



abr dn OEIC I

Annual Long Report
For the year ended 31 July 2023

abr dn.com

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Report of the Authorised Corporate Director

abrdrn OEIC I ('the Company') is an open-ended investment company with variable capital. The Company is incorporated in Scotland with registered number S1000001 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 23 December 1997.

The Company is also an UCITS for the purposes of the FCA Rules. Its FCA Product Reference Number ("PRN") is 185045. It has an umbrella structure and currently consists of twenty-two live funds and twelve closed funds.

Appointments

Authorised Corporate Director

abrdrn Fund Managers Limited

Registered Office

280 Bishopsgate
London
EC2M 4AG

Correspondence address

PO Box 12233
Chelmsford
Essex
CM99 2EE

Investment Adviser

abrdrn Investments Limited

Registered Office

10 Queen's Terrace
Aberdeen
AB10 1XL

Correspondence address

280 Bishopsgate
London
EC2M 4AG

Depositary

Citibank UK Limited

Registered Office

Citigroup Centre
Canada Square
Canary Wharf
London
E14 5LB

Auditor

KPMG LLP
319 St Vincent Street
Glasgow
G2 5AS

Registrar

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

Report of the Authorised Corporate Director

Continued

The ACD and Authorised Fund Manager 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 July 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 I (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 website at **abrdr.com**.

The funds are segregated portfolios of assets and, accordingly, the assets of a fund belong exclusively to that fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the Company, or any other fund, and shall not be available for any such purpose.

The shareholders are not liable for the debts of the Company.

All fees charged by the Investment Adviser will be borne by the ACD.

Significant Events

On 24 February 2022, Russia launched a military offensive against Ukraine resulting in widespread sanctions on Russia and heightened security and cyber threats. Market disruptions associated with the geopolitical event has had a global impact, and uncertainty exists as to the implications. Such disruptions can adversely affect assets of funds and performance thereon, specifically Russian and Ukrainian assets.

The Management Company has delegated various tasks to abrdr's Investor Protection Committee (IPC). The IPC is responsible for ensuring the fair treatment of investors.

The IPC undertakes regular reviews of the following:-

- Market liquidity across each asset class and fund;
- Asset class bid-offer spread monitoring;
- Review of fund level dilution rate appropriateness;
- Review of daily subscriptions/redemptions to anticipate any potential concerns to meet redemption proceeds;
- Any requirement to gate or defer redemptions;

- Any requirement to suspend a fund(s);
 - Any fair value price adjustments at a fund level.
- 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 were necessary. The VPC is made up of a wide range of specialists across abrdr with a wide range of experience in asset pricing.

Developments and Prospectus updates since 1 August 2022

- On 1 August 2022, the Company changed its name from Aberdeen Standard OEIC I to abrdr OEIC I. At the same time underlying sub-funds of the Company renamed to reflect the "abrdr" rebranding. Additionally the Authorised Corporate Director of the Company changed its name from "Aberdeen Standard Fund Managers Limited" to "abrdr Fund Managers Limited". Further details and a list of the renaming can be found at <https://www.abrdr.com/en/uk/investor/fund-centre/investor-communications>.
- On 13 September 2022, the ASI Eastern European Equity Fund was closed.
- On 11 November 2022, the abrdr Corporate Bond Fund M Inc share class was closed.
- On 11 November 2022, the abrdr European High Yield Bond Fund M Inc share class was closed.
- On 16 December 2022, the abrdr (AAM) Sterling Government Bond Fund M Acc and M Inc share classes were closed.
- On 16 December 2022, any references to the address Bow Bells House, 1 Bread Street, London, EC4M 9HH were replaced with 280 Bishopsgate, London, EC2M 4AG.
- As of 16 December 2022, Citibank N.A., London Branch provide certain investment administration functions.
- On 16 December 2022, any references to Aberdeen Asset Managers Limited were updated to abrdr Investments Limited.
- On 31 December 2022, Mrs. Rowan McNay resigned as a director of abrdr Fund Managers Limited.
- On 17 January 2023, the following share classes closed: the abrdr European Real Estate Share Fund M Inc, the abrdr Multi-Asset Fund M Inc, the abrdr Sterling Bond Fund M Acc, the abrdr Sterling Bond Fund M Inc, the abrdr Sterling Inflation-Linked Bond Fund M Acc, the abrdr Sterling Inflation-Linked Bond Fund M Inc, the abrdr Sterling Long Dated Government Bond Fund M Acc, the abrdr Sterling Money Market Fund M Inc, the abrdr Sterling Short Dated Corporate Bond Fund M Acc, the abrdr Sterling Short Dated Corporate Bond Fund M Inc, the abrdr Sterling Short Term Government Bond

Report of the Authorised Corporate Director

Continued

- Fund M Acc, the abrdn Sterling Short Term Government Bond Fund M Inc and the abrdn World Income Equity Fund M Acc.
- On 17 February 2023, the abrdn (AAM) Sterling Government Bond Fund Q Inc share class was closed.
- On 24 February 2023, the abrdn Corporate Bond Fund merged into the abrdn Sterling Corporate Bond Fund (abrdn OEIC II).
- On 24 February 2023, the abrdn UK Opportunities Equity Fund (abrdn OEIC II) merged into the abrdn UK Mid-Cap Equity Fund.
- On 24 February 2023, the abrdn Strategic Bond Fund ZA Inc and ZC Acc share classes were launched.
- On 24 February 2023, the abrdn UK Mid-Cap equity fund ZC Acc and P Acc share classes were launched.
- On 3 March 2023, the Investment Manager of abrdn Diversified Growth and Income Fund, appointed abrdn Inc as discretionary investment manager of such of the Funds' cash, securities, and other assets as it may place under abrdn Inc's management (the "Portfolios").
- On 3 March 2023, the abrdn European High Yield Bond Fund merged into the abrdn High Yield Bond Fund (abrdn OEIC II).
- On 3 March 2023, the abrdn UK Sustainable and Responsible Investment Equity Fund ZC Acc share class was launched.
- On 3 March 2023, the abrdn Europe ex UK Equity Fund A Inc and ZC Acc share classes were launched.
- On 7 March 2023, Mr. Neil Machray was appointed as a director of abrdn Fund Managers Limited.
- On 22 March 2023, the abrdn UK Sustainable and Responsible Investment Equity Fund Z Acc share class was launched.
- On 4 April 2023, the abrdn Sterling Long Dated Government Bond Fund Z Acc share class was closed.
- On 19 April 2023, the abrdn Sterling Long Dated Government Bond Fund was closed.
- On 19 April 2023, the abrdn World Income Equity Fund was closed.
- On 12 May 2023, the Absolute VAR figure for abrdn Diversified Growth and Income Fund in OEIC I prospectus has been updated from 200% to 20% as a result of correcting a typo.
- On 12 May 2023, the abrdn Asian Pacific Growth Equity Fund (OEIC II) and the abrdn Asia Pacific and the Japan Equity Fund (OEIC I) merged into the abrdn Asia Pacific Equity Fund (OEIC I).
- On 12 May 2023, the abrdn (AAM) Sterling Government Bond Fund (OEIC I) merged into the abrdn UK Government Bond Fund (OEIC II).
- On 12 May 2023, the abrdn Asia Pacific Equity Fund ZC Acc share class was launched.
- On 12 May 2023, the abrdn Emerging Markets Equity Fund ZC Acc and ZB Acc share classes were launched.
- On 23 June 2023, the abrdn UK Sustainable and Responsible Investment Equity Fund L Acc and L Inc share classes were launched.
- On 23 June 2023, the abrdn (AAM) UK Smaller Companies Fund (OEIC I) merged into the abrdn UK Smaller Companies Fund (OEIC II).
- On 23 June 2023, the abrdn (AAM) Sterling Short Dated Corporate Bond Fund (OEIC I) merged into the abrdn Short Dated Corporate Bond Fund (OEIC V).
- On 23 June 2023, the abrdn UK Equity Fund (OEIC I) merged into the abrdn UK Sustainable and Responsible Investment Equity Fund (OEIC I).
- On 31 July 2023, the abrdn European Smaller Companies Fund updated the Investment Objective and Policy ("IOP") to reflect a change in Performance benchmark from EMIX Smaller European Companies Index to FTSE Developed Europe Small Cap Index.
- On 17 August 2023, the abrdn Diversified Income Fund changed its name to the abrdn Diversified Growth and Income Fund.
- On 30 September 2023, Mr. Neil Machray resigned as a director of abrdn Fund Managers Limited.
- 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.

Report of the Authorised Corporate Director

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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 I 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](#).

Market Review

Global stock markets rose in sterling terms and more notably in local-currency terms over the 12 months as share prices recovered from the sharp sell-off suffered in the first half of 2022. Central banks in Western economies raised interest rates faster and much further than previously anticipated to counter multi-decade-high inflation. Nevertheless, global economic growth held up better than many investors expected, defying fears of a recession triggered by higher rates. US and eurozone inflation peaked in the autumn of 2022, prompting hopes that an end to interest-rate rises might be in sight. The new year started on a highly positive note, with strong stock market gains. 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. Stock markets recovered after an initial sell-off. After a quiet April, most markets fell in May. This was against a backdrop of further interest-rate rises, protracted negotiations over raising the US government's debt ceiling and signs of slowing economic momentum. News of a compromise agreement over the debt limit and further encouraging inflation data then led to equities having strong months in June and July, despite still-hawkish rhetoric from central banks.

The UK stock market, as represented by the FTSE All-Share Index, rose in sterling terms over the period. The FTSE 100 Index, home of multinational companies, performed particularly well. In contrast, the FTSE 250 Index, which

contains smaller companies typically more focused on the domestic economy, modestly declined. The annual consumer inflation rate increased steadily, hitting a 41-year high of 11.1% in October, before it began to recede. The Bank of England (BoE) reacted to surging inflation with successive interest-rate rises, taking its base rate from 0.25% at the start of 2022 to 3.50% by the calendar year's end. In 2023, the BoE increased its base rate by 50 basis points (bps) in February, by 25 bps in both March and May, and then by a further 50 bps in June.

US share prices, as measured by the broad S&P 500 Index, rose in sterling terms and were particularly strong in US dollar terms over the 12-month period. A combination of higher interest rates and surging annual inflation caused US share prices to fall in the autumn of 2022. Growth-focused stocks, which are more sensitive to higher interest rates, were particularly affected. As US annual inflation remained high, the Federal Reserve (Fed) became more aggressive in its response. It implemented a series of 75 bps rate hikes in the second half of 2022. However, the annual consumer inflation figure then unexpectedly fell to 7.7% in November. Further falls in annual inflation increased investor confidence that price pressures were subsiding, and the Fed eased the scale of rate rises. However, the central bank continued to raise rates in 2023. The 25 bps increase in July 2023 took the target range for the fed funds rate to 5.25–5.50%. US stock markets steadily rose as the period progressed, even shaking off turmoil in the banking sector in March, when two regional banks, Silicon Valley Bank and Signature Bank, collapsed. In particular, investor sentiment was helped by the long-awaited news of an agreement over raising the US debt ceiling and a strong performance by the technology sector amid investor demand for artificial intelligence-related stocks.

Continental Europe's stock markets, as measured by the FTSE World Europe ex UK Index, rose strongly over the 12-month period in sterling and euro terms. The region's equity markets were buffeted for much of 2022 by surging inflation, higher interest rates and the shock of the Russia-Ukraine war. European equities then recovered some ground in the final quarter of 2022, before making further progress in 2023 to date. Investors were cheered by falling annual inflation and an unexpectedly resilient European economy. The eurozone annual inflation rate hit a peak of 10.6% in October before it began to drop. The European Central Bank (ECB) continued to raise rates – with 75 bp hikes in both September and October – as it strived to bring the annual inflation rate down to its 2.0% target. The ECB's 25 bps increase in its key interest rates in July 2023 took its base rate to 4.25%. According to a preliminary estimate, the eurozone economy only grew by 0.6% year on year in the second quarter of 2023, its weakest growth rate since the 2020-21 recession.

Report of the Authorised Corporate Director

Continued

The Japanese stock market, as measured by the TOPIX Index, recorded a strong double-digit gain in yen terms over the 12-month period; it increased more modestly in sterling terms due to the depreciation of the yen. Annual consumer inflation in Japan climbed to elevated levels by Japanese standards, hitting 4.0% in December 2022, its highest rate since 1981. The reasons for rising annual inflation included the weakness of the yen, which made imports more expensive, and higher energy costs. The Bank of Japan (BoJ) still faced milder inflationary pressures than the world's other major central banks so left its key interest rate unchanged at -0.1% and the target for the 10-year government bond yield at around 0% over the period. After new BoJ Governor Ueda, who succeeded Governor Kuroda, stressed his commitment to an ultra-loose monetary policy, the Japanese yen steadily weakened. With annual core inflation edging up from 3.2% in May to 3.3% in June – still above the BoJ's 2% target – the BoJ then decided to make its yield-curve control policy more flexible at its July meeting. Solid company results and an increased focus by Japanese companies on shareholder returns helped share prices climb higher towards the end of the period.

Stock markets in the Asia Pacific (excluding Japan) region rose modestly over the 12-month period in sterling terms but recorded a more sizeable gain in local-currency terms. Within the region, Chinese stock markets suffered large initial losses as China's economy stumbled in 2022, in part due to the government's strict 'zero-Covid' policy. Ongoing virus flare-ups continued to affect sentiment, while investors also fretted over pressures in the country's highly indebted property sector, tensions with the US and an ongoing regulatory crackdown. Chinese stock markets then surged in November and December 2022 after the Chinese government dropped its 'zero-Covid' approach in a major policy shift. Share prices continued to rise sharply in January as the Chinese economy reopened and amid signs that the latest wave of Covid-19 infections had peaked. These positive developments in the region's largest economy helped other Asian stock markets enjoy a strong first quarter of 2023. However, Chinese share prices gave up some of their post-reopening gains in May and June, given renewed concerns about the economy, before a stronger month in July on hopes of fresh policy stimulus. The Taiwanese and South Korean stock markets both recorded sizeable gains in the first seven months of 2023, helped by their relatively high weightings to the technology sector.

In fixed income, global government bonds recorded a weak 12-month performance. After years of record-low interest rates, central banks raised rates sharply as they tried to contain soaring inflation. This caused a major sell-off in government bonds in 2022. While government bond prices, in local-currency terms, rose slightly over the first seven months of 2023, they fell over the second quarter on expectations of further interest-rate rises

ahead. Corporate bond prices had a mixed performance over the 12-month period, with investment-grade bonds underperforming riskier high-yield bonds. A backdrop of sharply rising interest rates, stubbornly high annual inflation and a worsening economic outlook created challenging market conditions. However, 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, helped corporate bonds to perform better in the second half of the period.

Outlook

Global equity markets will continue to face challenges, with investors concerned that entrenched inflation and sustained rate rises could result in tougher financial conditions. However, in the US, there is ongoing optimism surrounding the artificial intelligence sector, which was further buoyed by chipmaker NVIDIA's returns in June.

In fixed-income markets, the Fed and ECB both raised rates by 25 bps in July. Fed Chair Jerome Powell suggested that the Fed may make a further rise in September, as the Bank continues to bring inflation back to its target range. In the UK, the reacceleration in the pace of tightening in June, with the rate rise of 50 bps from the BoE, reflected the Bank's concerns over upside inflation surprises.

Statement of the 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 abr dn (AAM) Sterling Government Bond Fund, abr dn (AAM) UK Smaller Companies Fund, abr dn Asia Pacific and Japan Equity Fund, abr dn European High Yield Bond Fund, abr dn Multi-Asset Fund, abr dn Sterling Short Dated Corporate Bond Fund, abr dn UK Equity Fund, abr dn World Income Equity Fund, ASI Eastern European Fund, ASI Emerging Markets Bond Fund, ASI Euro Corporate Bond Fund, ASI Financial Equity Fund and ASI Global High Yield Bond 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.

The ACD is responsible for the maintenance and integrity of the corporate and financial information included on its website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 abr dn Fund Managers Limited, the Authorised Corporate Director.

Aron Mitchell
Director
27 November 2023

Adam Shanks
Director
27 November 2023

Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of the abrdn OEIC I

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

27 November 2023

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

Opinion

We have audited the financial statements of the Company for the year ended 31 July 2023 which comprise the Statements of Total Return, the Statements of Changes 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 13 to 16.

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 July 2023 and of the net revenue/net expense 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 abrdn (AAM) Sterling Government Bond Fund, abrdn (AAM) UK Smaller Companies Fund, abrdn Asia Pacific and Japan Equity Fund, abrdn European High Yield Bond Fund, abrdn Multi-Asset Fund, abrdn Sterling Short Dated Corporate Bond, abrdn UK Equity Fund, abrdn World Income Equity Fund, ASI Eastern European Fund, ASI Emerging Markets Bond Fund, ASI Euro Corporate Bond Fund, ASI Financial Equity Fund and ASI Global High Yield Bond 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 a 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 abrdn (AAM) Sterling Government Bond Fund, abrdn (AAM) UK Smaller Companies Fund, abrdn Asia Pacific and Japan Equity Fund, abrdn European High Yield Bond Fund, abrdn Multi-Asset Fund, abrdn Sterling Short Dated Corporate Bond, abrdn UK Equity Fund, abrdn World Income Equity Fund, ASI Eastern European Fund, ASI Emerging Markets Bond Fund, ASI Euro Corporate Bond Fund, ASI Financial Equity Fund and ASI Global High Yield Bond 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.

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

Continued

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

- Enquiring of directors 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.

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

Continued

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.

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 8 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.

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.

Grant Archer for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
319 St Vincent Street
Glasgow
G2 5AS
27 November 2023

Notes to the Financial Statements of abrdn OEIC I

For the year ended 31 July 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 abrdn (AAM) Sterling Government Bond Fund, abrdn (AAM) UK Smaller Companies Fund, abrdn Asia Pacific and Japan Equity Fund, abrdn European High Yield Bond Fund, abrdn Multi-Asset Fund, abrdn Sterling Short Dated Corporate Bond Fund, abrdn UK Equity Fund, abrdn World Income Equity Fund, ASI Eastern European Fund, ASI Emerging Markets Bond Fund, ASI Euro Corporate Bond Fund, ASI Financial Equity Fund and ASI Global High Yield Bond 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.

ASI Euro Corporate Bond Fund is no longer open to investors, having redeemed all shares on 22 June 2020. ASI Global High Yield Bond Fund is no longer open to investors, having redeemed all shares on 26 October 2020. ASI Financial Equity Fund is no longer open to investors, having redeemed all shares on 29 November 2021. ASI Emerging Markets Bond Fund is no longer open to investors, having redeemed all shares on 30 June 2022. ASI Eastern European Fund is no longer open to investors, having redeemed all shares on 13 September 2022. abrdn European High Yield Bond Fund is no longer open to investors having merged on 3 March 2023. abrdn World Income Equity Fund is no longer open to investors having redeemed all shares on 19 April 2023. abrdn Asia Pacific and Japan Equity Fund and abrdn (AAM) Sterling Government Bond Fund are no longer open to investors having merged on 12 May 2023. abrdn (AAM) Sterling Short Dated Corporate Bond Fund, abrdn (AAM) UK Smaller Companies Fund and abrdn UK Equity Fund are no longer open to investors having merged on 23 June 2023. 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. Prior year financial statements for abrdn (AAM) Sterling Government bond Fund, abrdn (AAM) UK Smaller Companies Fund, abrdn Asia Pacific and Japan Equity Fund, abrdn European High Yield Bond Fund, abrdn Sterling Short Dated Corporate Bond Fund, abrdn UK Equity Fund, abrdn World Income Equity Fund, ASI Eastern European Fund, ASI Emerging Market Bond Fund, ASI Euro Corporate Bond Fund, ASI Global High Yield Bond and ASI Financial Equity Fund were also not 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 July 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.

Notes to the Financial Statements of abrdn OEIC I

Continued

(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.

(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.

Notes to the Financial Statements of abrdn OEIC I

Continued

(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.

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.

The funds abrdn Emerging Markets Equity Fund and abrdn Multi-Asset 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 the funds and have not been recognised in these Financial Statements as the outcome of the claims and the potential recoveries are not sufficiently certain.

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.

(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 the ACD has discretion about the extent to which revenue and expenses are recognised within the distributable income property of the fund, the approach adopted, at all times, will be governed by the aim of maximising the total return to shareholders through limiting avoidable taxation costs.

Where expenses are charged to capital, or returned equalisation is not allocated back to the investment, 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.

To meet the Fund's investment objective and to increase the distribution available to investors, abrdn Diversified Growth and Income Fund does not recognise marginal tax relief.

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.

Notes to the Financial Statements of abrdrn OEIC I

Continued

(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 a 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.

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, stock lending or repurchase and sale transactions exchange investment assets based on legal agreements. In line with collective investment scheme rules and abrdrn 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 abrdrn 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.

Notes to the Financial Statements of abrdn OEIC I

Continued

(l) Stock lending

Any income arising from stocklending is treated as revenue and is disclosed in the notes to the Financial Statements net of directly attributable fees. The value of the collateral must always exceed the value of the stock on loan. The accepted collateral include cash, equities, certain types of bonds and money market instruments as agreed with the Depositary.

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.

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.

Notes to the Financial Statements of abrdn OEIC I

Continued

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.

To generate these risk analytics the risk team relies on third party calculation engines, such as APT, Bloomberg PORT+, RiskMetrics, UBS Delta 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.

Notes to the Financial Statements of abrdn OEIC I

Continued

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.

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 Group's 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.

Notes to the Financial Statements of abrdn OEIC I

Continued

Cross Holding Table as at 31 July 2023

		Holding Fund					
		abrdn Asia Pacific Equity Fund		abrdn Europe ex UK Equity Fund		abrdn UK Sustainable and Responsible Investment Equity Fund	
		Number of units	Market Value £'000	Number of units	Market Value £'000	Number of units	Market Value £'000
Investor Fund	abrdn Multi-Asset Fund	281,618	1,110	928,987	3,247	4,275,324	8,648

No other such cross-holdings, between other funds in the abrdn OEIC I, were held as at 31 July 2023.

Cross Holding Table as at 31 July 2022

		Holding Fund					
		ASI (AAM) Sterling Government Bond Fund		ASI Asia Pacific Equity Fund		ASI European High Yield Bond Fund	
		Number of units	Market Value £'000	Number of units	Market Value £'000	Number of units	Market Value £'000
Investor Fund	abrdn Corporate Bond Fund	-	-	-	-	897,062	1,138
	abrdn Multi-Asset Fund	19,850,660	20,333	281,618	1,159	-	-

		Holding Fund			
		ASI Europe ex UK Equity Fund		Aberdeen Strategic Bond Fund	
		Number of units	Market Value £'000	Number of units	Market Value £'000
Investor Fund	abrdn Corporate Bond Fund	-	-	2,906,002	4,997
	abrdn Multi-Asset Fund	372,752	1,198	-	-

No other such cross-holdings, between other funds in the Aberdeen Standard OEIC I, were held as at 31 July 2022.

abrdn American Equity Fund

For the year ended 31 July 2023

Investment Objective

To generate growth over the long term (5 years or more) by investing in North American equities (company shares).

Performance Target: To achieve the return of the S&P 500 Index plus 3% per annum over rolling three years (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 the US or companies that derive a significant proportion of their revenues or profits from US operations or have a significant proportion of their assets there.
- The fund may also invest up to 20% in companies listed, incorporated or domiciled in Canada or Latin America.
- 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 diverse asset mix at sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the Performance Target, the S&P 500 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 9%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the S&P 500 Index over the long term.

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.

Performance Review

For the year ended 31 July 2023, the value of abrdn American Equity Fund – I Accumulation Shares decreased by 1.28% compared to an increase of 13.02% in the performance target, the S&P 500 Index, (lagged by one day).

Source: Lipper; Basis: total return, published NAV to NAV, net of annual charges, UK net income reinvested, GBP.

The Fund returns to the reporting date are based on dealing net asset values (NAVs) using a 13:00 Central European Time (CET) valuation point. For US equity funds, this means the dealing NAV uses security prices at close of the previous working day. The benchmark index, if unadjusted, would use the closing prices of the reporting date. When a US equity benchmark is compared against a US equity fund, this valuation point difference may produce a significant distortion in benchmark-relative performance. In order to neutralise this distortion, the benchmark returns shown are to the day previous to the reporting date.

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.

Market Review

US equities gained over the 12 months to 31 July 2023. This was despite the uncertainty over a combination of ongoing inflationary pressures, the prospect of further monetary tightening and a possible recession.

Despite a challenging start to the reporting period, US equities performed well for most of the fourth quarter in 2022 before a weaker December. Notwithstanding a relatively lacklustre third-quarter earnings season, on already downgraded expectations, investors took advantage of depressed valuations in October and November. Although investors hoped for a lower interest-rate hike, the Federal Reserve (Fed) remained hawkish due to heightened inflationary pressures, supply chain issues and geopolitical turmoil. As a result, investors' concerns about the risk of a global recession persisted, thus weakening US equities over December.

Subsequently, US stocks rebounded in early 2023. They initially rose on hopes that central banks, including the Fed, could tighten policy less than feared as the global economy slows and inflation eases, with the fourth-quarter corporate earnings season on already downgraded expectations proving lacklustre. During February, shares fell on the back of the collapse of Silicon Valley Bank (SVB) and Signature Bank of New York and fears of potential contagion within the banking sector. Authorities' and regulators' subsequent actions

abrdn American Equity Fund

Continued

restored some confidence, while investors lowered their expectations of further monetary tightening amid the uncertainty. As a result, US equities notably recovered from mid-March to end the first quarter of 2023 close to their year-to-date high.

Later in the period, investors' attention was firmly on the US debt-ceiling negotiations. The compromise agreement to suspend the debt ceiling until January 2025 was signed into law in early June, removing the risk of a default. Meanwhile, US corporates' first-quarter earnings came in better than expected against lowered expectations, further supporting sentiment. In July, the S&P 500 reached an 18-month high amid easing inflation, strong economic data and an improving macroeconomic backdrop. The NASDAQ Index outperformed on the back of strong performances from some mega-cap technology companies as ongoing optimism around artificial intelligence supported these stocks. The banking sector also performed well, buoyed by robust earnings.

Meanwhile, the Fed increased the target rate for the fed funds rate by 25 basis points (bps) to 5.25-5.50%, a 22-year high, in line with market expectations, after holding rates at its previous meeting in June. Although the Fed remained determined to keep inflation under control, the number of future interest-rate hikes should now be limited as US headline annual inflation has continued to fall over recent months. In addition, the Fed Chairman, Jerome Powell, said that his staff no longer expected a recession in 2023 in its base case, lifting investor sentiment, but noted that a soft landing was far from secured.

Portfolio Activity and Review

Sector wise, financials detracted the most from performance on the back of the collapse of SVB. Meanwhile, semiconductors, especially our lack of exposure to NVIDIA, proved unfavourable. Conversely, our stock selection in consumer discretionary and energy benefited the fund.

At the stock level, SVB Financial Group (parent of SVB) detracted from performance. The announcement of a modest-sized capital raising resulted in panic among deposit holders. The large outflows from the bank during a single day led to it being taken into receivership at which point the stock was suspended. The shares fell substantially in the day before trading was suspended and lost most of their remaining value when trading restarted several weeks later and we exited our position. Meanwhile, our lack of exposure to several tech companies (Nvidia, Meta, Apple) whose share prices surged also hurt performance. Elsewhere, Royalty Pharma was negative. Its stock sold off as investors remained nervous around

future risks to pharmaceutical pricing and the company's ability to finance future deals in a higher interest-rate environment.

On the upside, TJX contributed to performance. In December 2022, management reiterated its strong position in the market, meeting increased demand from consumers looking for value. Meanwhile, Baker Hughes performed well, after releasing earnings above expectations and an improving margin trajectory. Management's commentary was generally bullish, with strong order growth indicating a robust multi-year outlook for growth in the international oilfield service liquefied natural gas (LNG) activities. Meanwhile, O'Reilly Automotive was positive as the company consistently reported better-than-expected like-for-like sales growth as it continued to incrementally take market share in the auto replacement parts market.

In key portfolio activity, we initiated holdings in media company Comcast as its lower capex needs bolstered our conviction in the sustainability of cashflows at the company. In healthcare, we added pharmacy and health insurance company CVS Health Corporation. The company is taking strategic steps to improve its long-term growth outlook by expanding into care delivery where it can further leverage its large pharmacy base. We also think cost initiatives in its retail business and favourable tailwinds in pharmacy benefit management, from the arrival of several key generic drugs over the next few years, might support growth. We also initiated pharmaceutical company Merck due to its cash flow, a strong management team and pipeline. Furthermore, we bought Danaher, which is exposed to structural growth in the biopharma processing market. In industrials, we added Waste Management as we think there might be benefits from margin improvement initiatives and growth, funding this from exiting its less-preferred peer Waste Connections. We initiated electrical raceway systems manufacturer Atkore as it looks well placed to deploy capital in the medium and long term. The fund also bought Canadian Pacific Kansas City due to upside potential from Kansas City Southern deal synergies. In financials, we initiated American Express Company due to potential customer growth into the medium term. The fund also added a position in financial technology provider Fiserv as we think the company is reasonably recession-proof and able to further lower costs. Elsewhere, we added packaging products supplier Crown Holdings due to potential benefits from margin improvement. Lastly, we bought Procter & Gamble as we see potential for the company to continue its successful investment in brands and marketing since the pandemic.

abrdrn American Equity Fund

Continued

Conversely, in financials, we exited JPMorgan Chase on some concerns around its 2023 outlook. We also disposed of Goldman Sachs Group to fund the higher conviction purchase of American Express. Elsewhere, the fund sold Horizon Therapeutics post the announcement that the company was being bid for, at which point the share price reflected the upside from the bid. We exited cable operator Charter Communications as results have been pressured. We also sold Canadian National Railway Company to fund the higher conviction purchase of Canadian Pacific Kansas City. Meanwhile, we offloaded Coca-Cola to fund the purchase of Procter & Gamble. We also disposed of semiconductor manufacturer Analog Devices as the outlook for the industrial end markets for chips showed signs of inventory destocking. The fund exited sportswear maker Nike on lower confidence in the strength of Chinese consumer spending. Lastly, we exited BJ's Wholesale Club due to concerns around low end consumer weakness in the US.

Portfolio Outlook and Strategy

The US economy continues to surprise to the upside. After the 25-bp hike in July, consensus is shaping up that the Fed may be at the end of its interest-rate hiking cycle. However, this view may be premature as core inflation data continues to be slow to contract and the Fed has been clear that it is committed to hitting its 2% target. Moreover, gasoline prices have been rising recently, which will negatively affect future inflation data. Up to now, the consumer has held up remarkably well. However, higher gasoline prices, tighter lending conditions post the averted bank crisis, restarting student loan repayments and lower saving rate levels are likely to crimp spending. That being said, the abrdrn 'house' view remains that a mild recession is still likely, but given the current economic resilience driven by low unemployment, we now expect it to begin in the first quarter of 2024, lasting three quarters.

North American Equity Team

August 2023

abrdn American 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 July 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 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

A Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	3,782.48	3,905.33	3,118.29
Return before operating charges*	(75.15)	(72.31)	832.57
Operating charges	(46.69)	(50.54)	(45.53)
Return after operating charges*	(121.84)	(122.85)	787.04
Distributions	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	3,660.64	3,782.48	3,905.33
* after direct transaction costs of:	2.08	2.36	2.12
Performance			
Return after charges	(3.22%)	(3.15%)	25.24%
Other information			
Closing net asset value (£'000)	63,474	79,648	80,101
Closing number of shares	1,733,971	2,105,720	2,051,056
Operating charges	1.30%	1.30%	1.32%
Direct transaction costs	0.06%	0.06%	0.06%
Prices			
Highest share price	3,993	4,301	3,986
Lowest share price	3,294	3,342	3,122

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

I Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	4,241.18	4,358.08	3,464.11
Return before operating charges*	(83.93)	(79.95)	927.42
Operating charges	(34.16)	(36.95)	(33.45)
Return after operating charges*	(118.09)	(116.90)	893.97
Distributions	(8.82)	(0.09)	-
Retained distributions on accumulation shares	8.82	0.09	-
Closing net asset value per share	4,123.09	4,241.18	4,358.08
* after direct transaction costs of:	2.33	2.64	2.36
Performance			
Return after charges	(2.78%)	(2.68%)	25.81%
Other information			
Closing net asset value (£'000)	48,668	55,341	55,231
Closing number of shares	1,180,380	1,304,848	1,267,336
Operating charges	0.85%	0.85%	0.87%
Direct transaction costs	0.06%	0.06%	0.06%
Prices			
Highest share price	4,479	4,806	4,447
Lowest share price	3,704	3,744	3,472

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

M Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	150.72	154.96	123.23
Return before operating charges*	(2.98)	(2.84)	32.98
Operating charges	(1.29)	(1.40)	(1.25)
Return after operating charges*	(4.27)	(4.24)	31.73
Distributions	(0.24)	-	-
Retained distributions on accumulation shares	0.24	-	-
Closing net asset value per share	146.45	150.72	154.96
* after direct transaction costs of:	0.08	0.09	0.08
Performance			
Return after charges	(2.83%)	(2.74%)	25.75%
Other information			
Closing net asset value (£'000)	41	43	56
Closing number of shares	27,826	28,512	36,033
Operating charges	0.90%	0.90%	0.92%
Direct transaction costs	0.06%	0.06%	0.06%
Prices			
Highest share price	159.2	170.9	158.1
Lowest share price	131.6	133.1	123.5

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

Z Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	248.61	253.04	199.63
Return before operating charges*	(4.86)	(4.18)	53.68
Operating charges	(0.25)	(0.25)	(0.27)
Return after operating charges*	(5.11)	(4.43)	53.41
Distributions	(2.31)	(2.45)	(1.55)
Retained distributions on accumulation shares	2.31	2.45	1.55
Closing net asset value per share	243.50	248.61	253.04
* after direct transaction costs of:	0.14	0.16	0.14
Performance			
Return after charges	(2.06%)	(1.75%)	26.75%
Other information			
Closing net asset value (£'000)	19	20	4,564
Closing number of shares	7,835	7,835	1,803,661
Operating charges	0.10%	0.10%	0.12%
Direct transaction costs	0.06%	0.06%	0.06%
Prices			
Highest share price	262.6	280.3	258.2
Lowest share price	218.1	219.3	200.4

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.

Portfolio Statement

As at 31 July 2023

Holding	Investment	Market value £'000	Percentage of total net assets
North American Equities (95.95%)		109,393	97.50
Communication Services (10.17%)		14,073	12.54
Media & Entertainment (10.17%)		14,073	12.54
96,632	Alphabet 'A'	9,970	8.88
116,610	Comcast 'A'	4,103	3.66
Consumer Discretionary (17.45%)		16,814	14.99
Consumer Durables & Apparel (3.53%)		-	-
Retailing (13.92%)		16,814	14.99
78,936	Amazon.com	8,204	7.31
5,546	O'Reilly Automotive	3,989	3.56
68,707	TJX	4,621	4.12
Consumer Staples (3.01%)		3,481	3.10
Food Beverage & Tobacco (3.01%)		-	-
Household & Personal Products (0.00%)		3,481	3.10
28,647	Procter & Gamble	3,481	3.10
Energy (2.55%)		4,429	3.95
159,214	Baker Hughes	4,429	3.95
Financials (19.23%)		16,397	14.61
Banks (2.85%)		-	-
Diversified Financials (16.38%)		16,397	14.61
24,656	American Express	3,237	2.88
40,437	Fiserv	3,967	3.54
20,404	Mastercard 'A'	6,252	5.57
57,248	Schwab (Charles)	2,941	2.62

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Health Care (12.98%)		19,496	17.38
Health Care Equipment & Services (6.79%)		10,638	9.48
123,162	Boston Scientific	4,963	4.42
40,011	CVS Health	2,323	2.07
8,515	UnitedHealth	3,352	2.99
Pharmaceuticals, Biotechnology & Life Sciences (6.19%)		8,858	7.90
11,886	Danaher	2,356	2.10
47,642	Merck	3,951	3.52
104,620	Royalty Pharma 'A'	2,551	2.28
Industrials (11.25%)		12,521	11.16
Capital Goods (3.84%)		5,666	5.05
13,741	Atkore	1,695	1.51
55,931	Emerson Electric	3,971	3.54
Commercial Services & Supplies (4.26%)		3,501	3.12
27,497	Waste Management	3,501	3.12
Transportation (3.15%)		3,354	2.99
52,452	Canadian Pacific Kansas City	3,354	2.99
Information Technology (19.31%)		18,749	16.71
Semiconductors & Semiconductor Equipment (6.48%)		3,850	3.43
76,038	Marvell Technology	3,850	3.43
Software & Services (12.83%)		14,899	13.28
39,641	Microsoft	10,351	9.23
26,875	Nice ADR	4,548	4.05

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Materials (0.00%)		3,433	3.06
47,622	Crown	3,433	3.06
Collective Investment Schemes (0.33%)		2,726	2.43
3,508	Aberdeen Standard Liquidity Fund (Lux) - US Dollar Fund Z1 Inc+	2,726	2.43
Total investment assets		112,119	99.93
Net other assets		83	0.07
Total Net Assets		112,202	100.00

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 July 2022.

Prior year classifications for some sectors have been updated to reflect current year classifications.

+ Managed by subsidiaries of abrdn plc.

Financial Statements

Statement of Total Return

For the year ended 31 July 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(3,155)		(1,800)
Revenue	2	1,406		1,343	
Expenses	3	(1,273)		(1,505)	
Interest payable and similar charges		(2)		(1)	
Net revenue/(expense) before taxation		131		(163)	
Taxation	4	(179)		(198)	
Net expense after taxation			(48)		(361)
Total return before distributions			(3,203)		(2,161)
Distributions	5		(108)		(5)
Change in net assets attributable to shareholders from investment activities			(3,311)		(2,166)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2023

	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		135,052		139,952
Amounts receivable on the issue of shares	47,103		95,799	
Amounts payable on the cancellation of shares	(66,746)		(98,605)	
		(19,643)		(2,806)
Dilution adjustment		-		71
Change in net assets attributable to shareholders from investment activities (see above)		(3,311)		(2,166)
Retained distribution on accumulation shares		104		1
Closing net assets attributable to shareholders		112,202		135,052

Financial Statements

Continued

Balance Sheet

As at 31 July 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			112,119		130,029
Current assets:					
Debtors	6	2,516		7,260	
Cash and bank balances	7	256		209	
			2,772		7,469
Total assets			114,891		137,498
Liabilities:					
Bank overdrafts	7	(11)		-	
Creditors	8	(2,678)		(2,446)	
			(2,689)		(2,446)
Total liabilities			(2,689)		(2,446)
Net assets attributable to shareholders			112,202		135,052

Notes to the Financial Statements

1 Net Capital Losses

	2023 £'000	2022 £'000
Non-derivative securities	(2,991)	(1,870)
Other (losses)/gains	(151)	85
Transaction charges	(13)	(15)
Net capital losses	(3,155)	(1,800)

2 Revenue

	2023 £'000	2022 £'000
Bank and margin interest	107	12
Overseas dividends	1,299	1,330
Overseas REITs	-	1
Total revenue	1,406	1,343

3 Expenses

	2023 £'000	2022 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	1,175	1,390
General administration charge	93	109
	1,268	1,499
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	5	6
	5	6
Total expenses	1,273	1,505

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £9,120 (2022: £8,460).

Notes to the Financial Statements

Continued

4 Taxation

	2023 £'000	2022 £'000
(a) Analysis of charge in year		
Overseas taxes	179	198
Total taxation (note 4b)	179	198

(b) Factors affecting total tax charge for the year

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

Net revenue/(expense) before taxation	131	(163)
Corporation tax at 20% (2022: 20%)	26	(33)
Effects of:		
Revenue not subject to taxation	(260)	(266)
Overseas taxes	179	198
Excess allowable expenses	234	299
Total tax charge for year (note 4a)	179	198

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 £8,122,000 (2022: £7,889,000) 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 expense and distributions)

	2023 £'000	2022 £'000
Distribution	104	1
Add: Income deducted on cancellation of shares	20	7
Deduct: Income received on issue of shares	(16)	(3)
Total distributions for the year	108	5
Movement between net expense and distributions		
Net expense after taxation	(48)	(361)
Shortfall transfer from capital to revenue	156	366
Total distributions for the year	108	5

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

Notes to the Financial Statements

Continued

6 Debtors

	2023 £'000	2022 £'000
Accrued revenue	48	51
Amounts receivable from the ACD for the issue of shares	2,468	7,209
Total debtors	2,516	7,260

7 Liquidity

	2023 £'000	2022 £'000
Cash and bank balances		
Cash at bank	256	209
	256	209
Bank overdrafts		
Overdraft at bank	(11)	-
	(11)	-
Aberdeen Standard Liquidity Fund (Lux) - US Dollar Fund Z1 Inc*	2,726	447
Net liquidity	2,971	656

* 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	99	118
Accrued expenses payable to the Depositary or associates of the Depositary	1	2
Amounts payable to the ACD for cancellation of shares	28	2,326
Purchases awaiting settlement	2,550	-
Total creditors	2,678	2,446

9 Related Party Transactions

abrdrn 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 abrdrn Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

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 8.

Notes to the Financial Statements

Continued

10 Portfolio Transaction Costs

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

Collective investments operate within the terms of the offer document or prospectus. Typically we do not invest into funds that require an initial charge to be made. The underlying price may contain an estimation of cost known as a dilution levy which is applied from time to time.

	Purchases		Sales	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trades in the year				
Equities	79,222	97,062	96,394	104,277
Trades in the year before transaction costs	79,222	97,062	96,394	104,277
Commissions				
Equities	30	38	(35)	(43)
Total commissions	30	38	(35)	(43)
Taxes				
Equities	-	-	(2)	(1)
Total taxes	-	-	(2)	(1)
Total transaction costs	30	38	(37)	(44)
Total net trades in the year after transaction costs	79,252	97,100	96,357	104,233
	Purchases		Sales	
	2023 %	2022 %	2023 %	2022 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.04	0.04	0.04	0.04
Total transaction costs expressed as a percentage of net asset value				
Commissions			0.06	0.06

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 0.02% (2022: 0.06%), 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
A Accumulation	2,105,720	1,090,213	(1,349,259)	(112,703)	1,733,971
I Accumulation	1,304,848	189,721	(414,535)	100,346	1,180,380
M Accumulation	28,512	4,401	(5,087)	-	27,826
Z Accumulation	7,835	-	-	-	7,835

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	109,393	-	-	129,582	-	-
Collective Investment Schemes	-	2,726	-	-	447	-
Total investment assets	109,393	2,726	-	129,582	447	-

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.

	Net foreign currency exposure 2023 £'000	Net foreign currency exposure 2022 £'000
Currency		
Canadian Dollar	5	5,754
US Dollar	109,868	124,532
Total	109,873	130,286

Notes to the Financial Statements

Continued

At 31 July 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 £5,494,000 (2022: £6,514,000).

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 July 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 £5,606,000 (2022: £6,501,000).

Financial derivatives instrument risk

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

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.

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2023 £2,689,000 (2022: £2,446,000).

Distribution Table

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

Final dividend distribution

Group 1 – shares purchased prior to 1 August 2022

Group 2 – shares purchased between 1 August 2022 and 31 July 2023

	Revenue	Equalisation	Distribution paid 31/10/23	Distribution paid 31/10/22
A Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
I Accumulation				
Group 1	8.8171	-	8.8171	0.0882
Group 2	4.1361	4.6810	8.8171	0.0882
M Accumulation				
Group 1	0.2416	-	0.2416	-
Group 2	0.1017	0.1399	0.2416	-
Z Accumulation				
Group 1	2.3064	-	2.3064	2.4500
Group 2	2.3064	-	2.3064	2.4500

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 Asia Pacific Equity Fund

For the year ended 31 July 2023

Investment Objective

To generate growth over the long term (5 years or more) by investing in Asia Pacific, excluding Japan equities (company shares).

Performance Target: To achieve the return of the MSCI AC Asia Pacific ex Japan Index plus 3% 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 equities and equity related securities of companies listed, incorporated or domiciled in Asia Pacific excluding Japan countries, or companies that derive a significant proportion of their revenues or profits or have a significant proportion of their assets there.
- 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 diverse asset mix at country, sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the Performance Target, the MSCI AC Asia Pacific ex Japan 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 12.5%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the MSCI AC Asia Pacific ex Japan Index over the long term.

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.

Performance Review

For the year ended 31 July 2023, the value of abrdn Asia Pacific Equity Fund - I Accumulation Shares decreased by 4.96% compared to an increase of 1.15% in the performance target, the MSCI AC Asia Pacific ex Japan Index.

Source: Lipper; Basis: total return, published NAV to NAV, net of annual charges, UK net income reinvested, GBP.

Source: MSCI. The MSCI information may only be used for your internal use, may not be reproduced or redisseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis forecast or prediction. The MSCI information is provided on an 'as is' basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the 'MSCI Parties') expressly disclaims all warranties (including without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages (www.msci.com).

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.

Market Review

Asian stock markets, excluding Japan, rose modestly in sterling terms over the 12-month period, but recorded more sizeable gains in local currency terms. At the beginning of the period, markets were volatile partly due to the US Federal Reserve's decision to raise interest rates sharply and fears that it could lead to a global recession. However, markets then surged in November and December 2022 after the Chinese government dropped its 'zero-Covid' approach in a major policy shift. Share prices continued to rise sharply in January as the Chinese economy reopened amid signs that the latest wave of Covid-19 infections had peaked. The optimistic mood faded as demand recovery turned out to be slower

abrdn Asia Pacific Equity Fund

Continued

than the market was expecting. Sluggish manufacturing and trade activity data weakened investor confidence in the rebound. The Chinese authorities, including the central bank, stepped up support for the economy and towards the end of the period new measures were announced to stimulate consumption and support the property sector. The Singaporean stock market outperformed the wider region over the year while both the Taiwanese and South Korean markets recorded gains thanks to their relatively high weightings to the technology sector.

Portfolio Activity and Review

China and Hong Kong have been the key detractors, while the fund has also faced style headwinds, with the value style continuing to outperform. Broadly, quality remains out of favour in Asia, with any results blip being punished, even in cases when the overall earnings were in line with market expectations. That being said, adjustments that we have made to the portfolio since 2022 have generally been additive, as we have focused on near term earnings visibility and higher conviction holdings. As the economic outlook becomes more uncertain, we expect investors to prize consistent earnings delivery, and equally punish misses. China has been a major drag on performance, but it also represents a unique opportunity globally as its economy rebounds from years of Covid-related restrictions. Therefore, China is a special case – though it has been a notable underperformer this year, it also has the potential to recover while the rest of the global economy slows down. We still see significant potential for China's economy and market to spring back, given that much of the bad news has been priced in while a fundamental recovery is gathering pace.

Looking more closely at China, the country's reopening led to expectations of a substantial rise in demand for everything from consumer electronics to travel and commodities. That initially gave a boost to the stock market in China, but consumption recovery was uneven and fell short of the market's high expectations. Many of our Chinese consumer-focused names underperformed, including China Tourism Group Duty Free, which was beaten down due to slower-than-expected holiday sales in Hainan. In Hong Kong, both AIA and Budweiser APAC were punished on macroeconomic concerns despite delivering solid quarterly results.

Encouragingly, it is worth noting that consumption recovery in China is still happening, only at a slower pace than anticipated. Sectors such as restaurant services, automotive sales and online retail were resilient whilst tourism recovered well. Policy measures also remain supportive. At the July 2023 Politburo meeting, the Chinese government signalled efforts to boost consumption,

support housing demand, improve China's capital markets and resume private sector confidence and investments. Thus, we anticipate the consumption recovery to come through as consumer confidence is gradually restored and expect our holdings to re-rate with time.

Outside of China, returns have been better because markets have been more resilient fundamentally for the most part. A key contributor was the tech hardware and semiconductors segments. Our semiconductor exposure has benefitted performance over the last three years as demand for advanced semis has remained robust, while competitive pressures have been benign. This year, the market further chased global AI-related trends and investors viewed chip stocks with renewed interest. Highly specialised global leaders including ASML and ASM International have all added to our performance as macro conditions have continued to ease at the margin. Samsung Electronics has been a detractor as the memory industry has continued to de-stock. We have begun to see signs of this bottoming, which should provide scope for price increases and an earnings recovery for Samsung.

In other sectors, the rise in interest rates, hopes of better net interest margins and the reopening of some Asian economies over the year all combined to lift our holdings in the banking sector, especially Bank Central Asia, DBS Group and Oversea-Chinese Banking Corporation. Australian group mining OZ Minerals emerged as the top contributor overall after it got the go-ahead for a large copper and nickel project in Western Australia and received a takeover bid from BHP.

In key portfolio activity, the prevailing style trends have presented a challenge for our fund. We have adapted the portfolio in several ways over 2022 and in 2023 but have resisted making wholesale changes and in some cases, we believe that sticking with our favoured long-term positioning has proved to be the right call. We expect our positioning to be more appreciated by the market in the second half of 2023.

First, we added to companies where we had more visibility over higher near-term earnings. We added a new holding in Aier Eye Hospital, the leading provider of eye surgery in China. There is a significant backlog for eye surgery thanks to zero Covid, which has been disrupted by restrictions. We continue to back Power Grid India, which benefits from regulated earnings, and ASML and ASMI, where we have strong visibility over future earnings. In India, we initiated a position in India's Larsen & Toubro, one of the oldest and well respected industrial conglomerates in the country. L&T is India's largest engineering and construction company with interests in engineering, procurement and construction, as well as high-tech manufacturing and services. We view it as a beneficiary of Indian's renewed

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infrastructure capex cycle and see it as well positioned for a significant rebound in orders, revenues and earnings over the coming years.

Second, we homed in on the highest quality positions by refocusing the portfolio where our conviction is greatest. We have added to our exposure in technology hardware as the inventory cycle reached a bottom and our advanced semi-conductor holdings, TSMC, ASML & ASMI, have performed well. We are also now seeing signs that the memory cycle is reaching a trough, providing a tailwind for Samsung Electronics. In India, we exited Tata Consultancy Services where we see more vulnerability to a US slowdown compared to its close peer and higher conviction holding Infosys.

Lastly, we continued to back a steady recovery in China via our positioning. We added to defensive re-opening plays – while consumer confidence remains low in China overall, the end of restrictions is boosting businesses with inelastic demand. For instance, we have also added to our highest conviction holdings in the China internet space. In this sector Tencent stands out as offering a robust demand profile from gaming in an environment where the consumer is under pressure. Meanwhile, Tencent's wider eco-system remains under monetised, creating a long runway for defensive earnings growth.

Against these, we fully exited our positions in Shenzhen Inovance Technology, Tata Consultancy Services, National Australia Bank, Longi Green Energy Technology, Kakao Corporation, Zhongsheng Corporation, Techtronic Industries and Aristocrat Leisure in view of better opportunities elsewhere. Our stake in Yunnan Energy New Material was also divested, and we also sold our holdings in BHP, after its addition to the exclusion list, and OZ Minerals after the recent takeover offer by the former.

Portfolio Outlook and Strategy

We think market sentiment will remain volatile in the near term, dominated by expectations around global growth, peaking interest rates and China's economic recovery. Chinese authorities have stepped up support for the economy after a relatively weak start to the year. In the July Politburo meeting, the government announced key measures including further support for the property sector and stimulating consumption in areas like electric vehicles and consumer electronics. Mainland valuations are also very undemanding and look attractive on both an absolute and relative basis.

The rest of Asia is also benefiting from global supply chain diversification, as companies increasingly adopt "China plus one" or "plus two" strategies. India is in the early stages of a cyclical upswing and enjoying a demographic dividend that places the country well for sustainable long-term growth. The region will also gain from growing demand for artificial intelligence-related apps and chips, especially in the semiconductor and consumer electronics segments. There is some political risk, with political uncertainty in Thailand, a presidential election for Singapore later this year, and general elections for both India and Indonesia in 2024.

Asian valuations continue to be attractive compared to markets like the US, along with expectations of better earnings performance in the fourth quarter and in early 2024. We continue to favour quality companies with solid balance sheets and sustainable earnings prospects that can emerge stronger and position the portfolio well in tough times.

Asia Pacific Equity Team

August 2023

abrdn Asia Pacific Equity Fund

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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 July 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 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 fund may invest in companies with Variable Interest Entity (VIE) structures in order to gain exposure to industries with foreign ownership restrictions. There is a risk that investments in these structures may be adversely affected by changes in the legal and regulatory framework.
- 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.
- 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

A Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	322.25	351.86	301.17
Return before operating charges*	(12.88)	(25.14)	56.28
Operating charges	(4.12)	(4.47)	(5.59)
Return after operating charges*	(17.00)	(29.61)	50.69
Distributions	(2.73)	(1.63)	-
Retained distributions on accumulation shares	2.73	1.63	-
Closing net asset value per share	305.25	322.25	351.86
* after direct transaction costs of:	0.26	0.33	0.39
Performance			
Return after charges	(5.28%)	(8.42%)	16.83%
Other information			
Closing net asset value (£'000)	143,542	229,814	267,455
Closing number of shares	47,025,228	71,314,836	76,011,182
Operating charges	1.30%	1.31%	1.59%
Direct transaction costs	0.08%	0.09%	0.11%
Prices			
Highest share price	348.8	371.1	400.7
Lowest share price	285.2	306.0	302.8

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.

Comparative Tables

Continued

	2023	2022	2021
A Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	285.22	313.01	267.91
Return before operating charges*	(11.39)	(22.37)	50.09
Operating charges	(3.65)	(3.97)	(4.99)
Return after operating charges*	(15.04)	(26.34)	45.10
Distributions	(2.41)	(1.45)	-
Closing net asset value per share	267.77	285.22	313.01
* after direct transaction costs of:	0.23	0.29	0.34
Performance			
Return after charges	(5.27%)	(8.42%)	16.83%
Other information			
Closing net asset value (£'000)	18,155	23,041	25,850
Closing number of shares	6,780,145	8,078,025	8,258,508
Operating charges	1.30%	1.31%	1.59%
Direct transaction costs	0.08%	0.09%	0.11%
Prices			
Highest share price	308.7	330.1	356.5
Lowest share price	252.4	272.2	269.3

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
I Accumulation	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	356.40	387.39	330.09
Return before operating charges*	(14.30)	(27.76)	61.71
Operating charges	(2.99)	(3.23)	(4.41)
Return after operating charges*	(17.29)	(30.99)	57.30
Distributions	(4.61)	(3.50)	(1.66)
Retained distributions on accumulation shares	4.61	3.50	1.66
Closing net asset value per share	339.11	356.40	387.39
* after direct transaction costs of:	0.28	0.36	0.42
Performance			
Return after charges	(4.85%)	(8.00%)	17.36%
Other information			
Closing net asset value (£'000)	468,283	357,552	419,416
Closing number of shares	138,091,480	100,324,357	108,266,155
Operating charges	0.85%	0.86%	1.14%
Direct transaction costs	0.08%	0.09%	0.11%
Prices			
Highest share price	386.6	408.8	440.3
Lowest share price	315.7	338.0	331.8

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.

Comparative Tables

Continued

	2023	2022	2021
I Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	162.93	178.86	153.06
Return before operating charges*	(6.52)	(12.83)	28.62
Operating charges	(1.37)	(1.49)	(2.05)
Return after operating charges*	(7.89)	(14.32)	26.57
Distributions	(2.11)	(1.61)	(0.77)
Closing net asset value per share	152.93	162.93	178.86
* after direct transaction costs of:	0.13	0.17	0.20
Performance			
Return after charges	(4.84%)	(8.01%)	17.36%
Other information			
Closing net asset value (£'000)	25,454	26,193	37,161
Closing number of shares	16,644,626	16,076,119	20,777,099
Operating charges	0.85%	0.86%	1.14%
Direct transaction costs	0.08%	0.09%	0.11%
Prices			
Highest share price	176.7	188.7	204.2
Lowest share price	144.3	156.1	153.9

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

K Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	116.13	125.92	106.80
Return before operating charges*	(4.66)	(9.05)	19.97
Operating charges	(0.69)	(0.74)	(0.85)
Return after operating charges*	(5.35)	(9.79)	19.12
Distributions	(1.79)	(1.44)	(1.11)
Retained distributions on accumulation shares	1.79	1.44	1.11
Closing net asset value per share	110.78	116.13	125.92
* after direct transaction costs of:	0.09	0.12	0.14
Performance			
Return after charges	(4.61%)	(7.77%)	17.90%
Other information			
Closing net asset value (£'000)	277,606	291,966	292,391
Closing number of shares	250,597,146	251,405,124	232,206,205
Operating charges	0.60%	0.61%	0.68%
Direct transaction costs	0.08%	0.09%	0.11%
Prices			
Highest share price	126.1	132.9	142.9
Lowest share price	102.9	110.1	107.4

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.

Comparative Tables

Continued

M Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	130.18	141.58	120.68
Return before operating charges*	(5.27)	(10.15)	22.59
Operating charges	(1.10)	(1.25)	(1.69)
Return after operating charges*	(6.37)	(11.40)	20.90
Distributions	(1.62)	(1.21)	(0.54)
Retained distributions on accumulation shares	1.62	1.21	0.54
Closing net asset value per share	123.81	130.18	141.58
* after direct transaction costs of:	0.10	0.13	0.16
Performance			
Return after charges	(4.89%)	(8.05%)	17.32%
Other information			
Closing net asset value (£'000)	8,988	69	75
Closing number of shares	7,259,346	52,681	52,749
Operating charges	0.90%	0.91%	1.19%
Direct transaction costs	0.08%	0.09%	0.11%
Prices			
Highest share price	141.2	149.4	160.9
Lowest share price	115.3	123.5	121.3

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

M Income	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	125.79	138.07	118.16
Return before operating charges*	(5.03)	(9.88)	22.08
Operating charges	(1.12)	(1.22)	(1.64)
Return after operating charges*	(6.15)	(11.10)	20.44
Distributions	(1.57)	(1.18)	(0.53)
Closing net asset value per share	118.07	125.79	138.07
* after direct transaction costs of:	0.10	0.13	0.15
Performance			
Return after charges	(4.89%)	(8.04%)	17.30%
Other information			
Closing net asset value (£'000)	22	23	25
Closing number of shares	18,372	18,269	18,265
Operating charges	0.90%	0.91%	1.19%
Direct transaction costs	0.08%	0.09%	0.11%
Prices			
Highest share price	136.4	145.7	157.6
Lowest share price	111.4	120.4	118.8

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.

Comparative Tables

Continued

Z Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	412.19	444.64	375.26
Return before operating charges*	(16.62)	(31.99)	70.18
Operating charges	(0.42)	(0.46)	(0.80)
Return after operating charges*	(17.04)	(32.45)	69.38
Distributions	(8.40)	(7.29)	(6.14)
Retained distributions on accumulation shares	8.40	7.29	6.14
Closing net asset value per share	395.15	412.19	444.64
* after direct transaction costs of:	0.33	0.42	0.48
Performance			
Return after charges	(4.13%)	(7.30%)	18.49%
Other information			
Closing net asset value (£'000)	2,044	5,873	9,111
Closing number of shares	517,404	1,424,934	2,048,883
Operating charges	0.10%	0.11%	0.18%
Direct transaction costs	0.08%	0.09%	0.11%
Prices			
Highest share price	448.8	469.5	503.3
Lowest share price	365.8	389.9	377.3

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 ^A	2023 pence per share
Change in net assets per share	
Opening net asset value per share	169.9 ^B
Return before operating charges*	2.94
Operating charges	(0.02)
Return after operating charges*	2.92
Distributions	(1.04)
Retained distributions on accumulation shares	1.04
Closing net asset value per share	172.82
* after direct transaction costs of:	0.03
Performance	
Return after charges	1.72%
Other information	
Closing net asset value (£'000)	1,032
Closing number of shares	597,103
Operating charges	0.04%
Direct transaction costs	0.08%
Prices	
Highest share price	176.6
Lowest share price	165.1

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.

