November 2023

# abrdrn Multi-Asset Climate Solutions Fund

## Continued

### Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the fund. The table below shows the fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk				Typically higher rewards, higher risk		
←						→
1	2	3	4	5	6	7

Risk and reward indicator table as at 31 October 2023.

The fund is rated as 5 because of the extent to which the following risk factors apply:

- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- The fund's price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.
- Applying ESG and sustainability criteria in the investment process may result in the exclusion of securities within the fund's benchmark or universe of potential investments. The interpretation of ESG and sustainability criteria is subjective meaning that the fund may invest in companies which similar funds do not (and thus perform differently) and which do not align with the personal views of any individual investor.
- The fund invests in emerging market equities and/or bonds. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

- Dividend payment policies of the REITs in which the fund invests are not representative of the dividend payment policy of the fund.
- Investing in China A shares involves special considerations and risks, including greater price volatility, a less developed regulatory and legal framework, exchange rate risk/controls, settlement, tax, quota, liquidity and regulatory risks.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

# Comparative Tables

	2023	2022	2021
Platform 1 accumulation <sup>A</sup>	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	45.93	53.42	50.00 <sup>B</sup>
Return before operating charges*	(4.01)	(7.02)	3.76
Operating charges	(0.46)	(0.47)	(0.34)
Return after operating charges*	(4.47)	(7.49)	3.42
Distributions	(1.12)	(0.81)	(0.58)
Retained distributions on accumulation shares	1.12	0.81	0.58
Closing net asset value per share	41.46	45.93	53.42
* after direct transaction costs of:	0.02	0.02	0.06
<b>Performance</b>			
Return after charges	(9.73%)	(14.02%)	6.84%
<b>Other information</b>			
Closing net asset value (£'000)	760	877	533
Closing number of shares	1,832,363	1,909,235	997,524
Operating charges	0.99%	0.95% <sup>C</sup>	88.00%
Direct transaction costs	0.05%	0.05%	0.11%
<b>Prices</b>			
Highest share price	50.04	53.94	53.45
Lowest share price	41.31	44.10	47.14

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> Platform 1 accumulation share class launched on 1 February 2021.

<sup>B</sup> The opening net asset value stated is the share class launch price.

<sup>C</sup> Due to new guidance that came into force from 30 June 2022, the charges for underlying Closed Ended Funds held by the fund have now been included in the Operating Charges.

# Comparative Tables

## Continued

	2023	2022	2021
Institutional accumulation <sup>A</sup>	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	45.98	53.45	50.00 <sup>B</sup>
Return before operating charges*	(4.02)	(7.02)	3.76
Operating charges	(0.44)	(0.45)	(0.31)
Return after operating charges*	(4.46)	(7.47)	3.45
Distributions	(1.14)	(0.83)	(0.61)
Retained distributions on accumulation shares	1.14	0.83	0.61
Closing net asset value per share	41.52	45.98	53.45
* after direct transaction costs of:	0.02	0.03	0.06
<b>Performance</b>			
Return after charges	(9.70%)	(13.98%)	6.90%
<b>Other information</b>			
Closing net asset value (£'000)	765	1,133	2,312
Closing number of shares	1,841,795	2,463,183	4,325,511
Operating charges	0.94%	0.90% <sup>*</sup>	0.83%
Direct transaction costs	0.05%	0.05%	0.11%
<b>Prices</b>			
Highest share price	50.09	53.98	53.49
Lowest share price	41.36	44.15	47.17

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> Institutional accumulation share class launched on 1 February 2021.

<sup>B</sup> The opening net asset value stated is the share class launch price.

<sup>\*</sup> Due to new guidance that came into force from 30 June 2022, the charges for underlying Closed Ended Funds held by the fund have now been included in the Operating Charges.

# Comparative Tables

## Continued

ZC accumulation <sup>A</sup>	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	46.27	53.58	50.00 <sup>B</sup>
Return before operating charges*	(4.10)	(7.11)	3.70
Operating charges	(0.21)	(0.20)	(0.12)
Return after operating charges*	(4.31)	(7.31)	3.58
Distributions	(1.34)	(1.03)	(0.74)
Retained distributions on accumulation shares	1.34	1.03	0.74
Closing net asset value per share	41.96	46.27	53.58
* after direct transaction costs of:	0.02	0.03	0.06
<b>Performance</b>			
Return after charges	(9.31%)	(13.64%)	7.16%
<b>Other information</b>			
Closing net asset value (£'000)	8,435	9,344	10,781
Closing number of shares	20,104,331	20,191,999	20,122,280
Operating charges	0.44%	0.40% <sup>*</sup>	0.33%
Direct transaction costs	0.05%	0.05%	0.11%
<b>Prices</b>			
Highest share price	50.47	54.11	53.61
Lowest share price	41.80	44.42	47.19

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> Standard Life accumulation share class launched on 1 February 2021.

<sup>B</sup> The opening net asset value stated is the share class launch price.

<sup>\*</sup> Due to new guidance that came into force from 30 June 2022, the charges for underlying Closed Ended Funds held by the fund have now been included in the Operating Charges.

# Comparative Tables

## Continued

Retail accumulation <sup>A</sup>	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	45.68	53.29	50.00 <sup>B</sup>
Return before operating charges*	(3.93)	(6.96)	3.76
Operating charges	(0.63)	(0.65)	(0.47)
Return after operating charges*	(4.56)	(7.61)	3.29
Distributions	(0.98)	(0.66)	(0.46)
Retained distributions on accumulation shares	0.98	0.66	0.46
Closing net asset value per share	41.12	45.68	53.29
* after direct transaction costs of:	0.02	0.02	0.06
<b>Performance</b>			
Return after charges	(9.98%)	(14.28%)	6.58%
<b>Other information</b>			
Closing net asset value (£'000)	41	44	44
Closing number of shares	99,067	99,067	82,295
Operating charges	1.36%	1.32% <sup>*</sup>	1.25%
Direct transaction costs	0.05%	0.05%	0.11%
<b>Prices</b>			
Highest share price	49.73	53.81	53.32
Lowest share price	40.97	43.87	47.10

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> Retail accumulation share class launched on 1 February 2021.

<sup>B</sup> The opening net asset value stated is the share class launch price.

<sup>\*</sup> Due to new guidance that came into force from 30 June 2022, the charges for underlying Closed Ended Funds held by the fund have now been included in the Operating Charges.

# Portfolio Statement

As at 31 October 2023

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Bonds (21.16%)</b>		<b>3,539</b>	<b>35.39</b>
<b>Euro Denominated Bonds (6.64%)</b>		<b>1,568</b>	<b>15.68</b>
<b>Corporate Bonds (6.64%)</b>		<b>1,568</b>	<b>15.68</b>
less than 5 years to maturity			
100,000	BNP Paribas 0.375% fixed to floating 2027	78	0.78
121,000	CBRE Global Investors Open-Ended Fund 0.5% 2028	85	0.85
100,000	CTP 0.75% 2027	72	0.72
39,000	Deutsche Bank 1.375% fixed to floating 2026	32	0.32
100,000	Volvo Car 2.5% 2027	79	0.79
between 5 and 10 years to maturity			
100,000	Banco Santander 0.625% fixed to floating 2029	73	0.73
100,000	BNP Paribas 4.375% fixed to floating 2029	87	0.87
200,000	CTP 1.5% 2031	119	1.19
100,000	EDP Finance 3.875% 2030	86	0.86
200,000	ING 0.875% fixed to floating 2032	149	1.49
200,000	La Banque Postale 1.375% 2029	150	1.50
100,000	Ørsted 2.875% 2033	77	0.77
100,000	Stellantis 4.375% 2030	87	0.87
100,000	Triodos Bank 2.25% fixed to floating 2032	64	0.64
greater than 25 years to maturity			
100,000	EDP 5.943% fixed to floating 2083	86	0.86
100,000	EDP FRN 2079	86	0.86
Perpetual			
100,000	Telefonica Europe 2.502% fixed to floating Perpetual	76	0.76
100,000	TenneT 2.374% fixed to floating Perpetual	82	0.82
<b>Sterling Denominated Bonds (2.42%)</b>		<b>282</b>	<b>2.82</b>
<b>Corporate Bonds (1.60%)</b>		<b>187</b>	<b>1.87</b>
less than 5 years to maturity			
100,000	Barclays 1.7% fixed to floating 2026	91	0.91
100,000	Severn Trent Utilities Finance 3.625% 2026	96	0.96

# Portfolio Statement

As at 31 October 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Government Bonds (0.82%)</b>		<b>95</b>	<b>0.95</b>
less than 5 years to maturity			
100,000	Transport for London 2.125% 2025	95	0.95
<b>US Dollar Denominated Bonds (12.10%)</b>		<b>1,689</b>	<b>16.89</b>
<b>Corporate Bonds (12.10%)</b>		<b>1,689</b>	<b>16.89</b>
less than 5 years to maturity			
78,000	Alexandria Real Estate Equities REIT 3.8% 2026	61	0.61
127,000	Apple 3% 2027	97	0.97
129,000	Equinix REIT 1.55% 2028	88	0.88
33,000	Equinix REIT 2.625% 2024	26	0.26
200,000	Suzano Austria 5.75% 2026	162	1.62
between 5 and 10 years to maturity			
105,000	Digital Realty Trust REIT 3.6% 2029	75	0.75
12,000	General Motors 5.4% 2029	9	0.09
72,000	Intel 4.15% 2032	53	0.53
92,000	Kilroy Realty REIT 2.5% 2032	50	0.50
154,000	NSTAR Electric 3.95% 2030	114	1.14
99,000	PepsiCo 3.9% 2032	72	0.72
101,000	Prologis REIT 1.25% 2030	61	0.61
131,000	Toyota Motor Credit 2.15% 2030	88	0.88
136,000	Verizon Communications 1.5% 2030	84	0.84
127,000	Welltower REIT 2.75% 2031	82	0.82
98,000	Weyerhaeuser REIT 3.375% 2033	64	0.64
between 15 and 25 years to maturity			
106,000	Carrier Global 3.377% 2040	59	0.59
63,000	Verizon Communications 2.85% 2041	32	0.32
120,000	Welltower REIT 4.95% 2048	77	0.77
greater than 25 years to maturity			
169,000	American Tower REIT 2.95% 2051	74	0.74
126,000	American Water Capital 3.45% 2050	66	0.66

# Portfolio Statement

As at 31 October 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
95,000	Equinix REIT 3% 2050	43	0.43
77,000	NSTAR Electric 3.1% 2051	37	0.37
114,000	PepsiCo 2.875% 2049	57	0.57
104,000	Weyerhaeuser REIT 4% 2052	58	0.58
<b>Equities (76.13%)</b>		<b>6,148</b>	<b>61.47</b>
<b>Emerging Market Equities (1.84%)</b>		<b>126</b>	<b>1.26</b>
<b>Brazil (0.46%)</b>		<b>41</b>	<b>0.41</b>
27,200	Omega Energia	33	0.33
2,100	Rumo	8	0.08
<b>Chile (0.19%)</b>		<b>-</b>	<b>-</b>
<b>Israel (1.19%)</b>		<b>85</b>	<b>0.85</b>
30,009	Energix-Renewable Energies	60	0.60
1,212	Enlight Renewable Energy	13	0.13
194	SolarEdge Technologies	12	0.12
<b>European Equities (15.78%)</b>		<b>1,151</b>	<b>11.51</b>
<b>Belgium (0.63%)</b>		<b>-</b>	<b>-</b>
<b>Denmark (2.06%)</b>		<b>195</b>	<b>1.95</b>
1,659	Ørsted	66	0.66
45	ROCKWOOL 'B'	8	0.08
6,847	Vestas Wind Systems	121	1.21
<b>France (0.77%)</b>		<b>150</b>	<b>1.50</b>
553	Alstom	6	0.06
1,057	Cie Plastic Omnium	10	0.10
569	Getlink	8	0.08
1,654	Neoen	36	0.36
714	Schneider Electric	90	0.90

# Portfolio Statement

As at 31 October 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Germany (3.39%)</b>		<b>271</b>	<b>2.71</b>
10,559	Encavis	113	1.13
1,770	Infinion Technologies	42	0.42
7,803	Nordex	67	0.67
978	SMA Solar Technology	49	0.49
<b>Greece (0.95%)</b>		<b>-</b>	<b>-</b>
<b>Ireland (2.11%)</b>		<b>190</b>	<b>1.90</b>
254,038	Greencoat Renewables++	190	1.90
<b>Luxembourg (0.15%)</b>		<b>8</b>	<b>0.08</b>
345	Befesa	8	0.08
<b>Netherlands (0.80%)</b>		<b>25</b>	<b>0.25</b>
333	Arcadis	12	0.12
596	Signify	13	0.13
<b>Norway (0.24%)</b>		<b>6</b>	<b>0.06</b>
11,772	NEL	6	0.06
<b>Spain (2.48%)</b>		<b>207</b>	<b>2.07</b>
11,755	EDP Renovaveis	155	1.55
4,249	Solaria Energia y Medio Ambiente	52	0.52
<b>Sweden (0.95%)</b>		<b>39</b>	<b>0.39</b>
1,036	Holmen 'B'	32	0.32
1,428	Nibe Industrier 'B'	7	0.07

# Portfolio Statement

As at 31 October 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Switzerland (1.25%)</b>		<b>60</b>	<b>0.60</b>
117	Belimo	40	0.40
91	Comet	15	0.15
21,963	Meyer Burger Technology	5	0.05
<b>Japanese Equities (7.94%)</b>		<b>787</b>	<b>7.87</b>
3,100	Bridgestone	96	0.96
2,100	East Japan Railway	90	0.90
1,600	Keisei Electric Railway	49	0.49
2,900	Koito Manufacturing	35	0.35
200	Kurita Water Industries	5	0.05
5,600	Kyushu Railway	94	0.94
3,300	METAWATER	34	0.34
6,600	NGK Insulators	66	0.66
29,100	Oji	102	1.02
1,100	Organo	29	0.29
900	RENOVA	5	0.05
2,000	Sakata Seed	44	0.44
1,700	Stanley Electric	22	0.22
700	SUMCO	7	0.07
100	Tokyo Electron	11	0.11
300	TOTO	6	0.06
2,800	West Japan Railway	87	0.87
200	Yaskawa Electric	5	0.05
<b>North America Equities (20.97%)</b>		<b>1,394</b>	<b>13.94</b>
<b>Canada (2.34%)</b>		<b>221</b>	<b>2.21</b>
1,925	Ballard Power Systems	5	0.05
3,303	Borex 'A'	50	0.50
281	GFL Environmental	7	0.07
13,270	Innergex Renewable Energy	67	0.67
1,198	Stantec	60	0.60
221	Waste Connections	24	0.24
153	West Fraser Timber	8	0.08

# Portfolio Statement

As at 31 October 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>United States (18.63%)</b>		<b>1,173</b>	<b>11.73</b>
100	Acuity Brands	13	0.13
688	American Water Works	67	0.67
1,745	Array Technologies	25	0.25
1,070	Bandwidth 'A'	9	0.09
2,392	Blink Charging	5	0.05
437	Clean Harbors	55	0.55
1,186	Energy Recovery	15	0.15
975	First Solar	114	1.14
1,679	Fox Factory	113	1.13
1,286	Franklin Electric	92	0.92
6,412	FuelCell Energy	6	0.06
1,158	Great Lakes Dredge & Dock	7	0.07
191	Lindsay	20	0.20
4,798	Lucid	16	0.16
2,090	Masco	90	0.90
4,596	Mueller Water Products 'A'	47	0.47
1,070	Plug Power	5	0.05
1,103	SJW	57	0.57
3,943	Stem	11	0.11
6,085	SunPower	21	0.21
598	Sunrun	5	0.05
748	Tetra Tech	93	0.93
100	Trex	5	0.05
700	VMware 'A'	84	0.84
656	Watts Water Technologies 'A'	93	0.93
328	Weyerhaeuser REIT	8	0.08
151	Wolfspeed	4	0.04
829	Xylem	64	0.64
772	York Water	23	0.23
122	Zoom Video Communications 'A'	6	0.06

# Portfolio Statement

As at 31 October 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Pacific Basin Equities (10.23%)</b>		<b>855</b>	<b>8.55</b>
<b>Australia (0.67%)</b>		-	-
<b>China (1.60%)</b>		<b>195</b>	<b>1.95</b>
3,791	NIO ADR	23	0.23
54,000	Tianneng Power International	40	0.40
88,000	Yadea	132	1.32
<b>Hong Kong (1.82%)</b>		<b>235</b>	<b>2.35</b>
272,000	Beijing Enterprises Water	47	0.47
80,000	China Water Affairs	42	0.42
830,000	Concord New Energy	55	0.55
29,500	MTR	91	0.91
<b>New Zealand (0.57%)</b>		-	-
<b>Singapore (0.60%)</b>		<b>70</b>	<b>0.70</b>
89,000	ComfortDelGro	70	0.70
<b>South Korea (0.08%)</b>		-	-
<b>Taiwan (1.44%)</b>		<b>140</b>	<b>1.40</b>
2,000	E Ink	8	0.08
3,000	Lite-On Technology	8	0.08
1,000	Taiwan Semiconductor Manufacturing	13	0.13
119,000	United Renewable Energy	45	0.45
2,000	Voltronic Power Technology	66	0.66
<b>Thailand (3.45%)</b>		<b>215</b>	<b>2.15</b>
104,700	BTS (Alien Market)	18	0.18
111,100	Energy Absolute (Alien Market)	107	1.07
102,000	SPCG (Alien Market)	29	0.29

# Portfolio Statement

As at 31 October 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
2,689,000	Super Energy (Alien Market)	26	0.26
167,500	TTW (Alien Market)	35	0.35
<b>UK Equities (19.37%)</b>		<b>1,835</b>	<b>18.34</b>
<b>Consumer Discretionary (0.30%)</b>		<b>38</b>	<b>0.38</b>
24,344	FirstGroup	38	0.38
<b>Energy (0.09%)</b>		<b>16</b>	<b>0.16</b>
8,318	Ceres Power	16	0.16
<b>Financials (17.13%)</b>		<b>1,607</b>	<b>16.06</b>
110,007	Aquila European Renewables	74	0.74
123,823	Bluefield Solar Income Fund	140	1.40
15,927	Downing Renewables & Infrastructure Trust	15	0.15
108,950	Foresight Solar Fund	95	0.95
136,776	GCP Infrastructure Investments	84	0.84
51,378	Gore Street Energy Storage Fund	34	0.34
281,621	Greencoat UK Wind	380	3.79
91,066	Gresham House Energy Storage Fund	77	0.77
62,469	Harmony Energy Income Trust	45	0.45
93,655	JLEN Environmental Assets	81	0.81
102,126	NextEnergy Solar Fund	79	0.79
57,686	Octopus Renewables Infrastructure Trust	50	0.50
311,644	Renewables Infrastructure	313	3.13
217,651	SDCL Energy Efficiency Income Trust	128	1.28
26,790	US Solar Fund	12	0.12
<b>Industrials (0.60%)</b>		<b>118</b>	<b>1.18</b>
21,568	DS Smith	61	0.61
254	Intertek	10	0.10
980	Pentair	47	0.47

# Portfolio Statement

As at 31 October 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Utilities (1.25%)</b>		<b>56</b>	<b>0.56</b>
1,989	Pennon	14	0.14
1,591	Severn Trent	42	0.42
<b>Derivatives (-2.70%)</b>		<b>(109)</b>	<b>(1.09)</b>
<b>Forward Currency Contracts (-2.71%)</b>		<b>(104)</b>	<b>(1.04)</b>
	Buy EUR 29,038 Sell GBP 25,340 07/12/2023	-	-
	Buy EUR 40,949 Sell GBP 35,529 07/12/2023	1	0.01
	Buy GBP 14,119 Sell EUR 16,233 07/12/2023	-	-
	Buy GBP 1,883,238 Sell EUR 2,186,364 07/12/2023	(33)	(0.33)
	Buy GBP 1,777,220 Sell USD 2,254,060 07/12/2023	(74)	(0.74)
	Buy USD 34,686 Sell GBP 28,718 07/12/2023	-	-
	Buy USD 35,191 Sell GBP 28,876 07/12/2023	-	-
	Buy USD 38,370 Sell GBP 30,817 07/12/2023	1	0.01
	Buy USD 39,610 Sell GBP 31,229 07/12/2023	1	0.01
	Buy USD 41,579 Sell GBP 34,215 07/12/2023	-	-
<b>Futures (0.01%)</b>		<b>(5)</b>	<b>(0.05)</b>
1	Long Canadian 10 Year Bond Future 18/12/2023	(2)	(0.02)
4	Long US 2 Year Note (CBT) Future 29/12/2023	(3)	(0.03)
3	Long US 5 Year Note (CBT) Future 29/12/2023	(4)	(0.04)
(4)	Short Euro-Bobl Future 07/12/2023	4	0.04
Total investment assets and liabilities		9,578	95.77
Net other assets		423	4.23
<b>Total Net Assets</b>		<b>10,001</b>	<b>100.00</b>

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities, or are approved derivatives within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 October 2022.  
 ++ AIM listed.

# Financial Statements

## Statement of Total Return

For the year ended 31 October 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(1,337)		(2,192)
Revenue	2	375		310	
Expenses	3	(21)		(27)	
Interest payable and similar charges		-		(1)	
Net revenue before taxation		354		282	
Taxation	4	(36)		(25)	
Net revenue after taxation			318		257
<b>Total return before distributions</b>			<b>(1,019)</b>		<b>(1,935)</b>
Distributions	5		(318)		(257)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(1,337)</b>		<b>(2,192)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 October 2023

	2023		2022	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>11,398</b>		<b>13,670</b>
Amounts receivable on the issue of shares	1,072		626	
Amounts payable on the cancellation of shares	(1,451)		(955)	
		(379)		(329)
Dilution adjustment		6		-
Change in net assets attributable to shareholders from investment activities (see above)		(1,337)		(2,192)
Retained distribution on accumulation shares		313		249
<b>Closing net assets attributable to shareholders</b>		<b>10,001</b>		<b>11,398</b>

# Financial Statements

## Continued

### Balance Sheet

As at 31 October 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			9,694		11,240
<b>Current assets:</b>					
Debtors	6	57		42	
Cash and bank balances	7	399		586	
			456		628
<b>Total assets</b>			<b>10,150</b>		<b>11,868</b>
<b>Liabilities:</b>					
Investment liabilities			(116)		(459)
Bank overdrafts	7	(5)		-	
Creditors	8	(28)		(11)	
			(33)		(11)
<b>Total liabilities</b>			<b>(149)</b>		<b>(470)</b>
<b>Net assets attributable to shareholders</b>			<b>10,001</b>		<b>11,398</b>

# Notes to the Financial Statements

## 1 Net Capital Losses

	2023 £'000	2022 £'000
Non-derivative securities	(1,337)	(1,228)
Derivative contracts	(34)	5
Forward currency contracts	60	(1,088)
Other (losses)/gains	(5)	141
Transaction charges	(21)	(22)
<b>Net capital losses</b>	<b>(1,337)</b>	<b>(2,192)</b>

## 2 Revenue

	2023 £'000	2022 £'000
Bank and margin interest	17	1
Interest on debt securities	115	39
Overseas dividends	92	128
Overseas REIT	9	27
UK dividends	141	115
UK REIT	1	-
<b>Total revenue</b>	<b>375</b>	<b>310</b>

## 3 Expenses

	2023 £'000	2022 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	11	15
General administration charge	9	10
	20	25
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fees	1	2
	1	2
<b>Total expenses</b>	<b>21</b>	<b>27</b>

Irrecoverable VAT is included in the above expenses, where relevant.  
The audit fee for the year, including VAT, was £10,200 (2022: £9,480).

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2023 £'000	2022 £'000
<b>(a) Analysis of charge in year</b>		
Corporation tax	24	8
Double taxation relief	(1)	(4)
Adjustments in respect of prior periods	1	-
Overseas taxes	12	21
<b>Total taxation (note 4b)</b>	<b>36</b>	<b>25</b>

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

The tax assessed for the year is less than (2022: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

	2023 £'000	2022 £'000
<b>Net revenue before taxation</b>	<b>354</b>	<b>282</b>
Corporation tax at 20% (2022: 20%)	71	56
Effects of:		
Revenue not subject to taxation	(47)	(48)
Overseas taxes	12	21
Double taxation relief	(1)	(4)
Adjustments in respect of prior periods	1	-
<b>Total tax charge for year (note 4a)</b>	<b>36</b>	<b>25</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

#### **(c) Factors that may affect future tax charge**

At the year end there are no surplus expenses and therefore no deferred tax asset in the current or prior year.

### 5 Distributions

	2023 £'000	2022 £'000
Interim distribution	138	104
Final distribution	175	145
	313	249
Add: Income deducted on cancellation of shares	7	10
Deduct: Income received on issue of shares	(2)	(2)
<b>Total distributions for the year</b>	<b>318</b>	<b>257</b>

Details of the distribution per share are set out in this fund's distribution tables.

# Notes to the Financial Statements

## Continued

### 6 Debtors

	2023 £'000	2022 £'000
Accrued revenue	53	35
Amounts receivable from the ACD for the issue of shares	1	4
Overseas withholding tax recoverable	3	3
<b>Total debtors</b>	<b>57</b>	<b>42</b>

### 7 Liquidity

	2023 £'000	2022 £'000
<b>Cash and bank balances</b>		
Cash at bank	15	312
Cash at broker	24	4
Collateral cash pledged to counterparties*	-	270
Deposits with original maturity of less than 3 months	360	-
	<b>399</b>	<b>586</b>
<b>Bank overdrafts</b>		
Overdraft at broker	(5)	-
	<b>(5)</b>	<b>-</b>
<b>Net liquidity</b>	<b>394</b>	<b>586</b>

\* This reflects cash the fund retains beneficial ownership of however which is currently being used to manage bilateral counterparty exposure on out of the money derivative positions. While included as part of the net liquidity disclosure, this cash is therefore restricted until the related derivative contract expires.

### 8 Creditors

	2023 £'000	2022 £'000
Accrued expenses payable to ACD	2	2
Accrued expenses payable to the Depositary or associates of the Depositary	3	5
Corporation tax payable	23	4
<b>Total creditors</b>	<b>28</b>	<b>11</b>

# Notes to the Financial Statements

## Continued

### 9 Related Party Transactions

abrdr Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to abrdr Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to abrdr Fund Managers Limited, in respect of expenses are disclosed in note 3 and any amounts due at the year end in note 8.

### 10 Portfolio Transaction Costs

There are no transaction costs associated with the purchases or sales of bonds and derivatives during the year, or in the prior year.

Bonds are dealt on a spread agreed between buyer and seller with reference to the expected cashflows and current credit profiles.

Derivatives are dealt on a spread agreed between buyer and seller with reference to the underlying investment.

Trades in the year	Purchases		Sales	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Bonds	1,368	780	159	20
Equities	3,383	4,851	4,675	6,492
Corporate actions	2	10	-	78
<b>Trades in the year before transaction costs</b>	<b>4,753</b>	<b>5,641</b>	<b>4,834</b>	<b>6,590</b>
<b>Commissions</b>				
Equities	1	1	(1)	(2)
<b>Total commissions</b>	<b>1</b>	<b>1</b>	<b>(1)</b>	<b>(2)</b>
<b>Taxes</b>				
Equities	3	3	(1)	(1)
<b>Total taxes</b>	<b>3</b>	<b>3</b>	<b>(1)</b>	<b>(1)</b>
<b>Total transaction costs</b>	<b>4</b>	<b>4</b>	<b>(2)</b>	<b>(3)</b>
<b>Total net trades in the year after transaction costs</b>	<b>4,757</b>	<b>5,645</b>	<b>4,832</b>	<b>6,587</b>

# Notes to the Financial Statements

## Continued

	Purchases		Sales	
	2023 %	2022 %	2023 %	2022 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.03	0.02	0.02	0.02
<b>Taxes</b>				
Equities	0.09	0.07	0.01	0.01
			<b>2023 %</b>	<b>2022 %</b>
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Commissions			0.02	0.02
Taxes			0.03	0.03

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.49% (2022: 0.47%), this is representative of the average spread on the assets held during the year.

## 11 Shares in Issue Reconciliation

	Opening shares 2022	Creations during the year	Cancellations during the year	Closing shares 2023
Platform 1 accumulation	1,909,235	308,727	(385,599)	1,832,363
Institutional accumulation	2,463,183	1,855,214	(2,476,602)	1,841,795
ZC accumulation	20,191,999	12,827	(100,495)	20,104,331
Retail accumulation	99,067	55,916	(55,916)	99,067

## 12 Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

# Notes to the Financial Statements

## Continued

	2023 £'000	2023 £'000	2023 £'000	2022 £'000	2022 £'000	2022 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Bonds	95	3,444	-	93	2,319	-
Equities	6,148	-	-	8,677	-	-
Derivatives	4	3	-	1	150	-
<b>Total investment assets</b>	<b>6,247</b>	<b>3,447</b>	<b>-</b>	<b>8,771</b>	<b>2,469</b>	<b>-</b>
<b>Fair value of investment liabilities</b>						
Derivatives	(9)	(107)	-	-	(459)	-
<b>Total investment liabilities</b>	<b>(9)</b>	<b>(107)</b>	<b>-</b>	<b>-</b>	<b>(459)</b>	<b>-</b>

## 14 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

### Foreign currency risk

The fund's net exposure to foreign currencies (including any instruments used to hedge against foreign currencies) is not significant. Therefore, the financial statements are not subject to any significant risk of currency movements. This is consistent with the exposure during the prior year.

### Interest rate risk

Interest rate risk is an unfavourable change in interest rates that can affect the price of a security, which in turn results in the portfolio experiencing a loss. Interest rate changes not only affect fixed income products but have material impacts on funding arrangements and other asset types.

The following table shows separately the value of investments at fixed interest rates, at variable rates and those that are non-interest bearing instruments.

The interest rate risk profile of the fund's investments at the year end consists of:

2023	Floating rate financial assets/ (liabilities) £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>Currency</b>				
UK Sterling	382	282	5,145	5,809
Brazilian Real	-	-	41	41
Canadian Dollar	(4)	-	195	191
Danish Krone	-	-	196	196
Euro	95	1,482	(918)	659
Hong Kong Dollar	3	-	409	412
Israeli Shekel	-	-	73	73
Japanese Yen	-	-	792	792

# Notes to the Financial Statements

## Continued

2023	Floating rate financial assets/ (liabilities) £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
Norwegian Krone	-	-	6	6
Singapore Dollar	-	-	70	70
Swedish Krona	-	-	39	39
Swiss Franc	-	-	60	60
Taiwan Dollar	-	-	141	141
Thai Baht	-	-	215	215
US Dollar	4	1,689	(396)	1,297
<b>Total</b>	<b>480</b>	<b>3,453</b>	<b>6,068</b>	<b>10,001</b>

2022	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>Currency</b>				
UK Sterling	563	276	10,443	11,282
Australian Dollar	-	-	5	5
Brazilian Real	-	-	15	15
Canadian Dollar	2	-	8	10
Chilean Peso	-	-	22	22
Danish Krone	-	-	14	14
Euro	6	757	(780)	(17)
Hong Kong Dollar	2	-	(20)	(18)
Israeli Shekel	3	-	(5)	(2)
Japanese Yen	-	-	6	6
New Zealand Dollar	5	-	6	11
Norwegian Krone	-	-	5	5
Singapore Dollar	-	-	1	1
South Korean Won	-	-	9	9
Swedish Krona	-	-	12	12
Swiss Franc	-	-	3	3
Taiwan Dollar	-	-	(9)	(9)
Thai Baht	-	-	15	15
US Dollar	89	1,295	(1,350)	34
<b>Total</b>	<b>670</b>	<b>2,328</b>	<b>8,400</b>	<b>11,398</b>

# Notes to the Financial Statements

## Continued

### Other price risk

The fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Adviser in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

### VaR

The table below indicates the VaR of the fund, measured as the maximum one month loss in value from adverse changes in market risk factors (e.g. equity prices, interest rates, inflation rates and foreign currency exchange rates) that is expected with a 99 percent confidence level. Calculated on this basis, the VaR indicates that the net value of the fund could be expected to fall over a one-month period by more than the corresponding VaR in 1% of cases, assuming the fund does not alter its positioning over that period.

2023	Minimum	Maximum	Average
VaR 99% 1 Month	6.10%	7.54%	6.62%

2022	Minimum	Maximum	Average
VaR 99% 1 Month	8.93%	10.18%	9.54%

At the year end date, there was a 1% chance of the portfolio value falling (or rising) more than 6.17%, £591,000 (2022: 9.23%, £995,000) in a one month period.

This calculation is generally determined by the use of an industry recognised medium term risk model, typically based on 3-5 year history. The method assumes normal market conditions and that the portfolio remains unchanged.

### Counterparty risk

#### Credit quality of debt security investment assets

The following table shows the credit quality of the part of the investment portfolio that is invested in debt securities.

	Market value £'000	Percentage of total net assets %
<b>2023</b>		
Investment grade securities	3,148	31.48
Below investment grade securities	391	3.91
Unrated securities	-	-
<b>Total value of securities</b>	<b>3,539</b>	<b>35.39</b>

	Market value £'000	Percentage of total net assets %
<b>2022</b>		
Investment grade securities	2,115	18.56
Below investment grade securities	297	2.60
Unrated securities	-	-
<b>Total value of securities</b>	<b>2,412</b>	<b>21.16</b>

Investment grade information used in the above table is based on credit ratings issued by market vendors.

# Notes to the Financial Statements

## Continued

### Financial derivatives instrument risk

These types of transaction can introduce market exposure greater than the market value of the instrument. These transactions exchange benefits with a third party at a future date creating both counterparty and concentration risk. The Investment Adviser's policies for managing these risks are outlined in the fund's prospectus.

At the balance sheet date the fund had the following exposures:

	2023		2022	
	Market exposure £'000	Market value £'000	Market exposure £'000	Market value £'000
<b>Leveraged instruments</b>				
Forward currency contracts	3,996	(104)	34,768	(309)
Futures	1,399	(5)	205	1
<b>Total market exposure</b>	<b>5,395</b>	<b>(109)</b>	<b>34,973</b>	<b>(308)</b>

The total market exposure is the sum of the notional derivative contracts on a gross basis with no offsetting.

The fund uses the commitment method to calculate global exposure. Leverage is not significant in this context.

### Counterparty risk

Where the fund enters market transactions this creates concentration risk where a clearing broker operates on an exchange. Where the clearing broker is not solvent the market exposure can be transferred. Exposure is reduced by the daily exchange of margin by both parties held in the name of the depositary. At the year end the fund had the following clearing broker exposure.

2023 Broker or exchange exposure	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
Goldman Sachs	(5)	18	-	13	0.13
	<b>(5)</b>	<b>18</b>	<b>-</b>	<b>13</b>	<b>0.13</b>

2022 Broker or exchange exposure	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
Goldman Sachs	1	4	-	5	0.04
	<b>1</b>	<b>4</b>	<b>-</b>	<b>5</b>	<b>0.04</b>

### Bilateral agreements

Where the fund enters bilateral agreements this introduces counterparty risk. Where a counterparty defaults on their obligation, exposure is reduced by the collateral held/pledged by both parties.

At the balance sheet date the fund had the following positions.

# Notes to the Financial Statements

## Continued

2023 Counterparties	Forwards £'000	Collateral (held)/pledged		Net exposure £'000
		Cash £'000	Stock £'000	
Barclays	1	-	-	1
BNP Paribas	1	-	-	1
JP Morgan	(74)	-	-	(74)
UBS	(32)	-	-	(32)
<b>Total</b>	<b>(104)</b>	<b>-</b>	<b>-</b>	<b>(104)</b>

2022 Counterparties	Forwards £'000	Collateral (held)/pledged		Net exposure £'000
		Cash £'000	Stock £'000	
Barclays	(5)	-	-	(5)
BNP Paribas	(5)	-	-	(5)
CitiGroup	(7)	-	-	(7)
Goldman Sachs	(5)	-	-	(5)
HSBC	(40)	-	-	(40)
JP Morgan	19	-	-	19
UBS AG	(266)	270	-	4
<b>Total</b>	<b>(309)</b>	<b>270</b>	<b>-</b>	<b>(39)</b>

### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2023 £149,000 (2022: £470,000).

# Distribution Tables

For the year ended 31 October 2023 (in pence per share)

## Interim dividend distribution

Group 1 – shares purchased prior to 1 November 2022

Group 2 – shares purchased between 1 November 2022 and 30 April 2023

	Revenue	Equalisation	Distribution paid 30/06/23	Distribution paid 30/06/22
<b>Platform 1 accumulation</b>				
Group 1	0.4820	-	0.4820	0.3055
Group 2	0.2548	0.2272	0.4820	0.3055
<b>Institutional accumulation</b>				
Group 1	0.4915	-	0.4915	0.3154
Group 2	0.4368	0.0547	0.4915	0.3154
<b>ZC accumulation</b>				
Group 1	0.5915	-	0.5915	0.4181
Group 2	0.2981	0.2934	0.5915	0.4181
<b>Retail accumulation</b>				
Group 1	0.4092	-	0.4092	0.2294
Group 2	0.4092	-	0.4092	0.2294

## Final dividend distribution

Group 1 – shares purchased prior to 1 May 2023

Group 2 – shares purchased between 1 May 2023 and 31 October 2023

	Revenue	Equalisation	Distribution paid 29/02/24	Distribution paid 28/02/23
<b>Platform 1 accumulation</b>				
Group 1	0.6420	-	0.6420	0.4998
Group 2	0.4483	0.1937	0.6420	0.4998
<b>Institutional accumulation</b>				
Group 1	0.6499	-	0.6499	0.5097
Group 2	0.2773	0.3726	0.6499	0.5097
<b>ZC accumulation</b>				
Group 1	0.7503	-	0.7503	0.6097
Group 2	0.4002	0.3501	0.7503	0.6097
<b>Retail accumulation</b>				
Group 1	0.5711	-	0.5711	0.4265
Group 2	0.4350	0.1361	0.5711	0.4265

## Equalisation

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# abrdr Short Dated Corporate Bond Fund

For the year ended 31 October 2023

## Investment Objective

To generate income and some growth over the medium to long term (3 to 5 years) by investing in Sterling-denominated investment grade corporate bonds, with a maturity of up to 5 years.

Performance Target: To achieve the return of the iBoxx Sterling Corporates (1-5 Year) Index plus 0.5% per annum (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 60% in Sterling denominated investment grade corporate bonds with a maturity of up to 5 years.
- The fund may also invest in bonds of any maturity, issued anywhere in the world by governments and corporations, such as sub-sovereigns, sub-investment grade, inflation linked, convertible, asset backed and mortgage backed. The fund will employ techniques to reduce (hedge) risk related to currency movements on non-Sterling bonds.
- The fund may also invest in other funds (including those managed by abrdr) and money market instruments, and cash.

### Management Process

- The management team use their discretion (active management) to identify bonds and derivatives based on analysis of global economic and market conditions (for example, interest rates and inflation) and analysis of a company's prospects and creditworthiness compared to that of the market.
- In seeking to achieve the Performance Target, the iBoxx Sterling Corporates (1-5 Year) Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 1.5%. Due to the fund's risk constraints, the intention is that the fund's performance profile will not deviate significantly from that of the iBoxx Sterling Corporates (1-5 Year) Index over the longer term.

## Derivatives and Techniques

- The fund will make routine use of derivatives to reduce risk, reduce cost and/or generate extra income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivatives include instruments used to manage expected changes in interest rates, inflation, currencies or creditworthiness of corporations or governments.

## Performance Review

Over the period under review, the fund returned 4.70%. (Source: FactSet, Platform 1 Accumulation Shares). This compared to a return of 5.15% for our performance target (Source: FactSet, Markit iBoxx Sterling Corporate (1-5 Y) +0.5%).

Any data contained herein which is attributed to a third party ("Third Party Data") is the property of (a) third party supplier(s) (the "Owner") and is licensed for use by abrdr\*\*. Third Party Data may not be copied or distributed. Third Party Data is provided "as is" and is not warranted to be accurate, complete or timely. To the extent permitted by applicable law, none of the Owner, abrdr\*\* or any other third party (including any third party involved in providing and/or compiling Third Party Data) shall have any liability for Third Party Data or for any use made of Third Party Data. Neither the Owner nor any other third party sponsors, endorses or promotes the fund or product to which Third Party Data relates.

\*\*abrdr means the relevant member of abrdr group, being abrdr plc together with its subsidiaries, subsidiary undertakings and associated companies (whether direct or indirect) from time to time.

Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

Companies selected for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.

The fund underperformed the performance target over the review period. Stock selection and asset allocation was positive, however the fund's duration positioning weighed on performance.

Banks performed well over the period, including Barclays, Virgin Money and UBS, which acquired Credit Suisse early in 2023. Property bonds were also good, such as office owner Workspace Group and retail property manager Hammerson. We also benefitted from an overweight holding of British American Tobacco and off-benchmark exposure in Ford Motor.

# abrdn Short Dated Corporate Bond Fund

## Continued

On the downside, Thames Water struggled, as the company faced financial difficulties, sparking fears the utility could collapse in mid-2023. In transportation, Mobico Group and Heathrow Airport underperformed the wider index. The subordinated financials of SSE also lagged.

### Portfolio Activity and Review

Towards the end of the period, the fund bought new issue banking bonds, including the 2029 bonds of Barclays, the 2027 bond of Coventry Building Society and short-dated senior bail-in debt from Commerzbank. Elsewhere, we bought tractor maker John Deere and an attractively priced, five-year US-dollar new issue from American Tower Corporation. In the secondary market, we topped up healthcare real estate issuer Welltower and transport company Mobico, formerly known as National Express.

On the sell side, we recently reduced car makers Mercedes Benz and BMW. We also closed our position in London shopping centre Westfield Stratford City.

### Portfolio Outlook and Strategy

The third quarter of 2023 started strongly for risk assets but weakened towards the end. Sentiment soared as the US economy continued to perform better than expected, with no significant cracks in the labour market to speak of as of yet. However, the large increase in oil prices did not help sentiment. Investors questioned how long interest rates will have to stay at higher levels and if, indeed, they will have to move higher yet.

Credit spreads have performed well year-to-date and still look fair value historically in investment-grade markets, both in the UK and Europe. Spreads look less appealing in the US. Demand for yields at these levels remains healthy from many different investor types, but ultimately cash rates will lead from here and may lead to investors being crowded out of the market.

The forecasts for a US recession have been pushed out to the middle of next year. Indeed, the debate rages about whether a 'soft landing' is possible. As such, the environment remains highly uncertain. We will continue to reduce credit risk as spreads tighten, particularly in higher-risk segments, such as BBBs and subordinated bonds. We are currently long duration relative to the index and this has been too early. We have not further added in the third quarter and are awaiting clearer signals to add more duration as the cycle turns.

### Sterling IG and Aggregate Team

November 2023

# abrdn Short Dated Corporate Bond Fund

## Continued

### Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the fund. The table below shows the fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk			Typically higher rewards, higher risk			
←						→
1	2	3	4	5	6	7

Risk and reward indicator table as at 31 October 2023.

The fund is rated as 3 because of the extent to which the following risk factors apply:

- The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- The fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.
- The fund invests in high yielding bonds which carry a greater risk of default than those with lower yields.
- The fund invests in mortgage and asset-backed securities (which may include collateralised loan, debt or mortgage obligations (respectively CLOs, CDOs or CMOs)). These are subject to prepayment and extension risk and additional liquidity and default risk compared to other credit securities.
- Convertible securities are investments that can be changed into another form upon certain triggers. As such, they can exhibit credit, equity and fixed interest risk. Contingent convertible securities (CoCos) are similar to convertible securities but have additional triggers which mean that they are more vulnerable to losses and volatile price movements and hence become less liquid.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

# Comparative Tables

	2023	2022	2021
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	47.63	52.12	52.28
Return before operating charges*	2.44	(4.03)	0.33
Operating charges	(0.30)	(0.46)	(0.49)
Return after operating charges*	2.14	(4.49)	(0.16)
Distributions	(1.12)	(0.57)	(0.40)
Retained distributions on accumulation shares	1.12	0.57	0.40
Closing net asset value per share	49.77	47.63	52.12
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	4.49%	(8.61%)	(0.31%)
<b>Other information</b>			
Closing net asset value (£'000)	144	109	119
Closing number of shares	290,251	227,910	227,910
Operating charges	0.62%	0.91%	0.93%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	49.96	52.55	52.87
Lowest share price	47.82	46.08	52.19

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2023	2022	2021
Retail income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	45.58	50.46	51.00
Return before operating charges*	2.33	(3.85)	0.41
Operating charges	(0.29)	(0.44)	(0.48)
Return after operating charges*	2.04	(4.29)	(0.07)
Distributions	(1.05)	(0.59)	(0.47)
Closing net asset value per share	46.57	45.58	50.46
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	4.48%	(8.50%)	(0.14%)
<b>Other information</b>			
Closing net asset value (£'000)	317	1	1
Closing number of shares	680,734	1,963	1,963
Operating charges	0.62%	0.91%	0.93%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	47.69	50.88	51.54
Lowest share price	45.49	44.24	50.58

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2023	2022	2021
Institutional accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	48.79	53.16	53.10
Return before operating charges*	2.54	(4.12)	0.33
Operating charges	(0.17)	(0.25)	(0.27)
Return after operating charges*	2.37	(4.37)	0.06
Distributions	(1.31)	(0.80)	(0.64)
Retained distributions on accumulation shares	1.31	0.80	0.64
Closing net asset value per share	51.16	48.79	53.16
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	4.86%	(8.22%)	0.11%
<b>Other information</b>			
Closing net asset value (£'000)	50,964	77,491	152,464
Closing number of shares	99,621,559	158,841,879	286,785,939
Operating charges	0.35%	0.49%	0.51%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	51.28	53.63	53.87
Lowest share price	48.99	47.18	53.11

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2023	2022	2021
Institutional income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	46.23	51.18	51.72
Return before operating charges*	2.40	(3.91)	0.39
Operating charges	(0.17)	(0.24)	(0.27)
Return after operating charges*	2.23	(4.15)	0.12
Distributions	(1.22)	(0.80)	(0.66)
Closing net asset value per share	47.24	46.23	51.18
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	4.82%	(8.11%)	0.23%
<b>Other information</b>			
Closing net asset value (£'000)	25,280	1	1
Closing number of shares	53,514,449	1,936	1,936
Operating charges	0.35%	0.49%	0.51%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	48.37	51.63	52.31
Lowest share price	46.16	44.91	51.30

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Institutional S accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	49.26	53.61	53.48
Return before operating charges*	2.58	(4.16)	0.34
Operating charges	(0.13)	(0.19)	(0.21)
Return after operating charges*	2.45	(4.35)	0.13
Distributions	(1.39)	(0.86)	(0.70)
Retained distributions on accumulation shares	1.39	0.86	0.70
Closing net asset value per share	51.71	49.26	53.61
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	4.97%	(8.11%)	0.24%
<b>Other information</b>			
Closing net asset value (£'000)	1,112	120	198
Closing number of shares	2,149,776	244,778	369,265
Operating charges	0.25%	0.37%	0.39%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	51.83	54.09	54.31
Lowest share price	49.47	47.64	53.50

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Institutional S income	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	45.55	50.43	50.97
Return before operating charges*	2.38	(3.89)	0.33
Operating charges	(0.12)	(0.18)	(0.20)
Return after operating charges*	2.26	(4.07)	0.13
Distributions	(1.27)	(0.81)	(0.67)
Closing net asset value per share	46.54	45.55	50.43
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	4.96%	(8.07%)	0.26%
<b>Other information</b>			
Closing net asset value (£'000)	9,335	1,866	2,926
Closing number of shares	20,058,273	4,097,259	5,801,819
Operating charges	0.25%	0.37%	0.39%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	47.66	50.88	51.56
Lowest share price	45.50	44.26	50.55

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

<b>Platform 1 accumulation</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	48.76	53.17	53.13
Return before operating charges*	2.55	(4.13)	0.34
Operating charges	(0.20)	(0.28)	(0.30)
Return after operating charges*	2.35	(4.41)	0.04
Distributions	(1.29)	(0.77)	(0.61)
Retained distributions on accumulation shares	1.29	0.77	0.61
Closing net asset value per share	51.11	48.76	53.17
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	4.82%	(8.29%)	0.08%
<b>Other information</b>			
Closing net asset value (£'000)	2,750	798	1,426
Closing number of shares	5,380,196	1,636,419	2,681,275
Operating charges	0.40%	0.54%	0.56%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	51.22	53.63	53.88
Lowest share price	48.97	47.17	53.15

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2023	2022	2021
Platform 1 income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	45.70	50.58	51.13
Return before operating charges*	2.38	(3.88)	0.32
Operating charges	(0.19)	(0.27)	(0.29)
Return after operating charges*	2.19	(4.15)	0.03
Distributions	(1.20)	(0.73)	(0.58)
Closing net asset value per share	46.69	45.70	50.58
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	4.79%	(8.20%)	0.06%
<b>Other information</b>			
Closing net asset value (£'000)	294	204	529
Closing number of shares	630,129	446,626	1,046,092
Operating charges	0.40%	0.54%	0.56%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	47.81	51.03	51.70
Lowest share price	45.63	44.38	50.71

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2023
Z accumulation <sup>A</sup>	pence per share
<b>Change in net assets per share</b>	
Opening net asset value per share	104.06
Return before operating charges*	3.72
Operating charges	(0.02)
Return after operating charges*	3.70
Distributions	(1.67)
Retained distributions on accumulation shares	1.67
Closing net asset value per share	107.76
* after direct transaction costs of:	-
<b>Performance</b>	
Return after charges	3.56%
<b>Other information</b>	
Closing net asset value (£'000)	10,923
Closing number of shares	10,136,733
Operating charges	0.05%
Direct transaction costs	-
<b>Prices</b>	
Highest share price	108.0
Lowest share price	103.4

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> Z Accumulation share class was launched on 23 June 2023.

# Comparative Tables

## Continued

ZC accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	50.03	54.28	53.91
Return before operating charges*	2.65	(4.20)	0.43
Operating charges	(0.05)	(0.05)	(0.06)
Return after operating charges*	2.60	(4.25)	0.37
Distributions	(1.51)	(1.04)	(1.00)
Retained distributions on accumulation shares	1.51	1.04	1.00
Closing net asset value per share	52.63	50.03	54.28
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	5.20%	(7.83%)	0.69%
<b>Other information</b>			
Closing net asset value (£'000)	51	1	1
Closing number of shares	97,769	1,184	1,184
Operating charges	0.10%	0.09%	0.11%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	52.75	54.79	54.95
Lowest share price	50.25	48.36	53.93

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

ZA income	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	45.24	50.08	50.62
Return before operating charges*	2.39	(3.85)	0.33
Operating charges	(0.01)	(0.01)	(0.02)
Return after operating charges*	2.38	(3.86)	0.31
Distributions	(1.40)	(0.98)	(0.85)
Closing net asset value per share	46.22	45.24	50.08
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	5.26%	(7.71%)	0.61%
<b>Other information</b>			
Closing net asset value (£'000)	9,099	4,712	6,156
Closing number of shares	19,686,312	10,415,686	12,292,872
Operating charges	0.02%	0.01%	0.03%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	47.33	50.55	51.23
Lowest share price	45.21	43.98	50.20

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Portfolio Statement

As at 31 October 2023

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Bonds (97.55%)</b>		<b>108,145</b>	<b>98.07</b>
<b>Euro Denominated Bonds (0.66%)</b>		<b>416</b>	<b>0.37</b>
<b>Corporate Bonds (0.66%)</b>		<b>416</b>	<b>0.37</b>
between 5 and 10 years to maturity			
462,000	Taurus 2018-1 IT SRL FRN 2032	115	0.10
Perpetual			
400,000	CaixaBank 5.25% fixed to floating Perpetual	301	0.27
<b>Sterling Denominated Bonds (96.61%)</b>		<b>107,433</b>	<b>97.43</b>
<b>Corporate Bonds (84.62%)</b>		<b>106,192</b>	<b>96.30</b>
less than 5 years to maturity			
600,000	ABN AMRO Bank 1.375% 2025	568	0.52
600,000	ABN AMRO Bank 5.125% 2028	577	0.52
400,000	ABP Finance 6.25% 2026	401	0.36
750,000	Anglian Water Osprey Financing 4% 2026	682	0.62
968,000	Annington Funding 2.646% 2025	905	0.82
724,000	APA Infrastructure 4.25% 2024	708	0.64
222,000	Arqiva Financing 7.21% 2028	228	0.21
1,258,000	AT&T 2.9% 2026	1,154	1.05
500,000	AT&T 5.5% 2027	493	0.45
1,099,000	Athene Global Funding 1.75% 2027	911	0.83
500,000	Banco Santander 1.375% 2024	483	0.44
700,000	Banco Santander 1.5% 2026	624	0.57
500,000	Banco Santander 3.125% fixed to floating 2026	469	0.42
800,000	Banco Santander 4.75% fixed to floating 2028	761	0.69
300,000	Bank of America 2.3% 2025	282	0.26
200,000	Bank of America 4.25% 2026	191	0.17
500,000	Banque Federative du Credit Mutuel 1.25% 2025	456	0.41
800,000	Banque Federative du Credit Mutuel 1.75% 2024	764	0.69
400,000	Banque Federative du Credit Mutuel 4.875% 2025	393	0.36
400,000	Banque Federative du Credit Mutuel 5% 2026	392	0.36
884,000	Barclays 3% 2026	814	0.74
381,000	Barclays 3.125% 2024	378	0.34
900,000	BAT Capital 2.125% 2025	840	0.76

# Portfolio Statement

As at 31 October 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,249,000	BAT International Finance 2.25% 2028	1,055	0.96
650,000	Bazalgette Finance 2.375% 2027	569	0.52
286,000	Bellis Acquisition 4.5% 2026	253	0.23
498,000	Blackstone Property Partners Europe 2% 2025	446	0.40
300,000	BMW International Investment 5.5% 2026	300	0.27
1,400,000	BNP Paribas 3.375% 2026	1,323	1.20
300,000	BPCE 6% fixed to floating 2028	296	0.27
1,300,000	CaixaBank 1.5% fixed to floating 2026	1,171	1.06
300,000	CaixaBank 3.5% fixed to floating 2028	270	0.24
699,000	Citigroup 5.875% 2024	696	0.63
400,000	Commerzbank 1.5% 2024	380	0.34
800,000	Cooperatieve Rabobank 1.875% fixed to floating 2028	695	0.63
383,000	Coventry Building Society 7% fixed to floating 2027	383	0.35
450,000	CPUK Finance 3.588% 2025	427	0.39
788,000	CPUK Finance 5.876% 2027	769	0.70
150,000	Credit Suisse 1.125% 2025	135	0.12
819,000	Credit Suisse 7.75% 2026	841	0.76
1,021,000	Danske Bank 2.25% fixed to floating 2028	893	0.81
487,000	Danske Bank 4.625% fixed to floating 2027	471	0.43
1,100,000	Deutsche Bank 2.625% 2024	1,049	0.95
1,800,000	Deutsche Bank 4% fixed to floating 2026	1,715	1.56
880,000	DNB Bank 1.375% fixed to floating 2025	835	0.76
412,000	DNB Bank 2.625% fixed to floating 2026	390	0.35
668,000	DNB Bank 4% fixed to floating 2027	627	0.57
400,000	Eastern Power Networks 5.75% 2024	399	0.36
517,000	Eastern Power Networks 8.5% 2025	530	0.48
274,000	Electricity North West 8.875% 2026	292	0.27
150,000	Enel Finance International 5.625% 2024	150	0.14
180,000	Eversholt Funding 6.359% 2025	182	0.16
797,000	FirstGroup 6.875% 2024	798	0.72
350,000	Fiserv 2.25% 2025	331	0.30
605,000	Ford Motor Credit 2.748% 2024	589	0.53
571,000	Ford Motor Credit 4.535% 2025	553	0.50
816,000	Gatwick Funding 6.125% 2026	816	0.74
940,000	Grainger 3.375% 2028	813	0.74
789,000	Hammerson REIT 3.5% 2025	736	0.67
844,000	Hammerson REIT 6% 2026	812	0.74