^A ZC Accumulation share class was launched on 12 May 2023.

^B The opening net asset value stated is the share class launch price.

Portfolio Statement

As at 31 July 2023

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (98.56%)		932,286	98.64
European Equities (2.14%)		31,068	3.29
Netherlands (2.14%)		31,068	3.29
35,261	ASM International	13,071	1.38
32,206	ASML	17,997	1.91
Pacific Basin Equities (93.91%)		882,343	93.36
Australia (14.75%)		114,555	12.12
1,390,904	BHP	33,509	3.55
142,388	Cochlear	17,744	1.88
197,982	CSL	27,842	2.95
893,778	Goodman REIT	9,502	1.00
1,053,086	Woodside Energy	20,925	2.21
252,135	Woodside Energy (UK listing)	5,033	0.53
China (23.28%)		235,091	24.87
5,633,151	Aier Eye Hospital 'A'	12,337	1.30
3,424,144	Alibaba	33,237	3.52
2,347,446	China Merchants Bank 'A'	9,082	0.96
738,672	China Tourism Duty Free 'A'	10,107	1.07
267,400	China Tourism Duty Free 'H'	3,304	0.35
484,413	Contemporary Ampere Technology 'A'	12,530	1.32
2,660,020	GDS 'A'	3,399	0.36
79,271	GDS ADR	818	0.09
1,822,685	Glodon 'A'	6,405	0.68
377,658	JD.com 'A'	6,011	0.64
91,523	Kweichow Moutai 'A'	18,726	1.98
1,071,205	Meituan 'B'	15,608	1.65
2,927,968	NARI Technology 'A'	7,747	0.82
484,364	Shenzhen Mindray Bio-Medical Electronics 'A'	15,599	1.65
640,182	Sungrow Power Supply 'A'	7,765	0.82
1,783,253	Tencent	62,947	6.66
4,752,000	Tianhe Chemicals*	-	-
2,157,000	Wuxi Biologics (Cayman)	9,469	1.00

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Hong Kong (10.24%)		100,474	10.63
7,008,322	AIA	54,059	5.72
12,378,000	Budweiser Brewing	23,315	2.47
147,000	China Metal Recycling*	-	-
2,565,093	China Resources Land	9,216	0.97
427,600	Hong Kong Exchanges & Clearing	13,884	1.47
India (15.10%)		138,940	14.70
2,096,256	HDFC Bank	32,700	3.46
815,597	Hindustan Unilever	19,714	2.09
540,210	Infosys	6,914	0.73
267,797	Kotak Mahindra Bank	4,698	0.50
515,000	Larsen & Toubro	13,052	1.38
152,852	Maruti Suzuki India	14,173	1.50
6,329,994	Power Grid Corp of India	15,920	1.68
1,565,909	SBI Life Insurance	18,939	2.00
163,492	UltraTech Cement	12,830	1.36
Indonesia (2.65%)		31,404	3.32
38,616,515	Bank Central Asia	18,160	1.92
69,082,200	Telkom Indonesia Persero	13,244	1.40
Macau (0.00%)		12,524	1.33
4,224,000	Sands China	12,524	1.33
Philippines (1.30%)		14,261	1.51
18,857,040	Ayala Land REIT	7,311	0.77
4,289,471	Bank of the Philippine Islands	6,950	0.74
Singapore (5.32%)		37,467	3.97
819,998	DBS	16,444	1.74
2,702,418	Oversea-Chinese Banking	21,023	2.23

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
South Korea (9.65%)		91,139	9.64
49,125	LG Chemical	19,410	2.05
28,416	Samsung Biologics	13,272	1.40
1,673,155	Samsung Electronics (Preference)	58,457	6.19
Taiwan (10.23%)		105,751	11.19
1,031,000	Delta Electronics	9,307	0.99
4,827,000	Hon Hai Precision Industry	12,952	1.37
5,985,827	Taiwan Semiconductor Manufacturing	83,492	8.83
Thailand (1.39%)		737	0.08
257,500	Kasikornbank (Alien Market)	737	0.08
UK Equities (2.51%)		18,875	1.99
Basic Materials (0.75%)		6,493	0.68
126,104	Rio Tinto	6,493	0.68
Financials (1.76%)		12,382	1.31
4,038,333	abrdrn Asia Focus+	10,621	1.12
369,929	abrdrn China Investment+	1,761	0.19
Total investment assets		932,286	98.64
Net other assets		12,840	1.36
Total Net Assets		945,126	100.00

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 July 2022.

+ Managed by subsidiaries of abrdrn plc.

* Suspended.

Financial Statements

Statement of Total Return

For the year ended 31 July 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(49,572)		(89,908)
Revenue	2	21,748		18,985	
Expenses	3	(7,783)		(8,968)	
Interest payable and similar charges		(2)		(1)	
Net revenue before taxation		13,963		10,016	
Taxation	4	(2,276)		(1,677)	
Net revenue after taxation			11,687		8,339
Total return before distributions			(37,885)		(81,569)
Distributions	5		(12,259)		(8,854)
Change in net assets attributable to shareholders from investment activities			(50,144)		(90,423)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2023

	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		934,531		1,051,484
Amounts receivable on the issue of shares	28,751		39,430	
Amounts payable on the cancellation of shares	(90,765)		(74,365)	
Amounts receivable on inspecie transfers*	110,460		-	
		48,446		(34,935)
Change in net assets attributable to shareholders from investment activities (see above)		(50,144)		(90,423)
Retained distribution on accumulation shares		12,293		8,405
Closing net assets attributable to shareholders		945,126		934,531

* Relating to an inspecie transfer from abrdn Asia Pacific & Japan Equity Fund and from abrdn Asian Pacific Growth Equity Fund on 12 May 2023.

Financial Statements

Continued

Balance Sheet

As at 31 July 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			932,286		921,113
Current assets:					
Debtors	6	2,744		4,640	
Cash and bank balances		19,360		12,577	
			22,104		17,217
Total assets			954,390		938,330
Liabilities:					
Provisions for liabilities	7		(1,855)		(2,249)
Creditors	8	(6,895)		(1,173)	
Distribution payable		(514)		(377)	
			(7,409)		(1,550)
Total liabilities			(9,264)		(3,799)
Net assets attributable to shareholders			945,126		934,531

Notes to the Financial Statements

1 Net Capital Losses

	2023 £'000	2022 £'000
Non-derivative securities	(49,419)	(89,226)
Other losses	(124)	(637)
Transaction charges	(29)	(45)
Net capital losses	(49,572)	(89,908)

2 Revenue

	2023 £'000	2022 £'000
Bank and margin interest	1	-
Overseas dividends	18,762	13,990
Overseas REIT	125	108
UK dividends	2,860	4,887
Total revenue	21,748	18,985

3 Expenses

	2023 £'000	2022 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	6,855	7,965
Dealing charge	1	-
General administration charge	736	801
	7,592	8,766
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Revenue collection expenses	3	2
Safe custody fee	188	200
	191	202
Total expenses	7,783	8,968

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £9,120 (2022: £8,460).

Notes to the Financial Statements

Continued

4 Taxation

	2023 £'000	2022 £'000
(a) Analysis of charge in year		
Overseas taxes	1,704	1,162
Overseas capital gain tax	967	737
Total current tax	2,671	1,899
Deferred tax (note 4c)	(395)	(222)
Total taxation (note 4b)	2,276	1,677

(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	2022
Net revenue before taxation	13,963	10,016
Corporation tax at 20% (2022: 20%)	2,793	2,003
Effects of:		
Revenue not subject to taxation	(4,238)	(3,764)
Overseas taxes	1,704	1,162
Overseas tax expensed	(3)	(1)
Excess allowable expenses	1,448	1,762
Overseas capital gains tax	967	737
Deferred tax	(395)	(222)
Total tax charge for year (note 4a)	2,276	1,677

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	2,250	2,471
Deferred tax charge in statement of total return for year (note 4a)	(395)	(222)
Provision at the end of the year	1,855	2,249

(d) 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 £56,507,000 (2022: £55,059,000) 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.

Notes to the Financial Statements

Continued

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

	2023 £'000	2022 £'000
Distribution	12,808	8,782
Add: Income deducted on cancellation of shares	623	339
Deduct: Income received on issue of shares	(1,172)	(267)
Total distributions for the year	12,259	8,854
Movement between net revenue and distributions		
Net revenue after taxation	11,687	8,339
Overseas capital gains tax on realised gains	967	737
Overseas deferred capital gains tax on unrealised gains	(395)	(222)
Total distributions for the year	12,259	8,854

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

6 Debtors

	2023 £'000	2022 £'000
Accrued revenue	395	3,857
Amounts receivable from the ACD for the issue of shares	180	4
Amounts receivable from merger	710	-
Overseas withholding tax recoverable	661	779
Sales awaiting settlement	798	-
Total debtors	2,744	4,640

7 Provisions for Liabilities

	2023 £'000	2022 £'000
The provisions for liabilities comprise:		
Overseas capital gains tax	1,855	2,249
Total provisions for liabilities	1,855	2,249

Notes to the Financial Statements

Continued

8 Creditors

	2023 £'000	2022 £'000
Accrued expenses payable to ACD	653	691
Accrued expenses payable to the Depositary or associates of the Depositary	18	19
Amounts payable to the ACD for cancellation of shares	1,120	462
Other accrued expenses	3,897	1
Purchases awaiting settlement	1,207	-
Total creditors	6,895	1,173

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, collective investment schemes and derivatives during the year, or in the prior year.

Collective investments operate within the terms of the offer document or prospectus. Typically we do not invest into funds that require an initial charge to be made. The underlying price may contain an estimation of cost known as a dilution levy which is applied from time to time.

	Purchases		Sales	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trades in the year				
Equities	290,322	319,190	279,599	332,742
Collective investment schemes	-	-	-	5,414
Inspecie transactions	50,247	-	-	-
Corporate actions	-	614	-	-
Trades in the year before transaction costs	340,569	319,804	279,599	338,156
Commissions				
Equities	180	176	(135)	(160)
Total commissions	180	176	(135)	(160)

Notes to the Financial Statements

Continued

	Purchases		Sales	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trades in the year				
Taxes				
Equities	175	189	(249)	(426)
Total taxes	175	189	(249)	(426)
Total transaction costs	355	365	(384)	(586)
Total net trades in the year after transaction costs	340,924	320,169	279,215	337,570

	Purchases		Sales	
	2023 %	2022 %	2023 %	2022 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.06	0.06	0.05	0.05
Taxes				
Equities	0.06	0.06	0.09	0.13

	2023 %	2022 %
	Total transaction costs expressed as a percentage of net asset value	
Commissions	0.03	0.03
Taxes	0.05	0.06

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 0.18% (2022: 0.22%), 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
A Accumulation	71,314,836	9,078,203	(4,202,012)	(29,165,799)	47,025,228
A Income	8,078,025	417,443	(142,265)	(1,573,058)	6,780,145
I Accumulation	100,324,357	22,554,639	(11,142,977)	26,355,461	138,091,480
I Income	16,076,119	1,002,323	(3,187,276)	2,753,460	16,644,626
K Accumulation	251,405,124	23,026,445	(23,834,423)	-	250,597,146
M Accumulation	52,681	7,401,619	(208,612)	13,668	7,259,356
M Income	18,269	150	(47)	-	18,372
Z Accumulation	1,424,934	103,077	(1,010,607)	-	517,404
ZC accumulation	-	648,153	(51,050)	-	597,103

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
Equities	932,286	-	-	921,113	-	-
Total investment assets	932,286	-	-	921,113	-	-

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	Net foreign
	currency	currency
	exposure	exposure
	2023	2022
	£'000	£'000
Australian Dollar	109,582	103,842
China Renminbi	100,413	124,140
Euro	31,106	20,076
Hong Kong Dollar	246,993	187,965
Indian Rupee	137,551	139,143
Indonesian Rupiah	31,404	24,792
Philippines Peso	14,262	12,168
Singapore Dollar	37,467	49,692
South Korean Won	91,409	90,450
Taiwan Dollar	106,667	99,530
Thai Baht	1,535	13,021
US Dollar	(3,078)	1,423
Total	905,311	866,242

At 31 July 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 £45,266,000 (2022: £43,312,000).

Notes to the Financial Statements

Continued

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 July 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 £46,614,000 (2022: £46,056,000).

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2023 £9,264,000 (2022: £3,799,000).

Distribution Table

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

Final dividend distribution

Group 1 – shares purchased prior to 1 August 2022

Group 2 – shares purchased between 1 August 2022 and 31 July 2023

	Revenue	Equalisation	Distribution paid 31/10/23	Distribution paid 31/10/22
A Accumulation				
Group 1	2.7271	-	2.7271	1.6299
Group 2	1.0994	1.6277	2.7271	1.6299
A Income				
Group 1	2.4141	-	2.4141	1.4502
Group 2	0.9216	1.4925	2.4141	1.4502
I Accumulation				
Group 1	4.6061	-	4.6061	3.4957
Group 2	1.6717	2.9344	4.6061	3.4957
I Income				
Group 1	2.1052	-	2.1052	1.6140
Group 2	1.1613	0.9439	2.1052	1.6140
K Accumulation				
Group 1	1.7889	-	1.7889	1.4445
Group 2	1.2121	0.5768	1.7889	1.4445
M Accumulation				
Group 1	1.6196	-	1.6196	1.2090
Group 2	0.5355	1.0841	1.6196	1.2090
M Income				
Group 1	1.5658	-	1.5658	1.1836
Group 2	0.9404	0.6254	1.5658	1.1836
Z Accumulation				
Group 1	8.4040	-	8.4040	7.2865
Group 2	7.6555	0.7485	8.4040	7.2865
ZC accumulation				
Group 1	1.0443	-	1.0443	-
Group 2	0.4002	0.6441	1.0443	-

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 China A Share Equity Fund

For the year ended 31 July 2023

Investment Objective

To generate growth over the long term (5 years or more) by investing in China A equities (company shares).

Performance Target: To achieve the return of the MSCI China A Onshore Index, plus 3% 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 will invest at least 70% in China A equities of companies listed on Chinese Stock Exchanges authorised by the China Securities Regulatory Commission. The fund may also invest in China A equities through RQFII, the Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect programme in equities and equity related securities.
- The fund may also invest in China B equities, China H equities and participator notes.
- 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 diverse asset mix at sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the Performance Target, the MSCI China A Onshore 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 12.5%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the MSCI China A Onshore 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.

Performance Review

For the year ended 31 July 2023, the value of abrdn China A Share Equity Fund – I Accumulation Shares decreased by 15.27% compared to a decrease of 14.36% in the performance target, the MSCI China A Onshore Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK net income reinvested, GBP.

Source: MSCI. The MSCI information may only be used for your internal use, may not be reproduced or redisseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis, should not be taken as an indication or guarantee of any future performance analysis forecast or prediction. The MSCI information is provided on an 'as is' basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the 'MSCI Parties') expressly disclaims all warranties (including without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages (www.msci.com).

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.

Market Review

The mainland Chinese stock market undulated throughout the review period, ending the 12 months in negative territory. Geopolitics took centre stage in the summer of 2022, as tensions between China and the US escalated after a US Congressional visit to Taiwan. Also, the China A-share market was not spared from September's global stock sell-off. This followed a more hawkish projection for interest rates from the US Federal Reserve and the prospect of slowing global growth.

However, share prices recovered in the final quarter of 2022 amid expectations that China's zero-Covid policy would be diluted. Increased liquidity support for the struggling property sector from the government and state-owned banks also boosted sentiment. The government duly dropped its Covid-related restrictions in December 2022, and the population quickly moved towards herd immunity.

abrdn China A Share Equity Fund

Continued

The optimistic tone continued to drive onshore stock markets higher in January 2023 amid hopes of a rebound in Chinese economic growth. That said, stocks then experienced profit-taking as investors chased short-term hot themes, including artificial intelligence (AI) plays.

The cautious sentiment remained in place during the second quarter of 2023. Stocks entered April on a weak note, as artificial-intelligence AI-related hype partially subsided when investors turned to fundamentals. And as we moved into May, there were ongoing concerns about the strength of China's post-Covid recovery. These were compounded by the absence of any announcements about government stimulus measures.

However, June and July saw the mainland Chinese stock market recover, with investors initially lifted by news that the People's Bank of China had cut its policy rate, as well as a request by the authorities for state-owned banks to cut their deposit rates. Support also came from the long-awaited Politburo meeting, where the government signalled its intention to underpin domestic demand and control risk.

Portfolio Activity and Review

The portfolio declined over the review period and underperformed the benchmark.

Stock selection proved disappointing, with our holdings in financials and consumer discretionary names detracting from relative returns. More positively, our stock picks in healthcare and industrials added value. Sector allocation in materials, information technology, and consumer staples also supported the portfolio's performance.

Turning to individual holdings, Yunnan Energy New Material and LONGi Green Energy Technology were the principal laggards. The former was hurt by the news that the company's chairman and vice chairman were under surveillance for an unknown investigation; the latter suffered from weak sentiment within the solar energy sector. China Tourism Group Duty Free experienced profit-taking after share price strength following the initial reopening of the Chinese economy. Clinical research specialist Hangzhou Tigermed fell on growing concerns about demand from clients.

In contrast, Venustech Group and Hundsun Technologies were underpinned by positive sentiment towards local software companies as part of government's push for national security. Spirits producer Kweichow Moutai demonstrated resilient earnings growth, and electrical appliance manufacturer Midea Group was boosted by strong domestic demand for air-conditioning units.

Turning to portfolio activity, we initiated a position in Zhejiang Weixing New Building Materials, a leading

manufacturer of plastic pipes with a solid track record. The company demonstrated its resilience during the property downturn, and we believed it would benefit from a potential recovery in the secondary housing market. We also topped up our holding in Aier Eye Hospital Group, which we felt would be supported by the easing of Covid restrictions and a relatively benign regulatory environment. Lastly, we reduced our exposure to Longi Green Energy amid caution over the business cycle and lower visibility on the demand side.

December saw us review the positioning and weights of our five key portfolio themes (aspiration, green, wealth, digitalisation and healthcare) and the potential impact on them from the reopening of the Chinese economy. However, we made no significant changes to the portfolio.

abrdn China A Share Equity Fund

Continued

Portfolio Outlook and Strategy

Since the economic recovery is proving to be slower than expected, the Chinese government will likely react with more supportive policies. We recognise restoring consumer confidence is a gradual process, but we remain sanguine about its eventuality since conditions are supportive of a sustained recovery.

We believe in the long-term growth potential of the five themes: aspiration, digital, health, wealth and green, and think that the current low-valuation environment is ripe for picking high-quality assets at attractive prices.

Asia Pacific Equity Team

August 2023

abrdn China A Share 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 July 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 fund invests in Chinese equities. Investing in China involves a greater risk of loss than investing in more developed markets due to, among other factors, greater government intervention, tax, economic, foreign exchange, liquidity and regulatory risks.
- 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.
- 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
I Accumulation	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	122.81	130.84	120.37
Return before operating charges*	(17.15)	(6.51)	12.17
Operating charges	(1.35)	(1.52)	(1.70)
Return after operating charges*	(18.50)	(8.03)	10.47
Distributions	(0.41)	(0.18)	(0.20)
Retained distributions on accumulation shares	0.41	0.18	0.20
Closing net asset value per share	104.31	122.81	130.84
* after direct transaction costs of:	0.08	0.12	0.16
Performance			
Return after charges	(15.06%)	(6.14%)	8.70%
Other information			
Closing net asset value (£'000)	5,190	5,969	6,385
Closing number of shares	4,975,149	4,860,057	4,880,268
Operating charges	1.17%	1.17%	1.19%
Direct transaction costs	0.07%	0.09%	0.11%
Prices			
Highest share price	135.7	148.1	172.1
Lowest share price	96.15	109.0	120.7

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

K Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	124.55	132.01	120.89
Return before operating charges*	(17.37)	(6.57)	12.10
Operating charges	(0.80)	(0.89)	(0.98)
Return after operating charges*	(18.17)	(7.46)	11.12
Distributions	(1.00)	(0.84)	(0.41)
Retained distributions on accumulation shares	1.00	0.84	0.41
Closing net asset value per share	106.38	124.55	132.01
* after direct transaction costs of:	0.08	0.12	0.16
Performance			
Return after charges	(14.59%)	(5.65%)	9.20%
Other information			
Closing net asset value (£'000)	1	1	1
Closing number of shares	1,000	1,000	1,000
Operating charges	0.67%	0.67%	0.69%
Direct transaction costs	0.07%	0.09%	0.11%
Prices			
Highest share price	137.9	149.7	173.2
Lowest share price	98.04	110.4	121.2

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

M Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	122.62	130.71	120.31
Return before operating charges*	(17.10)	(6.51)	12.18
Operating charges	(1.42)	(1.58)	(1.78)
Return after operating charges*	(18.52)	(8.09)	10.40
Distributions	-	(0.15)	-
Retained distributions on accumulation shares	-	0.15	-
Closing net asset value per share	104.10	122.62	130.71
* after direct transaction costs of:	0.08	0.12	0.16
Performance			
Return after charges	(15.10%)	(6.19%)	8.64%
Other information			
Closing net asset value (£'000)	626	1,547	1,827
Closing number of shares	601,661	1,261,767	1,397,435
Operating charges	1.22%	1.22%	1.24%
Direct transaction costs	0.07%	0.09%	0.11%
Prices			
Highest share price	135.4	147.9	171.9
Lowest share price	95.96	108.8	120.6

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.

Comparative Tables

Continued

Z Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	126.48	133.42	121.52
Return before operating charges*	(17.77)	(6.71)	12.17
Operating charges	(0.20)	(0.23)	(0.27)
Return after operating charges*	(17.97)	(6.94)	11.90
Distributions	(1.59)	(1.49)	(1.18)
Retained distributions on accumulation shares	1.59	1.49	1.18
Closing net asset value per share	108.51	126.48	133.42
* after direct transaction costs of:	0.08	0.12	0.16
Performance			
Return after charges	(14.21%)	(5.20%)	9.79%
Other information			
Closing net asset value (£'000)	5,426	6,324	6,671
Closing number of shares	5,000,000	5,000,000	5,000,000
Operating charges	0.17%	0.17%	0.19%
Direct transaction costs	0.07%	0.09%	0.11%
Prices			
Highest share price	140.4	151.6	174.7
Lowest share price	99.99	112.0	121.9

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.

Portfolio Statement

As at 31 July 2023

Holding	Investment	Market value £'000	Percentage of total net assets
Pacific Basin Equities (97.15%)		10,986	97.72
China (97.15%)		10,986	97.72
186,599	Aier Eye Hospital 'A'	409	3.64
109,660	Bank of Ningbo 'A'	347	3.09
5,500	BYD 'A'	163	1.45
3,500	BYD 'H'	96	0.85
53,900	By-health 'A'	124	1.10
127,300	Centre Testing International 'A'	278	2.48
35,431	Chacha Food 'A'	158	1.41
38,600	China International Capital 'A'	168	1.49
103,200	China International Capital 'H'	176	1.57
146,000	China Merchants Bank 'A'	565	5.02
25,495	China Tourism Duty Free 'A'	349	3.10
4,800	China Tourism Duty Free 'H'	59	0.52
46,000	China Vanke 'A'	76	0.68
116,500	China Vanke 'H'	127	1.13
20,300	Contemporary Amperex Technology 'A'	525	4.67
44,322	Foshan Haitian Flavouring & Food 'A'	223	1.99
72,800	Fuyao Glass Industry 'A'	300	2.67
91,980	Glodon 'A'	323	2.88
77,300	Guangzhou Baiyun International Airport 'A'	121	1.08
35,600	Hangzhou Tigermed Consulting 'A'	266	2.37
12,000	Hangzhou Tigermed Consulting 'H'	60	0.54
15,400	Hefei Meiya Optoelectronic Technology 'A'	44	0.39
68,792	Hundsun Technologies 'A'	308	2.74
54,200	Inner Mongolia Yili Industrial 'A'	169	1.50
43,040	Jiangsu Hengrui Pharmaceuticals 'A'	209	1.86
4,500	Kweichow Moutai 'A'	921	8.19
44,808	LONGi Green Energy Technology 'A'	146	1.29
60,400	Luxshare Precision Industry 'A'	212	1.89
16,567	Maxscend Microelectronics 'A'	217	1.93
54,500	Midea 'A'	352	3.13
66,873	NARI Technology 'A'	177	1.57
175,500	Ping An Bank 'A'	235	2.09
79,100	Ping An Insurance 'A'	453	4.03
22,008	Proya Cosmetics 'A'	270	2.40

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
12,870	SG Micro 'A'	118	1.05
19,800	Shanghai International Airport 'A'	102	0.91
53,400	Shanghai M&G Stationery 'A'	260	2.31
24,900	Shenzhen Inovance Technology 'A'	192	1.71
11,100	Shenzhen Mindray Bio-Medical Electronics 'A'	357	3.18
18,100	Sungrow Power Supply 'A'	220	1.95
45,386	Venustech 'A'	145	1.29
24,400	Wanhua Chemical 'A'	260	2.31
9,900	Wuliangye Yibin 'A'	195	1.73
68,991	Yonyou Network Technology 'A'	142	1.26
16,400	Yunnan Energy New Material 'A'	172	1.53
83,300	Zhejiang Weixing New Building Materials 'A'	197	1.75
Collective Investment Schemes (0.78%)		105	0.93
105	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc ⁺	105	0.93
Total investment assets		11,091	98.65
Net other assets		152	1.35
Total Net Assets		11,243	100.00

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 July 2022.

⁺ Managed by subsidiaries of abrdn plc.

Financial Statements

Statement of Total Return

For the year ended 31 July 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(2,193)		(899)
Revenue	2	209		209	
Expenses	3	(87)		(103)	
Net revenue before taxation		122		106	
Taxation	4	(21)		(21)	
Net revenue after taxation			101		85
Total return before distributions			(2,092)		(814)
Distributions	5		(101)		(85)
Change in net assets attributable to shareholders from investment activities			(2,193)		(899)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2023

	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		13,841		14,884
Amounts receivable on the issue of shares	1,942		2,073	
Amounts payable on the cancellation of shares	(2,449)		(2,302)	
		(507)		(229)
Dilution adjustment		2		-
Change in net assets attributable to shareholders from investment activities (see above)		(2,193)		(899)
Retained distribution on accumulation shares		100		85
Closing net assets attributable to shareholders		11,243		13,841

Financial Statements

Continued

Balance Sheet

As at 31 July 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			11,091		13,555
Current assets:					
Debtors	6	23		27	
Cash and bank balances	7	139		274	
			162		301
Total assets			11,253		13,856
Liabilities:					
Creditors	8	(10)		(15)	
			(10)		(15)
Total liabilities			(10)		(15)
Net assets attributable to shareholders			11,243		13,841

Notes to the Financial Statements

1 Net Capital Losses

	2023 £'000	2022 £'000
Non-derivative securities	(2,177)	(881)
Other losses	(9)	(8)
Transaction charges	(7)	(10)
Net capital losses	(2,193)	(899)

2 Revenue

	2023 £'000	2022 £'000
Bank and margin interest	4	1
Overseas dividends	205	208
Total revenue	209	209

3 Expenses

	2023 £'000	2022 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	72	86
Dealing charge	-	1
General administration charge	11	12
	83	99
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	4	4
	4	4
Total expenses	87	103

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £9,120 (2022: £8,460).

Notes to the Financial Statements

Continued

4 Taxation

	2023 £'000	2022 £'000
(a) Analysis of charge in year		
Overseas taxes	21	21
Total taxation (note 4b)	21	21

(b) Factors affecting total tax charge for the year

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

Net revenue before taxation	122	106
Corporation tax at 20% (2022: 20%)	24	21
Effects of:		
Revenue not subject to taxation	(41)	(42)
Overseas taxes	21	21
Excess allowable expenses	17	21
Total tax charge for year (note 4a)	21	21

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 £57,000 (2022: £41,000) 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
Distribution	100	85
Add: Income deducted on cancellation of shares	2	-
Deduct: Income received on issue of shares	(1)	-
Total distributions for the year	101	85

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

Notes to the Financial Statements

Continued

6 Debtors

	2023 £'000	2022 £'000
Accrued revenue	10	23
Amounts receivable from the ACD for the issue of shares	13	4
Total debtors	23	27

7 Liquidity

	2023 £'000	2022 £'000
Cash and bank balances		
Cash at bank	139	274
	139	274
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	105	108
Net liquidity	244	382

* 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	5	8
Accrued expenses payable to the Depositary or associates of the Depositary	1	1
Amounts payable to the ACD for cancellation of shares	1	6
Purchases awaiting settlement	3	-
Total creditors	10	15

9 Related Party Transactions

abrdrn 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 abrdrn Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

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 8.

Notes to the Financial Statements

Continued

10 Portfolio Transaction Costs

	Purchases		Sales	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trades in the year				
Equities	2,793	4,487	3,086	4,401
Trades in the year before transaction costs	2,793	4,487	3,086	4,401
Commissions				
Equities	3	4	(2)	(4)
Total commissions	3	4	(2)	(4)
Taxes				
Equities	-	1	(3)	(5)
Total taxes	-	1	(3)	(5)
Total transaction costs	3	5	(5)	(9)
Total net trades in the year after transaction costs	2,796	4,492	3,081	4,392
	Purchases		Sales	
	2023 %	2022 %	2023 %	2022 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.11	0.09	0.08	0.09
Taxes				
Equities	0.01	0.02	0.11	0.11
			2023 %	2022 %
Total transaction costs expressed as a percentage of net asset value				
Commissions			0.04	0.05
Taxes			0.03	0.04

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 0.04% (2022: 0.05%), 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
I Accumulation	4,860,057	1,463,997	(1,840,723)	491,818	4,975,149
K Accumulation	1,000	-	-	-	1,000
M Accumulation	1,261,767	240,063	(407,534)	(492,635)	601,661
Z Accumulation	5,000,000	-	-	-	5,000,000

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	10,986	-	-	13,447	-	-
Collective Investment Schemes	-	105	-	-	108	-
Total investment assets	10,986	105	-	13,447	108	-

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 2023 £'000	Net foreign currency exposure 2022 £'000
China Renminbi	10,484	12,923
Hong Kong Dollar	530	569
Total	11,014	13,492

At 31 July 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 £551,000 (2022: £675,000).

Notes to the Financial Statements

Continued

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 July 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 £555,000 (2022: £678,000).

Financial derivatives instrument risk

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

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2023 £10,000 (2022: £15,000).

Distribution Table

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

Final dividend distribution

Group 1 – shares purchased prior to 1 August 2022

Group 2 – shares purchased between 1 August 2022 and 31 July 2023

	Revenue	Equalisation	Distribution paid 31/10/23	Distribution paid 31/10/22
I Accumulation				
Group 1	0.4064	-	0.4064	0.1750
Group 2	0.3538	0.0526	0.4064	0.1750
K Accumulation				
Group 1	0.9990	-	0.9990	0.8370
Group 2	0.9990	-	0.9990	0.8370
M Accumulation				
Group 1	-	-	-	0.1517
Group 2	-	-	-	0.1517
Z Accumulation				
Group 1	1.5943	-	1.5943	1.4907
Group 2	1.5943	-	1.5943	1.4907

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 Diversified Growth and Income Fund

(previously abrdn Diversified Income Fund)

For the year ended 31 July 2023

Investment Objective

To generate a positive return through income and some capital growth over the long term (5 years or more) by investing in a globally diversified portfolio of assets whilst reducing the risk of losses. Invested capital is however at risk and there is no guarantee that this will be attained over any time period.

Performance Target: To exceed the return of SONIA by 5% 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.

SONIA has been chosen as a proxy for the return on cash deposits.

Investment Policy

Portfolio Securities

- The fund invests globally in a range of asset classes, derivatives, money-market instruments and cash.
- The fund may also invest in other funds (including those managed by abrdn) to gain exposure to a broad mix of assets from across the global investment universe.
- Asset classes that the fund invests in may include listed equities, private equity, property, infrastructure, high yield bonds, loans, emerging market debt, asset-backed securities, alternative risk premia, insurance linked securities, litigation finance, peer-to-peer lending, aircraft leasing and healthcare royalties.
- Asset classes such as infrastructure, property or private equity will typically be accessed through investment route such as listed equities.

Management Process

- The management team use their discretion (active management) to identify a diverse mix of investments which they believe are most appropriate for the investment objective. As a result of this diversification, and during extreme equity market falls, we expect losses to be below those of conventional global equity markets, with a volatility typically less than two thirds of equities.
- Their primary focus is on stock selection using the management team's quality, growth and momentum approach. It aims to identify companies that show a range of high quality characteristics, operate in growing markets and display positive business momentum.

- The team separately conduct extensive research to identify the most appropriate type of investment for each asset class.

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 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 or management of currency risk.
- Some underlying funds invested in by the fund may use derivatives more extensively. Derivatives may be used within underlying funds to generate growth if market prices are expected to rise ("long positions") or fall ("short positions").

Performance Review

For the year ended 31 July 2023, the value of abrdn Diversified Growth and Income Fund – I Income Shares decreased by 0.50% compared with an increase of 3.48% in the performance target, SONIA.

Source: Lipper; Basis: total return, published NAV to NAV, net of annual charges, UK net income reinvested, GBP.

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.

Market Review

Global equities produced a positive return over the period despite bouts of volatility. After declining at the start of the period, equity markets recovered from their end-of-September lows and performed particularly strongly through 2023. The resilience of the US economy and company earnings, as well as softer-than-expected US inflation data, buoyed investor sentiment.

abrdn Diversified Growth and Income Fund

(previously abrdn Diversified Income Fund) continued

Portfolio Activity and Review

Against this market backdrop, the largest positive contributions came from emerging market bonds, listed equity, asset-backed securities, US corporate credit and private equity. The largest negative contributions came from property, infrastructure and special opportunities.

Our listed equities delivered positive returns, with a mixed performance from our satellites. Our local currency emerging market bond allocation produced a positive return when measured against our funding basket. Income generation, price appreciation and currency all contributed positively over the period. Asset-backed securities also delivered positive returns, driven by income generation and higher bond prices. Finally, our US credit allocation produced a positive return, with income and price appreciation contributing positively. Infrastructure was a negative contributor, as the share prices of several infrastructure companies fell. With net asset values (NAVs) remaining relatively resilient, declines came from reduced premiums or increased discounts to NAVs. Our property allocation also produced a negative return, as investors continued to consider the effect of rising interest rates and what this means for both property valuations and the cost of borrowing for investors.

Towards the start of the period, we initiated a new position in US corporate credit. The allocation is primarily invested in investment-grade credit with a smaller allocation to higher quality high-yield bonds. The sub-portfolio is managed by abrdn's US Credit team and is focused on high-conviction ideas. The allocation was primarily funded from cash, a reduction in our allocation to local currency emerging market bonds and a modest reduction to asset-backed securities. Towards the end of the period, we also initiated another new position in developed market government bonds. Given relatively high starting yields and our long-term economic outlook, we believe that this allocation can generate compelling risk-adjusted returns and additional portfolio diversification. Within our listed equity allocation, we exited our UK mid-cap equity satellite. This decision was driven by expected returns and the relationship with other investments in the portfolios. Proceeds from the sale were added to our environmental, social and governance-enhanced core equity allocation. Our allocation to property reduced significantly over the period, as we evaluated the potential effect of a materially different yield environment on our real estate investments. Lastly, we made a number of changes to listed alternative investments within infrastructure, property and special opportunities on valuation grounds.

Portfolio Outlook and Strategy

The resilience of economic activity and the strength of underlying inflation imply that further monetary tightening is likely despite economic and financial market stress following banking system issues. Our overarching assessment continues to be that a US recession is 'necessary' to bring inflation back to target consistent rates. Similarly in Europe, economic data has been resilient while core inflation pressures show little sign of moderating. Therefore, the European Central Bank will likely remain in hiking mode and this will eventually result in a recession in our view.

Given this backdrop, while we do see compelling risk-adjusted return prospects in some traditional asset classes, we remain cautious about relying on them to generate returns. Our portfolios also have meaningful allocations to alternative asset classes, many of which have compelling direct links to inflation, limited economic sensitivity and compelling risk-adjusted return prospects. These include infrastructure assets that have attractive and reliable yields with links to inflation; emerging market bonds offering attractive returns and diversification benefits; asset-backed securities that continue to offer attractive spreads and are floating rate (although, valuations in investment grade and high-yield credit are becoming increasingly compelling); some specialist property investments that can offer attractive, reliable returns; and a variety of special opportunities, such as healthcare, music royalties and litigation finance.

Diversified Assets Team

August 2023

abrdn Diversified Growth and Income Fund

(previously abrdn Diversified Income 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 July 2023.

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

- 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 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 securities which are subject to the risk that the issuer may default on interest or capital payments.
- 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

A Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	232.35	242.33	210.42
Return before operating charges*	7.94	(6.03)	34.66
Operating charges	(3.66)	(3.95)	(2.75)
Return after operating charges*	4.28	(9.98)	31.91
Distributions	(11.77)	(10.67)	(10.31)
Retained distributions on accumulation shares	11.77	10.67	10.31
Closing net asset value per share	236.63	232.35	242.33
* after direct transaction costs of:	0.16	0.21	0.24
Performance			
Return after charges	1.84%	(4.12%)	15.16%
Other information			
Closing net asset value (£'000)	13,141	14,611	16,322
Closing number of shares	5,553,282	6,288,636	6,735,685
Operating charges	1.58%	1.63%	1.22%
Direct transaction costs	0.07%	0.09%	0.11%
Prices			
Highest share price	239.5	250.0	243.0
Lowest share price	217.9	230.0	211.6

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.

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

Comparative Tables

Continued

	2023	2022	2021
A Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	111.16	121.17	110.06
Return before operating charges*	3.63	(2.84)	17.73
Operating charges	(1.71)	(1.94)	(1.41)
Return after operating charges*	1.92	(4.78)	16.32
Distributions	(5.50)	(5.23)	(5.21)
Closing net asset value per share	107.58	111.16	121.17
* after direct transaction costs of:	0.07	0.10	0.12
Performance			
Return after charges	1.73%	(3.94%)	14.83%
Other information			
Closing net asset value (£'000)	859	673	799
Closing number of shares	798,505	605,249	659,648
Operating charges	1.58%	1.63%	1.22%
Direct transaction costs	0.07%	0.09%	0.11%
Prices			
Highest share price	114.5	123.2	121.6
Lowest share price	103.5	110.4	110.5

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Comparative Tables

Continued

	2023	2022	2021
I Accumulation	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	149.18	155.02	134.13
Return before operating charges*	4.98	(4.01)	22.00
Operating charges	(1.68)	(1.83)	(1.11)
Return after operating charges*	3.30	(5.84)	20.89
Distributions	(7.44)	(6.70)	(6.45)
Retained distributions on accumulation shares	7.44	6.70	6.45
Closing net asset value per share	152.48	149.18	155.02
* after direct transaction costs of:	0.10	0.14	0.15
Performance			
Return after charges	2.21%	(3.77%)	15.57%
Other information			
Closing net asset value (£'000)	25,877	27,083	23,026
Closing number of shares	16,971,205	18,154,626	14,853,223
Operating charges	1.13%	1.18%	0.77%
Direct transaction costs	0.07%	0.09%	0.11%
Prices			
Highest share price	153.8	160.1	155.4
Lowest share price	140.0	147.6	134.9

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

Comparative Tables

Continued

	2023	2022	2021
I Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	99.52	108.00	97.71
Return before operating charges*	3.19	(2.66)	15.69
Operating charges	(1.10)	(1.25)	(0.79)
Return after operating charges*	2.09	(3.91)	14.90
Distributions	(4.86)	(4.57)	(4.61)
Closing net asset value per share	96.75	99.52	108.00
* after direct transaction costs of:	0.07	0.09	0.11
Performance			
Return after charges	2.10%	(3.62%)	15.25%
Other information			
Closing net asset value (£'000)	62,071	125,340	143,455
Closing number of shares	64,155,511	125,942,256	132,829,429
Operating charges	1.13%	1.18%	0.77%
Direct transaction costs	0.07%	0.09%	0.11%
Prices			
Highest share price	102.5	109.8	108.4
Lowest share price	92.71	98.79	98.16

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.

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

Comparative Tables

Continued

M Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	110.27	114.58	99.17
Return before operating charges*	3.74	(2.90)	16.29
Operating charges	(1.30)	(1.41)	(0.88)
Return after operating charges*	2.44	(4.31)	15.41
Distributions	(5.50)	(4.96)	(4.79)
Retained distributions on accumulation shares	5.50	4.96	4.79
Closing net asset value per share	112.71	110.27	114.58
* after direct transaction costs of:	0.07	0.10	0.11
Performance			
Return after charges	2.21%	(3.76%)	15.54%
Other information			
Closing net asset value (£'000)	308	302	318
Closing number of shares	273,190	274,136	277,951
Operating charges	1.18%	1.23%	0.82%
Direct transaction costs	0.07%	0.09%	0.11%
Prices			
Highest share price	113.6	118.4	114.9
Lowest share price	103.5	109.1	99.73

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.

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

Comparative Tables

Continued

M Income	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	93.84	101.82	92.17
Return before operating charges*	3.03	(2.43)	14.80
Operating charges	(1.08)	(1.20)	(0.80)
Return after operating charges*	1.95	(3.63)	14.00
Distributions	(4.58)	(4.35)	(4.35)
Closing net asset value per share	91.21	93.84	101.82
* after direct transaction costs of:	0.06	0.09	0.10
Performance			
Return after charges	2.08%	(3.57%)	15.19%
Other information			
Closing net asset value (£'000)	170	909	31
Closing number of shares	186,202	968,866	30,731
Operating charges	1.18%	1.23%	0.82%
Direct transaction costs	0.07%	0.09%	0.11%
Prices			
Highest share price	96.68	103.6	102.2
Lowest share price	87.41	93.15	92.58

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.

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

Comparative Tables

Continued

Z Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	252.16	260.79	224.57
Return before operating charges*	7.03	(7.11)	36.63
Operating charges	(1.34)	(1.52)	(0.41)
Return after operating charges*	5.69	(8.63)	36.22
Distributions	(12.27)	(10.97)	(10.52)
Retained distributions on accumulation shares	12.27	10.97	10.52
Closing net asset value per share	257.85	252.16	260.79
* after direct transaction costs of:	0.17	0.23	0.26
Performance			
Return after charges	2.26%	(3.31%)	16.13%
Other information			
Closing net asset value (£'000)	230	2,663	3,400
Closing number of shares	89,277	1,055,600	1,303,569
Operating charges	0.53%	0.58%	0.17%
Direct transaction costs	0.07%	0.09%	0.11%
Prices			
Highest share price	259.9	270.0	261.5
Lowest share price	235.9	249.4	225.9

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.

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

Portfolio Statement

As at 31 July 2023

Holding	Investment	Market value £'000	Percentage of total net assets
Bonds (26.54%)		40,406	39.36
Australian Dollar Denominated Bonds (0.00%)		104	0.10
Government Bonds (0.00%)		104	0.10
less than 5 years to maturity			
19,000	Australia (Commonwealth of) 2.25% 2028	9	0.01
31,000	Australia (Commonwealth of) 3.25% 2025	16	0.02
34,000	Australia (Commonwealth of) 4.25% 2026	18	0.02
between 5 and 10 years to maturity			
22,000	Australia (Commonwealth of) 1% 2031	9	0.01
43,000	Australia (Commonwealth of) 2.75% 2029	21	0.02
45,000	Australia (Commonwealth of) 4.5% 2033	24	0.02
between 15 and 25 years to maturity			
11,000	Australia (Commonwealth of) 2.75% 2041	5	-
greater than 25 years to maturity			
6,000	Australia (Commonwealth of) 1.75% 2051	2	-
Brazilian Real Denominated Bonds (3.11%)		3,142	3.06
Government Bonds (3.11%)		3,142	3.06
less than 5 years to maturity			
400,000	Brazil (Fed Rep of) 0% 2024	62	0.06
6,978,000	Brazil (Fed Rep of) 10% 2025	1,129	1.10
between 5 and 10 years to maturity			
10,394,000	Brazil (Fed Rep of) 10% 2031	1,639	1.60
2,003,000	Brazil (Fed Rep of) 10% 2033	312	0.30
Canadian Dollar Denominated Bonds (0.00%)		123	0.12
Government Bonds (0.00%)		123	0.12
less than 5 years to maturity			
38,000	Canada (Govt of) 0.25% 2024	22	0.02
56,000	Canada (Govt of) 0.5% 2025	30	0.03
23,000	Canada (Govt of) 2% 2028	13	0.01

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
between 5 and 10 years to maturity			
48,000	Canada (Govt of) 1.25% 2030	24	0.02
16,000	Canada (Govt of) 5.75% 2033	11	0.01
between 10 and 15 years to maturity			
12,000	Canada (Govt of) 5% 2037	8	0.01
greater than 25 years to maturity			
33,000	Canada (Govt of) 2% 2051	15	0.02
Chilean Peso Denominated Bonds (1.32%)			
		470	0.46
Government Bonds (1.32%)			
		470	0.46
less than 5 years to maturity			
525,000,000	Chile (Republic of) 5.8% 2024	470	0.46
Colombian Peso Denominated Bonds (2.03%)			
		1,760	1.71
Government Bonds (2.03%)			
		1,760	1.71
less than 5 years to maturity			
1,128,800,000	Colombia (Republic of) 10% 2024	228	0.22
342,900,000	Colombia (Republic of) 7.5% 2026	64	0.06
between 5 and 10 years to maturity			
7,438,400,000	Colombia (Republic of) 7% 2031	1,249	1.22
greater than 25 years to maturity			
1,539,400,000	Colombia (Republic of) 7.25% 2050	219	0.21
Czech Koruna Denominated Bonds (1.14%)			
		1,211	1.19
Government Bonds (1.14%)			
		1,211	1.19
less than 5 years to maturity			
14,980,000	Czech Republic (Govt of) 0.45% 2023	530	0.52
4,200,000	Czech Republic (Govt of) 1% 2026	136	0.13

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
between 5 and 10 years to maturity			
6,180,000	Czech Republic (Govt of) 0.95% 2030	180	0.18
between 10 and 15 years to maturity			
12,270,000	Czech Republic (Govt of) 2% 2033	365	0.36
Denmark Denominated Bonds (0.00%)		13	0.02
Government Bonds (0.00%)		13	0.02
less than 5 years to maturity			
51,800	Denmark (Kingdom of) 0.5% 2027	5	0.01
between 15 and 25 years to maturity			
60,100	Denmark (Kingdom of) 4.5% 2039	8	0.01
Dominican Peso Denominated Bonds (0.00%)		250	0.24
Government Bonds (0.00%)		250	0.24
less than 5 years to maturity			
8,050,000	Dominican (Republic of) 9.75% 2026	113	0.11
between 5 and 10 years to maturity			
8,000,000	Dominican (Republic of) 13.625% 2033	137	0.13
Euro Denominated Bonds (3.64%)		1,688	1.65
Corporate Bonds (3.45%)		88	0.09
less than 5 years to maturity			
100,000	Ol European 6.25% 2028	88	0.09
Government Bonds (0.19%)		1,600	1.56
less than 5 years to maturity			
15,200	Belgium (Kingdom of) 0% 2027	12	0.01
16,900	Belgium (Kingdom of) 2.6% 2024	14	0.01
10,000	Bundesschatzanweisungen 3.1% 2025	9	0.01
46,400	France (Govt of) 0% Index-Linked 2027	36	0.03

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
51,700	France (Govt of) 0.5% 2026	41	0.04
30,600	France (Govt of) 1.75% 2024	26	0.02
23,500	France (Govt of) 2.25% 2024	20	0.02
29,100	France (Govt of) 6% 2025	26	0.02
45,200	Germany (Fed Rep of) 0% 2024	37	0.04
50,400	Germany (Fed Rep of) 0.5% 2026	41	0.04
61,700	Germany (Fed Rep of) 1.3% 2027	50	0.05
37,000	Italy (Govt of) 0.85% 2027	29	0.03
31,000	Italy (Govt of) 1.45% 2024	26	0.03
71,000	Italy (Govt of) 1.5% 2025	59	0.06
29,400	Italy (Govt of) 6.5% 2027	28	0.03
26,100	Netherlands (Govt of) 0.5% 2026	21	0.02
2,200	Netherlands (Govt of) 2% 2024	2	-
44,000	Spain (Govt of) 2.15% 2025	37	0.04
42,000	Spain (Govt of) 2.75% 2024	36	0.03
226,000	Tunisia (Republic of) 6.75% 2023	184	0.18
between 5 and 10 years to maturity			
23,100	Belgium (Kingdom of) 0.9% 2029	18	0.02
56,800	France (Govt of) 0% 2030	40	0.04
41,200	France (Govt of) 0% 2032	27	0.03
77,100	France (Govt of) 0.75% 2028	59	0.06
13,800	France (Govt of) 5.75% 2032	14	0.01
35,200	Germany (Fed Rep of) 0% 2030	25	0.02
17,000	Germany (Fed Rep of) 0% 2031	12	0.01
32,000	Germany (Fed Rep of) 0.25% 2029	24	0.02
53,000	Italy (Govt of) 0.45% 2029	38	0.04
38,000	Italy (Govt of) 3.5% 2030	32	0.03
10,000	Italy (Govt of) 5.75% 2033	10	0.01
23,000	Italy (Govt of) 6% 2031	23	0.02
22,900	Netherlands (Govt of) 0.25% 2029	17	0.02
42,000	Spain (Govt of) 0.8% 2029	31	0.03
40,000	Spain (Govt of) 1.4% 2028	31	0.03
25,000	Spain (Govt of) 2.55% 2032	20	0.02
14,000	Spain (Govt of) 5.75% 2032	14	0.01

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
between 10 and 15 years to maturity			
10,500	Belgium (Kingdom of) 1.45% 2037	7	0.01
19,000	Belgium (Kingdom of) 5% 2035	19	0.02
46,100	France (Govt of) 1.25% 2036	32	0.03
38,200	Germany (Fed Rep of) 4.75% 2034	40	0.04
51,000	Italy (Govt of) 2.45% 2033	38	0.04
13,000	Italy (Govt of) 5% 2034	12	0.01
18,800	Netherlands (Govt of) 4% 2037	18	0.02
22,000	Spain (Govt of) 4.2% 2037	20	0.02
between 15 and 25 years to maturity			
9,100	Belgium (Kingdom of) 3.75% 2045	8	0.01
23,600	France (Govt of) 2% 2048	16	0.02
7,900	France (Govt of) 3.25% Index-Linked 2045	7	0.01
20,200	France (Govt of) 4.5% 2041	20	0.02
30,800	Germany (Fed Rep of) 2.5% 2046	26	0.03
15,200	Germany (Fed Rep of) 4.75% 2040	17	0.02
30,000	Italy (Govt of) 2.7% 2047	20	0.02
29,000	Italy (Govt of) 3.45% 2048	22	0.02
3,000	Italy (Govt of) 4.75% 2044	3	-
5,000	Italy (Govt of) 5% 2039	5	-
3,000	Italy (Govt of) 5% 2040	3	-
7,700	Netherlands (Govt of) 3.75% 2042	7	0.01
26,000	Spain (Govt of) 4.7% 2041	25	0.02
7,000	Spain (Govt of) 4.9% 2040	7	0.01
greater than 25 years to maturity			
11,300	Belgium (Kingdom of) 2.15% 2066	7	0.01
16,100	France (Govt of) 0.75% 2052	7	0.01
9,200	France (Govt of) 1.75% 2066	5	-
13,400	France (Govt of) 4% 2055	13	0.01
23,100	Germany (Fed Rep of) 0% 2052	10	0.01
11,400	Netherlands (Govt of) 0% 2052	5	-
16,000	Spain (Govt of) 3.45% 2066	12	0.01

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Hungarian Forint Denominated Bonds (0.00%)		868	0.85
Government Bonds (0.00%)		226	0.22
less than 5 years to maturity			
77,760,000	Hungary (Govt of) 5.5% 2025	160	0.16
30,260,000	Hungary (Govt of) 6% 2023	66	0.06
Indian Rupee Denominated Bonds (0.29%)		428	0.42
Corporate Bonds (0.12%)		-	-
Government Bonds (0.17%)		428	0.42
less than 5 years to maturity			
19,260,000	Gujarat (State of) 7.2% 2027	182	0.18
between 5 and 10 years to maturity			
14,300,000	Asian Infrastructure Investment Bank 6% 2031	125	0.12
9,900,000	Asian Infrastructure Investment Bank 6.65% 2033	93	0.09
3,000,000	Inter-American Development Bank 7% 2033	28	0.03
Indonesian Rupiah Denominated Bonds (3.48%)		2,918	2.84
Government Bonds (3.48%)		2,918	2.84
less than 5 years to maturity			
10,989,000,000	Indonesia (Republic of) 5.5% 2026	558	0.54
11,059,000,000	Indonesia (Republic of) 6.125% 2028	569	0.55
4,601,000,000	Indonesia (Republic of) 6.5% 2025	239	0.23
15,899,000,000	Indonesia (Republic of) 7% 2027	843	0.82
between 5 and 10 years to maturity			
1,076,000,000	Indonesia (Republic of) 6.5% 2031	56	0.06
1,413,000,000	Indonesia (Republic of) 9.5% 2031	87	0.09
between 10 and 15 years to maturity			
997,000,000	Indonesia (Republic of) 8.375% 2034	59	0.06

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
between 15 and 25 years to maturity			
9,200,000,000	Indonesia (Republic of) 7.125% 2043	507	0.49
Japanese Yen Denominated Bonds (0.00%)		1,119	1.09
Government Bonds (0.00%)		1,119	1.09
less than 5 years to maturity			
7,650,000	Japan (Govt of) 0.005% 2024	42	0.04
9,650,000	Japan (Govt of) 0.005% 2027	53	0.05
17,600,000	Japan (Govt of) 0.1% 2024	96	0.09
20,000,000	Japan (Govt of) 0.1% 2025	110	0.11
9,250,000	Japan (Govt of) 2.3% 2027	55	0.05
between 5 and 10 years to maturity			
6,450,000	Japan (Govt of) 0.1% 2028	35	0.03
10,900,000	Japan (Govt of) 0.1% 2029	59	0.06
10,450,000	Japan (Govt of) 0.1% 2029	56	0.05
11,750,000	Japan (Govt of) 0.1% 2031	62	0.06
7,450,000	Japan (Govt of) 0.2% 2032	40	0.04
7,900,000	Japan (Govt of) 1.6% 2030	47	0.05
5,650,000	Japan (Govt of) 1.7% 2032	34	0.03
between 10 and 15 years to maturity			
6,000,000	Japan (Govt of) 1.4% 2034	35	0.03
4,450,000	Japan (Govt of) 1.5% 2034	26	0.03
3,200,000	Japan (Govt of) 2.5% 2036	21	0.02
3,400,000	Japan (Govt of) 2.5% 2038	23	0.02
between 15 and 25 years to maturity			
5,150,000	Japan (Govt of) 0.3% 2039	25	0.02
4,600,000	Japan (Govt of) 0.4% 2039	23	0.02
5,100,000	Japan (Govt of) 0.5% 2038	26	0.03
5,850,000	Japan (Govt of) 0.5% 2046	27	0.03
5,900,000	Japan (Govt of) 1.1% 2042	32	0.03
4,450,000	Japan (Govt of) 1.9% 2042	27	0.03
2,750,000	Japan (Govt of) 2% 2041	17	0.02

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
4,400,000	Japan (Govt of) 2.2% 2041	28	0.03
3,150,000	Japan (Govt of) 2.3% 2040	21	0.02
greater than 25 years to maturity			
5,150,000	Japan (Govt of) 0.4% 2050	22	0.02
4,150,000	Japan (Govt of) 0.4% 2056	16	0.02
3,400,000	Japan (Govt of) 0.5% 2059	13	0.01
3,500,000	Japan (Govt of) 0.6% 2050	16	0.02
3,700,000	Japan (Govt of) 0.9% 2057	17	0.02
2,600,000	Japan (Govt of) 1.6% 2052	15	0.01
Kazakhstani Tenge Denominated Bonds (0.19%)		199	0.19
Corporate Bonds (0.15%)		199	0.19
less than 5 years to maturity			
135,500,000	Development Bank of Kazakhstan 10.95% 2026	199	0.19
Malaysian Ringgit Denominated Bonds (1.80%)		1,722	1.68
Government Bonds (1.80%)		1,722	1.68
less than 5 years to maturity			
4,396,000	Malaysia (Govt of) 3.733% 2028	760	0.74
963,000	Malaysia (Govt of) 3.9% 2026	168	0.16
between 5 and 10 years to maturity			
1,776,000	Malaysia (Govt of) 3.844% 2033	306	0.30
1,076,000	Malaysia (Govt of) 4.498% 2030	194	0.19
between 10 and 15 years to maturity			
1,725,000	Malaysia (Govt of) 3.828% 2034	294	0.29
Mexican Peso Denominated Bonds (2.82%)		3,245	3.16
Corporate Bonds (0.32%)		638	0.62
less than 5 years to maturity			
14,751,000	Petroleos Mexicanos 7.19% 2024	638	0.62

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Government Bonds (2.50%)		2,607	2.54
less than 5 years to maturity			
12,742,700	Mexico (United Mexican States) 10% 2024	589	0.57
16,180,500	Mexico (United Mexican States) 5.75% 2026	686	0.67
between 5 and 10 years to maturity			
4,155,700	Mexico (United Mexican States) 7.75% 2031	181	0.18
between 10 and 15 years to maturity			
455,200	Mexico (United Mexican States) 8% 2035	20	0.02
between 15 and 25 years to maturity			
9,641,100	Mexico (United Mexican States) 7.75% 2042	401	0.39
16,228,200	Mexico (United Mexican States) 8.5% 2038	730	0.71
Peruvian Sol Denominated Bonds (0.89%)		1,223	1.19
Government Bonds (0.89%)		1,223	1.19
less than 5 years to maturity			
1,397,000	Peru (Republic of) 5.7% 2024	299	0.29
between 5 and 10 years to maturity			
160,000	Peru (Republic of) 6.15% 2032	33	0.03
2,319,000	Peru (Republic of) 6.95% 2031	510	0.50
between 10 and 15 years to maturity			
973,000	Peru (Republic of) 6.9% 2037	210	0.20
765,000	Peru (Republic of) 7.3% 2033	171	0.17
Philippine peso Denominated Bonds (0.00%)		107	0.10
Government Bonds (0.00%)		107	0.10
between 5 and 10 years to maturity			
7,400,000	Philippines (Republic of) 6.75% 2032	107	0.10