# Portfolio Statement

As at 31 October 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
400,000	Heathrow Funding 2.625% 2028	334	0.30
620,000	Heathrow Funding 6.75% 2026	632	0.57
1,220,000	HSBC 1.75% fixed to floating 2027	1,081	0.98
630,000	HSBC 3% fixed to floating 2028	559	0.51
200,000	Iberdrola Finanzas 7.375% 2024	201	0.18
750,000	Imperial Brands Finance 8.125% 2024	755	0.68
380,000	Informa 3.125% 2026	353	0.32
300,000	ING 5% fixed to floating 2026	294	0.27
500,000	John Deere Bank 5.125% 2028	496	0.45
700,000	KBC 5.5% fixed to floating 2028	681	0.62
800,000	La Banque Postale 5.625% fixed to floating 2028	777	0.70
400,000	Landesbank Baden-Wuerttemberg 1.5% 2025	376	0.34
2,021,000	Lloyds Banking 1.875% fixed to floating 2026	1,914	1.74
1,100,000	Lloyds Banking 2% fixed to floating 2028	953	0.86
700,000	Metrocentre Finance REIT 8.75% 2023	372	0.34
819,000	Mizuho Financial 5.628% 2028	807	0.73
617,000	Morgan Stanley 2.625% 2027	560	0.51
200,000	Muenchener Hypothekbank 0.5% 2024	189	0.17
300,000	National Grid Electricity Distribution 3.5% 2026	280	0.25
250,000	National Grid Electricity Distribution 3.625% 2023	250	0.23
375,000	National Grid Electricity Transmission 1.375% 2026	334	0.30
484,000	Nationwide Building Society 6.125% 2028	488	0.44
431,000	NatWest 2.875% fixed to floating 2026	403	0.37
200,000	NatWest 3.125% fixed to floating 2027	185	0.17
848,000	New York Life Global Funding 1.5% 2027	741	0.67
499,000	New York Life Global Funding 1.625% 2023	496	0.45
505,000	NewRiver REIT 3.5% 2028	430	0.39
250,000	Northern Powergrid Yorkshire 2.5% 2025	238	0.22
950,000	OP Corporate Bank 3.375% 2026	903	0.82
345,000	PACCAR Financial Europe 2.375% 2025	330	0.30
500,000	Pension Insurance 6.5% 2024	497	0.45
200,000	Pension Insurance 8% 2026	203	0.18
310,000	Petroleos Mexicanos 3.75% 2025	269	0.24
700,000	Realty Income REIT 1.875% 2027	615	0.56
518,000	Royal Bank of Canada 1.125% 2025	472	0.43
300,000	Royal Bank of Canada 5% 2028	289	0.26
675,000	Santander UK 2.92% fixed to floating 2026	635	0.58

# Portfolio Statement

As at 31 October 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,289,000	Santander UK 7.098% fixed to floating 2027	1,296	1.18
1,000,000	Severn Trent Utilities Finance 3.625% 2026	956	0.87
900,000	Societe Generale 1.875% 2024	866	0.79
246,000	South Eastern Power Networks 5.5% 2026	245	0.22
304,000	Southern Water Services Finance 1.625% 2027	256	0.23
399,000	Southern Water Services Finance 6.64% 2026	394	0.36
622,000	Stagecoach 4% 2025	589	0.53
250,000	Tesco Corporate Treasury Services 2.5% 2025	239	0.22
400,000	Thames Water Utilities Finance 2.875% 2027	298	0.27
800,000	Thames Water Utilities Finance 3.5% 2028	688	0.62
600,000	Thames Water Utilities Finance 4% 2025	564	0.51
363,000	Toronto-Dominion Bank 5.288% 2028	354	0.32
527,000	Toyota Finance Australia 3.92% 2027	496	0.45
1,058,000	UBS 2.25% fixed to floating 2028	908	0.82
989,000	UBS 7% fixed to floating 2027	995	0.90
1,695,000	UBS FRN 2025	1,630	1.48
650,000	United Utilities Water 5.625% 2027	644	0.58
500,000	Virgin Money UK 3.375% fixed to floating 2026	468	0.42
400,000	Virgin Money UK 4% fixed to floating 2026	374	0.34
794,000	Virgin Money UK 4% fixed to floating 2027	720	0.65
344,000	Virgin Money UK FRN 2025	333	0.30
600,000	Volkswagen Financial Services 1.125% 2026	528	0.48
500,000	Volkswagen Financial Services 1.875% 2024	477	0.43
500,000	Volkswagen Financial Services 2.125% 2024	487	0.44
500,000	Volkswagen Financial Services 2.125% 2028	421	0.38
300,000	Volkswagen Financial Services 4.25% 2025	289	0.26
700,000	Volkswagen Financial Services 5.5% 2026	685	0.62
614,000	Wells Fargo 3.473% fixed to floating 2028	559	0.51
1,270,000	Workspace REIT 2.25% 2028	995	0.90
300,000	Yorkshire Power Finance 7.25% 2028	315	0.29
between 5 and 10 years to maturity			
475,000	Australia & New Zealand Banking 1.809% fixed to floating 2031	408	0.37
600,000	Banco Santander 2.25% fixed to floating 2032	491	0.45
500,000	Bank of America 3.584% fixed to floating 2031	432	0.39
450,000	Barclays 3.75% fixed to floating 2030	415	0.38
241,000	Barclays 6.369% fixed to floating 2031	234	0.21

# Portfolio Statement

As at 31 October 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
331,000	Barclays 7.09% fixed to floating 2029	329	0.30
1,174,000	Barclays 8.407% fixed to floating 2032	1,195	1.08
1,200,000	BNP Paribas 2% fixed to floating 2031	1,045	0.95
500,000	BNP Paribas 6% fixed to floating 2029	500	0.45
700,000	BPCE 2.5% fixed to floating 2032	576	0.52
600,000	Credit Agricole 4.875% 2029	573	0.52
200,000	Deutsche Bank 6.125% fixed to floating 2030	187	0.17
300,000	Goldman Sachs 3.625% fixed to floating 2029	267	0.24
245,000	Haleon UK Capital 2.875% 2028	218	0.20
1,000,000	ING 1.125% fixed to floating 2028	828	0.75
500,000	ING 6.25% fixed to floating 2033	475	0.43
1,067,000	Lloyds Banking 1.985% fixed to floating 2031	916	0.83
704,000	Lloyds Banking 6.625% fixed to floating 2033	682	0.62
500,000	Mobico 2.375% 2028	409	0.37
1,078,000	National Australia Bank 1.699% fixed to floating 2031	919	0.83
1,363,000	NatWest 2.057% fixed to floating 2028	1,153	1.05
1,100,000	NatWest 2.105% fixed to floating 2031	937	0.85
771,000	NatWest 3.619% fixed to floating 2029	684	0.62
2,034,000	NatWest 3.622% fixed to floating 2030	1,909	1.73
234,000	NatWest 7.416% fixed to floating 2033	232	0.21
344,000	Nordea Bank 1.625% fixed to floating 2032	278	0.25
1,000,000	Santander UK 2.421% fixed to floating 2029	840	0.76
600,000	Svenska Handelsbanken 4.625% fixed to floating 2032	548	0.50
780,000	Swedbank 5.875% fixed to floating 2029	762	0.69
550,000	Telereal Securitisation FRN 2031	493	0.45
1,040,000	Virgin Money UK 2.625% fixed to floating 2031	886	0.80
559,000	Virgin Money UK FRN 2028	559	0.51
400,000	Welltower REIT 4.8% 2028	374	0.34
397,000	Yorkshire Building Society 6.375% fixed to floating 2028	387	0.35
between 10 and 15 years to maturity			
1,320,000	Aviva 6.125% fixed to floating 2036	1,305	1.18
500,000	HSBC 8.201% fixed to floating 2034	513	0.47
205,000	Telereal Securitisation 1.9632% fixed to floating 2033	184	0.17
between 15 and 25 years to maturity			
1,200,000	Legal & General 5.375% fixed to floating 2045	1,165	1.06

# Portfolio Statement

As at 31 October 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
greater than 25 years to maturity			
500,000	Assicurazioni Generali 6.269% fixed to floating 2049	483	0.44
492,000	AXA 6.6862% fixed to floating 2049	485	0.44
218,000	Castell 2021-1 FRN 2053	100	0.09
300,000	EDF 6% fixed to floating 2049	277	0.25
1,900,000	Legal & General 5.125% fixed to floating 2048	1,735	1.57
1,130,000	NGG Finance 5.625% fixed to floating 2073	1,080	0.98
400,000	Precise Mortgage Funding 2020-1B FRN 2056	139	0.13
400,000	Santander UK FRN 2049	390	0.35
100,000	Vattenfall 2.5% fixed to floating 2083	79	0.07
700,000	Vodafone 4.875% fixed to floating 2078	660	0.60
Perpetual			
400,000	Barclays FRN Perpetual	371	0.34
1,196,000	BP Capital Markets 4.25% fixed to floating Perpetual	1,069	0.97
1,094,000	Mobico 4.25% fixed to floating Perpetual	909	0.82
200,000	SSE 3.74% fixed to floating Perpetual	182	0.17
<b>Government Bonds (11.99%)</b>		<b>1,241</b>	<b>1.13</b>
less than 5 years to maturity			
600,000	Transport for London 2.125% 2025	570	0.52
800,000	UK (Govt of) 0.125% 2028	671	0.61
<b>US Dollar Denominated Bonds (0.28%)</b>		<b>296</b>	<b>0.27</b>
<b>Corporate Bonds (0.28%)</b>		<b>296</b>	<b>0.27</b>
between 5 and 10 years to maturity			
368,000	American Tower REIT 5.8% 2028	296	0.27
<b>Collective Investment Schemes (2.38%)</b>		<b>738</b>	<b>0.67</b>
738	Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund Z1 Inc+	738	0.67

# Portfolio Statement

As at 31 October 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Derivatives (-1.24%)</b>		<b>(1,010)</b>	<b>(0.91)</b>
<b>Credit Default Swaps (0.03%)</b>		-	-
<b>Forward Currency Contracts (-0.14%)</b>		<b>(29)</b>	<b>(0.03)</b>
	Buy EUR 5,067 Sell GBP 4,417 07/12/2023	-	-
	Buy EUR 5,432 Sell GBP 4,719 07/12/2023	-	-
	Buy EUR 75,312 Sell GBP 64,856 07/12/2023	1	-
	Buy GBP 4,363 Sell EUR 5,042 07/12/2023	-	-
	Buy GBP 5,310 Sell EUR 6,072 07/12/2023	-	-
	Buy GBP 482,630 Sell EUR 560,291 07/12/2023	(9)	(0.01)
	Buy GBP 5,110 Sell USD 6,220 07/12/2023	-	-
	Buy GBP 5,913 Sell USD 7,201 07/12/2023	-	-
	Buy GBP 7,202 Sell USD 8,761 07/12/2023	-	-
	Buy GBP 8,314 Sell USD 10,089 07/12/2023	-	-
	Buy GBP 10,403 Sell USD 12,639 07/12/2023	-	-
	Buy GBP 12,396 Sell USD 15,190 07/12/2023	-	-
	Buy GBP 294,531 Sell USD 367,367 07/12/2023	(7)	(0.01)
	Buy GBP 436,149 Sell USD 552,985 07/12/2023	(18)	(0.01)
	Buy USD 3,394 Sell GBP 2,796 07/12/2023	-	-
	Buy USD 6,308 Sell GBP 5,190 07/12/2023	-	-
	Buy USD 6,781 Sell GBP 5,446 07/12/2023	-	-
	Buy USD 7,969 Sell GBP 6,561 07/12/2023	-	-
	Buy USD 8,780 Sell GBP 7,269 07/12/2023	-	-
	Buy USD 10,227 Sell GBP 8,443 07/12/2023	-	-
	Buy USD 10,356 Sell GBP 8,246 07/12/2023	-	-
	Buy USD 10,663 Sell GBP 8,701 07/12/2023	-	-
	Buy USD 10,840 Sell GBP 8,905 07/12/2023	-	-
	Buy USD 13,081 Sell GBP 10,742 07/12/2023	-	-
	Buy USD 13,806 Sell GBP 11,255 07/12/2023	-	-
	Buy USD 14,587 Sell GBP 11,762 07/12/2023	-	-
	Buy USD 18,116 Sell GBP 14,870 07/12/2023	-	-
	Buy USD 21,296 Sell GBP 17,061 07/12/2023	1	-
	Buy USD 500,000 Sell GBP 408,062 07/12/2023	3	-

# Portfolio Statement

As at 31 October 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Futures (0.00%)</b>		<b>(50)</b>	<b>(0.04)</b>
12	Long Long Gilt Future 27/12/2023	(16)	(0.01)
24	Long US 5 Year Note (CBT) Future 29/12/2023	(34)	(0.03)
<b>Interest Rate Swaps (-1.13%)</b>		<b>(931)</b>	<b>(0.84)</b>
GBP 500,000	Pay fixed 4.0208% receive floating GBP-SONIA 01/03/2028	13	0.01
GBP 13,000,000	Pay floating GBP-SONIA receive fixed 0.9708% 17/11/2023	(452)	(0.41)
GBP 15,000,000	Pay floating GBP-SONIA receive fixed 1.5798% 04/02/2024	(490)	(0.44)
GBP 2,000,000	Pay floating GBP-SONIA receive fixed 4.0208% 01/03/2028	(52)	(0.05)
GBP 4,000,000	Pay floating GBP-SONIA receive fixed 5.2889% 28/07/2026	50	0.05
Total investment assets and liabilities		107,873	97.83
Net other assets		2,396	2.17
<b>Total Net Assets</b>		<b>110,269</b>	<b>100.00</b>

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities, or are regulated collective investment schemes or are approved derivatives within the meaning of the FCA rules.

The percentage figures in brackets show the comparative holding as at 31 October 2022.

+ Managed by subsidiaries of abrdn plc.

# Financial Statements

## Statement of Total Return

For the year ended 31 October 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains/(losses)	1		2,442		(16,573)
Revenue	2	3,827		3,228	
Expenses	3	(335)		(742)	
Interest payable and similar charges	4	(863)		(4)	
Net revenue before taxation		2,629		2,482	
Taxation	5	-		-	
Net revenue after taxation			2,629		2,482
<b>Total return before distributions</b>			<b>5,071</b>		<b>(14,091)</b>
Distributions	6		(2,629)		(2,482)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>2,442</b>		<b>(16,573)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 October 2023

	2023		2022	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>85,303</b>		<b>163,821</b>
Amounts receivable on the issue of shares	22,428		17,120	
Amounts payable on the cancellation of shares	(56,121)		(81,327)	
Amounts receivable on inspecie transfers*	54,377		-	
		20,684		(64,207)
Dilution adjustment		91		172
Change in net assets attributable to shareholders from investment activities (see above)		2,442		(16,573)
Retained distribution on accumulation shares		1,749		2,090
<b>Closing net assets attributable to shareholders</b>		<b>110,269</b>		<b>85,303</b>

\* Relating to an inspecie transfer from abrdn Sterling Short Dated Corporate Bond Fund on 23 June 2023.

# Financial Statements

## Continued

### Balance Sheet

As at 31 October 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			108,951		85,302
<b>Current assets:</b>					
Debtors	7	2,703		37,859	
Cash and bank balances	8	1,181		1,046	
			3,884		38,905
<b>Total assets</b>			<b>112,835</b>		<b>124,207</b>
<b>Liabilities:</b>					
Investment liabilities			(1,078)		(1,119)
Bank overdrafts	8	-		(120)	
Creditors	9	(1,009)		(37,630)	
Distribution payable		(479)		(35)	
			(1,488)		(37,785)
<b>Total liabilities</b>			<b>(2,566)</b>		<b>(38,904)</b>
<b>Net assets attributable to shareholders</b>			<b>110,269</b>		<b>85,303</b>

# Notes to the Financial Statements

## 1 Net Capital Gains/(Losses)

	2023 £'000	2022 £'000
Non-derivative securities	2,050	(15,412)
Derivative contracts	416	(788)
Forward currency contracts	(6)	(451)
Other (losses)/gains	(7)	87
Transaction charges	(11)	(9)
<b>Net capital gains/(losses)</b>	<b>2,442</b>	<b>(16,573)</b>

## 2 Revenue

	2023 £'000	2022 £'000
Bank and margin interest	48	26
Derivative revenue	-	11
Interest on debt securities	3,779	3,191
<b>Total revenue</b>	<b>3,827</b>	<b>3,228</b>

## 3 Expenses

	2023 £'000	2022 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	261	608
Dealing charge	1	1
General administration charge	67	122
	329	731
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fees	6	11
	6	11
<b>Total expenses</b>	<b>335</b>	<b>742</b>

Irrecoverable VAT is included in the above expenses, where relevant.  
The audit fee for the year, including VAT, was £13,500 (2022: £12,540).

# Notes to the Financial Statements

## Continued

### 4 Interest Payable and Similar Charges

	2023 £'000	2022 £'000
Derivative expense	861	-
Interest payable	2	4
<b>Total interest payable &amp; similar charges</b>	<b>863</b>	<b>4</b>

### 5 Taxation

	2023 £'000	2022 £'000
<b>(a) Analysis of charge in year</b>		
<b>Total taxation (note 5b)</b>	<b>-</b>	<b>-</b>

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

The tax assessed for the year is less than (2022: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

<b>Net revenue before taxation</b>	<b>2,629</b>	<b>2,482</b>
Corporation tax at 20% (2022: 20%)	526	496
Effects of:		
Distributions treated as tax deductible	(526)	(496)
<b>Total tax charge for year (note 5a)</b>	<b>-</b>	<b>-</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

#### (c) Factors that may affect future tax charge

At the year end there are no surplus expenses and therefore no deferred tax asset in the current or prior year.

### 6 Distributions

	2023 £'000	2022 £'000
First interim distribution	339	589
Second interim distribution	378	621
Third interim distribution	804	662
Final distribution	1,179	370
	<b>2,700</b>	<b>2,242</b>
Add: Income deducted on cancellation of shares	204	284
Deduct: Income received on issue of shares	(275)	(44)
<b>Total distributions for the year</b>	<b>2,629</b>	<b>2,482</b>

Details of the distribution per share are set out in this fund's distribution tables.

# Notes to the Financial Statements

## Continued

### 7 Debtors

	2023 £'000	2022 £'000
Accrued revenue	2,037	1,265
Amounts receivable from the ACD for the issue of shares	666	85
Sales awaiting settlement	-	36,509
<b>Total debtors</b>	<b>2,703</b>	<b>37,859</b>

### 8 Liquidity

	2023 £'000	2022 £'000
<b>Cash and bank balances</b>		
Cash at bank	10	58
Cash at broker	1,171	988
	<b>1,181</b>	<b>1,046</b>
<b>Bank overdrafts</b>		
Collateral cash pledged by counterparties <sup>^</sup>	-	(120)
	-	<b>(120)</b>
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	738	2,030
<b>Net liquidity</b>	<b>1,919</b>	<b>2,956</b>

<sup>^</sup> This reflects cash the fund has taken receipt of to support in the money derivative positions and mitigate counterparty risk to the fund.

\* Although reflected in the investment assets figure, liquidity funds are used by the fund as a liquidity vehicle and commonly reflects collateral held by the fund. Therefore, the ACD considers the net liquidity position of the fund as the aggregate of cash at bank and in hand, bank overdrafts and liquidity fund positions.

### 9 Creditors

	2023 £'000	2022 £'000
Accrued expenses payable to ACD	24	62
Accrued expenses payable to the Depositary or associates of the Depositary	3	3
Amounts payable to the ACD for cancellation of shares	268	37,565
Purchases awaiting settlement	714	-
<b>Total creditors</b>	<b>1,009</b>	<b>37,630</b>

### 10 Related Party Transactions

abrdr Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

# Notes to the Financial Statements

## Continued

Any amounts due from or due to abrdrn Fund Managers Limited at the end of the accounting year are disclosed in notes 7 and 9.

Amounts payable to abrdrn Fund Managers Limited, in respect of expenses are disclosed in note 3 and any amounts due at the year end in note 9.

## 11 Portfolio Transaction Costs

There are no transaction costs associated with the purchases or sales of bonds and derivatives during the year, or in the prior year.

Bonds are dealt on a spread agreed between buyer and seller with reference to the expected cashflows and current credit profiles.

Derivatives are dealt on a spread agreed between buyer and seller with reference to the underlying investment.

	Purchases		Sales	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Trades in the year</b>				
Bonds	44,198	65,574	75,494	125,781
Inspecie transactions	53,747	-	-	-
<b>Trades in the year before transaction costs</b>	<b>97,945</b>	<b>65,574</b>	<b>75,494</b>	<b>125,781</b>
<b>Total net trades in the year after transaction costs</b>	<b>97,945</b>	<b>65,574</b>	<b>75,494</b>	<b>125,781</b>

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.30% (2022: 0.52%), this is representative of the average spread on the assets held during the year.

## 12 Shares in Issue Reconciliation

	Opening shares 2022	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2023
Retail accumulation	227,910	1,712,290	(1,649,949)	-	290,251
Retail income	1,963	678,771	-	-	680,734
Institutional accumulation	158,841,879	28,293,958	(87,519,095)	4,817	99,621,559
Institutional income	1,936	61,177,394	(7,664,881)	-	53,514,449
Institutional S accumulation	244,778	4,700,558	(2,795,560)	-	2,149,776
Institutional S income	4,097,259	26,730,759	(10,769,745)	-	20,058,273
Platform 1 accumulation	1,636,419	4,896,354	(1,147,755)	(4,822)	5,380,196
Platform 1 income	446,626	246,559	(63,056)	-	630,129
Z accumulation	-	10,136,733	-	-	10,136,733
ZC accumulation	1,184	127,880	(31,295)	-	97,769
ZA income	10,415,686	11,531,651	(2,261,025)	-	19,686,312

# Notes to the Financial Statements

## Continued

### 13 Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2023	2023	2023	2022	2022	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Bonds	1,241	106,904	-	3,740	79,469	-
Collective Investment Schemes	-	738	-	-	2,030	-
Derivatives	-	68	-	3	60	-
<b>Total investment assets</b>	<b>1,241</b>	<b>107,710</b>	<b>-</b>	<b>3,743</b>	<b>81,559</b>	<b>-</b>
<b>Fair value of investment liabilities</b>						
Derivatives	(50)	(1,028)	-	-	(1,119)	-
<b>Total investment liabilities</b>	<b>(50)</b>	<b>(1,028)</b>	<b>-</b>	<b>-</b>	<b>(1,119)</b>	<b>-</b>

### 14 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

#### Foreign currency risk

The fund's net exposure to foreign currencies (including any instruments used to hedge against foreign currencies) is not significant. Therefore, the financial statements are not subject to any significant risk of currency movements. This is consistent with the exposure during the prior year.

#### Interest rate risk

Interest rate risk is an unfavourable change in interest rates that can affect the price of a security, which in turn results in the portfolio experiencing a loss. Interest rate changes not only affect fixed income products but have material impacts on funding arrangements and other asset types.

The following table shows separately the value of investments at fixed interest rates, at variable rates and those that are non-interest bearing instruments.

# Notes to the Financial Statements

## Continued

The interest rate risk profile of the fund's investments at the year end consists of:

2023	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>Currency</b>				
UK Sterling	4,999	103,418	1,854	110,271
Euro	119	301	(421)	(1)
US Dollar	-	296	(297)	(1)
<b>Total</b>	<b>5,118</b>	<b>104,015</b>	<b>1,136</b>	<b>110,269</b>

2022	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>Currency</b>				
UK Sterling	2,617	81,723	593	84,933
Euro	127	432	(417)	142
US Dollar	54	241	(67)	228
<b>Total</b>	<b>2,798</b>	<b>82,396</b>	<b>109</b>	<b>85,303</b>

### Other price risk

Each fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Adviser in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

### VaR

The table below indicates the VaR of the fund, measured as the maximum one month loss in value from adverse changes in market risk factors (e.g. equity prices, interest rates, inflation rates and foreign currency exchange rates) that is expected with a 99 percent confidence level. Calculated on this basis, the VaR indicates that the net value of the fund could be expected to fall over a one-month period by more than the corresponding VaR in 1% of cases, assuming the fund does not alter its positioning over that period.

2023	Minimum	Maximum	Average
VaR 99% 1 Month	2.86%	3.44%	3.11%
<b>2022</b>			
VaR 99% 1 Month	1.08%	3.27%	1.77%

At the year end date, there was a 1% chance of the portfolio value falling (or rising) more than 3.01%, £3,247,000 (2022: 3.27%, £2,751,000) in a one month period.

# Notes to the Financial Statements

## Continued

This calculation is generally determined by the use of an industry recognised medium term risk model, typically based on 3–5 year history. The method assumes normal market conditions and that the portfolio remains unchanged.

### Counterparty risk

#### Credit quality of debt security investment assets

The following table shows the credit quality of the part of the investment portfolio that is invested in debt securities.

	Market value £'000	Percentage of total net assets %
<b>2023</b>		
Investment grade securities	101,111	91.70
Below investment grade securities	5,950	5.38
Unrated securities	1,084	0.99
<b>Total value of securities</b>	<b>108,145</b>	<b>98.07</b>
<b>2022</b>		
Investment grade securities	77,233	90.56
Below investment grade securities	5,551	6.49
Unrated securities	425	0.50
<b>Total value of securities</b>	<b>83,209</b>	<b>97.55</b>

Investment grade information used in the above table is based on credit ratings issued by market vendors.

### Financial derivatives instrument risk

These types of transaction can introduce market exposure greater than the market value of the instrument. These transactions exchange benefits with a third party at a future date creating both counterparty and concentration risk. The Investment Adviser's policies for managing these risks are outlined in the fund's prospectus.

At the balance sheet date the fund had the following exposures:

	2023		2022	
	Market exposure £'000	Market value £'000	Market exposure £'000	Market value £'000
<b>Leveraged instruments</b>				
Forward currency contracts	1,922	(29)	10,934	(119)
Futures	3,184	(50)	2,315	3
Swaps	34,500	(931)	42,146	(940)
<b>Total market exposure</b>	<b>39,606</b>	<b>(1,010)</b>	<b>55,395</b>	<b>(1,056)</b>

The total market exposure is the sum of the notional derivative contracts on a gross basis with no offsetting.

The fund uses the commitment method to calculate global exposure. Leverage is not significant in this context.

# Notes to the Financial Statements

## Continued

### Counterparty risk

Where the fund enters market transactions this creates concentration risk where a clearing broker operates on an exchange. Where the clearing broker is not solvent the market exposure can be transferred. Exposure is reduced by the daily exchange of margin by both parties held in the name of the depositary. At the year end the fund had the following clearing broker exposure.

2023 Broker or exchange exposure	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
Goldman Sachs	(981)	-	301	(680)	(0.62)
	(981)	-	301	(680)	(0.62)

2022 Broker or exchange exposure	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
Goldman Sachs	(966)	988	853	875	1.03
	(966)	988	853	875	1.03

### Bilateral agreements

Where the fund enters bilateral agreements this introduces counterparty risk. Where a counterparty defaults on their obligation, exposure is reduced by the collateral held/pledged by both parties.

At the balance sheet date the fund had the following positions.

2023 Counterparties	Swaps £'000	Forwards £'000	Collateral (held)/pledged		Net exposure £'000
			Cash £'000	Stock £'000	
BNP Paribas	-	(1)	-	-	(1)
Deutsche Bank	-	1	-	-	1
Goldman Sachs	-	(18)	-	-	(18)
HSBC	-	2	-	-	2
Lloyds Bank	-	(7)	-	-	(7)
Morgan Stanley	-	1	-	-	1
UBS	-	(7)	-	-	(7)
<b>Total</b>	<b>-</b>	<b>(29)</b>	<b>-</b>	<b>-</b>	<b>(29)</b>

Top Issuers 2023	Type	Collateral Stock £'000
United Kingdom (Gov't of)	Bond	301
		<b>301</b>

# Notes to the Financial Statements

## Continued

2022 Counterparties	Swaps £'000	Forwards £'000	Collateral (held)/pledged		Net exposure £'000
			Cash £'000	Stock £'000	
Bank of America Merrill Lynch	-	(1)	-	-	(1)
Citigroup	-	24	-	-	24
Goldman Sachs	29	-	(120)	-	(91)
Morgan Stanley	-	(14)	-	-	(14)
Societe Generale	-	1	-	-	1
UBS	-	(129)	-	160	31
<b>Total</b>	<b>29</b>	<b>(119)</b>	<b>(120)</b>	<b>160</b>	<b>(50)</b>

Top Issuers 2022	Type	Collateral Stock £'000
United Kingdom (Gov't of)	Bond	1,013
		<b>1,013</b>

### Liquidity risk

The following table provides a maturity analysis of the fund's financial liabilities on a contractual basis.

2023	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
<b>Derivatives</b>					
Investment liabilities	-	(1,026)	(52)	-	(1,078)
<b>Non-derivatives</b>					
Other creditors	-	(1,009)	-	-	(1,009)
Distribution payable	-	(479)	-	-	(479)
<b>Total financial liabilities</b>	<b>-</b>	<b>(2,514)</b>	<b>(52)</b>	<b>-</b>	<b>(2,566)</b>

2022	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
<b>Derivatives</b>					
Investment liabilities	-	(196)	(923)	-	(1,119)
<b>Non-derivatives</b>					
Other creditors	-	(37,630)	-	-	(37,630)
Bank overdrafts	(120)	-	-	-	(120)
Distribution payable	-	(35)	-	-	(35)
<b>Total financial liabilities</b>	<b>(120)</b>	<b>(37,861)</b>	<b>(923)</b>	<b>-</b>	<b>(38,904)</b>

# Distribution Tables

For the year ended 31 October 2023 (in pence per share)

## First interim interest distribution

Group 1 – shares purchased prior to 1 November 2022

Group 2 – shares purchased between 1 November 2022 and 31 January 2023

	Revenue	Equalisation	Distribution paid 31/03/23	Distribution paid 31/03/22
<b>Retail accumulation</b>				
Group 1	0.1346	-	0.1346	0.1334
Group 2	0.1346	-	0.1346	0.1334
<b>Retail income</b>				
Group 1	0.1365	-	0.1365	0.1400
Group 2	0.1365	-	0.1365	0.1400
<b>Institutional accumulation</b>				
Group 1	0.1907	-	0.1907	0.1925
Group 2	0.0118	0.1789	0.1907	0.1925
<b>Institutional income</b>				
Group 1	0.1864	-	0.1864	0.1880
Group 2	0.1864	-	0.1864	0.1880
<b>Institutional S accumulation</b>				
Group 1	0.2079	-	0.2079	0.2105
Group 2	0.2079	-	0.2079	0.2105
<b>Institutional S income</b>				
Group 1	0.1921	-	0.1921	0.1980
Group 2	0.1921	-	0.1921	0.1980
<b>Platform 1 accumulation</b>				
Group 1	0.1846	-	0.1846	0.1858
Group 2	0.1738	0.0108	0.1846	0.1858
<b>Platform 1 income</b>				
Group 1	0.1727	-	0.1727	0.1770
Group 2	0.0758	0.0969	0.1727	0.1770
<b>ZC accumulation</b>				
Group 1	0.2412	-	0.2412	0.2660
Group 2	0.1111	0.1301	0.2412	0.2660
<b>ZA income</b>				
Group 1	0.2328	-	0.2328	0.2423
Group 2	0.2328	-	0.2328	0.2423

# Distribution Tables

For the year ended 31 October 2023 (in pence per share) continued

## Second interim interest distribution

Group 1 – shares purchased prior to 1 February 2023

Group 2 – shares purchased between 1 February 2023 and 30 April 2023

	Revenue	Equalisation	Distribution paid 30/06/23	Distribution paid 30/06/22
<b>Retail accumulation</b>				
Group 1	0.1559	-	0.1559	0.1311
Group 2	0.1559	-	0.1559	0.1311
<b>Retail income</b>				
Group 1	0.1436	-	0.1436	0.1584
Group 2	0.1436	-	0.1436	0.1584
<b>Institutional accumulation</b>				
Group 1	0.2099	-	0.2099	0.1873
Group 2	0.0646	0.1453	0.2099	0.1873
<b>Institutional income</b>				
Group 1	0.1926	-	0.1926	0.2029
Group 2	0.1926	-	0.1926	0.2029
<b>Institutional S accumulation</b>				
Group 1	0.2268	-	0.2268	0.2042
Group 2	0.2268	-	0.2268	0.2042
<b>Institutional S income</b>				
Group 1	0.2090	-	0.2090	0.1915
Group 2	0.2090	-	0.2090	0.1915
<b>Platform 1 accumulation</b>				
Group 1	0.2033	-	0.2033	0.1809
Group 2	0.0627	0.1406	0.2033	0.1809
<b>Platform 1 income</b>				
Group 1	0.1900	-	0.1900	0.1715
Group 2	0.0880	0.1020	0.1900	0.1715
<b>ZC accumulation</b>				
Group 1	0.2631	-	0.2631	0.2432
Group 2	0.2052	0.0579	0.2631	0.2432
<b>ZA income</b>				
Group 1	0.2469	-	0.2469	0.2331
Group 2	0.0398	0.2071	0.2469	0.2331

# Distribution Tables

For the year ended 31 October 2023 (in pence per share) continued

## Third interim interest distribution

Group 1 – shares purchased prior to 1 May 2023

Group 2 – shares purchased between 1 May 2023 and 31 July 2023

	Revenue	Equalisation	Distribution paid 29/09/23	Distribution paid 30/09/22
<b>Retail accumulation</b>				
Group 1	0.3366	-	0.3366	0.1532
Group 2	0.1847	0.1519	0.3366	0.1532
<b>Retail income</b>				
Group 1	0.3118	-	0.3118	0.1579
Group 2	0.1758	0.1360	0.3118	0.1579
<b>Institutional accumulation</b>				
Group 1	0.3747	-	0.3747	0.2106
Group 2	0.1806	0.1941	0.3747	0.2106
<b>Institutional income</b>				
Group 1	0.3443	-	0.3443	0.2055
Group 2	0.1878	0.1565	0.3443	0.2055
<b>Institutional S accumulation</b>				
Group 1	0.3967	-	0.3967	0.2283
Group 2	0.2110	0.1857	0.3967	0.2283
<b>Institutional S income</b>				
Group 1	0.3628	-	0.3628	0.2127
Group 2	0.1926	0.1702	0.3628	0.2127
<b>Platform 1 accumulation</b>				
Group 1	0.3737	-	0.3737	0.2043
Group 2	0.2835	0.0902	0.3737	0.2043
<b>Platform 1 income</b>				
Group 1	0.3473	-	0.3473	0.1928
Group 2	0.1606	0.1867	0.3473	0.1928
<b>Z accumulation</b>				
Group 1	0.4614	-	0.4614	-
Group 2	0.1008	0.3606	0.4614	-
<b>ZC accumulation</b>				
Group 1	0.4221	-	0.4221	0.2618
Group 2	0.4077	0.0144	0.4221	0.2618
<b>ZA income</b>				
Group 1	0.3883	-	0.3883	0.2549
Group 2	0.3883	-	0.3883	0.2549

# Distribution Tables

For the year ended 31 October 2023 (in pence per share) continued

## Final interest distribution

Group 1 – shares purchased prior to 1 August 2023

Group 2 – shares purchased between 1 August 2023 and 31 October 2023

	Revenue	Equalisation	Distribution paid 29/12/23	Distribution paid 30/12/22
<b>Retail accumulation</b>				
Group 1	0.4882	-	0.4882	0.1520
Group 2	0.4882	-	0.4882	0.1520
<b>Retail income</b>				
Group 1	0.4610	-	0.4610	0.1324
Group 2	0.0318	0.4292	0.4610	0.1324
<b>Institutional accumulation</b>				
Group 1	0.5364	-	0.5364	0.2077
Group 2	0.2412	0.2952	0.5364	0.2077
<b>Institutional income</b>				
Group 1	0.5002	-	0.5002	0.2060
Group 2	0.2293	0.2709	0.5002	0.2060
<b>Institutional S accumulation</b>				
Group 1	0.5556	-	0.5556	0.2216
Group 2	0.5556	-	0.5556	0.2216
<b>Institutional S income</b>				
Group 1	0.5053	-	0.5053	0.2088
Group 2	0.2509	0.2544	0.5053	0.2088
<b>Platform 1 accumulation</b>				
Group 1	0.5287	-	0.5287	0.2009
Group 2	0.2143	0.3144	0.5287	0.2009
<b>Platform 1 income</b>				
Group 1	0.4885	-	0.4885	0.1895
Group 2	0.1487	0.3398	0.4885	0.1895
<b>Z accumulation</b>				
Group 1	1.2091	-	1.2091	-
Group 2	0.2100	0.9991	1.2091	-
<b>ZC accumulation</b>				
Group 1	0.5834	-	0.5834	0.2651
Group 2	0.4107	0.1727	0.5834	0.2651

# Distribution Tables

For the year ended 31 October 2023 (in pence per share) continued

	Revenue	Equalisation	Distribution paid 29/12/23	Distribution paid 30/12/22
<b>ZA income</b>				
Group 1	0.5280	-	0.5280	0.2489
Group 2	0.5280	-	0.5280	0.2489

## Equalisation

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# abrdrn Short Duration Global Inflation-Linked Bond Fund

For the year ended 31 October 2023

## Investment Objective

To generate income and some growth over the long term (5 years or more) by investing in inflation-linked bonds with a maturity of up to 10 years.

Performance Target: To achieve the return of the following composite index: 70% Bloomberg World Government Inflation Linked ex-UK 1-10 years Index (Hedged to GBP)/30% Bloomberg UK inflation-linked 1-10 years Index, plus 0.5% per annum (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the indices.

## Investment Policy

### Portfolio Securities

- At least 70% of the fund will be invested in inflation-linked investment grade government bonds issued anywhere in the world with a maturity of up to 10 years.
- The fund may also invest in inflation-linked and non-inflation-linked investment grade corporate bonds and sub-sovereign bonds issued anywhere in the world. The fund will employ techniques to reduce (hedge) risk related to currency movements on non-Sterling bonds.
- The fund may also invest in other funds (including those managed by abrdrn) and money-market instruments, and cash.

### Management Process

- The management team use their discretion (active management) to identify investments after analysing global economic and market conditions (for example, interest rates and inflation) in addition to analysing of individual bonds and derivatives.
- In seeking to achieve the Performance Target, the composite index: 70% Bloomberg World Government Inflation Linked ex-UK 1-10 year Index (Hedged to GBP)/30% Bloomberg UK inflation-linked 1-10 year Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index, is not ordinarily expected to exceed 1.5%. Due to the fund's risk constraints, the intention is that the fund's performance profile will not deviate significantly from that of the composite index over the longer term.

## Derivatives and Techniques

- The fund will routinely use derivatives to reduce risk, reduce cost and/or generate extra income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivatives can be used to generate growth, consistent with the fund's risk profile, if market prices are expected to rise ("long positions") or fall ("short positions").
- Derivatives include instruments used to manage expected changes in interest rates, inflation, currencies or creditworthiness of corporations or governments.

## Performance Review

Over the period under review, the Fund returned 0.95% (source: FactSet, Platform 1 share class, net of fees). In comparison, the performance target returned 2.01% (source: FactSet, 70% Bloomberg World Government Inflation Linked ex-UK 1-10 Year Index (Hedged to GBP)/30% Bloomberg UK inflation-linked 1-10 Year Index, plus 0.5%).

Source: Bloomberg. For illustrative purposes only. No assumptions regarding future performance should be made.

Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

Companies selected for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.

Persistently high inflation and central bank policy drove investor sentiment over the period, with most government bond prices falling. At the start of the period, the UK Government's September mini-budget drove volatility. The Bank of England (BoE) began to unwind its financial stability Gilt purchases in the fourth quarter of 2022, with the demand for bonds providing support to the UK index-linked Gilt market in December. In March of 2023, the collapse of Silicon Valley Bank and Signature Bank spurred a huge turnaround in government bond markets. However, in the second quarter of 2023, the threat of contagion across the banking sector appeared contained, allowing investors and central banks to switch their attention to inflation. While headline inflation declined across most developed economies in the second quarter, the core component persisted at levels above mandated central bank targets. The third quarter of 2023 then saw the US Federal Reserve (FED) look to temper its stance given the moderation in inflation data, while other economic indicators proved resilient and emboldened the views of those calling for a soft landing. As the quarter progressed,

# abrdrn Short Duration Global Inflation-Linked Bond Fund

## Continued

it became an increasingly weaker period for government bonds, with the market contending with developed market central banks looking to pause their rate hiking cycles while advocating a higher-for-longer mantra when it comes to future policy settings. This came alongside a mixed economic backdrop, with data surprising to the upside in China and Europe, disappointing in the UK, and the US proving to be resilient. Then, in October, we saw global political risk surge as a result of the Israel-Hamas conflict. Markets were worried about whether this would lead to a broader escalation. Government bonds rallied on the back of this, but oil prices also saw the biggest weekly gain since February. As a result, short-term inflation expectations heightened, which led to a sell-off in the nominal government bond space, with US 10-year government bonds reaching intraday highs of 5%. US inflation breakevens increased, and these moves were more pronounced at the front end. The BoE left rates at 5.25% at the end of August. The FED's target rate for the FED funds rate is now at 5.25%-5.50%. The ECB hiked rates in September to 4%. All three banks held rates at their last meetings.

At the start of the period, our UK 25s50s real yield steepener position was positive for performance, as it benefitted from the unwinding of the real yield curve position from the inversion that was reached following the liability-drive investment crisis.

Our long position in New Zealand real yields was volatile over the period. Initially, the position was beneficial, as it rallied in line with global duration moves. However, the position detracted in December 2022, as New Zealand real yields rose alongside global duration into the year-end. Then, in January, the contribution turned positive again, as duration rallied strongly after markets pre-empted a less aggressive stance from banks regarding monetary policy. However, in February, the position contributed negatively, cheapening in the global sell-off, while the Reserve Bank of New Zealand (RBNZ) continued to strike a less supportive tone. In March and April, it contributed positively, as it performed alongside duration assets in the global risk-off tone, as investors sought the perceived relative safety of government bonds. However, going into the latter half of the period, the position hurt performance, as New Zealand real yields moved higher alongside global duration moves, with the RBNZ having been one of the most aggressive central banks during this hiking cycle. This performance continued into October, as the global move in duration continued to drive yields higher.

At the start of the period, our short position in 10-year US bond futures was also volatile. Initially, it contributed negatively, as markets sought to price in a 'pivot' in monetary policy from the FED following weaker CPI data. In December, the position turned positive, as global duration sold off. This was further boosted towards the end of December by the less-supportive move by the Bank of Japan to raise its yield curve control target. However, in January, the position detracted from performance, as the duration weakness we saw in December was sharply reversed. Then, in February, the position contributed positively, as the duration sell-off gathered pace and yields rose strongly. Then, the contribution from the position turned negative again, as it was affected by the general fixed income rally and as yields fell late in April on concerns around US regional banks. However, in the latter half of the period, the position was a positive contributor to the fund's performance. The fund is short US nominal yields on the back of rising interest rates and a more persistent inflationary backdrop. Economic data in the US has been broadly resilient despite tighter monetary policy, allowing yields to move higher. This positive performance continued into October, as economic data suggested the US economy was proving more resilient than expected.

Weaker CPI data at the start of the period also affected our long position in 30-year US CPI. The position then contributed positively, as inflation pricing at the long end increased as duration sold off. However, it contributed negatively to fund performance in March and April amid the duration rally and as inflation pricing fell over April.

Our long 10-year Treasury inflation-protected securities (TIPS) versus 10-year UK Gilt futures position contributed positively over the period. At the end of the first half of the period, US bonds outperformed given that the banking turmoil was concentrated primarily on US banks. In April, the position contributed positively, as UK bonds continued to underperform global peers given concerns over firm economic data that could lead the BoE to be less accommodative in its monetary policy than the FED. At the start of the second half of the period, due to the same reasoning, the position again boosted performance.

Towards the end of the period, the fund benefitted from exposure to US 30-year CPI swaps. Inflation expectations have moved higher as the Federal Reserve (FED) now approaches its terminal rate amid an economic backdrop that remains robust. Also towards the end of the period, a negative contributor to fund performance was our overweight position in US TIPS, due to yields moving higher as the market questions the neutral rate of interest and the level at which the FED may hold rates.

# abrdrn Short Duration Global Inflation-Linked Bond Fund

## Continued

### Portfolio Activity and Review

In the first half of the review period, we removed and took profit on our underweight position in Italian linkers amid the duration rally. We added an underweight position in UK Gilt futures, as we believed the BoE would reassess their more supportive messaging versus market rate expectations. We then removed this position in January, as we looked to soften the short-duration stance of the portfolio amid the global strength in government bond markets. We opened a cross-market position, buying 10-year UK real yields versus selling French and German 10-year linkers, as we thought UK real yields could fall as a result of increasing liability-drive investment demand while European supply was set to increase alongside quantitative tightening and following a period of outperformance for euro linkers.

We then removed our long 10-year UK real yields against French and German 10-year linkers for a near-flat return, as we felt the UK leg would not outperform relatively in the medium term. We removed our 10-year, 30-year US real yield flattener bias for a profit, as it had flattened substantially. We also initiated a new trade, going long 10-year US TIPS against a short position in 10-year UK Gilt futures. We initiated this trade as we felt that inflation-linked bonds could outperform and that TIPS offered attractive entry levels, while the underweight in 10-year UK Gilts allowed us to offset the duration in a market we thought may underperform after a period of recent outperformance that we didn't believe was justified by the economic fundamentals of the UK. In April, we took profit on our long 10-year US TIPS versus 10-year UK Gilt futures trade after UK duration underperformed markedly. We closed the UK leg, as we continued to believe that 10-year TIPS offered attractive yields. In May, we entered a cross-market position, going long of 10-year nominal Gilt futures against 10-year Bund futures. This trade was removed later in the month.

Early in June, we added to our long position in 10-year US TIPS. This left the fund overweight US duration overall at increasingly attractive real yield levels. In July, we increased the size of this position in 10-year US TIPS, which we believed offered increasingly good value given real yields were significantly above 1.5%. In August, we opened a US 10-year Treasury versus 10-year German Bund position on the expectation that US data would continue to outperform European data. We reduced US inflation exposure by selling US TIPS and covering part of the US futures short at the 10-year point of the curve. In September, we cut the 0.2-year duration position in German 10-year Bunds in half. We left the US Treasury 10-year exposure at 0.2-year duration, thereby reducing fund duration overall by 0.1 year. Finally, in October, we closed the long 10-year Germany versus US bond futures

position (which performed positively in October, as the US economy proved more resilient relative to Germany) and increased our short 10-year US bond futures position by 0.10-years to maintain some short exposure to the US. We also closed the long US 10-year TIPS position and shifted the exposure across the curve, where we added a 0.15-year overweight in 30-year US TIPS. We closed a 0.13-year short US bond futures position.

### Portfolio Outlook and Strategy

The most recent inflation data shows that while the trend of inflation is expected to be lower in the medium term, it is likely to be a volatile journey, and one in which there is still considerable uncertainty about the effect that past policy moves will have on the broad economy. Future central bank moves will be highly data-dependent, as the banks gauge how tight current financial conditions are relative to the perceived neutral rate and, thereby, what will be required of them going forward. In October, central banks continued to show more willingness to pause in an attempt to evaluate the effect of previous hikes.

We maintain our long position in 30-year US CPI, expressing a positive inflation bias in the US that should benefit if data continues to prove resilient, as has been the case for a number of months now. This sits alongside our continued overweight real yield position in New Zealand, which we believe also offers attractive return prospects, with real yields being kept at elevated levels in part by the global duration backdrop.

We remain neutral outright in terms of UK duration positioning but maintain a curve position that opposes the inversion of the 30s50s real yield curve. Recent moves in duration have pushed the UK front-end higher and have elevated 5-year real yields to levels not seen since the September 2022 mini-budget, driving a material flattening in the real yield curve at these points. Therefore, we see relative value in the front end of the curve relative to the belly and prefer 30-year to ultra-long dated bonds. We also retain other curve positions, which seek a long-term normalisation of dislocations that arose during that volatile autumn period.

### Inflation Team

November 2023

# abrdn Short Duration Global Inflation-Linked Bond Fund

## Continued

### Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the fund. The table below shows the fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk			Typically higher rewards, higher risk			
←			→			
1	2	3	4	5	6	7

Risk and reward indicator table as at 31 October 2023.

The fund is rated as 3 because of the extent to which the following risk factors apply:

- The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- The fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

# Comparative Tables

	2023	2022	2021
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	52.97	55.66	53.64
Return before operating charges*	0.67	(2.24)	2.47
Operating charges	(0.43)	(0.45)	(0.45)
Return after operating charges*	0.24	(2.69)	2.02
Distributions	(2.28)	(1.62)	(0.27)
Retained distributions on accumulation shares	2.28	1.62	0.27
Closing net asset value per share	53.21	52.97	55.66
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	0.45%	(4.83%)	3.77%
<b>Other information</b>			
Closing net asset value (£'000)	21	44	160
Closing number of shares	38,582	82,908	287,347
Operating charges	0.81%	0.81%	0.82%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	54.58	57.63	56.21
Lowest share price	52.75	51.54	53.55

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2023	2022	2021
Retail income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	50.09	54.24	52.55
Return before operating charges*	0.60	(2.15)	2.42
Operating charges	(0.41)	(0.43)	(0.44)
Return after operating charges*	0.19	(2.58)	1.98
Distributions	(2.15)	(1.57)	(0.29)
Closing net asset value per share	48.13	50.09	54.24
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	0.38%	(4.76%)	3.77%
<b>Other information</b>			
Closing net asset value (£'000)	-	32	35
Closing number of shares	200	63,600	65,185
Operating charges	0.81%	0.81%	0.82%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	51.17	55.90	54.92
Lowest share price	48.31	49.25	52.46

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2023	2022	2021
Institutional accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	54.99	57.55	55.22
Return before operating charges*	0.71	(2.34)	2.56
Operating charges	(0.22)	(0.22)	(0.23)
Return after operating charges*	0.49	(2.56)	2.33
Distributions	(2.68)	(1.93)	(0.54)
Retained distributions on accumulation shares	2.68	1.93	0.54
Closing net asset value per share	55.48	54.99	57.55
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	0.89%	(4.45%)	4.22%
<b>Other information</b>			
Closing net asset value (£'000)	9,030	11,096	1,135
Closing number of shares	16,275,477	20,178,472	1,971,546
Operating charges	0.39%	0.39%	0.40%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	56.77	59.67	58.11
Lowest share price	54.77	53.50	55.13

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2023	2022	2021
Institutional income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	50.64	54.84	53.12
Return before operating charges*	0.67	(2.17)	2.46
Operating charges	(0.20)	(0.21)	(0.22)
Return after operating charges*	0.47	(2.38)	2.24
Distributions	(2.42)	(1.82)	(0.52)
Closing net asset value per share	48.69	50.64	54.84
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	0.93%	(4.34%)	4.22%
<b>Other information</b>			
Closing net asset value (£'000)	2,891	4,577	7,766
Closing number of shares	5,938,804	9,037,549	14,161,788
Operating charges	0.39%	0.39%	0.40%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	51.77	56.53	55.58
Lowest share price	48.84	49.82	53.05

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Institutional S accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	55.41	57.94	55.54
Return before operating charges*	0.71	(2.36)	2.57
Operating charges	(0.16)	(0.17)	(0.17)
Return after operating charges*	0.55	(2.53)	2.40
Distributions	(2.76)	(2.00)	(0.60)
Retained distributions on accumulation shares	2.76	2.00	0.60
Closing net asset value per share	55.96	55.41	57.94
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	0.99%	(4.37%)	4.32%
<b>Other information</b>			
Closing net asset value (£'000)	103,335	166,632	106,434
Closing number of shares	184,643,287	300,711,949	183,703,271
Operating charges	0.29%	0.29%	0.30%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	57.24	60.09	58.50
Lowest share price	55.19	53.91	55.45

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Institutional S income	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	49.92	54.05	52.36
Return before operating charges*	0.65	(2.14)	2.42
Operating charges	(0.14)	(0.15)	(0.16)
Return after operating charges*	0.51	(2.29)	2.26
Distributions	(2.44)	(1.84)	(0.57)
Closing net asset value per share	47.99	49.92	54.05
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.02%	(4.24%)	4.32%
<b>Other information</b>			
Closing net asset value (£'000)	165,683	160,603	145,695
Closing number of shares	345,250,009	321,750,156	269,544,033
Operating charges	0.29%	0.29%	0.30%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	51.04	55.73	54.80
Lowest share price	48.14	49.12	52.29

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

<b>Platform 1 accumulation</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	54.90	57.48	55.19
Return before operating charges*	0.70	(2.33)	2.55
Operating charges	(0.24)	(0.25)	(0.26)
Return after operating charges*	0.46	(2.58)	2.29
Distributions	(2.65)	(1.90)	(0.51)
Retained distributions on accumulation shares	2.65	1.90	0.51
Closing net asset value per share	55.36	54.90	57.48
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	0.84%	(4.49%)	4.15%
<b>Other information</b>			
Closing net asset value (£'000)	33,835	29,271	17,693
Closing number of shares	61,122,109	53,322,487	30,779,503
Operating charges	0.44%	0.44%	0.45%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	56.66	59.59	58.04
Lowest share price	54.68	53.41	55.10

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2023	2022	2021
Platform 1 income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	50.28	54.45	52.74
Return before operating charges*	0.66	(2.15)	2.44
Operating charges	(0.22)	(0.24)	(0.24)
Return after operating charges*	0.44	(2.39)	2.20
Distributions	(2.38)	(1.78)	(0.49)
Closing net asset value per share	48.34	50.28	54.45
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	0.88%	(4.39%)	4.17%
<b>Other information</b>			
Closing net asset value (£'000)	6,306	7,721	27,528
Closing number of shares	13,044,551	15,356,320	50,559,003
Operating charges	0.44%	0.44%	0.45%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	51.40	56.13	55.18
Lowest share price	48.49	49.47	52.67

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.  
The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.  
Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.  
Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

ZC accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	56.47	58.92	56.37
Return before operating charges*	0.72	(2.40)	2.61
Operating charges	(0.05)	(0.05)	(0.06)
Return after operating charges*	0.67	(2.45)	2.55
Distributions	(2.93)	(2.16)	(0.73)
Retained distributions on accumulation shares	2.93	2.16	0.73
Closing net asset value per share	57.14	56.47	58.92
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.19%	(4.16%)	4.52%
<b>Other information</b>			
Closing net asset value (£'000)	64	51	47
Closing number of shares	112,593	89,619	80,492
Operating charges	0.09%	0.09%	0.10%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	58.38	61.16	59.49
Lowest share price	56.25	54.93	56.29

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

ZA income	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	47.49	51.43	49.79
Return before operating charges*	0.59	(2.03)	2.33
Operating charges	-	(0.01)	(0.01)
Return after operating charges*	0.59	(2.04)	2.32
Distributions	(2.59)	(1.90)	(0.68)
Closing net asset value per share	45.49	47.49	51.43
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.24%	(3.97%)	4.66%
<b>Other information</b>			
Closing net asset value (£'000)	1	1,892	2,049
Closing number of shares	2,000	3,983,973	3,983,973
Operating charges	0.01%	0.01%	0.02%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	48.58	53.04	52.18
Lowest share price	45.71	46.76	49.75

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Portfolio Statement

As at 31 October 2023

Investment	Market value £'000	Percentage of total net assets
<b>Bonds (100.44%)</b>	<b>329,716</b>	<b>102.66</b>
<b>Australian Dollar Denominated Bonds (0.56%)</b>	<b>2,054</b>	<b>0.64</b>
<b>Government Bonds (0.56%)</b>	<b>2,054</b>	<b>0.64</b>
less than 5 years to maturity		
1,487,000 Australia (Commonwealth of) 3% Index-Linked 2025	1,146	0.36
between 5 and 10 years to maturity		
1,204,000 Australia (Commonwealth of) 2.5% Index-Linked 2030	908	0.28
<b>Canadian Dollar Denominated Bonds (0.71%)</b>	<b>2,449</b>	<b>0.76</b>
<b>Government Bonds (0.71%)</b>	<b>2,449</b>	<b>0.76</b>
less than 5 years to maturity		
1,239,000 Canada (Govt of) 4.25% Index-Linked 2026	1,407	0.44
between 5 and 10 years to maturity		
900,000 Canada (Govt of) 4% Index-Linked 2031	1,042	0.32
<b>Danish Krone Denominated Bonds (0.30%)</b>	<b>-</b>	<b>-</b>
<b>Government Bonds (0.30%)</b>	<b>-</b>	<b>-</b>
<b>Euro Denominated Bonds (13.29%)</b>	<b>51,991</b>	<b>16.19</b>
<b>Government Bonds (13.29%)</b>	<b>51,991</b>	<b>16.19</b>
less than 5 years to maturity		
2,000,000 France (Govt of) 0.1% Index-Linked 2025	2,010	0.63
1,479,000 France (Govt of) 0.1% Index-Linked 2028	1,471	0.46
1,517,200 France (Govt of) 0.25% Index-Linked 2024	1,649	0.51
4,661,400 France (Govt of) 1.85% Index-Linked 2027	5,601	1.74
1,250,000 Germany (Fed Rep of) 0.1% Index-Linked 2026	1,328	0.41
2,279,000 Italy (Govt of) 1.3% Index-Linked 2028	2,379	0.74
2,015,000 Italy (Govt of) 2.35% Index-Linked 2024	2,190	0.68
2,966,000 Italy (Govt of) 3.1% Index-Linked 2026	3,525	1.10
1,628,000 Spain (Govt of) 0.65% Index-Linked 2027	1,711	0.53
2,578,000 Spain (Govt of) 1.8% Index-Linked 2024	2,784	0.87