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Polish Zloty Denominated Bonds (0.33%)		609	0.59
Government Bonds (0.33%)		609	0.59
between 5 and 10 years to maturity			
1,922,000	Poland (Republic of) 5.75% 2029	384	0.37
between 10 and 15 years to maturity			
1,108,000	Poland (Republic of) 6% 2033	225	0.22
Romanian Leu Denominated Bonds (0.22%)		791	0.77
Government Bonds (0.22%)		791	0.77
less than 5 years to maturity			
1,235,000	Romania (Republic of) 3.65% 2025	204	0.20
between 5 and 10 years to maturity			
2,000,000	Romania (Republic of) 6.7% 2032	351	0.34
1,220,000	Romania (Republic of) 8.25% 2032	236	0.23
South African Rand Denominated Bonds (3.21%)		2,301	2.24
Government Bonds (3.21%)		2,241	2.18
between 5 and 10 years to maturity			
1,485,700	South Africa (Republic of) 8% 2030	58	0.06
2,000,000	South Africa (Republic of) 8.25% 2032	75	0.07
between 10 and 15 years to maturity			
23,002,741	South Africa (Republic of) 6.25% 2036	653	0.64
3,700,000	South Africa (Republic of) 8.5% 2037	125	0.12
between 15 and 25 years to maturity			
2,843,000	South Africa (Republic of) 6.5% 2041	75	0.07
18,389,500	South Africa (Republic of) 8.75% 2044	597	0.58
19,302,400	South Africa (Republic of) 9% 2040	658	0.64

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Sterling Denominated Bonds (0.73%)		350	0.34
Corporate Bonds (0.73%)		-	-
Government Bonds (0.00%)		350	0.34
less than 5 years to maturity			
56,100	UK (Govt of) 0.125% 2026	50	0.05
34,500	UK (Govt of) 0.625% 2025	32	0.03
16,800	UK (Govt of) 1% 2024	16	0.02
between 5 and 10 years to maturity			
15,800	UK (Govt of) 0.375% 2030	12	0.01
43,900	UK (Govt of) 1.625% 2028	38	0.04
25,900	UK (Govt of) 4.75% 2030	27	0.03
between 10 and 15 years to maturity			
23,800	UK (Govt of) 4.25% 2036	24	0.02
25,700	UK (Govt of) 4.5% 2034	26	0.02
between 15 and 25 years to maturity			
15,500	UK (Govt of) 1.5% 2047	9	0.01
11,500	UK (Govt of) 3.25% 2044	10	0.01
14,000	UK (Govt of) 3.5% 2045	12	0.01
8,300	UK (Govt of) 4.25% 2039	8	0.01
15,300	UK (Govt of) 4.25% 2040	15	0.01
12,000	UK (Govt of) 4.75% 2038	12	0.01
greater than 25 years to maturity			
14,100	UK (Govt of) 1.625% 2054	8	0.01
19,500	UK (Govt of) 1.625% 2071	9	0.01
18,900	UK (Govt of) 1.75% 2049	11	0.01
12,600	UK (Govt of) 1.75% 2057	7	0.01
7,400	UK (Govt of) 2.5% 2065	5	-
7,700	UK (Govt of) 3.5% 2068	7	0.01
12,200	UK (Govt of) 4.25% 2055	12	0.01

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Swedish Krona Denominated Bonds (0.00%)		7	0.01
Government Bonds (0.00%)		7	0.01
less than 5 years to maturity			
80,000	Sweden (Kingdom of) 0.75% 2028	5	0.01
between 15 and 25 years to maturity			
20,000	Sweden (Kingdom of) 3.5% 2039	2	-
Thai Baht Denominated Bonds (0.84%)		821	0.79
Government Bonds (0.84%)		821	0.79
less than 5 years to maturity			
18,650,000	Thailand (Kingdom of) 2.35% 2026	424	0.41
between 5 and 10 years to maturity			
6,325,000	Thailand (Kingdom of) 3.775% 2032	158	0.15
between 10 and 15 years to maturity			
10,000,000	Thailand (Kingdom of) 3.3% 2038	239	0.23
Ukrainian Hryvnia Denominated Bonds (0.06%)		88	0.09
Government Bonds (0.06%)		88	0.09
less than 5 years to maturity			
3,518,000	Ukraine (Republic of) 15.84% 2025	70	0.07
1,151,000	Ukraine (Republic of) 9.79% 2027	18	0.02
Uruguayan Peso Denominated Bonds (0.44%)		464	0.45
Government Bonds (0.44%)		464	0.45
less than 5 years to maturity			
7,982,000	Uruguay (Republic of) 8.5% 2028	160	0.16
between 5 and 10 years to maturity			
10,818,750	Uruguay (Republic of) 8.25% 2031	211	0.20
4,346,000	Uruguay (Republic of) 9.75% 2033	93	0.09

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
US Dollar Denominated Bonds (0.00%)		15,087	14.70
Corporate Bonds (0.00%)		12,122	11.81
less than 5 years to maturity			
334,000	Academy 6% 2027	252	0.25
250,000	Citizens Bank FRN 2025	187	0.18
250,000	Credit Suisse 3.625% 2024	189	0.18
230,000	HSBC 0.976% fixed to floating 2025	171	0.17
235,000	IQVIA 5.7% 2028	182	0.18
403,000	Penske Truck Leasing 1.2% 2025	281	0.27
344,000	Phillips 66 3.55% 2026	252	0.25
205,000	Royalty Pharma 1.2% 2025	145	0.14
200,000	Schlumberger 3.9% 2028	148	0.14
128,000	Truist Financial 6.047% fixed to floating 2027	100	0.10
225,000	Welltower REIT 4.25% 2028	166	0.16
between 5 and 10 years to maturity			
149,000	Allstate 5.25% 2033	115	0.11
87,000	American Tower REIT 5.65% 2033	68	0.07
195,000	Amgen 5.25% 2033	151	0.15
4,000	Arsenal AIC Parent 8% 2030	3	-
156,000	Ball 2.875% 2030	100	0.10
313,000	Boston Gas 3.001% 2029	211	0.20
331,000	BP Capital Markets America 4.812% 2033	253	0.25
276,000	Broadridge Financial Solutions 2.6% 2031	176	0.17
437,000	CCO 4.25% 2031	279	0.27
73,000	Cheniere Energy Partners 5.95% 2033	57	0.06
219,000	Colonial Enterprises 3.25% 2030	152	0.15
255,000	Constellation Brands 2.875% 2030	172	0.17
205,000	Corebridge Financial 3.9% 2032	141	0.14
250,000	Cox Communications 2.6% 2031	158	0.15
130,000	CVS Health 5.125% 2030	101	0.10
221,000	Duke Energy Progress 3.4% 2032	152	0.15
270,000	EDF 6.25% 2033	216	0.21
80,000	Enbridge 5.7% 2033	63	0.06
321,000	EnLink Midstream 6.5% 2030	251	0.24
200,000	Florida Power & Light 4.8% 2033	154	0.15

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
452,000	Ford Motor 3.25% 2032	278	0.27
72,000	General Mills 4.95% 2033	55	0.05
373,000	Graphic Packaging International 3.75% 2030	252	0.25
286,000	HCA 5.625% 2028	223	0.22
186,000	Howmet Aerospace 3% 2029	126	0.12
89,000	Intel 5.125% 2030	69	0.07
185,000	Intel 5.2% 2033	146	0.14
77,000	JBS USA Finance 3% 2029	51	0.05
145,000	JPMorgan Chase 2.739% fixed to floating 2030	98	0.10
186,000	Kinder Morgan 5.2% 2033	141	0.14
200,000	MetLife 5.375% 2033	157	0.15
173,000	MPLX 5% 2033	129	0.13
310,000	Netflix 5.875% 2028	248	0.24
307,000	NRG Energy 3.625% 2031	187	0.18
160,000	Oracle 6.15% 2029	130	0.13
145,000	Pacific Gas and Electric 4.55% 2030	102	0.10
250,000	Pacific Gas and Electric 6.15% 2033	192	0.19
25,000	Penske Truck Leasing 6.2% 2030	20	0.02
308,000	Perrigo Finance 4.65% 2030	214	0.21
202,000	Realty Income REIT 4.7% 2028	153	0.15
199,000	Southern California Edison 5.95% 2032	162	0.16
279,000	Southwestern Energy 4.75% 2032	193	0.19
197,000	Sprint Capital 8.75% 2032	185	0.18
87,000	Trane Technologies Financing 5.25% 2033	68	0.07
155,000	US Bancorp 5.775% fixed to floating 2029	121	0.12
264,000	Venture Global Calcasieu Pass 3.875% 2029	178	0.17
25,000	Venture Global Calcasieu Pass 6.25% 2030	19	0.02
123,000	Western Midstream Operating 6.15% 2033	97	0.09
between 10 and 15 years to maturity			
98,000	Alexandria Real Estate Equities REIT 4.75% 2035	71	0.07
196,000	AT&T 5.4% 2034	150	0.15
200,000	Banco Santander 7.2% 2033	155	0.15
330,000	Bank of America 3.846% fixed to floating 2037	221	0.21
234,000	Broadcom 3.187% 2036	137	0.13
136,000	Citigroup 6.174% fixed to floating 2034	107	0.10
294,000	Morgan Stanley 5.297% fixed to floating 2037	217	0.21

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
226,000	Occidental Petroleum 6.45% 2036	184	0.18
88,000	PNC Financial Services 5.068% fixed to floating 2034	66	0.06
95,000	Republic Services 5% 2034	73	0.07
250,000	UBS 9.016% fixed to floating 2033	236	0.23
between 15 and 25 years to maturity			
139,000	America Movil 6.125% 2040	114	0.11
150,000	American International 4.75% 2048	105	0.10
159,000	Carrier Global 3.377% 2040	95	0.09
123,000	CVS Health 5.125% 2045	88	0.09
140,000	Halliburton 5% 2045	100	0.10
194,000	Oracle 3.65% 2041	116	0.11
200,000	Sumitomo Mitsui Financial 6.184% 2043	162	0.16
183,000	Utah Acquisition 5.25% 2046	115	0.11
greater than 25 years to maturity			
187,000	Blackstone Finance 3.2% 2052	94	0.09
148,000	Lowe's 5.625% 2053	114	0.11
95,000	Magellan Midstream Partners 3.95% 2050	53	0.05
82,000	Public Storage 5.35% 2053	64	0.06
141,000	Southern California Gas 3.95% 2050	85	0.08
200,000	Toronto-Dominion Bank 8.125% fixed to floating 2082	160	0.16
Government Bonds (0.00%)		2,965	2.89
less than 5 years to maturity			
100,300	US Treasury 0.25% 2024	75	0.07
84,200	US Treasury 0.25% 2025	59	0.06
111,100	US Treasury 0.375% 2025	78	0.08
112,300	US Treasury 0.625% 2026	78	0.08
46,200	US Treasury 1.125% 2025	34	0.03
129,600	US Treasury 1.25% 2028	88	0.09
167,600	US Treasury 1.5% 2027	118	0.12
122,000	US Treasury 1.625% 2026	88	0.09
77,500	US Treasury 1.875% 2027	55	0.05
92,500	US Treasury 2% 2024	70	0.07
113,800	US Treasury 2% 2025	84	0.08

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
171,400	US Treasury 2% 2026	123	0.12
82,500	US Treasury 2.125% 2024	63	0.06
59,000	US Treasury 2.25% 2024	44	0.04
106,200	US Treasury 2.25% 2027	76	0.07
67,500	US Treasury 2.375% 2024	51	0.05
93,100	US Treasury 2.5% 2024	71	0.07
109,000	US Treasury 2.75% 2028	80	0.08
32,800	US Treasury 3% July 2025	24	0.02
48,200	US Treasury 3% October 2025	36	0.04
100,200	US Treasury 3.25% 2027	75	0.07
123,000	US Treasury 3.625% 2028	93	0.09
30,000	US Treasury 3.875% 2025	23	0.02
65,200	US Treasury 3.875% 2026	50	0.05
71,000	US Treasury 4.25% 2024	55	0.05
17,500	US Treasury 6% 2026	14	0.01
84,100	US Treasury 6.125% 2027	70	0.07
20,700	US Treasury 7.5% 2024	17	0.02
between 5 and 10 years to maturity			
112,600	US Treasury 0.625% 2030	69	0.07
96,200	US Treasury 0.875% 2030	60	0.06
87,500	US Treasury 1.375% 2031	56	0.05
97,500	US Treasury 1.5% 2030	65	0.06
78,800	US Treasury 1.625% 2031	52	0.05
91,400	US Treasury 2.375% 2029	65	0.06
69,900	US Treasury 2.75% 2032	49	0.05
98,700	US Treasury 3.5% 2033	74	0.07
73,200	US Treasury 5.25% 2028	60	0.06
between 10 and 15 years to maturity			
32,200	US Treasury 4.5% 2038	27	0.03
between 15 and 25 years to maturity			
118,300	US Treasury 1.125% 2040	58	0.06
122,500	US Treasury 1.125% 2040	60	0.06
62,400	US Treasury 2.25% 2046	35	0.03
50,200	US Treasury 2.75% 2047	31	0.03

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
64,600	US Treasury 2.875% 2045	40	0.04
67,900	US Treasury 3% 2042	44	0.04
63,500	US Treasury 3% 2044	41	0.04
49,500	US Treasury 3.625% 2043	35	0.03
39,700	US Treasury 4.375% 2041	32	0.03
greater than 25 years to maturity			
74,900	US Treasury 1.25% 2050	32	0.03
62,000	US Treasury 1.625% 2050	29	0.03
38,500	US Treasury 2% 2051	20	0.02
50,300	US Treasury 2.375% 2049	28	0.03
32,300	US Treasury 2.875% 2049	20	0.02
36,500	US Treasury 2.875% 2052	23	0.02
39,000	US Treasury 3.375% 2048	27	0.03
29,600	US Treasury 3.625% 2053	22	0.02
24,600	US Treasury 4% 2052	19	0.02
Equities (59.08%)		81,731	79.61
Emerging Market Equities (0.10%)		98	0.09
Argentina (0.01%)		-	-
Brazil (0.03%)		33	0.03
9,900	B3 SA - Brasil Bolsa Balcao	24	0.02
400	Banco Santander Brasil	2	-
600	Telefonica Brasil	4	0.01
600	TOTVS	3	-
Chile (0.01%)		4	-
61	Sociedad Quimica y Minera de Chile 'B' (Preference)	4	-
Israel (0.00%)		1	-
7	SolarEdge Technologies	1	-

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Russia (0.00%)		-	-
5,920	Alrosa+++	-	-
865	Magnit GDR+++	-	-
1,415	Mobile TeleSystems ADR+++	-	-
842	Polymetal International+++	-	-
78	Polyus+++	-	-
9,700	Sberbank of Russia+++	-	-
South Africa (0.05%)		60	0.06
64	Anglo American Platinum	2	-
679	AngloGold Ashanti	12	0.01
388	Clicks	5	0.01
1,241	Gold Fields	15	0.01
4,108	Growthpoint Properties REIT	2	-
905	Impala Platinum	5	0.01
92	Kumba Iron Ore	2	-
450	MultiChoice	2	-
4,499	Sibanye Stillwater	7	0.01
769	Vodacom	4	0.01
1,166	Woolworths	4	-
European Equities (4.16%)		3,878	3.78
Austria (0.00%)		8	0.01
238	OMV	8	0.01
Belgium (0.01%)		86	0.08
1,150	Aedifica REIT	62	0.06
405	KBC	24	0.02
Denmark (0.17%)		188	0.18
146	Chr. Hansen	8	0.01
201	Coloplast 'B'	19	0.02

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
791	Novo Nordisk 'B'	99	0.09
312	Novozymes 'B'	12	0.01
245	Ørsted	17	0.02
1,565	Vestas Wind Systems	33	0.03
Finland (0.10%)		96	0.09
327	Kesko 'B'	5	0.01
618	Neste	18	0.02
4,231	Nokia	13	0.01
4,660	Nordea Bank	41	0.04
128	Orion 'B'	4	-
574	UPM-Kymmene	15	0.01
France (0.36%)		406	0.40
445	Alstom	11	0.01
73	Amundi	3	-
1,442	AXA	35	0.04
805	Danone	38	0.04
152	Eiffage	12	0.01
55	Gecina REIT	5	0.01
778	Getlink	11	0.01
424	Legrand	33	0.03
31	L'Oreal	11	0.01
47	LVMH Moet Hennessy Louis Vuitton	34	0.03
608	Schneider Electric	84	0.08
1,940	TotalEnergies	92	0.09
399	Vinci	37	0.04
Germany (0.26%)		202	0.20
95	Adidas	15	0.02
86	Allianz	16	0.02
195	Bayer	9	0.01
509	Deutsche Telekom	9	0.01
346	DHL	14	0.01

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
939	Infineon Technologies	32	0.03
114	SAP	12	0.01
94	Siemens	13	0.01
1,247	Telefonica Deutschland	3	-
4,344	Vonovia	79	0.08
Greece (0.00%)		4	-
124	Mytilineos	4	-
Ireland (2.12%)		1,628	1.59
399	Accenture 'A'	98	0.10
379	Aptiv	32	0.03
127	Experian	4	0.01
1,470,637	Greencoat Renewables++	1,323	1.29
1,353	Medtronic	92	0.09
184	PDD ADR	13	0.01
413	Smurfit Kappa	13	0.01
344	Trane Technologies	53	0.05
Italy (0.06%)		86	0.08
1,521	Assicurazioni Generali	25	0.02
971	FincoBank	12	0.01
21,763	Intesa Sanpaolo	49	0.05
Netherlands (0.12%)		126	0.12
271	Akzo Nobel	18	0.02
82	ASML	46	0.04
708	Ferroviaal	18	0.02
5,134	Koninklijke KPN	14	0.01
448	NN	13	0.01
90	NXP Semiconductors	15	0.02
75	OCI	2	-

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Norway (0.08%)		84	0.08
494	Aker BP	11	0.01
1,306	DNB Bank	21	0.02
426	Equinor	10	0.01
239	Gjensidige Forsikring	3	-
796	Mowi	11	0.01
1,871	Norsk Hydro	10	0.01
1,194	Orkla	7	0.01
1,326	Telenor	11	0.01
Portugal (0.01%)		-	-
Romania (0.00%)		-	-
Spain (0.08%)		78	0.08
298	Enagas	4	0.01
419	Endesa	7	0.01
1,436	Industria de Diseno Textil	43	0.04
7,357	Telefonica	24	0.02
Sweden (0.05%)		110	0.11
435	Boliden	10	0.01
4,497	EQT	84	0.08
2,240	Telefonaktiebolaget LMEricsson 'B'	9	0.01
4,342	Telia	7	0.01
Switzerland (0.74%)		776	0.76
1,961	ABB	61	0.06
192	Adecco	6	0.01
80	Cie Financiere Richemont	10	0.01
47	Geberit	21	0.02
15	Givaudan	40	0.04
241	Logitech International	13	0.01

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
705	Nestle	68	0.07
818	Novartis	67	0.07
259	Partners	227	0.22
661	PSP Swiss Property	61	0.06
95	Roche (Participating certificate)	23	0.02
229	SGS	17	0.02
102	Sika	25	0.02
421	Swiss Re	34	0.03
320	TE Connectivity	36	0.03
177	Zurich Insurance	67	0.07
Japanese Equities (0.68%)		971	0.95
500	AEON	8	0.01
200	Ajinomoto	6	0.01
2,600	Astellas Pharma	30	0.03
100	Bridgestone	3	-
500	Daifuku	8	0.01
200	Daikin Industries	31	0.03
100	Daito Trust Construction	8	0.01
3	Daiwa House REIT	5	-
300	Denso	16	0.01
300	Eisai	15	0.01
4,400	ENEOS	12	0.01
100	Fujitsu	10	0.01
300	Hitachi	15	0.01
300	Inpex	3	-
1,000	Isuzu Motors	10	0.01
1,900	ITOCHU	60	0.06
800	KDDI	18	0.02
1,000	Kirin*	11	0.01
200	Komatsu	4	-
300	Lixil	3	-
2,100	Marubeni	29	0.03
1,700	Mitsubishi	68	0.07
2,100	Mitsui	64	0.06
3,030	Mizuho Financial	40	0.04

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
400	NEC	16	0.02
1,700	Nintendo	60	0.06
1,500	Nippon Paint	11	0.01
300	Nitto Denko	17	0.02
5	Nomura Real Estate Master Fund REIT	5	-
1,900	Olympus	24	0.02
300	Omron	12	0.01
1,300	ORIX	19	0.02
300	SBI	5	-
600	Sekisui Chemical	7	0.01
1,000	Sekisui House	16	0.02
300	Shionogi	10	0.01
600	Shiseido	20	0.02
4,600	SoftBank	40	0.04
500	Sompo	17	0.02
400	Sumitomo Metal Mining	11	0.01
1,000	Sumitomo Mitsui Financial	37	0.04
300	Sysmex	16	0.02
2,200	Takeda Pharmaceutical	52	0.05
700	Tokyo Electron	81	0.08
200	Yamaha	6	0.01
4,400	Z	10	0.01
100	ZOZO	2	-
North American Equities (10.32%)		13,502	13.15
Bermuda (0.03%)		65	0.06
854	Catco Reinsurance Opportunities Fund	9	0.01
787	Catco Reinsurance Opportunities Fund 'C'	56	0.05
Canada (2.04%)		2,492	2.43
216	Agnico Eagle Mines	9	0.01
87	BCE	3	-
8,298	Brookfield	224	0.22
1,955	Brookfield Asset Management 'A'	51	0.05

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
731	Cameco	20	0.02
349	Canadian National Railway	33	0.03
2,109	Enbridge	60	0.06
325	First Quantum Minerals	7	0.01
7,000	Franco-Nevada	793	0.77
265	Keyera	5	0.01
791	Lundin Mining	5	0.01
426	Magna International	21	0.02
3,052	Manulife Financial	47	0.05
794	Nutrien	43	0.04
2,851	Onex	136	0.13
438	Open Text	15	0.01
579	Pan American Silver	8	0.01
893	Pembina Pipeline	22	0.02
196	RB Global	10	0.01
248	Shopify 'A'	13	0.01
348	Sun Life Financial	14	0.01
698	TELUS	10	0.01
183	Thomson Reuters	19	0.02
991	Toronto-Dominion Bank	51	0.05
287	Waste Connections	32	0.03
23,640	Wheaton Precious Metals	823	0.80
166	WSP Global	18	0.02
Mexico (0.03%)		39	0.04
4,100	Grupo Financiero Banorte 'O'	30	0.03
2,900	Wal-Mart de Mexico	9	0.01
United States (8.22%)		10,906	10.62
339	3M	29	0.03
265	Abbott Laboratories	23	0.02
685	AbbVie	80	0.08
268	Activision Blizzard	19	0.02
385	Advanced Micro Devices	34	0.03
14	Air Products and Chemicals	3	-

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
192	Albemarle	32	0.03
242	Alcoa	7	0.01
849	Alexandria Real Estate Equities REIT	83	0.08
473	Ally Financial	11	0.01
2,335	Alphabet 'A'	241	0.23
1,735	Amazon.com	180	0.18
84	American Express	11	0.01
173	American Tower REIT	26	0.03
302	American Water Works	35	0.03
431	Amgen	78	0.08
97	Analog Devices	15	0.01
892	Annaly Capital Management REIT	14	0.01
71	Aon 'A'	18	0.02
4,488	Apollo Global Management	285	0.28
4,588	Apple	701	0.68
306	Applied Materials	36	0.04
5,125	Ares Capital	78	0.08
3,139	AT&T	35	0.03
318	Autodesk	52	0.05
254	Automatic Data Processing	49	0.05
233	AvalonBay Communities REIT	34	0.03
1,114	Baker Hughes	31	0.03
469	Ball	21	0.02
254	Bank of America	6	0.01
67	Berkshire Hathaway 'B'	18	0.02
297	Best Buy	19	0.02
150	BlackRock	86	0.08
6,550	Blackstone Secured Lending Fund	145	0.14
94	Block	6	0.01
13,259	Blue Owl Capital	146	0.14
329	BorgWarner	12	0.01
237	Boston Properties REIT	12	0.01
685	Boston Scientific	28	0.03
586	Bristol-Myers Squibb	28	0.03
195	Broadcom	136	0.13
158	Broadridge Financial Solutions	21	0.02
216	Brown-Forman 'B'	12	0.01

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
254	Bunge	21	0.02
106,090	Burford Capital++	1,120	1.09
301	Campbell Soup	11	0.01
363	Caterpillar	75	0.07
22	Chipotle Mexican Grill	34	0.03
28	Cigna	6	0.01
29	Cintas	11	0.01
2,542	Cisco Systems	103	0.10
510	Citigroup	19	0.02
770	Citizens Financial	19	0.02
93	CME	14	0.01
734	Cognizant Technology Solutions 'A'	38	0.04
339	Conagra Brands	9	0.01
105	Corning	3	-
615	Corteva	27	0.03
235	Cummins	48	0.05
224	CVS Health	13	0.01
82	Deere	27	0.03
21	Dexcom	2	-
115	Discover Financial Services	9	0.01
1,125	Dow	49	0.05
336	DuPont de Nemours	20	0.02
498	Eaton	80	0.08
852	eBay	29	0.03
201	Ecolab	29	0.03
133	Electronic Arts	14	0.01
56	Elevance Health	21	0.02
195	Eli Lilly	69	0.07
21	Enphase Energy	2	-
21	Equinix REIT	13	0.01
571	Equitable	13	0.01
1,103	Equity LifeStyle Properties REIT	61	0.06
475	Equity Residential REIT	24	0.02
35	Erie Indemnity 'A'	6	0.01
445	Essential Utilities	15	0.01
102	Essex Property Trust REIT	19	0.02
58	Etsy	5	-

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
48	Eversource Energy	3	-
103	Extra Space Storage REIT	11	0.01
439	ExxonMobil	37	0.04
212	Fastenal	10	0.01
12	FedEx	3	-
607	Fidelity National Information Services	28	0.03
28	First Solar	5	0.01
184	FMC	14	0.01
1,777	Freeport-McMoRan	62	0.06
10,583	FS KKR Capital	167	0.16
893	Gen Digital	13	0.01
945	General Mills	55	0.05
1,380	Gilead Sciences	82	0.08
65	Goldman Sachs	18	0.02
143	Halliburton	4	-
209	Hasbro	10	0.01
869	Healthpeak Properties REIT	15	0.01
2,060	Hewlett Packard Enterprise	28	0.03
252	Home Depot	65	0.06
179	Hormel Foods	6	0.01
1,134	Host Hotels & Resorts REIT	16	0.02
232	Howmet Aerospace	9	0.01
1,409	HP	36	0.04
26	Humana	9	0.01
2,338	Huntington Bancshares	22	0.02
1,757	Intel	49	0.05
424	Intercontinental Exchange	38	0.04
798	International Business Machines	89	0.09
220	International Flavors & Fragrances	14	0.01
528	International Paper	15	0.01
629	Interpublic	17	0.02
230	Intuit	91	0.09
409	Invesco	5	0.01
443	Iron Mountain REIT	21	0.02
160	JM Smucker	19	0.02
277	Johnson & Johnson	36	0.04
1,081	Johnson Controls International	58	0.06

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
190	JPMorgan Chase	23	0.02
526	Juniper Networks	11	0.01
360	Kellogg	19	0.02
184	Kimberly-Clark	18	0.02
985	Kimco Realty REIT	16	0.02
6,373	KKR	294	0.29
82	KLA	33	0.03
405	Kraft Heinz	11	0.01
59	L3Harris Technologies	9	0.01
94	Lam Research	53	0.05
94	Lear	11	0.01
207	Linde	63	0.06
533	Lowe's	97	0.09
117	Marathon Petroleum	12	0.01
498	Marsh & McLennan	73	0.07
322	Marvell Technology	16	0.02
358	Masco	17	0.02
264	Mastercard 'A'	81	0.08
418	McCormick	29	0.03
102	McDonald's	23	0.02
731	Merck	61	0.06
295	Meta Platforms	73	0.07
2,094	Microsoft	547	0.53
68	Moderna	6	0.01
562	Mondelez International 'A'	32	0.03
245	Moody's	67	0.07
552	Mosaic	17	0.02
137	Motorola Solutions	31	0.03
127	MSCI	54	0.05
575	Nasdaq	23	0.02
341	NetApp	21	0.02
34	Netflix	12	0.01
1,263	Newmont	42	0.04
303	NIKE 'B'	26	0.03
55	Nucor	7	0.01
855	NVIDIA	311	0.30
5,076	Oaktree Specialty Lending	80	0.08

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
532	ONEOK	28	0.03
720	Paramount Global 'B'	9	0.01
99	Paychex	10	0.01
60	PayPal	4	-
178	PepsiCo	26	0.03
3,033	Pfizer	85	0.08
140	Phillips 66	12	0.01
65	Phinia	1	-
634	PNC Financial Services	67	0.07
199	PPG Industries	22	0.02
299	Principal Financial	19	0.02
175	Procter & Gamble	21	0.02
634	Progressive	62	0.06
758	Prologis REIT	74	0.07
590	Prudential Financial	44	0.04
136	Public Storage REIT	30	0.03
431	Qualcomm	44	0.04
1,502	Realty Income REIT	71	0.07
1,437	Regency Centers REIT	73	0.07
1,485	Regions Financial	24	0.02
191	Robert Half	11	0.01
12	Rockwell Automation	3	-
252	S&P Global	77	0.08
922	Schlumberger	42	0.04
318	Seagate Technology	16	0.02
167	Sempra	19	0.02
13,362	Sixth Street Specialty Lending	207	0.20
26	Skyworks Solutions	2	-
1,157	Snap 'A'	10	0.01
643	Starbucks	51	0.05
409	State Street	23	0.02
335	T Rowe Price	32	0.03
238	Target	25	0.02
726	Tesla	151	0.15
646	Texas Instruments	90	0.09
114	Thermo Fisher Scientific	49	0.05
171	TransUnion	11	0.01

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
2,111	Truist Financial	54	0.05
44	Twilio 'A'	2	-
530	UDR REIT	17	0.02
349	Union Pacific	63	0.06
26	United Parcel Service 'B'	4	-
236	UnitedHealth	93	0.09
448	Valero Energy	45	0.04
636	Ventas REIT	24	0.02
170	Verisk Analytics	30	0.03
2,731	Verizon Communications	72	0.07
372	VF	6	0.01
1,902	Viatris	16	0.02
2,471	VICI Properties REIT	60	0.06
229	Visa 'A'	42	0.04
61	W.W. Grainger	35	0.03
95	WalMart	12	0.01
186	Walt Disney	13	0.01
540	Waste Management	69	0.07
969	Welltower REIT	62	0.06
81	West Pharmaceutical Services	23	0.02
268	Westinghouse Air Brake Technologies	25	0.02
1,233	Weyerhaeuser REIT	33	0.03
101	Whirlpool	11	0.01
161	Wynn Resorts	14	0.01
213	Yum! Brands	23	0.02
Pacific Basin Equities (0.96%)		1,168	1.14
Australia (0.25%)		377	0.37
532	Ampol	9	0.01
1,642	APA	9	0.01
95	ASX	3	-
640	BlueScope Steel	7	0.01
2,385	Brambles	17	0.02
1,819	Coles	17	0.02
557	Commonwealth Bank of Australia	31	0.03
912	Computershare	12	0.01

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,145	Dexus REIT	5	-
2,692	Fortescue Metals	31	0.03
2,293	GPT REIT	5	-
5,263	Medibank	10	0.01
178	Mineral Resources	7	0.01
4,724	Mirvac REIT	6	0.01
407	National Australia Bank	6	0.01
278	Ramsay Health Care	9	0.01
4,707	Stockland REIT	10	0.01
2,013	Suncorp	15	0.01
5,633	Telstra	13	0.01
3,316	Transurban	25	0.02
1,355	Treasury Wine Estates	8	0.01
4,633	Vicinity REIT	5	-
1,803	Wesfarmers	47	0.05
788	Westpac Banking	9	0.01
3,077	Woodside Energy	61	0.06
China (0.20%)		265	0.26
4,636	Alibaba	45	0.04
6,000	China Feihe	3	-
2,000	China Lesso	1	-
3,000	China Medical System	4	0.01
3,100	China Vanke 'H'	3	-
6,000	CMOC 'H'	3	-
400	Contemporary Amperex Technology 'A'	10	0.01
2,000	Country Garden Services	2	-
8,000	CRRRC 'H'	3	-
14,000	CSPC Pharmaceutical	9	0.01
4,000	Dongfeng Motor	1	-
520	Ganfeng Lithium 'H'	3	-
2,000	Haidilao International	4	0.01
2,800	Huatai Securities 'H'	3	-
114	JD.com 'A'	2	-
14,000	Lenovo	12	0.01
2,500	Li Ning	12	0.01

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
480	Meituan 'B'	7	0.01
145	NetEase ADR	12	0.01
4,500	Ping An Insurance 'H'	25	0.03
1,600	Tencent	56	0.06
600	WuXi AppTec 'H'	4	0.01
2,000	Xtep International	2	-
2,000	Yadea	4	0.01
700	Yum China	33	0.03
106	Zai Lab ADR	2	-
Hong Kong (0.07%)		101	0.10
1,600	AIA	12	0.01
5,000	Geely Automobile	6	0.01
1,400	Hong Kong Exchanges & Clearing	45	0.04
3,440	Link REIT	15	0.02
8,000	Sino Land	8	0.01
500	Swire Pacific 'A'	3	-
3,000	Wharf Real Estate Investment	12	0.01
India (0.06%)		49	0.05
60	ABB India	3	-
2,047	Infosys	26	0.03
1,159	Mahindra & Mahindra	16	0.02
3,770	Samvardhana Motherson International	4	-
Indonesia (0.00%)		-	-
Macau (0.00%)		4	-
1,200	Sands China	4	-
Malaysia (0.01%)		10	0.01
10,200	CIMB	10	0.01

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
New Zealand (0.01%)		13	0.01
1,543	Meridian Energy	4	-
3,513	Spark New Zealand	9	0.01
Singapore (0.04%)		38	0.04
2,400	Keppel	10	0.01
3,306	Oversea-Chinese Banking	26	0.03
20,993	Seatrium	2	-
South Korea (0.09%)		128	0.12
93	Hyundai Engineering & Construction	2	-
5	Hyundai Engineering & Construction (Preference)	-	-
22	Hyundai Glovis	2	-
85	Hyundai Mobis	12	0.01
107	Hyundai Steel	2	-
650	KB Financial	20	0.02
261	Kia	13	0.01
11	LG H&H	3	-
23	NCSOFT	4	-
937	Samsung Electronics	40	0.04
96	Samsung Life Insurance	4	0.01
47	Samsung SDI	19	0.02
54	S-Oil	2	-
677	Woori Financial	5	0.01
Taiwan (0.22%)		183	0.18
7,800	AU Optronics	4	-
571	Cathay Financial	1	-
3,150	Chailease	16	0.01
31,000	CTBC Financial	20	0.02
3,000	Delta Electronics	27	0.03
1,000	E Ink	6	0.01
2,500	Ruentex Development	2	-

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
21,053	SinoPac Financial	10	0.01
5,000	Taiwan Semiconductor Manufacturing	70	0.07
16,000	United Microelectronics	18	0.02
15,630	Yuanta Financial	9	0.01
Thailand (0.01%)		-	-
UK Equities (42.86%)		29,200	28.44
Basic Materials (0.16%)		67	0.06
1,997	Anglo American	48	0.05
219	Johnson Matthey	4	-
297	Rio Tinto	15	0.01
Consumer Discretionary (0.80%)		120	0.12
1,224	Barratt Developments	6	0.01
131	Berkeley	6	0.01
624	Burberry	14	0.01
2,356	Kingfisher	6	0.01
382	Persimmon	4	-
3,018	RELX	79	0.08
4,229	Taylor Wimpey	5	-
Consumer Staples (0.22%)		158	0.15
278	Coca-Cola Europacific Partners	14	0.01
2,363	Diageo	80	0.08
95	Reckitt Benckiser	6	-
2,105	Sainsbury (J)	6	0.01
1,250	Unilever	52	0.05
Energy (0.09%)		95	0.09
14,695	BP	71	0.07
1,022	Shell	24	0.02

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Financials (30.46%)		26,881	26.19
17,684	3i	350	0.34
950,077	3i Infrastructure	2,969	2.89
91,745	Apax Global Alpha	159	0.16
1,024,994	Aquila European Renewables	764	0.74
2,917,365	BioPharma Credit	1,914	1.87
487,000	Blackstone Loan Financing	275	0.27
576,415	Bluefield Solar Income Fund	679	0.66
1,799,709	Cordiant Digital Infrastructure	1,469	1.43
737,811	CVC Income & Growth	726	0.71
884,101	Fair Oaks Income	344	0.33
788,136	Foresight Solar Fund	772	0.75
539,950	GCP Asset Backed Income Fund	311	0.30
686,281	GCP Infrastructure Investments	524	0.51
1,473,931	Greencoat UK Wind	2,156	2.10
335,626	Gresham House Energy Storage Fund	430	0.42
10,319	HarbourVest Global Private Equity	232	0.23
507,500	Harmony Energy Income Trust	483	0.47
26,790	HgCapital Trust	104	0.10
1,632,829	HICL Infrastructure	2,139	2.08
3,882	HSBC	25	0.02
8,745	ICG Enterprise Trust	102	0.10
19,242	Intermediate Capital	270	0.26
1,203,544	International Public Partnerships	1,581	1.54
768	Legal & General	2	-
3,008	M&G	6	0.01
15,318	Molten Ventures	40	0.04
6,162	NatWest	15	0.02
533,804	NextEnergy Solar Fund	499	0.49
1,010,300	Pantheon Infrastructure	818	0.80
104,946	Pantheon International	276	0.27
32,817	Petershill Partners	55	0.05
391,776	Renewables Infrastructure	446	0.44
1,667,485	Round Hill Music Royalty Fund	927	0.90
1,372,469	Sdcl Energy Efficiency Income Trust	1,058	1.03
1,507,772	Sequoia Economic Infrastructure Income Fund	1,220	1.19
13,022	SME Credit Realisation Fund	14	0.01

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
966,644	Tufton Oceanic Assets	729	0.71
1,636,341	TwentyFour Income Fund	1,631	1.59
760,912	US Solar Fund	367	0.36
Health Care (0.15%)		48	0.05
177	AstraZeneca	20	0.02
2,057	GSK	28	0.03
Industrials (0.47%)		24	0.02
225	Intertek	10	0.01
2,203	Rentokil Initial	14	0.01
Real Estate (9.60%)		1,757	1.71
11,378	Grainger	29	0.03
1,120	Land Securities REIT	7	0.01
772,535	PRS REIT	636	0.62
1,081	Segro REIT	8	0.01
497,426	Target Healthcare REIT	365	0.35
73,144	Unite REIT	712	0.69
Technology (0.66%)		-	-
Telecommunications (0.23%)		29	0.03
38,949	Vodafone	29	0.03
Utilities (0.02%)		21	0.02
350	Severn Trent	9	0.01
1,179	United Utilities	12	0.01
Collective Investment Schemes (8.37%)		8,991	8.76
2,459	Alpha UCITS SICAV - Fair Oaks Dynamic Credit Fund L2 GBP	2,264	2.21
6,858,701	MI Twentyfour Asset Backed Opportunities Fund I Inc	6,335	6.17

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
6,666	NB Private Equity Partners Fund	104	0.10
65,005	Oakley Capital Investments	288	0.28
Derivatives (-0.44%)		527	0.52
Forward Currency Contracts (-0.48%)		519	0.51
	Buy CAD 100,800 Sell GBP 59,475 07/09/2023	-	-
	Buy EUR 61,128 Sell GBP 52,977 07/09/2023	-	-
	Buy EUR 304,000 Sell GBP 260,247 07/09/2023	1	-
	Buy GBP 349,827 Sell AUD 653,000 07/09/2023	9	0.01
	Buy GBP 4,921,539 Sell AUD 9,378,746 07/09/2023	26	0.02
	Buy GBP 5,109,707 Sell CAD 8,621,685 07/09/2023	38	0.04
	Buy GBP 115,428 Sell CHF 129,754 07/09/2023	(1)	-
	Buy GBP 5,255,386 Sell EUR 6,103,902 07/09/2023	10	0.01
	Buy GBP 308,090 Sell NOK 4,192,000 07/09/2023	(14)	(0.01)
	Buy GBP 4,484,916 Sell NOK 62,343,000 07/09/2023	(304)	(0.30)
	Buy GBP 347,951 Sell NZD 719,000 07/09/2023	1	-
	Buy GBP 4,523,916 Sell NZD 9,390,000 07/09/2023	(2)	-
	Buy GBP 4,744,046 Sell SEK 64,176,000 07/09/2023	(17)	(0.02)
	Buy GBP 56,676 Sell USD 71,461 07/09/2023	1	-
	Buy GBP 58,456 Sell USD 72,836 07/09/2023	2	-
	Buy GBP 63,537 Sell USD 81,928 07/09/2023	-	-
	Buy GBP 84,918 Sell USD 109,000 07/09/2023	-	-
	Buy GBP 102,933 Sell USD 128,092 07/09/2023	4	-
	Buy GBP 123,518 Sell USD 158,371 07/09/2023	-	-
	Buy GBP 124,192 Sell USD 155,000 07/09/2023	4	-
	Buy GBP 157,034 Sell USD 200,000 07/09/2023	2	-
	Buy GBP 180,958 Sell USD 237,317 07/09/2023	(3)	-
	Buy GBP 1,046,375 Sell USD 1,371,000 07/09/2023	(19)	(0.02)
	Buy GBP 28,994,941 Sell USD 36,245,915 07/09/2023	828	0.81
	Buy JPY 96,759,671 Sell GBP 564,631 07/09/2023	(33)	(0.03)
	Buy USD 66,078 Sell GBP 51,899 07/09/2023	(1)	-
	Buy USD 77,895 Sell GBP 60,712 07/09/2023	-	-
	Buy USD 78,489 Sell GBP 63,058 07/09/2023	(2)	-
	Buy USD 120,852 Sell GBP 97,306 07/09/2023	(3)	-
	Buy USD 135,901 Sell GBP 109,207 07/09/2023	(4)	-
	Buy USD 163,314 Sell GBP 130,824 07/09/2023	(4)	-

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
	Buy USD 165,448 Sell GBP 129,083 07/09/2023	(1)	-
	Buy USD 212,636 Sell GBP 166,914 07/09/2023	(2)	-
	Buy USD 273,379 Sell GBP 213,292 07/09/2023	(1)	-
	Buy USD 277,081 Sell GBP 211,522 07/09/2023	4	-
Futures (0.04%)		8	0.01
9	Long S&P 500 Micro E-mini Future 15/09/2023	8	0.01
Total investment assets and liabilities		98,741	96.19
Net other assets		3,915	3.81
Total Net Assets		102,656	100.00

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 July 2022.

Prior year classifications for some sectors have been updated to reflect current year classifications.

^ A portion of this security is on loan at the period end.

+++ Priced per abrdn VPC.

Financial Statements

Statement of Total Return

For the year ended 31 July 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(5,247)		(13,505)
Revenue	2	6,547		8,998	
Expenses	3	(819)		(1,253)	
Interest payable and similar charges		(3)		(1)	
Net revenue before taxation		5,725		7,744	
Taxation	4	(766)		(1,078)	
Net revenue after taxation			4,959		6,666
Total return before distributions			(288)		(6,839)
Distributions	5		(5,764)		(7,912)
Change in net assets attributable to shareholders from investment activities			(6,052)		(14,751)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2023

	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		171,581		187,351
Amounts receivable on the issue of shares	10,983		19,095	
Amounts payable on the cancellation of shares	(76,094)		(21,887)	
		(65,111)		(2,792)
Dilution adjustment		205		-
Change in net assets attributable to shareholders from investment activities (see above)		(6,052)		(14,751)
Retained distribution on accumulation shares		2,033		1,773
Closing net assets attributable to shareholders		102,656		171,581

Financial Statements

Continued

Balance Sheet

As at 31 July 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			99,152		161,919
Current assets:					
Debtors	6	1,306		1,931	
Cash and bank balances	7	5,194		11,970	
			6,500		13,901
Total assets			105,652		175,820
Liabilities:					
Investment liabilities			(411)		(1,403)
Provisions for liabilities	8		-		(9)
Bank overdrafts	7	(2)		-	
Creditors	9	(2,335)		(2,416)	
Distribution payable		(248)		(411)	
			(2,585)		(2,827)
Total liabilities			(2,996)		(4,239)
Net assets attributable to shareholders			102,656		171,581

Notes to the Financial Statements

1 Net Capital Losses

	2023 £'000	2022 £'000
Non-derivative securities	(8,254)	(7,312)
Derivative contracts	623	(59)
Forward currency contracts	3,122	(6,134)
Other (losses)/gains	(660)	70
Transaction charges	(78)	(70)
Net capital losses	(5,247)	(13,505)

2 Revenue

	2023 £'000	2022 £'000
ACD fee rebates on collective investment scheme holdings	3	9
Derivative revenue	-	615
Income from Overseas Collective Investment Schemes		
Unfranked income	440	426
Income from UK Collective Investment Schemes		
Interest income	533	524
Interest on debt securities	2,996	3,624
Overseas dividends	543	785
Overseas REIT	16	23
Stocklending revenue	-	1
UK dividends	1,740	2,393
UK REIT	276	598
Total revenue	6,547	8,998

3 Expenses

	2023 £'000	2022 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	760	1,155
Dealing charge	1	1
General administration charge	46	73
	807	1,229

Notes to the Financial Statements

Continued

	2023 £'000	2022 £'000
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fees	12	24
	12	24
Total expenses	819	1,253

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £9,120 (2022: £8,460).

4 Taxation

	2023 £'000	2022 £'000
(a) Analysis of charge in year		
Corporation tax	705	936
Double taxation relief	(22)	(71)
Adjustments in respect of prior periods	(2)	-
Overseas taxes	86	195
Overseas capital gains tax	8	9
Total current tax	775	1,069
Deferred tax (note 4c)	(9)	9
Total taxation (note 4b)	766	1,078

(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	2022
Net revenue before taxation	5,725	7,744
Corporation tax at 20% (2022: 20%)	1,145	1,549
Effects of:		
Revenue not subject to taxation	(441)	(613)
Overseas taxes	86	195
Double taxation relief	(22)	(71)
Adjustments in respect of prior periods	(2)	-
Revenue taxable in other periods	1	-
Overseas capital gains tax	8	9
Deferred tax charge in statement of total return for year	(9)	9
Total tax charge for year (note 4a)	766	1,078

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.

Notes to the Financial Statements

Continued

	2023 £'000	2022 £'000
(c) Deferred tax		
Deferred tax charge at the start of the year	9	-
Deferred tax charge in statement of total return for year (note 4a)	(9)	9
Provision at the end of the year	-	9

(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.

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

	2023 £'000	2022 £'000
First interim distribution	736	712
Second interim distribution	392	698
Third interim distribution	563	697
Fourth interim distribution	487	705
Fifth interim distribution	348	720
Sixth interim distribution	415	595
Seventh interim distribution	370	525
Eighth interim distribution	472	610
Ninth interim distribution	590	654
Tenth interim distribution	422	807
Eleventh interim distribution	400	619
Final distribution	404	558
	5,599	7,900
Add: Income deducted on cancellation of shares	192	45
Deduct: Income received on issue of shares	(27)	(33)
Total distributions for the year	5,764	7,912
Movement between net revenue and distributions		
Net revenue after taxation	4,959	6,666
Expenses charged to capital	806	1,228
Overseas capital gains tax on realised gains	8	9
Overseas deferred capital gains tax on unrealised gains	(9)	9
Total distributions for the year	5,764	7,912

Notes to the Financial Statements

Continued

Expenses taken to capital include the ACD, Dealing expenses and the General administration charge.

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	882	1,236
Amounts receivable from the ACD for the issue of shares	35	338
Overseas withholding tax recoverable	78	86
Sales awaiting settlement	311	271
Total debtors	1,306	1,931

7 Liquidity

	2023 £'000	2022 £'000
Cash and bank balances		
Cash at bank	5,194	11,098
Cash at broker	-	872
	5,194	11,970
Bank overdrafts		
Overdraft at bank	(2)	-
	(2)	-
Net liquidity	5,192	11,970

8 Provisions for Liabilities

	2023 £'000	2022 £'000
The provisions for liabilities comprise:		
Overseas capital gains tax	-	9
Total provisions for liabilities	-	9

Notes to the Financial Statements

Continued

9 Creditors

	2023 £'000	2022 £'000
Accrued expenses payable to ACD	61	97
Accrued expenses payable to the Depositary or associates of the Depositary	7	15
Amounts payable to the ACD for cancellation of shares	177	1
Corporation tax payable	328	456
Purchases awaiting settlement	1,762	1,847
Total creditors	2,335	2,416

10 Related Party Transactions

abrtn 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 abrtn Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 9.

Amounts payable to abrtn 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.

Collective investments operate within the terms of the offer document or prospectus. Typically we do not invest into funds that require an initial charge to be made. The underlying price may contain an estimation of cost known as a dilution levy which is applied from time to time.

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
Trades in the year				
Bonds	41,883	32,878	45,028	29,615
Equities	17,633	54,672	59,427	70,389
Collective investment schemes	1,288	876	7,029	1,044
Corporate actions	259	149	239	1,372
Trades in the year before transaction costs	61,063	88,575	111,723	102,420

Notes to the Financial Statements

Continued

	Purchases		Sales	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trades in the year				
Commissions				
Equities	9	23	(45)	(60)
Total commissions	9	23	(45)	(60)
Taxes				
Equities	22	73	(2)	(3)
Collective investment schemes	-	1	-	-
Total taxes	22	74	(2)	(3)
Total transaction costs	31	97	(47)	(63)
Total net trades in the year after transaction costs	61,094	88,672	111,676	102,357

	Purchases		Sales	
	2023 %	2022 %	2023 %	2022 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.05	0.04	0.08	0.08
Collective investment schemes	0.01	0.02	-	0.02
Taxes				
Equities	0.12	0.13	-	-
Collective investment schemes	0.01	0.07	-	-

	2023 %	2022 %
Total transaction costs expressed as a percentage of net asset value		
Commissions	0.05	0.05
Taxes	0.02	0.04

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 0.50% (2022: 0.72%), 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
A Accumulation	6,288,636	320,338	(867,085)	(188,607)	5,553,282
A Income	605,249	246,797	(35,216)	(18,325)	798,505
I Accumulation	18,154,626	1,471,308	(2,948,081)	293,352	16,971,205
I Income	125,942,256	7,286,632	(69,093,814)	20,437	64,155,511
M Accumulation	274,136	-	(946)	-	273,190
M Income	968,866	709,625	(1,492,289)	-	186,202
Z Accumulation	1,055,600	31,959	(998,282)	-	89,277

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
Fair value of investment assets						
Bonds	5,585	34,821	-	-	45,543	-
Equities	48,817	-	-	101,370	-	-
Collective Investment Schemes	-	8,991	-	-	14,363	-
Derivatives	8	930	-	325	318	-
Total investment assets	54,410	44,742	-	101,695	60,224	-
Fair value of investment liabilities						
Derivatives	-	(411)	-	(264)	(1,139)	-
Total investment liabilities	-	(411)	-	(264)	(1,139)	-

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.

Notes to the Financial Statements

Continued

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
Currency				
UK Sterling	5,039	350	92,504	97,893
Australian Dollar	1	104	(4,877)	(4,772)
Brazilian Real	-	3,142	33	3,175
Canadian Dollar	-	123	(2,569)	(2,446)
Chilean Peso	-	470	4	474
China Renminbi	-	-	10	10
Colombian Peso	-	1,760	58	1,818
Czech Koruna	2	1,211	9	1,222
Danish Krone	2	13	189	204
Dominican Republic Peso	-	250	9	259
Euro	47	1,645	(1,831)	(139)
Hong Kong Dollar	2	-	316	318
Hungarian Forint	-	226	4	230
Indian Rupee	43	428	57	528
Indonesian Rupiah	-	2,918	34	2,952
Japanese Yen	2	1,122	1,313	2,437
Kazakhstan Tenge	-	199	6	205
Malaysian Ringgit	-	1,722	21	1,743
Mexican Peso	-	3,245	102	3,347
New Zealand Dollar	-	-	(4,860)	(4,860)
Norwegian Krone	3	-	(5,026)	(5,023)
Peruvian New Sol	-	1,223	34	1,257
Philippines Peso	-	107	2	109
Polish Zloty	-	609	62	671
Romanian Leu	-	791	25	816
Singapore Dollar	1	-	38	39
South Africa Rand	82	2,241	86	2,409

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
South Korean Won	-	-	129	129
Swedish Krona	-	7	(4,610)	(4,603)
Swiss Franc	-	-	562	562
Taiwan Dollar	(2)	-	186	184
Thai Baht	-	821	3	824
Ukraine Hryvna	-	88	49	137
Uruguay Peso	-	464	9	473
US Dollar	200	14,898	(15,024)	74
Total	5,422	40,177	57,057	102,656

2022	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
Currency				
UK Sterling	12,782	-	145,218	158,000
Australian Dollar	-	-	(8,220)	(8,220)
Brazilian Real	-	5,384	5,549	10,933
Canadian Dollar	1	-	(4,635)	(4,634)
Chilean Peso	-	2,279	12	2,291
Colombian Peso	-	3,477	(73)	3,404
Czech Koruna	8	1,949	(124)	1,833
Danish Krone	-	-	295	295
Egyptian Pound	2	-	-	2
Euro	6,128	329	(6,733)	(276)
Hong Kong Dollar	2	-	403	405
Indian Rupee	47	501	116	664
Indonesian Rupiah	1	5,978	(308)	5,671
Japanese Yen	-	-	4,302	4,302
Kazakhstan Tenge	-	323	9	332
Malaysian Ringgit	-	3,085	(124)	2,961
Mexican Peso	1	4,836	(140)	4,697
New Zealand Dollar	-	-	(8,186)	(8,186)
Norwegian Krone	-	-	(8,217)	(8,217)
Peruvian New Sol	-	1,531	52	1,583

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
Polish Zloty	-	567	55	622
Romanian Leu	16	380	-	396
Singapore Dollar	-	-	60	60
South Africa Rand	-	5,516	13	5,529
South Korean Won	-	-	151	151
Swedish Krona	-	-	(8,207)	(8,207)
Swiss Franc	-	-	1,194	1,194
Taiwan Dollar	2	-	382	384
Thai Baht	-	1,440	22	1,462
Ukraine Hryvna	-	109	29	138
Uruguay Peso	120	641	19	780
US Dollar	150	-	1,082	1,232
Total	19,260	38,325	113,996	171,581

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 month one 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	4.58%	5.52%	4.91%
2022	Minimum	Maximum	Average
VaR 99% 1 Month	4.39%	5.90%	5.22%

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 %
2023		
Investment grade securities	28,690	27.95
Below investment grade securities	8,364	8.15
Unrated securities	3,352	3.26
Total value of securities	40,406	39.36
2022		
Investment grade securities	24,276	14.16
Below investment grade securities	15,525	9.03
Unrated securities	5,742	3.35
Total value of securities	45,543	26.54

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
Leveraged instruments				
Forward currency contracts	62,772	519	98,088	(821)
Futures	161	8	10,575	61
Total market exposure	62,933	527	108,663	(760)

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.

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 %
Bank of America Merrill Lynch	8	-	-	8	0.01
	8	-	-	8	0.01

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 %
Bank of America Merrill Lynch	61	872	-	933	0.54
	61	872	-	933	0.54

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		Collateral (held)/pledged		Net exposure £'000
	£'000	Stock on loan*	Cash £'000	Stock £'000	
Bank of America Merrill Lynch	1	-	-	-	1
BNP Paribas	(13)	11	-	(93)	(95)
HSBC	(322)	-	-	-	(322)
JP Morgan	(2)	-	-	-	(2)
Morgan Stanley	(5)	-	-	-	(5)
Natwest Markets	(17)	-	-	-	(17)
Royal Bank of Canada	873	-	-	-	873
Standard Chartered	7	-	-	-	7
UBS	(3)	-	-	-	(3)
Total	519	11	-	(93)	437

* contains the required disclosures for Concentration Data within Securities Financing Transaction Regulation (SFTR) Disclosures.

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

The fund receives 85% of the revenue returns from stock lending. The gross earnings for the year are £Nil (2022: £1,000) and expenses paid to the lending agent, Securities Finance Trust Company, are £Nil (2022: £Nil).

Top 10 SFTR Issuers 2023	Type	Collateral Stock £'000
Deutsche Telekom	Equity	(9)
AT&T	Equity	(9)
Apple	Equity	(9)
Alphabet	Equity	(9)

Notes to the Financial Statements

Continued

Top 10 SFTR Issuers 2023	Type	Collateral Stock £'000
Amazon.com	Equity	(9)
Microsoft	Equity	(9)
Nvidia	Equity	(9)
Vestas Wind Systems	Equity	(5)
AP Moller - Maersk	Equity	(5)
Novo Nordisk	Equity	(5)
Other equity	Equity	(15)
		(93)

2022 Counterparties	Forwards £'000	Collateral (held)/pledged		Net exposure £'000
		Cash £'000	Stock £'000	
Bank of America Merrill Lynch	(1)	-	-	(1)
Barclays	(37)	-	-	(37)
BNP Paribas	(14)	-	-	(14)
Citigroup	214	-	-	214
Credit Agricole	(4)	-	-	(4)
Deutsche Bank	(15)	-	-	(15)
JP Morgan	(10)	-	-	(10)
Morgan Stanley	25	-	-	25
Royal Bank of Canada	(701)	-	-	(701)
Societe Generale	(7)	-	-	(7)
Standard Chartered	9	-	-	9
StateStreet	(26)	-	-	(26)
UBS	(254)	-	-	(254)
Total	(821)	-	-	(821)

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2023 £2,996,000 (2022: £4,239,000).

15 Subsequent event

On the 17 August 2023, the abrnn Diversified Income Fund changed its name to the abrnn Diversified Growth and Income Fund.

Distribution Tables

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

First interim dividend distribution

Group 1 – shares purchased prior to 1 August 2022

Group 2 – shares purchased between 1 August 2022 and 31 August 2022

	Revenue	Equalisation	Distribution paid 30/09/22	Distribution paid 30/09/21
A Accumulation				
Group 1	1.0280	-	1.0280	0.9244
Group 2	0.5083	0.5197	1.0280	0.9244
A Income				
Group 1	0.4916	-	0.4916	0.4622
Group 2	0.2922	0.1994	0.4916	0.4622
I Accumulation				
Group 1	0.6484	-	0.6484	0.5915
Group 2	0.2159	0.4325	0.6484	0.5915
I Income				
Group 1	0.4325	-	0.4325	0.4121
Group 2	0.1360	0.2965	0.4325	0.4121
M Accumulation				
Group 1	0.4792	-	0.4792	0.4372
Group 2	0.4792	-	0.4792	0.4372
M Income				
Group 1	0.4077	-	0.4077	0.3885
Group 2	0.2344	0.1733	0.4077	0.3885
Z Accumulation				
Group 1	1.0908	-	1.0908	0.9956
Group 2	0.7899	0.3009	1.0908	0.9956

Distribution Tables

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

Second interim dividend distribution

Group 1 – shares purchased prior to 1 September 2022

Group 2 – shares purchased between 1 September 2022 and 30 September 2022

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
A Accumulation				
Group 1	0.7200	-	0.7200	0.9096
Group 2	0.1627	0.5573	0.7200	0.9096
A Income				
Group 1	0.3432	-	0.3432	0.4531
Group 2	0.2577	0.0855	0.3432	0.4531
I Accumulation				
Group 1	0.4516	-	0.4516	0.5822
Group 2	0.0996	0.3520	0.4516	0.5822
I Income				
Group 1	0.3044	-	0.3044	0.4041
Group 2	0.1295	0.1749	0.3044	0.4041
M Accumulation				
Group 1	0.3339	-	0.3339	0.4303
Group 2	0.3339	-	0.3339	0.4303
M Income				
Group 1	0.2828	-	0.2828	0.3809
Group 2	0.1670	0.1158	0.2828	0.3809
Z Accumulation				
Group 1	0.7360	-	0.7360	0.9803
Group 2	0.6518	0.0842	0.7360	0.9803

Distribution Tables

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

Third interim dividend distribution

Group 1 – shares purchased prior to 1 October 2022

Group 2 – shares purchased between 1 October 2022 and 31 October 2022

	Revenue	Equalisation	Distribution paid 30/11/22	Distribution paid 30/11/21
A Accumulation				
Group 1	1.2423	-	1.2423	0.9116
Group 2	0.8271	0.4152	1.2423	0.9116
A Income				
Group 1	0.5896	-	0.5896	0.4524
Group 2	0.1188	0.4708	0.5896	0.4524
I Accumulation				
Group 1	0.7878	-	0.7878	0.5837
Group 2	0.3872	0.4006	0.7878	0.5837
I Income				
Group 1	0.5239	-	0.5239	0.4036
Group 2	0.1771	0.3468	0.5239	0.4036
M Accumulation				
Group 1	0.5819	-	0.5819	0.4314
Group 2	0.5819	-	0.5819	0.4314
M Income				
Group 1	0.4909	-	0.4909	0.3805
Group 2	0.3228	0.1681	0.4909	0.3805
Z Accumulation				
Group 1	1.3017	-	1.3017	0.9832
Group 2	1.1295	0.1722	1.3017	0.9832

Distribution Tables

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

Fourth interim dividend distribution

Group 1 – shares purchased prior to 1 November 2022

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

	Revenue	Equalisation	Distribution paid 30/12/22	Distribution paid 31/12/21
A Accumulation				
Group 1	1.0813	-	1.0813	0.9197
Group 2	0.1651	0.9162	1.0813	0.9197
A Income				
Group 1	0.5107	-	0.5107	0.4547
Group 2	0.3866	0.1241	0.5107	0.4547
I Accumulation				
Group 1	0.6842	-	0.6842	0.5891
Group 2	0.3077	0.3765	0.6842	0.5891
I Income				
Group 1	0.4504	-	0.4504	0.4058
Group 2	0.1397	0.3107	0.4504	0.4058
M Accumulation				
Group 1	0.5057	-	0.5057	0.4354
Group 2	0.5057	-	0.5057	0.4354
M Income				
Group 1	0.4240	-	0.4240	0.3825
Group 2	0.1007	0.3233	0.4240	0.3825
Z Accumulation				
Group 1	1.1288	-	1.1288	0.9926
Group 2	0.9406	0.1882	1.1288	0.9926

Distribution Tables

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

Fifth interim dividend distribution

Group 1 – shares purchased prior to 1 December 2022

Group 2 – shares purchased between 1 December 2022 and 31 December 2022

	Revenue	Equalisation	Distribution paid 31/01/23	Distribution paid 31/01/22
A Accumulation				
Group 1	0.7750	-	0.7750	0.9348
Group 2	0.2510	0.5240	0.7750	0.9348
A Income				
Group 1	0.3639	-	0.3639	0.4604
Group 2	0.0904	0.2735	0.3639	0.4604
I Accumulation				
Group 1	0.4875	-	0.4875	0.5989
Group 2	0.1412	0.3463	0.4875	0.5989
I Income				
Group 1	0.3195	-	0.3195	0.4110
Group 2	0.1128	0.2067	0.3195	0.4110
M Accumulation				
Group 1	0.3603	-	0.3603	0.4426
Group 2	0.3603	-	0.3603	0.4426
M Income				
Group 1	0.3010	-	0.3010	0.3875
Group 2	0.1477	0.1533	0.3010	0.3875
Z Accumulation				
Group 1	0.7974	-	0.7974	1.0096
Group 2	0.6607	0.1367	0.7974	1.0096

Distribution Tables

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

Sixth interim dividend distribution

Group 1 – shares purchased prior to 1 January 2023

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

	Revenue	Equalisation	Distribution paid 28/02/23	Distribution paid 28/02/22
A Accumulation				
Group 1	0.9252	-	0.9252	0.8832
Group 2	0.6442	0.2810	0.9252	0.8832
A Income				
Group 1	0.4333	-	0.4333	0.4361
Group 2	0.3255	0.1078	0.4333	0.4361
I Accumulation				
Group 1	0.5832	-	0.5832	0.4943
Group 2	0.1175	0.4657	0.5832	0.4943
I Income				
Group 1	0.3809	-	0.3809	0.3362
Group 2	0.1801	0.2008	0.3809	0.3362
M Accumulation				
Group 1	0.4368	-	0.4368	0.3710
Group 2	0.4368	-	0.4368	0.3710
M Income				
Group 1	0.3909	-	0.3909	0.3221
Group 2	0.2574	0.1335	0.3909	0.3221
Z Accumulation				
Group 1	0.9573	-	0.9573	0.6742
Group 2	0.7856	0.1717	0.9573	0.6742

Distribution Tables

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

Seventh interim dividend distribution

Group 1 – shares purchased prior to 1 February 2023

Group 2 – shares purchased between 1 February 2023 and 28 February 2023

	Revenue	Equalisation	Distribution paid 31/03/23	Distribution paid 31/03/22
A Accumulation				
Group 1	0.8161	-	0.8161	0.6971
Group 2	0.3263	0.4898	0.8161	0.6971
A Income				
Group 1	0.3797	-	0.3797	0.3411
Group 2	0.0694	0.3103	0.3797	0.3411
I Accumulation				
Group 1	0.5141	-	0.5141	0.4359
Group 2	0.1562	0.3579	0.5141	0.4359
I Income				
Group 1	0.3345	-	0.3345	0.2974
Group 2	0.1382	0.1963	0.3345	0.2974
M Accumulation				
Group 1	0.3743	-	0.3743	0.3233
Group 2	0.3743	-	0.3743	0.3233
M Income				
Group 1	0.2952	-	0.2952	0.2923
Group 2	0.2952	-	0.2952	0.2923
Z Accumulation				
Group 1	0.8442	-	0.8442	0.7093
Group 2	0.8323	0.0119	0.8442	0.7093

Distribution Tables

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

Eighth interim dividend distribution

Group 1 – shares purchased prior to 1 March 2023

Group 2 – shares purchased between 1 March 2023 and 31 March 2023

	Revenue	Equalisation	Distribution paid 28/04/23	Distribution paid 29/04/22
A Accumulation				
Group 1	1.0358	-	1.0358	0.8172
Group 2	0.4047	0.6311	1.0358	0.8172
A Income				
Group 1	0.4802	-	0.4802	0.3987
Group 2	0.2355	0.2447	0.4802	0.3987
I Accumulation				
Group 1	0.6555	-	0.6555	0.5122
Group 2	0.2789	0.3766	0.6555	0.5122
I Income				
Group 1	0.4250	-	0.4250	0.3478
Group 2	0.1827	0.2423	0.4250	0.3478
M Accumulation				
Group 1	0.4845	-	0.4845	0.3793
Group 2	0.4845	-	0.4845	0.3793
M Income				
Group 1	0.4008	-	0.4008	0.3269
Group 2	0.1510	0.2498	0.4008	0.3269
Z Accumulation				
Group 1	1.0808	-	1.0808	0.8383
Group 2	0.2068	0.8740	1.0808	0.8383

Distribution Tables

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

Ninth interim dividend distribution

Group 1 – shares purchased prior to 1 April 2023

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

	Revenue	Equalisation	Distribution paid 31/05/23	Distribution paid 31/05/22
A Accumulation				
Group 1	1.3003	-	1.3003	0.8951
Group 2	0.2751	1.0252	1.3003	0.8951
A Income				
Group 1	0.6011	-	0.6011	0.4348
Group 2	0.2563	0.3448	0.6011	0.4348
I Accumulation				
Group 1	0.8264	-	0.8264	0.5625
Group 2	0.1153	0.7111	0.8264	0.5625
I Income				
Group 1	0.5337	-	0.5337	0.3812
Group 2	0.2305	0.3032	0.5337	0.3812
M Accumulation				
Group 1	0.6109	-	0.6109	0.4167
Group 2	0.6109	-	0.6109	0.4167
M Income				
Group 1	0.5035	-	0.5035	0.3610
Group 2	0.2130	0.2905	0.5035	0.3610
Z Accumulation				
Group 1	1.3712	-	1.3712	0.9234
Group 2	0.1975	1.1737	1.3712	0.9234

Distribution Tables

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

Tenth interim dividend distribution

Group 1 – shares purchased prior to 1 May 2023

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

	Revenue	Equalisation	Distribution paid 30/06/23	Distribution paid 30/06/22
A Accumulation				
Group 1	0.9740	-	0.9740	1.1135
Group 2	0.6091	0.3649	0.9740	1.1135
A Income				
Group 1	0.4482	-	0.4482	0.5391
Group 2	0.2500	0.1982	0.4482	0.5391
I Accumulation				
Group 1	0.6147	-	0.6147	0.7028
Group 2	0.3982	0.2165	0.6147	0.7028
I Income				
Group 1	0.3951	-	0.3951	0.4744
Group 2	0.1296	0.2655	0.3951	0.4744
M Accumulation				
Group 1	0.4543	-	0.4543	0.5205
Group 2	0.4543	-	0.4543	0.5205
M Income				
Group 1	0.3722	-	0.3722	0.4470
Group 2	0.1516	0.2206	0.3722	0.4470
Z Accumulation				
Group 1	1.0106	-	1.0106	1.1604
Group 2	0.9602	0.0504	1.0106	1.1604

Distribution Tables

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

Eleventh interim dividend distribution

Group 1 – shares purchased prior to 1 June 2023

Group 2 – shares purchased between 1 June 2023 and 30 June 2023

	Revenue	Equalisation	Distribution paid 31/07/23	Distribution paid 29/07/22
A Accumulation				
Group 1	0.9275	-	0.9275	0.8894
Group 2	0.2031	0.7244	0.9275	0.8894
A Income				
Group 1	0.4248	-	0.4248	0.4283
Group 2	0.3895	0.0353	0.4248	0.4283
I Accumulation				
Group 1	0.5861	-	0.5861	0.5594
Group 2	0.2714	0.3147	0.5861	0.5594
I Income				
Group 1	0.3747	-	0.3747	0.3760
Group 2	0.1873	0.1874	0.3747	0.3760
M Accumulation				
Group 1	0.4331	-	0.4331	0.4144
Group 2	0.4331	-	0.4331	0.4144
M Income				
Group 1	0.3537	-	0.3537	0.3563
Group 2	0.3537	-	0.3537	0.3563
Z Accumulation				
Group 1	0.9649	-	0.9649	0.9196
Group 2	0.8908	0.0741	0.9649	0.9196

Distribution Tables

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

Final dividend distribution

Group 1 – shares purchased prior to 1 July 2023

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

	Revenue	Equalisation	Distribution paid 31/08/23	Distribution paid 31/08/22
A Accumulation				
Group 1	0.9450	-	0.9450	0.7707
Group 2	0.7266	0.2184	0.9450	0.7707
A Income				
Group 1	0.4320	-	0.4320	0.3695
Group 2	0.3732	0.0588	0.4320	0.3695
I Accumulation				
Group 1	0.5974	-	0.5974	0.4889
Group 2	0.2827	0.3147	0.5974	0.4889
I Income				
Group 1	0.3806	-	0.3806	0.3221
Group 2	0.1430	0.2376	0.3806	0.3221
M Accumulation				
Group 1	0.4446	-	0.4446	0.3588
Group 2	0.4446	-	0.4446	0.3588
M Income				
Group 1	0.3612	-	0.3612	0.3195
Group 2	0.3612	-	0.3612	0.3195
Z Accumulation				
Group 1	0.9863	-	0.9863	0.7864
Group 2	0.9524	0.0339	0.9863	0.7864

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 Emerging Markets Equity Fund

For the year ended 31 July 2023

Investment Objective

To generate growth over the long term (5 years or more) by investing in emerging markets equities (company shares).

Performance Target: To achieve the return of the MSCI Emerging Markets Index, plus 3% 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 equities and equity related securities of companies listed, incorporated or domiciled in global emerging market countries, or companies that derive a significant proportion of their revenues or profits or have a significant proportion of their assets there.
- Emerging Markets include Asian, Eastern European, Middle Eastern, African and Latin American countries or any country included within the MSCI Emerging Markets Index.
- 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 diverse asset mix at country, sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the performance target, the MSCI Emerging Markets 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 9%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the Index over the long term.

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.

Performance Review

For the year ended 31 July 2023, the value of abrdn Emerging Markets Equity Fund – I Accumulation Shares increased by 0.93% compared to an increase of 2.93% in the performance target, the MSCI Emerging Markets Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

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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.

Market Review

Emerging market equities rose over the 12 months under review, driven largely by interest rate expectations and the pace of China's economic recovery as Beijing rolled back its controversial zero-Covid policy at the end of 2022. An aggressive series of rate hikes by the US Federal Reserve (Fed) to bring inflation under control sparked concerns over a potential slowdown in the US economy. However, an exceptionally resilient labour market, together with moderating inflation levels towards the period-end, renewed market optimism about a benign soft landing in the world's largest economy and fuelled hopes that the Fed could be nearing the end of its monetary tightening cycle.

Over in China, initial optimism surrounding the country's reopening fizzled as it became apparent that the pace of recovery in domestic consumption would be slower

abrdn Emerging Markets Equity Fund

Continued

than the market had expected. Ongoing weakness in the property sector further dented investor confidence. Authorities stepped in to help speed up the recovery. The People's Bank of China drummed up support with rate cuts while also urging lenders to boost loans. Beijing, meanwhile, rolled out targeted stimulus measures to expand domestic consumption demand, support the property sector – both developers and homebuyers – and improve the country's capital markets.

Against this backdrop, emerging Asia lagged the wider asset class, dragged lower by declines in China. Technology-heavy markets in South Korea and Taiwan outperformed as the market chased global artificial intelligence (AI)-related trends. Emerging Europe, the Middle East and Africa also trailed. Most Gulf bourses slumped on lower oil prices. Elsewhere, Latin America outperformed, thanks to double-digit gains in Brazil and Mexico.

Portfolio Activity and Review

The fund edged up over the year, but it underperformed the benchmark. The major drag on relative returns was China, where our domestic consumption-focused names disappointed due to the slower-than-expected economic recovery.

China Tourism Group Duty Free was a key detractor, weighed down by sluggish holiday duty-free sales in Hainan. Luxury car dealer Zhongsheng Group faced pressure from weak consumer sentiment and lacklustre car sales. LONGi Green Energy, which we exited given its deteriorating growth outlook, was the biggest stock detractor over the period. Our Hong Kong-listed holdings were not spared from the sell-off as weak investor sentiment carried over to the H-share market, even though they posted resilient earnings in later quarters.

Despite the doom and gloom, there are still plenty of reasons to be sanguine about the opportunities in China. First, the consumption recovery is still happening, even if at a slower pace than previously anticipated. We believe policy measures will remain accommodative and calibrated towards specific sectors like autos, electronics, household products and property. We saw this in June as China introduced targeted measures to boost electric vehicle (EV) and auto sales, which benefitted our new position in EV maker Li Auto.

Broadly, the fund remains well positioned to take advantage of a gradual recovery in domestic consumption, which we expect in the coming months and in 2024. The portfolio has exposure to both onshore and offshore names that are potential beneficiaries, including e-commerce giant Alibaba and liquor maker Kweichow

Moutai. We have seen some of our holdings deliver fundamentals in this current market and still be punished regardless.

Positive stock selection in Brazil and Mexico helped to offset some of the drag on relative performance from our exposure to domestic China and the off-benchmark position in Hong Kong. Our holdings in Mexico and Brazil were underpinned by positive market sentiment, as economic indicators and domestic consumption strength proved encouraging. Mexico further benefits from nearshoring trends due to a global effort by companies to diversify their supply chains to better manage reliance on China. Mexican lender Banorte and conglomerate FEMSA were among the top contributors, while positions in Brazilian pharmacy retailer Raia Drogasil, stock exchange B3 and lender Bradesco were also positive. E-commerce player MercadoLibre rose on strong domestic consumption trends and competitive strength.

Being underweight the Middle East was favourable as energy prices were volatile in the second half of the review period due to the uncertain global demand outlook, in large part because of China.

At the stock level, South Korea-based Samsung Engineering was another key contributor, rallying on further scoping of green infrastructure projects. Kaspi.kz, a dominant e-commerce and payments platform that we introduced over the year, delivered positive returns.

Meanwhile, our semiconductor holdings in ASM International and ASML Holding benefitted from an AI-driven tech rally. The AI supercycle is an exciting theme that requires significant investment in semiconductors and technology hardware to make possible, and it is part of a wider capex theme that should support emerging markets. Although Samsung Electronics retreated as the memory industry continued to de-stock, signs of inventory bottoming should provide scope for price increases and an earnings recovery for Samsung.

Turning to portfolio activity, there were several key trades over the period, in addition to those mentioned in the interim review. We established two new positions in China. China International Capital Corp is an investment bank with a strong domestic client base. It is well positioned to capture business opportunities from the country's capital market reforms. Li Auto is our preferred play on the development of a leading Chinese electric and smart car brand. In Taiwan, we added MediaTek, a fabless semiconductor company for digital telecommunications and multimedia solutions. We also initiated Kaspi.kz, a Kazakh technology company that connects consumers and merchants, enabling digital payments, e-commerce and financial services. Separately, our holding in Indian housing finance provider HDFC was converted to HDFC

abrdn Emerging Markets Equity Fund

Continued

Bank shares following the conclusion of the merger between the two entities towards the period-end.

Outside Asia, we bought specialty chemicals producer Sociedad Quimica y Minera de Chile, a beneficiary of rising EV penetration and energy storage solutions. In addition, we introduced two new holdings in Saudi Arabia. Al Rajhi Bank, which is also the world's largest Islamic bank by assets, is well placed to gain from the country's strong mortgage loan growth. Saudi Arabian Oil Group (Aramco) should generate significant cash flow over the long term given its high-quality, low-cost oil production assets.

Against this, we exited LONGi as mentioned above. We also sold Banco Santander Chile, JD.com, PTT Exploration and Production, Vodacom Group to fund better opportunities elsewhere.

Portfolio Outlook and Strategy

Recent developments paint an encouraging outlook for emerging markets. A potential soft landing in the US, the prospect of emerging market rates coming down and a China that is increasingly committed to supporting economic growth will likely buoy investor returns.

Our companies are, on the whole, delivering results, which we believe will be rewarded by the market. We expect our more domestic-oriented positions in China, which have been drags on performance year-to-date, to do better as the economy stabilises and recovers. The portfolio remains focused on businesses with discernible quality characteristics, including sustainable free cash flow generation and earnings growth, pricing power and low debt levels.

Global Emerging Markets Equity Team

August 2023

abrdn Emerging Markets 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 July 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.
- The fund may invest in companies with Variable Interest Entity (VIE) structures in order to gain exposure to industries with foreign ownership restrictions. There is a risk that investments in these structures may be adversely affected by changes in the legal and regulatory framework.
- 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.
- 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

A Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	733.58	894.47	738.23
Return before operating charges*	13.48	(149.93)	170.39
Operating charges	(9.64)	(10.96)	(14.15)
Return after operating charges*	3.84	(160.89)	156.24
Distributions	(6.64)	(5.90)	(1.80)
Retained distributions on accumulation shares	6.64	5.90	1.80
Closing net asset value per share	737.42	733.58	894.47
* after direct transaction costs of:	0.98	1.00	0.91
Performance			
Return after charges	0.52%	(17.99%)	21.16%
Other information			
Closing net asset value (£'000)	109,429	229,720	315,514
Closing number of shares	14,839,346	31,314,860	35,274,020
Operating charges	1.32%	1.32%	1.60%
Direct transaction costs	0.14%	0.12%	0.10%
Prices			
Highest share price	792.3	940.6	1,028
Lowest share price	669.9	709.2	742.4

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.

Comparative Tables

Continued

G Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	110.81	134.50	110.52
Return before operating charges*	(3.62)	(22.61)	25.49
Operating charges	(0.98)	(1.08)	(1.51)
Return after operating charges*	(4.60)	(23.69)	23.98
Distributions	(107.01)	(1.45)	(0.87)
Retained distributions on accumulation shares	107.01	1.45	0.87
Closing net asset value per share	106.21	110.81	134.50
* after direct transaction costs of:	0.15	0.15	0.14
Performance			
Return after charges	(4.15%)	(17.61%)	21.70%
Other information			
Closing net asset value (£'000)	-	12,011	20,938
Closing number of shares	189	10,839,312	15,566,628
Operating charges	0.87%	0.87%	1.15%
Direct transaction costs	0.14%	0.12%	0.10%
Prices			
Highest share price	120.1	141.5	154.3
Lowest share price	101.3	107.0	111.2

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
I Accumulation	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	823.43	999.50	821.23
Return before operating charges*	15.21	(168.00)	189.61
Operating charges	(7.17)	(8.07)	(11.34)
Return after operating charges*	8.04	(176.07)	178.27
Distributions	(11.35)	(10.80)	(6.49)
Retained distributions on accumulation shares	11.35	10.80	6.49
Closing net asset value per share	831.47	823.43	999.50
* after direct transaction costs of:	1.11	1.12	1.02
Performance			
Return after charges	0.98%	(17.62%)	21.71%
Other information			
Closing net asset value (£'000)	402,817	357,391	472,929
Closing number of shares	48,446,461	43,402,802	47,316,396
Operating charges	0.87%	0.87%	1.15%
Direct transaction costs	0.14%	0.12%	0.10%
Prices			
Highest share price	891.4	1,051	1,146
Lowest share price	752.8	795.3	826.0

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
I Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	752.49	925.53	765.40
Return before operating charges*	13.91	(155.58)	176.76
Operating charges	(6.55)	(7.46)	(10.57)
Return after operating charges*	7.36	(163.04)	166.19
Distributions	(10.38)	(10.00)	(6.06)
Closing net asset value per share	749.47	752.49	925.53
* after direct transaction costs of:	1.01	1.04	0.95
Performance			
Return after charges	0.98%	(17.62%)	21.71%
Other information			
Closing net asset value (£'000)	2,480	2,128	2,628
Closing number of shares	330,908	282,745	283,969
Operating charges	0.87%	0.87%	1.15%
Direct transaction costs	0.14%	0.12%	0.10%
Prices			
Highest share price	814.6	973.7	1,069
Lowest share price	687.9	736.5	769.9

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

K Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	101.79	123.37	101.01
Return before operating charges*	1.88	(20.76)	23.31
Operating charges	(0.73)	(0.82)	(0.95)
Return after operating charges*	1.15	(21.58)	22.36
Distributions	(1.56)	(1.51)	(1.23)
Retained distributions on accumulation shares	1.56	1.51	1.23
Closing net asset value per share	102.94	101.79	123.37
* after direct transaction costs of:	0.14	0.14	0.12
Performance			
Return after charges	1.13%	(17.49%)	22.14%
Other information			
Closing net asset value (£'000)	118,507	107,094	130,018
Closing number of shares	115,123,601	105,210,333	105,386,673
Operating charges	0.72%	0.72%	0.79%
Direct transaction costs	0.14%	0.12%	0.10%
Prices			
Highest share price	110.3	129.8	141.3
Lowest share price	93.09	98.28	101.6

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.

Comparative Tables

Continued

M Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	114.84	139.46	114.65
Return before operating charges*	2.11	(23.43)	26.46
Operating charges	(1.05)	(1.19)	(1.65)
Return after operating charges*	1.06	(24.62)	24.81
Distributions	(1.53)	(1.44)	(0.83)
Retained distributions on accumulation shares	1.53	1.44	0.83
Closing net asset value per share	115.90	114.84	139.46
* after direct transaction costs of:	0.15	0.16	0.14
Performance			
Return after charges	0.92%	(17.65%)	21.64%
Other information			
Closing net asset value (£'000)	1,316	181	226
Closing number of shares	1,135,052	157,258	161,761
Operating charges	0.92%	0.92%	1.20%
Direct transaction costs	0.14%	0.12%	0.10%
Prices			
Highest share price	124.3	146.7	160.0
Lowest share price	105.0	110.9	115.3

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

M Income	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	110.89	136.44	112.88
Return before operating charges*	2.17	(22.89)	25.97
Operating charges	(1.02)	(1.16)	(1.62)
Return after operating charges*	1.15	(24.05)	24.35
Distributions	(1.56)	(1.50)	(0.79)
Closing net asset value per share	110.48	110.89	136.44
* after direct transaction costs of:	0.15	0.15	0.14
Performance			
Return after charges	1.04%	(17.63%)	21.57%
Other information			
Closing net asset value (£'000)	1	1	1
Closing number of shares	908	908	908
Operating charges	0.92%	0.92%	1.20%
Direct transaction costs	0.14%	0.12%	0.10%
Prices			
Highest share price	120.1	143.5	157.5
Lowest share price	101.4	108.5	113.5

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

Z Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	953.81	1,148.12	934.45
Return before operating charges*	17.69	(193.02)	215.78
Operating charges	(1.13)	(1.29)	(2.11)
Return after operating charges*	16.56	(194.31)	213.67
Distributions	(20.40)	(20.52)	(18.10)
Retained distributions on accumulation shares	20.40	20.52	18.10
Closing net asset value per share	970.37	953.81	1,148.12
* after direct transaction costs of:	1.29	1.35	1.17
Performance			
Return after charges	1.74%	(16.92%)	22.87%
Other information			
Closing net asset value (£'000)	16,866	21,546	151,876
Closing number of shares	1,738,076	2,258,988	13,228,270
Operating charges	0.12%	0.12%	0.19%
Direct transaction costs	0.14%	0.12%	0.10%
Prices			
Highest share price	1,036	1,209	1,312
Lowest share price	873.6	919.7	940.0

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

ZB Accumulation ^A	2023 pence per share
Change in net assets per share	
Opening net asset value per share	105.16 ^B
Return before operating charges*	4.55
Operating charges	(0.03)
Return after operating charges*	4.52
Distributions	(0.99)
Retained distributions on accumulation shares	0.99
Closing net asset value per share	109.68
* after direct transaction costs of:	0.03
Performance	
Return after charges	4.30%
Other information	
Closing net asset value (£'000)	57,014
Closing number of shares	51,983,669
Operating charges	0.12%
Direct transaction costs	0.14%
Prices	
Highest share price	109.9
Lowest share price	104.4

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.

^A ZB Accumulation share class was launched on 12 May 2023.

^B The opening net asset value stated is the share class launch price.

Comparative Tables

Continued

ZC Accumulation ^A	2023 pence per share
Change in net assets per share	
Opening net asset value per share	88.43 ^B
Return before operating charges*	3.82
Operating charges	(0.02)
Return after operating charges*	3.80
Distributions	(0.83)
Retained distributions on accumulation shares	0.83
Closing net asset value per share	92.23
* after direct transaction costs of:	0.03
Performance	
Return after charges	4.30%
Other information	
Closing net asset value (£'000)	1,277
Closing number of shares	1,384,569
Operating charges	0.12%
Direct transaction costs	0.14%
Prices	
Highest share price	92.43
Lowest share price	87.82

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.

^A ZC Accumulation share class was launched on 12 May 2023.

^B The opening net asset value stated is the share class launch price.

Portfolio Statement

As at 31 July 2023

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (98.61%)		694,529	97.86
Europe, Middle East & Africa Equities (6.65%)		73,792	10.40
France (0.00%)		13,879	1.96
293,088	TotalEnergies	13,879	1.96
Netherlands (1.85%)		14,726	2.07
22,868	ASM International	8,477	1.19
11,183	ASML	6,249	0.88
Russia (0.00%)		-	-
283,971	Lukoil ADR+++	-	-
1,062,488	Novatek+++	-	-
1,812,963	Sberbank of Russia+++	-	-
Saudi Arabia (0.00%)		15,119	2.13
545,726	Al Rajhi Bank	8,423	1.19
999,067	Saudi Arabian Oil	6,696	0.94
South Africa (3.15%)		15,814	2.23
160,524	Anglo American Platinum	6,247	0.88
3,328,379	Sanlam	9,567	1.35
United Arab Emirates (0.00%)		7,536	1.06
9,472,536	Americana Restaurants International	7,536	1.06
United Kingdom (1.65%)		6,718	0.95
492,109	Mondi	6,718	0.95

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Latin American Equities (14.57%)		100,972	14.23
Argentina (1.54%)		14,028	1.98
47,552	Globant	6,458	0.91
7,875	MercadoLibre	7,570	1.07
Brazil (5.25%)		43,989	6.20
5,031,497	B3 SA - Brasil Bolsa Balcao	12,249	1.73
2,537,048	Banco Bradesco ADR	6,961	0.98
2,033,783	Itaúsa (Preference)	3,263	0.46
2,138,532	Raia Drogasil	10,118	1.42
1,567,986	Rumo	5,948	0.84
835,798	WEG	5,450	0.77
Chile (0.87%)		4,196	0.59
73,186	Sociedad Quimica y Minera de Chile ADR	4,196	0.59
Mexico (6.37%)		34,141	4.81
154,956	Fomento Economico Mexicano ADR	13,639	1.92
312,177	Grupo Aeroportuario del Sureste 'B'	6,884	0.97
1,848,452	Grupo Financiero Banorte 'O'	13,618	1.92
Peru (0.54%)		4,618	0.65
37,814	Credicorp	4,618	0.65
North American Equities (0.00%)		11,956	1.68
United States (0.00%)		11,956	1.68
175,908	Southern Copper	11,956	1.68

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Pacific Basin Equities (77.39%)		507,809	71.55
China (28.90%)		166,700	23.49
3,513,664	Alibaba	34,106	4.81
3,785,200	China International Capital 'H'	6,466	0.91
245,952	China Tourism Duty Free 'A'	3,365	0.47
451,000	China Tourism Duty Free 'H'	5,573	0.78
63,358	Kweichow Moutai 'A'	12,963	1.83
563,000	Li Auto 'A'	9,303	1.31
670,916	Meituan 'B'	9,775	1.38
1,686,175	Midea 'A'	10,882	1.53
3,208,162	NARI Technology 'A'	8,489	1.20
345,100	Shenzhen Mindray Bio-Medical Electronics 'A'	11,114	1.57
1,218,666	Tencent	43,018	6.06
6,850,000	Tianhe Chemicals+++	-	-
1,521,695	Wuxi Biologics (Cayman)	6,680	0.94
1,828,500	Zhongsheng	4,966	0.70
Hong Kong (5.57%)		37,827	5.33
1,992,800	AIA	15,372	2.17
3,271,213	Budweiser Brewing	6,161	0.87
649,777	China Metal Recycling+++	-	-
2,450,000	China Resources Land	8,802	1.24
230,756	Hong Kong Exchanges & Clearing	7,492	1.05
India (14.61%)		108,139	15.24
1,727,134	HDFC Bank	26,942	3.80
464,045	Hindustan Unilever	11,217	1.58
711,799	Kotak Mahindra Bank	12,487	1.76
93,261	Maruti Suzuki India	8,648	1.22
5,281,186	Power Grid Corp of India	13,282	1.87
1,371,624	SBI Life Insurance	16,589	2.34
305,381	Tata Consultancy Services	9,854	1.39
116,219	UltraTech Cement	9,120	1.28

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Indonesia (3.47%)		27,415	3.86
16,944,200	Bank Central Asia	7,968	1.12
44,030,963	Bank Rakyat Indonesia Persero	12,821	1.81
34,559,900	Telkom Indonesia Persero	6,626	0.93
Kazakhstan (0.00%)		7,612	1.07
106,806	Kaspi.KZ GDR	7,612	1.07
Philippines (0.60%)		-	-
Singapore (0.49%)		-	-
South Korea (9.71%)		72,565	10.22
32,202	HD Korea Shipbuilding & Offshore Engineering	2,419	0.34
36,298	LG Chemical	14,342	2.02
1,269,664	Samsung Electronics (Preference)	44,360	6.25
507,257	Samsung Engineering	11,444	1.61
Taiwan (11.30%)		85,288	12.02
900,000	Delta Electronics	8,124	1.15
3,246,000	Hon Hai Precision Industry	8,710	1.23
492,000	MediaTek	8,383	1.18
4,306,718	Taiwan Semiconductor Manufacturing	60,071	8.46
Thailand (2.74%)		2,263	0.32
791,000	Kasikornbank (Alien Market)	2,263	0.32

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Collective Investment Schemes (0.00%)		2,998	0.42
2,998	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc+	2,998	0.42
Total investment assets		697,527	98.28
Net other assets		12,180	1.72
Total Net Assets		709,707	100.00

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 July 2022.

Prior year classifications for some sectors have been updated to reflect current year classifications.

+ Managed by subsidiaries of abrdn plc.

+++ Priced per abrdn VPC.

Financial Statements

Statement of Total Return

For the year ended 31 July 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains/(losses)	1		1,909		(171,917)
Revenue	2	17,253		19,994	
Expenses	3	(6,000)		(8,479)	
Interest payable and similar charges		-		(10)	
Net revenue before taxation		11,253		11,505	
Taxation	4	(2,548)		(2,327)	
Net revenue after taxation			8,705		9,178
Total return before distributions			10,614		(162,739)
Distributions	5		(9,528)		(9,761)
Change in net assets attributable to shareholders from investment activities			1,086		(172,500)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2023

	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		730,072		1,094,130
Amounts receivable on the issue of shares	18,217		28,676	
Amounts payable on the cancellation of shares	(194,630)		(229,453)	
Amounts receivable on inspecie transfers*	145,679			
		(30,734)		(200,777)
Dilution adjustment		106		235
Capacity Management Charge		-		241
Change in net assets attributable to shareholders from investment activities (see above)		1,086		(172,500)
Retained distribution on accumulation shares		9,177		8,743
Closing net assets attributable to shareholders		709,707		730,072

* Relating to an inspecie transfer from abrdn Emerging Markets Opportunites Equity Fund on 12 May 2023.

Financial Statements

Continued

Balance Sheet

As at 31 July 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			697,527		719,944
Current assets:					
Debtors	6	6,717		2,923	
Cash and bank balances	7	11,259		12,125	
			17,976		15,048
Total assets			715,503		734,992
Liabilities:					
Provisions for liabilities	8		(2,888)		(2,844)
Creditors	9	(2,874)		(2,048)	
Distribution payable		(34)		(28)	
			(2,908)		(2,076)
Total liabilities			(5,796)		(4,920)
Net assets attributable to shareholders			709,707		730,072

Notes to the Financial Statements

1 Net Capital Gains/(Losses)

	2023 £'000	2022 £'000
Non-derivative securities	2,934	(171,950)
Other (losses)/gains	(976)	86
Transaction charges	(49)	(53)
Net capital gains/(losses)	1,909	(171,917)

2 Revenue

	2023 £'000	2022 £'000
Bank and margin interest	205	28
Overseas dividends	17,042	19,933
Stocklending revenue	-	33
UK dividends	6	-
Total revenue	17,253	19,994

3 Expenses

	2023 £'000	2022 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	5,236	7,426
General administration charge	538	722
Operating, administrative and servicing fees	-	9
	5,774	8,157
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Revenue collection expenses	65	110
Safe custody fee	161	211
	226	321
Other:		
Professional fees	-	1
	-	1
Total expenses	6,000	8,479

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £9,120 (2022: £8,460).

Notes to the Financial Statements

Continued

4 Taxation

	2023 £'000	2022 £'000
(a) Analysis of charge in year		
Overseas taxes	1,725	1,744
Overseas capital gains tax	779	1,747
Total current tax	2,504	3,491
Deferred tax (note 4c)	44	(1,164)
Total taxation (note 4b)	2,548	2,327

(b) Factors affecting total tax charge for the year

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

Net revenue before taxation	11,253	11,505
Corporation tax at 20% (2022: 20%)	2,251	2,301
Effects of:		
Revenue not subject to taxation	(3,245)	(3,906)
Overseas taxes	1,725	1,744
Overseas tax expensed	(25)	(12)
Excess allowable expenses	1,019	1,617
Overseas capital gains tax	779	1,747
Deferred tax	44	(1,164)
Total tax charge for year (note 4a)	2,548	2,327

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	2,844	4,008
Deferred tax charge in statement of total return for year (note 4a)	44	(1,164)
Provision at the end of the year	2,888	2,844

(d) 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 £52,394,000 (2022: £51,374,000) 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.

Notes to the Financial Statements

Continued

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

	2023 £'000	2022 £'000
Distribution	9,211	8,771
Add: Income deducted on cancellation of shares	818	1,152
Deduct: Income received on issue of shares	(501)	(162)
Total distributions for the year	9,528	9,761
Movement between net revenue and distributions		
Net revenue after taxation	8,705	9,178
Overseas capital gains tax on realised gains	779	1,747
Overseas deferred capital gains tax on unrealised gains	44	(1,164)
Total distributions for the year	9,528	9,761

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

6 Debtors

	2023 £'000	2022 £'000
Accrued revenue	986	2,067
Amounts receivable from the ACD for the issue of shares	4	-
Amounts receivable from merger	1,023	-
Overseas withholding tax recoverable	858	856
Sales awaiting settlement	3,846	-
Total debtors	6,717	2,923

7 Liquidity

	2023 £'000	2022 £'000
Cash and bank balances		
Cash at bank	11,259	12,125
	11,259	12,125
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	2,998	-
Net liquidity	14,257	12,125

* 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.

Notes to the Financial Statements

Continued

8 Provisions for Liabilities

	2023	2022
	£'000	£'000
The provisions for liabilities comprise:		
Overseas capital gains tax	2,888	2,844
Total provisions for liabilities	2,888	2,844

9 Creditors

	2023	2022
	£'000	£'000
Accrued expenses payable to ACD	467	580
Accrued expenses payable to the Depositary or associates of the Depositary	17	19
Accrued other expenses	828	-
Amounts payable to the ACD for cancellation of shares	457	896
Purchases awaiting settlement	1,105	553
Total creditors	2,874	2,048

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.

11 Portfolio Transaction Costs

	Purchases		Sales	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Trades in the year				
Equities	240,920	258,095	337,174	451,565
Inspecie transactions	67,003	-	-	-
Corporate actions	24,891	1,801	24,891	-
Trades in the year before transaction costs	332,814	259,896	362,065	451,565
Commissions				
Equities	192	161	(198)	(207)
Total commissions	192	161	(198)	(207)

Notes to the Financial Statements

Continued

	Purchases		Sales	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trades in the year				
Taxes				
Equities	152	176	(357)	(539)
Total taxes	152	176	(357)	(539)
Total transaction costs	344	337	(555)	(746)
Total net trades in the year after transaction costs	333,158	260,233	361,510	450,819

	Purchases		Sales	
	2023 %	2022 %	2023 %	2022 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.08	0.06	0.06	0.05
Taxes				
Equities	0.06	0.07	0.11	0.12

	2023 %	2022 %
	Total transaction costs expressed as a percentage of net asset value	
Commissions	0.06	0.04
Taxes	0.08	0.08

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: 0.14%), 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
A Accumulation	31,314,860	11,785,590	(14,265,792)	(13,995,312)	14,839,346
G Accumulation	10,839,312	-	(10,839,123)	-	189
I Accumulation	43,402,802	184,848	(7,593,123)	12,451,934	48,446,461
I Income	282,745	86,181	(38,018)	-	330,908
K Accumulation	105,210,333	14,401,073	(4,487,805)	-	115,123,601
M Accumulation	157,258	1,138,389	(133,586)	(27,009)	1,135,052
M Income	908	-	-	-	908
Z Accumulation	2,258,988	285,590	(806,502)	-	1,738,076
ZB Accumulation	-	56,014,031	(4,030,362)	-	51,983,669
ZC Accumulation	-	1,387,815	(3,246)	-	1,384,569

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
Equities	694,529	-	-	719,944	-	-
Collective Investment Schemes	-	2,998	-	-	-	-
Total investment assets	694,529	2,998	-	719,944	-	-

14 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	Net foreign
	currency exposure	currency exposure
	2023	2022
	£'000	£'000
Brazilian Real	36,784	24,413
China Renminbi	48,002	88,556
Euro	28,754	13,527
Hong Kong Dollar	158,915	163,903
Indian Rupee	110,503	106,618
Indonesian Rupiah	27,415	26,329
Mexican Peso	20,502	36,350
Philippines Peso	-	4,397
Saudi Riyal	22,666	-
South Africa Rand	22,532	34,466
South Korean Won	72,269	71,175
Taiwan Dollar	86,060	86,131
Thai Baht	4,715	20,029
US Dollar	62,220	49,430
Total	701,337	725,324

Notes to the Financial Statements

Continued

At 31 July 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 £35,067,000 (2022: £36,266,000).

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 July 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 £34,876,000 (2022: £35,997,000).

Financial derivatives instrument risk

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

Bilateral agreements

The fund receives 85% of the revenue returns from stock lending. The gross earnings for the year are £Nil (2022: £39,000) and expenses paid to the lending agent, Securities Finance Trust Company, are £Nil (2022: £6,000).

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2023 £4,968,000 (2022: £4,920,000).

Distribution Table

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

Final dividend distribution

Group 1 – shares purchased prior to 1 August 2022

Group 2 – shares purchased between 1 August 2022 and 31 July 2023

	Revenue	Equalisation	Distribution paid 31/10/23	Distribution paid 31/10/22
A Accumulation				
Group 1	6.6362	-	6.6362	5.9017
Group 2	4.7843	1.8519	6.6362	5.9017
G Accumulation				
Group 1	107.0129	-	107.0129	1.4527
Group 2	107.0129	-	107.0129	1.4527
I Accumulation				
Group 1	11.3530	-	11.3530	10.7984
Group 2	7.2273	4.1257	11.3530	10.7984
I Income				
Group 1	10.3754	-	10.3754	10.0000
Group 2	7.4746	2.9008	10.3754	10.0000
K Accumulation				
Group 1	1.5577	-	1.5577	1.5064
Group 2	1.1526	0.4051	1.5577	1.5064
M Accumulation				
Group 1	1.5281	-	1.5281	1.4417
Group 2	0.8503	0.6778	1.5281	1.4417
M Income				
Group 1	1.5586	-	1.5586	1.4969
Group 2	1.5586	-	1.5586	1.4969
Z Accumulation				
Group 1	20.4040	-	20.4040	20.5245
Group 2	8.4965	11.9075	20.4040	20.5245
ZB accumulation				
Group 1	0.9904	-	0.9904	-
Group 2	0.9904	-	0.9904	-
ZC accumulation				
Group 1	0.8327	-	0.8327	-
Group 2	0.3120	0.5207	0.8327	-

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 Equity Fund

For the year ended 31 July 2023

Investment Objective

To generate growth over the long term (5 years or more) by investing in European equities (company shares).

Performance Target: To achieve the return of the FTSE World Europe ex UK Index plus 3% 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 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.
- 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 diverse asset mix at country, sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the Performance Target, the FTSE World Europe ex UK 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 9%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the index over the long term.

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.

Performance Review

For the year ended 31 July 2023, the value of abrdn Europe ex UK Equity Fund – I Accumulation Shares increased by 7.90% compared with an increase of 16.10% in the performance target, the FTSE World Europe ex UK Index.

Source: Lipper; Basis: total return, published NAV to NAV, net of annual charges, UK net income reinvested, GBP. Please note the fund performance is quoted net of fees while the index return is quoted gross and contains no adjustment for fees.

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.

Market Review

European equities (excluding the UK) made significant gains over the period as fears of rising inflation receded and hopes grew that central banks' interest-rate-raising programmes would soon end. Following a volatile period in August and September of 2022, markets rebounded late in the year as China's reopening following the end of its zero-Covid policy boosted sentiment and commodity prices. Falls in energy prices across Europe helped to ease growth concerns and provided a boost to consumer and business confidence.

After a strong start to 2023, European and other major equity markets were volatile in March as the collapse of US-based Silicon Valley Bank prompted investors to question the health of the global banking system. In Europe, contagion culminated in the takeover of Credit Suisse by UBS, with markets subsequently recovering much of their prior losses as confidence was restored. Markets continued to advance despite ongoing macroeconomic concerns. Share prices were bolstered by hopes for global growth, with continued labour-market resilience in the US and an expectation that China would stimulate its flagging economy. Advances in artificial intelligence (AI) boosted the technology sector, while financial companies also outperformed following a resolution of March's banking crisis. Meanwhile, weakening commodity prices hit the energy and basic materials sectors.

abrdn Europe ex UK Equity Fund

Continued

In the eurozone, annual inflation peaked at a record high of 10.6% in October 2022 before falling back, reaching 5.5% by June 2023. The European Central Bank (ECB) raised interest rates on eight occasions during the 12 months, moving the deposit rate to 3.75%, a multi-decade high. ECB president Christine Lagarde said any future rate increases would be dependent on inflation and other economic data.

Portfolio Activity and Review

The fund underperformed mostly due to the impact of high inflation and rising rates, which caused significant headwinds for long-duration assets, while cyclical and low-multiple segments of the market such as banks, where we have little exposure, performed well.

On a stock-specific basis, the most significant detractor from returns was Polypeptide Group. Its shares weakened after issuing a profit warning due to temporary manufacturing issues as well as the announcement that the CEO would leave the business. We subsequently exited the stock. Leading renewables player Orsted was a drag on performance due to inflationary capex costs which resulted in the company recognising an impairment on its US offshore wind project, Sunrise Wind. However, management was confident this was a one-off issue relating to this specific project, given it has carried out impairment tests on all US offshore projects. Shares in game developer Ubisoft fell after Tencent increased its stake in the company, effectively removing the potential for a takeover bid. In addition, disappointing trading performance towards the end of 2022 led Ubisoft to warn on future profits and alter its strategy to focus on just a handful of AAA-rated games.

Conversely, the largest positive contributor over the period was reinsurer Hannover Re, which benefited from improving prospects for reinsurance renewals and the rising interest rate environment in general. Our holding in Novo Nordisk also boosted performance after its share price continued to rise following the success of its new anti-obesity drug. Meanwhile, our lack of a holding in both Roche and Nestle, which we exited in late 2022, added to relative returns after shares in both companies lagged the wider market.

In terms of further activity, we reapportioned capital into existing holdings which had more compelling valuations for the growth prospects on offer: these included leading global payments provider Adyen, active pharmaceutical manufacturer Lonza, global beauty giant L'Oreal, private-equity firm Partners Group and Schneider Electric, which is a clear winner from trends towards energy transition, sustainability and digitalisation. We also increased

the fund's exposure to Heineken on weakness in the company's shares. Heineken is the global leader in the attractive premium beer category, but it is also one of the last international fast-moving consumer goods (FMCG) companies with low-hanging fruit from standardising back-office operations and increasing supply-chain efficiency.

Portfolio Outlook and Strategy

Halfway through interim results season we see that the outlook for the global economy and for corporate earnings remains fragile. The lagged impact of significant monetary tightening to fight inflation is beginning to take hold, bringing with it signs of disinflation alongside a cooling economy as credit conditions tighten and consumer excess savings are eroded. While recession is not inevitable, especially as labour markets remain resilient, we are clearly late in the rate cycle and the degree of uncertainty around the outlook is likely to bring further volatility as the market adjusts to new and often contradictory information. In this context, estimates for the European market, excluding energy, to deliver mid to high single digit earnings growth in 2023 still look overly optimistic.

Against this backdrop, we believe that 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. Earnings multiples having contracted to discounted levels versus history, hence 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. These dynamics have been evident in the fund's outperformance year-to-date. 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.

European Equities Team

August 2023

abrdn Europe ex UK 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 July 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 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

A Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	259.85	292.12	247.05
Return before operating charges*	21.24	(28.68)	48.55
Operating charges	(3.37)	(3.59)	(3.48)
Return after operating charges*	17.87	(32.27)	45.07
Distributions	(0.28)	-	-
Retained distributions on accumulation shares	0.28	-	-
Closing net asset value per share	277.72	259.85	292.12
* after direct transaction costs of:	0.07	0.12	0.21
Performance			
Return after charges	6.88%	(11.05%)	18.24%
Other information			
Closing net asset value (£'000)	175,954	145,969	174,206
Closing number of shares	63,356,618	56,173,158	59,635,607
Operating charges	1.29%	1.29%	1.32%
Direct transaction costs	0.03%	0.04%	0.08%
Prices			
Highest share price	283.0	317.9	294.4
Lowest share price	225.5	228.4	237.4

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.

Comparative Tables

Continued

	2023
A Income ^A	pence per share
Change in net assets per share	
Opening net asset value per share	85.13 ^B
Return before operating charges*	2.74
Operating charges	(0.44)
Return after operating charges*	2.30
Distributions	(0.40)
Closing net asset value per share	87.03
* after direct transaction costs of:	0.01
Performance	
Return after charges	2.70%
Other information	
Closing net asset value (£'000)	1,005
Closing number of shares	1,154,517
Operating charges	1.24%
Direct transaction costs	0.03%
Prices	
Highest share price	89.08
Lowest share price	80.55

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.

^A A Income share class was launched on 3 March 2023.

^B The opening net asset value stated is the share class launch price.

Comparative Tables

Continued

	2023	2022	2021
I Accumulation	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	261.72	292.89	246.60
Return before operating charges*	21.44	(28.82)	48.60
Operating charges	(2.19)	(2.35)	(2.31)
Return after operating charges*	19.25	(31.17)	46.29
Distributions	(1.14)	(0.74)	(0.54)
Retained distributions on accumulation shares	1.14	0.74	0.54
Closing net asset value per share	280.97	261.72	292.89
* after direct transaction costs of:	0.07	0.12	0.21
Performance			
Return after charges	7.36%	(10.64%)	18.77%
Other information			
Closing net asset value (£'000)	175,314	319,113	393,102
Closing number of shares	62,395,014	121,928,199	134,213,065
Operating charges	0.84%	0.84%	0.87%
Direct transaction costs	0.03%	0.04%	0.08%
Prices			
Highest share price	286.0	319.2	295.2
Lowest share price	227.3	229.9	237.2

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

M Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	138.03	154.54	130.18
Return before operating charges*	11.39	(15.20)	25.64
Operating charges	(1.31)	(1.31)	(1.28)
Return after operating charges*	10.08	(16.51)	24.36
Distributions	(0.90)	(0.28)	(0.04)
Retained distributions on accumulation shares	0.90	0.28	0.04
Closing net asset value per share	148.11	138.03	154.54
* after direct transaction costs of:	0.04	0.06	0.11
Performance			
Return after charges	7.30%	(10.68%)	18.71%
Other information			
Closing net asset value (£'000)	10,530	332	361
Closing number of shares	7,109,355	240,406	233,748
Operating charges	0.90%	0.89%	0.92%
Direct transaction costs	0.03%	0.04%	0.08%
Prices			
Highest share price	150.8	168.4	155.7
Lowest share price	119.9	121.3	125.2

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

Z Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	323.00	358.84	299.86
Return before operating charges*	26.68	(35.52)	59.37
Operating charges	(0.30)	(0.32)	(0.39)
Return after operating charges*	26.38	(35.84)	58.98
Distributions	(4.05)	(3.49)	(2.79)
Retained distributions on accumulation shares	4.05	3.49	2.79
Closing net asset value per share	349.38	323.00	358.84
* after direct transaction costs of:	0.08	0.15	0.25
Performance			
Return after charges	8.17%	(9.99%)	19.67%
Other information			
Closing net asset value (£'000)	4,802	2,918	7,166
Closing number of shares	1,374,350	903,536	1,997,058
Operating charges	0.09%	0.09%	0.12%
Direct transaction costs	0.03%	0.04%	0.08%
Prices			
Highest share price	355.2	391.9	361.5
Lowest share price	280.9	283.5	289.0

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

ZC Accumulation ^A	2023 pence per share
Change in net assets per share	
Opening net asset value per share	237.75 ^B
Return before operating charges*	7.66
Operating charges	(0.04)
Return after operating charges*	7.62
Distributions	(2.30)
Retained distributions on accumulation shares	2.30
Closing net asset value per share	245.37
* after direct transaction costs of:	0.03
Performance	
Return after charges	3.21%
Other information	
Closing net asset value (£'000)	1,038
Closing number of shares	423,253
Operating charges	0.04%
Direct transaction costs	0.03%
Prices	
Highest share price	249.4
Lowest share price	225.0

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.

^A ZC Accumulation share class was launched on 3 March 2023.

^B The opening net asset value stated is the share class launch price.

Portfolio Statement

As at 31 July 2023

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (98.98%)		363,747	98.67
European Equities (95.91%)		355,942	96.55
Belgium (2.65%)		10,257	2.78
510,657	Azelis	10,257	2.78
Denmark (10.32%)		35,376	9.60
209,462	Novo Nordisk 'B'	26,233	7.12
134,133	Ørsted	9,143	2.48
France (25.01%)		105,933	28.74
315,066	Dassault Systemes	10,498	2.85
273,205	Edenred	13,827	3.75
48,423	L'Oreal	17,558	4.76
31,978	LVMH Moet Hennessy Louis Vuitton	23,240	6.31
93,742	Pernod Ricard	16,106	4.37
114,722	Schneider Electric	15,930	4.32
334,732	Ubisoft Entertainment	8,774	2.38
Germany (12.58%)		49,848	13.52
107,524	Deutsche Boerse	16,051	4.35
88,259	Hannover Rueck	14,672	3.98
147,646	Knorr-Bremse	8,080	2.19
194,344	Nemetschek	11,045	3.00
Italy (2.38%)		6,940	1.88
263,053	Amplifon	6,940	1.88
Netherlands (19.22%)		77,378	20.99
12,039	Adyen	17,431	4.73
51,209	ASML	28,615	7.76
137,137	Heineken	10,473	2.84

Portfolio Statement

As at 31 July 2023

Holding	Investment	Market value £'000	Percentage of total net assets
143,682	Prosus	8,869	2.41
122,524	Wolters Kluwer	11,990	3.25
Norway (2.70%)		9,743	2.64
638,239	Schibsted 'B'	9,743	2.64
Sweden (2.82%)		11,134	3.02
1,155,653	Atlas Copco 'B'	11,134	3.02
Switzerland (18.23%)		49,333	13.38
26,487	Lonza	11,997	3.25
14,700	Partners	12,887	3.50
42,833	Sika	10,392	2.82
108,800	Straumann	14,057	3.81
UK Equities (3.07%)		7,805	2.12
Financials (3.07%)		7,805	2.12
1,537,231	Allfunds	7,805	2.12
Collective Investment Schemes (0.00%)		5	-
5	Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund Z1 Inc+	5	-
Total investment assets		363,752	98.67
Net other assets		4,891	1.33
Total Net Assets		368,643	100.00

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 July 2022.

+ Managed by subsidiaries of abrdn plc.

Financial Statements

Statement of Total Return

For the year ended 31 July 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains/(losses)	1		9,483		(56,646)
Revenue	2	5,276		6,535	
Expenses	3	(3,661)		(5,028)	
Interest payable and similar charges		(3)		(3)	
Net revenue before taxation		1,612		1,504	
Taxation	4	(581)		(830)	
Net revenue after taxation			1,031		674
Total return before distributions			10,514		(55,972)
Distributions	5		(1,031)		(988)
Change in net assets attributable to shareholders from investment activities			9,483		(56,960)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2023

	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		468,332		574,835
Amounts receivable on the issue of shares	8,082		28,051	
Amounts payable on the cancellation of shares	(169,157)		(78,530)	
Amounts receivable on inspecie transfers*	50,810		-	
		(110,265)		(50,479)
Dilution adjustment		76		-
Change in net assets attributable to shareholders from investment activities (see above)		9,483		(56,960)
Retained distribution on accumulation shares		1,017		936
Closing net assets attributable to shareholders		368,643		468,332

* Relating to an inspecie transfer from abrdn Europe ex UK Growth Equity Fund on 3 March 2023.

Financial Statements

Continued

Balance Sheet

As at 31 July 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			363,752		463,566
Current assets:					
Debtors	6	1,752		974	
Cash and bank balances	7	3,909		4,470	
			5,661		5,444
Total assets			369,413		469,010
Liabilities:					
Creditors	8	(765)		(678)	
Distribution payable		(5)		-	
			(770)		(678)
Total liabilities			(770)		(678)
Net assets attributable to shareholders			368,643		468,332

Notes to the Financial Statements

1 Net Capital Gains/(Losses)

	2023 £'000	2022 £'000
Non-derivative securities	9,758	(56,723)
Other (losses)/gains	(265)	93
Transaction charges	(10)	(16)
Net capital gains/(losses)	9,483	(56,646)

2 Revenue

	2023 £'000	2022 £'000
Bank and margin interest	11	3
Overseas dividends	5,265	6,532
Total revenue	5,276	6,535

3 Expenses

	2023 £'000	2022 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	3,341	4,567
Dealing charge	2	-
General administration charge	287	414
	3,630	4,981
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	31	47
	31	47
Total expenses	3,661	5,028

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £9,120 (2022: £8,460).

Notes to the Financial Statements

Continued

4 Taxation

	2023 £'000	2022 £'000
(a) Analysis of charge in year		
Overseas taxes	581	830
Total taxation (note 4b)	581	830

(b) Factors affecting total tax charge for the year

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

Net revenue before taxation	1,612	1,504
Corporation tax at 20% (2022: 20%)	322	301
Effects of:		
Revenue not subject to taxation	(1,053)	(1,307)
Overseas taxes	581	830
Excess allowable expenses	731	1,006
Total tax charge for year (note 4a)	581	830

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 £9,639,000 (2022: £8,909,000) 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
Distribution	1,022	936
Add: Income deducted on cancellation of shares	35	63
Deduct: Income received on issue of shares	(26)	(11)
Total distributions for the year	1,031	988

Movement between net revenue and distributions

Net revenue after taxation	1,031	674
Shortfall transfer from capital to revenue	-	314
Total distributions for the year	1,031	988

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

Notes to the Financial Statements

Continued

6 Debtors

	2023 £'000	2022 £'000
Accrued revenue	2	-
Amounts receivable from the ACD for the issue of shares	212	-
Amounts receivable from merger	442	-
Overseas withholding tax recoverable	1,096	974
Total debtors	1,752	974

7 Liquidity

	2023 £'000	2022 £'000
Cash and bank balances		
Cash at bank	3,909	4,470
	3,909	4,470
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	5	10
Net liquidity	3,914	4,480

* 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	319	365
Accrued expenses payable to the Depositary or associates of the Depositary	4	6
Amounts payable to the ACD for cancellation of shares	442	307
Total creditors	765	678

9 Related Party Transactions

abrdrn 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 abrdrn Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

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 8.