# Portfolio Statement

As at 31 October 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
between 5 and 10 years to maturity			
2,099,000	France (Govt of) 0.1% Index-Linked 2029	2,101	0.66
3,785,400	France (Govt of) 0.1% Index-Linked 2031	3,689	1.15
4,881,600	France (Govt of) 0.7% Index-Linked 2030	5,258	1.64
1,253,000	France (Govt of) 3.4% Index-Linked 2029	1,847	0.58
1,591,400	Germany (Fed Rep of) 0.1% Index-Linked 2033	1,581	0.49
4,339,500	Germany (Fed Rep of) 0.5% Index-Linked 2030	4,733	1.47
850,000	Italy (Govt of) 0.1% Index-Linked 2033	671	0.21
2,365,000	Italy (Govt of) 0.4% Index-Linked 2030	2,193	0.68
3,842,000	Italy (Govt of) 1.25% Index-Linked 2032	3,768	1.17
1,432,000	Spain (Govt of) 1% Index-Linked 2030	1,502	0.47
<b>Japanese Yen Denominated Bonds (2.64%)</b>		<b>8,037</b>	<b>2.50</b>
<b>Government Bonds (2.64%)</b>		<b>8,037</b>	<b>2.50</b>
less than 5 years to maturity			
101,900,000	Japan (Govt of) 0.1% Index-Linked 2024	611	0.19
456,400,000	Japan (Govt of) 0.1% Index-Linked 2025	2,761	0.86
210,700,000	Japan (Govt of) 0.1% Index-Linked 2026	1,288	0.40
552,500,000	Japan (Govt of) 0.1% Index-Linked 2028	3,377	1.05
<b>New Zealand Dollar Denominated Bonds (3.04%)</b>		<b>9,194</b>	<b>2.86</b>
<b>Government Bonds (3.04%)</b>		<b>9,194</b>	<b>2.86</b>
between 5 and 10 years to maturity			
1,084,000	New Zealand (Govt of) 3% Index-Linked 2030	659	0.20
between 10 and 15 years to maturity			
15,315,000	New Zealand (Govt of) 2.5% Index-Linked 2035	8,535	2.66
<b>Sterling Denominated Bonds (29.62%)</b>		<b>96,592</b>	<b>30.08</b>
<b>Corporate Bonds (4.89%)</b>		<b>18,732</b>	<b>5.84</b>
less than 5 years to maturity			
9,839,000	Network Rail Infrastructure Finance 1.75% Index-Linked 2027	18,611	5.80

# Portfolio Statement

As at 31 October 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
between 10 and 15 years to maturity			
55,000	Southern Water Services Finance 3.706% Index-Linked 2034	121	0.04
<b>Government Bonds (24.73%)</b>		<b>77,860</b>	<b>24.24</b>
less than 5 years to maturity			
1,210,000	European Bank for Reconstruction & Development 2.746% Index-Linked 2024	2,677	0.83
790,000	Nordic Investment Bank 2.805% Index-Linked 2024	1,760	0.55
4,470,900	UK (Govt of) 0.125% Index-Linked 2026	6,423	2.00
11,699,600	UK (Govt of) 0.125% Index-Linked 2028	15,422	4.80
14,900	UK (Govt of) 1.25% Index-Linked 2027	30	0.01
between 5 and 10 years to maturity			
60,000	European Investment Bank 2.4% Index-Linked 2030	139	0.04
13,473,400	UK (Govt of) 0.125% Index-Linked 2029	20,736	6.46
7,472,700	UK (Govt of) 0.125% Index-Linked 2031	9,216	2.87
11,854,500	UK (Govt of) 1.25% Index-Linked 2032	21,457	6.68
<b>Swedish Krona Denominated Bonds (0.78%)</b>		<b>2,829</b>	<b>0.88</b>
<b>Government Bonds (0.78%)</b>		<b>2,829</b>	<b>0.88</b>
less than 5 years to maturity			
22,020,000	Sweden (Kingdom of) 1% Index-Linked 2025	2,084	0.65
between 5 and 10 years to maturity			
5,760,000	Sweden (Kingdom of) 3.5% Index-Linked 2028	745	0.23
<b>US Dollar Denominated Bonds (49.50%)</b>		<b>156,570</b>	<b>48.75</b>
<b>Government Bonds (49.50%)</b>		<b>156,570</b>	<b>48.75</b>
less than 5 years to maturity			
5,119,900	US Treasury 0.125% Index-Linked April 2025	4,790	1.49
3,811,300	US Treasury 0.125% Index-Linked July 2026	3,763	1.17
6,337,800	US Treasury 0.125% Index-Linked October 2025	5,864	1.83
8,745,500	US Treasury 0.125% Index-Linked October 2026	7,530	2.34
5,679,300	US Treasury 0.25% Index-Linked 2025	5,843	1.82
4,905,900	US Treasury 0.375% Index-Linked 2025	5,014	1.56

# Portfolio Statement

As at 31 October 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
6,627,200	US Treasury 0.375% Index-Linked 2027	6,342	1.97
10,855,100	US Treasury 0.5% Index-Linked 2028	10,224	3.18
7,264,000	US Treasury 0.625% Index-Linked 2026	7,361	2.29
3,627,500	US Treasury 0.75% Index-Linked 2028	3,385	1.05
3,752,700	US Treasury 2% Index-Linked 2026	4,621	1.44
17,640,100	US Treasury 2.375% Index-Linked 2027	21,600	6.73
3,333,000	US Treasury 3.625% Index-Linked 2028	5,443	1.69
between 5 and 10 years to maturity			
9,702,100	US Treasury 0.125% Index-Linked 2032	7,315	2.28
10,522,800	US Treasury 0.125% Index-Linked January 2030	8,946	2.79
8,437,500	US Treasury 0.125% Index-Linked January 2031	6,931	2.16
6,527,300	US Treasury 0.125% Index-Linked July 2030	5,529	1.72
7,084,300	US Treasury 0.125% Index-Linked July 2031	5,610	1.75
10,210,100	US Treasury 0.25% Index-Linked 2029	8,943	2.78
2,761,700	US Treasury 0.625% Index-Linked 2032	2,063	0.64
1,791,700	US Treasury 0.875% Index-Linked 2029	1,654	0.52
10,604,700	US Treasury 1.125% Index-Linked 2033	7,999	2.49
3,453,000	US Treasury 2.5% Index-Linked 2029	4,066	1.27
2,607,300	US Treasury 3.375% Index-Linked 2032	3,944	1.23
greater than 25 years to maturity			
3,769,200	US Treasury 0.125% Index-Linked 2052	1,790	0.56
<b>Collective Investment Schemes (2.19%)</b>		<b>4,960</b>	<b>1.54</b>
485	Aberdeen Standard Liquidity Fund (Lux) – Euro Fund Z3 Inc+	415	0.13
4,545	Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund Z1 Inc+	4,545	1.41
<b>Derivatives (-2.50%)</b>		<b>(6,974)</b>	<b>(2.16)</b>
<b>Forward Currency Contracts (-2.65%)</b>		<b>(7,412)</b>	<b>(2.31)</b>
	Buy AUD 43,522 Sell GBP 23,103 07/12/2023	-	-
	Buy CAD 44,542 Sell GBP 26,773 07/12/2023	-	-
	Buy CAD 45,670 Sell GBP 27,791 07/12/2023	(1)	-
	Buy EUR 599,113 Sell GBP 522,236 07/12/2023	3	-
	Buy EUR 818,590 Sell GBP 710,259 07/12/2023	7	-

# Portfolio Statement

As at 31 October 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
	Buy EUR 1,186,125 Sell GBP 1,029,665 07/12/2023	10	-
	Buy GBP 2,053,735 Sell AUD 4,007,955 07/12/2023	(43)	(0.01)
	Buy GBP 26,411 Sell CAD 44,419 07/12/2023	-	-
	Buy GBP 2,472,363 Sell CAD 4,241,340 07/12/2023	(47)	(0.01)
	Buy GBP 527,683 Sell EUR 604,558 07/12/2023	(2)	-
	Buy GBP 696,701 Sell EUR 809,321 07/12/2023	(12)	-
	Buy GBP 1,326,698 Sell EUR 1,522,317 07/12/2023	(7)	-
	Buy GBP 51,289,268 Sell EUR 59,542,378 07/12/2023	(886)	(0.28)
	Buy GBP 84,907 Sell JPY 15,211,310 07/12/2023	2	-
	Buy GBP 8,031,825 Sell JPY 1,463,075,586 07/12/2023	12	-
	Buy GBP 267,048 Sell NZD 568,207 07/12/2023	(6)	-
	Buy GBP 538,984 Sell NZD 1,146,925 07/12/2023	(12)	-
	Buy GBP 8,658,812 Sell NZD 18,415,405 07/12/2023	(184)	(0.06)
	Buy GBP 2,820,652 Sell SEK 38,760,278 07/12/2023	(49)	(0.02)
	Buy GBP 397,090 Sell USD 495,266 07/12/2023	(11)	-
	Buy GBP 4,251,022 Sell USD 5,391,258 07/12/2023	(176)	(0.05)
	Buy GBP 165,447,320 Sell USD 209,741,704 07/12/2023	(6,768)	(2.11)
	Buy NZD 203,224 Sell GBP 99,782 07/12/2023	(2)	-
	Buy NZD 212,782 Sell GBP 104,436 07/12/2023	(2)	-
	Buy NZD 217,613 Sell GBP 106,529 07/12/2023	(2)	-
	Buy NZD 308,345 Sell GBP 145,682 07/12/2023	2	-
	Buy USD 639,355 Sell GBP 527,042 07/12/2023	(2)	-
	Buy USD 917,008 Sell GBP 752,273 07/12/2023	1	-
	Buy USD 1,156,253 Sell GBP 943,808 07/12/2023	5	-
	Buy USD 1,897,144 Sell GBP 1,519,608 07/12/2023	38	0.01
	Buy USD 2,156,037 Sell GBP 1,771,423 07/12/2023	(1)	-
	Buy USD 22,150,254 Sell GBP 17,463,758 07/12/2023	721	0.22
<b>Futures (0.13%)</b>		<b>434</b>	<b>0.14</b>
(91)	Short US 10 Year Ultra Future 19/12/2023	434	0.14
<b>Inflation Swaps (0.02%)</b>		<b>4</b>	<b>0.01</b>
USD 1,450,000	Pay fixed 2.311% receive floating USDCPI 12/07/2051	152	0.05
USD 1,450,000	Pay fixed 2.425% receive floating USDCPI 09/09/2051	116	0.04
GBP 240,000	Pay fixed 3.1625% receive floating UKRPI 15/05/2046	51	0.02

# Portfolio Statement

As at 31 October 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
GBP 1,960,000	Pay fixed 3.17% receive floating UKRPI 15/05/2046	416	0.13
GBP 1,030,000	Pay fixed 3.19125% receive floating UKRPI 15/05/2046	213	0.07
GBP 240,000	Pay floating UKRPI receive fixed 3.1825% 15/05/2041	(54)	(0.02)
GBP 1,960,000	Pay floating UKRPI receive fixed 3.1925% 15/05/2041	(436)	(0.14)
GBP 2,090,000	Pay floating UKRPI receive fixed 3.2125% 15/05/2041	(454)	(0.14)
Total investment assets and liabilities		327,702	102.04
Net other liabilities		(6,536)	(2.04)
<b>Total Net Assets</b>		<b>321,166</b>	<b>100.00</b>

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities, or are regulated collective investment schemes or are approved derivatives within the meaning of the FCA rules.

The percentage figures in brackets show the comparative holding as at 31 October 2022.

+ Managed by subsidiaries of abrdn plc.

# Financial Statements

## Statement of Total Return

For the year ended 31 October 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(13,801)		(26,080)
Revenue	2	19,067		12,498	
Expenses	3	(1,121)		(1,012)	
Interest payable and similar charges		(137)		(4)	
Net revenue before taxation		17,809		11,482	
Taxation	4	-		-	
Net revenue after taxation			17,809		11,482
<b>Total return before distributions</b>			<b>4,008</b>		<b>(14,598)</b>
Distributions	5		(17,809)		(11,482)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(13,801)</b>		<b>(26,080)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 October 2023

	2023		2022	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>381,919</b>		<b>308,542</b>
Amounts receivable on the issue of shares	51,466		165,227	
Amounts payable on the cancellation of shares	(107,136)		(71,520)	
		(55,670)		93,707
Dilution adjustment		40		26
Change in net assets attributable to shareholders from investment activities (see above)		(13,801)		(26,080)
Retained distribution on accumulation shares		8,678		5,724
<b>Closing net assets attributable to shareholders</b>		<b>321,166</b>		<b>381,919</b>

# Financial Statements

## Continued

### Balance Sheet

As at 31 October 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			336,859		395,624
<b>Current assets:</b>					
Debtors	6	5,616		12,516	
Cash and bank balances	7	5		178	
			5,621		12,694
<b>Total assets</b>			<b>342,480</b>		<b>408,318</b>
<b>Liabilities:</b>					
Investment liabilities			(9,157)		(13,227)
Bank overdrafts	7	(915)		(2,100)	
Creditors	8	(8,598)		(9,042)	
Distribution payable		(2,644)		(2,030)	
			(12,157)		(13,172)
<b>Total liabilities</b>			<b>(21,314)</b>		<b>(26,399)</b>
<b>Net assets attributable to shareholders</b>			<b>321,166</b>		<b>381,919</b>

# Notes to the Financial Statements

## 1 Net Capital Losses

	2023 £'000	2022 £'000
Non-derivative securities	(25,135)	(1,132)
Derivative contracts	72	1,571
Forward currency contracts	11,340	(26,511)
Other (losses)/gains	(65)	12
Transaction charges	(13)	(20)
<b>Net capital losses</b>	<b>(13,801)</b>	<b>(26,080)</b>

## 2 Revenue

	2023 £'000	2022 £'000
Bank and margin interest	268	53
Derivative revenue	10	-
Interest on debt securities	18,789	12,445
<b>Total revenue</b>	<b>19,067</b>	<b>12,498</b>

## 3 Expenses

	2023 £'000	2022 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	696	633
Dealing charge	114	102
General administration charge*	294	261
	1,104	996
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fees	17	16
	17	16
<b>Total expenses</b>	<b>1,121</b>	<b>1,012</b>

Irrecoverable VAT is included in the above expenses, where relevant.  
The audit fee for the year, including VAT, was £13,500 (2022: £12,540).

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2023 £'000	2022 £'000
<b>(a) Analysis of charge in year</b>		
Total taxation (note 4b)	-	-

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

The tax assessed for the year is less than (2022: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

<b>Net revenue before taxation</b>	<b>17,809</b>	<b>11,482</b>
Corporation tax at 20% (2022: 20%)	3,562	2,296
Effects of:		
Distributions treated as tax deductible	(2,446)	(352)
UK Indexation relief	(1,116)	(1,944)
<b>Total tax charge for year (note 4a)</b>	<b>-</b>	<b>-</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

#### (c) Factors that may affect future tax charge

At the year end there are no surplus expenses and therefore no deferred tax asset in the current or prior year.

### 5 Distributions

	2023 £'000	2022 £'000
First interim distribution	3,971	1,866
Second interim distribution	4,450	2,470
Third interim distribution	4,234	3,474
Final distribution	4,809	4,396
	17,464	12,206
Add: Income deducted on cancellation of shares	655	301
Deduct: Income received on issue of shares	(310)	(1,025)
<b>Total distributions for the year</b>	<b>17,809</b>	<b>11,482</b>

Details of the distribution per share are set out in this fund's distribution tables.

# Notes to the Financial Statements

## Continued

### 6 Debtors

	2023 £'000	2022 £'000
Accrued revenue	955	1,004
Amounts receivable from the ACD for the issue of shares	91	11,512
Sales awaiting settlement	4,570	-
<b>Total debtors</b>	<b>5,616</b>	<b>12,516</b>

### 7 Liquidity

	2023 £'000	2022 £'000
<b>Cash and bank balances</b>		
Cash at bank	5	178
	<b>5</b>	<b>178</b>
<b>Bank overdrafts</b>		
Collateral cash pledged by counterparties <sup>^</sup>	(415)	(1,551)
Overdraft at bank	(2)	-
Overdraft at broker	(497)	(549)
	<b>(914)</b>	<b>(2,100)</b>
Aberdeen Standard Liquidity Fund (Lux) - Euro Fund Z3 Inc*	415	551
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	4,545	7,827
<b>Net liquidity</b>	<b>4,051</b>	<b>6,456</b>

<sup>^</sup> This reflects cash the fund has taken receipt of to support in the money derivative positions and mitigate counterparty risk to the fund.

\* Although reflected in the investment assets figure, liquidity funds are used by the fund as a liquidity vehicle and commonly reflects collateral held by the fund. Therefore, the ACD considers the net liquidity position of the fund as the aggregate of cash at bank and in hand, bank overdrafts and liquidity fund positions.

### 8 Creditors

	2023 £'000	2022 £'000
Accrued expenses payable to ACD	83	114
Accrued expenses payable to the Depositary or associates of the Depositary	6	7
Amounts payable to the ACD for cancellation of shares	2,387	17
Purchases awaiting settlement	6,122	8,904
<b>Total creditors</b>	<b>8,598</b>	<b>9,042</b>

# Notes to the Financial Statements

## Continued

### 9 Related Party Transactions

abrdr Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to abrdr Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to abrdr Fund Managers Limited, in respect of expenses are disclosed in note 3 and any amounts due at the year end in note 8.

### 10 Portfolio Transaction Costs

There are no transaction costs associated with the purchases or sales of bonds and derivatives during the year, or in the prior year.

Bonds are dealt on a spread agreed between buyer and seller with reference to the expected cashflows and current credit profiles.

Derivatives are dealt on a spread agreed between buyer and seller with reference to the underlying investment.

Trades in the year	Purchases		Sales	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Bonds	160,389	234,337	204,467	166,976
<b>Trades in the year before transaction costs</b>	<b>160,389</b>	<b>234,337</b>	<b>204,467</b>	<b>166,976</b>
<b>Total net trades in the year after transaction costs</b>	<b>160,389</b>	<b>234,337</b>	<b>204,467</b>	<b>166,976</b>

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.14% (2022: 0.18%), this is representative of the average spread on the assets held during the year.

### 11 Shares in Issue Reconciliation

	Opening shares 2022	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2023
Retail accumulation	82,908	15,806	(60,132)	-	38,582
Retail income	63,600	-	(9,974)	(53,426)	200
Institutional accumulation	20,178,472	4,833,061	(9,767,030)	1,030,974	16,275,477
Institutional income	9,037,549	345,165	(3,640,086)	196,176	5,938,804
Institutional S accumulation	300,711,949	14,396,090	(130,231,863)	(232,889)	184,643,287
Institutional S income	321,750,156	56,640,901	(30,511,190)	(2,629,858)	345,250,009
Platform 1 accumulation	53,322,487	19,726,275	(11,363,090)	(563,563)	61,122,109
Platform 1 income	15,356,320	3,317,982	(7,840,831)	2,211,080	13,044,551
ZC accumulation	89,619	22,974	-	-	112,593
ZA income	3,983,973	-	(3,981,973)	-	2,000

# Notes to the Financial Statements

## Continued

### 12 Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2023	2023	2023	2022	2022	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Bonds	286,334	43,382	-	335,647	47,971	-
Collective Investment Schemes	-	4,960	-	-	8,378	-
Derivatives	434	1,749	-	481	3,147	-
<b>Total investment assets</b>	<b>286,768</b>	<b>50,091</b>	<b>-</b>	<b>336,128</b>	<b>59,496</b>	<b>-</b>
<b>Fair value of investment liabilities</b>						
Derivatives	-	(9,157)	-	-	(13,227)	-
<b>Total investment liabilities</b>	<b>-</b>	<b>(9,157)</b>	<b>-</b>	<b>-</b>	<b>(13,227)</b>	<b>-</b>

### 13 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

#### Foreign currency risk

The fund's net exposure to foreign currencies (including any instruments used to hedge against foreign currencies) is not significant. Therefore, the financial statements are not subject to any significant risk of currency movements. This is consistent with the exposure during the prior year.

#### Interest rate risk

Interest rate risk is an unfavourable change in interest rates that can affect the price of a security, which in turn results in the portfolio experiencing a loss. Interest rate changes not only affect fixed income products but have material impacts on funding arrangements and other asset types.

The following table shows separately the value of investments at fixed interest rates, at variable rates and those that are non-interest bearing instruments.

# Notes to the Financial Statements

## Continued

The interest rate risk profile of the fund's investments at the year end consists of:

2023	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>Currency</b>				
UK Sterling	100,377	-	218,781	319,158
Australian Dollar	2,054	-	(2,068)	(14)
Canadian Dollar	2,449	-	(2,453)	(4)
Euro	51,991	-	(52,275)	(284)
Japanese Yen	8,042	-	(8,102)	(60)
New Zealand Dollar	9,194	-	(9,185)	9
Swedish Krona	2,829	-	(2,840)	(11)
US Dollar	156,834	-	(154,462)	2,372
<b>Total</b>	<b>333,770</b>	<b>-</b>	<b>(12,604)</b>	<b>321,166</b>

2022	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>Currency</b>				
UK Sterling	119,323	-	268,481	387,804
Australian Dollar	2,154	-	(2,148)	6
Canadian Dollar	2,704	-	(2,706)	(2)
Danish Krone	1,163	-	(1,164)	(1)
Euro	50,756	-	(52,510)	(1,754)
Japanese Yen	10,098	-	(10,018)	80
New Zealand Dollar	11,602	-	(11,816)	(214)
Swedish Krona	2,996	-	(3,005)	(9)
US Dollar	189,337	-	(193,328)	(3,991)
<b>Total</b>	<b>390,133</b>	<b>-</b>	<b>(8,214)</b>	<b>381,919</b>

### Other price risk

The fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Adviser in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

# Notes to the Financial Statements

## Continued

### VaR

The table below indicates the VaR of the fund, measured as the maximum one month loss in value from adverse changes in market risk factors (e.g. equity prices, interest rates, inflation rates and foreign currency exchange rates) that is expected with a 99 percent confidence level. Calculated on this basis, the VaR indicates that the net value of the fund could be expected to fall over a one-month period by more than the corresponding VaR in 1% of cases, assuming the fund does not alter its positioning over that period.

2023	Minimum	Maximum	Average
VaR 99% 1 Month	3.45%	3.77%	3.62%
2022	Minimum	Maximum	Average
VaR 99% 1 Month	1.92%	4.69%	2.72%

At the year end date, there was a 1% chance of the portfolio value falling (or rising) more than 3.45%, £11,290,000 (2022: 4.69%, £17,917,000) in a one month period.

This calculation is generally determined by the use of an industry recognised medium term risk model, typically based on 3–5 year history. The method assumes normal market conditions and that the portfolio remains unchanged.

### Counterparty risk

#### Credit quality of debt security investment assets

The following table shows the credit quality of the part of the investment portfolio that is invested in debt securities.

	Market value £'000	Percentage of total net assets %
2023		
Investment grade securities	329,716	102.66
Below investment grade securities	-	-
Unrated securities	-	-
<b>Total value of securities</b>	<b>329,716</b>	<b>102.66</b>
2022		
Investment grade securities	383,618	100.44
Below investment grade securities	-	-
Unrated securities	-	-
<b>Total value of securities</b>	<b>383,618</b>	<b>100.44</b>

Investment grade information used in the above table is based on credit ratings issued by market vendors.

# Notes to the Financial Statements

## Continued

### Financial derivatives instrument risk

These types of transaction can introduce market exposure greater than the market value of the instrument. These transactions exchange benefits with a third party at a future date creating both counterparty and concentration risk. The Investment Adviser's policies for managing these risks are outlined in the fund's prospectus.

At the balance sheet date the fund had the following exposures:

	2023		2022	
	Market exposure £'000	Market value £'000	Market exposure £'000	Market value £'000
<b>Leveraged instruments</b>				
Forward currency contracts	284,018	(7,412)	355,547	(10,139)
Futures	8,161	434	7,052	481
Swaps	9,910	4	10,039	59
<b>Total market exposure</b>	<b>302,089</b>	<b>(6,974)</b>	<b>372,638</b>	<b>(9,599)</b>

The total market exposure is the sum of the notional derivative contracts on a gross basis with no offsetting.

The fund uses the commitment method to calculate global exposure. Leverage is not significant in this context.

### Counterparty risk

Where the fund enters market transactions this creates concentration risk where a clearing broker operates on an exchange. Where the clearing broker is not solvent the market exposure can be transferred. Exposure is reduced by the daily exchange of margin by both parties held in the name of the depositary. At the year end the fund had the following clearing broker exposure.

2023	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
<b>Broker or exchange exposure</b>					
Goldman Sachs	702	(497)	1,003	1,208	0.38
	<b>702</b>	<b>(497)</b>	<b>1,003</b>	<b>1,208</b>	<b>0.38</b>

2022	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
<b>Broker or exchange exposure</b>					
Goldman Sachs	780	(549)	1,195	1,426	0.37
	<b>780</b>	<b>(549)</b>	<b>1,195</b>	<b>1,426</b>	<b>0.37</b>

### Bilateral agreements

Where the fund enters bilateral agreements this introduces counterparty risk. Where a counterparty defaults on their obligation, exposure is reduced by the collateral held/pledged by both parties.

Certain derivatives are conducted on a master ISDA (International Swaps and Derivatives Association) agreement. Positions are collateralised daily in line with the agreement including a right of termination at fair value and a right of recall/substitution on any stock collateral within 24 hours.

# Notes to the Financial Statements

## Continued

At the balance sheet date the fund had the following positions.

2023 Counterparties	Swaps £'000	Forwards £'000	Collateral (held)/pledged		Net exposure £'000
			Cash £'000	Stock £'000	
Bank of America Merrill Lynch	-	5	-	-	5
BNP Paribas	-	(35)	-	-	(35)
Citigroup	-	31	-	-	31
Deutsche Bank	-	(2)	-	-	(2)
Goldman Sachs	-	(96)	-	139	43
HSBC	-	8	-	-	8
JP Morgan	-	(173)	-	138	(35)
Lloyds Bank	-	(12)	-	-	(12)
Morgan Stanley	-	9	-	96	105
Natwest Markets	(241)	(6,768)	-	7,481	472
Nomura	(23)	-	-	-	(23)
Royal Bank of Canada	-	(191)	-	155	(36)
Standard Chartered	-	721	(416)	(387)	(82)
UBS	-	(909)	-	640	(269)
<b>Total</b>	<b>(264)</b>	<b>(7,412)</b>	<b>(416)</b>	<b>8,262</b>	<b>170</b>

Collateral positions for Swaps are aggregated, not at individual trade level.

The Prospectus outlines allowable collateral. There have been no changes in the year.

2023 Top Issuers	Type	Collateral Stock £'000
United Kingdom (Gov't of)	Bond	9,265
		<b>9,265</b>

# Notes to the Financial Statements

## Continued

2022 Counterparties	Swaps £'000	Forwards £'000	Collateral (held)/pledged		Net exposure £'000
			Cash £'000	Stock £'000	
Bank of America Merrill Lynch	-	199	(230)	-	(31)
Barclays	-	(1)	-	-	(1)
BNP Paribas	-	(3)	-	-	(3)
Citigroup	-	738	(721)	-	17
Deutsche Bank	-	(3)	-	-	(3)
HSBC	-	(14)	-	-	(14)
JP Morgan	-	(1,063)	-	927	(136)
Lloyds Bank	-	(3)	-	-	(3)
Morgan Stanley	-	231	(280)	-	(49)
Natwest Markets	(199)	-	-	238	39
Nomura	(41)	-	-	-	(41)
Royal Bank of Canada	-	272	(320)	-	(48)
Societe Generale	-	5	-	-	5
Standard Chartered	-	(414)	-	395	(19)
UBS	-	(10,083)	-	9,455	(628)
<b>Total</b>	<b>(240)</b>	<b>(10,139)</b>	<b>(1,551)</b>	<b>11,015</b>	<b>(915)</b>

Collateral positions for Swaps is aggregated, not at individual trade level.

Top Issuers 2022	Type	Collateral Stock £'000
United Kingdom (Gov't of)	Bond	12,210
		<b>12,210</b>

### Liquidity risk

The following table provides a maturity analysis of the fund's financial liabilities on a contractual basis.

2023	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
<b>Derivatives</b>					
Investment liabilities	-	(8,213)	-	(944)	(9,157)
<b>Non-derivatives</b>					
Other creditors	-	(8,598)	-	-	(8,598)
Bank overdrafts	(915)	-	-	-	(915)
Distribution payable	-	(2,644)	-	-	(2,644)
<b>Total financial liabilities</b>	<b>(915)</b>	<b>(19,455)</b>	<b>-</b>	<b>(944)</b>	<b>(21,314)</b>

# Notes to the Financial Statements

## Continued

2022	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
<b>Derivatives</b>					
Investment liabilities	-	(12,489)	-	(738)	(13,227)
<b>Non-derivatives</b>					
Other creditors	-	(9,042)	-	-	(9,042)
Bank overdrafts	(2,100)	-	-	-	(2,100)
Distribution payable	-	(2,030)	-	-	(2,030)
<b>Total financial liabilities</b>	<b>(2,100)</b>	<b>(23,561)</b>	<b>-</b>	<b>(738)</b>	<b>(26,399)</b>

# Distribution Tables

For the year ended 31 October 2023 (in pence per share)

## First interim interest distribution

Group 1 – shares purchased prior to 1 November 2022

Group 2 – shares purchased between 1 November 2022 and 31 January 2023

	Revenue	Equalisation	Distribution paid 31/03/23	Distribution paid 31/03/22
<b>Retail accumulation</b>				
Group 1	0.4679	-	0.4679	0.2574
Group 2	0.4679	-	0.4679	0.2574
<b>Retail income</b>				
Group 1	0.4431	-	0.4431	0.2509
Group 2	0.4431	-	0.4431	0.2509
<b>Institutional accumulation</b>				
Group 1	0.5452	-	0.5452	0.3274
Group 2	0.3138	0.2314	0.5452	0.3274
<b>Institutional income</b>				
Group 1	0.5020	-	0.5020	0.3120
Group 2	0.2857	0.2163	0.5020	0.3120
<b>Institutional S accumulation</b>				
Group 1	0.5635	-	0.5635	0.3446
Group 2	0.2774	0.2861	0.5635	0.3446
<b>Institutional S income</b>				
Group 1	0.5076	-	0.5076	0.3214
Group 2	0.2804	0.2272	0.5076	0.3214
<b>Platform 1 accumulation</b>				
Group 1	0.5372	-	0.5372	0.3198
Group 2	0.3291	0.2081	0.5372	0.3198
<b>Platform 1 income</b>				
Group 1	0.4920	-	0.4920	0.3031
Group 2	0.1300	0.3620	0.4920	0.3031
<b>ZC accumulation</b>				
Group 1	0.6029	-	0.6029	0.3804
Group 2	0.3335	0.2694	0.6029	0.3804
<b>ZA income</b>				
Group 1	0.5169	-	0.5169	0.3426
Group 2	0.5169	-	0.5169	0.3426

# Distribution Tables

For the year ended 31 October 2023 (in pence per share) continued

## Second interim interest distribution

Group 1 – shares purchased prior to 1 February 2023

Group 2 – shares purchased between 1 February 2023 and 30 April 2023

	Revenue	Equalisation	Distribution paid 30/06/23	Distribution paid 30/06/22
<b>Retail accumulation</b>				
Group 1	0.4807	-	0.4807	0.3653
Group 2	0.0683	0.4124	0.4807	0.3653
<b>Retail income</b>				
Group 1	0.5129	-	0.5129	0.3580
Group 2	0.5129	-	0.5129	0.3580
<b>Institutional accumulation</b>				
Group 1	0.6260	-	0.6260	0.4418
Group 2	0.3066	0.3194	0.6260	0.4418
<b>Institutional income</b>				
Group 1	0.5709	-	0.5709	0.4185
Group 2	0.4262	0.1447	0.5709	0.4185
<b>Institutional S accumulation</b>				
Group 1	0.6448	-	0.6448	0.4593
Group 2	0.3191	0.3257	0.6448	0.4593
<b>Institutional S income</b>				
Group 1	0.5750	-	0.5750	0.4263
Group 2	0.2298	0.3452	0.5750	0.4263
<b>Platform 1 accumulation</b>				
Group 1	0.6181	-	0.6181	0.4342
Group 2	0.3002	0.3179	0.6181	0.4342
<b>Platform 1 income</b>				
Group 1	0.5606	-	0.5606	0.4089
Group 2	0.2426	0.3180	0.5606	0.4089
<b>ZC accumulation</b>				
Group 1	0.6854	-	0.6854	0.4963
Group 2	0.6854	-	0.6854	0.4963
<b>ZA income</b>				
Group 1	0.7325	-	0.7325	0.4407
Group 2	0.7325	-	0.7325	0.4407

# Distribution Tables

For the year ended 31 October 2023 (in pence per share) continued

## Third interim interest distribution

Group 1 – shares purchased prior to 1 May 2023

Group 2 – shares purchased between 1 May 2023 and 31 July 2023

	Revenue	Equalisation	Distribution paid 29/09/23	Distribution paid 30/09/22
<b>Retail accumulation</b>				
Group 1	0.6098	-	0.6098	0.4595
Group 2	0.6098	-	0.6098	0.4595
<b>Retail income</b>				
Group 1	0.6000	-	0.6000	0.4488
Group 2	0.6000	-	0.6000	0.4488
<b>Institutional accumulation</b>				
Group 1	0.6939	-	0.6939	0.5430
Group 2	0.5198	0.1741	0.6939	0.5430
<b>Institutional income</b>				
Group 1	0.6257	-	0.6257	0.5106
Group 2	0.3858	0.2399	0.6257	0.5106
<b>Institutional S accumulation</b>				
Group 1	0.7131	-	0.7131	0.5617
Group 2	0.3342	0.3789	0.7131	0.5617
<b>Institutional S income</b>				
Group 1	0.6295	-	0.6295	0.5166
Group 2	0.3839	0.2456	0.6295	0.5166
<b>Platform 1 accumulation</b>				
Group 1	0.6856	-	0.6856	0.5351
Group 2	0.3315	0.3541	0.6856	0.5351
<b>Platform 1 income</b>				
Group 1	0.6150	-	0.6150	0.5001
Group 2	0.1963	0.4187	0.6150	0.5001
<b>ZC accumulation</b>				
Group 1	0.7576	-	0.7576	0.6012
Group 2	0.5370	0.2206	0.7576	0.6012
<b>ZA income</b>				
Group 1	0.6215	-	0.6215	0.5272
Group 2	0.6215	-	0.6215	0.5272

# Distribution Tables

For the year ended 31 October 2023 (in pence per share) continued

## Final interest distribution

Group 1 – shares purchased prior to 1 August 2023

Group 2 – shares purchased between 1 August 2023 and 31 October 2023

	Revenue	Equalisation	Distribution paid 29/12/23	Distribution paid 30/12/22
<b>Retail accumulation</b>				
Group 1	0.7236	-	0.7236	0.5379
Group 2	0.7236	-	0.7236	0.5379
<b>Retail income</b>				
Group 1	0.5900	-	0.5900	0.5146
Group 2	0.5900	-	0.5900	0.5146
<b>Institutional accumulation</b>				
Group 1	0.8130	-	0.8130	0.6180
Group 2	0.4802	0.3328	0.8130	0.6180
<b>Institutional income</b>				
Group 1	0.7240	-	0.7240	0.5754
Group 2	0.2998	0.4242	0.7240	0.5754
<b>Institutional S accumulation</b>				
Group 1	0.8341	-	0.8341	0.6369
Group 2	0.4001	0.4340	0.8341	0.6369
<b>Institutional S income</b>				
Group 1	0.7265	-	0.7265	0.5804
Group 2	0.3097	0.4168	0.7265	0.5804
<b>Platform 1 accumulation</b>				
Group 1	0.8041	-	0.8041	0.6101
Group 2	0.4154	0.3887	0.8041	0.6101
<b>Platform 1 income</b>				
Group 1	0.7124	-	0.7124	0.5650
Group 2	0.3031	0.4093	0.7124	0.5650
<b>ZC accumulation</b>				
Group 1	0.8803	-	0.8803	0.6774
Group 2	0.7043	0.1760	0.8803	0.6774
<b>ZA income</b>				
Group 1	0.7220	-	0.7220	0.5870
Group 2	0.7220	-	0.7220	0.5870

## Equalisation

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# abrdrn UK Income Unconstrained Equity Fund

For the year ended 31 October 2023

## Investment Objective

To generate income and some growth over the long term (5 years or more) by investing in UK equities (company shares).

**Performance Target:** To deliver a yield greater than that of the FTSE All Share Index over a rolling five year period (before charges) and achieve a return in excess of the FTSE All Share Index over a rolling five year period (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

**Performance Comparator:** IA UK Equity Income sector average.

The ACD believes this is an appropriate target/comparator for the fund based on the investment policy of the fund and the constituents of the index/sector.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 70% in equities and equity related securities of companies incorporated or domiciled in the UK or having significant operations and/or exposure to the UK.
- The fund may also invest in other funds (including those managed by abrdrn), money-market instruments, and cash.

### Management Process

- The management team use their discretion (active management) to deliver a concentrated portfolio at sector and stock level of the highest conviction investment ideas of the management team in companies of all sizes.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on identifying companies where the management team have a different view of a company's prospects to that of the market, and which align with their views regarding future economic and business conditions.
- In seeking to achieve the Performance Target, the FTSE All-Share is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index, is not ordinarily expected to exceed 10%. Due to the income nature of the management process, the fund's performance profile may deviate significantly from the FTSE All-Share Index.

### Derivatives and Techniques

- The fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivative usage for the fund is expected to be very limited. Where derivatives are used, this would mainly be in response to significant inflows into the fund so that in these instances, cash can be invested while maintaining the fund's existing allocations to company shares.

## Performance Review

Over the review period, the fund returned -6.14% (Source: FactSet, Platform 1 Accumulation, net of fees). This compared with a return of 5.89% for our performance target (Source: FactSet, the FTSE All-Share Index, previously the IA OE UK Equity Income Sector Average).

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Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

Companies selected for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.

It was another volatile period for global equities due primarily to continued rises in interest rates and fears about slowing growth in the world's major economies. Increases in oil prices towards the end of the period and the potential for wider conflict in the Middle East added to investors' concerns.

Overall, these conditions were not supportive for the fund's positioning. The significant outperformance of UK large-cap stocks, linked to the rising US dollar, was a key feature of the stock market during the period. This was a major drag on relative performance given the portfolio's heavy weighting in small- and mid-cap stocks, itself a function of the index-agnostic approach that we use in constructing the portfolio. This approach involves sizing our positions according to our conviction levels, rather than anchoring around index weightings.

In stock-specific terms, our holding in R&Q Insurance detracted from returns after the announcement of the sale of Accredited, its program-management business. The lack of a special distribution was badly received by investors, causing the share price to fall well below

# abrdn UK Income Unconstrained Equity Fund

## Continued

the stated net asset value per share at the time. While the energy sector as a whole outperformed the wider market over the period, our holding in Diversified Energy detracted. Its shares declined around the turn of the year as natural gas prices declined, and the stock fell back further in September when significant changes to the company's management team were announced. Shares in Thungela Resources, meanwhile, underperformed due to weakness in the price of coal. However, the stock recovered some ground towards the end of the period thanks to positive trading statements and a well-received acquisition. Although we initiated a position in HSBC in May 2023, the underweight over the period was a negative as the company's shares gained on rising interest rates and hopes of a stronger recovery in China. A number of our other holdings in the financials sector weighed on performance. OSB Group shares declined after the firm reported that mortgage customers were spending less time on the standard-variable rate at the end of their fixed-rate deals, while Close Brothers Group stock fell following the announcement of provisions in its legal finance arm Novitas at the start of the year. In addition, market conditions remained unhelpful for the company's Winterflood asset management division. The holding NatWest Group lagged after results revealed faster-than-expected cost growth and rising pressure on net interest margins caused by increased competition for deposits.

On the positive side, International Personal Finance was the most significant contributor to performance. Its shares benefited throughout the period from impressive results based on growing loan demand coupled with strong credit quality. The holding in construction company Galliford Try added to returns after its shares responded positively to better-than-expected results for the first half of 2023 and a confident outlook statement, citing high revenue visibility thanks to a resilient order book. Shares in DWF Group were a positive after the company recommended a takeover offer from private equity group Inflexion in July at a 53% premium to the share price the day before the announcement. We exited the company as a result of the deal. The holding in insurer Conduit added to returns after the firm's shares gained on evidence of rising reinsurance pricing due to a demand/supply imbalance within property and casualty markets, and the fund's lack of a holding in Diageo was a further positive as the company's shares lagged the market due to concerns about weakening demand for spirits in the US. Finally, our decision to significantly reduce the holding in British American Tobacco in late 2022 appeared to be justified by further declines in the stock in 2023.

## Portfolio Activity and Review

We started new holdings in several businesses over the period. In financials, we initiated positions in HSBC and Vanquis Banking Group. At HSBC, we saw strengthening earnings prospects, supported by rising net interest margins, and took the view that the rapid improvement in the firm's profitability should drive dividend growth and buybacks. At the time of the Vanquis purchase, meanwhile, we saw the business as attractively valued and trading at a discount to its book value despite increasing evidence of improving returns, robust credit quality and accelerating growth. The low valuation at the time appeared to reflect historic perceptions of the business rather than objective analysis of its earnings potential.

We took a new position in Ithaca Energy early in the period based on the company's potential to deliver meaningful growth in cash flows in the next three to five years. Profitability appears to be protected by tax losses and active hedging, with upside from merger and acquisition activity as it consolidates assets in the North Sea. We also initiated a holding in BAE Systems in October 2023. This is a business that appears to be well positioned to benefit from a structural increase in defence spending over the coming decade. Recent contract wins, such as the AUKUS nuclear submarine project, gave us increased confidence in the trajectory of the company's earnings forecasts.

During the period, we increased the fund's holdings in a number of companies. We added to Hargreaves Lansdown, which has continued to see positive net inflows despite a challenging market backdrop. This growth has been supported by the success of its Active Savings platform, which has diversified revenues in a tough period for the core Vantage platform. We bought more of Close Brothers Group due to the potential for an acceleration in loan growth in its core banking division, as is typical at this stage in the cycle when competition tends to reduce. We also viewed the stock as cheap on a sum-of-the-parts basis. We also added to the holdings in Anglo American, National Grid and Conduit, among others.

We trimmed the position in Vistry Group in April following a rally in the shares on stronger-than-expected trading data. Operationally, the business appeared well positioned but management was reviewing the capital-allocation policy, a move that could potentially impact the dividend. We reduced our holding in Legal & General, where profitability had been affected by weak markets. The low rating at the time reflected investor fears relating to the company's asset-book performance should credit-market conditions deteriorate. We also reduced the fund's

# abrdrn UK Income Unconstrained Equity Fund

## Continued

holdings in oil majors Shell and BP to manage weightings in light of strong performance over the period, and trimmed positions in several other businesses including SSE, R&Q Insurance, Chesnara, International Personal Finance and OSB Group.

Finally, we sold out of a number of companies during the 12 months under review. These included IG Group, Intermediate Capital Group, Hiscox, Standard Chartered, Mobico Group and, as mentioned above, DWF Group. We sold the holding in IG Group on the basis that trading activity appeared to be normalising following a surge in activity during the Covid-19 period, while we exited Intermediate Capital Group following strong rises in the share price, significantly outperforming its peers. Although the stock was still attractively positioned on a medium to long-term view, the challenges facing the wider sector could impact the company's balance-sheet investments and in turn pressure the share price.

### Portfolio Outlook and Strategy

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

We have constructed the portfolio using a high-conviction, index-agnostic approach. We are aware that this approach can cause variations in the portfolio's return relative to its benchmark, particularly at times of heightened geopolitical nervousness when larger stocks tend to outperform. That said, we remain convinced that this approach can provide benefits over time, as it allows us to construct a differentiated portfolio with a diversified income stream, comprising stocks from across the UK market, including small- and mid-cap stocks where we believe inefficiencies can be most prevalent.

The global economy is slowing as inflationary pressures and high interest rates take their toll, with a high risk of recession in the UK and other major countries. We are aware that the stock market is unusually dominated by macro drivers, but we remain confident we can navigate this environment. We have consciously positioned the portfolio in stocks and sectors that have the most attractive dividend growth prospects. In inflationary conditions, we are finding companies that can help to protect against the rising cost of living. From a starting point of high dividend-payout ratios, we expect many

UK stocks to deliver attractive dividend growth despite the uncertain economic situation. The UK equity market is highly diverse, allowing us to access a wide range of companies with different drivers. We are delivering a highly attractive, growing stream of income for our clients and we expect that the capital growth outlook will improve markedly as macro turbulence begins to ease.

### DM Income and Real Assets Equity Team

November 2023

# abrdn UK Income Unconstrained Equity Fund

## Continued

### Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the fund. The table below shows the fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk				Typically higher rewards, higher risk		
←				→		
1	2	3	4	5	6	7

Risk and reward indicator table as at 31 October 2023.

The fund is rated as 6 because of the extent to which the following risk factors apply:

- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector, or closely related group of industries or sectors.
- The shares of small and mid-cap companies may be less liquid and more volatile than those of larger companies.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

# Comparative Tables

	2023	2022	2021
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	69.86	78.96	54.48
Return before operating charges*	(3.85)	(7.96)	25.57
Operating charges	(1.08)	(1.14)	(1.09)
Return after operating charges*	(4.93)	(9.10)	24.48
Distributions	(4.45)	(4.67)	(3.20)
Retained distributions on accumulation shares	4.45	4.67	3.20
Closing net asset value per share	64.93	69.86	78.96
* after direct transaction costs of:	0.03	0.08	0.08
<b>Performance</b>			
Return after charges	(7.06%)	(11.52%)	44.93%
<b>Other information</b>			
Closing net asset value (£'000)	1,342	5,786	7,706
Closing number of shares	2,066,950	8,282,803	9,758,984
Operating charges	1.50%	1.50%	1.51%
Direct transaction costs	0.04%	0.11%	0.11%
<b>Prices</b>			
Highest share price	78.01	80.41	79.87
Lowest share price	64.88	67.98	54.64

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2023	2022	2021
Retail income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	36.43	43.94	31.62
Return before operating charges*	(2.13)	(4.33)	14.79
Operating charges	(0.56)	(0.62)	(0.63)
Return after operating charges*	(2.69)	(4.95)	14.16
Distributions	(2.27)	(2.56)	(1.84)
Closing net asset value per share	31.47	36.43	43.94
* after direct transaction costs of:	0.02	0.04	0.05
<b>Performance</b>			
Return after charges	(7.38%)	(11.27%)	44.78%
<b>Other information</b>			
Closing net asset value (£'000)	251	1,175	1,581
Closing number of shares	799,823	3,226,788	3,596,759
Operating charges	1.50%	1.50%	1.51%
Direct transaction costs	0.04%	0.11%	0.11%
<b>Prices</b>			
Highest share price	40.78	44.75	45.38
Lowest share price	32.43	36.81	31.70

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2023	2022	2021
Institutional accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	83.82	94.16	64.57
Return before operating charges*	(4.68)	(9.54)	30.36
Operating charges	(0.76)	(0.80)	(0.77)
Return after operating charges*	(5.44)	(10.34)	29.59
Distributions	(5.36)	(5.59)	(3.81)
Retained distributions on accumulation shares	5.36	5.59	3.81
Closing net asset value per share	78.38	83.82	94.16
* after direct transaction costs of:	0.04	0.10	0.10
<b>Performance</b>			
Return after charges	(6.49%)	(10.98%)	45.83%
<b>Other information</b>			
Closing net asset value (£'000)	264,290	341,838	504,053
Closing number of shares	337,189,598	407,811,686	535,311,579
Operating charges	0.88%	0.88%	0.89%
Direct transaction costs	0.04%	0.11%	0.11%
<b>Prices</b>			
Highest share price	93.75	96.02	95.22
Lowest share price	78.32	81.55	64.75

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2023	2022	2021
Institutional income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	40.91	49.04	35.06
Return before operating charges*	(2.16)	(4.85)	16.44
Operating charges	(0.37)	(0.41)	(0.41)
Return after operating charges*	(2.53)	(5.26)	16.03
Distributions	(2.57)	(2.87)	(2.05)
Closing net asset value per share	35.81	40.91	49.04
* after direct transaction costs of:	0.02	0.05	0.05
<b>Performance</b>			
Return after charges	(6.18%)	(10.73%)	45.72%
<b>Other information</b>			
Closing net asset value (£'000)	6,802	18,874	63,369
Closing number of shares	18,996,194	46,140,447	129,228,461
Operating charges	0.88%	0.88%	0.89%
Direct transaction costs	0.04%	0.11%	0.11%
<b>Prices</b>			
Highest share price	45.87	50.00	50.63
Lowest share price	36.89	41.32	35.16

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Institutional regulated accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	81.00	90.90	62.27
Return before operating charges*	(4.53)	(9.22)	29.29
Operating charges	(0.65)	(0.68)	(0.66)
Return after operating charges*	(5.18)	(9.90)	28.63
Distributions	(5.18)	(5.40)	(3.67)
Retained distributions on accumulation shares	5.18	5.40	3.67
Closing net asset value per share	75.82	81.00	90.90
* after direct transaction costs of:	0.04	0.09	0.09
<b>Performance</b>			
Return after charges	(6.40%)	(10.89%)	45.98%
<b>Other information</b>			
Closing net asset value (£'000)	5,295	6,960	9,288
Closing number of shares	6,983,562	8,592,038	10,217,285
Operating charges	0.78%	0.78%	0.79%
Direct transaction costs	0.04%	0.11%	0.11%
<b>Prices</b>			
Highest share price	90.63	92.72	91.93
Lowest share price	75.76	78.80	62.45

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Institutional regulated income <sup>A</sup>	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	87.63	100.00 <sup>B</sup>
Return before operating charges*	(4.91)	(9.35)
Operating charges	(0.69)	(0.31)
Return after operating charges*	(5.60)	(9.66)
Distributions	(5.49)	(2.71)
Closing net asset value per share	76.54	87.63
* after direct transaction costs of:	0.04	0.04
<b>Performance</b>		
Return after charges	(6.39%)	(9.66%)
<b>Other information</b>		
Closing net asset value (£'000)	1	1
Closing number of shares	1,003	1,003
Operating charges	0.78%	0.78%
Direct transaction costs	0.04%	0.11%
<b>Prices</b>		
Highest share price	98.14	101.4
Lowest share price	78.90	87.94

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> Institutional Regulated income share class launched on 1 June 2022.

<sup>B</sup> The opening net asset value is the share class launch price.

# Comparative Tables

## Continued

<b>Platform 1 accumulation</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	96.95	109.17	75.05
Return before operating charges*	(5.39)	(11.03)	35.25
Operating charges	(1.13)	(1.19)	(1.13)
Return after operating charges*	(6.52)	(12.22)	34.12
Distributions	(6.19)	(6.47)	(4.42)
Retained distributions on accumulation shares	6.19	6.47	4.42
Closing net asset value per share	90.43	96.95	109.17
* after direct transaction costs of:	0.05	0.11	0.11
<b>Performance</b>			
Return after charges	(6.73%)	(11.19%)	45.46%
<b>Other information</b>			
Closing net asset value (£'000)	27,285	53,768	70,953
Closing number of shares	30,174,029	55,460,830	64,990,712
Operating charges	1.13%	1.13%	1.14%
Direct transaction costs	0.04%	0.11%	0.11%
<b>Prices</b>			
Highest share price	108.4	111.3	110.4
Lowest share price	90.36	94.33	75.27

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2023	2022	2021
Platform 1 income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	61.51	73.92	52.99
Return before operating charges*	(3.20)	(7.31)	24.82
Operating charges	(0.71)	(0.79)	(0.80)
Return after operating charges*	(3.91)	(8.10)	24.02
Distributions	(3.87)	(4.31)	(3.09)
Closing net asset value per share	53.73	61.51	73.92
* after direct transaction costs of:	0.03	0.08	0.08
<b>Performance</b>			
Return after charges	(6.36%)	(10.96%)	45.33%
<b>Other information</b>			
Closing net asset value (£'000)	10,778	18,060	34,983
Closing number of shares	20,058,682	29,361,132	47,324,921
Operating charges	1.13%	1.13%	1.14%
Direct transaction costs	0.04%	0.11%	0.11%
<b>Prices</b>			
Highest share price	68.93	75.34	76.33
Lowest share price	55.35	62.14	53.14

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

ZC accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	90.11	100.42	68.31
Return before operating charges*	(5.09)	(10.23)	32.20
Operating charges	(0.08)	(0.08)	(0.09)
Return after operating charges*	(5.17)	(10.31)	32.11
Distributions	(5.79)	(5.99)	(4.05)
Retained distributions on accumulation shares	5.79	5.99	4.05
Closing net asset value per share	84.94	90.11	100.42
* after direct transaction costs of:	0.04	0.10	0.10
<b>Performance</b>			
Return after charges	(5.74%)	(10.27%)	47.01%
<b>Other information</b>			
Closing net asset value (£'000)	724	794	1,190
Closing number of shares	852,416	880,638	1,185,311
Operating charges	0.08%	0.08%	0.09%
Direct transaction costs	0.04%	0.11%	0.11%
<b>Prices</b>			
Highest share price	101.0	102.6	101.5
Lowest share price	84.86	87.63	68.51

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

ZA income	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	46.27	54.98	38.96
Return before operating charges*	(2.46)	(5.48)	18.31
Operating charges	-	-	(0.01)
Return after operating charges*	(2.46)	(5.48)	18.30
Distributions	(2.92)	(3.23)	(2.28)
Closing net asset value per share	40.89	46.27	54.98
* after direct transaction costs of:	0.02	0.06	0.06
<b>Performance</b>			
Return after charges	(5.32%)	(9.97%)	46.97%
<b>Other information</b>			
Closing net asset value (£'000)	3,746	4,541	6,848
Closing number of shares	9,159,979	9,812,436	12,455,317
Operating charges	-	-	0.01%
Direct transaction costs	0.04%	0.11%	0.11%
<b>Prices</b>			
Highest share price	52.01	56.17	56.75
Lowest share price	42.11	46.72	39.08

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Portfolio Statement

As at 31 October 2023

Holding	Investment	Market value £'000	Percentage of total net assets
<b>UK Equities (98.94%)</b>		<b>310,531</b>	<b>96.89</b>
<b>Basic Materials (9.01%)</b>		<b>31,868</b>	<b>9.94</b>
480,690	Anglo American	10,075	3.14
5,635,951	Centamin	4,644	1.45
3,460,432	Glencore	15,056	4.70
39,827	Rio Tinto	2,093	0.65
<b>Consumer Discretionary (9.21%)</b>		<b>29,095</b>	<b>9.08</b>
168,089	Bellway	3,506	1.09
9,371,673	DFS Furniture	9,634	3.01
1,696,244	Halfords	3,399	1.06
1,214,399	Playtech	4,765	1.49
1,102,807	Vistry	7,791	2.43
<b>Consumer Staples (4.11%)</b>		<b>9,667</b>	<b>3.02</b>
90,934	British American Tobacco	2,231	0.70
424,788	Imperial Brands	7,436	2.32
<b>Energy (22.82%)</b>		<b>67,270</b>	<b>20.99</b>
3,365,848	BP	16,913	5.28
15,728,227	Diversified Energy	10,507	3.28
308,700	Enegean	2,629	0.82
1,220,127	Harbour Energy	3,096	0.97
1,790,885	Ithaca Energy	2,987	0.93
15,839,373	Savannah Energy*	4,158	1.30
661,848	Shell	17,513	5.46
1,301,472	Thungela Resources	9,467	2.95
<b>Financials (39.76%)</b>		<b>118,699</b>	<b>37.03</b>
3,841,040	Ashmore	6,507	2.03
2,160,942	AssetCo++	895	0.28
10,651,475	Barclays	14,015	4.37

# Portfolio Statement

As at 31 October 2023 continued

Market value £'000	Percentage of total net assets	Market value £'000	Percentage of total net assets
1,667,496	Bridgepoint	3,025	0.94
1,681,953	Chesnara	4,247	1.33
1,914,263	Close Brothers	15,247	4.76
2,723,443	Conduit	11,915	3.72
732,447	Hargreaves Lansdown	5,174	1.61
461,320	HSBC	2,732	0.85
11,361,221	International Personal Finance	14,826	4.63
1,470,951	Legal & General	3,108	0.97
4,738,574	NatWest	8,442	2.63
3,342,399	OSB	10,014	3.12
3,453,622	Petershill Partners	5,091	1.59
506,385	Polar Capital++	2,109	0.66
1,409,984	Premier Miton++	723	0.23
5,608,391	Quilter	4,478	1.40
15,086,266	R&Q Insurance++	1,746	0.54
1,427,684	TP ICAP	2,242	0.70
1,874,358	Vanquis Banking	2,163	0.67
<b>Industrials (11.08%)</b>		<b>40,807</b>	<b>12.73</b>
117,546	BAE Systems	1,297	0.40
1,685,137	DS Smith	4,804	1.50
4,881,899	Galliford Try	10,545	3.29
3,149,671	Hays	3,025	0.94
24,841,386	Speedy Hire	7,502	2.34
12,475,866	Staffline++	3,231	1.01
4,289,908	Tyman	10,403	3.25
<b>Real Estate (0.61%)</b>		<b>1,912</b>	<b>0.60</b>
2,207,647	CLS REIT	1,912	0.60
<b>Utilities (2.34%)</b>		<b>11,213</b>	<b>3.50</b>
758,655	National Grid	7,423	2.32
232,150	SSE	3,790	1.18

# Portfolio Statement

As at 31 October 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Collective Investment Schemes (3.76%)</b>		<b>9,639</b>	<b>3.01</b>
9,639	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc <sup>+</sup>	9,639	3.01
Total investment assets		320,170	99.90
Net other assets		344	0.10
<b>Total Net Assets</b>		<b>320,514</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities, or are regulated collective investment schemes within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 October 2022.