Notes to the Financial Statements

Continued

10 Portfolio Transaction Costs

	Purchases		Sales	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trades in the year				
Equities	19,143	132,273	178,436	180,375
Inspecie transactions	49,658	-	-	-
Corporate actions	-	-	22	211
Trades in the year before transaction costs	68,801	132,273	178,458	180,586
Commissions				
Equities	11	78	(49)	(80)
Total commissions	11	78	(49)	(80)
Taxes				
Equities	31	59	-	-
Total taxes	31	59	-	-
Total transaction costs	42	137	(49)	(80)
Total net trades in the year after transaction costs	68,843	132,410	178,409	180,506

	Purchases		Sales	
	2023 %	2022 %	2023 %	2022 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.06	0.06	0.03	0.04
Taxes				
Equities	0.16	0.04	-	-

	2023 %	2022 %
Total transaction costs expressed as a percentage of net asset value		
Commissions	0.02	0.03
Taxes	0.01	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 0.06% (2022: 0.07%), 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
A Accumulation	56,173,158	13,619,920	(3,240,314)	(3,196,146)	63,356,618
A Income	-	1,203,071	(48,554)	-	1,154,517
I Accumulation	121,928,199	2,785,115	(65,453,514)	3,135,214	62,395,014
M Accumulation	240,406	7,307,381	(500,259)	61,827	7,109,355
Z Accumulation	903,536	546,461	(75,647)	-	1,374,350
ZC Accumulation	-	431,754	(8,501)	-	423,253

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	363,747	-	-	463,556	-	-
Collective Investment Schemes	-	5	-	-	10	-
Total investment assets	363,747	5	-	463,556	10	-

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.

Notes to the Financial Statements

Continued

Currency	Net foreign currency exposure	Net foreign currency exposure
	2023 £'000	2022 £'000
Danish Krone	35,674	48,598
Euro	258,928	304,739
Norwegian Krone	9,775	12,687
Swedish Krona	11,134	13,221
Swiss Franc	49,333	85,380
US Dollar	2	-
Total	364,846	464,625

At 31 July 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 £18,242,000 (2022: £23,231,000).

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 July 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 £18,188,000 (2022: £23,178,000).

Financial derivatives instrument risk

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

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2023 £770,000 (2022: £678,000).

Distribution Table

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

Final dividend distribution

Group 1 – shares purchased prior to 1 August 2022

Group 2 – shares purchased between 1 August 2022 and 31 July 2023

	Revenue	Equalisation	Distribution paid 31/10/23	Distribution paid 31/10/22
A Accumulation				
Group 1	0.2760	-	0.2760	-
Group 2	0.1972	0.0788	0.2760	-
A Income				
Group 1	0.3965	-	0.3965	-
Group 2	0.0006	0.3959	0.3965	-
I Accumulation				
Group 1	1.1424	-	1.1424	0.7409
Group 2	0.9639	0.1785	1.1424	0.7409
M Accumulation				
Group 1	0.9013	-	0.9013	0.2769
Group 2	0.8949	0.0064	0.9013	0.2769
Z Accumulation				
Group 1	4.0482	-	4.0482	3.4895
Group 2	1.9762	2.0720	4.0482	3.4895
ZC Accumulation				
Group 1	2.2974	-	2.2974	-
Group 2	0.9209	1.3765	2.2974	-

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 European Real Estate Share Fund

For the year ended 31 July 2023

Investment Objective

To generate income and some growth over the long term (5 years or more) by investing in European property-related equities (company shares) including listed closed ended real estate investment trusts ("REITs").

Performance Target: To achieve the return of the FTSE EPRA Nareit Europe (UK Restricted) 10% Capped Index plus 3% 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 in equities and equity-related securities of companies that derive a significant proportion of their revenues or profits from European real estate operations or have a significant proportion of their assets in European real estate.
- European countries can include the UK and the emerging markets of Europe.
- 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, country and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings that can be held for the long term.
- The FTSE EPRA Nareit Europe (UK Restricted) 10% Capped 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 9%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the index over the long term.

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 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

For the year ended 31 July 2023, the value of abrdn European Real Estate Share Fund – I Accumulation Shares decreased by 15.61% compared to a decrease of 19.31% in the performance target, the FTSE EPRA Nareit Europe (UK Restricted) 10% Capped Index.

Source: Lipper; Basis: total return, published NAV to NAV, net of annual charges, UK net income reinvested, GBP.

Please note that fund performance is quoted net of fees while the index return is quoted gross and contains no adjustment for fees.

Market Review

European real estate equities endured a difficult 12 months. Markets declined steeply at the start of the period, as investors digested the dual headwinds of rising expectations of recession and higher interest rates needed to tame inflation. Despite a strong start to 2023, the rally fizzled out on evidence that inflation was proving stickier than expected. Tightening monetary conditions were exacerbated by stress in the banking sector, particularly for Silicon Valley Bank and Credit Suisse, which added to pressure on credit markets. Weaker sentiment within the sector continued into the end of the period, as inflation remained high across the region, despite a moderation in the final months. This led to increasing expectations for further monetary tightening by the European Central Bank and Bank of England, with interest rates in the Eurozone and the UK ending the period at 3.75% and 5.0%, respectively.

Within the listed sector, the UK lagged due to the effects of the September mini-budget and persistently high inflation over the period, with the latest reading for core consumer price inflation at 6.9% in July, pushing up expectations for peak interest rates to around 6%.

The large German segment of the market was also a notable laggard. This was partly due to the size of the residential market, where values and balance sheets for the larger listed players were under pressure, which caused a number of dividend cuts. Albeit they saw some

abrdrn European Real Estate Share Fund

Continued

recovery in share prices towards the end of the period, helped by some modest disposal progress by Vonovia, an upgrade in earnings guidance by LEG Immobilien and even an early sign of better allowable rental growth under regulations. The more indebted Swedish market also lagged, with sector-leading Castellum conducting a large rights issue to help repair its balance sheet.

More positive returns came in particular from certain retail specialists – previously hard-hit and lowly valued names, such as Unibail-Rodamco-Westfield, Klépierre, Hammerson and Eurocommercial, performed well in anticipation that retail values would prove relatively resilient.

Portfolio Activity and Review

The fund outperformed its benchmark over the period.

At the stock level, two key positives were Industrials REIT and CTP NV. Industrials REIT is a small-cap, multi-let industrial specialist, which performed well after a recommended takeover by Blackstone at a 42% share price premium. CTP NV, a Central European logistics property developer and landlord, also performed well due to continued strong fundamentals together with the fact that property yields in Central and Eastern Europe had not previously compressed to the same levels as in Western Europe.

Positioning at a sector level was positive. The above stocks helped our industrials overweight perform well. Elsewhere, the overweight to self-storage and underweight to the more challenged (German) residential and office markets also aided. One exception was to the previously mentioned shopping centre landlords, in which the Fund has minimal exposure, with valuations starting the period depressed and then the shares responding well to improving footfall and spending.

At a country level, the fund is overweight the United Kingdom, which should have been a detractor but this was more than compensated by stock selection. Particular outperformers were Industrials REIT and mid-cap holding Sirius Real Estate, which was relatively resilient due to strong operational momentum. Our caution on high financial leverage in Sweden and an uncertain trajectory for the large German residential-dominated sector also helped. The key detractors were not owning French retail landlords Unibail-Rodamco-Westfield and Klépierre and an underweight to Switzerland, which proved a relative safe haven, as it experienced relatively modest inflation and interest-rate volatility.

The fund has the flexibility to invest in equities in adjacent sectors where they offer significant and attractive property backing. This exposure was strongly positive, in particular owning airport landlord and operator Flughafen Zurich, mobile towers landlord Cellnex and agency business Scout24. This more than made up for disappointing trading and share price performances by housebuilder positions in Instone and Countryside Partnerships.

In portfolio activity, we made a number of changes. Early in the period, we exited the position in Countryside Partnerships after it announced poor trading and a merger with rival builder Vistry. The proposed merger would have diluted its exposure to the attractive partnerships sector of the market and diminished the strong balance sheet position that we valued, so we decided that the original investment rationale no longer held. In part, we were influenced by having the opportunity to invest in rival UK housebuilder Bellway on a cheaper valuation and with a better balance sheet, so we changed the positions. The other key name change was to exit the position in Industrials REIT towards the end of the period following its recommended bid from Blackstone.

More incrementally, we supported a number of equity raises by existing holdings that came with attractive pricing. In each instance, these equity raises strengthened the balance sheet positions of the issuers, which is especially welcome in the current tougher market conditions. This included adding to healthcare specialist Aedifica, Swedish diversified landlord Castellum, logistics developer Warehouses de Pauw and UK student landlord Unite Group.

Fund positioning reflects similar sector and geographic preferences to the start of the year. By sector, we remain underweight to the office and retail markets, where we see the medium-term outlook as underwhelming, and overweight sectors including logistics, healthcare, student, mobile towers and self-storage. The better representation of many of our preferred sectors by specialists listed in the UK leaves us overweight to the UK despite not owning the larger office and retail landlords in that market. We are also overweight Germany, but this disguises an underweight to the large residential market and overweight via other positions. The only significant change in the period was that the exit of Industrials REIT pared the UK and industrial overweight while other changes, including modestly adding to Sirius Real Estate, increased our German exposure.

abrdn European Real Estate Share Fund

Continued

Portfolio Outlook and Strategy

Operationally, the sector is performing better than falling values and share prices would suggest. Favourable supply/demand fundamentals are supporting rental growth across the key UK property markets and even from a low level for the politically sensitive German residential market. Across much of the rest of Europe, indexation terms in leases are allowing landlords to push through a large portion of higher inflation.

In terms of economic activity, current conditions and the outlook is also improving. At abrdn, we started 2023 forecasting recession this year for both the Eurozone and UK whereas now we expect modest growth. If anything, markets have responded negatively rather than positively to this improvement, as the concern is that better economic growth means inflation will remain higher for longer. Peak interest rate expectations have now moved from the start of the year from circa 4.5% to 6.0% in the UK and more modestly from circa 3.5% to close to 4.0% in the Eurozone.

Higher financing costs have already had a pronounced effect on values, particularly in the more liquid UK market, where values have fallen by 21% from May 2022 according to the MSCI UK Monthly Property Index – a faster decline than in either the early 1990s or 2007–2009 downturns. In other key European markets, values have been slower to reprice, helped by less aggressive monetary tightening and often better rental growth, but nonetheless, the environment is unhelpful.

We have already started to see a number of real estate stocks raising equity. In some cases, this is to fund expansion, such as recently with Unite Group, but in others, it has been to reduce financial leverage at a time when debt markets are expensive, as was the case with Castellum. With debt still expensive, we would not be surprised to see more raises – by a combination of those that can raise from a position of strength to fund further accretive expansion or those that do so out of necessity. Depressed share price valuations in many cases already reflect this expectation, and so far participating in these raises has been beneficial to fund performance.

In the medium term, it remains our central case at abrdn that inflation and interest rates across Europe and the UK will fall back to much lower levels through 2024. Indeed, there are early signs of improvement, with inflation already at much lower levels in the USA and China, the world's two largest economies.

The fund remains well diversified and liquid and it reflects our sub-sector preferences. Also, our flexibility to modestly invest in real-estate-backed alternatives gives us confidence in the fund's positioning for the years ahead. Given this central case, coupled with valuations in the sector, we remain constructive on the outlook for investor returns in the coming years.

European Equity Team

August 2023

abrdn European 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 July 2023.

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

- 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.
- Dividend payment policies of the REITs in which the fund invests are not representative of the dividend payment policy of the fund.
- 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 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

A Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	242.54	293.26	238.78
Return before operating charges*	(34.65)	(47.15)	57.81
Operating charges	(2.69)	(3.57)	(3.33)
Return after operating charges*	(37.34)	(50.72)	54.48
Distributions	(6.21)	(7.11)	(6.29)
Retained distributions on accumulation shares	6.21	7.11	6.29
Closing net asset value per share	205.20	242.54	293.26
* after direct transaction costs of:	0.07	0.16	0.09
Performance			
Return after charges	(15.40%)	(17.30%)	22.82%
Other information			
Closing net asset value (£'000)	2,531	3,861	5,629
Closing number of shares	1,233,318	1,591,771	1,919,388
Operating charges	1.31%	1.30%	1.30%
Direct transaction costs	0.03%	0.05%	0.04%
Prices			
Highest share price	249.8	307.8	293.6
Lowest share price	175.4	217.2	231.4

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.

Comparative Tables

Continued

A Income	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	131.39	163.45	136.14
Return before operating charges*	(18.70)	(26.12)	32.78
Operating charges	(1.45)	(2.00)	(1.90)
Return after operating charges*	(20.15)	(28.12)	30.88
Distributions	(3.35)	(3.94)	(3.57)
Closing net asset value per share	107.89	131.39	163.45
* after direct transaction costs of:	0.04	0.09	0.05
Performance			
Return after charges	(15.34%)	(17.20%)	22.68%
Other information			
Closing net asset value (£'000)	143	249	494
Closing number of shares	132,621	189,195	302,431
Operating charges	1.31%	1.30%	1.30%
Direct transaction costs	0.03%	0.05%	0.04%
Prices			
Highest share price	135.3	171.6	166.2
Lowest share price	95.03	120.3	131.9

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

	2023	2022	2021
I Accumulation	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	194.93	234.74	190.32
Return before operating charges*	(27.96)	(37.94)	46.16
Operating charges	(1.42)	(1.87)	(1.74)
Return after operating charges*	(29.38)	(39.81)	44.42
Distributions	(5.00)	(5.70)	(5.03)
Retained distributions on accumulation shares	5.00	5.70	5.03
Closing net asset value per share	165.55	194.93	234.74
* after direct transaction costs of:	0.06	0.13	0.07
Performance			
Return after charges	(15.07%)	(16.96%)	23.34%
Other information			
Closing net asset value (£'000)	26,973	44,271	60,868
Closing number of shares	16,293,441	22,711,257	25,930,326
Operating charges	0.86%	0.85%	0.85%
Direct transaction costs	0.03%	0.05%	0.04%
Prices			
Highest share price	200.8	246.5	235.0
Lowest share price	141.1	174.5	184.7

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
I Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	118.14	146.46	121.46
Return before operating charges*	(16.91)	(23.63)	29.30
Operating charges	(0.86)	(1.15)	(1.11)
Return after operating charges*	(17.77)	(24.78)	28.19
Distributions	(3.01)	(3.54)	(3.19)
Closing net asset value per share	97.36	118.14	146.46
* after direct transaction costs of:	0.03	0.08	0.04
Performance			
Return after charges	(15.04%)	(16.92%)	23.21%
Other information			
Closing net asset value (£'000)	4,673	9,989	11,532
Closing number of shares	4,799,479	8,454,830	7,873,953
Operating charges	0.86%	0.85%	0.85%
Direct transaction costs	0.03%	0.05%	0.04%
Prices			
Highest share price	121.7	153.8	148.9
Lowest share price	85.52	108.2	117.8

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.

Comparative Tables

Continued

M Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	117.05	140.99	114.39
Return before operating charges*	(16.74)	(22.75)	27.71
Operating charges	(0.90)	(1.19)	(1.11)
Return after operating charges*	(17.64)	(23.94)	26.60
Distributions	(3.01)	(3.42)	(2.97)
Retained distributions on accumulation shares	3.01	3.42	2.97
Closing net asset value per share	99.41	117.05	140.99
* after direct transaction costs of:	0.03	0.08	0.04
Performance			
Return after charges	(15.07%)	(16.98%)	23.25%
Other information			
Closing net asset value (£'000)	15	17	21
Closing number of shares	14,977	15,024	15,073
Operating charges	0.91%	0.90%	0.90%
Direct transaction costs	0.03%	0.05%	0.04%
Prices			
Highest share price	120.6	148.1	141.1
Lowest share price	84.74	104.8	111.0

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

M Income ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	105.45	130.73	108.37
Return before operating charges*	(9.31)	(21.01)	26.31
Operating charges	(0.38)	(1.10)	(1.05)
Return after operating charges*	(9.69)	(22.11)	25.26
Distributions	-	(3.17)	(2.90)
Redemption value as at 17 January 2023	(95.76)	-	-
Closing net asset value per share	-	105.45	130.73
* after direct transaction costs of:	0.03	0.07	0.04
Performance			
Return after charges	(9.19%)	(16.91%)	23.31%
Other information			
Closing net asset value (£'000)	-	1	1
Closing number of shares	-	888	888
Operating charges	0.90%	0.90%	0.90%
Direct transaction costs	0.03%	0.05%	0.04%
Prices			
Highest share price	108.6	137.3	132.9
Lowest share price	76.33	96.58	105.2

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.

^A M Income share class was closed on 17 January 2023.

Comparative Tables

Continued

Z Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	295.30	353.46	284.66
Return before operating charges*	(42.69)	(57.84)	69.11
Operating charges	(0.27)	(0.32)	(0.31)
Return after operating charges*	(42.96)	(58.16)	68.80
Distributions	(7.60)	(8.62)	(7.55)
Retained distributions on accumulation shares	7.60	8.62	7.55
Closing net asset value per share	252.34	295.30	353.46
* after direct transaction costs of:	0.08	0.19	0.10
Performance			
Return after charges	(14.55%)	(16.45%)	24.17%
Other information			
Closing net asset value (£'000)	25,756	33,836	42,042
Closing number of shares	10,206,649	11,458,107	11,894,406
Operating charges	0.11%	0.10%	0.10%
Direct transaction costs	0.03%	0.05%	0.04%
Prices			
Highest share price	304.4	371.4	353.7
Lowest share price	214.1	264.4	276.7

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 July 2023

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (99.52%)		59,408	98.86
European Equities (69.25%)		43,156	71.82
Austria (1.72%)		1,123	1.87
45,200	CA Immobilien Anlagen	1,123	1.87
Belgium (13.89%)		7,886	13.12
32,000	Aedifica REIT	1,712	2.85
97,400	Shurgard Self Storage REIT	3,470	5.77
117,400	Warehouses De Pauw REIT	2,704	4.50
Finland (3.08%)		1,170	1.95
153,600	Kojamo	1,170	1.95
France (2.71%)		1,912	3.18
22,700	Gecina REIT	1,912	3.18
Germany (21.11%)		13,649	22.71
134,900	Instone REIT	723	1.20
38,400	LEG Immobilien	2,119	3.53
98,500	PATRIZIA	785	1.31
23,900	Scout24	1,234	2.05
4,404,900	Sirius Real Estate	3,634	6.05
217,200	TAG Immobilien	1,901	3.16
178,500	Vonovia	3,253	5.41
Netherlands (4.59%)		3,016	5.02
282,000	CTP	3,016	5.02

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Spain (8.00%)		4,972	8.28
65,000	Cellnex Telecom	2,068	3.44
236,200	Inmobiliaria Colonial Socimi REIT	1,186	1.98
237,200	Merlin Properties REIT	1,718	2.86
Sweden (9.37%)		5,900	9.82
203,000	Castellum	1,805	3.01
98,400	Catena	2,945	4.90
170,300	Fabege	1,150	1.91
Switzerland (4.78%)		3,528	5.87
11,100	Flughafen Zurich	1,834	3.05
18,400	PSP Swiss Property	1,694	2.82
UK Equities (30.27%)		16,252	27.04
Consumer Discretionary (1.76%)		1,242	2.06
56,100	Bellway	1,242	2.06
Real Estate (28.51%)		15,010	24.98
4,904,800	Assura REIT	2,322	3.86
230,400	Rightmove	1,314	2.19
266,800	Safestore REIT	2,363	3.93
173,200	Savills	1,686	2.81
570,500	Segro REIT	4,352	7.24
305,507	Unite REIT	2,973	4.95

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Collective Investment Schemes (0.38%)		5	0.01
5	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc+	5	0.01
Total investment assets		59,413	98.87
Net other assets		678	1.13
Total Net Assets		60,091	100.00

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 July 2022.
+ Managed by subsidiaries of abrdn plc.

Financial Statements

Statement of Total Return

For the year ended 31 July 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(15,694)		(22,724)
Revenue	2	2,270		3,188	
Expenses	3	(388)		(669)	
Interest payable and similar charges		(1)		(1)	
Net revenue before taxation		1,881		2,518	
Taxation	4	(186)		(204)	
Net revenue after taxation			1,695		2,314
Total return before distributions			(13,999)		(20,410)
Distributions	5		(2,007)		(2,862)
Change in net assets attributable to shareholders from investment activities			(16,006)		(23,272)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2023

	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		92,224		120,587
Amounts receivable on the issue of shares	4,351		14,835	
Amounts payable on the cancellation of shares	(22,218)		(22,329)	
		(17,867)		(7,494)
Dilution adjustment		-		(35)
Change in net assets attributable to shareholders from investment activities (see above)		(16,006)		(23,272)
Retained distribution on accumulation shares		1,740		2,438
Closing net assets attributable to shareholders		60,091		92,224

Financial Statements

Continued

Balance Sheet

As at 31 July 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			59,413		92,135
Current assets:					
Debtors	6	702		1,456	
Cash and bank balances	7	245		379	
			947		1,835
Total assets			60,360		93,970
Liabilities:					
Bank overdrafts	7	-		(38)	
Creditors	8	(161)		(1,478)	
Distribution payable		(108)		(230)	
			(269)		(1,746)
Total liabilities			(269)		(1,746)
Net assets attributable to shareholders			60,091		92,224

Notes to the Financial Statements

1 Net Capital Losses

	2023 £'000	2022 £'000
Non-derivative securities	(15,675)	(22,707)
Other losses	(6)	(9)
Transaction charges	(13)	(8)
Net capital losses	(15,694)	(22,724)

2 Revenue

	2023 £'000	2022 £'000
Bank and margin interest	15	4
Overseas dividends	1,246	2,210
Stocklending revenue	-	6
UK dividends	666	410
UK REIT	343	558
Total revenue	2,270	3,188

3 Expenses

	2023 £'000	2022 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	327	570
General administration charge	55	89
	382	659
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	6	10
	6	10
Total expenses	388	669

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £9,120 (2022: £8,460).

Notes to the Financial Statements

Continued

4 Taxation

	2023 £'000	2022 £'000
(a) Analysis of charge in year		
Overseas taxes	186	204
Total taxation (note 4b)	186	204

(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:

Net revenue before taxation	1,881	2,518
Corporation tax at 20% (2022: 20%)	376	504
Effects of:		
Revenue not subject to taxation	(382)	(525)
Overseas taxes	186	204
Excess allowable expenses	6	21
Total tax charge for year (note 4a)	186	204

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 £124,000 (2022: £118,000) 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	572	725
Final distribution	1,323	2,033
	1,895	2,758
Add: Income deducted on cancellation of shares	133	187
Deduct: Income received on issue of shares	(21)	(83)
Total distributions for the year	2,007	2,862

Notes to the Financial Statements

Continued

	2023 £'000	2022 £'000
Movement between net revenue and distributions		
Net revenue after taxation	1,695	2,314
Expenses charged to capital	382	659
Tax relief on expenses charged to capital	(70)	(111)
Total distributions for the year	2,007	2,862

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	173	235
Amounts receivable from the ACD for the issue of shares	21	65
Overseas withholding tax recoverable	256	218
Sales awaiting settlement	252	938
Total debtors	702	1,456

7 Liquidity

	2023 £'000	2022 £'000
Cash and bank balances		
Cash at bank	245	379
	245	379
Bank overdrafts		
Overdraft at bank	-	(38)
	-	(38)
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	5	354
Net liquidity	250	695

* 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.

Notes to the Financial Statements

Continued

8 Creditors

	2023 £'000	2022 £'000
Accrued expenses payable to ACD	26	44
Accrued expenses payable to the Depositary or associates of the Depositary	2	2
Amounts payable to the ACD for cancellation of shares	133	1,432
Total creditors	161	1,478

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 £'000	2022 £'000	2023 £'000	2022 £'000
Trades in the year				
Equities	4,175	14,597	21,284	20,079
Corporate actions	579	2,073	189	-
Trades in the year before transaction costs	4,754	16,670	21,473	20,079
Commissions				
Equities	2	10	(11)	(16)
Total commissions	2	10	(11)	(16)
Taxes				
Equities	10	38	-	-
Total taxes	10	38	-	-
Total transaction costs	12	48	(11)	(16)
Total net trades in the year after transaction costs	4,766	16,718	21,462	20,063

Notes to the Financial Statements

Continued

	Purchases		Sales	
	2023 %	2022 %	2023 %	2022 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.05	0.07	0.05	0.08
Taxes				
Equities	0.24	0.26	0.00	-
			2023 %	2022 %
Total transaction costs expressed as a percentage of net asset value				
Commissions			0.02	0.02
Taxes			0.01	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 0.17% (2022: 0.25%), 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
A Accumulation	1,591,771	37,419	(177,199)	(218,673)	1,233,318
A Income	189,195	3,373	(16,597)	(43,350)	132,621
I Accumulation	22,711,257	1,846,491	(8,536,032)	271,725	16,293,441
I Income	8,454,830	378,822	(4,082,320)	48,147	4,799,479
M Accumulation	15,024	-	(47)	-	14,977
M Income	888	-	(888)	-	-
Z Accumulation	11,458,107	291,330	(1,542,788)	-	10,206,649

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	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
Equities	59,408	-	-	91,781	-	-
Collective Investment Schemes	-	5	-	-	354	-
Total investment assets	59,408	5	-	91,781	354	-

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	Net foreign
	currency	currency
	exposure	exposure
	2023	2022
	£'000	£'000
Euro	30,624	47,186
Swedish Krona	6,025	8,735
Swiss Franc	3,528	4,452
Total	40,177	60,373

At 31 July 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 £2,009,000 (2022: £3,019,000).

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 July 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 £2,971,000 (2022: £4,607,000).

Financial derivatives instrument risk

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

Notes to the Financial Statements

Continued

Bilateral agreements

The fund receives 85% of the revenue returns from stock lending. The gross earnings for the year are £Nil (2022: £7,000) and expenses paid to the lending agent, Securities Finance Trust Company, are £Nil (2022: £1,000).

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2023 £269,000 (2022: £1,746,000).

Distribution Tables

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

Interim dividend distribution

Group 1 – shares purchased prior to 1 August 2022

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

	Revenue	Equalisation	Distribution paid 28/04/23	Distribution paid 29/04/22
A Accumulation				
Group 1	1.6891	-	1.6891	1.7670
Group 2	1.1536	0.5355	1.6891	1.7670
A Income				
Group 1	0.9150	-	0.9150	0.9850
Group 2	0.5426	0.3724	0.9150	0.9850
I Accumulation				
Group 1	1.3590	-	1.3590	1.4159
Group 2	0.8203	0.5387	1.3590	1.4159
I Income				
Group 1	0.8237	-	0.8237	0.8834
Group 2	0.4820	0.3417	0.8237	0.8834
M Accumulation				
Group 1	0.8186	-	0.8186	0.8499
Group 2	0.8186	-	0.8186	0.8499
M Income				
Group 1	-	-	-	0.7957
Group 2	-	-	-	0.7957
Z Accumulation				
Group 1	2.0626	-	2.0626	2.1359
Group 2	1.3867	0.6759	2.0626	2.1359

Distribution Tables

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

Final dividend distribution

Group 1 – shares purchased prior to 1 February 2023

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

	Revenue	Equalisation	Distribution paid 31/10/23	Distribution paid 31/10/22
A Accumulation				
Group 1	4.5196	-	4.5196	5.3385
Group 2	2.3314	2.1882	4.5196	5.3385
A Income				
Group 1	2.4300	-	2.4300	2.9569
Group 2	0.6718	1.7582	2.4300	2.9569
I Accumulation				
Group 1	3.6421	-	3.6421	4.2868
Group 2	2.5303	1.1118	3.6421	4.2868
I Income				
Group 1	2.1902	-	2.1902	2.6575
Group 2	1.3057	0.8845	2.1902	2.6575
M Accumulation				
Group 1	2.1891	-	2.1891	2.5718
Group 2	2.1891	-	2.1891	2.5718
M Income				
Group 1	-	-	-	2.3738
Group 2	-	-	-	2.3738
Z Accumulation				
Group 1	5.5420	-	5.5420	6.4879
Group 2	3.7631	1.7789	5.5420	6.4879

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 European Smaller Companies Fund

For the year ended 31 July 2023

Investment Objective

To generate growth over the longer term (5 years or more) by investing in European smaller capitalisation equities (company shares).

Performance Target: To achieve the return of the FTSE Developed Europe Small Cap 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.

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 smaller capitalisation 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 include the emerging markets of Europe and the UK.
- Smaller capitalisation companies are defined as any stock included in the FTSE Developed Europe Small Cap Index or, if not included within the index any stock having a market capitalisation smaller than that of the stock with the largest market capitalisation in such index.
- The fund may also invest in mid and larger capitalisation companies listed, incorporated or domiciled in European countries.
- 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 diverse asset mix at country, sector and stock level.
- Their primary focus is on stock selection using the management team's quality, growth and momentum approach. It aims to identify companies that exhibit a range of high quality characteristics, operate in growing markets and display positive business momentum.

- In seeking to achieve the performance target, the FTSE Developed Europe Small Cap 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 9%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the index.
- Please note: The fund's ability to buy and sell small and mid-capitalisation shares and the associated costs can be affected during periods of market stress. In certain circumstances investors in the fund may not be able to sell their investment when they want to.

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.

Performance Review

For the year ended 31 July 2023, the value of abrdn European Smaller Companies Equity Fund – I Accumulation Shares increased by 5.64% compared to an increase of 3.29% in the performance target, the FTSE Developed Europe Small Cap Index.

Source: Lipper; Basis: total return, published NAV to NAV, net of annual charges, UK net income reinvested, GBP.

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.

abrdn European Smaller Companies Fund

Continued

Market Review

European equities (ex UK) made steady gains over the period as fears of rising inflation receded and hopes grew that central banks' interest-rate-raising programmes would soon end. Following a volatile period in August and September of 2022, markets rebounded late in the year as China's reopening following the end of its zero-Covid policy boosted sentiment and commodity prices. Falls in energy prices across Europe helped to ease growth concerns and provided a boost to consumer and business confidence.

After a strong start to 2023, European and other major equity markets were volatile in March as the collapse of US-based Silicon Valley Bank prompted investors to question the health of the global banking system. In Europe, contagion culminated in the takeover of Credit Suisse by UBS, with markets subsequently recovering much of their prior losses as confidence was restored. Markets continued to advance despite ongoing macroeconomic concerns. Share prices were bolstered by hopes for global growth, with continued labour-market resilience in the US and an expectation that China would stimulate its flagging economy. Advances in artificial intelligence (AI) boosted the technology sector, while financial companies also outperformed following a resolution of March's banking crisis. Meanwhile, weakening commodity prices hit the energy and basic materials sectors.

In the eurozone, annual inflation peaked at a record high of 10.6% in October 2022 before falling back, reaching 5.5% by June 2023. The European Central Bank (ECB) raised interest rates on eight occasions during the 12 months, moving the deposit rate to 3.75%, a multi-decade high. ECB president Christine Lagarde said any future rate increases would be dependent on inflation and other economic data.

Small and mid-cap stocks in the UK declined over the period due to persistently high inflation, rising interest rates and concerns about economic growth. Annual inflation in Britain peaked at 11.1% in October, a 40-year high. Although the pace of price rises in the UK slowed in the months that followed, inflation remained well above the 2% Bank of England (BoE) target throughout the period, with the Consumer Prices Index figure for June 2023 standing at 7.9%. The BoE raised interest rates on eight occasions during the 12 months, taking the base rate to 5%. With inflation in Britain remaining considerably higher than in other major European markets as well as the US, investors in the UK became resigned to further tightening of monetary policy in 2023, and feared a significant impact on domestic economic growth.

Portfolio Activity and Review

Shares in Interparfums rose in line with wider gains in the luxury-goods sector and impressive trading results, while Brunello Cucinelli also added to positive performance after announcing an improved outlook for trading in 2023. Both businesses were boosted by China's reopening. The fund's holding in catering company Do & Co was a further positive. Its shares rose as key markets such as airlines recovered from their pandemic-era lows.

Conversely, the holding in Teleperformance weighed on returns. Declines in its share price were driven by a combination of concerns including weaker revenue growth guidance, the threat posed by AI technology given market focus on the issue, and the announcement of the significant acquisition of customer experience management firm Majorel. We exited the company as a consequence. Life sciences businesses AddLife also detracted. The company struggled to continue the strong earnings growth of recent years and reported a fall in profit early in the period. Shares in GTT were also weak as a result of legal issues and the impact of sanctions on business in Russia.

In terms of further activity, the fund initiated a position in Telecom Plus. The underlying competitive environment and ongoing rises in energy bills appeared supportive for the company's trading in 2023. We also introduced insurer ASR Nederland, manufacturer Rotork, luggage retailer Thule Group, automotive company Brembo and Intercos, a cosmetics maker. We topped up holdings in a number of businesses including Reply, Komax and Vidrala. Finally, we exited positions in Synthomer, Fluidra and Norma Group, and sold out of AVEVA Group following its acceptance of a takeover offer from Schneider Electric.

Portfolio Outlook and Strategy

Halfway through interim results season we see that the outlook for the global economy and for corporate earnings remains fragile. The lagged impact of significant monetary tightening to fight inflation is beginning to take hold, resulting in a cooling economy as credit conditions tighten and consumer excess savings are eroded. While recession is not inevitable, especially as labour markets remain resilient, we are clearly late in the rate cycle and the degree of uncertainty around the outlook is likely to bring further volatility as the market adjusts to new and often contradictory information. In this context, estimates for the European market, excluding energy, to deliver mid to high single digit earnings growth in 2023 still look overly optimistic.

abrdn European Smaller Companies Fund

Continued

Against this backdrop, we believe that 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. Earnings multiples having contracted to discounted levels versus history, hence 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. These dynamics have been evident in the fund's outperformance year-to-date. 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.

Smaller Companies Equity Team

August 2023

abrdn European Smaller Companies 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 July 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 shares of small and mid-cap companies may be less liquid and more volatile than those of larger companies.
- 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

A Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	2,137.11	2,625.85	1,881.16
Return before operating charges*	129.14	(457.20)	773.52
Operating charges	(27.75)	(31.54)	(28.83)
Return after operating charges*	101.39	(488.74)	744.69
Distributions	(15.98)	(8.21)	(0.66)
Retained distributions on accumulation shares	15.98	8.21	0.66
Closing net asset value per share	2,238.50	2,137.11	2,625.85
* after direct transaction costs of:	0.88	2.09	0.92
Performance			
Return after charges	4.74%	(18.61%)	39.59%
Other information			
Closing net asset value (£'000)	31,715	36,364	47,358
Closing number of shares	1,416,795	1,701,572	1,803,528
Operating charges	1.30%	1.30%	1.32%
Direct transaction costs	0.04%	0.09%	0.04%
Prices			
Highest share price	2,335	2,839	2,625
Lowest share price	1,780	1,902	1,905

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

I Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	267.37	327.04	233.23
Return before operating charges*	16.24	(57.10)	96.18
Operating charges	(2.29)	(2.57)	(2.37)
Return after operating charges*	13.95	(59.67)	93.81
Distributions	(3.25)	(2.44)	(1.31)
Retained distributions on accumulation shares	3.25	2.44	1.31
Closing net asset value per share	281.32	267.37	327.04
* after direct transaction costs of:	0.11	0.26	0.12
Performance			
Return after charges	5.22%	(18.25%)	40.22%
Other information			
Closing net asset value (£'000)	48,137	48,207	48,597
Closing number of shares	17,111,097	18,030,045	14,859,827
Operating charges	0.85%	0.85%	0.87%
Direct transaction costs	0.04%	0.09%	0.04%
Prices			
Highest share price	292.8	354.0	327.0
Lowest share price	222.9	237.9	236.2

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

K Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	211.23	258.18	183.99
Return before operating charges*	12.84	(45.10)	75.90
Operating charges	(1.65)	(1.85)	(1.71)
Return after operating charges*	11.19	(46.95)	74.19
Distributions	(2.73)	(2.08)	(1.19)
Retained distributions on accumulation shares	2.73	2.08	1.19
Closing net asset value per share	222.42	211.23	258.18
* after direct transaction costs of:	0.09	0.21	0.09
Performance			
Return after charges	5.30%	(18.18%)	40.32%
Other information			
Closing net asset value (£'000)	238	242	362
Closing number of shares	107,232	114,331	140,161
Operating charges	0.78%	0.78%	0.80%
Direct transaction costs	0.04%	0.09%	0.04%
Prices			
Highest share price	231.4	279.6	258.1
Lowest share price	176.1	187.9	186.3

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

M Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	145.62	178.21	127.16
Return before operating charges*	8.84	(31.11)	52.41
Operating charges	(1.32)	(1.48)	(1.36)
Return after operating charges*	7.52	(32.59)	51.05
Distributions	(1.70)	(1.25)	(0.64)
Retained distributions on accumulation shares	1.70	1.25	0.64
Closing net asset value per share	153.14	145.62	178.21
* after direct transaction costs of:	0.06	0.14	0.06
Performance			
Return after charges	5.16%	(18.29%)	40.15%
Other information			
Closing net asset value (£'000)	207	194	224
Closing number of shares	135,101	133,493	125,591
Operating charges	0.90%	0.90%	0.92%
Direct transaction costs	0.04%	0.09%	0.04%
Prices			
Highest share price	159.4	192.9	178.2
Lowest share price	121.4	129.6	128.8

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 July 2023

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (99.54%)		77,982	97.12
European Equities (70.29%)		58,581	72.96
Austria (2.35%)		3,088	3.85
29,200	DO & CO	3,088	3.85
Belgium (0.63%)		468	0.58
33,745	Fagron	468	0.58
Denmark (0.94%)		-	-
Finland (1.05%)		685	0.85
44,000	Kesko	685	0.85
France (10.17%)		6,293	7.84
26,412	Gaztransport Et Technigaz	2,510	3.13
67,303	Interparfums	3,783	4.71
Germany (12.38%)		10,144	12.63
9,419	Amadeus Fire	872	1.08
47,357	CTS Eventim	2,516	3.13
21,458	Dermapharm	816	1.01
45,037	Jungheinrich (Preference)	1,315	1.64
29,099	Nemetschek	1,654	2.06
1,461	New Work	134	0.17
98,349	PATRIZIA	784	0.98
3,507	Rational	2,053	2.56
Ireland (0.84%)		743	0.93
84,842	Grafton	743	0.93

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Italy (12.62%)		13,828	17.22
63,357	Amplifon	1,672	2.08
114,969	Azimut	2,115	2.64
99,064	Brembo	1,093	1.36
52,000	Brunello Cucinelli	3,429	4.27
156,033	FinecoBank	1,887	2.35
30,123	Intercos	409	0.51
43,024	Interpump	1,824	2.27
16,561	Reply	1,399	1.74
Netherlands (0.00%)		745	0.93
21,060	ASR Nederland	745	0.93
Norway (1.82%)		1,341	1.67
105,377	Borregaard	1,341	1.67
Spain (3.39%)		2,836	3.53
82,931	CIE Automotive	2,024	2.52
10,241	Vidrala	812	1.01
Sweden (13.63%)		9,029	11.25
149,200	AddLife 'B'	947	1.18
239,022	AddTech 'B'	3,467	4.32
363,000	Lagercrantz 'B'	3,397	4.23
19,383	Thule	471	0.59
53,439	Troax	747	0.93
Switzerland (10.47%)		9,381	11.68
13,093	Bachem	942	1.17
3,516	Burckhardt Compression	1,617	2.01
663	Interroll	1,656	2.06

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
6,644	Komax	1,272	1.59
8,160	Tecan	2,534	3.16
18,750	VZ	1,360	1.69
North American Equities (0.00%)		-	-
United States (0.00%)		-	-
3,184,500	Ashurst Technology [£]	-	-
UK Equities (29.25%)		19,401	24.16
Basic Materials (3.90%)		2,614	3.26
102,214	Hill & Smith	1,611	2.01
65,003	Victrex	1,003	1.25
Consumer Discretionary (2.68%)		2,820	3.51
16,690	Games Workshop	1,943	2.42
90,622	YouGov++	877	1.09
Financials (3.02%)		2,266	2.82
31,500	Close Brothers	289	0.36
65,329	Impax Asset Management++	358	0.44
115,274	Intermediate Capital	1,619	2.02
Health Care (5.39%)		3,277	4.08
71,500	Dechra Pharmaceuticals	2,654	3.30
25,354	Genus	623	0.78
Industrials (12.41%)		7,965	9.92
93,763	Diploma	3,034	3.78
206,965	Marshalls	555	0.69
65,188	Morgan Sindall	1,242	1.55

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
97,500	Oxford Instruments	2,335	2.91
259,327	Rotork	799	0.99
Technology (1.85%)		-	-
Telecommunications (0.00%)		459	0.57
27,645	Telecom Plus	459	0.57
Collective Investment Schemes (0.00%)		1,581	1.97
1,581	Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund Z1 Inc ⁺	1,581	1.97
Total investment assets		79,563	99.09
Net other assets		734	0.91
Total Net Assets		80,297	100.00

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 July 2022.

⁺ Managed by subsidiaries of abrdn plc.

⁺⁺ AIM listed.

[Ⓢ] Unapproved/unquoted security.

Financial Statements

Statement of Total Return

For the year ended 31 July 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains/(losses)	1		2,742		(23,126)
Revenue	2	1,772		1,735	
Expenses	3	(818)		(1,042)	
Interest payable and similar charges		-		(1)	
Net revenue before taxation		954		692	
Taxation	4	(163)		(62)	
Net revenue after taxation			791		630
Total return before distributions			3,533		(22,496)
Distributions	5		(791)		(630)
Change in net assets attributable to shareholders from investment activities			2,742		(23,126)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2023

	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		85,007		96,541
Amounts receivable on the issue of shares	7,121		36,650	
Amounts payable on the cancellation of shares	(15,361)		(25,661)	
		(8,240)		10,989
Dilution adjustment		-		20
Change in net assets attributable to shareholders from investment activities (see above)		2,742		(23,126)
Retained distribution on accumulation shares		788		583
Closing net assets attributable to shareholders		80,297		85,007

Financial Statements

Continued

Balance Sheet

As at 31 July 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			79,563		84,620
Current assets:					
Debtors	6	349		327	
Cash and bank balances	7	479		289	
			828		616
Total assets			80,391		85,236
Liabilities:					
Creditors	8	(94)		(229)	
			(94)		(229)
Total liabilities			(94)		(229)
Net assets attributable to shareholders			80,297		85,007

Notes to the Financial Statements

1 Net Capital Gains/(Losses)

	2023 £'000	2022 £'000
Non-derivative securities	2,755	(23,111)
Other losses	-	(2)
Transaction charges	(13)	(13)
Net capital gains/(losses)	2,742	(23,126)

2 Revenue

	2023 £'000	2022 £'000
Bank and margin interest	47	14
Overseas dividends	1,206	1,061
UK dividends	519	660
Total revenue	1,772	1,735

3 Expenses

	2023 £'000	2022 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	747	952
General administration charge	64	81
	811	1,033
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	7	9
	7	9
Total expenses	818	1,042

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £9,120 (2022: £8,460).

Notes to the Financial Statements

Continued

4 Taxation

	2023 £'000	2022 £'000
(a) Analysis of charge in year		
Overseas taxes	163	62
Total taxation (note 4b)	163	62

(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:

Net revenue before taxation	954	692
Corporation tax at 20% (2022: 20%)	191	138
Effects of:		
Revenue not subject to taxation	(345)	(344)
Overseas taxes	163	62
Excess allowable expenses	154	206
Total tax charge for year (note 4a)	163	62

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 £2,644,000 (2022: £2,490,000) 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
Distribution	788	583
Add: Income deducted on cancellation of shares	44	53
Deduct: Income received on issue of shares	(41)	(6)
Total distributions for the year	791	630

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

Notes to the Financial Statements

Continued

6 Debtors

	2023 £'000	2022 £'000
Accrued revenue	79	96
Amounts receivable from the ACD for the issue of shares	99	-
Overseas withholding tax recoverable	171	156
Sales awaiting settlement	-	75
Total debtors	349	327

7 Liquidity

	2023 £'000	2022 £'000
Cash and bank balances		
Cash at bank	479	289
	479	289
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	1,581	-
Net liquidity	2,060	289

* 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	68	71
Accrued expenses payable to the Depositary or associates of the Depositary	2	2
Amounts payable to the ACD for cancellation of shares	24	87
Purchases awaiting settlement	-	69
Total creditors	94	229

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
Trades in the year				
Equities	8,046	25,758	11,860	8,499
Corporate actions	-	104	5,588	-
Trades in the year before transaction costs	8,046	25,862	17,448	8,499
Commissions				
Equities	8	19	(12)	(9)
Total commissions	8	19	(12)	(9)
Taxes				
Equities	14	59	-	-
Total taxes	14	59	-	-
Total transaction costs	22	78	(12)	(9)
Total net trades in the year after transaction costs	8,068	25,940	17,436	8,490
	Purchases		Sales	
	2023 %	2022 %	2023 %	2022 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.10	0.07	0.10	0.10
Taxes				
Equities	0.17	0.23	-	-
			2023 %	2022 %
Total transaction costs expressed as a percentage of net asset value				
Commissions			0.02	0.03
Taxes			0.02	0.06

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: 0.29%), 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
A Accumulation	1,701,572	18,455	(129,751)	(173,481)	1,416,795
I Accumulation	18,030,045	2,395,868	(4,699,179)	1,384,363	17,111,097
K Accumulation	114,331	-	(7,099)	-	107,232
M Accumulation	133,493	6,923	(5,315)	-	135,101

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	77,982	-	-	84,620	-	-
Collective Investment Schemes	-	1,581	-	-	-	-
Total investment assets	77,982	1,581	-	84,620	-	-

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 2023 £'000	Net foreign currency exposure 2022 £'000
Danish Krone	43	851
Euro	38,204	36,300
Norwegian Krone	1,350	1,554
Swedish Krona	9,029	11,577
Swiss Franc	9,389	8,933
Total	58,015	59,215

Notes to the Financial Statements

Continued

At 31 July 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 £2,901,000 (2022: £2,961,000).

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 July 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 £3,978,000 (2022: £4,231,000).

Financial derivatives instrument risk

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

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2023 £94,000 (2022: £229,000).

Distribution Table

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

Final dividend distribution

Group 1 – shares purchased prior to 1 August 2022

Group 2 – shares purchased between 1 August 2022 and 31 July 2023

	Revenue	Equalisation	Distribution paid 31/10/23	Distribution paid 31/10/22
A Accumulation				
Group 1	15.9828	-	15.9828	8.2084
Group 2	3.5623	12.4205	15.9828	8.2084
I Accumulation				
Group 1	3.2529	-	3.2529	2.4390
Group 2	1.9459	1.3070	3.2529	2.4390
K Accumulation				
Group 1	2.7306	-	2.7306	2.0842
Group 2	2.7306	-	2.7306	2.0842
M Accumulation				
Group 1	1.6984	-	1.6984	1.2450
Group 2	1.5538	0.1446	1.6984	1.2450

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 Equity Fund

For the year ended 31 July 2023

Investment Objective

To generate growth over the long term (5 years or more) by investing in equities (company shares) worldwide.

Performance Target: To achieve the return of the MSCI AC World Index plus 3% 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 will invest at least 80% in equities and equity related securities of 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, sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the Performance Target, the MSCI AC World 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 9%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the 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.

Performance Review

For the year ended 31 July 2023, the value of abrdrn Global Equity Fund – I Accumulation Shares increased by 7.18% compared to an increase of 7.34% in the performance target, the MSCI AC World Index.

Source: Lipper; Basis: total return, published NAV to NAV, net of annual charges, UK net income reinvested, GBP.

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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.

Market Review

Global stock markets rose in sterling terms and more notably in local-currency terms over the 12 months as share prices recovered from the sharp sell-off suffered in the first half of 2022. Central banks in Western economies raised interest rates faster and much further than previously anticipated to counter multi-decade-high inflation. Nevertheless, global economic growth held up better than many investors expected, defying fears of a recession triggered by higher rates. US and eurozone inflation peaked in the autumn of 2022, prompting hopes that an end to interest-rate rises might be in sight. The new year started on a highly positive note, with strong stock market gains. 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. Stock markets recovered after an initial sell-off. After a quiet April, most markets fell in May. This was against a backdrop of further interest-rate rises, protracted negotiations over raising the US government's debt ceiling and signs of slowing economic momentum. News of a compromise agreement over the debt limit and further encouraging inflation data then led to equities having strong months in June and July, despite still-hawkish rhetoric from central banks.

abrdn Global Equity Fund

Continued

Portfolio Activity and Review

In terms of individual stock detractors, the portfolio does not hold NVIDIA. The US-based chipmaker gave a very bullish sales forecast on the demand for artificial intelligence processors, which took the stock to an all-time high and dragged the rest of the sector up with it. Estée Lauder reported weak third-quarter earnings in early May and lowered its full-year guidance for the third quarter in a row, citing a slower-than-expected travel recovery in Asia. Speciality chemicals firm Croda International underperformed, with the company's share price falling on a profit warning as customers continue to destock. Croda pointed to continued customer demand, but investors did not appear to be convinced. Diageo reported solid first-half results. However, the shares were slightly weak due to a slowdown in the company's key US market and the fact that Diageo has lower exposure to an impending China recovery than its peers.

In terms of individual stock contributors, TJX Companies' management held a meeting with investors where the company reiterated its strong position in the market, meeting increased demand from consumers seeking value. Las Vegas Sands outperformed on news that the Chinese government would ease travel restrictions, which should mean a pickup in visitors to Macau. We believe that there is pent-up demand for the Macau casinos and the lifting of restrictions will lead to an improvement in the financials of the casinos. LVMH outperformed as China's earlier-than-expected reopening should be a positive for luxury goods companies. Schneider Electric reported very strong fourth-quarter results and 2023 guidance. Growth is being driven by energy management in Europe and by strengthened electrification across all end-markets in the US.

In portfolio activity, we introduced the following stocks: Total Energies is well-placed in its sector, with greater flexibility due to low levels of debt, demonstrated capital discipline and a commitment to growing its renewable energy franchise. It continues to benefit from higher-margin projects coming onstream and its ongoing asset rationalisation. Merck, the pharmaceutical group, has well-managed oncology, animal health and vaccine franchises. The business has a clear capital allocation strategy and an attractive and growing dividend. Accenture, the Ireland-based information technology services firm, has diverse and specialised capabilities across a number of industries and geographies, with good growth opportunities.

Against these, we sold the following holdings: Meituan, a small holding that we received after Tencent divested its stake in the company. Dechra Pharmaceuticals, as the share price of this animal healthcare company reflected most of the formal takeover price offered by Swedish private equity firm EQT and the Abu Dhabi Investment Authority.

Portfolio Outlook and Strategy

Pressures caused by high energy prices, geopolitical tensions, the cost-of-living crisis and rising interest rates still prevail in many parts of the world and will be around for some time, in our view. While markets continue to move higher in many areas, particularly in the US, it is a very narrow handful of stocks that are driving things. Against such a challenging backdrop, the portfolio will remain diversified, defensive and focused on businesses best positioned to manage financial pressures through to times of greater market stability. Periods of market weakness, when they occur, represent an opportunity for the long-term investor. We reiterate the importance of a diversified portfolio with a 'bottom-up' investment approach focused on quality characteristics.

Global Equity Team

August 2023

abrdn Global 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 July 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 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 fund may invest in companies with Variable Interest Entity (VIE) structures in order to gain exposure to industries with foreign ownership restrictions. There is a risk that investments in these structures may be adversely affected by changes in the legal and regulatory framework.
- 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.
- 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

A Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	345.44	343.48	269.31
Return before operating charges*	25.62	6.42	78.87
Operating charges	(4.52)	(4.46)	(4.70)
Return after operating charges*	21.10	1.96	74.17
Distributions	(0.54)	-	-
Retained distributions on accumulation shares	0.54	-	-
Closing net asset value per share	366.54	345.44	343.48
* after direct transaction costs of:	0.14	0.12	0.19
Performance			
Return after charges	6.11%	0.57%	27.54%
Other information			
Closing net asset value (£'000)	100,860	116,694	113,835
Closing number of shares	27,516,872	33,781,599	33,142,002
Operating charges	1.29%	1.29%	1.53%
Direct transaction costs	0.03%	0.03%	0.06%
Prices			
Highest share price	371.1	373.2	345.4
Lowest share price	318.2	308.3	270.7

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
A Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	293.12	291.46	228.52
Return before operating charges*	21.75	5.44	66.92
Operating charges	(3.85)	(3.78)	(3.98)
Return after operating charges*	17.90	1.66	62.94
Distributions	(0.47)	-	-
Closing net asset value per share	310.55	293.12	291.46
* after direct transaction costs of:	0.12	0.10	0.16
Performance			
Return after charges	6.11%	0.57%	27.54%
Other information			
Closing net asset value (£'000)	34,555	34,281	34,904
Closing number of shares	11,126,894	11,695,365	11,975,670
Operating charges	1.29%	1.29%	1.53%
Direct transaction costs	0.03%	0.03%	0.06%
Prices			
Highest share price	314.9	316.6	293.1
Lowest share price	270.0	261.6	229.7

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

I Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	369.95	366.20	285.84
Return before operating charges*	27.56	6.85	83.87
Operating charges	(3.18)	(3.10)	(351)
Return after operating charges*	24.38	3.75	80.36
Distributions	(2.31)	(1.62)	-
Retained distributions on accumulation shares	2.31	1.62	-
Closing net asset value per share	394.33	369.95	366.20
* after direct transaction costs of:	0.15	0.12	0.21
Performance			
Return after charges	6.59%	1.02%	28.11%
Other information			
Closing net asset value (£'000)	104,035	82,285	93,301
Closing number of shares	26,382,778	22,241,994	25,478,433
Operating charges	0.84%	0.84%	1.08%
Direct transaction costs	0.03%	0.03%	0.06%
Prices			
Highest share price	398.9	398.5	368.2
Lowest share price	341.1	330.0	287.3

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
I Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	206.95	205.75	160.60
Return before operating charges*	15.40	3.85	47.12
Operating charges	(1.77)	(1.74)	(1.97)
Return after operating charges*	13.63	2.11	45.15
Distributions	(1.29)	(0.91)	-
Closing net asset value per share	219.29	206.95	205.75
* after direct transaction costs of:	0.08	0.07	0.12
Performance			
Return after charges	6.59%	1.03%	28.11%
Other information			
Closing net asset value (£'000)	8,873	8,021	8,518
Closing number of shares	4,046,512	3,875,681	4,140,091
Operating charges	0.84%	0.84%	1.08%
Direct transaction costs	0.03%	0.03%	0.06%
Prices			
Highest share price	223.0	223.9	206.9
Lowest share price	190.8	185.3	161.4

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.

Comparative Tables

Continued

L Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	167.94	165.83	129.11
Return before operating charges*	12.52	3.10	37.94
Operating charges	(1.01)	(0.99)	(1.22)
Return after operating charges*	11.51	2.11	36.72
Distributions	(1.47)	(1.15)	(0.36)
Retained distributions on accumulation shares	1.47	1.15	0.36
Closing net asset value per share	179.45	167.94	165.83
* after direct transaction costs of:	0.07	0.06	0.09
Performance			
Return after charges	6.85%	1.27%	28.44%
Other information			
Closing net asset value (£'000)	31	29	29
Closing number of shares	17,318	17,318	17,318
Operating charges	0.59%	0.59%	0.83%
Direct transaction costs	0.03%	0.03%	0.06%
Prices			
Highest share price	181.4	180.6	166.7
Lowest share price	154.9	149.7	129.8

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.

Comparative Tables

Continued

L Income	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	160.11	159.19	124.22
Return before operating charges*	11.93	2.98	36.50
Operating charges	(0.96)	(0.95)	(1.18)
Return after operating charges*	10.97	2.03	35.32
Distributions	(1.41)	(1.11)	(0.35)
Closing net asset value per share	169.67	160.11	159.19
* after direct transaction costs of:	0.06	0.05	0.09
Performance			
Return after charges	6.85%	1.28%	28.43%
Other information			
Closing net asset value (£'000)	1,578	1,528	1,532
Closing number of shares	930,375	954,547	962,600
Operating charges	0.59%	0.59%	0.83%
Direct transaction costs	0.03%	0.03%	0.06%
Prices			
Highest share price	172.7	173.4	160.4
Lowest share price	147.7	143.5	124.9

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

M Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	144.48	143.09	111.74
Return before operating charges*	10.75	2.67	32.79
Operating charges	(1.31)	(1.28)	(1.44)
Return after operating charges*	9.44	1.39	31.35
Distributions	(0.83)	(0.56)	-
Retained distributions on accumulation shares	0.83	0.56	-
Closing net asset value per share	153.92	144.48	143.09
* after direct transaction costs of:	0.06	0.05	0.08
Performance			
Return after charges	6.53%	0.97%	28.06%
Other information			
Closing net asset value (£'000)	291	317	297
Closing number of shares	188,877	219,283	207,762
Operating charges	0.89%	0.89%	1.13%
Direct transaction costs	0.03%	0.03%	0.06%
Prices			
Highest share price	155.7	155.7	143.9
Lowest share price	133.2	128.9	112.3

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

M Income	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	139.74	138.93	108.52
Return before operating charges*	10.40	2.61	31.81
Operating charges	(1.27)	(1.25)	(1.40)
Return after operating charges*	9.13	1.36	30.41
Distributions	(0.80)	(0.55)	-
Closing net asset value per share	148.07	139.74	138.93
* after direct transaction costs of:	0.06	0.05	0.08
Performance			
Return after charges	6.53%	0.98%	28.02%
Other information			
Closing net asset value (£'000)	54	51	54
Closing number of shares	36,286	36,262	38,663
Operating charges	0.89%	0.89%	1.13%
Direct transaction costs	0.03%	0.03%	0.06%
Prices			
Highest share price	150.6	151.2	139.7
Lowest share price	128.8	125.1	109.1

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.