<sup>+</sup> Managed by subsidiaries of abrdn plc.

<sup>++</sup> AIM listed.

<sup>\*</sup> Delisted

# Financial Statements

## Statement of Total Return

For the year ended 31 October 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(38,726)		(101,568)
Revenue	2	25,506		39,693	
Expenses	3	(3,580)		(5,608)	
Interest payable and similar charges		(3)		(6)	
Net revenue before taxation		21,923		34,079	
Taxation	4	(1,128)		(2,435)	
Net revenue after taxation			20,795		31,644
<b>Total return before distributions</b>			<b>(17,931)</b>		<b>(69,924)</b>
Distributions	5		(24,365)		(37,237)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(42,296)</b>		<b>(107,161)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 October 2023

	2023		2022	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>451,797</b>		<b>699,971</b>
Amounts receivable on the issue of shares	5,860		19,520	
Amounts payable on the cancellation of shares	(116,588)		(190,960)	
		(110,728)		(171,440)
Dilution adjustment		402		557
Change in net assets attributable to shareholders from investment activities (see above)		(42,296)		(107,161)
Retained distribution on accumulation shares		21,339		29,870
<b>Closing net assets attributable to shareholders</b>		<b>320,514</b>		<b>451,797</b>

# Financial Statements

## Continued

### Balance Sheet

As at 31 October 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			320,170		464,002
<b>Current assets:</b>					
Debtors	6	1,509		10,237	
Cash and bank balances	7	1		4	
			1,510		10,241
<b>Total assets</b>			<b>321,680</b>		<b>474,243</b>
<b>Liabilities:</b>					
Creditors	8	(495)		(20,815)	
Distribution payable		(671)		(1,631)	
			(1,166)		(22,446)
<b>Total liabilities</b>			<b>(1,166)</b>		<b>(22,446)</b>
<b>Net assets attributable to shareholders</b>			<b>320,514</b>		<b>451,797</b>

# Notes to the Financial Statements

## 1 Net Capital Losses

	2023 £'000	2022 £'000
Non-derivative securities	(38,727)	(101,570)
Other gains	2	10
Transaction charges	(1)	(8)
<b>Net capital losses</b>	<b>(38,726)</b>	<b>(101,568)</b>

## 2 Revenue

	2023 £'000	2022 £'000
Bank and margin interest	180	43
Overseas dividends	5,040	10,708
UK dividends	20,218	28,942
UK REIT	68	-
<b>Total revenue</b>	<b>25,506</b>	<b>39,693</b>

## 3 Expenses

	2023 £'000	2022 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	3,233	5,070
Dealing charge	27	44
General administration charge	310	479
	3,570	5,593
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	10	15
	10	15
<b>Total expenses</b>	<b>3,580</b>	<b>5,608</b>

Irrecoverable VAT is included in the above expenses, where relevant.  
The audit fee for the year, including VAT, was £10,200 (2022: £9,480).

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2023 £'000	2022 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	1,128	2,435
<b>Total taxation (note 4b)</b>	<b>1,128</b>	<b>2,435</b>

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

The tax assessed for the year is less than (2022: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

<b>Net revenue before taxation</b>	<b>21,923</b>	<b>34,079</b>
Corporation tax at 20% (2022: 20%)	4,385	6,816
Effects of:		
Revenue not subject to taxation	(5,052)	(7,930)
Overseas taxes	1,128	2,435
Excess allowable expenses	667	1,114
<b>Total tax charge for year (note 4a)</b>	<b>1,128</b>	<b>2,435</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

#### (c) Factors that may affect future tax charge

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £16,755,000 (2022: £16,088,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

### 5 Distributions (including the movement between net revenue and distributions)

	2023 £'000	2022 £'000
Interim distribution	13,460	17,036
Final distribution	9,730	16,737
	23,190	33,773
Add: Income deducted on cancellation of shares	1,256	3,673
Deduct: Income received on issue of shares	(81)	(209)
<b>Total distributions for the year</b>	<b>24,365</b>	<b>37,237</b>

# Notes to the Financial Statements

## Continued

	2023 £'000	2022 £'000
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	20,795	31,644
Expenses charged to capital	3,570	5,593
<b>Total distributions for the year</b>	<b>24,365</b>	<b>37,237</b>

Expenses taken to capital include the ACD, Registration, Dealing expenses and the General administration charge. This policy only applies to the income classes.

Where deductions are made from capital these may limit the growth in value of the relevant fund. However, more income is generally available to distribute to shareholders.

Details of the distribution per share are set out in this fund's distribution tables.

## 6 Debtors

	2023 £'000	2022 £'000
Accrued revenue	1,285	2,140
Amounts receivable from the ACD for the issue of shares	26	67
Overseas withholding tax recoverable	198	194
Sales awaiting settlement	-	7,836
<b>Total debtors</b>	<b>1,509</b>	<b>10,237</b>

## 7 Liquidity

	2023 £'000	2022 £'000
<b>Cash and bank balances</b>		
Cash at bank	1	4
	<b>1</b>	<b>4</b>
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund*	9,639	16,992
<b>Net liquidity</b>	<b>9,640</b>	<b>16,996</b>

\* Although reflected in the investment assets figure, liquidity funds are used by the fund as a liquidity vehicle. Therefore, the ACD considers the net liquidity position of the fund as the aggregate of cash at bank and in hand, bank overdrafts and liquidity fund positions.

## 8 Creditors

	2023 £'000	2022 £'000
Accrued expenses payable to ACD	261	421
Accrued expenses payable to the Depositary or associates of the Depositary	2	5
Amounts payable to the ACD for cancellation of shares	232	20,389
<b>Total creditors</b>	<b>495</b>	<b>20,815</b>

# Notes to the Financial Statements

## Continued

### 9 Related Party Transactions

abrdr Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to abrdr Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to abrdr Fund Managers Limited, in respect of expenses are disclosed in note 3 and any amounts due at the year end in note 8.

### 10 Portfolio Transaction Costs

	Purchases		Sales	
	2023	2022	2023	2022
Trades in the year	£'000	£'000	£'000	£'000
Equities	24,887	106,418	111,747	245,620
Corporate actions	-	355	11,069	12,073
<b>Trades in the year before transaction costs</b>	<b>24,887</b>	<b>106,773</b>	<b>122,816</b>	<b>257,693</b>
<b>Commissions</b>				
Equities	12	64	(76)	(167)
<b>Total commissions</b>	<b>12</b>	<b>64</b>	<b>(76)</b>	<b>(167)</b>
<b>Taxes</b>				
Equities	91	425	-	-
<b>Total taxes</b>	<b>91</b>	<b>425</b>	<b>-</b>	<b>-</b>
<b>Total transaction costs</b>	<b>103</b>	<b>489</b>	<b>(76)</b>	<b>(167)</b>
<b>Total net trades in the year after transaction costs</b>	<b>24,990</b>	<b>107,262</b>	<b>122,740</b>	<b>257,526</b>
	Purchases		Sales	
	2023	2022	2023	2022
	%	%	%	%
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.05	0.06	0.07	0.07
<b>Taxes</b>				
Equities	0.36	0.40	-	-

# Notes to the Financial Statements

## Continued

	2023 %	2022 %
<b>Total transaction costs expressed as a percentage of net asset value</b>		
Commissions	0.02	0.04
Taxes	0.02	0.07

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.59% (2022: 0.87%), this is representative of the average spread on the assets held during the year.

## 11 Shares in Issue Reconciliation

	Opening shares 2022	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2023
Retail accumulation	8,282,803	39,886	(676,570)	(5,579,169)	2,066,950
Retail income	3,226,788	49,385	(119,568)	(2,356,782)	799,823
Institutional accumulation	407,811,686	5,491,184	(76,068,697)	(44,575)	337,189,598
Institutional income	46,140,447	388,955	(27,197,515)	(335,693)	18,996,194
Institutional regulated accumulation	8,592,038	76,099	(1,684,575)	-	6,983,562
Institutional regulated income	1,003	-	-	-	1,003
Platform 1 accumulation	55,460,830	182,459	(29,527,033)	4,057,773	30,174,029
Platform 1 income	29,361,132	1,363,749	(12,284,705)	1,618,506	20,058,682
ZC accumulation	880,638	108,949	(137,171)	-	852,416
ZA income	9,812,436	-	(652,457)	-	9,159,979

## 12 Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2023 £'000 Level 1	2023 £'000 Level 2	2023 £'000 Level 3	2022 £'000 Level 1	2022 £'000 Level 2	2022 £'000 Level 3
<b>Fair value of investment assets</b>						
Equities	306,373	-	4,158*	447,010	-	-
Collective Investment Schemes	-	9,639	-	-	16,992	-
<b>Total investment assets</b>	<b>306,373</b>	<b>9,639</b>	<b>4,158</b>	<b>447,010</b>	<b>16,992</b>	<b>-</b>

\*Savannah Energy PLC which is part of the fund's investment portfolio is considered as level 3 investment. The security was suspended on 13 December 2022 due to challenges to complete the acquisition of an energy business in South Sudan, the ACD continues to value the investment based on the last trading price without any adjustment and as such there is estimation uncertainty involved in the valuation of the security. Given the performance of the underlying business and the general performance of oil and gas sector, the ACD consider valuation basis as appropriate, however continues to monitor the valuation including underlying performance of the Company.

# Notes to the Financial Statements

## Continued

### 13 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

#### Foreign currency risk

The fund's net exposure to foreign currencies (including any instruments used to hedge against foreign currencies) is not significant. Therefore, the financial statements are not subject to any significant risk of currency movements. This is consistent with the exposure during the prior year.

#### Interest rate risk

The majority of the fund's financial assets are in non-interest bearing assets. Therefore, the fund's exposure to interest rate risk is considered insignificant. This is consistent with the exposure during the prior year.

#### Other price risk

The fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Adviser in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

As at 31 October 2023, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £16,009,000 (2022: £23,200,000).

#### Financial derivatives instrument risk

The fund had no exposure to derivatives as at 31 October 2023 (2022: £Nil).

#### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2023 £1,166,000 (2022: £22,446,000).

# Distribution Tables

For the year ended 31 October 2023 (in pence per share)

## Interim dividend distribution

Group 1 – shares purchased prior to 1 November 2022

Group 2 – shares purchased between 1 November 2022 and 30 April 2023

	Revenue	Equalisation	Distribution paid 30/06/23	Distribution paid 30/06/22
<b>Retail accumulation</b>				
Group 1	2.4841	-	2.4841	2.0905
Group 2	1.7044	0.7797	2.4841	2.0905
<b>Retail income</b>				
Group 1	1.2896	-	1.2896	1.1634
Group 2	1.0197	0.2699	1.2896	1.1634
<b>Institutional accumulation</b>				
Group 1	2.9861	-	2.9861	2.4977
Group 2	1.6181	1.3680	2.9861	2.4977
<b>Institutional income</b>				
Group 1	1.4578	-	1.4578	1.3007
Group 2	0.9802	0.4776	1.4578	1.3007
<b>Institutional regulated accumulation</b>				
Group 1	2.8866	-	2.8866	2.4120
Group 2	1.0782	1.8084	2.8866	2.4120
<b>Institutional regulated income</b>				
Group 1	3.1119	-	3.1119	-
Group 2	3.1119	-	3.1119	-
<b>Platform 1 accumulation</b>				
Group 1	3.4512	-	3.4512	2.8937
Group 2	1.8132	1.6380	3.4512	2.8937
<b>Platform 1 income</b>				
Group 1	2.1912	-	2.1912	1.9593
Group 2	1.1556	1.0356	2.1912	1.9593
<b>ZC accumulation</b>				
Group 1	3.2180	-	3.2180	2.6704
Group 2	1.4582	1.7598	3.2180	2.6704
<b>ZA income</b>				
Group 1	1.6521	-	1.6521	1.4617
Group 2	1.6521	-	1.6521	1.4617

# Distribution Tables

For the year ended 31 October 2023 (in pence per share) continued

## Final dividend distribution

Group 1 – shares purchased prior to 1 May 2023

Group 2 – shares purchased between 1 May 2023 and 31 October 2023

	Revenue	Equalisation	Distribution paid 29/02/24	Distribution paid 28/02/23
<b>Retail accumulation</b>				
Group 1	1.9698	-	1.9698	2.5824
Group 2	1.5688	0.4010	1.9698	2.5824
<b>Retail income</b>				
Group 1	0.9812	-	0.9812	1.3948
Group 2	0.9213	0.0599	0.9812	1.3948
<b>Institutional accumulation</b>				
Group 1	2.3750	-	2.3750	3.0946
Group 2	1.8108	0.5642	2.3750	3.0946
<b>Institutional income</b>				
Group 1	1.1150	-	1.1150	1.5644
Group 2	0.4767	0.6383	1.1150	1.5644
<b>Institutional regulated accumulation</b>				
Group 1	2.2970	-	2.2970	2.9900
Group 2	1.9493	0.3477	2.2970	2.9900
<b>Institutional regulated income</b>				
Group 1	2.3740	-	2.3740	2.7061
Group 2	2.3740	-	2.3740	2.7061
<b>Platform 1 accumulation</b>				
Group 1	2.7416	-	2.7416	3.5809
Group 2	1.6275	1.1141	2.7416	3.5809
<b>Platform 1 income</b>				
Group 1	1.6738	-	1.6738	2.3534
Group 2	0.8500	0.8238	1.6738	2.3534
<b>ZC accumulation</b>				
Group 1	2.5696	-	2.5696	3.3213
Group 2	1.6154	0.9542	2.5696	3.3213
<b>ZA income</b>				
Group 1	1.2672	-	1.2672	1.7665
Group 2	1.2672	-	1.2672	1.7665

## Equalisation

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# abrdn UK Value Equity Fund

For the year ended 31 October 2023

## Investment Objective

To generate growth over the long term (5 years or more) by investing in UK equities (company shares).

Performance Target: To achieve the return of the FTSE 350 ex Investment Trusts Equally Weighted Index plus 3% per annum over rolling five year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

Performance Comparator: The IA UK All Companies Equity Sector Average.

The ACD believes this is an appropriate target/comparator for the fund based on the investment policy of the fund and the constituents of the index/sector.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 70% in equities and equity related securities of companies incorporated or domiciled in the UK or having significant operations and/or exposure to the UK.
- The fund may also invest in other funds (including those managed by abrdn), money-market instruments, and cash.

### Management Process

- The management team use their discretion (active management) to maintain a concentrated asset mix at sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings.
- The research process follows a "value" investment approach, focussing on finding companies typically trading at a significant discount to the value of their assets, sales or earnings.
- The fund employs an all capitalisation approach, investing across the market capitalisation range.
- In seeking to achieve the Performance Target, the FTSE 350 ex Investment Trusts Equally Weighted Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index, is not ordinarily expected to exceed 10%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the FTSE 350 ex Investment Trusts Equally Weighted Index.

## Derivatives and Techniques

- The fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivative usage for the fund is expected to be very limited. An example of usage would be the fund buying an equity index future to maintain market exposure following a significant inflow into the fund.

## Performance Review

Over the period under review, the fund returned 7.25% (Source: FactSet, Platform 1 Accumulation, net of fees). This compared with a return of 4.66% for our performance target (Source: FactSet, the FTSE 350 (ex investment trusts) Equally Weighted Index +3%).

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Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

Companies selected for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.

The fund was affected by several sources of market volatility over the 12 months under review. These included persistently high inflation levels, continued monetary tightening and concerns about financial stability, as well as the prospect of a downturn in the UK economy. Rises in oil prices and fears of a potential escalation of conflict in the Middle East further damaged sentiment late in the period.

Stock selection was the main driver of positive performance, although the fund also benefited from its underweight position in the real estate sector and its overweight exposure to technology, basic materials and energy. However, these positive contributions were more than offset by our overweight positions in telecommunications and financials, as well as our underweights to the industrials, consumer staples and utilities sectors.

In stock-specific terms, International Personal Finance was the most significant contributor to performance. Its shares benefited throughout the period from strong results based on growing loan demand coupled with strong credit quality. The holding in construction firm Kier Group

# abrdn UK Value Equity Fund

## Continued

added to returns after the company announced strong growth in annual profits and the resumption of its dividend. John Wood Group, the engineering services business, was a positive as we bought it in the fourth quarter of 2022 ahead of an ultimately unsuccessful bid approach for the company. We exited the position later in the period. The holding in pub and restaurant company Mitchells & Butlers outperformed the wider market as the firm reported an easing of cost pressures. The fund's position in Standard Chartered also added to returns as the shares gained on rising interest rates, hopes of growth in China and speculation about a possible takeover bid.

Conversely, the holding in chemicals firm Synthomer was the largest detractor from relative performance. The shares declined after the company reported that trading had worsened, leaving a stretched balance-sheet position. Gambling firm Entain also weighed on returns due to a deteriorating consumer market in the UK and concerns over increasing regulation of the sector. Shares in publisher Future lagged the market after announcing a fall in profitability and free cash flow, while in the financials sector, Close Brothers Group stock fell following the announcement of provisions in its legal finance arm Novitas at the start of the year. In addition, market conditions remained unhelpful for the company's Winterflood asset management division. Shares in Vanquis Banking Group, meanwhile, declined after the firm announced a loss for the first half of 2023.

## Portfolio Activity and Review

Our most notable purchases over the 12 months included new positions in BT Group, John Wood, Future and transport platform Trainline. We added to the fund's holdings in a number of businesses, including Close Brothers, 888 Holdings, Rank Group and Vodafone Group. We reduced the positions in miner Glencore and workspace provider IWG, among others. Finally, we exited the positions in industrial equipment supplier Ashtead Group, Standard Chartered, engineering equipment company Weir Group, furniture retailer Dunelm, engineered ceramics supplier Vesuvius, biotechnology company GSK and cinema operator Cineworld.

## Portfolio Outlook and Strategy

We believe that the current period provides an opportunity for the fund in three respects. First, the recent shift in inflation has marked a profound change for growth and quality-oriented investors who expected that persistently low interest rates would continue to benefit low-duration and less-cyclical stocks, and who considered valuation to be a secondary consideration. The market might reassess the relative attraction of value stocks on that basis. Second, the fund is alert to valuation. Increasingly, many cyclical stocks are priced for an economic downturn in the UK, which might provide opportunities, and likewise many defensive stocks may have sold off excessively due to style rotations. Together, the current market might present new areas of mispriced assets and underappreciated growth. Third, the fund is underpinned by a deep understanding of companies, which is a particular advantage in uncertain times such as these.

## DM Income and Real Assets Equity Team

November 2023

# abrdn UK Value Equity Fund

## Continued

### Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the fund. The table below shows the fund's ranking on the Risk and Reward Indicator. The risk and reward indicator changed from 6 to 7 on 6 October 2023.

Typically lower rewards, lower risk				Typically higher rewards, higher risk		
←				→		
1	2	3	4	5	6	7

Risk and reward indicator table as at 31 October 2023.

The fund is rated as 7 because of the extent to which the following risk factors apply:

- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector, or closely related group of industries or sectors.
- The shares of small and mid-cap companies may be less liquid and more volatile than those of larger companies.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

Please note: Between April 2023 and October 2023, the Key Investor Information Document (KIID) for abrdn UK Value Equity Fund Institutional Accumulation, abrdn UK Value Equity Fund Institutional A Accumulation, abrdn UK Value Equity Fund Institutional S Accumulation and abrdn UK Value Equity Fund Platform 1 Accumulation included the incorrect Synthetic Risk and Reward Rating (SRRI) in the Risk and Reward Profile section. This was a disclosure error only which did not impact on the Fund's performance. The incorrect information identified is detailed below and the updated KIID can be found at [www.abrdn.com/en/uk/investor/fund-centre](http://www.abrdn.com/en/uk/investor/fund-centre).

Incorrect SRRI detailed in the Risk and Reward Profile Section of the KIID:  
Risk Rating 6

Corrected with the following wording:  
Risk Rating 7

# Comparative Tables

	2023	2022	2021
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	240.87	279.97	169.22
Return before operating charges*	20.17	(35.10)	114.55
Operating charges	(4.04)	(4.00)	(3.80)
Return after operating charges*	16.13	(39.10)	110.75
Distributions	(4.94)	(4.55)	(0.46)
Retained distributions on accumulation shares	4.94	4.55	0.46
Closing net asset value per share	257.00	240.87	279.97
* after direct transaction costs of:	1.13	0.83	0.76
<b>Performance</b>			
Return after charges	6.70%	(13.97%)	65.45%
<b>Other information</b>			
Closing net asset value (£'000)	5,687	33,057	42,985
Closing number of shares	2,212,851	13,723,797	15,353,232
Operating charges	1.50%	1.51%	1.52%
Direct transaction costs	0.41%	0.32%	0.31%
<b>Prices</b>			
Highest share price	293.8	283.6	287.3
Lowest share price	243.9	226.8	169.1

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2023	2022	2021
Institutional accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	278.20	321.36	193.04
Return before operating charges*	23.31	(40.44)	130.87
Operating charges	(2.80)	(2.72)	(2.55)
Return after operating charges*	20.51	(43.16)	128.32
Distributions	(7.69)	(7.14)	(2.31)
Retained distributions on accumulation shares	7.69	7.14	2.31
Closing net asset value per share	298.71	278.20	321.36
* after direct transaction costs of:	1.33	0.96	0.87
<b>Performance</b>			
Return after charges	7.37%	(13.43%)	66.47%
<b>Other information</b>			
Closing net asset value (£'000)	151,773	146,044	195,502
Closing number of shares	50,810,236	52,495,338	60,836,277
Operating charges	0.88%	0.89%	0.90%
Direct transaction costs	0.41%	0.32%	0.31%
<b>Prices</b>			
Highest share price	340.1	325.8	329.5
Lowest share price	281.7	261.9	192.9

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Institutional A accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	59.18	69.04	41.89
Return before operating charges*	4.98	(8.63)	28.30
Operating charges	(1.25)	(1.23)	(1.15)
Return after operating charges*	3.73	(9.86)	27.15
Distributions	(0.96)	(0.88)	-
Retained distributions on accumulation shares	0.96	0.88	-
Closing net asset value per share	62.91	59.18	69.04
* after direct transaction costs of:	0.28	0.21	0.18
<b>Performance</b>			
Return after charges	6.30%	(14.28%)	64.81%
<b>Other information</b>			
Closing net asset value (£'000)	149	21	24
Closing number of shares	237,670	34,836	34,836
Operating charges	1.88%	1.89%	1.90%
Direct transaction costs	0.41%	0.32%	0.31%
<b>Prices</b>			
Highest share price	72.08	69.93	70.86
Lowest share price	59.92	55.73	41.84

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Institutional S accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	73.58	84.94	50.93
Return before operating charges*	6.22	(10.70)	34.64
Operating charges	(0.68)	(0.66)	(0.63)
Return after operating charges*	5.54	(11.36)	34.01
Distributions	(2.15)	(1.95)	(0.75)
Retained distributions on accumulation shares	2.15	1.95	0.75
Closing net asset value per share	79.12	73.58	84.94
* after direct transaction costs of:	0.35	0.25	0.23
<b>Performance</b>			
Return after charges	7.53%	(13.37%)	66.78%
<b>Other information</b>			
Closing net asset value (£'000)	1	1	1
Closing number of shares	1,525	1,525	1,525
Operating charges	0.81%	0.82%	0.83%
Direct transaction costs	0.41%	0.32%	0.31%
<b>Prices</b>			
Highest share price	89.98	86.19	87.08
Lowest share price	74.51	69.28	50.89

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

<b>Platform 1 accumulation</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	117.08	135.57	81.64
Return before operating charges*	9.82	(17.03)	55.32
Operating charges	(1.51)	(1.46)	(1.39)
Return after operating charges*	8.31	(18.49)	53.93
Distributions	(2.90)	(2.68)	(0.68)
Retained distributions on accumulation shares	2.90	2.68	0.68
Closing net asset value per share	125.39	117.08	135.57
* after direct transaction costs of:	0.56	0.40	0.37
<b>Performance</b>			
Return after charges	7.10%	(13.64%)	66.06%
<b>Other information</b>			
Closing net asset value (£'000)	40,911	52,180	57,471
Closing number of shares	32,627,415	44,569,125	42,390,797
Operating charges	1.13%	1.14%	1.15%
Direct transaction costs	0.41%	0.32%	0.31%
<b>Prices</b>			
Highest share price	143.0	137.3	139.0
Lowest share price	118.6	110.2	81.56

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

ZC accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	319.42	366.03	218.11
Return before operating charges*	26.51	(46.28)	148.23
Operating charges	(0.30)	(0.33)	(0.31)
Return after operating charges*	26.21	(46.61)	147.92
Distributions	(11.79)	(10.96)	(5.24)
Retained distributions on accumulation shares	11.79	10.96	5.24
Closing net asset value per share	345.63	319.42	366.03
* after direct transaction costs of:	1.53	1.10	0.99
<b>Performance</b>			
Return after charges	8.21%	(12.73%)	67.82%
<b>Other information</b>			
Closing net asset value (£'000)	11,687	5,346	6,250
Closing number of shares	3,381,311	1,673,669	1,707,470
Operating charges	0.08%	0.09%	0.10%
Direct transaction costs	0.41%	0.32%	0.31%
<b>Prices</b>			
Highest share price	391.5	372.9	375.0
Lowest share price	323.5	300.6	217.9

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

ZA accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	193.45	221.50	131.89
Return before operating charges*	16.11	(28.02)	89.64
Operating charges	(0.01)	(0.03)	(0.03)
Return after operating charges*	16.10	(28.05)	89.61
Distributions	(7.32)	(6.80)	(3.33)
Retained distributions on accumulation shares	7.32	6.80	3.33
Closing net asset value per share	209.55	193.45	221.50
* after direct transaction costs of:	0.93	0.66	0.60
<b>Performance</b>			
Return after charges	8.32%	(12.66%)	67.94%
<b>Other information</b>			
Closing net asset value (£'000)	123,823	119,082	139,746
Closing number of shares	59,089,220	61,556,205	63,090,113
Operating charges	-	0.01%	0.02%
Direct transaction costs	0.41%	0.32%	0.31%
<b>Prices</b>			
Highest share price	237.2	225.8	226.9
Lowest share price	195.9	182.0	131.8

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Portfolio Statement

As at 31 October 2023

Holding	Investment	Market value £'000	Percentage of total net assets
<b>UK Equities (98.66%)</b>		<b>314,339</b>	<b>94.11</b>
<b>Basic Materials (9.23%)</b>		<b>22,038</b>	<b>6.59</b>
312,938	Anglo American	6,559	1.96
2,826,134	Glencore	12,297	3.68
1,683,738	Synthomer	3,182	0.95
<b>Consumer Discretionary (20.24%)</b>		<b>85,978</b>	<b>25.74</b>
15,971,865	888	13,025	3.90
3,667,822	Crest Nicholson	5,865	1.76
234,313	CVS++	3,430	1.03
1,326,335	Entain	12,338	3.69
1,356,621	Future	11,993	3.59
6,377,261	Joules*	-	-
5,641,908	Mitchells & Butlers	11,690	3.50
6,138,988	Mobico	3,834	1.15
1,125,395	Playtech	4,416	1.32
11,464,935	Rank	7,693	2.30
2,305,108	Tinybuild++	192	0.06
2,616,951	Trainline	6,809	2.04
937,678	Watches of Switzerland	4,693	1.40
<b>Energy (1.82%)</b>		<b>20,365</b>	<b>6.10</b>
837,553	Energiean	7,132	2.14
15,850,378	Tullow Oil	5,256	1.57
5,625,816	Wood	7,977	2.39
<b>Financials (26.38%)</b>		<b>87,280</b>	<b>26.13</b>
1,804,808	Ashmore	3,057	0.92
12,167,016	Barclays	16,009	4.79
2,046,389	Close Brothers	16,299	4.88
9,565,321	International Personal Finance	12,483	3.74
21,427,294	Just	16,178	4.84
2,608,887	Petershill Partners	3,845	1.15
8,435,774	Quilter	6,736	2.02

# Portfolio Statement

As at 31 October 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
11,007,399	Sherborne Investors Guernsey C	6,027	1.80
5,758,673	Vanquis Banking	6,646	1.99
<b>Health Care (10.20%)</b>		-	-
<b>Industrials (22.29%)</b>		<b>40,079</b>	<b>12.00</b>
5,509,254	IWG	7,267	2.18
10,745,773	Kier	10,810	3.24
1,443,230	RS	9,771	2.92
7,830,230	Senior	12,231	3.66
<b>Real Estate (2.64%)</b>		<b>10,743</b>	<b>3.22</b>
1,507,600	Segro REIT	10,743	3.22
<b>Technology (4.81%)</b>		<b>23,473</b>	<b>7.03</b>
10,272,368	Alfa Financial Software	15,357	4.60
1,773,624	Ascential	4,640	1.39
1,936,720	Big Technologies**	3,476	1.04
<b>Telecommunications (1.05%)</b>		<b>24,383</b>	<b>7.30</b>
9,925,727	BT	11,186	3.35
17,435,223	Vodafone	13,197	3.95
<b>Collective Investment Schemes (2.74%)</b>		<b>15,907</b>	<b>4.76</b>
15,907	Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund Z1 Inc+	15,907	4.76
Total investment assets		330,246	98.87
Net other assets		3,785	1.13
<b>Total Net Assets</b>		<b>334,031</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 October 2022.