Portfolio Statement

As at 31 July 2023

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (97.15%)		248,755	99.39
Emerging Market Equities (0.88%)		3,384	1.35
Brazil (0.88%)		3,384	1.35
715,145	Raia Drogasil	3,384	1.35
European Equities (27.78%)		80,638	32.21
Denmark (4.36%)		11,173	4.46
12,026	Genmab	3,847	1.53
58,499	Novo Nordisk 'B'	7,326	2.93
France (6.80%)		23,537	9.40
105,943	Danone	5,041	2.01
9,816	LVMH Moet Hennessy Louis Vuitton	7,134	2.85
54,995	Schneider Electric	7,636	3.05
78,685	TotalEnergies	3,726	1.49
Ireland (1.78%)		7,453	2.98
11,803	Accenture 'A'	2,903	1.16
23,287	ICON	4,550	1.82
Netherlands (6.59%)		17,151	6.85
4,276	Adyen	6,191	2.47
9,202	ASML	5,142	2.05
76,186	Heineken	5,818	2.33
Sweden (1.92%)		4,863	1.94
438,273	Atlas Copco 'A'	4,863	1.94

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Switzerland (6.33%)		16,461	6.58
78,679	Nestle	7,538	3.01
15,164	Roche (Participating certificate)	3,679	1.47
13,898	Zurich Insurance	5,244	2.10
Japanese Equities (3.77%)		8,596	3.44
15,900	Keyence	5,534	2.21
119,650	Shin-Etsu Chemical	3,062	1.23
North American Equities (39.82%)		101,467	40.54
United States (39.82%)		101,467	40.54
32,033	AbbVie	3,723	1.49
65,099	Alphabet 'A'	6,717	2.68
73,765	Amazon.com	7,667	3.06
181,761	Boston Scientific	7,325	2.93
50,932	Bristol-Myers Squibb	2,462	0.98
9,387	Costco Wholesale	4,091	1.63
53,261	Emerson Electric	3,781	1.51
25,406	Estee Lauder 'A'	3,554	1.42
70,207	Intercontinental Exchange	6,264	2.50
55,641	Las Vegas Sands	2,587	1.03
17,599	Linde	5,348	2.14
17,519	Mastercard 'A'	5,368	2.15
56,391	Merck	4,677	1.87
40,802	Microsoft	10,654	4.26
60,189	NIKE 'B'	5,165	2.06
44,711	Procter & Gamble	5,433	2.17
12,898	S&P Global	3,956	1.58
37,838	Tetra Tech	4,972	1.99
114,828	TJX	7,723	3.09
Pacific Basin Equities (13.01%)		32,414	12.95
Australia (0.92%)		2,620	1.05
246,395	Goodman REIT	2,620	1.05

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
China (1.85%)		3,078	1.23
87,200	Tencent	3,078	1.23
Hong Kong (3.20%)		7,216	2.88
935,500	AIA	7,216	2.88
India (2.06%)		4,912	1.96
314,900	HDFC Bank	4,912	1.96
Singapore (1.96%)		6,516	2.60
837,667	Oversea-Chinese Banking	6,516	2.60
Taiwan (3.02%)		8,072	3.23
578,705	Taiwan Semiconductor Manufacturing	8,072	3.23
UK Equities (11.89%)		22,256	8.90
Basic Materials (4.01%)		4,967	1.99
84,364	Croda International	4,967	1.99
Consumer Staples (2.87%)		7,399	2.96
217,811	Diageo	7,399	2.96
Health Care (5.01%)		9,890	3.95
66,989	AstraZeneca	7,492	2.99
97,570	Genus	2,398	0.96

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Collective Investment Schemes (1.49%)		781	0.31
781	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc+	781	0.31
Total investment assets		249,536	99.70
Net other assets		741	0.30
Total Net Assets		250,277	100.00

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 July 2022.

+ Managed by subsidiaries of abrdn plc.

Financial Statements

Statement of Total Return

For the year ended 31 July 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains	1		13,698		1,381
Revenue	2	3,893		3,526	
Expenses	3	(2,615)		(2,735)	
Net revenue before taxation		1,278		791	
Taxation	4	(589)		(381)	
Net revenue after taxation			689		410
Total return before distributions			14,387		1,791
Distributions	5		(800)		(432)
Change in net assets attributable to shareholders from investment activities			13,587		1,359

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2023

	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		243,206		252,470
Amounts receivable on the issue of shares	36,791		24,202	
Amounts payable on the cancellation of shares	(44,062)		(35,193)	
		(7,271)		(10,991)
Change in net assets attributable to shareholders from investment activities (see above)		13,587		1,359
Retained distribution on accumulation shares		753		364
Unclaimed distributions		2		4
Closing net assets attributable to shareholders		250,277		243,206

Financial Statements

Continued

Balance Sheet

As at 31 July 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			249,536		239,897
Current assets:					
Debtors	6	269		2,621	
Cash and bank balances	7	1,225		1,252	
			1,494		3,873
Total assets			251,030		243,770
Liabilities:					
Provisions for liabilities	8		(116)		-
Bank overdrafts	7	-		(5)	
Creditors	9	(527)		(517)	
Distribution payable		(110)		(42)	
			(637)		(564)
Total liabilities			(753)		(564)
Net assets attributable to shareholders			250,277		243,206

Notes to the Financial Statements

1 Net Capital Gains

	2023 £'000	2022 £'000
Non-derivative securities	13,717	1,507
Other losses	(12)	(118)
Transaction charges	(7)	(8)
Net capital gains	13,698	1,381

2 Revenue

	2023 £'000	2022 £'000
Bank and margin interest	130	16
Overseas dividends	3,293	3,044
Overseas REIT	35	35
UK dividends	435	431
Total revenue	3,893	3,526

3 Expenses

	2023 £'000	2022 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	2,407	2,518
General administration charge	191	198
	2,598	2,716
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	17	19
	17	19
Total expenses	2,615	2,735

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £9,120 (2022: £8,460).

Notes to the Financial Statements

Continued

4 Taxation

	2023 £'000	2022 £'000
(a) Analysis of charge in year		
Overseas taxes	478	382
Overseas capital gains tax	(5)	-
Total current tax	473	382
Deferred tax (note 4c)	116	(1)
Total taxation (note 4b)	589	381

(b) Factors affecting total tax charge for the year

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

Net revenue before taxation	1,278	791
Corporation tax at 20% (2022: 20%)	256	158
Effects of:		
Revenue not subject to taxation	(741)	(688)
Overseas taxes	478	382
Overseas tax expensed	(2)	(1)
Excess allowable expenses	487	531
Overseas capital gains tax	(5)	-
Deferred tax	116	(1)
Total tax charge for year (note 4a)	589	381

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 in statement of total return for year (note 4a)	116	(1)
Provision at the start of the year	-	1
Provision at the end of the year	116	-

(d) 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 £13,110,000 (2022: £12,623,000) 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.

Notes to the Financial Statements

Continued

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

	2023 £'000	2022 £'000
Interim distribution	65	31
Final distribution	807	379
	872	410
Add: Income deducted on cancellation of shares	68	31
Deduct: Income received on issue of shares	(140)	(9)
Total distributions for the year	800	432
Movement between net revenue and distributions		
Net revenue after taxation	689	410
Overseas capital gains tax on realised gains	(5)	-
Shortfall transfer from capital to revenue	-	23
Overseas deferred capital gains tax on unrealised gains	116	(1)
Total distributions for the year	800	432

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

6 Debtors

	2023 £'000	2022 £'000
Accrued revenue	152	144
Amounts receivable from the ACD for the issue of shares	47	2,380
Overseas withholding tax recoverable	70	97
Total debtors	269	2,621

7 Liquidity

	2023 £'000	2022 £'000
Cash and bank balances		
Cash at bank	1,225	1,252
	1,225	1,252
Bank overdrafts		
Overdraft at bank	-	(5)
	-	(5)
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	781	3,624
Net liquidity	2,006	4,871

* 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.

Notes to the Financial Statements

Continued

8 Provisions for Liabilities

	2023 £'000	2022 £'000
The provisions for liabilities comprise:		
Overseas capital gains tax	116	-
Total provisions for liabilities	116	-

9 Creditors

	2023 £'000	2022 £'000
Accrued expenses payable to ACD	227	216
Accrued expenses payable to the Depositary or associates of the Depositary	2	2
Amounts payable to the ACD for cancellation of shares	298	299
Total creditors	527	517

10 Related Party Transactions

abrtn 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 abrtn Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 9.

Amounts payable to abrtn 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

	Purchases		Sales	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trades in the year				
Equities	43,480	49,266	44,800	60,636
Corporate actions	-	-	-	79
Trades in the year before transaction costs	43,480	49,266	44,800	60,715
Commissions				
Equities	15	24	(20)	(28)
Total commissions	15	24	(20)	(28)

Notes to the Financial Statements

Continued

	Purchases		Sales	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trades in the year				
Taxes				
Equities	47	27	(9)	(4)
Total taxes	47	27	(9)	(4)
Total transaction costs	62	51	(29)	(32)
Total net trades in the year after transaction costs	43,542	49,317	44,771	60,683

	Purchases		Sales	
	2023 %	2022 %	2023 %	2022 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.03	0.05	0.05	0.05
Taxes				
Equities	0.11	0.06	0.02	0.01

	2023 %	2022 %
	Total transaction costs expressed as a percentage of net asset value	
Commissions	0.01	0.02
Taxes	0.02	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 0.06% (2022: 0.07%), 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
A Accumulation	33,781,599	4,168,885	(7,732,878)	(2,700,734)	27,516,872
A Income	11,695,365	28,370	(312,881)	(283,960)	11,126,894
I Accumulation	22,241,994	5,476,786	(3,856,450)	2,520,448	26,382,778
I Income	3,875,681	300,311	(531,056)	401,576	4,046,512
L Accumulation	17,318	-	-	-	17,318
L Income	954,547	-	(24,172)	-	930,375
M Accumulation	219,283	1,224	(24,885)	(6,745)	188,877
M Income	36,262	106	(82)	-	36,286

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
Equities	248,755	-	-	236,273	-	-
Collective Investment Schemes	-	781	-	-	3,624	-
Total investment assets	248,755	781	-	236,273	3,624	-

14 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	Net foreign
	currency exposure	currency exposure
	2023	2022
	£'000	£'000
Australian Dollar	2,636	2,264
Brazilian Real	3,394	2,158
Danish Krone	11,198	10,617
Euro	40,710	32,587
Hong Kong Dollar	10,294	12,294
Indian Rupee	4,819	5,013
Japanese Yen	8,596	9,178
Singapore Dollar	6,516	4,760
Swedish Krona	4,863	4,668
Swiss Franc	16,461	15,383
Taiwan Dollar	8,072	7,378
US Dollar	109,039	106,035
Total	226,598	212,335

Notes to the Financial Statements

Continued

At 31 July 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 £11,330,000 (2022: £10,617,000).

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 July 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 £12,477,000 (2022: £11,995,000).

Financial derivatives instrument risk

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

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2023 £753,000 (2022: £564,000).

Distribution Tables

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

Interim dividend distribution

Group 1 – shares purchased prior to 1 August 2022

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

	Revenue	Equalisation	Distribution paid 28/04/23	Distribution paid 29/04/22
A Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
A Income				
Group 1	-	-	-	-
Group 2	-	-	-	-
I Accumulation				
Group 1	0.2383	-	0.2383	0.1092
Group 2	-	0.2383	0.2383	0.1092
I Income				
Group 1	0.1333	-	0.1333	0.0614
Group 2	-	0.1333	0.1333	0.0614
L Accumulation				
Group 1	0.3153	-	0.3153	0.2622
Group 2	0.3153	-	0.3153	0.2622
L Income				
Group 1	0.3030	-	0.3030	0.2555
Group 2	0.3030	-	0.3030	0.2555
M Accumulation				
Group 1	0.0571	-	0.0571	0.0056
Group 2	-	0.0571	0.0571	0.0056
M Income				
Group 1	0.0553	-	0.0553	0.0055
Group 2	-	0.0553	0.0553	0.0055

Distribution Tables

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

Final dividend distribution

Group 1 – shares purchased prior to 1 February 2023

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

	Revenue	Equalisation	Distribution paid 31/10/23	Distribution paid 31/10/22
A Accumulation				
Group 1	0.5434	-	0.5434	-
Group 2	-	0.5434	0.5434	-
A Income				
Group 1	0.4743	-	0.4743	-
Group 2	0.1314	0.3429	0.4743	-
I Accumulation				
Group 1	2.0686	-	2.0686	1.5135
Group 2	0.0716	1.9970	2.0686	1.5135
I Income				
Group 1	1.1559	-	1.1559	0.8504
Group 2	0.0502	1.1057	1.1559	0.8504
L Accumulation				
Group 1	1.1556	-	1.1556	0.8854
Group 2	1.1556	-	1.1556	0.8854
L Income				
Group 1	1.1031	-	1.1031	0.8511
Group 2	1.1031	-	1.1031	0.8511
M Accumulation				
Group 1	0.7695	-	0.7695	0.5564
Group 2	0.2927	0.4768	0.7695	0.5564
M Income				
Group 1	0.7439	-	0.7439	0.5409
Group 2	0.7439	-	0.7439	0.5409

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 Global Sustainable and Responsible Investment Equity Fund

For the year ended 31 July 2023

Investment Objective

To generate growth over the long term (5 years or more) by investing in global equities (company shares) which adhere to the abrdn Sustainable and Responsible Investment Equity Approach.

Performance Target: To achieve the return of the MSCI AC World Index plus 3% 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 will invest at least 70% in equities and equity related securities of companies listed on global stock exchanges.
- The fund may also invest in other funds (including those managed by abrdn), money-market instruments and cash.
- All equity and equity related securities will adhere to the abrdn Sustainable and Responsible Investment Equity Approach available on www.abrdn.com under "Sustainable Investing".
- The abrdn Sustainable and Responsible Investment Equity Approach applies the investment manager'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 management teams to identify sustainable leaders and improvers. Leaders are viewed as companies with the best in class ESG credentials or products and services which address global environmental and societal challenges, whilst improvers are typically companies with average governance, ESG management practices and disclosure with potential for improvement.
- An abrdn ESG House Score is also used to identify and exclude companies exposed to the highest ESG risks within high and medium risk sectors.
- In addition a set of company exclusions are applied relating to the principles of the UN Global Compact, tobacco manufacturing, thermal coal, gambling, oil & gas and weapons.

Management Process

- The management team use their discretion (active management) to maintain a diverse asset mix at country, sector and stock level.
- Engagement with external company management teams is part of the investment process and ongoing stewardship programme which evaluates ownership structures, governance and management quality of those companies.
- Through the application of our abrdn Sustainable and Responsible Investment Equity Approach, the fund is expected to have a lower carbon footprint compared to the MSCI AC World Index.
- In seeking to achieve the performance target, the MSCI AC World 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 12%. Due to the active and sustainable and responsible nature of the management process, the fund will not invest in a material number of stocks and sectors in the MSCI AC World Index. This means the fund's performance profile may deviate significantly from that of the MSCI AC World 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.
- Derivatives are exempt from the abrdn Sustainable and Responsible Investment Equity Approach.

Performance Review

For the year ended 31 July 2023, the value of abrdn Global Sustainable and Responsible Investment Equity Fund- I Accumulation Shares increased by 5.06% compared to an increase of 7.34% in the performance target, the MSCI AC World Index.

Source: Lipper; Basis: total return, published NAV to NAV, net of annual charges, UK net income reinvested, GBP.

Source: MSCI. The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis forecast or prediction. The MSCI information is provided on an 'as is' basis and the user of this information assumes the entire risk of any

abrdn Global Sustainable and Responsible Investment Equity Fund

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use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the 'MSCI' Parties) expressly disclaims all warranties (including without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages (www.msci.com).

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.

Market Review

Global stock markets rose in sterling terms and, more notably, in local-currency terms over the 12 months under review as share prices recovered from the sharp sell-off suffered in the first half of 2022. Central banks in Western economies raised interest rates faster and much further than previously anticipated to counter multi-decade-high inflation. Nevertheless, global economic growth held up better than many investors expected, defying fears of a recession triggered by higher rates. US and eurozone inflation peaked in the autumn of 2022, prompting hopes that an end to interest-rate rises might be in sight. The new year started on a highly positive note, 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 evoked fears of a banking crisis. Stock markets then recovered after an initial sell-off. After a quiet April, most markets fell in May. This was against a backdrop of further interest-rate rises, protracted negotiations over raising the US government's debt ceiling and signs of slowing economic momentum. News of a compromise agreement over the debt limit and further encouraging inflation data then led to equities having strong months in June and July, despite still-hawkish rhetoric from central banks.

Portfolio Activity and Review

Among the main stock detractors, the collapse of US regional lender Silicon Valley Bank led to fears of contagion across the US financial sector, especially among other institutions with large deposit books, including Charles Schwab. Speciality chemicals firm Croda International underperformed, with the company's share price falling on a profit warning as customers continued to destock. Croda pointed to continued customer demand, but investors did not appear to be convinced. Wuxi Biologics' share price fell sharply due to weak sentiment towards sector peers in China after President Biden launched a national biotechnology and biomanufacturing initiative through an executive order. We subsequently exited the stock in June as we were concerned around the impact of the weakening biotechnology funding environment

in China. Meanwhile, US rail operator Norfolk Southern had operational performance issues that dragged on profit growth, which were compounded by a high-profile derailment in East Palestine, Ohio.

On the positive side, US semiconductor manufacturer Marvell Technology added to returns, thanks to a combination of a recovery in the company's more cyclical business areas alongside a growing appreciation of its structural exposures to artificial intelligence and data centres. Both these events underpinned Marvell's share-price outperformance over the period. UK technology company AVEVA Group was the subject of a takeover by majority shareholder Schneider Electric. The shares rose after the £32.25/share offer for the remaining 40% minorities. We subsequently sold the stock after the successful takeover bid. Another contributor was TJX Companies, which continued to reinforce its strong market position as management successfully balanced rising input costs with higher selling prices, while meeting increased demand from consumers seeking value. Lastly, French beauty company L'Oréal's full-year results continued a trend of consistent outperformance of its beauty-market peers.

We introduced the following holdings, which are a sample that reflect our thinking: Amdocs, a telecommunications IT services provider. The company is now focused on structural growth areas including the roll-out of new services made possible by 5G networks and the migration of telecommunications systems to the cloud. We would describe Amdocs as an 'Improver', with the company already showing leadership in human capital management (especially employee development) and signs of improving its reporting on data privacy and security, as well as its board diversity. Merck, a US pharmaceutical company. Growth for its Keytruda drug is still coming through, and the company should benefit from the removal of supply bottlenecks in other key drugs (most notably its vaccine for human papillomavirus). We would describe Merck as a 'Solutions Provider' given the developments in healthcare it offers and the progress it is making. LVMH, as we believe China's reopening should benefit a firm that has attractive brand exposure and growth opportunities. LVMH is a leader when it comes to integrating ESG operational practices, after improving its sustainable procurement practices and traceability measures. Recent ESG engagement confirms this strong position. Bank Rakyat Indonesia, which we believe to be well positioned for growth in the highly profitable and growing microfinancing sector. We see upside as loan growth increases, costs reduce and returns expand. It scores well from a social and financial access perspective, with room for ESG rating upside on increased disclosure via engagement.

abrdn Global Sustainable and Responsible Investment Equity Fund

Continued

Against these, we sold the following, which are a sample that reflect our thinking: Aptiv, given recessionary concerns and a potential slowing of automotive-related spending. Despite market-leading positions and structural growth drivers within electric vehicles, Aptiv's cyclical nature and sensitivity to global car production are expected to weigh on it over the near-term and are partially reflected in the company's guidance reduction.

Norfolk Southern, as the company had increasing operational performance issues and has had an increasing number of incidents (including the Ohio derailment), raising concerns over its management of key ESG factors around safety.

Portfolio Outlook and Strategy

Against a backdrop where lingering recession concerns seem to increasingly be met with resilient growth from some parts of the market, we remain resolutely focused on using our quality-led approach to identify businesses with long-duration growth drivers and very strong competitive advantages. Such companies tend to enjoy high existing returns profiles alongside opportunities to continue investing at very attractive rates of return. As we execute on this strategy, we believe the portfolio is set up to deliver returns well in excess of the benchmark over the long term, driven by the underlying cash flow growth the businesses are able to deliver.

Global Equity Team

August 2023

abrdn Global Sustainable and Responsible Investment 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 5 to 6 on 12 December 2022.

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 July 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 fund may invest in companies with Variable Interest Entity (VIE) structures in order to gain exposure to industries with foreign ownership restrictions. There is a risk that investments in these structures may be adversely affected by changes in the legal and regulatory framework.
- 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.
- 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

A Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	321.88	352.07	271.93
Return before operating charges*	17.16	(25.79)	84.97
Operating charges	(4.13)	(4.40)	(4.83)
Return after operating charges*	13.03	(30.19)	80.14
Distributions	(1.27)	-	-
Retained distributions on accumulation shares	1.27	-	-
Closing net asset value per share	334.91	321.88	352.07
* after direct transaction costs of:	0.18	0.19	0.43
Performance			
Return after charges	4.05%	(8.57%)	29.47%
Other information			
Closing net asset value (£'000)	36,676	39,607	40,275
Closing number of shares	10,951,032	12,304,975	11,439,607
Operating charges	1.29%	1.29%	1.53%
Direct transaction costs	0.05%	0.06%	0.13%
Prices			
Highest share price	336.0	391.2	355.4
Lowest share price	293.5	284.2	273.4

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.

Comparative Tables

Continued

A Income	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	239.56	262.03	202.41
Return before operating charges*	12.78	(19.16)	63.19
Operating charges	(3.08)	(3.31)	(3.57)
Return after operating charges*	9.70	(22.47)	59.62
Distributions	(0.94)	-	-
Closing net asset value per share	248.32	239.56	262.03
* after direct transaction costs of:	0.13	0.14	0.32
Performance			
Return after charges	4.05%	(8.58%)	29.46%
Other information			
Closing net asset value (£'000)	4,964	5,932	9,250
Closing number of shares	1,999,213	2,476,176	3,530,048
Operating charges	1.29%	1.29%	1.53%
Direct transaction costs	0.05%	0.06%	0.13%
Prices			
Highest share price	250.1	291.2	264.5
Lowest share price	218.4	211.6	202.5

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

	2023	2022	2021
I Accumulation	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	376.01	409.41	314.80
Return before operating charges*	20.15	(30.05)	98.57
Operating charges	(3.16)	(3.35)	(3.96)
Return after operating charges*	16.99	(33.40)	94.61
Distributions	(3.17)	(1.52)	-
Retained distributions on accumulation shares	3.17	1.52	-
Closing net asset value per share	393.00	376.01	409.41
* after direct transaction costs of:	0.21	0.22	0.50
Performance			
Return after charges	4.52%	(8.16%)	30.05%
Other information			
Closing net asset value (£'000)	73,910	85,560	92,220
Closing number of shares	18,806,334	22,754,608	22,525,034
Operating charges	0.84%	0.84%	1.08%
Direct transaction costs	0.05%	0.06%	0.13%
Prices			
Highest share price	394.3	455.6	413.3
Lowest share price	343.2	331.9	316.5

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

	2023	2022	2021
I Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	261.53	285.96	219.91
Return before operating charges*	13.98	(21.01)	68.79
Operating charges	(2.19)	(2.34)	(2.74)
Return after operating charges*	11.79	(23.35)	66.05
Distributions	(2.20)	(1.08)	-
Closing net asset value per share	271.12	261.53	285.96
* after direct transaction costs of:	0.14	0.15	0.35
Performance			
Return after charges	4.51%	(8.17%)	30.04%
Other information			
Closing net asset value (£'000)	30,685	31,490	34,980
Closing number of shares	11,317,690	12,040,652	12,232,612
Operating charges	0.84%	0.84%	1.08%
Direct transaction costs	0.05%	0.06%	0.13%
Prices			
Highest share price	273.6	318.2	288.7
Lowest share price	238.7	231.8	220.0

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

M Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	138.62	151.02	116.18
Return before operating charges*	7.43	(11.09)	36.37
Operating charges	(1.23)	(1.31)	(1.53)
Return after operating charges*	6.20	(12.40)	34.84
Distributions	(1.10)	(0.48)	-
Retained distributions on accumulation shares	1.10	0.48	-
Closing net asset value per share	144.82	138.62	151.02
* after direct transaction costs of:	0.08	0.08	0.18
Performance			
Return after charges	4.47%	(8.21%)	29.99%
Other information			
Closing net asset value (£'000)	962	1,109	1,352
Closing number of shares	664,462	800,116	895,243
Operating charges	0.89%	0.89%	1.13%
Direct transaction costs	0.05%	0.06%	0.13%
Prices			
Highest share price	145.3	168.0	152.5
Lowest share price	126.5	122.4	116.8

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.

Comparative Tables

Continued

M Income	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	136.41	149.13	114.74
Return before operating charges*	7.28	(10.94)	35.90
Operating charges	(1.21)	(1.29)	(1.51)
Return after operating charges*	6.07	(12.23)	34.39
Distributions	(1.08)	(0.49)	-
Closing net asset value per share	141.40	136.41	149.13
* after direct transaction costs of:	0.08	0.08	0.18
Performance			
Return after charges	4.45%	(8.20%)	29.97%
Other information			
Closing net asset value (£'000)	22	21	24
Closing number of shares	15,808	15,792	15,843
Operating charges	0.89%	0.89%	1.13%
Direct transaction costs	0.05%	0.06%	0.13%
Prices			
Highest share price	142.7	165.9	150.5
Lowest share price	124.5	120.8	114.8

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 July 2023

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (96.43%)		146,321	99.39
Africa Equities (0.00%)		2,374	1.61
South Africa (0.00%)		2,374	1.61
193,675	Clicks	2,374	1.61
Emerging Market Equities (1.86%)		-	-
Brazil (1.86%)		-	-
European Equities (23.66%)		30,177	20.50
Denmark (3.34%)		3,942	2.68
22,888	Ørsted	1,560	1.06
154,476	Tryg	2,382	1.62
France (6.05%)		11,613	7.89
15,508	L'Oreal	5,623	3.82
3,558	LVMH Moet Hennessy Louis Vuitton	2,586	1.76
24,514	Schneider Electric	3,404	2.31
Ireland (3.77%)		3,064	2.08
12,458	Accenture 'A'	3,064	2.08
Netherlands (4.56%)		3,409	2.32
6,100	ASML	3,409	2.32
Poland (0.00%)		3,099	2.10
35,700	Dino Polska	3,099	2.10
Sweden (3.55%)		3,087	2.10
278,227	Atlas Copco 'A'	3,087	2.10

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Switzerland (2.39%)		1,963	1.33
22,795	DSM-Firmenich	1,963	1.33
Japanese Equities (3.42%)		2,998	2.04
41,300	Sony	2,998	2.04
North American Equities (39.83%)		85,538	58.10
Canada (4.10%)		9,429	6.40
58,022	Canadian Pacific Kansas City	3,710	2.52
213,995	CI Financial	2,101	1.42
12,297	Lululemon Athletica	3,618	2.46
United States (35.73%)		76,109	51.70
20,300	Advanced Drainage Systems	1,925	1.31
29,600	Amdocs	2,153	1.46
27,100	American Express	3,558	2.42
29,700	Atkore	3,663	2.49
37,796	Crown	2,725	1.85
15,683	Danaher	3,109	2.11
33,700	Darling Ingredients	1,814	1.23
65,783	Johnson Controls International	3,556	2.42
8,653	Linde	2,598	1.76
19,200	LPL Financial	3,424	2.33
137,809	Marvell Technology	6,977	4.74
14,442	Mastercard 'A'	4,425	3.01
24,200	Merck	2,007	1.36
29,680	Microsoft	7,750	5.26
35,541	NextEra Energy	2,024	1.37
40,587	Procter & Gamble	4,932	3.35
29,537	Prologis REIT	2,864	1.95
11,900	ResMed	2,057	1.40
29,493	Tetra Tech	3,876	2.63

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
57,511	TJX	3,868	2.63
10,322	UnitedHealth	4,064	2.76
21,516	Waste Management	2,740	1.86
Pacific Basin Equities (18.02%)		19,414	13.19
Australia (6.37%)		5,665	3.85
26,064	Cochlear	3,248	2.21
798,356	Steadfast	2,417	1.64
China (1.01%)		-	-
Hong Kong (2.77%)		3,676	2.50
476,600	AIA	3,676	2.50
India (2.51%)		4,050	2.75
259,620	HDFC Bank	4,050	2.75
Indonesia (0.00%)		3,442	2.34
11,820,600	Bank Rakyat Indonesia Persero	3,442	2.34
Singapore (3.43%)		-	-
Taiwan (1.93%)		2,581	1.75
33,500	Taiwan Semiconductor Manufacturing ADR	2,581	1.75
UK Equities (9.64%)		5,820	3.95
Basic Materials (4.05%)		3,161	2.15
53,683	Croda International	3,161	2.15
Health Care (2.02%)		-	-

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Industrials (1.87%)		2,659	1.80
23,911	Spirax-Sarco Engineering	2,659	1.80
Technology (1.70%)		-	-
Total investment assets		146,321	99.39
Net other assets		898	0.61
Total Net Assets		147,219	100.00

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 July 2022.

Financial Statements

Statement of Total Return

For the year ended 31 July 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains/(losses)	1		5,315		(18,143)
Revenue	2	2,764		2,411	
Expenses	3	(1,426)		(1,721)	
Interest payable and similar charges		(4)		-	
Net revenue before taxation		1,334		690	
Taxation	4	(353)		(197)	
Net revenue after taxation			981		493
Total return before distributions			6,296		(17,650)
Distributions	5		(1,045)		(513)
Change in net assets attributable to shareholders from investment activities			5,251		(18,163)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2023

	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		163,719		178,101
Amounts receivable on the issue of shares	5,268		34,260	
Amounts payable on the cancellation of shares	(27,785)		(30,828)	
		(22,517)		3,432
Dilution adjustment		14		-
Change in net assets attributable to shareholders from investment activities (see above)		5,251		(18,163)
Retained distribution on accumulation shares		752		349
Closing net assets attributable to shareholders		147,219		163,719

Financial Statements

Continued

Balance Sheet

As at 31 July 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			146,321		157,869
Current assets:					
Debtors	6	179		4,425	
Cash and bank balances		1,927		2,595	
			2,106		7,020
Total assets			148,427		164,889
Liabilities:					
Provisions for liabilities	7		(136)		(71)
Creditors	8	(872)		(969)	
Distribution payable		(200)		(130)	
			(1,072)		(1,099)
Total liabilities			(1,208)		(1,170)
Net assets attributable to shareholders			147,219		163,719

Notes to the Financial Statements

1 Net Capital Gains/(Losses)

	2023 £'000	2022 £'000
Non-derivative securities	5,194	(18,258)
Other gains	127	124
Transaction charges	(6)	(9)
Net capital gains/(losses)	5,315	(18,143)

2 Revenue

	2023 £'000	2022 £'000
Bank and margin interest	-	1
Overseas dividends	2,557	2,174
Overseas REIT	75	56
Stocklending revenue	-	1
UK dividends	132	179
Total revenue	2,764	2,411

3 Expenses

	2023 £'000	2022 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	1,293	1,563
Dealing charge	-	1
General administration charge	118	144
	1,411	1,708
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	15	13
	15	13
Total expenses	1,426	1,721

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £9,120 (2022: £8,460).

Notes to the Financial Statements

Continued

4 Taxation

	2023 £'000	2022 £'000
(a) Analysis of charge in year		
Overseas taxes	289	210
Overseas Capital gains tax	-	4
Total current tax	289	214
Deferred tax (note 4c)	64	(17)
Total taxation (note 4b)	353	197

(b) Factors affecting total tax charge for the year

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

Net revenue before taxation	1,334	690
Corporation tax at 20% (2022: 20%)	267	138
Effects of:		
Revenue not subject to taxation	(532)	(434)
Overseas taxes	289	210
Overseas tax expensed	(2)	(1)
Excess allowable expenses	267	297
Overseas capital gains tax	-	4
Deferred tax	64	(17)
Total tax charge for year (note 4a)	353	197

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	71	88
Deferred tax charge in statement of total return for year (note 4a)	64	(17)
Provision at the end of the year	135	71

(d) 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 £6,414,000 (2022: £6,147,000) 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.

Notes to the Financial Statements

Continued

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

	2023 £'000	2022 £'000
Interim distribution	245	-
Final distribution	776	478
	1,021	478
Add: Income deducted on cancellation of shares	39	46
Deduct: Income received on issue of shares	(15)	(11)
Total distributions for the year	1,045	513
Movement between net revenue and distributions		
Net revenue after taxation	981	493
Overseas capital gains tax on realised gains	-	4
Overseas deferred capital gains tax on unrealised gains	64	(17)
Shortfall transfer from capital to revenue	-	33
Total distributions for the year	1,045	513

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

6 Debtors

	2023 £'000	2022 £'000
Accrued revenue	89	139
Amounts receivable from the ACD for the issue of shares	7	570
Overseas withholding tax recoverable	83	147
Sales awaiting settlement	-	3,569
Total debtors	179	4,425

7 Provisions for Liabilities

	2023 £'000	2022 £'000
The provisions for liabilities comprise:		
Overseas capital gains tax	136	71
Total provisions for liabilities	136	71

Notes to the Financial Statements

Continued

8 Creditors

	2023 £'000	2022 £'000
Accrued expenses payable to ACD	119	127
Accrued expenses payable to the Depositary or associates of the Depositary	2	2
Amounts payable to the ACD for cancellation of shares	107	160
Other accrued expenses	644	680
Total creditors	872	969

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 £'000	2022 £'000	2023 £'000	2022 £'000
Trades in the year				
Equities	52,818	97,448	69,634	94,783
Corporate actions	-	-	-	69
Trades in the year before transaction costs	52,818	97,448	69,634	94,852
Commissions				
Equities	27	47	(34)	(41)
Total commissions	27	47	(34)	(41)
Taxes				
Equities	15	7	(6)	(4)
Total taxes	15	7	(6)	(4)
Total transaction costs	42	54	(40)	(45)
Total net trades in the year after transaction costs	52,860	97,502	69,594	94,807

Notes to the Financial Statements

Continued

	Purchases		Sales	
	2023 %	2022 %	2023 %	2022 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.05	0.05	0.05	0.04
Taxes				
Equities	0.03	0.01	0.01	-
			2023 %	2022 %
Total transaction costs expressed as a percentage of net asset value				
Commissions			0.04	0.05
Taxes			0.01	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 0.11% (2022: 0.16%), 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
A Accumulation	12,304,975	351,745	(991,789)	(713,899)	10,951,032
A Income	2,476,176	34,115	(365,455)	(145,623)	1,999,213
I Accumulation	22,754,608	488,166	(5,046,518)	610,078	18,806,334
I Income	12,040,652	876,527	(1,732,687)	133,198	11,317,690
M Accumulation	800,116	1	(135,655)	-	664,462
M Income	15,792	60	(44)	-	15,808

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	146,321	-	-	157,869	-	-
Total investment assets	146,321	-	-	157,869	-	-

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
Australian Dollar	5,665	10,444
Brazilian Real	-	3,065
Canadian Dollar	2,107	2,164
Danish Krone	3,972	5,472
Euro	19,617	19,784
Hong Kong Dollar	3,676	6,194
Indian Rupee	3,931	4,044
Indonesian Rupiah	3,442	-
Japanese Yen	3,017	5,621
Polish Zloty	3,099	-
Singapore Dollar	-	5,615
South Africa Rand	2,374	-
Swedish Krona	3,087	5,811
Swiss Franc	-	3,917
Taiwan Dollar	-	13
US Dollar	85,906	75,338
Total	139,893	147,482

At 31 July 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 £6,995,000 (2022: £7,374,000).

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.

Notes to the Financial Statements

Continued

As at 31 July 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 £7,316,000 (2022: £7,893,000).

Financial derivatives instrument risk

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

Bilateral agreements

The fund receives 85% of the revenue returns from stock lending. The gross earnings for the year are £Nil (2022: £1,000) and expenses paid to the lending agent, Securities Finance Trust Company, are £Nil (2022: £Nil).

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2023 £1,208,000 (2022: £1,170,000).

Distribution Tables

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

Interim dividend distribution

Group 1 – shares purchased prior to 1 August 2022

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

	Revenue	Equalisation	Distribution paid 28/04/23	Distribution paid 29/04/22
A Accumulation				
Group 1	0.0215	-	0.0215	-
Group 2	-	0.0215	0.0215	-
A Income				
Group 1	0.0143	-	0.0143	-
Group 2	0.0047	0.0096	0.0143	-
I Accumulation				
Group 1	0.8625	-	0.8625	-
Group 2	0.4906	0.3719	0.8625	-
I Income				
Group 1	0.5999	-	0.5999	-
Group 2	0.3036	0.2963	0.5999	-
M Accumulation				
Group 1	0.2837	-	0.2837	-
Group 2	0.2837	-	0.2837	-
M Income				
Group 1	0.2803	-	0.2803	-
Group 2	0.0573	0.2230	0.2803	-

Distribution Tables

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

Final dividend distribution

Group 1 – shares purchased prior to 1 February 2023

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

	Revenue	Equalisation	Distribution paid 31/10/23	Distribution paid 31/10/22
A Accumulation				
Group 1	1.2464	-	1.2464	-
Group 2	0.5082	0.7382	1.2464	-
A Income				
Group 1	0.9285	-	0.9285	-
Group 2	0.7619	0.1666	0.9285	-
I Accumulation				
Group 1	2.3095	-	2.3095	1.5156
Group 2	1.3009	1.0086	2.3095	1.5156
I Income				
Group 1	1.6028	-	1.6028	1.0767
Group 2	0.5970	1.0058	1.6028	1.0767
M Accumulation				
Group 1	0.8163	-	0.8163	0.4832
Group 2	0.8163	-	0.8163	0.4832
M Income				
Group 1	0.8005	-	0.8005	0.4867
Group 2	0.0842	0.7163	0.8005	0.4867

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 Japanese Equity Fund

For the year ended 31 July 2023

Investment Objective

To generate growth over the long term (5 years or more) by investing in Japanese equities (company shares).

Performance Target: To achieve the return of the MSCI Japan Index, plus 3% 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 will invest at least 70% in equities and equity related securities of companies listed, incorporated or domiciled in Japan or companies that derive a significant proportion of their revenues or profits from Japanese operations or have a significant proportion of their assets there.
- 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 sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the Performance Target, the MSCI Japan 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 index.

Derivatives and Techniques

- The fund may use derivatives to reduce risk, to 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.

Performance Review

For the year ended 31 July 2023, the value of abrdrn Japanese Equity Fund – I Accumulation Shares increased by 2.46% compared to an increase of 9.34% in the performance target, the MSCI Japan Index.

Source: MSCI. The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis forecast or prediction. The MSCI information is provided on an 'as is' basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the 'MSCI' Parties) expressly disclaims all warranties (including without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages (www.msci.com).

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.

Market Review

The Japanese stock market recorded a strong double-digit gain in yen terms over the 12-month period; it increased more modestly in euro terms due to the depreciation of the yen.

Annual consumer inflation in Japan – having been subdued for much of 2022 – climbed to elevated levels by Japanese standards, hitting 4.0% in December, its highest rate since 1981. The reasons for rising annual inflation included the weakness of the yen, which made imports more expensive, and higher energy costs.

The Bank of Japan (BoJ) still faced milder inflationary pressures than the world's other major central banks, which led its decision to keep the key interest rate unchanged at -0.1% and the target for the 10-year government bond yield at around 0% over the period. After new BoJ Governor Ueda, who succeeded Governor Kuroda, stressed his commitment to an ultra-loose monetary policy, the Japanese yen steadily weakened (leading to speculation of currency-market intervention). With annual core inflation edging up from 3.2% in May to 3.3% in June – still above the BoJ's 2% target – the BoJ then decided to make its yield-curve control policy more flexible at its July meeting.

abrdn Japanese Equity Fund

Continued

Solid company results and an increased focus by Japanese companies on shareholder returns helped share prices climb higher towards the end of the period, with the Nikkei 225 Index hitting its highest level since 1989 in July.

Portfolio Activity and Review

Concerns over China's slowing economic recovery have been negative for companies with substantial revenue contributions from China. This includes Misumi Group, which sells precision components. Olympus fell on near-term concerns that cost inflation will impact on margins. Elsewhere, Welcia Holdings fell after publishing weaker-than-expected results, as sales of Covid-19 related items fell and the company made upfront investment to introduce a new customer loyalty program.

On the flip side, a rush of interest in artificial intelligence (AI) has benefitted the stock prices of several of our holdings over the period. With AI creating new market opportunities for the semiconductor industry, semiconductor testing device maker Advantest and semiconductor packaging company Ibiden rallied. Shares in Ajinomoto also outperformed thanks to good results which showed sales volume growth despite price hikes in its seasonings business.

Early in the period, we sold semiconductor maker Renesas Electronics, internet technology firm Z Holdings and specialty apparel retailer Workman. We also exited industrial gas provider Nippon Sanso and material handling system supplier Daifuku. With the proceeds, we bought Suntory Beverage & Food, Mitsubishi UFJ Financial Group and Japan's leading heavy electrical equipment and industry machinery maker Hitachi.

More recently, we initiated a position in disposable hygiene product maker Unicharm, which has its own non-woven fabric technology, brand reputation and nimble product development capabilities. These attributes should enable the company to benefit from the premiumisation trend in Japan and China, and capture the rising demand for baby diapers, feminine care and adult incontinence products across Asia.

We initiated a position in industrial electronics maker Fuji Electric. We believe that the company's power conversion and modularisation know-how will enable the company to capture the rising demand for power semiconductors for electric vehicles and other applications. In addition, the company's unique power system and energy-related solutions should help address the rising energy conservation needs by its customers.

We also participated in the public offering of Socionext, a leading fabless system-on-chip design company. We believe that the company will be able to leverage on the expertise of its engineers to capture opportunities in the fast-growing end markets such as ADAS, autonomous driving, data centres, 5G and smart devices. The stock fell sharply after the announcement of the sale of shares held by its largest shareholders, enabling us to initiate a position at attractive valuations.

Finally, we initiated a position in a leading discount store operator Pan Pacific International Holdings. We believe the company will be able to continue to achieve growth in the mature domestic retail market by expanding the line-up of its attractively priced private-brand products while its overseas business is set to be the next pillar of growth. To fund the initiations, we exited our position in boutique brokerage Nihon M&A Center on concerns over intensifying competition and declining margins.

Portfolio Outlook and Strategy

Looking ahead, there is cause for optimism. The macroeconomic conditions that have hurt Japanese corporates in the recent past appear to be reversing: inflationary pressures are easing, interest-rate hikes across the world are moderating, and the deflationary mindset in Japan is gradually changing. At the corporate level, this translates into improving profitability, as supply chain issues ease and operating conditions normalise. While there are still concerns that the market may be underestimating the persistency of inflation, geopolitics could still lead to sudden changes in the economic outlook, and a prolonged slowdown in China could stunt global economic growth; we believe that better-run businesses are well-positioned to tackle these challenges, and that they should, over time, outperform their peers. And thus, we have stayed true to our principles: that investing in a group of well-run companies, alongside active engagement, will lead to better outcomes for our clients.

Asia Pacific Equity Team

August 2023

abrdn Japanese 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 July 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 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

A Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	242.27	270.83	240.45
Return before operating charges*	8.24	(25.08)	34.02
Operating charges	(3.17)	(3.48)	(3.64)
Return after operating charges*	5.07	(28.56)	30.38
Distributions	(0.79)	(0.79)	(0.19)
Retained distributions on accumulation shares	0.79	0.79	0.19
Closing net asset value per share	247.34	242.27	270.83
* after direct transaction costs of:	0.06	0.06	0.09
Performance			
Return after charges	2.09%	(10.55%)	12.63%
Other information			
Closing net asset value (£'000)	7,504	9,464	12,178
Closing number of shares	3,033,764	3,906,248	4,496,647
Operating charges	1.32%	1.31%	1.32%
Direct transaction costs	0.02%	0.02%	0.03%
Prices			
Highest share price	260.3	314.2	303.0
Lowest share price	226.6	218.8	246.9

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

	2023	2022	2021
I Accumulation	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	267.38	297.56	263.04
Return before operating charges*	9.13	(27.66)	37.15
Operating charges	(2.30)	(2.52)	(2.63)
Return after operating charges*	6.83	(30.18)	34.52
Distributions	(2.11)	(2.21)	(1.60)
Retained distributions on accumulation shares	2.11	2.21	1.60
Closing net asset value per share	274.21	267.38	297.56
* after direct transaction costs of:	0.06	0.07	0.10
Performance			
Return after charges	2.55%	(10.14%)	13.12%
Other information			
Closing net asset value (£'000)	31,776	39,698	50,372
Closing number of shares	11,588,067	14,847,105	16,928,044
Operating charges	0.87%	0.86%	0.87%
Direct transaction costs	0.02%	0.02%	0.03%
Prices			
Highest share price	288.3	345.4	332.2
Lowest share price	250.3	241.3	270.1

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

M Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	113.65	126.54	111.90
Return before operating charges*	3.88	(11.76)	15.82
Operating charges	(1.03)	(1.13)	(1.18)
Return after operating charges*	2.85	(12.89)	14.64
Distributions	(0.84)	(0.87)	(0.59)
Retained distributions on accumulation shares	0.84	0.87	0.59
Closing net asset value per share	116.50	113.65	126.54
* after direct transaction costs of:	0.03	0.03	0.04
Performance			
Return after charges	2.51%	(10.19%)	13.08%
Other information			
Closing net asset value (£'000)	56	61	68
Closing number of shares	48,154	53,497	53,680
Operating charges	0.92%	0.91%	0.92%
Direct transaction costs	0.02%	0.02%	0.03%
Prices			
Highest share price	122.5	146.9	141.3
Lowest share price	106.4	102.6	114.9

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

Z Accumulation ^A	2023 pence per share	2022 pence per share
Change in net assets per share		
Opening net asset value per share	85.47	100.00 ^B
Return before operating charges*	2.94	(14.45)
Operating charges	(0.10)	(0.08)
Return after operating charges*	2.84	(14.53)
Distributions	(1.32)	(0.89)
Retained distributions on accumulation shares	1.32	0.89
Closing net asset value per share	88.31	85.47
* after direct transaction costs of:	0.02	0.02
Performance		
Return after charges	3.32%	(14.53%)
Other information		
Closing net asset value (£'000)	12,571	13,885
Closing number of shares	14,234,951	16,245,681
Operating charges	0.12%	0.11%
Direct transaction costs	0.02%	0.02%
Prices		
Highest share price	92.76	105.1
Lowest share price	80.16	77.08

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.

^A Z Accumulation share class was launched on 07 October 2021.

^B The opening net asset value stated is the share class launch price.

Portfolio Statement

As at 31 July 2023

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (98.79%)		51,812	99.82
Japanese Equities (98.79%)		51,812	99.82
Communication Services (5.58%)		627	1.21
27,400	KDDI	627	1.21
Consumer Discretionary (15.13%)		8,512	16.40
25,000	Denso	1,351	2.60
42,800	Koito Manufacturing	611	1.18
9,500	Nitori	906	1.75
16,000	Open House	472	0.91
23,700	Pan Pacific International	363	0.70
35,900	Sony	2,606	5.02
138,800	Toyota Motor	1,809	3.48
13,100	Yamaha	394	0.76
Consumer Staples (11.15%)		6,162	11.87
31,600	Ajinomoto	957	1.84
47,600	Asahi	1,452	2.80
25,500	Seven & i	822	1.58
18,500	Shiseido	631	1.22
37,700	Suntory Beverage & Food	1,044	2.01
13,700	Unicharm	395	0.76
58,900	Welcia	861	1.66
Financials (9.81%)		5,833	11.24
27,400	Japan Exchange	371	0.72
330,100	Mitsubishi UFJ Financial	2,066	3.98
128,000	Tokio Marine	2,281	4.39
26,800	Tokyo Century	815	1.57
11,000	Zenkoku Hoshu	300	0.58

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Health Care (17.70%)		5,905	11.38
14,100	As One	435	0.84
46,500	Asahi Intecc	741	1.43
73,200	Astellas Pharma	833	1.60
41,600	Chugai Pharmaceutical	963	1.85
51,600	Daiichi Sankyo	1,225	2.36
10,100	Hoya	911	1.76
63,000	Olympus	797	1.54
Industrials (13.78%)		10,182	19.62
18,500	AGC	520	1.00
125,600	Amada	960	1.85
8,020	Daikin Industries	1,258	2.42
27,900	FANUC	663	1.28
28,100	Fuji Electric	986	1.90
42,100	Hitachi	2,137	4.12
29,700	Makita	646	1.25
66,100	MISUMI	936	1.80
20,700	MonotaRO	196	0.38
39,800	Nabtesco	654	1.26
45,500	Recruit	1,226	2.36
Information Technology (12.97%)		8,821	16.99
11,300	Advantest	1,207	2.33
29,800	Ibiden	1,403	2.70
6,028	Keyence	2,098	4.04
17,100	NEC	672	1.29
43,800	Nomura Research Institute	964	1.86
23,100	Otsuka	748	1.44
5,800	Socionext	532	1.02
10,300	Tokyo Electron	1,197	2.31

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Materials (6.61%)		3,722	7.17
78,500	Kansai Paint	999	1.92
198,100	Nippon Paint	1,410	2.72
51,300	Shin-Etsu Chemical	1,313	2.53
Real Estate (6.06%)		2,048	3.94
64,000	Mitsui Fudosan	1,019	1.96
222,900	Tokyu Fudosan	1,029	1.98
Total investment assets		51,812	99.82
Net other assets		95	0.18
Total Net Assets		51,907	100.00

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 July 2022.

Financial Statements

Statement of Total Return

For the year ended 31 July 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains/(losses)	1		589		(9,775)
Revenue	2	1,032		1,235	
Expenses	3	(402)		(550)	
Net revenue before taxation		630		685	
Taxation	4	(108)		(124)	
Net revenue after taxation			522		561
Total return before distributions			1,111		(9,214)
Distributions	5		(522)		(561)
Change in net assets attributable to shareholders from investment activities			589		(9,775)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2023

	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		63,108		62,618
Amounts receivable on the issue of shares	21,465		26,640	
Amounts payable on the cancellation of shares	(33,712)		(34,353)	
Amounts receivable on inspecie transfers	-		17,475	
		(12,247)		9,762
Change in net assets attributable to shareholders from investment activities (see above)		589		(9,775)
Retained distribution on accumulation shares		457		503
Closing net assets attributable to shareholders		51,907		63,108

Financial Statements

Continued

Balance Sheet

As at 31 July 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			51,812		62,348
Current assets:					
Debtors	6	381		161	
Cash and bank balances	7	178		717	
			559		878
Total assets			52,371		63,226
Liabilities:					
Creditors	8	(464)		(118)	
			(464)		(118)
Total liabilities			(464)		(118)
Net assets attributable to shareholders			51,907		63,108

Notes to the Financial Statements

1 Net Capital Gains/(Losses)

	2023 £'000	2022 £'000
Non-derivative securities	591	(9,710)
Other gains/(losses)	18	(46)
Transaction charges	(20)	(19)
Net capital gains/(losses)	589	(9,775)

2 Revenue

	2023 £'000	2022 £'000
Overseas dividends	1,032	1,227
Stocklending revenue	-	8
Total revenue	1,032	1,235

3 Expenses

	2023 £'000	2022 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	356	493
General administration charge	40	49
	396	542
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	6	8
	6	8
Total expenses	402	550

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £9,120 (2022: £8,460).

Notes to the Financial Statements

Continued

4 Taxation

	2023 £'000	2022 £'000
(a) Analysis of charge in year		
Overseas taxes	108	124
Total taxation (note 4b)	108	124

(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:

Net revenue before taxation	630	685
Corporation tax at 20% (2022: 20%)	126	137
Effects of:		
Revenue not subject to taxation	(206)	(246)
Overseas taxes	108	124
Excess allowable expenses	80	109
Total tax charge for year (note 4a)	108	124

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 £9,861,000 (2022: £9,781,000) 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
Distribution	457	503
Add: Income deducted on cancellation of shares	149	118
Deduct: Income received on issue of shares	(84)	(60)
Total distributions for the year	522	561

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

Notes to the Financial Statements

Continued

6 Debtors

	2023 £'000	2022 £'000
Accrued revenue	73	85
Amounts receivable from the ACD for the issue of shares	12	-
Sales awaiting settlement	296	76
Total debtors	381	161

7 Liquidity

	2023 £'000	2022 £'000
Cash and bank balances		
Cash at bank	178	717
	178	717
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	-	1
Net liquidity	178	718

* 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	32	37
Accrued expenses payable to the Depositary or associates of the Depositary	2	2
Amounts payable to the ACD for cancellation of shares	73	79
Purchases awaiting settlement	357	-
Total creditors	464	118

9 Related Party Transactions

abrdrn 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 abrdrn Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

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 8.

Notes to the Financial Statements

Continued

10 Portfolio Transaction Costs

	Purchases		Sales	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trades in the year				
Equities	27,560	33,982	38,700	41,067
Inspecie transactions	-	17,323	-	-
Trades in the year before transaction costs	27,560	51,305	38,700	41,067
Commissions				
Equities	6	7	(8)	(9)
Total commissions	6	7	(8)	(9)
Total transaction costs	6	7	(8)	(9)
Total net trades in the year after transaction costs	27,566	51,312	38,692	41,058

	Purchases		Sales	
	2023 %	2022 %	2023 %	2022 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.02	0.02	0.02	0.02
Total transaction costs expressed as a percentage of net asset value				
Commissions			0.02	0.02

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 0.22% (2022: 0.20%), 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
A Accumulation	3,906,248	5,210,687	(5,601,101)	(482,070)	3,033,764
I Accumulation	14,847,105	3,052,887	(6,748,044)	436,119	11,588,067
M Accumulation	53,497	-	(5,343)	-	48,154
Z Accumulation	16,245,681	583,499	(2,594,229)	-	14,234,951

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
Equities	51,812	-	-	62,347	-	-
Collective Investment Schemes	-	-	-	-	1	-
Total investment assets	51,812	-	-	62,347	1	-

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.

	Net foreign currency exposure 2023 £'000	Net foreign currency exposure 2022 £'000
Currency		
Japanese Yen	51,824	62,517
Total	51,824	62,517

At 31 July 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 £2,591,000 (2022: £3,126,000).

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.

Notes to the Financial Statements

Continued

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 July 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 £2,591,000 (2022: £3,117,000).

Financial derivatives instrument risk

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

Bilateral agreements

The fund receives 85% of the revenue returns from stock lending. The gross earnings for the year are £Nil (2022: £9,000) and expenses paid to the lending agent, Securities Finance Trust Company, are £Nil (2022: £1,000).

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2023 £464,000 (2022: £118,000).

Distribution Table

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

Final dividend distribution

Group 1 – shares purchased prior to 1 August 2022

Group 2 – shares purchased between 1 August 2022 and 31 July 2023

	Revenue	Equalisation	Distribution paid 31/10/23	Distribution paid 31/10/22
A Accumulation				
Group 1	0.7940	-	0.7940	0.7870
Group 2	0.1257	0.6683	0.7940	0.7870
I Accumulation				
Group 1	2.1106	-	2.1106	2.2058
Group 2	0.6752	1.4354	2.1106	2.2058
M Accumulation				
Group 1	0.8389	-	0.8389	0.8724
Group 2	0.8389	-	0.8389	0.8724
Z Accumulation				
Group 1	1.3170	-	1.3170	0.8880
Group 2	1.3020	0.0150	1.3170	0.8880

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 Latin American Equity Fund

For the year ended 31 July 2023

Investment Objective

To generate growth over the long term (5 years or more) by investing in Latin American equities (company shares).

Performance Target: To achieve the return of the MSCI EM Latin America 10/40 Net Total Return Index plus 3% 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 will invest at least 70% in equities and equity related securities of companies listed, incorporated or domiciled in Latin American countries or companies that derive a significant proportion of their revenues or profits from Latin American operations or have a significant proportion of their assets there.
- 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, sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the Performance Target, the MSCI EM Latin America 10/40 Net Total Return 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 12.5%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the index.

Derivatives and Techniques

- The fund may use derivatives to reduce risk, to 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.

Performance Review

For the year ended 31 July 2023, the value of abrdrn Latin American Equity Fund – I Accumulation Shares increased by 23.04% compared to an increase of 24.87% in the performance target, the MSCI EM Latin America 10/40 Net Total Return Index.

Source: Lipper; Basis: total return, published NAV to NAV, net of annual charges, UK net income reinvested, GBP.

Source: MSCI. The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis, should not be taken as an indication or guarantee of any future performance analysis forecast or prediction. The MSCI information is provided on an 'as is' basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the 'MSCI Parties') expressly disclaims all warranties (including without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages (www.msci.com).

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.

Market Review

Latin American equities posted strong gains over the twelve-month period.

Brazil's general election in October 2022 was a key driver of performance. The election of President Luiz Inácio Lula da Silva improved market sentiment initially. Investors were reassured that the composition in the Congress will provide the necessary checks and balances to ensure pragmatism by the new administration. However, the optimism subsequently reversed and markets saw a sharp correction as investors were negatively surprised by the new government's initial proposals around fiscal expenditure. As the period progressed, the government introduced a new fiscal framework, which is currently in the approval process. While this helped ease market concerns of extreme scenarios, it was still received with scepticism given the implementation challenges. The election of a balanced congress continues to point to backstops to the party in power. However, we have yet to see if this dynamic will be enough to enforce pragmatism in the Lula administration and this uncertainty has continued to weigh on sentiment. In Mexico, the economy

abrdn Latin American Equity Fund

Continued

surprised on the upside as pockets of growth within the northern region and consumption and nearshoring tailwinds started to show. We expect political headlines to intensify as we approach presidential elections in 2024, which will draw more attention towards the regulated sectors or those targeted by the current administration. Elsewhere, Chile's referendum for a new constitution was unsuccessful, as the majority voted against it. Markets reacted positively to this outcome. Subsequently, political parties agreed to move forward with a new constitution and the country is expected to conclude the redrafting process in the second half of 2023.

Early in 2023, investors were concerned around the global outlook amid banking sector events in the US and Europe, alongside a slide in key commodities, which affected large benchmark names. Within the region, there was a major divergence in performance in the first quarter of 2023. Mexican equities rallied on the back of strong corporate results and the benefits from nearshoring, while Brazil lagged on concerns around policymaking and the challenges faced by the corporate sector amid tighter credit conditions and a weak operating environment. We continued to witness intense outflows from domestic equity funds as underlying investors rotated back into fixed income given the attractiveness of high rates. In our view, this movement helped explain the valuation dislocation in segments of the market, including some of our holdings in Brazil. The second quarter of 2023 also saw volatility as global markets continued to closely monitor the US Federal Reserve (Fed)'s signals with regard to the interest rate trajectory, while watching the direction of the Chinese economy which remains a key driver for emerging market equities and Latin American commodity-orientated companies, in particular.

Portfolio Activity and Review

Our stock selection in Mexico was a key highlight, although this was somewhat offset by our holdings in Brazil, which lagged in a rising market.

At the stock level, Mexican airport operator OMA benefited the fund. Its shares re-rated due to a combination of solid results and the tailwinds from nearshoring trends which continue to support several of our Mexican holdings including industrial warehouse player, Vesta, which also added to performance. Elsewhere, our exposure to Mexican bank Banorte was positive as its stock performed well on the back of earnings upgrades.

Conversely, Brazilian cash & carry chain Assai was weak as its shares sold-off on the back of downgrades in earnings estimates and the overhang from the secondary issuance following the partial divestment of Casino Group.

Our underweight to the Brazilian stock exchange B3 was also unfavourable as its stock re-rated strongly amid rising expectations of the beginning of an easing cycle and its positive impact on Brazilian capital markets. Meanwhile, our underweight position in electric motor manufacturer WEG proved unfavourable as its stock performed well on the back of strong results.

In key portfolio activity, we initiated a position in Equatorial, a leading electricity distribution company in Brazil that we think has an attractive pipeline of investments and the potential to expand its exposure towards sanitation. The fund bought lithium producer SQM on attractive risk-reward and a positive outlook for lithium. We initiated a position in electric motor manufacturer WEG, re-introducing the stock on strengthening conviction, long term growth prospects and to add quality and defensiveness to the portfolio. We also reintroduced Brazil's largest dental insurance provider Odontoprev, due to increased conviction in the company. Meanwhile, we initiated Southern Copper, switching our mining exposure to the company to obtain direct exposure through a high-quality copper asset. Lastly, we added energy company Alupar, a strong capital allocator within the transmission segment.

On the other hand, the fund sold Brazilian vertically integrated health insurer Hapvida, given our weakening conviction in the business. We exited Chilean retail chain Falabella due to the challenging economic outlook and concerns around execution and strategic direction of the business. We disposed of the energy group Raizen due to our reduced conviction. The fund also offloaded Regional to consolidate our Mexican banking exposure into Banorte. Lastly, we sold XP to fund better opportunities elsewhere.

Portfolio Outlook and Strategy

Latin American equities have shown strength over the review period. The region was one of the top performers in the twelve months to end July 2023, outperforming the broader emerging markets as well as the S&P 500. A conducive external backdrop has yielded stability for Latin American currencies. This, coupled with relative resiliency in the macro front, has helped the region to sustain its performance. The risk premia in places like Brazil started to normalise following the progress on key political milestones around its fiscal framework and tax reform, which added momentum and supported a rebound in the second quarter of 2023.

We continue to believe that Latin America offers several opportunities in underpenetrated sectors in the long term. The region could also benefit from the energy transition push, given its leading position as a renewable energy

abrdrn Latin American Equity Fund

Continued

and green commodity resource base. Furthermore, the region could benefit from the restructuring of global supply chains. Mexico stacks up as an attractive destination for manufacturing companies to set-up facilities closer to the US, reducing their reliance on Asian manufacturing hubs.

Our holdings in Latin America are experienced in dealing with inflationary pressures, have solid balance sheets and have strengthened their positions through efficiency, digitalisation and market-share gains, which bodes well for earnings power. The region trades at record low valuation levels and a significant discount to other emerging markets. While Latin American equities are not immune to the global environment, the valuation discount suggest the risks are largely discounted, making the asset class an interesting risk-reward proposition.

Global Emerging Markets Equity Team

August 2023

abrdn Latin American Equity Fund

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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 July 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.
- 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

A Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	91.10	97.90	85.29
Return before operating charges*	21.91	(5.34)	14.12
Operating charges	(1.61)	(1.46)	(1.51)
Return after operating charges*	20.30	(6.80)	12.61
Distributions	(5.08)	(3.89)	(1.37)
Retained distributions on accumulation shares	5.08	3.89	1.37
Closing net asset value per share	111.40	91.10	97.90
* after direct transaction costs of:	0.18	0.11	0.08
Performance			
Return after charges	22.28%	(6.95%)	14.78%
Other information			
Closing net asset value (£'000)	4,345	16,467	19,685
Closing number of shares	3,900,406	18,076,353	20,106,920
Operating charges	1.57%	1.59%	1.64%
Direct transaction costs	0.17%	0.12%	0.09%
Prices			
Highest share price	116.6	110.7	105.2
Lowest share price	89.15	78.40	77.33

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
I Accumulation	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	98.89	105.78	91.74
Return before operating charges*	23.84	(5.76)	15.23
Operating charges	(1.25)	(1.13)	(1.19)
Return after operating charges*	22.59	(6.89)	14.04
Distributions	(6.02)	(4.66)	(1.92)
Retained distributions on accumulation shares	6.02	4.66	1.92
Closing net asset value per share	121.48	98.89	105.78
* after direct transaction costs of:	0.19	0.11	0.09
Performance			
Return after charges	22.84%	(6.51%)	15.30%
Other information			
Closing net asset value (£'000)	91,461	65,870	80,979
Closing number of shares	75,287,359	66,609,994	76,554,693
Operating charges	1.13%	1.14%	1.19%
Direct transaction costs	0.17%	0.12%	0.09%
Prices			
Highest share price	126.7	120.0	113.6
Lowest share price	96.78	84.83	83.25

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

M Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	95.12	101.80	88.33
Return before operating charges*	22.95	(5.54)	14.66
Operating charges	(1.26)	(1.14)	(1.19)
Return after operating charges*	21.69	(6.68)	13.47
Distributions	(5.74)	(4.44)	(1.81)
Retained distributions on accumulation shares	5.74	4.44	1.81
Closing net asset value per share	116.81	95.12	101.80
* after direct transaction costs of:	0.19	0.11	0.09
Performance			
Return after charges	22.80%	(6.56%)	15.25%
Other information			
Closing net asset value (£'000)	6	5	5
Closing number of shares	4,964	4,978	4,992
Operating charges	1.18%	1.19%	1.24%
Direct transaction costs	0.17%	0.12%	0.09%
Prices			
Highest share price	121.9	115.5	109.3
Lowest share price	93.08	81.64	80.15

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.

Portfolio Statement

As at 31 July 2023

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (99.13%)		94,238	98.36
Emerging Market Equities (70.19%)		66,013	68.90
Argentina (1.72%)		2,372	2.48
6,461	Globant	877	0.92
1,555	MercadoLibre	1,495	1.56
Brazil (61.09%)		55,550	57.98
171,608	3R Petroleum Oleo E Gas	997	1.04
494,425	Alupar Investimento	2,351	2.45
178,669	Arezzo Industria e Comercio	2,405	2.51
1,127,618	B3 SA - Brasil Bolsa Balcao	2,745	2.87
768,691	Banco Bradesco	1,864	1.95
345,342	Bradespar (Preference)	1,325	1.38
367,287	Equatorial Energia	2,012	2.10
3,805,560	Itaúsa (Preference)	6,106	6.37
541,323	Klabin	2,031	2.12
416,115	Localiza	4,562	4.76
429,907	Multiplan Empreendimentos Imobiliarios	1,855	1.94
712,467	Odontoprev	1,422	1.48
1,266,575	Petroleo (Preference)	6,436	6.72
814,393	Raia Drogasil	3,853	4.02
250,105	Rumo	949	0.99
377,075	Sendas Distribuidora	830	0.87
496,918	Telefonica Brasil	3,418	3.57
493,677	TOTVS	2,384	2.49
297,702	Vale	3,364	3.51
68,670	Vale ADR	780	0.81
310,039	WEG	2,022	2.11
868,509	Wilson Sons	1,839	1.92
Chile (6.07%)		4,178	4.36
98,812	Banco Santander Chile ADR	1,620	1.69
44,610	Sociedad Quimica y Minera de Chile ADR	2,558	2.67

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Colombia (0.00%)		1,104	1.15
140,993	Geopark	1,104	1.15
Peru (1.31%)		2,809	2.93
23,001	Credicorp	2,809	2.93
North American Equities (28.94%)		28,225	29.46
Mexico (28.94%)		28,225	29.46
464,719	Arca Continental	3,633	3.79
1,063,893	Corp Inmobiliaria Vesta	3,005	3.14
58,509	Fomento Economico Mexicano ADR	5,150	5.37
40,691	Grupo Aeroportuario del Centro Norte ADR	2,859	2.98
684,395	Grupo Financiero Banorte 'O'	5,042	5.26
846,420	Grupo México	3,426	3.58
27,722	Southern Copper	1,884	1.97
994,831	Wal-Mart de Mexico	3,226	3.37
Total investment assets		94,238	98.36
Net other assets		1,574	1.64
Total Net Assets		95,812	100.00

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 July 2022.

Financial Statements

Statement of Total Return

For the year ended 31 July 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains/(losses)	1		13,808		(12,568)
Revenue	2	6,137		5,301	
Expenses	3	(1,018)		(1,061)	
Interest payable and similar charges		(3)		(3)	
Net revenue before taxation		5,116		4,237	
Taxation	4	(294)		(201)	
Net revenue after taxation			4,822		4,036
Total return before distributions			18,630		(8,532)
Distributions	5		(4,822)		(4,037)
Change in net assets attributable to shareholders from investment activities			13,808		(12,569)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2023

	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		82,342		100,669
Amounts receivable on the issue of shares	21,754		32,929	
Amounts payable on the cancellation of shares	(26,822)		(42,505)	
		(5,068)		(9,576)
Dilution adjustment		-		7
Change in net assets attributable to shareholders from investment activities (see above)		13,808		(12,569)
Retained distribution on accumulation shares		4,730		3,811
Closing net assets attributable to shareholders		95,812		82,342

Financial Statements

Continued

Balance Sheet

As at 31 July 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			94,238		81,625
Current assets:					
Debtors	6	837		1,532	
Cash and bank balances		863		185	
			1,700		1,717
Total assets			95,938		83,342
Liabilities:					
Creditors	7	(126)		(1,000)	
			(126)		(1,000)
Total liabilities			(126)		(1,000)
Net assets attributable to shareholders			95,812		82,342

Notes to the Financial Statements

1 Net Capital Gains/(Losses)

	2023 £'000	2022 £'000
Non-derivative securities	13,889	(12,526)
Other losses	(60)	(16)
Transaction charges	(21)	(26)
Net capital gains/(losses)	13,808	(12,568)

2 Revenue

	2023 £'000	2022 £'000
Overseas dividends	6,137	5,299
Stocklending revenue	-	2
Total revenue	6,137	5,301

3 Expenses

	2023 £'000	2022 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	923	965
General administration charge	71	71
	994	1,036
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Revenue collection expenses	8	5
Safe custody fee	16	20
	24	25
Total expenses	1,018	1,061

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £9,120 (2022: £8,460).

Notes to the Financial Statements

Continued

4 Taxation

	2023 £'000	2022 £'000
(a) Analysis of charge in year		
Overseas taxes	294	200
Overseas capital gains tax	-	1
Total taxation (note 4b)	294	201

(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:

Net revenue before taxation	5,116	4,237
Corporation tax at 20% (2022: 20%)	1,023	847
Effects of:		
Revenue not subject to taxation	(944)	(929)
Overseas taxes	294	200
Overseas tax expensed	(42)	(19)
Excess allowable expenses	(37)	101
Overseas capital gains tax	-	1
Total tax charge for year (note 4a)	294	201

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 £1,723,000 (2022: £1,761,000) 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
Distribution	4,730	3,811
Add: Income deducted on cancellation of shares	735	926
Deduct: Income received on issue of shares	(643)	(700)
Total distributions for the year	4,822	4,037
Movement between net revenue and distributions		
Net revenue after taxation	4,822	4,036
Overseas capital gains tax on realised gains	-	1
Total distributions for the year	4,822	4,037

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

Notes to the Financial Statements

Continued

6 Debtors

	2023 £'000	2022 £'000
Accrued revenue	725	186
Amounts receivable from the ACD for the issue of shares	112	546
Sales awaiting settlement	-	800
Total debtors	837	1,532

7 Creditors

	2023 £'000	2022 £'000
Accrued expenses payable to ACD	84	80
Accrued expenses payable to the Depositary or associates of the Depositary	3	4
Amounts payable to the ACD for cancellation of shares	29	48
Purchases awaiting settlement	10	868
Total creditors	126	1,000

8 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 7.

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 7.

9 Portfolio Transaction Costs

	Purchases		Sales	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trades in the year				
Equities	73,793	59,118	75,436	63,693
Corporate actions	202	-	-	236
Trades in the year before transaction costs	73,995	59,118	75,436	63,929
Commissions				
Equities	60	40	(65)	(38)
Total commissions	60	40	(65)	(38)

Notes to the Financial Statements

Continued

	Purchases		Sales	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trades in the year				
Taxes				
Equities	14	11	(14)	(11)
Total taxes	14	11	(14)	(11)
Total transaction costs	74	51	(79)	(49)
Total net trades in the year after transaction costs	74,069	59,169	75,357	63,880

	Purchases		Sales	
	2023 %	2022 %	2023 %	2022 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.08	0.07	0.09	0.06
Taxes				
Equities	0.02	0.02	0.02	0.02

	2023 %	2022 %
Total transaction costs expressed as a percentage of net asset value		
Commissions	0.14	0.09
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 0.16% (2022: 0.16%), this is representative of the average spread on the assets held during the year.

10 Shares in Issue Reconciliation

	Opening shares 2022	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2023
A Accumulation	18,076,353	11,553,503	(10,395,108)	(15,334,342)	3,900,406
I Accumulation	66,609,994	9,645,066	(15,071,046)	14,103,345	75,287,359
M Accumulation	4,978	-	(14)	-	4,964

Notes to the Financial Statements

Continued

11 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
Equities	94,238	-	-	81,625	-	-
Total investment assets	94,238	-	-	81,625	-	-

12 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
Brazilian Real	55,484	47,041
Chilean Peso	1	1,334
Mexican Peso	18,332	19,188
Peruvian New Sol	-	5
US Dollar	21,155	14,188
Total	94,972	81,756

At 31 July 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 £4,749,000 (2022: £4,088,000).

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.

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 July 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 £4,712,000 (2022: £4,081,000).

Financial derivatives instrument risk

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

Bilateral agreements

The fund receives 85% of the revenue returns from stock lending. The gross earnings for the year are £Nil (2022: £2,000) and expenses paid to the lending agent, Securities Finance Trust Company, are £Nil (2022: £Nil).

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2023 £126,000 (2022: £1,000,000).

Distribution Table

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

Final dividend distribution

Group 1 – shares purchased prior to 1 August 2022

Group 2 – shares purchased between 1 August 2022 and 31 July 2023

	Revenue	Equalisation	Distribution paid 31/10/23	Distribution paid 31/10/22
A Accumulation				
Group 1	5.0784	-	5.0784	3.8935
Group 2	2.0070	3.0714	5.0784	3.8935
I Accumulation				
Group 1	6.0196	-	6.0196	4.6644
Group 2	2.8509	3.1687	6.0196	4.6644
M Accumulation				
Group 1	5.7425	-	5.7425	4.4387
Group 2	5.7425	-	5.7425	4.4387

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 Fund

For the year ended 31 July 2023

Investment Objective

To generate income and some growth over the long term (5 years or more) by investing in a globally diversified portfolio of assets.

Performance Target: To exceed the return of the following composite index: 40% FTSE All-Share Index, 25% MSCI World ex UK Index, 15% FTSE Actuaries UK Conventional Gilts All Stocks Index, 5% FTSE Small Cap UK Index, 7.5% SONIA, 5% HFRI FOF Conservative Index, 2.5% FTSE All-Share Index-Equity Investment Instruments. 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 Investment Association's Mixed Investment 40-85% Shares Sector Average Returns.

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

Investment Policy

Portfolio Securities

- The fund will invest in equities (company shares and investment companies) and bonds (loans to companies and governments) issued anywhere and in any currency.
- 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 identify the investments they believe are most appropriate for the fund's objective.
- Their primary focus is on asset allocation and 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 composite index is used as a reference point for portfolio construction and as a basis for setting risk constraints. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the composite Index. The fund will also be subject to constraints such that the fund's allocation to equities will be limited to the equity parameters of the Investment Association's Mixed Investment 40-85% Shares Sector Average Returns Index.

Derivatives and Techniques

- The fund may use derivatives to reduce risk, to reduce cost and/or generate additional income or consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivatives include instruments used to express short term and long term views reflecting expected changes in interest rates, company share prices, inflation, currencies or creditworthiness of corporations or governments.
- The fund may also invest in other funds which may use derivatives extensively although these investments shall be in line with fund's overall risk profile.

Performance Review

For the year ended 31 July 2023, the value of abrdn Multi-Asset Fund - I Accumulation Shares decreased by 3.80% compared to an increase of 2.10% in the performance target 40% FTSE All-Share Index, 25% MSCI World ex UK Index, 15% FTSE Actuaries UK Conventional Gilts All Stocks Index, 5% FTSE Small Cap UK Index, 7.5% SONIA, 5% HFRI FOF Conservative Index, 2.5% FTSE All-Share Index-Equity Investment Instruments.

Source: Lipper; Basis: total return, published NAV to NAV, net of annual charges, gross income reinvested, USD.

Source: MSCI. The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis forecast or prediction. The MSCI information is provided on an 'as is' basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the 'MSCI' Parties) expressly disclaims all warranties (including without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages (www.msci.com).

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.

Market Review

The review period was a volatile one for global markets. Central banks responded to multi-decade-high inflation levels in Western economies by raising interest rates faster and further than previously anticipated.

Nonetheless, global equities advanced over the 12-months under review. The US, UK, Europe and China all posted positive returns over the period. UK large-cap companies performed more positively than small and mid-cap companies.

abrdn Multi-Asset Fund

Continued

The period was defined by 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 review period, global equity markets initially performed poorly. UK markets sold off heavily after the September mini budget, only to rebound in the final quarter of 2022. In the final months of 2022, global stocks rebounded, as US inflation data and the relaxing of China's Covid-19 restrictions gave investors cause for optimism. The new year started on a positive note in January but fell in February due to fears of central bank action amid sticky inflation. Later in April, equity markets proved resilient as investors shrugged off unrest in the banking sector, but then fell in May due to investor fears over the economic outlook. Toward the end of the second quarter, global equities advanced, with investors receiving the latest inflation data positively. This performance continued in July, with investors positive on the outlook for interest rates and corporate earnings releases.

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. In the UK, September's mini budget prompted a wave of selling in bond markets, driving Gilt yields higher and prompting intervention from the Bank of England (BoE). In March, the US Federal Reserve (Fed) and the BoE raised rates by 25 bps, with the European Central Bank (ECB) raising rates by 50 bps. Meanwhile, government bond yields fell sharply in March amid a flight to low-risk assets after the US banking crisis. Over the second quarter of 2023, major central banks continued to raise interest rates to combat still-elevated inflation. The Fed, the BoE and the ECB all raised rates at their May meetings by 25 bps. In June, the ECB increased rates by 25 bps and the BoE raised by 50 bps. The Fed left rates unchanged in June. However, the Fed raised rates in July by 25 bps, with the ECB also raising by 25 bps during the month. Although inflation rates fell, they remained outside the central banks' acceptable ranges. In corporate bonds, the US banking crisis played a pivotal role. Concerned investors sought out the relative safety of higher-quality investment grade (IG) bonds at the expense of lower-quality high-yield bonds. During the second quarter of 2023, corporate bonds were resilient. In the US, riskier high-yield bonds outperformed their IG counterparts.

Portfolio Activity and Review

The fund underperformed its benchmark over the review period. In particular, the fund's underweight benchmark allocation to equities weighed on performance, mainly driven by negative stock selection, particularly in UK

shares. Exposure to infrastructure assets also detracted from relative returns, after the asset class weakened significantly in the face of higher government bond yields. Overall, our alternative growth assets exposure was negative, driven by absolute return, infrastructure and private equity positioning. The UK government bonds position also weighed on relative returns, particularly in the first half of 2023 as yields continued to rise.

UK equities performed well over the 12-month period, but the fund underperformed the benchmark, mainly due to negative stock selection in the UK. The fund's US and European equities exposures were positive, but still lagged the benchmark. This was due to our below-index holdings in US and European equities, due to the implementation of our recessionary view, as well as stock selection in the US over the period. Early in the review period, an underweight exposure to the energy sector proved a drag on performance. At the stock level, alcoholic beverage company Diageo's shares came under pressure as investors were disappointed with interim results announced in January. Later in June, chief executive officer Ivan Menezes died after a brief illness, affecting investor sentiment. Elsewhere, exposure to Anglo American detracted from returns as the mining stock declined especially in the first quarter of 2023. Moonpig Group's shares fell at the end of 2022 after releasing results which indicated that, while its core greetings-card business remained solid, the more discretionary gifting element had weakened. More positively, shares in equipment rental company Ashtead Group, which derives over 80% of revenues from its US operations, advanced in part due to the increased federal infrastructure spending. Meanwhile, Rio Tinto's shares were also positive on the back of gains in commodity prices.

UK government bonds were rather volatile over the 12-month time frame and ended the period in negative territory. An above-index exposure weighed on relative returns. Given the volatility, the fund adopted a flexible approach to duration management, although predominantly positioned with a short bias relative to benchmark seeking higher yields.

Meanwhile, in terms of alternative growth assets, infrastructure also lagged, particularly Greencoat Renewables and Gresham House Storage Fund. Several renewable infrastructure companies reported net asset values that were broadly flat or slightly positive. With NAVs remaining relatively resilient, declines came from reduced premiums or increased discounts to NAVs. In terms of company news, economic infrastructure investor 3i Infrastructure was able to raise £100 million to fund new investment opportunities and reduce debt levels.

abrdn Multi-Asset Fund

Continued

Within special opportunities, biotech lender Biopharma Credit announced positive full-year results for 2022, with the company producing a 13.5% NAV return. In addition, the company announced a special dividend equating to 6 cents (on top of the annual 7 cents annual dividend). Despite positive underlying fundamentals and results, infrastructure, special opportunities and private equity detracted from performance, reflecting the increase in market volatility throughout the review period. In commodities, our exposure to gold also detracted from relative results.

In terms of tactical asset allocation, we ended the review period underweight in equities and overweight in duration assets, given our overarching assessment continues to be that a US recession is 'necessary' to unwind the overheating in the labour market and bring underlying inflation back to target-consistent rates. As a result, the case for owning duration remains intact, especially as markets have failed to fully price in the degree of policy loosening that we expect the Fed to have to undertake towards the end of this year.

Consequentially, there were no significant changes to our overall positioning, albeit we have reduced our overall underweight to equities. We added a small overweight to emerging market equities, which act as a relative-value trade against broader developed markets. Our base case remains that the US enters a recession later this year, while China's relaxation of its zero-Covid policy should allow a rebound in domestic economic growth and support its domestic equity market. We also reduced our US IG credit position, given growing concerns that corporate bond spreads are particularly tight, and that the upside return potential looks limited. We also reduced, over the short term and at the margin, our overweight government bond position in mid-March, following the fallout from the mini bank crisis that led to a large fall in yields. In our view, the aggressive move in yields was likely an overreaction.

Portfolio Outlook and Strategy

Looking ahead, our view is that the US and broader global consumer and services sectors will remain robust for now, given the willingness of consumers to draw down excess savings, labour markets remaining strong, and the real-term boost households will soon get from lower headline inflation. While headline inflation is coming down in the US, 'core-core' inflation remains well above levels consistent with central bank targets, and rate-hiking cycles are not over quite yet. Ultimately, we believe that this process will end in a recession, a price central banks are potentially willing to pay.

Given this outlook, we continue to maintain an underweight allocation to corporate risk, with a preference for quality defensive over cyclically exposed equity markets, and higher quality corporate bonds over High Yield. We remain long duration; Sovereign bond yields have risen to levels which offer value on a medium-term time horizon, but we acknowledge there remains some risk of short-term weakness due to sticky inflation pressures. In addition, we continue to look for selective opportunities, where we see value, while the limited use of our portfolio risk budget allows scope to take advantage of market volatility.

Asset Allocations Solutions Team

August 2023

abrdn Multi-Asset 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 July 2023.

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

- 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.
- The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- 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.
- 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 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 high yielding bonds which carry a greater risk of default than those with lower yields.

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

Comparative Tables

A Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	320.88	341.00	290.90
Return before operating charges*	(9.96)	(14.82)	54.39
Operating charges	(4.61)	(5.30)	(4.29)
Return after operating charges*	(14.57)	(20.12)	50.10
Distributions	(4.33)	(1.68)	(0.95)
Retained distributions on accumulation shares	4.33	1.68	0.95
Closing net asset value per share	306.31	320.88	341.00
* after direct transaction costs of:	0.38	0.21	0.28
Performance			
Return after charges	(4.54%)	(5.90%)	17.22%
Other information			
Closing net asset value (£'000)	67,175	78,720	88,822
Closing number of shares	21,930,523	24,532,408	26,047,011
Operating charges	1.50%	1.59%	1.35%
Direct transaction costs	0.13%	0.07%	0.09%
Prices			
Highest share price	328.0	357.1	342.0
Lowest share price	286.7	298.2	292.8

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.

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

Comparative Tables

Continued

A Income	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	262.52	280.44	239.90
Return before operating charges*	(8.13)	(12.19)	44.85
Operating charges	(3.77)	(4.35)	(3.53)
Return after operating charges*	(11.90)	(16.54)	41.32
Distributions	(3.53)	(1.38)	(0.78)
Closing net asset value per share	247.09	262.52	280.44
* after direct transaction costs of:	0.31	0.17	0.23
Performance			
Return after charges	(4.53%)	(5.90%)	17.22%
Other information			
Closing net asset value (£'000)	2,526	3,306	3,709
Closing number of shares	1,022,411	1,259,312	1,322,413
Operating charges	1.50%	1.59%	1.35%
Direct transaction costs	0.13%	0.07%	0.09%
Prices			
Highest share price	268.3	293.7	282.0
Lowest share price	234.5	245.1	241.4

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.

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

Comparative Tables

Continued

	2023	2022	2021
I Accumulation	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	355.28	375.86	319.20
Return before operating charges*	(11.03)	(16.38)	59.81
Operating charges	(3.58)	(4.20)	(3.15)
Return after operating charges*	(14.61)	(20.58)	56.66
Distributions	(6.34)	(3.51)	(2.62)
Retained distributions on accumulation shares	6.34	3.51	2.62
Closing net asset value per share	340.67	355.28	375.86
* after direct transaction costs of:	0.42	0.23	0.31
Performance			
Return after charges	(4.11%)	(5.48%)	17.75%
Other information			
Closing net asset value (£'000)	42,897	48,646	54,957
Closing number of shares	12,591,805	13,692,426	14,621,685
Operating charges	1.05%	1.14%	0.90%
Direct transaction costs	0.13%	0.07%	0.09%
Prices			
Highest share price	363.3	394.4	376.9
Lowest share price	317.7	330.1	321.2

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.

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

Comparative Tables

Continued

	2023	2022	2021
I Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	155.10	165.70	141.73
Return before operating charges*	(4.79)	(7.21)	26.53
Operating charges	(1.56)	(1.85)	(1.40)
Return after operating charges*	(6.35)	(9.06)	25.13
Distributions	(2.76)	(1.54)	(1.16)
Closing net asset value per share	145.99	155.10	165.70
* after direct transaction costs of:	0.18	0.10	0.14
Performance			
Return after charges	(4.09%)	(5.47%)	17.73%
Other information			
Closing net asset value (£'000)	8,357	9,485	11,090
Closing number of shares	5,724,729	6,115,439	6,692,710
Operating charges	1.05%	1.14%	0.90%
Direct transaction costs	0.13%	0.07%	0.09%
Prices			
Highest share price	158.6	173.9	167.0
Lowest share price	138.7	145.0	142.6

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.

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

Comparative Tables

Continued

M Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	124.45	131.72	111.92
Return before operating charges*	(3.87)	(5.74)	20.96
Operating charges	(1.31)	(1.53)	(1.16)
Return after operating charges*	(5.18)	(7.27)	19.80
Distributions	(2.16)	(1.16)	(0.86)
Retained distributions on accumulation shares	2.16	1.16	0.86
Closing net asset value per share	119.27	124.45	131.72
* after direct transaction costs of:	0.15	0.08	0.11
Performance			
Return after charges	(4.16%)	(5.52%)	17.69%
Other information			
Closing net asset value (£'000)	248	303	323
Closing number of shares	208,155	243,042	245,438
Operating charges	1.10%	1.19%	0.95%
Direct transaction costs	0.13%	0.07%	0.09%
Prices			
Highest share price	127.2	138.2	132.1
Lowest share price	111.3	115.6	112.6

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.

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

Comparative Tables

Continued

M Income ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	119.87	128.05	109.54
Return before operating charges*	(1.98)	(5.52)	20.62
Operating charges	(0.59)	(1.49)	(1.14)
Return after operating charges*	(2.57)	(7.01)	19.48
Distributions	-	(1.17)	(0.97)
Redemption value as at 17 January 2023	(117.30)	-	-
Closing net asset value per share	-	119.87	128.05
* after direct transaction costs of:	0.14	0.08	0.11
Performance			
Return after charges	(2.14%)	(5.47%)	17.78%
Other information			
Closing net asset value (£'000)	-	1	1
Closing number of shares	-	915	915
Operating charges	1.10%	1.19%	0.95%
Direct transaction costs	0.13%	0.07%	0.09%
Prices			
Highest share price	122.6	134.4	129.1
Lowest share price	107.2	112.1	110.2

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.

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

^A M income share class closed on 17 January 2023.

Portfolio Statement

As at 31 July 2023

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (53.94%)		50,500	41.67
European Equities (2.37%)		3,155	2.60
Ireland (1.52%)		1,341	1.10
13,651	Grafton	120	0.10
1,357,572	Greencoat Renewables++	1,221	1.00
Switzerland (0.85%)		1,814	1.50
20,359	Coca-Cola HBC	466	0.39
284,662	Glencore	1,348	1.11
North America Equities (0.78%)		298	0.25
Bermuda (0.78%)		298	0.25
27,620	Hiscox	298	0.25
UK Equities (50.79%)		47,047	38.82
Basic Materials (1.48%)		1,410	1.16
30,176	Anglo American	722	0.59
30,007	Bodycote	207	0.17
9,338	Rio Tinto	481	0.40
Consumer Discretionary (5.64%)		3,004	2.48
57,146	888	62	0.05
8,977	Bellway	199	0.16
48,338	Crest Nicholson	103	0.09
18,123	Entain	251	0.21
31,148	Howden Joinery	229	0.19
136,386	JD Sports Fashion	215	0.18
7,783	Jet2++	87	0.07
51,836	Moonpig	93	0.08
42,322	RELX	1,108	0.91
146,500	Taylor Wimpey	167	0.14

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
38,701	Watches of Switzerland	291	0.24
13,341	WHSmith	199	0.16
Consumer Staples (3.76%)		4,159	3.43
49,892	Diageo	1,695	1.40
17,133	Imperial Brands	315	0.26
51,271	Unilever	2,149	1.77
Energy (0.00%)		5,253	4.34
346,149	BP	1,672	1.38
7,838	Capricorn Energy	14	0.01
33,100	Energean	383	0.32
67,033	Harbour Energy	179	0.15
329,521	Savannah Energy**	86	0.07
121,424	Shell	2,872	2.37
31,825	Wood	47	0.04
Financials (19.10%)		21,027	17.35
614,179	3i Infrastructure	1,919	1.58
139,339	Aberdeen Private Equity Fund+	3	-
416,101	abrdn Private Equity Opportunities Trust+	1,812	1.50
58,256	Ashmore	120	0.10
409,467	Barclays	634	0.52
1,292,260	BioPharma Credit	848	0.70
30,897	Close Brothers	284	0.24
880,872	Foresight Solar Fund	863	0.71
505,524	GCP Asset Backed Income Fund	291	0.24
1,315,883	Greencoat UK Wind	1,925	1.59
580,635	Gresham House Energy Storage Fund	743	0.61
33,980	Hargreaves Lansdown	289	0.24
1,350,839	HICL Infrastructure	1,770	1.46
769	HIE Ventures [§]	-	-
353,029	HSBC	2,281	1.88
12,283	Intermediate Capital	173	0.14

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
138,167	Just	114	0.09
141,920	Legal & General	331	0.27
9,253	London Stock Exchange	783	0.65
157,987	NatWest	386	0.32
46,277	OSB	170	0.14
487,425	Pantheon International	1,282	1.06
83,079	Prudential	899	0.74
1,240,886	Renewables Infrastructure	1,412	1.17
1,082,451	Sequoia Economic Infrastructure Income Fund	876	0.72
109,624	Standard Chartered	819	0.68
Health Care (5.41%)		5,639	4.65
28,296	AstraZeneca	3,165	2.61
238,008	ConvaTec	496	0.41
6,964	Dechra Pharmaceuticals	258	0.21
2,955	Genus	73	0.06
45,242	GSK	626	0.52
87,786	Haleon	295	0.24
20,449	Indivior	358	0.30
31,086	Smith & Nephew	368	0.30
Industrials (8.59%)		3,352	2.77
11,844	Ashtead	682	0.56
33,032	BAE Systems	308	0.26
58,388	Balfour Beatty	204	0.17
75,477	DS Smith	234	0.19
55,392	Genuit	173	0.14
57,997	Inchcape	474	0.39
73,237	Kier	64	0.05
60,061	Marshalls	161	0.13
18,501	Mondi	253	0.21
61,498	Rentokil Initial	390	0.32
26,793	RS	210	0.18
44,954	Vesuvius	199	0.17

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Real Estate (1.71%)		399	0.33
52,250	Segro REIT	399	0.33
Technology (3.38%)		799	0.66
15,436	Auto Trader	100	0.08
29,660	Sage	278	0.23
28,095	Softcat	421	0.35
Telecommunications (1.72%)		668	0.55
235,687	BT	287	0.24
63,213	Helios Towers	57	0.05
5,501	Telecom Plus	91	0.07
313,528	Vodafone	233	0.19
Utilities (0.00%)		1,337	1.10
31,660	Drax	191	0.16
66,103	National Grid	682	0.56
27,532	SSE	464	0.38
Collective Investment Schemes (44.24%)		68,036	56.13
3,685	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc+	3,685	3.04
4,878,362	abrdn American Equity Enhanced Index Fund X Acc+	14,345	11.83
4,552,431	abrdn American Equity Tracker Fund X Acc+	8,000	6.60
281,618	abrdn Asia Pacific Equity Fund Z Acc+	1,110	0.92
928,987	abrdn Europe ex UK Equity Fund Z Acc+	3,247	2.68
101,871	abrdn Global Corporate Bond Fund SICAV Z Acc USD+	1,210	1.00
203,802	abrdn Japanese Sustainable Equity Fund SICAV I Z Acc+	1,941	1.60
25,509,819	abrdn UK Government Bond Fund Z Acc+	22,023	18.17
2,028,988	abrdn UK High Income Equity Fund ZC Acc+	3,827	3.16
4,275,324	abrdn UK Sustainable and Responsible Investment Equity Fund I Acc+	8,648	7.13

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Exchange Traded Funds (0.00%)		2,427	2.00
81,415	iShares Physical Gold ETF	2,427	2.00
Derivatives (0.01%)		(78)	(0.06)
Forward Currency Contracts (0.00%)		(39)	(0.03)
	Buy USD 1,698,620 Sell GBP 1,358,812 07/09/2023	(39)	(0.03)
Futures (0.01%)		(39)	(0.03)
15	Long MSCI Emerging Markets Index Future 15/09/2023	24	0.02
34	Long US 10 Year Note (CBT) Future 20/09/2023	(63)	(0.05)
Total investment assets and liabilities		120,885	99.74
Net other assets		318	0.26
Total Net Assets		121,203	100.00

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 July 2022.

+ Managed by subsidiaries of abrdn plc.

** AIM listed.

** Delisted

Ω Unapproved/unquoted security.

Financial Statements

Statement of Total Return

For the year ended 31 July 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(8,157)		(9,973)
Revenue	2	3,487		2,684	
Expenses	3	(1,421)		(1,659)	
Interest payable and similar charges		(1)		-	
Net revenue before taxation		2,065		1,025	
Taxation	4	6		12	
Net revenue after taxation			2,071		1,037
Total return before distributions			(6,086)		(8,936)
Distributions	5		(2,071)		(1,037)
Change in net assets attributable to shareholders from investment activities			(8,157)		(9,973)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2023

	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		140,461		158,902
Amounts receivable on the issue of shares	1,472		3,664	
Amounts payable on the cancellation of shares	(14,370)		(13,037)	
		(12,898)		(9,373)
Change in net assets attributable to shareholders from investment activities (see above)		(8,157)		(9,973)
Retained distribution on accumulation shares		1,797		905
Closing net assets attributable to shareholders		121,203		140,461

Financial Statements

Continued

Balance Sheet

As at 31 July 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			120,987		137,918
Current assets:					
Debtors	6	236		237	
Cash and bank balances	7	614		3,274	
			850		3,511
Total assets			121,837		141,429
Liabilities:					
Investment liabilities			(102)		-
Bank overdrafts	7	(1)		-	
Creditors	8	(406)		(892)	
Distribution payable		(125)		(76)	
			(532)		(968)
Total liabilities			(634)		(968)
Net assets attributable to shareholders			121,203		140,461

Notes to the Financial Statements

1 Net Capital Losses

	2023 £'000	2022 £'000
Non-derivative securities	(7,794)	(9,922)
Derivative contracts	(267)	25
Forward currency contracts	(81)	(47)
Other losses	(8)	(23)
Transaction charges	(7)	(6)
Net capital losses	(8,157)	(9,973)

2 Revenue

	2023 £'000	2022 £'000
ACD fee rebates on collective investment scheme holdings	50	86
Bank and margin interest	115	4
Income from Overseas Collective Investment Schemes		
Franked income	35	-
Unfranked income	-	170
Income from UK Collective Investment Schemes		
Franked income	541	435
Unfranked income	5	3
Interest income	452	123
Interest on debt securities	192	55
Overseas dividends	(37)	41
Stocklending revenue	-	1
UK dividends	2,092	1,687
UK REIT	42	79
Total revenue	3,487	2,684

3 Expenses

	2023 £'000	2022 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	1,312	1,525
General administration charge	104	121
	1,416	1,646

Notes to the Financial Statements

Continued

	2023 £'000	2022 £'000
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	5	13
	5	13
Total expenses	1,421	1,659

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £9,120 (2022: £8,460).

4 Taxation

	2023 £'000	2022 £'000
(a) Analysis of charge in year		
Overseas taxes	(6)	(12)
Total taxation (note 4b)	(6)	(12)

(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:

	2,065	1,025
Net revenue before taxation	2,065	1,025
Corporation tax at 20% (2022: 20%)	413	205
Effects of:		
Revenue not subject to taxation	(526)	(433)
Overseas taxes	(6)	(12)
Excess allowable expenses	113	228
Total tax charge for year (note 4a)	(6)	(12)

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 £8,797,000 (2022: £8,684,000) 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.

Notes to the Financial Statements

Continued

5 Distributions

	2023 £'000	2022 £'000
Interim distribution	704	288
Final distribution	1,290	731
	1,994	1,019
Add: Income deducted on cancellation of shares	91	25
Deduct: Income received on issue of shares	(14)	(7)
Total distributions for the year	2,071	1,037

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

6 Debtors

	2023 £'000	2022 £'000
Accrued revenue	130	134
Amounts receivable from the ACD for the issue of shares	16	95
Management fee rebate receivable	2	-
Overseas withholding tax recoverable	-	8
Sales awaiting settlement	88	-
Total debtors	236	237

7 Liquidity

	2023 £'000	2022 £'000
Cash and bank balances		
Cash at bank	501	3,273
Cash at broker	113	1
	614	3,274
Bank overdrafts		
Overdraft at bank	(1)	-
	(1)	-
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	3,685	855
Net liquidity	4,298	4,129

* 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.

Notes to the Financial Statements

Continued

8 Creditors

	2023 £'000	2022 £'000
Accrued expenses payable to ACD	112	126
Accrued expenses payable to the Depositary or associates of the Depositary	1	2
Amounts payable to the ACD for cancellation of shares	293	64
Purchases awaiting settlement	-	700
Total creditors	406	892

9 Related Party Transactions

abrtn 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 abrtn Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to abrtn 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 collective investment schemes and derivatives during the year, or in the prior year.

Collective investments operate within the terms of the offer document or prospectus. Typically we do not invest into funds that require an initial charge to be made. The underlying price may contain an estimation of cost known as a dilution levy which is applied from time to time.

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
Trades in the year				
Equities	29,506	19,593	48,276	18,176
Collective investment schemes	29,279	24,192	23,439	33,889
Corporate actions	-	-	231	-
Trades in the year before transaction costs	58,785	43,785	71,946	52,065

Notes to the Financial Statements

Continued

	Purchases		Sales	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trades in the year				
Commissions				
Equities	12	12	(23)	(11)
Total commissions	12	12	(23)	(11)
Taxes				
Equities	124	70	-	-
Total taxes	124	70	-	-
Total transaction costs	136	82	(23)	(11)
Total net trades in the year after transaction costs	58,921	43,867	71,923	52,054

	Purchases		Sales	
	2023 %	2022 %	2023 %	2022 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.04	0.06	0.05	0.06
Taxes				
Equities	0.42	0.36	-	-

	2023 %	2022 %
Total transaction costs expressed as a percentage of net asset value		
Commissions	0.03	0.02
Taxes	0.10	0.05

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: 0.15%), 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
A Accumulation	24,532,408	197,418	(2,457,387)	(341,916)	21,930,523
A Income	1,259,312	1,575	(220,929)	(17,547)	1,022,411
I Accumulation	13,692,426	161,864	(1,570,776)	308,291	12,591,805
I Income	6,115,439	218,334	(638,696)	29,652	5,724,729
M Accumulation	243,042	3	(34,890)	-	208,155
M Income	915	-	(915)	-	-

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	50,414	-	86*	75,761	-	-
Collective Investment Schemes	-	68,036	-	-	62,139	-
Derivatives	24	-	-	18	-	-
Exchange Traded Funds	2,427	-	-	-	-	-
Total investment assets	52,865	68,036	86	75,779	62,139	-
Fair value of investment liabilities						
Derivatives	(63)	(39)	-	-	-	-
Total investment liabilities	(63)	(39)	-	-	-	-

*The Level 3 assets include Savannah Energy which has been valued at the last traded price.

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.

Notes to the Financial Statements

Continued

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.

VaR

The table below indicates the VaR of the fund, measured as the maximum month one 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	7.02%	8.18%	7.64%

2022	Minimum	Maximum	Average
VaR 99% 1 Month	8.09%	9.28%	8.71%

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
Leveraged instruments				
Forward currency contracts	1,320	(39)	-	-
Futures	3,558	(39)	696	18
Total market exposure	4,878	(78)	696	18

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.

Notes to the Financial Statements

Continued

2023	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
Broker or exchange exposure					
Bank of America Merrill Lynch	(39)	113	-	74	0.06
	(39)	113	0	74	0.06

2022	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
Broker or exchange exposure					
Bank of America Merrill Lynch	18	1	-	19	0.01
	18	1	0	19	0.01

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	Collateral (held)/pledged			Net exposure £'000
	Forwards £'000	Cash £'000	Stock £'000	
Counterparties				
Royal Bank of Canada	(39)	-	-	(39)
Total	(39)	-	-	(39)

The fund receives 85% of the revenue returns from stock lending. The gross earnings for the year are £Nil (2022: £1,000) and expenses paid to the lending agent, Securities Finance Trust Company, are £Nil (2022: £Nil).

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

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2023 £634,000 (2022: £968,000).

14 Subsequent Events

It is the intention of the ACD to merge abrdn Multi-Asset Fund, on 27 October 2023, into abrdn Global Balanced Growth Fund in abrdn OEIC II.

Distribution Tables

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

Interim dividend distribution

Group 1 – shares purchased prior to 1 August 2022

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

	Revenue	Equalisation	Distribution paid 28/04/23	Distribution paid 29/04/22
A Accumulation				
Group 1	1.3603	-	1.3603	0.3007
Group 2	0.4829	0.8774	1.3603	0.3007
A Income				
Group 1	1.1128	-	1.1128	0.2473
Group 2	0.4226	0.6902	1.1128	0.2473
I Accumulation				
Group 1	2.2813	-	2.2813	1.2007
Group 2	0.9651	1.3162	2.2813	1.2007
I Income				
Group 1	0.9959	-	0.9959	0.5293
Group 2	0.4112	0.5847	0.9959	0.5293
M Accumulation				
Group 1	0.7691	-	0.7691	0.3872
Group 2	0.7691	-	0.7691	0.3872
M Income				
Group 1	-	-	-	0.4097
Group 2	-	-	-	0.4097

Distribution Tables

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

Final dividend distribution

Group 1 – shares purchased prior to 1 February 2023

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

	Revenue	Equalisation	Distribution paid 31/10/23	Distribution paid 31/10/22
A Accumulation				
Group 1	2.9678	-	2.9678	1.3758
Group 2	1.2147	1.7531	2.9678	1.3758
A Income				
Group 1	2.4172	-	2.4172	1.1306
Group 2	0.9015	1.5157	2.4172	1.1306
I Accumulation				
Group 1	4.0578	-	4.0578	2.3050
Group 2	1.4687	2.5891	4.0578	2.3050
I Income				
Group 1	1.7599	-	1.7599	1.0130
Group 2	0.4227	1.3372	1.7599	1.0130
M Accumulation				
Group 1	1.3910	-	1.3910	0.7770
Group 2	0.6806	0.7104	1.3910	0.7770
M Income				
Group 1	-	-	-	0.7649
Group 2	-	-	-	0.7649

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 Sterling Bond Fund

For the year ended 31 July 2023

Investment Objective

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

Performance Target: To achieve the return of the iBoxx Sterling Overall Index plus 1% 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 80% in Sterling denominated government, sub-sovereign and investment grade corporate bonds.
- The fund may also invest in bonds issued anywhere in the world by governments and corporations, such as sub-sovereigns, sub-investment grade, inflation-linked, convertible, asset backed and mortgage-backed bonds. The fund has some flexibility to seek returns from currencies.
- 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 identify bonds and derivatives after analysing companies prospects and creditworthiness alongside global economic and market conditions. They make flexible allocations using bonds and derivatives.
- In seeking to achieve the performance target, the iBoxx Sterling Overall 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 3.50%. Due to the fund's risk constraints the intention is that the fund's performance will not deviate significantly from that of the index over the long term.

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, to 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"). These positions can be used in overseas markets.
- Derivatives include instruments used to manage expected changes in interest rates, inflation, currencies or creditworthiness of corporations or governments.

Performance Review

For the year ended 31 July 2023, the value of abrdn Sterling Bond Fund – I Accumulation Shares decreased by 13.71% compared to a decrease of 14.51% in the performance target, the iBoxx Sterling Overall Index.

Source: Lipper; Basis: total return, published NAV to NAV, net of annual charges, UK net income reinvested, GBP.

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.

Market Review

The review period was a difficult one for government bonds due to significant swings in the market over the 12 months under review. Bond prices came under pressure as global central banks, including the Bank of England (BoE), became increasingly hawkish.

In particular, the third quarter of 2022 witnessed unprecedented volatility and weakness for UK government bonds (Gilts). Between the start of August and the end of September, the 10-year Gilt yield rose by over 2.2%. This was driven by inflation fears, hawkish central banks and – latterly – the reaction to Chancellor Kwasi Kwarteng's mini-budget and the ensuing forced sales of assets to fund collateral within the UK pension sector. In late September, Mr Kwarteng heralded the biggest programme of tax cuts in 50 years – to be funded by new borrowing. Investors in UK assets were shocked, and the market reaction was extreme. Sterling fell sharply while the yield on the 10-year Gilt went to over 4.5%. UK pension funds were forced, because of higher yields leading to margin calls, to liquidate bond holdings. The BoE was obliged to step, saying it would support the market by buying Gilt and calmed the markets somewhat. Nevertheless, it was the worst quarter ever for Gilts.

abrdn Sterling Bond Fund

Continued

In late October, Rishi Sunak became the new prime minister. UK government bonds recovered some lost ground in October and November before weakening again in December in tandem with other global fixed income markets. Amid the political chaos, the BoE continued to tighten policy rates aggressively. It lifted rates by 75 basis points (bps) in November and a further 50bps in December, taking the cash rate to 3.5%. The stabilisation in bond markets attracted strong inflows to the asset class from investors enticed by the highest yields in a decade. Nevertheless, this left total returns for the calendar year down 23.83% – a humbling and unforgettable year for UK government bonds. Similarly, corporate bond markets also bounced back in the final three months of 2022, providing some relief.

Moving into 2023, the year started strongly for fixed income. The trends we saw at the back end of 2022 continued into January. The yield on the UK's 10-year Gilt fell below 3.2% in January as doubts were raised about the BoE's policy path after weaker-than-expected purchasing managers' (PMI) index data underscored the risk of the UK slipping into recession. However, February data was dominated by falling unemployment and stickier inflation, reversing the sentiment for bonds and causing the BoE to hike the base rate by another 50bps to 4%. In mid-March, Silicon Valley Bank in the US collapsed, causing a turmoil across US regional banks. Worries spread into Europe where financial markets lost confidence in Credit Suisse, which was subsequently acquired by UBS.

In the second quarter of 2023, higher core inflation and better economic data provided a hostile backdrop for government bonds. The UK was the standout underperformer; 10-year Gilt yields rose by around 90bps in the three months to 30 June. While bonds were weak across the board, front-end rates came under even more pressure. Curves flattened aggressively in the face of increased threats of rate hikes from central banks. Contributory factors for the sharp repricing in global bonds included sticky inflation and accelerating wage growth. In June, the BoE hiked rates by 50bps.

Fixed income markets picked up in July. Government bond yields finally moved lower, having climbed to their highest levels in recent times at the beginning of the month. Meanwhile, corporate bond spreads continued to squeeze tighter. Returns in both European and UK credit markets were strong, providing a welcome respite after a weak second quarter. The month ended with some poor PMI indicators. As a result, 10-year Gilt yields ended the month lower at 4.30%, with the market pricing a terminal rate of 5.75%.

Portfolio Activity and Review

Given the volatility over the 12-month review period, the fund adopted a flexible approach to duration management, although predominantly positioned with a short bias relative to benchmark seeking higher yields.

Early in the period, the fund took profits on a cross market strategy whereby it was underweight UK government bonds relative to Germany. During October and November 2022, we increased our curve steepening strategies, which had come under pressure following the intervention by the BoE in late September. After a sharp steepening in the yield curve, we closed this strategy in December. In early December, we also reinstated an underweight cross market strategy in UK government bonds, on this occasion versus Australia, in the medium-dated part of the yield curve. We view this a structural medium-term strategy for the fund. In the first six months of the review period, the fund took profits on several Gilt relative value strategies.

Meanwhile, as an asset class, corporate bonds struggled over the summer months in 2022, with yields moving higher and spreads widening. Our credit exposure was predominantly in investment-grade (IG) corporate bonds, where value was seen as attractive following the year-to-date weakness. BBB-rated credit delivered a strong return, with insurance, banks, telecommunications and automotives among the best performers. These sectors all boosted fund performance.

abrdn Sterling Bond Fund

Continued

The first quarter of 2023 was strong for the Fund. There were notable contributions across all the main strategy types: duration, relative value, yield curve and country spreads. Duration management was positive for excess returns. Yield curve strategies were also positive. A steepening bias in the UK and Europe added gains to performance, offset only slightly by losses arising in our US curve-steepening strategy. Within our country spread strategy bucket, the UK underweight versus Australia was a notably strong performer. The UK versus Germany relative position in 10-year bonds, added towards the end of the quarter, made a small negative contribution.

However, the second quarter of 2023 has been a more difficult one in terms of performance. UK positioning suffered following higher-than-expected inflation and better economic data. Both these factors created a hostile backdrop for government bonds. The front end of the UK curve moved materially higher on expectations of an interest rate hike from the BoE rate. As a result, UK Gilts materially underperformed other core markets, and the yield curve flattened. Thus, the front-end positioning was stopped out. June was a weak month from a performance perspective. Within the credit portfolio, in June, IG performed poorly. Nevertheless, we believe this asset continues to offer compelling value. Issues including the CEO's resignation and potential nationalisation, caused weakness in bonds in the issuer at Thames Water. We believe bonds in the group's operating company were oversold by the market; accordingly, the Fund's position size was increased. As global yields continued to go higher in June, we added long duration positioning, this time in German 10-year Bunds. The Fund added an Australia versus US cross-market strategy at the 10-year part of the curve.

Finally, performance was strong in July, buoyed by lower yields and tighter spreads. The Fund entered the month holding steepening positions in the UK yield curve, in both the front end and back end. Late in the month, we closed the long end steepeners, anticipating a slowdown in Gilt supply. A long Australia versus the US position, held via swaps, helped the Fund to outperform. BBB rated areas of the market, where the credit part of the Fund is focused, added value. Sector positions in financials and real estate also helped performance. In terms of activity in July, the Fund closed out its tactical US 10-year duration position as yields headed lower toward the end of the month. Credit remains focused on IG in sterling, which is cheap relative to other currencies. We also added to a very attractive National Grid bond as well as to our US curve-steepening position.

Portfolio Outlook and Strategy

UK economic data remains key as we head into August and the remainder of 2023. While inflation was lower than expected in July, private sector wages are still far too high for the BoE to feel comfortable. Some de-risking of the Fund appears prudent, given recent performance. Although IG credit markets are only just back to fair value, the risk of a slowdown remains after such aggressive monetary policy tightening as we have experienced.

Sterling IG and Aggregate Team

August 2023

abrdn Sterling 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 July 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.

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

A Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	148.73	175.18	181.08
Return before operating charges*	(20.06)	(24.76)	(4.04)
Operating charges	(1.39)	(1.69)	(1.86)
Return after operating charges*	(21.45)	(26.45)	(5.90)
Distributions	(2.43)	(0.63)	(0.31)
Retained distributions on accumulation shares	2.43	0.63	0.31
Closing net asset value per share	127.28	148.73	175.18
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(14.42%)	(15.10%)	(3.26%)
Other information			
Closing net asset value (£'000)	2,311	4,363	5,610
Closing number of shares	1,815,669	2,933,623	3,202,500
Operating charges	1.04%	1.04%	1.06%
Direct transaction costs	-	-	-
Prices			
Highest share price	151.5	176.7	182.3
Lowest share price	118.9	141.0	167.9

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

A Income	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	111.66	132.07	136.76
Return before operating charges*	(15.04)	(18.65)	(3.05)
Operating charges	(1.03)	(1.28)	(1.41)
Return after operating charges*	(16.07)	(19.93)	(4.46)
Distributions	(1.82)	(0.48)	(0.23)
Closing net asset value per share	93.77	111.66	132.07
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(14.39%)	(15.09%)	(3.26%)
Other information			
Closing net asset value (£'000)	1,123	1,403	1,792
Closing number of shares	1,197,418	1,256,220	1,357,154
Operating charges	1.04%	1.04%	1.06%
Direct transaction costs	-	-	-
Prices			
Highest share price	113.7	133.2	137.7
Lowest share price	89.29	106.2	126.7

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
I Accumulation	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	119.27	139.85	143.92
Return before operating charges*	(16.11)	(19.80)	(3.21)
Operating charges	(0.63)	(0.78)	(0.86)
Return after operating charges*	(16.74)	(20.58)	(4.07)
Distributions	(2.43)	(1.09)	(0.88)
Retained distributions on accumulation shares	2.43	1.09	0.88
Closing net asset value per share	102.53	119.27	139.85
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(14.04%)	(14.72%)	(2.83%)
Other information			
Closing net asset value (£'000)	1,130	1,739	6,820
Closing number of shares	1,102,172	1,458,233	4,876,465
Operating charges	0.59%	0.59%	0.61%
Direct transaction costs	-	-	-
Prices			
Highest share price	121.5	141.1	145.1
Lowest share price	95.45	113.0	133.9

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

	2023	2022	2021
I Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	106.97	126.55	131.04
Return before operating charges*	(14.41)	(17.90)	(2.91)
Operating charges	(0.56)	(0.69)	(0.78)
Return after operating charges*	(14.97)	(18.59)	(3.69)
Distributions	(2.17)	(0.99)	(0.80)
Closing net asset value per share	89.83	106.97	126.55
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(13.99%)	(14.69%)	(2.82%)
Other information			
Closing net asset value (£'000)	42	46	68
Closing number of shares	47,030	43,239	53,592
Operating charges	0.59%	0.59%	0.61%
Direct transaction costs	-	-	-
Prices			
Highest share price	109.0	127.6	132.2
Lowest share price	85.62	101.9	121.5

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

L Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	95.42	111.77	114.90
Return before operating charges*	(12.88)	(15.84)	(2.55)
Operating charges	(0.42)	(0.51)	(0.58)
Return after operating charges*	(13.30)	(16.35)	(3.13)
Distributions	(2.03)	(0.98)	(0.81)
Retained distributions on accumulation shares	2.03	0.98	0.81
Closing net asset value per share	82.12	95.42	111.77
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(13.94%)	(14.63%)	(2.72%)
Other information			
Closing net asset value (£'000)	16	18	21
Closing number of shares	18,937	18,937	18,937
Operating charges	0.49%	0.49%	0.51%
Direct transaction costs	-	-	-
Prices			
Highest share price	97.18	112.7	115.9
Lowest share price	76.38	90.40	107.0

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

L Income	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	89.05	105.35	109.09
Return before operating charges*	(11.99)	(14.90)	(2.43)
Operating charges	(0.39)	(0.48)	(0.54)
Return after operating charges*	(12.38)	(15.38)	(2.97)
Distributions	(1.88)	(0.92)	(0.77)
Closing net asset value per share	74.79	89.05	105.35
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(13.90%)	(14.60%)	(2.72%)
Other information			
Closing net asset value (£'000)	8	10	20
Closing number of shares	10,832	10,832	18,495
Operating charges	0.50%	0.49%	0.51%
Direct transaction costs	-	-	-
Prices			
Highest share price	90.70	106.3	110.1
Lowest share price	71.29	84.87	101.2

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

M Accumulation ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	100.00	117.21	120.40
Return before operating charges*	(9.48)	(16.51)	(2.42)
Operating charges	(0.27)	(0.70)	(0.77)
Return after operating charges*	(9.75)	(17.21)	(3.19)
Distributions	-	(0.96)	(0.94)
Retained distributions on accumulation shares	-	0.96	0.94
Redemption value as at 17 January 2023	(90.25)	-	-
Closing net asset value per share	-	100.00	117.21
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(9.75%)	(14.68%)	(2.65%)
Other information			
Closing net asset value (£'000)	-	1	1
Closing number of shares	-	902	902
Operating charges	0.64%	0.64%	0.66%
Direct transaction costs	-	-	-
Prices			
Highest share price	101.8	118.2	121.5
Lowest share price	80.03	94.81	112.2

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.

^A M Accumulation share class was closed on 17 January 2023.

Comparative Tables

Continued

M Income ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	95.70	113.24	117.24
Return before operating charges*	(9.08)	(15.96)	(2.33)
Operating charges	(0.26)	(0.67)	(0.75)
Return after operating charges*	(9.34)	(16.63)	(3.08)
Distributions	-	(0.91)	(0.92)
Redemption value as at 17 January 2023	(86.36)	-	-
Closing net asset value per share	-	95.70	113.24
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(9.76%)	(14.69%)	(2.63%)
Other information			
Closing net asset value (£'000)	-	1	1
Closing number of shares	-	915	915
Operating charges	0.64%	0.64%	0.66%
Direct transaction costs	-	-	-
Prices			
Highest share price	97.47	114.2	118.3
Lowest share price	76.60	91.20	108.8

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.

^A M Income share class was closed on 17 January 2023.

Comparative Tables

Continued

Z Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	173.97	202.97	207.83
Return before operating charges*	(23.51)	(28.83)	(4.64)
Operating charges	(0.15)	(0.17)	(0.22)
Return after operating charges*	(23.66)	(29.00)	(4.86)
Distributions	(4.34)	(2.54)	(2.28)
Retained distributions on accumulation shares	4.34	2.54	2.28
Closing net asset value per share	150.31	173.97	202.97
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(13.60%)	(14.29%)	(2.34%)
Other information			
Closing net asset value (£'000)	101,186	143,443	135,776
Closing number of shares	67,320,311	82,451,273	66,893,797
Operating charges	0.09%	0.09%	0.11%
Direct transaction costs	-	-	-
Prices			
Highest share price	177.2	204.8	210.0
Lowest share price	139.4	164.7	194.1

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.