+ Managed by subsidiaries of abrdn plc.

\*\* AIM listed.

\*Suspended.

# Financial Statements

## Statement of Total Return

For the year ended 31 October 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains/(losses)	1		20,789		(67,313)
Revenue	2	12,173		13,302	
Expenses	3	(2,214)		(2,736)	
Interest payable and similar charges		(1)		(5)	
Net revenue before taxation		9,958		10,561	
Taxation	4	-		(306)	
Net revenue after taxation			9,958		10,255
<b>Total return before distributions</b>			<b>30,747</b>		<b>(57,058)</b>
Distributions	5		(9,958)		(10,255)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>20,789</b>		<b>(67,313)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 October 2023

	2023		2022	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>355,731</b>		<b>441,979</b>
Amounts receivable on the issue of shares	19,388		16,428	
Amounts payable on the cancellation of shares	(71,732)		(45,428)	
		(52,344)		(29,000)
Dilution adjustment		37		-
Change in net assets attributable to shareholders from investment activities (see above)		20,789		(67,313)
Retained distribution on accumulation shares		9,818		10,065
<b>Closing net assets attributable to shareholders</b>		<b>334,031</b>		<b>355,731</b>

# Financial Statements

## Continued

### Balance Sheet

As at 31 October 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			330,246		360,730
<b>Current assets:</b>					
Debtors	6	4,732		1,594	
Cash and bank balances	7	1		4	
			4,733		1,598
<b>Total assets</b>			<b>334,979</b>		<b>362,328</b>
<b>Liabilities:</b>					
Creditors	8	(948)		(6,597)	
			(948)		(6,597)
<b>Total liabilities</b>			<b>(948)</b>		<b>(6,597)</b>
<b>Net assets attributable to shareholders</b>			<b>334,031</b>		<b>355,731</b>

# Notes to the Financial Statements

## 1 Net Capital Gains/(Losses)

	2023 £'000	2022 £'000
Non-derivative securities	20,793	(67,308)
Other gains	-	4
Transaction charges	(4)	(9)
<b>Net capital gains/(losses)</b>	<b>20,789</b>	<b>(67,313)</b>

## 2 Revenue

	2023 £'000	2022 £'000
Bank and margin interest	518	122
Overseas dividends	-	1,801
Stocklending revenue	2	-
UK dividends	11,521	11,379
UK REIT	132	-
<b>Total revenue</b>	<b>12,173</b>	<b>13,302</b>

## 3 Expenses

	2023 £'000	2022 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	1,999	2,512
Dealing charge	25	25
General administration charge	181	188
	2,205	2,725
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	9	11
	9	11
<b>Total expenses</b>	<b>2,214</b>	<b>2,736</b>

Irrecoverable VAT is included in the above expenses, where relevant.  
The audit fee for the year, including VAT, was £10,200 (2022: £9,480).

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2023 £'000	2022 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	-	306
<b>Total taxation (note 4b)</b>	-	<b>306</b>

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

The tax assessed for the year is less than (2022: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

<b>Net revenue before taxation</b>	<b>9,958</b>	<b>10,561</b>
Corporation tax at 20% (2022: 20%)	1,992	2,112
Effects of:		
Revenue not subject to taxation	(2,304)	(2,636)
Overseas taxes	-	306
Excess allowable expenses	312	524
<b>Total tax charge for year (note 4a)</b>	-	<b>306</b>

#### (c) Factors that may affect future tax charge

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £14,820,000 (2022: £14,508,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

### 5 Distributions

	2023 £'000	2022 £'000
Interim distribution	4,156	3,335
Final distribution	5,662	6,730
	9,818	10,065
Add: Income deducted on cancellation of shares	272	338
Deduct: Income received on issue of shares	(132)	(148)
<b>Total distributions for the year</b>	<b>9,958</b>	<b>10,255</b>

Details of the distribution per share are set out in this fund's distribution tables.

# Notes to the Financial Statements

## Continued

### 6 Debtors

	2023 £'000	2022 £'000
Accrued revenue	1,035	1,253
Amounts receivable from the ACD for the issue of shares	5	257
Overseas withholding tax recoverable	85	84
Sales awaiting settlement	3,607	-
<b>Total debtors</b>	<b>4,732</b>	<b>1,594</b>

### 7 Liquidity

	2023 £'000	2022 £'000
<b>Cash and bank balances</b>		
Cash at bank	1	4
	<b>1</b>	<b>4</b>
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	15,907	9,753
<b>Net liquidity</b>	<b>15,908</b>	<b>9,757</b>

\* Although reflected in the investment assets figure, liquidity funds are used by the fund as a liquidity vehicle. Therefore, the ACD considers the net liquidity position of the fund as the aggregate of cash at bank and in hand, bank overdrafts and liquidity fund positions.

### 8 Creditors

	2023 £'000	2022 £'000
Accrued expenses payable to ACD	167	217
Accrued expenses payable to the Depositary or associates of the Depositary	2	4
Amounts payable to the ACD for cancellation of shares	779	6,376
<b>Total creditors</b>	<b>948</b>	<b>6,597</b>

### 9 Related Party Transactions

abrdr Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to abrdr Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to abrdr Fund Managers Limited, in respect of expenses are disclosed in note 3 and any amounts due at the year end in note 8.

# Notes to the Financial Statements

## Continued

### 10 Portfolio Transaction Costs

	Purchases		Sales	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Trades in the year</b>				
Equities	271,358	241,712	333,180	250,801
Corporate actions	2,843	-	-	2,147
<b>Trades in the year before transaction costs</b>	<b>274,201</b>	<b>241,712</b>	<b>333,180</b>	<b>252,948</b>
<b>Commissions</b>				
Equities	145	142	(200)	(166)
<b>Total commissions</b>	<b>145</b>	<b>142</b>	<b>(200)</b>	<b>(166)</b>
<b>Taxes</b>				
Equities	1,201	968	-	-
<b>Total taxes</b>	<b>1,201</b>	<b>968</b>	<b>-</b>	<b>-</b>
<b>Total transaction costs</b>	<b>1,346</b>	<b>1,110</b>	<b>(200)</b>	<b>(166)</b>
<b>Total net trades in the year after transaction costs</b>	<b>275,547</b>	<b>242,822</b>	<b>332,980</b>	<b>252,782</b>
	Purchases		Sales	
	2023 %	2022 %	2023 %	2022 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.05	0.06	0.06	0.07
<b>Taxes</b>				
Equities	0.44	0.40	-	-
			2023 %	2022 %
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Commissions			0.09	0.08
Taxes			0.32	0.24

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.53% (2022: 0.45%), this is representative of the average spread on the assets held during the year.

# Notes to the Financial Statements

## Continued

### 11 Shares in Issue Reconciliation

	Opening shares 2022	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2023
Retail accumulation	13,723,797	37,212	(350,994)	(11,197,164)	2,212,851
Institutional accumulation	52,495,338	461,990	(11,797,743)	9,650,651	50,810,236
Institutional A accumulation	34,836	120,489	(1,972)	84,317	237,670
Institutional S accumulation	1,525	-	-	-	1,525
Platform 1 accumulation	44,569,125	7,710,851	(19,699,927)	47,366	32,627,415
ZC accumulation	1,673,669	1,948,559	(240,917)	-	3,381,311
ZA accumulation	61,556,205	258,586	(2,725,571)	-	59,089,220

### 12 Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2023 £'000	2023 £'000	2023 £'000	2022 £'000	2022 £'000	2022 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	314,339	-	-	350,977	-	-
Collective Investment Schemes	-	15,907	-	-	9,753	-
<b>Total investment assets</b>	<b>314,339</b>	<b>15,907</b>	<b>-</b>	<b>350,977</b>	<b>9,753</b>	<b>-</b>

### 13 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

#### Foreign currency risk

The fund's net exposure to foreign currencies (including any instruments used to hedge against foreign currencies) is not significant. Therefore, the financial statements are not subject to any significant risk of currency movements. This is consistent with the exposure during the prior year.

#### Interest rate risk

The majority of the fund's financial assets are in non-interest bearing assets. Therefore, the fund's exposure to interest rate risk is considered insignificant. This is consistent with the exposure during the prior year.

# Notes to the Financial Statements

## Continued

### **Other price risk**

The fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Adviser in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

As at 31 October 2023, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £16,512,000 (2022: £18,037,000).

### **Financial derivatives instrument risk**

The fund had no exposure to derivatives as at 31 October 2023 (2022: £Nil).

### **Liquidity risk**

All of the fund's financial liabilities are payable on demand or in less than one year, 2023 £948,000 (2022: £6,597,000).

# Distribution Tables

For the year ended 31 October 2023 (in pence per share)

## Interim dividend distribution

Group 1 – shares purchased prior to 1 November 2022

Group 2 – shares purchased between 1 November 2022 and 30 April 2023

	Revenue	Equalisation	Distribution paid 30/06/23	Distribution paid 30/06/22
<b>Retail accumulation</b>				
Group 1	1.8625	-	1.8625	1.0562
Group 2	1.1942	0.6683	1.8625	1.0562
<b>Institutional accumulation</b>				
Group 1	3.1238	-	3.1238	2.1860
Group 2	1.9894	1.1344	3.1238	2.1860
<b>Institutional A accumulation</b>				
Group 1	0.3321	-	0.3321	0.1372
Group 2	0.3321	-	0.3321	0.1372
<b>Institutional S accumulation</b>				
Group 1	0.8848	-	0.8848	0.6454
Group 2	0.8848	-	0.8848	0.6454
<b>Platform 1 accumulation</b>				
Group 1	1.1503	-	1.1503	0.7500
Group 2	0.8140	0.3363	1.1503	0.7500
<b>ZC accumulation</b>				
Group 1	5.0326	-	5.0326	3.9196
Group 2	0.7784	4.2542	5.0326	3.9196
<b>ZA accumulation</b>				
Group 1	3.1355	-	3.1355	2.4582
Group 2	1.8500	1.2855	3.1355	2.4582

# Distribution Tables

For the year ended 31 October 2023 (in pence per share) continued

## Final dividend distribution

Group 1 – shares purchased prior to 1 May 2023

Group 2 – shares purchased between 1 May 2023 and 31 October 2023

	Revenue	Equalisation	Distribution paid 29/02/24	Distribution paid 28/02/23
<b>Retail accumulation</b>				
Group 1	3.0742	-	3.0742	3.4948
Group 2	2.5667	0.5075	3.0742	3.4948
<b>Institutional accumulation</b>				
Group 1	4.5652	-	4.5652	4.9514
Group 2	2.6494	1.9158	4.5652	4.9514
<b>Institutional A accumulation</b>				
Group 1	0.6267	-	0.6267	0.7393
Group 2	0.3476	0.2791	0.6267	0.7393
<b>Institutional S accumulation</b>				
Group 1	1.2691	-	1.2691	1.3072
Group 2	1.2691	-	1.2691	1.3072
<b>Platform 1 accumulation</b>				
Group 1	1.7486	-	1.7486	1.9285
Group 2	1.2802	0.4684	1.7486	1.9285
<b>ZC accumulation</b>				
Group 1	6.7600	-	6.7600	7.0355
Group 2	1.8825	4.8775	6.7600	7.0355
<b>ZA accumulation</b>				
Group 1	4.1868	-	4.1868	4.3426
Group 2	4.1868	-	4.1868	4.3426

## Equalisation

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

# Standard Life Investments European Equity Index Tracker Fund (closed)

For the year ended 31 October 2023

## Investment Report

Standard Life Investments European Equity Index Tracker Fund is no longer open to investors, having redeemed all shares on 14 June 2012. It is the intention of the ACD to terminate the fund at a later date once the residual assets and liabilities are settled. As a result the financial statements for this fund has not been prepared on a going concern basis. Certain legal claims have been made in relation to the fairness of taxes paid by the fund over their life time. These claims are currently still subject to legal process. When any such claim reaches the point where it carries the certainty that it will result in a windfall gain to the fund, that gain will be recognised in the financial statements. The fund will continue in this prolonged closure phase until such claims have been fully pursued. Thereafter the fund will be formally terminated.

# Financial Statements

## Statement of Total Return

For the year ended 31 October 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains			-		-
Revenue		-		-	
Expenses		-		-	
Interest payable and similar charges		-		-	
Net revenue before taxation		-		-	
Taxation		-		-	
Net revenue after taxation			-		-
<b>Total return</b>			-		-
Change in net assets attributable to shareholders from investment activities			-		-

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 October 2023

	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		-		-
Change in net assets attributable to shareholders from investment activities (see above)		-		-
Change in residual payment due in respect of fund closure		-		-
<b>Closing net assets attributable to shareholders</b>		-		-

# Financial Statements

## Continued

### Balance Sheet

As at 31 October 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Current assets:</b>					
Investment assets		-		-	
Cash and bank balances		1,337		1,337	
			1,337		1,337
<b>Total assets</b>			<b>1,337</b>		<b>1,337</b>
<b>Liabilities:</b>					
Creditors	1	(1,337)		(1,337)	
			(1,337)		(1,337)
<b>Total liabilities</b>			<b>(1,337)</b>		<b>(1,337)</b>
<b>Net assets attributable to shareholders</b>			<b>-</b>		<b>-</b>

# Notes to the Financial Statements

## 1 Creditors

	2023 £'000	2022 £'000
Residual payment due in respect of ongoing fund closure	1,337	1,337
<b>Total creditors</b>	<b>1,337</b>	<b>1,337</b>

The audit fee for the year, including VAT, was £2,400, payable by abrdn.

## 2 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

### Foreign currency risk

The income and capital value of the fund's investments are mainly denominated in Sterling, the fund's functional currency; therefore, the financial statements are not subject to any significant risk of currency movements. This is consistent with the exposure during the prior year.

### Interest rate risk

Interest receivable on bank deposits or payable on bank overdrafts will be affected by fluctuations in interest rates.

The Authorised Corporate Director continuously reviews interest rates and inflation expectations.

A one per cent increase in the value of the fund's floating rate financial assets would have the effect of increasing the return and net assets as at year-end date by £13,000 (2022: £13,000). A one per cent decrease would have an equal and opposite effect.

The interest rate risk profile of the fund's investments at the year-end consists of:

2023	Floating rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>Currency</b>			
UK Sterling	1,337	(1,337)	-
<b>Total</b>	<b>1,337</b>	<b>(1,337)</b>	<b>-</b>

2022	Floating rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>Currency</b>			
UK Sterling	1,337	(1,337)	-
<b>Total</b>	<b>1,337</b>	<b>(1,337)</b>	<b>-</b>

### Liquidity risk

All of the fund's financial liabilities are payable on the termination of the fund which is expected to be completed once the tax reclaims have been fully pursued, 2023 £1,337,000 (2022: £1,337,000).

# Standard Life Investments Japanese Equity Index Tracker Fund (closed)

For the year ended 31 October 2023

## Investment Report

Standard Life Investments Japanese Equity Index Tracker Fund is no longer open to investors, having redeemed all shares on 20 June 2012. At the time of the share cancellation all securities were sold down. It is the intention of the ACD to terminate the fund at a later date once the residual assets and liabilities are settled. As a result the financial statements for this fund has not been prepared on a going concern basis. Certain legal claims have been made in relation to the fairness of taxes paid by the fund over their life time. These claims are currently still subject to legal process. When any such claim reaches the point where it carries the certainty that it will result in a windfall gain to the fund, that gain will be recognised in the financial statements. The fund will continue in this prolonged closure phase until such claims have been fully pursued. Thereafter the fund will be formally terminated.

# Financial Statements

## Statement of Total Return

For the year ended 31 October 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains			-		-
Revenue		-		-	
Expenses		-		-	
Net revenue before taxation		-		-	
Taxation		-		-	
Net revenue after taxation			-		-
<b>Total return</b>			-		-
<b>Change in net assets attributable to shareholders from investment activities</b>			-		-

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 October 2023

	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		-		-
Change in net assets attributable to shareholders from investment activities (see above)		-		-
Change in residual payment due in respect of fund closure		-		-
<b>Closing net assets attributable to shareholders</b>		-		-

# Financial Statements

## Continued

### Balance Sheet

As at 31 October 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Current assets:</b>					
Cash and bank balances		262		262	
			262		262
<b>Total assets</b>			<b>262</b>		<b>262</b>
<b>Liabilities:</b>					
Creditors	1	(262)		(262)	
			(262)		(262)
<b>Total liabilities</b>			<b>(262)</b>		<b>(262)</b>
<b>Net assets attributable to shareholders</b>			<b>-</b>		<b>-</b>

# Notes to the Financial Statements

## 1 Creditors

	2023 £'000	2022 £'000
Residual payment due in respect of ongoing fund closure	262	262
<b>Total creditors</b>	<b>262</b>	<b>262</b>

The audit fee for the year, including VAT, was £2,400, payable by abrdn.

## 2 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

### Foreign currency risk

The income and capital value of the fund's investments are mainly denominated in Sterling, the fund's functional currency; therefore, the financial statements are not subject to any significant risk of currency movements. This is consistent with the exposure during the prior year.

### Interest rate risk

Interest receivable on bank deposits or payable on bank overdrafts will be affected by fluctuations in interest rates.

The Authorised Corporate Director continuously reviews interest rates and inflation expectations.

A one per cent increase in the value of the fund's floating rate financial assets would have the effect of increasing the return and net assets as at year-end date by £3,000 (2022: £3,000). A one per cent decrease would have an equal and opposite effect.

The interest rate risk profile of the fund's investments at the year-end consists of:

2023	Floating rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>Currency</b>			
UK Sterling	262	(262)	-
<b>Total</b>	<b>262</b>	<b>(262)</b>	<b>-</b>

2022	Floating rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>Currency</b>			
UK Sterling	262	(262)	-
<b>Total</b>	<b>262</b>	<b>(262)</b>	<b>-</b>

### Liquidity risk

All of the fund's financial liabilities are payable on the termination of the fund which is expected to be completed once the tax reclaims have been fully pursued, 2023 £262,000 (2022: £262,000).

# Standard Life Investments US Equity Index Tracker Fund (closed)

For the year ended 31 October 2023

## Investment Report

Standard Life Investments US Equity Index Tracker Fund is no longer open to investors, having redeemed all shares on 26 June 2012. At the time of the share cancellation all securities were sold down. It is the intention of the ACD to terminate the fund at a later date once the residual assets and liabilities are settled. As a result the financial statements for this fund has not been prepared on a going concern basis. Certain legal claims have been made in relation to the fairness of taxes paid by the fund over their life time. These claims are currently still subject to legal process. When any such claim reaches the point where it carries the certainty that it will result in a windfall gain to the fund, that gain will be recognised in the financial statements. The fund will continue in this prolonged closure phase until such claims have been fully pursued. Thereafter the fund will be formally terminated.

# Financial Statements

## Statement of Total Return

For the year ended 31 October 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains			-		-
Revenue		-		-	
Expenses		-		-	
Net revenue before taxation		-		-	
Taxation		-		-	
Net revenue after taxation			-		-
<b>Total return</b>			-		-
Change in net assets attributable to shareholders from investment activities			-		-

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 October 2023

	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		-		-
Change in net assets attributable to shareholders from investment activities (see above)		-		-
Change in residual payment due in respect of fund closure		-		-
<b>Closing net assets attributable to shareholders</b>		-		-

# Financial Statements

## Continued

### Balance Sheet

As at 31 October 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Current assets:</b>					
Cash and bank balances		445		445	
			445		445
<b>Total assets</b>			<b>445</b>		<b>445</b>
<b>Liabilities:</b>					
Creditors	1	(445)		(445)	
			(445)		(445)
<b>Total liabilities</b>			<b>(445)</b>		<b>(445)</b>
<b>Net assets attributable to shareholders</b>			<b>-</b>		<b>-</b>

# Notes to the Financial Statements

## 1 Creditors

	2023 £'000	2022 £'000
Residual payment due in respect of ongoing fund closure	445	445
<b>Total creditors</b>	<b>445</b>	<b>445</b>

The audit fee for the year, including VAT, was £2,400, payable by abrdn.

## 2 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

### Foreign currency risk

The income and capital value of the fund's investments are mainly denominated in Sterling, the fund's functional currency; therefore, the financial statements are not subject to any significant risk of currency movements. This is consistent with the exposure during the prior year.

### Interest rate risk

Interest receivable on bank deposits or payable on bank overdrafts will be affected by fluctuations in interest rates.

The Authorised Corporate Director continuously reviews interest rates and inflation expectations.

A one per cent increase in the value of the fund's floating rate financial assets would have the effect of increasing the return and net assets as at year-end date by £4,000 (2022: £4,000). A one per cent decrease would have an equal and opposite effect.

The interest rate risk profile of the fund's investments at the year-end consists of:

2023	Floating rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>Currency</b>			
UK Sterling	445	(445)	-
<b>Total</b>	<b>445</b>	<b>(445)</b>	<b>-</b>

2022	Floating rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>Currency</b>			
UK Sterling	445	(445)	-
<b>Total</b>	<b>445</b>	<b>(445)</b>	<b>-</b>

### Liquidity risk

All of the fund's financial liabilities are payable on the termination of the fund which is expected to be completed once the tax reclaims have been fully pursued, 2023 £445,000 (2022: £445,000).

# Remuneration (Unaudited)

## Undertakings for Collective Investment Transferrable Securities V Directive (UCITS V) Remuneration Disclosure UCITS V Fund Annual Report and Accounts

### Remuneration Policy

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

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

### Remuneration Principles

abr dn 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 principally 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 abr dn 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.

# Remuneration (Unaudited)

## Continued

<b>Base salary</b>	<p>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.</p>
<b>Benefits (including retirement benefit where appropriate)</b>	<p>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.</p> <p>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.</p>
<b>Annual Performance Bonus Awards</b>	<p>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.</p> <p>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.</p> <p>abrdn Fund Managers Limited has specific obligations to act in the best interests of the UCITS 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.</p> <p>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.</p> <p>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).</p>
<b>Other elements of remuneration – selected employees</b>	<p>The following remuneration arrangements may be awarded in certain very limited circumstances:</p> <p><b>Carried Interest Plans</b> – 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.</p> <p><b>Buy-Out Awards/Guaranteed Bonuses</b> – 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.</p> <p><b>Retention and Special Performance Awards / LTIP</b> – 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.</p> <p><b>Severance Pay</b> – 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.</p>

# Remuneration (Unaudited)

## Continued

### 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.

### 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.

### UCITS V Identified Staff / MRTs

The 'Identified Staff' or MRTs of abrDn Fund Managers Limited are those employees who could have a material impact on the risk profile of abrDn Fund Managers Limited or the UCITS V 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 Fund Managers Limited to its entire staff; and
- Aggregate total remuneration paid by abrDn Fund Managers Limited to its UCITS V '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
<b>abrDn Fund Managers Limited<sup>1</sup></b>	<b>1,101</b>	<b>160,808</b>
of which		
Fixed remuneration		122,073
Variable remuneration		38,735
<b>abrDn Fund Managers Limited 'Identified Staff'<sup>2</sup></b>	<b>85</b>	<b>52,178</b>
of which		
Senior Management <sup>3</sup>	46	34,570
Other 'Identified Staff'	39	17,608

<sup>1</sup> As there are a number of individuals indirectly and directly employed by abrDn Fund Managers 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.

<sup>2</sup> The Identified Staff disclosure relates to UCITS V 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

<sup>3</sup> 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.

# Further Information

## Constitution

abrdrn OEIC V was incorporated on 22 April 2004, under the FCA Regulations. The Company is an open-ended investment company (OEIC) with variable capital under regulation 14 (authorisation) of the OEIC Regulations.

Consumers' rights and protections, including any derived from EU legislation, are currently unaffected by the result of the UK referendum to leave the European Union and will remain unchanged unless and until the UK Government changes the applicable legislation.

## Documentation and Prices

Copies of the current Prospectus and Key Investor Information Documents (KIIDs) for the abrdrn OEIC V, daily prices, together with the latest Annual (and if issued later the interim) Report and Accounts for any fund, are available to download at [abrdrn.com](http://abrdrn.com). A paper copy of the Report and Accounts is available on request from the ACD.

## Notices/Correspondence

Please send any notices to abrdrn Fund Managers Limited, PO Box 12233, Chelmsford, CM99 2EE. Any notice to the ACD will only be effective when actually received by the ACD. All notices will be sent to the investor at the address set out in the application form or the latest address which the investor has notified to the ACD, and will be deemed to have been received three days after posting. Events detailed in these terms and conditions will be carried out on the dates specified, unless the dates are a non-business day, when they will be carried out on the next business day.

## Complaints and Compensation

If you need to complain about any aspect of our service, you should write to the Complaints Team, abrdrn, PO Box 12233, Chelmsford, CM99 2EE, who will initiate our formal complaints procedure. If you prefer, you may call the Complaints Team on 0345 113 6966 or email [complaints@abrdrn.com](mailto:complaints@abrdrn.com) in the first instance.

Alternatively if you have a complaint about the Company or funds you can contact the Depositary directly. A leaflet detailing our complaints procedure is available on request. We will endeavour to respond to your complaint as soon as possible and will notify you of our outcome within 8 weeks. If the complaint is not resolved by us to your satisfaction then you may have the right to take your complaint to the Financial Ombudsman Service (FOS). To contact the FOS Service you should write to The Financial Ombudsman Service, Exchange Tower, London, E14 9SR, email [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk) or telephone 0800 023 4567 (free for landlines and mobiles) or 0300 123 9123 (calls cost no more than calls to 01 and 02 numbers) or +44 20 7964 0500 (available from outside the UK - calls will be charged).

We are covered by the Financial Services Compensation Scheme, which means if we become insolvent, you may be entitled to compensation. The level of compensation will depend on the type of business and the circumstances of your claim. Investments are covered up to £85,000 for claims against firms that fail on or after 1 April 2019. Details are available from the FSCS Helpline on 0800 678 1100 or 020 7741 4100 and on the FSCS website: [www.fscs.org.uk](http://www.fscs.org.uk).

## UCITS

The funds were certified under the Undertaking for Collective Investment in Transferable Securities (UCITS) directive, which allows the ACD to market the funds in member States of the European Union subject to relevant local laws, specifically marketing laws.

## Important Information

The above document is strictly for information purposes only and should not be considered as an offer, investment recommendation or solicitation, to deal in any of the investments or funds mentioned herein and does not constitute investment research. abrDN Fund Managers Limited (abrDN) does not warrant the accuracy, adequacy or completeness of the information and materials. Any research or analysis used in the preparation of this document has been procured by abrDN for its own use and may have been acted on for its own purpose. The results thus obtained are made available only coincidentally and the information is not guaranteed as to its accuracy. Some of the information in this document may contain projections or other forward looking statements regarding future events or future financial performance of countries, markets or companies. These statements are only predictions and actual events or results may differ materially. The reader must make their own assessment of the relevance, accuracy and adequacy of the information contained in this document and make such independent investigations, as they may consider necessary or appropriate for the purpose of such assessment. Any opinion or estimate contained in this document is made on a general basis and is not to be relied on by the reader as advice. Neither abrDN nor any of its employees, associated group companies or agents have given any consideration to nor have they or any of them made any investigation of the investment objectives, financial situation or particular need of the reader, any specific person or group of persons. Accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of the reader, any person or group of persons acting on any information, opinion or estimate contained in this document. abrDN reserves the right to make changes and corrections to any information in this document at any time, without notice.