Portfolio Statement

As at 31 July 2023

Holding	Investment	Market value £'000	Percentage of total net assets
Bonds (92.10%)		103,276	97.60
Euro Denominated Bonds (1.81%)		1,146	1.08
Corporate Bonds (0.65%)		1,146	1.08
less than 5 years to maturity			
500,000	Cromwell EREIT 2.125% 2025	370	0.35
between 5 and 10 years to maturity			
186,000	Anglo American Capital 5% 2031	163	0.15
greater than 25 years to maturity			
270,000	Channel Link Enterprises Finance 2.706% fixed to floating 2050	210	0.20
300,000	Volkswagen International Finance 3.5% fixed to floating 2069	243	0.23
Perpetual			
200,000	Telefonica Europe 3.875% fixed to floating Perpetual	160	0.15
Government Bonds (1.16%)		-	-
Sterling Denominated Bonds (89.80%)		101,481	95.90
Corporate Bonds (23.27%)		29,019	27.42
less than 5 years to maturity			
100,000	ABN AMRO Bank 1.375% 2025	94	0.09
100,000	America Movil 5% 2026	97	0.09
242,000	Asian Infrastructure Investment Bank 4.375% 2026	234	0.22
200,000	Banco Santander 1.5% 2026	176	0.17
100,000	Banco Santander 3.125% fixed to floating 2026	92	0.09
300,000	Barclays 1.7% fixed to floating 2026	269	0.25
276,000	Barclays 3% 2026	252	0.24
418,000	BAT International Finance 4% 2026	391	0.37
127,000	Bellis Acquisition 3.25% 2026	109	0.10
1,003,000	BNG Bank 1.625% 2025	924	0.87
100,000	CaixaBank 1.5% fixed to floating 2026	88	0.08
452,000	Citigroup 1.75% 2026	398	0.38
268,000	Danske Bank 2.25% fixed to floating 2028	230	0.22
300,000	Deutsche Bank 2.625% 2024	283	0.27

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
200,000	DNB Bank 2.625% fixed to floating 2026	187	0.18
350,000	Enel Finance International 5.625% 2024	348	0.33
209,000	FirstGroup 6.875% 2024	208	0.20
100,000	Fiserv 2.25% 2025	93	0.09
400,000	Ford Motor Credit 4.535% 2025	382	0.36
200,000	General Motors Financial 2.25% 2024	192	0.18
300,000	Go-Ahead 2.5% 2024	298	0.28
69,000	Hammerson REIT 6% 2026	64	0.06
104,000	Hammerson REIT 7.25% 2028	97	0.09
100,000	Heathrow Funding 2.625% 2028	83	0.08
400,000	Heathrow Funding 6.75% 2026	405	0.38
135,000	HSBC 2.256% fixed to floating 2026	123	0.12
417,000	KFW 1.125% 2025	384	0.36
173,000	Lloyds Banking 1.875% fixed to floating 2026	162	0.15
285,000	London & Quadrant Housing Trust 2.625% 2028	248	0.23
100,000	Metrocentre Finance REIT 8.75% 2023	56	0.05
259,000	Mizuho Financial 5.628% 2028	253	0.24
100,000	National Grid Electricity Distribution South West 5.875% 2027	100	0.09
224,000	National Grid Electricity Transmission 1.125% 2028	180	0.17
300,000	National Grid Electricity Transmission 4% 2027	279	0.26
400,000	New York Life Global Funding 1.25% 2026	345	0.33
200,000	NewRiver REIT 3.5% 2028	167	0.16
450,000	Northumbrian Water Finance 1.625% 2026	391	0.37
306,000	Oesterreichische Kontrollbank 1.25% 2023	301	0.28
100,000	Phoenix 6.625% 2025	99	0.09
100,000	Realty Income REIT 1.875% 2027	86	0.08
200,000	Southern Gas Networks 2.5% 2025	190	0.18
160,000	Stagecoach 4% 2025	148	0.14
200,000	Thames Water Utilities Finance 2.875% 2027	156	0.15
101,000	Toronto-Dominion Bank 5.288% 2028	98	0.09
170,000	TotalEnergies Capital International 1.25% 2024	161	0.15
335,000	UBS 2.25% fixed to floating 2028	285	0.27
200,000	Virgin Media Secured Finance 5% 2027	182	0.17
200,000	Virgin Money UK 3.375% fixed to floating 2026	185	0.18
100,000	Volkswagen Financial Services 2.125% 2028	84	0.08
157,000	Westfield Stratford City Finance No 2 1.642% 2026	135	0.13
250,000	Workspace REIT 2.25% 2028	190	0.18

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
between 5 and 10 years to maturity			
60,000	America Movil 5.75% 2030	60	0.06
100,000	Anglian Water Osprey Financing 2% 2028	75	0.07
160,000	Annington Funding 2.308% 2032	115	0.11
134,000	APA Infrastructure 3.125% 2031	107	0.10
100,000	Assura Financing REIT 1.5% 2030	74	0.07
188,000	AT&T 4.375% 2029	171	0.16
279,000	Athene Global Funding 1.875% 2028	218	0.21
200,000	Banco Santander 2.25% fixed to floating 2032	163	0.15
203,000	Bank of America 3.584% fixed to floating 2031	176	0.17
100,000	Barclays 3.25% 2033	77	0.07
200,000	Barclays 8.407% fixed to floating 2032	205	0.19
109,000	Berkeley 2.5% 2031	73	0.07
200,000	BNP Paribas 1.25% 2031	142	0.13
300,000	BNP Paribas 2% fixed to floating 2031	258	0.24
200,000	BNP Paribas 2.875% 2029	170	0.16
200,000	Broadgate Financing 5.098% 2033	155	0.15
100,000	Cie de Saint-Gobain 4.625% 2029	95	0.09
71,000	Comcast 5.5% 2029	71	0.07
240,000	Cooperatieve Rabobank 4.625% 2029	217	0.21
170,000	CPUK Finance 3.69% 2028	147	0.14
100,000	CRH Finance UK 4.125% 2029	91	0.09
200,000	Deutsche Bank 1.875% fixed to floating 2028	162	0.15
200,000	Deutsche Bank 6.125% fixed to floating 2030	188	0.18
200,000	Fidelity National Information Services 2.25% 2029	161	0.15
124,000	Fiserv 3% 2031	101	0.10
200,000	Goldman Sachs 3.625% fixed to floating 2029	178	0.17
150,000	Grainger 3% 2030	117	0.11
300,000	Great Rolling Stock 6.5% 2031	222	0.21
100,000	HSBC 6.75% 2028	101	0.10
200,000	ING 6.25% fixed to floating 2033	190	0.18
100,000	Metropolitan Life Global Funding I 5% 2030	97	0.09
118,000	Mobico 2.375% 2028	98	0.09
203,000	National Australia Bank 1.699% fixed to floating 2031	170	0.16
183,000	NatWest 2.057% fixed to floating 2028	153	0.14
100,000	NatWest 2.105% fixed to floating 2031	85	0.08
500,000	NatWest 3.622% fixed to floating 2030	466	0.44

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
250,000	Northern Powergrid Yorkshire 4.375% 2032	227	0.21
123,000	Northumbrian Water Finance 4.5% 2031	111	0.11
100,000	Orange 3.25% 2032	86	0.08
192,000	Pension Insurance 4.625% 2031	159	0.15
160,000	Premiertel 6.175% 2032	111	0.11
153,000	Realty Income REIT 1.75% 2033	105	0.10
228,000	Santander UK 2.421% fixed to floating 2029	191	0.18
111,000	Smith (DS) 2.875% 2029	93	0.09
100,000	SP Transmission 2% 2031	78	0.07
200,000	Telereal Securitisation FRN 2031	174	0.16
200,000	Tesco Corporate Treasury Services 2.75% 2030	165	0.16
100,000	Thames Water Utilities Finance 2.625% 2032	76	0.07
50,000	Time Warner Cable 5.75% 2031	46	0.04
100,000	TotalEnergies Capital International 1.405% 2031	75	0.07
134,000	UBS 2.125% fixed to floating 2029	109	0.10
167,000	Unite REIT 3.5% 2028	145	0.14
200,000	Virgin Money UK 2.625% fixed to floating 2031	167	0.16
262,000	Welltower REIT 4.8% 2028	241	0.23
200,000	Wessex Water Services Finance 1.5% 2029	153	0.14
126,000	Yorkshire Water Finance 1.75% 2032	89	0.08
between 10 and 15 years to maturity			
200,000	Associated British Foods 2.5% 2034	156	0.15
100,000	BG Energy Capital 5% 2036	95	0.09
110,000	Cadent Finance 5.75% 2034	108	0.10
100,000	Comcast 1.875% 2036	68	0.06
118,000	DWR Cymru Financing UK 2.375% 2034	82	0.08
100,000	Eastern Power Networks 6.25% 2036	106	0.10
400,000	EDF 6.125% 2034	390	0.37
150,000	Enel 5.75% 2037	146	0.14
232,000	Lloyds Banking 2.707% fixed to floating 2035	173	0.16
100,000	Manchester Airport 4.75% 2034	92	0.09
100,000	McDonald's 3.75% 2038	81	0.08
100,000	Metropolitan Housing Trust 1.875% 2036	65	0.06
162,000	Morgan Stanley 5.789% fixed to floating 2033	159	0.15
190,000	Morhomes 3.4% 2038	145	0.14
100,000	Northern Electric Finance 5.125% 2035	95	0.09

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
233,000	PRS Finance 1.5% 2034	166	0.16
200,000	Southern Electric Power Distribution 4.625% 2037	178	0.17
243,000	Southern Water Services Finance 3% 2037	162	0.15
120,000	Standard Chartered 5.125% 2034	107	0.10
200,000	Thames Water Utilities Finance 5.125% 2037	173	0.16
176,000	United Utilities Water Finance 1.75% 2038	108	0.10
100,000	Wells Fargo 4.875% 2035	87	0.08
between 15 and 25 years to maturity			
100,000	America Movil 4.375% 2041	84	0.08
140,000	Annington Funding 3.935% 2047	100	0.09
200,000	Aspire Defence Finance 4.674% 2040 'A'	148	0.14
200,000	Aspire Defence Finance 4.674% 2040 'B'	148	0.14
100,000	Aster Treasury 4.5% 2043	90	0.09
150,000	AT&T 7% 2040	159	0.15
100,000	Berkshire Hathaway Finance 2.375% 2039	69	0.07
100,000	BHP Billiton Finance 4.3% 2042	85	0.08
253,000	Blend Funding 3.459% 2047	186	0.18
100,000	British Telecommunications 5.75% 2041	94	0.09
150,000	Circle Anglia Social Housing 7.25% 2038	171	0.16
70,000	Citigroup 7.375% 2039	83	0.08
135,000	Connect Plus M25 Issuer 2.607% 2039	93	0.09
250,000	E.ON International Finance 6.125% 2039	254	0.24
150,000	E.ON International Finance 6.75% 2039	162	0.15
210,000	Eversholt Funding 2.742% 2040	143	0.13
100,000	Eversholt Funding 3.529% 2042	72	0.07
150,000	HSBC 6% 2040	136	0.13
100,000	LiveWest Treasury 2.25% 2043	62	0.06
250,000	Motability Operations 2.375% 2039	173	0.16
100,000	National Grid Electricity Distribution South West 5.75% 2040	99	0.09
100,000	National Grid Electricity Transmission 2% 2040	60	0.06
200,000	Orbit Capital 3.5% 2045	144	0.14
118,000	Ørsted 5.375% 2042	113	0.11
100,000	Paragon Treasury 3.625% 2047	73	0.07
102,000	Segro REIT 5.125% 2041	94	0.09
100,000	Severn Trent Utilities Finance 4.875% 2042	89	0.08

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
100,000	TC Dudgeon Ofco 3.158% 2038	73	0.07
108,000	Tesco Property Finance 3 5.744% 2040	92	0.09
100,000	Tesco Property Finance 4 5.8006% 2040	86	0.08
100,000	Tesco Property Finance 5 5.6611% 2041	87	0.08
220,000	Transport for London 3.875% 2042	178	0.17
200,000	UPP Bond 1 Issuer 4.9023% 2040	150	0.14
greater than 25 years to maturity			
100,000	Aviva 4% fixed to floating 2055	77	0.07
200,000	Aviva 5.125% fixed to floating 2050	178	0.17
200,000	AXA 6.6862% fixed to floating 2049	199	0.19
100,000	Berkshire Hathaway Finance 2.625% 2059	59	0.06
100,000	Channel Link Enterprises Finance 3.043% fixed to floating 2050	83	0.08
100,000	Citizen Treasury 3.25% 2048	70	0.07
50,000	Dignity Finance 4.6956% 2049	31	0.03
100,000	EDF 6% 2114	87	0.08
200,000	EDF 6% fixed to floating 2049	185	0.17
100,000	Engie 5% 2060	88	0.08
190,000	Income Contingent Student Loans 2 2007-2009 2.5% 2058	105	0.10
70,000	LCR Finance 5.1% 2051	74	0.07
100,000	M&G 5.56% fixed to floating 2055	87	0.08
139,000	M&G 5.625% fixed to floating 2051	125	0.12
200,000	NatWest 5.125% fixed to floating 2067	169	0.16
300,000	NGG Finance 5.625% fixed to floating 2073	286	0.27
200,000	Notting Hill Genesis 4.375% 2054	161	0.15
100,000	Peabody Capital No 2 3.25% 2048	67	0.06
250,000	Precise Mortgage Funding 2018-2B FRN 2055	32	0.03
100,000	Saltaire Finance 4.809% 2053	99	0.09
100,000	University of Oxford 2.544% 2117	52	0.05
200,000	Vodafone 3% 2056	115	0.11
100,000	Vodafone 3.375% 2049	65	0.06
100,000	Wellcome Trust 2.517% 2118	52	0.05
100,000	Wrekin Housing 2.5% 2048	59	0.06
149,000	Zurich Finance Ireland Designated Activity 5.125% fixed to floating 2052	133	0.13

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Perpetual			
401,000	Barclays 6.375% fixed to floating Perpetual	361	0.34
122,000	BP Capital Markets 4.25% fixed to floating Perpetual	108	0.10
100,000	Mobico 4.25% fixed to floating Perpetual	88	0.08
Government Bonds (66.53%)		72,462	68.48
less than 5 years to maturity			
621,000	CPPIB Capital 1.25% 2027	525	0.50
250,000	CPPIB Capital 4.375% 2026	243	0.23
99,000	European Investment Bank 0.125% 2026	84	0.08
256,000	European Investment Bank 0.75% 2024	241	0.23
137,000	European Investment Bank 1.125% 2025	126	0.12
100,000	FMS Wertmanagement 1.375% 2025	94	0.09
522,000	KFW 3.75% 2027	497	0.47
317,000	Kommunalbanken 0.25% 2025	280	0.26
211,000	Kommunalbanken 4% 2026	203	0.19
193,000	Kommunekredit 0.375% 2024	180	0.17
61,000	Nordic Investment Bank 1.125% 2025	56	0.05
362,000	Nordic Investment Bank 3.875% 2026	349	0.33
688,000	Ontario (Province of Canada) 0.25% 2026	576	0.54
385,000	Ontario Teachers' Finance Trust 1.125% 2026	341	0.32
298,000	PRS Finance 1.75% 2026	252	0.24
200,000	Saxony-Anhalt (State of) 2.125% 2024	190	0.18
322,000	Svensk Exportkredit 1.375% 2023	317	0.30
10,024,300	UK (Govt of) 3.5% 2025	9,661	9.13
8,425,600	UK (Govt of) 4.125% 2027	8,233	7.78
503,500	UK (Govt of) 4.5% 2028	500	0.47
between 5 and 10 years to maturity			
95,000	KFW 5.75% 2032	103	0.10
143,000	Nederlandse Waterschapsbank 5.375% 2032	149	0.14
565,000	PRS Finance 2% 2029	484	0.46
103,000	Tennessee Valley Authority 5.625% 2032	107	0.10
48,800	UK (Govt of) 0.25% 2031	36	0.03
1,086,100	UK (Govt of) 0.375% 2030	827	0.78
8,196,200	UK (Govt of) 0.5% 2029	6,635	6.27
1,017,300	UK (Govt of) 0.875% 2029	830	0.78

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
6,095,700	UK (Govt of) 1% 2032	4,691	4.43
964,859	UK (Govt of) 1.625% 2028	842	0.80
1,031,400	UK (Govt of) 3.25% 2033	948	0.90
258,900	UK (Govt of) 4.25% 2032	260	0.25
1,210,800	UK (Govt of) 6% 2028	1,300	1.23
between 10 and 15 years to maturity			
1,235,400	UK (Govt of) 0.875% 2033	896	0.85
1,740,400	UK (Govt of) 1.75% 2037	1,255	1.19
483,200	UK (Govt of) 3.75% 2038	446	0.42
1,749,700	UK (Govt of) 4.5% 2034	1,776	1.68
between 15 and 25 years to maturity			
1,182,500	UK (Govt of) 0.875% 2046	585	0.55
1,228,300	UK (Govt of) 1.125% 2039	774	0.73
1,875,600	UK (Govt of) 1.25% 2041	1,132	1.07
1,443,412	UK (Govt of) 1.5% 2047	818	0.77
1,630,100	UK (Govt of) 3.25% 2044	1,360	1.29
1,595,500	UK (Govt of) 3.5% 2045	1,376	1.30
1,348,000	UK (Govt of) 4.25% 2039	1,315	1.24
1,380,900	UK (Govt of) 4.25% 2040	1,343	1.27
1,344,400	UK (Govt of) 4.25% 2046	1,296	1.23
1,501,134	UK (Govt of) 4.5% 2042	1,504	1.42
1,454,700	UK (Govt of) 4.75% 2038	1,504	1.42
greater than 25 years to maturity			
1,270,000	CPPIB Capital 1.625% 2071	511	0.48
350,000	European Investment Bank 4.625% 2054	346	0.33
678,100	UK (Govt of) 0.625% 2050	275	0.26
1,334,800	UK (Govt of) 1.25% 2051	661	0.62
695,600	UK (Govt of) 1.5% 2053	362	0.34
1,640,300	UK (Govt of) 1.75% 2049	971	0.92
1,004,537	UK (Govt of) 2.5% 2065	663	0.63
445,612	UK (Govt of) 3.5% 2068	379	0.36
2,024,600	UK (Govt of) 3.75% 2052	1,799	1.70
3,832,074	UK (Govt of) 3.75% 2053	3,391	3.20
1,389,700	UK (Govt of) 4% 2060	1,306	1.23

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
2,386,400	UK (Govt of) 4% 2063	2,240	2.12
1,193,172	UK (Govt of) 4.25% 2049	1,152	1.09
887,600	UK (Govt of) 4.25% 2055	866	0.82
US Dollar Denominated Bonds (0.49%)		649	0.62
Corporate Bonds (0.49%)		649	0.62
between 5 and 10 years to maturity			
452,000	AT&T 2.75% 2031	293	0.28
238,000	Dresdner Funding Trust I 8.151% 2031	198	0.19
greater than 25 years to maturity			
280,000	Verizon Communications 3.55% 2051	158	0.15
Derivatives (-1.06%)		(79)	(0.08)
Forward Currency Contracts (0.00%)		19	0.01
	Buy AUD 11,572 Sell GBP 6,158 07/09/2023	-	-
	Buy AUD 12,638 Sell GBP 6,621 07/09/2023	-	-
	Buy AUD 12,648 Sell GBP 6,563 07/09/2023	-	-
	Buy AUD 13,040 Sell GBP 6,911 07/09/2023	-	-
	Buy AUD 13,625 Sell GBP 7,167 07/09/2023	-	-
	Buy AUD 15,315 Sell GBP 8,275 07/09/2023	(1)	-
	Buy AUD 20,554 Sell GBP 10,768 07/09/2023	-	-
	Buy AUD 29,342 Sell GBP 15,372 07/09/2023	-	-
	Buy AUD 29,652 Sell GBP 15,991 07/09/2023	(1)	-
	Buy AUD 33,631 Sell GBP 18,006 07/09/2023	1	-
	Buy AUD 34,346 Sell GBP 18,081 07/09/2023	-	-
	Buy AUD 34,454 Sell GBP 17,940 07/09/2023	-	-
	Buy AUD 34,622 Sell GBP 18,179 07/09/2023	-	-
	Buy AUD 47,019 Sell GBP 24,724 07/09/2023	-	-
	Buy AUD 48,104 Sell GBP 25,659 07/09/2023	(1)	-
	Buy AUD 54,567 Sell GBP 29,266 07/09/2023	(1)	-
	Buy AUD 63,464 Sell GBP 33,194 07/09/2023	-	-
	Buy AUD 86,178 Sell GBP 45,201 07/09/2023	-	-
	Buy AUD 156,201 Sell GBP 81,289 07/09/2023	-	-
	Buy AUD 481,814 Sell GBP 259,215 07/09/2023	(8)	(0.01)

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
	Buy EUR 4,863 Sell GBP 4,184 07/09/2023	-	-
	Buy EUR 5,136 Sell GBP 4,408 07/09/2023	-	-
	Buy EUR 5,608 Sell GBP 4,826 07/09/2023	-	-
	Buy EUR 5,826 Sell GBP 4,989 07/09/2023	-	-
	Buy EUR 6,958 Sell GBP 5,982 07/09/2023	-	-
	Buy EUR 7,228 Sell GBP 6,290 07/09/2023	-	-
	Buy EUR 7,563 Sell GBP 6,527 07/09/2023	-	-
	Buy EUR 11,170 Sell GBP 9,591 07/09/2023	-	-
	Buy EUR 15,058 Sell GBP 13,088 07/09/2023	-	-
	Buy EUR 16,586 Sell GBP 14,322 07/09/2023	-	-
	Buy EUR 18,741 Sell GBP 16,267 07/09/2023	-	-
	Buy EUR 21,415 Sell GBP 18,454 07/09/2023	-	-
	Buy EUR 32,566 Sell GBP 28,010 07/09/2023	-	-
	Buy EUR 57,669 Sell GBP 49,340 07/09/2023	-	-
	Buy GBP 6,205 Sell AUD 11,886 07/09/2023	-	-
	Buy GBP 8,477 Sell AUD 16,001 07/09/2023	-	-
	Buy GBP 9,484 Sell AUD 17,689 07/09/2023	-	-
	Buy GBP 10,639 Sell AUD 20,207 07/09/2023	-	-
	Buy GBP 13,068 Sell AUD 25,082 07/09/2023	-	-
	Buy GBP 16,299 Sell AUD 31,267 07/09/2023	-	-
	Buy GBP 17,343 Sell AUD 32,215 07/09/2023	1	-
	Buy GBP 22,827 Sell AUD 43,347 07/09/2023	-	-
	Buy GBP 24,828 Sell AUD 47,385 07/09/2023	-	-
	Buy GBP 25,133 Sell AUD 47,881 07/09/2023	-	-
	Buy GBP 30,686 Sell AUD 58,350 07/09/2023	-	-
	Buy GBP 31,631 Sell AUD 60,105 07/09/2023	-	-
	Buy GBP 37,337 Sell AUD 69,515 07/09/2023	1	-
	Buy GBP 37,343 Sell AUD 71,109 07/09/2023	-	-
	Buy GBP 37,628 Sell AUD 71,515 07/09/2023	1	-
	Buy GBP 43,769 Sell AUD 82,392 07/09/2023	1	-
	Buy GBP 60,033 Sell AUD 114,403 07/09/2023	1	-
	Buy GBP 67,140 Sell AUD 125,164 07/09/2023	2	-
	Buy GBP 5,028 Sell EUR 5,878 07/09/2023	-	-
	Buy GBP 5,258 Sell EUR 6,077 07/09/2023	-	-
	Buy GBP 5,334 Sell EUR 6,162 07/09/2023	-	-
	Buy GBP 5,905 Sell EUR 6,843 07/09/2023	-	-
	Buy GBP 5,925 Sell EUR 6,867 07/09/2023	-	-

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
	Buy GBP 6,890 Sell EUR 7,989 07/09/2023	-	-
	Buy GBP 7,572 Sell EUR 8,697 07/09/2023	-	-
	Buy GBP 9,408 Sell EUR 10,928 07/09/2023	-	-
	Buy GBP 10,172 Sell EUR 11,869 07/09/2023	-	-
	Buy GBP 10,381 Sell EUR 12,053 07/09/2023	-	-
	Buy GBP 12,646 Sell EUR 14,645 07/09/2023	-	-
	Buy GBP 17,607 Sell EUR 20,616 07/09/2023	-	-
	Buy GBP 19,993 Sell EUR 23,227 07/09/2023	-	-
	Buy GBP 20,841 Sell EUR 24,203 07/09/2023	-	-
	Buy GBP 21,001 Sell EUR 24,531 07/09/2023	-	-
	Buy GBP 44,318 Sell EUR 51,462 07/09/2023	-	-
	Buy GBP 1,156,134 Sell EUR 1,342,799 07/09/2023	2	-
	Buy GBP 4,457 Sell USD 5,714 07/09/2023	-	-
	Buy GBP 4,465 Sell USD 5,645 07/09/2023	-	-
	Buy GBP 6,258 Sell USD 7,891 07/09/2023	-	-
	Buy GBP 7,062 Sell USD 8,895 07/09/2023	-	-
	Buy GBP 9,668 Sell USD 12,483 07/09/2023	-	-
	Buy GBP 11,179 Sell USD 14,634 07/09/2023	-	-
	Buy GBP 11,574 Sell USD 14,892 07/09/2023	-	-
	Buy GBP 13,189 Sell USD 16,927 07/09/2023	-	-
	Buy GBP 16,118 Sell USD 20,465 07/09/2023	-	-
	Buy GBP 22,533 Sell USD 29,078 07/09/2023	-	-
	Buy GBP 22,545 Sell USD 28,783 07/09/2023	-	-
	Buy GBP 22,873 Sell USD 29,227 07/09/2023	-	-
	Buy GBP 24,126 Sell USD 30,812 07/09/2023	-	-
	Buy GBP 48,737 Sell USD 62,300 07/09/2023	1	-
	Buy GBP 55,467 Sell USD 71,412 07/09/2023	-	-
	Buy GBP 685,467 Sell USD 856,887 07/09/2023	20	0.02
	Buy USD 6,734 Sell GBP 5,363 07/09/2023	-	-
	Buy USD 12,003 Sell GBP 9,322 07/09/2023	-	-
	Buy USD 13,717 Sell GBP 10,826 07/09/2023	-	-
	Buy USD 13,806 Sell GBP 10,758 07/09/2023	-	-
	Buy USD 15,966 Sell GBP 12,574 07/09/2023	-	-
	Buy USD 21,967 Sell GBP 17,185 07/09/2023	-	-
	Buy USD 27,862 Sell GBP 21,464 07/09/2023	-	-
	Buy USD 30,175 Sell GBP 23,704 07/09/2023	(1)	-
	Buy USD 31,827 Sell GBP 25,026 07/09/2023	(1)	-

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
	Buy USD 32,918 Sell GBP 25,652 07/09/2023	-	-
	Buy USD 40,457 Sell GBP 31,333 07/09/2023	-	-
	Buy USD 64,213 Sell GBP 48,963 07/09/2023	1	-
	Buy USD 76,428 Sell GBP 58,456 07/09/2023	1	-
Futures (-0.35%)		10	0.01
16	Long Euro Bond Future 07/09/2023	1	-
70	Long Long Gilt Future 27/09/2023	51	0.05
181	Long US 2 Year Note (CBT) Future 29/09/2023	(113)	(0.11)
(71)	Short US 10 Year Ultra Future 20/09/2023	71	0.07
Interest Rate Swaps (-0.71%)		(108)	(0.10)
EUR 2,759,000	Pay fixed 2.604% receive floating EURIBOR 06/01/2056	(37)	(0.04)
USD 13,158,000	Pay fixed 3.264% receive floating USD-SOFR 13/06/2033	40	0.04
AUD 4,707,500	Pay floating AUD-BBR-BBSW receive fixed 3.805% 09/08/2032	(68)	(0.06)
AUD 4,707,500	Pay floating AUD-BBR-BBSW receive fixed 3.81% 10/08/2032	(68)	(0.06)
AUD 3,582,000	Pay floating AUD-BBR-BBSW receive fixed 4.4005% 02/09/2032	(10)	(0.01)
AUD 3,582,000	Pay floating AUD-BBR-BBSW receive fixed 4.40175% 02/09/2032	(10)	(0.01)
AUD 3,582,000	Pay floating AUD-BBR-BBSW receive fixed 4.419% 02/09/2032	(8)	(0.01)
EUR 6,466,000	Pay floating EURIBOR receive fixed 3.05% 06/01/2036	53	0.05
Total investment assets and liabilities		103,197	97.52
Net other assets		2,619	2.48
Total Net Assets		105,816	100.00

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 July 2022.

Financial Statements

Statement of Total Return

For the year ended 31 July 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(22,420)		(25,437)
Revenue	2	3,525		2,164	
Expenses	3	(154)		(205)	
Interest payable and similar charges	4	(13)		(33)	
Net revenue before taxation		3,358		1,926	
Taxation	5	-		-	
Net revenue after taxation			3,358		1,926
Total return before distributions			(19,062)		(23,511)
Distributions	6		(3,358)		(1,926)
Change in net assets attributable to shareholders from investment activities			(22,420)		(25,437)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2023

	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		151,024		150,109
Amounts receivable on the issue of shares	13,458		32,259	
Amounts payable on the cancellation of shares	(39,478)		(7,992)	
		(26,020)		24,267
Dilution adjustment		34		31
Change in net assets attributable to shareholders from investment activities (see above)		(22,420)		(25,437)
Retained distribution on accumulation shares		3,198		2,054
Closing net assets attributable to shareholders		105,816		151,024

Financial Statements

Continued

Balance Sheet

As at 31 July 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			103,525		140,158
Current assets:					
Debtors	7	2,043		905	
Cash and bank balances	8	2,940		15,178	
			4,983		16,083
Total assets			108,508		156,241
Liabilities:					
Investment liabilities			(328)		(2,672)
Creditors	9	(2,350)		(2,540)	
Distribution payable		(14)		(5)	
			(2,364)		(2,545)
Total liabilities			(2,692)		(5,217)
Net assets attributable to shareholders			105,816		151,024

Notes to the Financial Statements

1 Net Capital Losses

	2023 £'000	2022 £'000
Non-derivative securities	(22,153)	(24,518)
Derivative contracts	(140)	(717)
Forward currency contracts	(115)	(215)
Other gains	-	23
Transaction charges	(12)	(10)
Net capital losses	(22,420)	(25,437)

2 Revenue

	2023 £'000	2022 £'000
Bank and margin interest	50	5
Interest on debt securities	3,475	2,158
Stocklending revenue	-	1
Total revenue	3,525	2,164

3 Expenses

	2023 £'000	2022 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	50	80
General administration charge	99	119
	149	199
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fees	5	6
	5	6
Total expenses	154	205

Irrecoverable VAT is included in the above expenses.
The audit fee for the year, including VAT, was £11,700 (2022: £10,860).

Notes to the Financial Statements

Continued

4 Interest Payable and Similar Charges

	2023 £'000	2022 £'000
Derivative expense	8	32
Interest payable	5	1
Total interest payable & similar charges	13	33

5 Taxation

	2023 £'000	2022 £'000
(a) Analysis of charge in year		
Total taxation (note 5b)	-	-

(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:

Net revenue before taxation	3,358	1,926
Corporation tax at 20% (2022: 20%)	672	385
Effects of:		
Distributions treated as tax deductible	(672)	(385)
Total tax charge for year (note 5a)	-	-

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
Interim distribution	1,478	897
Final distribution	1,743	1,164
	3,221	2,061
Add: Income deducted on cancellation of shares	239	16
Deduct: Income received on issue of shares	(102)	(151)
Total distributions for the year	3,358	1,926

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	869	905
Amounts receivable from the ACD for the issue of shares	1	-
Sales awaiting settlement	1,173	-
Total debtors	2,043	905

8 Liquidity

	2023 £'000	2022 £'000
Cash and bank balances		
Cash at bank	2,147	12,448
Cash at broker	643	1,580
Collateral cash pledged to counterparties [~]	150	1,150
Net liquidity	2,940	15,178

[~] 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	10	15
Accrued expenses payable to the Depositary or associates of the Depositary	2	1
Amounts payable to the ACD for cancellation of shares	677	12
Purchases awaiting settlement	1,661	2,512
Total creditors	2,350	2,540

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.

Notes to the Financial Statements

Continued

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.

Trades in the year	Purchases		Sales	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Bonds	105,457	197,618	119,000	181,531
Trades in the year before transaction costs	105,457	197,618	119,000	181,531
Total net trades in the year after transaction costs	105,457	197,618	119,000	181,531

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: 0.31%), 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
A Accumulation	2,933,623	7,807	(1,082,454)	(43,307)	1,815,669
A Income	1,256,220	10,662	(65,878)	(3,586)	1,197,418
I Accumulation	1,458,233	130,600	(540,582)	53,921	1,102,172
I Income	43,239	62,912	(62,859)	3,738	47,030
L Accumulation	18,937	-	-	-	18,937
L Income	10,832	-	-	-	10,832
M Accumulation	902	-	(902)	-	-
M Income	915	-	(915)	-	-
Z Accumulation	82,451,273	8,817,616	(23,948,578)	-	67,320,311

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).

Notes to the Financial Statements

Continued

	2023 £'000 Level 1	2023 £'000 Level 2	2023 £'000 Level 3	2022 £'000 Level 1	2022 £'000 Level 2	2022 £'000 Level 3
Fair value of investment assets						
Bonds	70,198	33,078	-	99,740	39,342	-
Derivatives	123	126	-	211	865	-
Total investment assets	70,321	33,204	-	99,951	40,207	-
Fair value of investment liabilities						
Derivatives	(113)	(215)	-	(739)	(1,933)	-
Total investment liabilities	(113)	(215)	-	(739)	(1,933)	-

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
Currency				
UK Sterling	3,143	101,276	1,394	105,813
Australian Dollar	(163)	-	153	(10)
Euro	18	1,146	(1,158)	6
US Dollar	39	648	(680)	7
Total	3,037	103,070	(291)	105,816

Notes to the Financial Statements

Continued

2022	Floating rate financial assets/ (liabilities) £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
Currency				
UK Sterling	14,341	134,957	1,771	151,069
Australian Dollar	274	-	(135)	139
Euro	(57)	2,730	(2,686)	(13)
US Dollar	208	741	(1,120)	(171)
Total	14,766	138,428	(2,170)	151,024

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 month one 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	4.95%	9.06%	7.64%
2022	Minimum	Maximum	Average
VaR 99% 1 Month	4.46%	5.92%	4.88%

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.

2023	Market value £'000	Percentage of total net assets %
Investment grade securities	101,123	95.58
Below investment grade securities	2,097	1.97
Unrated securities	56	0.05
Total value of securities	103,276	97.60

Notes to the Financial Statements

Continued

2022	Market value £'000	Percentage of total net assets %
Investment grade securities	137,210	90.87
Below investment grade securities	1,819	1.20
Unrated securities	53	0.03
Total value of securities	139,082	92.10

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
Leveraged instruments				
Forward currency contracts	3,935	19	5,267	(2)
Futures	43,570	10	57,732	(528)
Swaps	28,691	(108)	75,739	(1,066)
Total market exposure	76,196	(79)	138,738	(1,596)

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 %
Broker or exchange exposure					
Bank of America Merrill Lynch	10	643	-	653	0.62
	10	643	-	653	0.62

2022	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
Broker or exchange exposure					
Bank of America Merrill Lynch	(528)	1,580	-	1,052	0.70
	(528)	1,580	-	1,052	0.70

Notes to the Financial Statements

Continued

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.

All stock lending is conducted by the stocklending agent on behalf of the fund using a standard agreement with available counterparties. It is collateralised daily with a right of recall within 24 hours.

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	16	-	-	-	16
BNP Paribas	-	1	-	-	1
Citigroup	(86)	-	80	-	(6)
Deutsche Bank	-	(2)	-	-	(2)
Goldman Sachs	-	1	-	-	1
JP Morgan	-	(6)	-	-	(6)
Morgan Stanley	40	-	40	-	80
Royal Bank of Canada	-	25	-	-	25
UBS	(78)	-	30	-	(48)
Total	(108)	19	150	-	61

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

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

The fund receives 85% of the revenue returns from stock lending. The gross earnings for the year are £Nil (2022: £1,000) and expenses paid to the lending agent, Securities Finance Trust Company, are £Nil (2022: £Nil).

2022 Counterparties	Swaps £'000	Forwards £'000	Collateral (held)/pledged		Net exposure £'000
			Cash £'000	Stock £'000	
Bank of America Merrill Lynch	-	(1)	-	-	(1)
Barclays	(595)	(7)	610	-	8
Citigroup	(244)	39	260	-	55
Goldman Sachs	(40)	-	50	-	10
JP Morgan	(187)	-	230	-	43
Royal Bank of Canada	-	(31)	-	-	(31)
StateStreet	-	(2)	-	-	(2)
Total	(1,066)	(2)	1,150	-	82

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

Notes to the Financial Statements

Continued

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
Derivatives					
Investment liabilities	-	127	-	201	328
Non-derivatives					
Other creditors	-	2,350	-	-	2,350
Distribution payable	-	14	-	-	14
Total financial liabilities	-	2,491	-	201	2,692

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
Derivatives					
Investment liabilities	-	787	837	1,048	2,672
Non-derivatives					
Other creditors	-	2,540	-	-	2,540
Distribution payable	-	5	-	-	5
Total financial liabilities	-	3,332	837	1,048	5,217

Distribution Tables

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

Interim interest distribution

Group 1 – shares purchased prior to 1 August 2022

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

	Revenue	Equalisation	Distribution paid 28/04/23	Distribution paid 29/04/22
A Accumulation				
Group 1	0.9213	-	0.9213	0.1761
Group 2	0.7647	0.1566	0.9213	0.1761
A Income				
Group 1	0.6916	-	0.6916	0.1328
Group 2	0.6916	-	0.6916	0.1328
I Accumulation				
Group 1	0.9840	-	0.9840	0.4520
Group 2	0.4404	0.5436	0.9840	0.4520
I Income				
Group 1	0.8840	-	0.8840	0.4077
Group 2	0.6369	0.2471	0.8840	0.4077
L Accumulation				
Group 1	0.8288	-	0.8288	0.4179
Group 2	0.8288	-	0.8288	0.4179
L Income				
Group 1	0.7735	-	0.7735	0.3936
Group 2	0.7735	-	0.7735	0.3936
M Accumulation				
Group 1	-	-	-	0.4370
Group 2	-	-	-	0.4370
M Income				
Group 1	-	-	-	0.4227
Group 2	-	-	-	0.4227
Z Accumulation				
Group 1	1.8338	-	1.8338	1.1589
Group 2	0.9696	0.8642	1.8338	1.1589

Distribution Tables

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

Final interest distribution

Group 1 – shares purchased prior to 1 February 2023

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

	Revenue	Equalisation	Distribution paid 31/10/23	Distribution paid 31/10/22
A Accumulation				
Group 1	1.5097	-	1.5097	0.4584
Group 2	0.1119	1.3978	1.5097	0.4584
A Income				
Group 1	1.1266	-	1.1266	0.3453
Group 2	0.1775	0.9491	1.1266	0.3453
I Accumulation				
Group 1	1.4500	-	1.4500	0.6410
Group 2	0.7276	0.7224	1.4500	0.6410
I Income				
Group 1	1.2885	-	1.2885	0.5786
Group 2	1.2354	0.0531	1.2885	0.5786
L Accumulation				
Group 1	1.2028	-	1.2028	0.5602
Group 2	1.2028	-	1.2028	0.5602
L Income				
Group 1	1.1099	-	1.1099	0.5269
Group 2	1.1099	-	1.1099	0.5269
M Accumulation				
Group 1	-	-	-	0.5268
Group 2	-	-	-	0.5268
M Income				
Group 1	-	-	-	0.4905
Group 2	-	-	-	0.4905
Z Accumulation				
Group 1	2.5038	-	2.5038	1.3778
Group 2	1.2607	1.2431	2.5038	1.3778

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 Sterling Inflation-Linked Bond Fund

For the year ended 31 July 2023

Investment Objective

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

Performance Target: To achieve the return of the FTSE Actuaries UK Index Linked Gilts Over 5 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 index.

Investment Policy

Portfolio Securities

- The fund invests at least 80% in inflation-linked government bonds issued or guaranteed by the UK Government.
- The fund may also invest in inflation-linked and non inflation-linked investment grade corporate bonds and sub-sovereigns 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), money-market instruments, and cash.

Management Process

- The management team use their discretion (active management) to identify investments after analysing individual bonds and derivatives alongside global economic and market conditions.
- In seeking to achieve the performance target, the FTSE Actuaries UK Index Linked Gilts Over 5 years 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 1.70%. Due to the fund's risk constraints the intention is that the fund's performance will not deviate significantly from that of the index over the long 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"). These positions can be used in overseas markets.
- Derivatives include instruments used to manage expected changes in interest rates, inflation, currencies or creditworthiness of corporations or governments.

Performance Review

For the year ended 31 July 2023, the value of abrdrn Sterling Inflation-Linked Bond Fund – I Accumulation Shares decreased by 23.38% compared to a decrease of 25.04% in the performance target, the FTSE Actuaries UK Index Linked Gilts over 5 years Index.

Source: Lipper; Basis: total return, published NAV to NAV, net of annual charges, UK net income reinvested, GBP.

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.

Market Review

During the review period, markets contended with tightening monetary policy in the face of higher inflation and the threat of a macroeconomic slowdown. Early in the period, the UK Government's announcement of unfunded tax cuts in its September mini-budget weakened the UK market. Although the Bank of England (BoE) stepped in to support, Gilt yields moved materially higher. In the fourth quarter of 2022, markets continued to grapple with the evolving narratives of central banks. The BoE raised rates twice and began to unwind its financial stability Gilt purchases, with the strength of demand for bonds providing some support to the UK index-linked gilt market in December.

The first quarter of 2023 was a volatile period for financial markets, with the collapse of multiple banks in the US. The fear of contagion was exacerbated by later issues at Credit Suisse. Economic data, however, pointed to a fairly resilient broader US economy. After the tumult of March, April was relatively calm. Then, in May, investors faced a backdrop of mixed economic data as well as persistently high inflation. In June, bond markets were volatile, as yields moved sharply to reprice in the face of resilient economic data and, in the case of the UK, further evidence of sticky inflation. In the US, core consumer price inflation (CPI) fell by less than anticipated. While the Fed held interest rates steady at its June meeting, markets priced in further rate hikes. The European Central Bank hiked rates by 25 basis points (bps) to 3.5%. In the UK, the BoE surprised markets with a 50 bps hike to 5%.

abrdrn Sterling Inflation-Linked Bond Fund

Continued

At the end of the period, July saw competing narratives tussle for bond markets' attention, with the Fed looking to temper its stance given the moderation in inflation data while other economic indicators proved surprisingly resilient. The Fed hiked by 25 bps in July, and while this was in line with market expectations, the upside surprise to second-quarter GDP was not. After the large upward revision to first quarter GDP, the 0.6% beat at 2.4% added weight to the narrative that the US economy remains firm. At the end of the period, 10-year nominal Treasuries were at 3.89%, while 10-year breakevens were at 2.37%.

In the UK, inflation continued to moderate from the peak hit in October 2022. Figures for June came in below consensus across all three measures. Headline CPI missed by 0.3% at 7.9%, while both core CPI and retail price inflation (RPI) missed by two-tenths, printing at 6.9% and 10.7%, respectively. However, GDP growth surprised to the upside. Elevated wage levels will likely keep the BoE on alert and necessitate another hike in August. Ultimately, 10-year breakevens ended the period at 3.78%. While nominal and real 10-year Gilts closed at 4.30% and around 0.52%, respectively.

Portfolio Activity and Review

The fund outperformed its benchmark over the period.

At the start of the review period, the short position in 10-year US bond futures was positive for performance, as nominal yields moved materially higher. Our long position in UK index-linked 2056 bonds versus 2055 also made a positive contribution, as these repriced aggressively. Conversely, our long position in New Zealand real yields made a negative contribution. Our long position in 30-year Treasury Inflation-Protected Securities (TIPS) also detracted. TIPS underperformed amid a fall in US inflation pricing in response to the Fed's less-supportive messaging. We added a US 30-year real yields position at the beginning of July 2022. As these had risen over the 2022 year, by the end of the third quarter, we had begun to see value in longer-dated tenors at real yields of around 1.2%. At the same time, we took profits on 1y1y interest rate swaps; after a period of heightened volatility in front-end rates, the level moved to our valuation, and we exited the position. Late in September, we took profits on our curve position in UK 2056 linkers versus 2055 bonds amid the significant market volatility.

In the fourth quarter of 2022, a long 30-year US consumer price index position was positive for performance, as the long end of the US inflation curve outperformed. The long New Zealand real yields position also outperformed. The long position in the belly of the UK index-linked Gilts (UKTIs) 44s47s50s detracted from performance, as UKTI 47s underperformed during the market turmoil. The UKTI

10s30s flattener position also underperformed, as the shorter-dated tenors outperformed during the period of political and financial instability brought on by the UK Government's September mini-budget. We initiated a small underweight position in UKTIs and entered a short position in US 10-year nominal futures. We entered into a UKTI 25-year versus 50-year curve steepener position, as we sought to oppose the inversion of the real yield curve. We also added an underweight position in UK Gilt futures. This was later removed, as global duration rallied aggressively in the face of weaker economic data and the prospect that central banks might become more supportive going forward. In this environment, our long New Zealand duration position and our US real yields position added to performance while short positions in the UK and US detracted.

During the first quarter of 2023, the long New Zealand real yields position was a positive contributor to fund performance, as global duration rallied due to the banking crisis. Another positive contributor was our long 30-year US TIPS position, which benefitted from falling yields. The short 10-year US bond futures position was a negative contributor. Our UK index-linked gilts (UKTIs) 10s30s flattener position also contributed negatively, as shorter-dated real yields outperformed. We removed our underweight position in UK Gilt futures. We also entered into a UKTI curve trade, going short 30-year bonds versus 20-year and 40-year bonds. In February, we took profit on this trade. We also initiated a long 10-year US TIPS position against a short position in 10-year UKTIs.

In the second quarter of 2023, a short position in US 10-year bond futures was positive, as was our long position in 10-year TIPS against 10-year UK index-linked Gilts. Our long position in New Zealand real yields was a negative contributor alongside our long in UK Gilts versus German Bunds. We took profits on our long 10-year TIPS versus UK linkers trade in April after UK duration underperformed markedly. We continue to think that 10-year TIPS offer attractive yields. We also reduced our long position in 30-year TIPS. In mid-May, we moved long of 10-year UK nominal gilt futures against 10-year German bund futures, but this trade was later removed after the underperformance of UK duration continued. Also in May, we reduced our short position in 10-year US bond futures. In July, our short 10-year US bond futures position again contributed positively, as economic data suggested the US economy was proving more resilient than expected. Our long 30-year US CPI position was also positive, as it continued to move higher, as inflation pricing reacted to higher yields. Our long New Zealand real yields position continued to be a negative contributor, as the global move in duration continued to drive yields higher. Our long 10-year US TIPS position was also negative, as duration sold

abrdn Sterling Inflation-Linked Bond Fund

Continued

off. We increased the size of our small long position in 10-year US TIPS in July, which we think will offer increasingly good value, with real yields significantly above 1.5%.

Portfolio Outlook and Strategy

While inflation data across most major economies appears to be lowering, other economic indicators (particularly in the US) are implying that the path to more moderate levels of economic activity will not be linear.

We maintain our long position in 30-year US CPI and our effective long of 10-year breakevens. Both of these positions express a positive inflation bias in the US, which should benefit the fund if data continues to prove resilient. We have also added a small amount of duration through 10-year US TIPS, as we believe real yields offer attractive outright entry levels, while providing better protection than nominals if yields do continue to rise. This sits alongside our continued overweight real yield position in New Zealand, which we believe offers attractive return prospects, with real yields being kept at elevated levels in part by the global duration backdrop.

We remain neutral in terms of UK duration positioning, but we are increasingly tempted by positions that look to oppose the hikes priced into the UK rate curve. In Europe, our duration stance is also neutral, as we prefer to express our views elsewhere at present.

Inflation Team

August 2023

abrdrn Sterling 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. The risk and reward indicator changed from 5 to 6 on 31 July 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 July 2023.

The fund is rated as 6 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

A Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	232.66	294.53	292.95
Return before operating charges*	(57.47)	(59.69)	4.15
Operating charges	(1.52)	(2.18)	(2.57)
Return after operating charges*	(58.99)	(61.87)	1.58
Distributions	(9.88)	(4.04)	(0.55)
Retained distributions on accumulation shares	9.88	4.04	0.55
Closing net asset value per share	173.67	232.66	294.53
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(25.35%)	(21.01%)	0.54%
Other information			
Closing net asset value (£'000)	178	1,020	1,455
Closing number of shares	102,396	438,498	493,977
Operating charges	0.79%	0.79%	0.93%
Direct transaction costs	-	-	-
Prices			
Highest share price	242.2	317.3	296.9
Lowest share price	145.2	210.7	255.3

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

A Income	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	183.99	236.80	235.97
Return before operating charges*	(45.26)	(47.82)	3.34
Operating charges	(1.16)	(1.75)	(2.07)
Return after operating charges*	(46.42)	(49.57)	1.27
Distributions	(7.71)	(3.24)	(0.44)
Closing net asset value per share	129.86	183.99	236.80
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(25.23%)	(20.93%)	0.54%
Other information			
Closing net asset value (£'000)	180	271	395
Closing number of shares	138,736	147,092	166,673
Operating charges	0.79%	0.79%	0.93%
Direct transaction costs	-	-	-
Prices			
Highest share price	191.6	255.1	239.1
Lowest share price	114.9	168.6	205.5

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

	2023	2022	2021
I Accumulation	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	206.42	260.12	257.57
Return before operating charges*	(51.08)	(53.01)	3.69
Operating charges	(0.49)	(0.69)	(1.14)
Return after operating charges*	(51.57)	(53.70)	2.55
Distributions	(9.62)	(4.80)	(1.60)
Retained distributions on accumulation shares	9.62	4.80	1.60
Closing net asset value per share	154.85	206.42	260.12
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(24.98%)	(20.64%)	0.99%
Other information			
Closing net asset value (£'000)	5,574	11,838	7,009
Closing number of shares	3,599,379	5,735,267	2,694,651
Operating charges	0.29%	0.29%	0.47%
Direct transaction costs	-	-	-
Prices			
Highest share price	214.9	280.7	262.2
Lowest share price	129.0	186.9	225.0

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
I Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	132.51	170.64	170.03
Return before operating charges*	(32.63)	(34.54)	2.42
Operating charges	(0.29)	(0.46)	(0.75)
Return after operating charges*	(32.92)	(35.00)	1.67
Distributions	(6.09)	(3.13)	(1.06)
Closing net asset value per share	93.50	132.51	170.64
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(24.84%)	(20.51%)	0.98%
Other information			
Closing net asset value (£'000)	3,376	812	888
Closing number of shares	3,610,803	613,022	520,245
Operating charges	0.29%	0.29%	0.47%
Direct transaction costs	-	-	-
Prices			
Highest share price	138.0	184.1	172.6
Lowest share price	82.79	121.7	148.1

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

K Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	120.95	152.23	150.65
Return before operating charges*	(29.94)	(30.94)	2.19
Operating charges	(0.23)	(0.34)	(0.61)
Return after operating charges*	(30.17)	(31.28)	1.58
Distributions	(5.67)	(2.89)	(1.02)
Retained distributions on accumulation shares	5.67	2.89	1.02
Closing net asset value per share	90.78	120.95	152.23
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(24.94%)	(20.55%)	1.05%
Other information			
Closing net asset value (£'000)	4	5	26
Closing number of shares	4,056	4,056	17,427
Operating charges	0.24%	0.24%	0.42%
Direct transaction costs	-	-	-
Prices			
Highest share price	125.9	164.3	153.5
Lowest share price	75.57	109.5	131.6

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.

Comparative Tables

Continued

M Accumulation ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	100.19	126.12	124.82
Return before operating charges*	(20.98)	(25.53)	1.91
Operating charges	(0.13)	(0.40)	(0.61)
Return after operating charges*	(21.11)	(25.93)	1.30
Distributions	-	(2.32)	(0.82)
Retained distributions on accumulation shares	-	2.32	0.82
Redemption value as at 17 January 2023	(79.08)	-	-
Closing net asset value per share	-	100.19	126.12
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(21.07%)	(20.56%)	1.04%
Other information			
Closing net asset value (£'000)	-	1	1
Closing number of shares	-	906	906
Operating charges	0.34%	0.34%	0.52%
Direct transaction costs	-	-	-
Prices			
Highest share price	104.3	136.1	127.2
Lowest share price	62.61	90.61	109.1

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.

^A M Accumulation share class was closed on 17 January 2023.

Comparative Tables

Continued

M Income ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	96.37	124.03	123.56
Return before operating charges*	(20.17)	(24.97)	1.89
Operating charges	(0.13)	(0.39)	(0.61)
Return after operating charges*	(20.30)	(25.36)	1.28
Distributions	-	(2.30)	(0.81)
Redemption value as at 17 January 2023	(76.07)	-	-
Closing net asset value per share	-	96.37	124.03
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(21.06%)	(20.45%)	1.04%
Other information			
Closing net asset value (£'000)	-	1	1
Closing number of shares	-	909	909
Operating charges	0.34%	0.34%	0.52%
Direct transaction costs	-	-	-
Prices			
Highest share price	100.3	133.8	125.5
Lowest share price	60.23	88.46	107.7

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.

^A M Income share class was closed on 17 January 2023.

Comparative Tables

Continued

Z Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	271.21	340.94	336.33
Return before operating charges*	(67.15)	(69.45)	4.93
Operating charges	(0.20)	(0.28)	(0.32)
Return after operating charges*	(67.35)	(69.73)	4.61
Distributions	(13.09)	(6.94)	(3.27)
Retained distributions on accumulation shares	13.09	6.94	3.27
Closing net asset value per share	203.86	271.21	340.94
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(24.83%)	(20.45%)	1.37%
Other information			
Closing net asset value (£'000)	29,936	33,353	38,677
Closing number of shares	14,684,848	12,297,873	11,344,134
Operating charges	0.09%	0.09%	0.10%
Direct transaction costs	-	-	-
Prices			
Highest share price	282.4	368.2	343.7
Lowest share price	169.5	245.4	294.5

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.

Portfolio Statement

As at 31 July 2023

Holding	Investment	Market value £'000	Percentage of total net assets
Bonds (98.86%)		39,169	99.80
New Zealand Dollar Denominated Bonds (2.57%)		964	2.46
Government Bonds (2.57%)		964	2.46
between 10 and 15 years to maturity			
1,619,000	New Zealand (Govt of) 2.5% Index-Linked 2035	964	2.46
Sterling Denominated Bonds (95.81%)		37,893	96.55
Corporate Bonds (0.00%)		848	2.16
between 10 and 15 years to maturity			
125,000	Southern Water Services Finance 3.706% Index-Linked 2034	284	0.72
between 15 and 25 years to maturity			
322,000	Network Rail Infrastructure Finance 1.125% Index-Linked 2047	564	1.44
Government Bonds (95.81%)		37,045	94.39
between 5 and 10 years to maturity			
776,500	UK (Govt of) 0.125% Index-Linked 2028	1,009	2.57
1,190,700	UK (Govt of) 0.125% Index-Linked 2029	1,816	4.63
1,882,700	UK (Govt of) 0.125% Index-Linked 2031	2,345	5.98
1,199,900	UK (Govt of) 1.25% Index-Linked 2032	2,212	5.64
9,000	UK (Govt of) 4.125% Index-Linked 2030	30	0.08
between 10 and 15 years to maturity			
1,334,000	UK (Govt of) 0.125% Index-Linked 2036	1,773	4.52
1,002,133	UK (Govt of) 0.75% Index-Linked 2034	1,633	4.16
785,152	UK (Govt of) 1.125% Index-Linked 2037	1,518	3.87
603,500	UK (Govt of) 2% Index-Linked 2035	1,463	3.73
between 15 and 25 years to maturity			
310,400	UK (Govt of) 0.125% Index-Linked 2039	347	0.88
1,217,700	UK (Govt of) 0.125% Index-Linked 2041	1,410	3.59
1,249,500	UK (Govt of) 0.125% Index-Linked 2044	1,602	4.08
1,226,200	UK (Govt of) 0.125% Index-Linked 2046	1,443	3.68
1,508,457	UK (Govt of) 0.625% Index-Linked 2040	2,490	6.34

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,162,140	UK (Govt of) 0.625% Index-Linked 2042	1,924	4.90
665,300	UK (Govt of) 0.625% Index-Linked 2045	625	1.59
640,900	UK (Govt of) 0.75% Index-Linked 2047	1,075	2.74
greater than 25 years to maturity			
1,453,443	UK (Govt of) 0.125% Index-Linked 2048	1,575	4.01
659,000	UK (Govt of) 0.125% Index-Linked 2051	655	1.67
667,500	UK (Govt of) 0.125% Index-Linked 2056	720	1.84
935,100	UK (Govt of) 0.125% Index-Linked 2058	1,037	2.64
636,100	UK (Govt of) 0.125% Index-Linked 2065	691	1.76
1,361,191	UK (Govt of) 0.125% Index-Linked 2068	1,544	3.93
948,731	UK (Govt of) 0.25% Index-Linked 2052	1,185	3.02
1,019,431	UK (Govt of) 0.375% Index-Linked 2062	1,346	3.43
982,400	UK (Govt of) 0.5% Index-Linked 2050	1,504	3.83
993,345	UK (Govt of) 1.25% Index-Linked 2055	2,073	5.28
US Dollar Denominated Bonds (0.48%)		312	0.79
Government Bonds (0.48%)		312	0.79
between 5 and 10 years to maturity			
412,200	US Treasury 1.125% Index-Linked 2033	312	0.79
Derivatives (0.01%)		67	0.17
Forward Currency Contracts (0.00%)		10	0.03
	Buy GBP 10,513 Sell NZD 21,642 07/09/2023	-	-
	Buy GBP 14,778 Sell NZD 30,652 07/09/2023	-	-
	Buy GBP 15,844 Sell NZD 32,766 07/09/2023	-	-
	Buy GBP 18,999 Sell NZD 39,701 07/09/2023	-	-
	Buy GBP 977,279 Sell NZD 2,028,476 07/09/2023	(1)	-
	Buy GBP 4,182 Sell USD 5,342 07/09/2023	-	-
	Buy GBP 4,582 Sell USD 5,874 07/09/2023	-	-
	Buy GBP 4,721 Sell USD 6,003 07/09/2023	-	-
	Buy GBP 5,104 Sell USD 6,549 07/09/2023	-	-
	Buy GBP 5,622 Sell USD 7,259 07/09/2023	-	-
	Buy GBP 5,710 Sell USD 7,253 07/09/2023	-	-
	Buy GBP 5,742 Sell USD 7,299 07/09/2023	-	-

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
	Buy GBP 5,886 Sell USD 7,524 07/09/2023	-	-
	Buy GBP 7,629 Sell USD 9,568 07/09/2023	-	-
	Buy GBP 9,061 Sell USD 11,238 07/09/2023	1	-
	Buy GBP 9,606 Sell USD 12,197 07/09/2023	-	-
	Buy GBP 9,667 Sell USD 12,407 07/09/2023	-	-
	Buy GBP 10,013 Sell USD 12,892 07/09/2023	-	-
	Buy GBP 360,831 Sell USD 451,067 07/09/2023	11	0.03
	Buy NZD 21,550 Sell GBP 10,432 07/09/2023	-	-
	Buy NZD 25,708 Sell GBP 12,524 07/09/2023	-	-
	Buy NZD 25,768 Sell GBP 12,554 07/09/2023	-	-
	Buy NZD 28,424 Sell GBP 13,747 07/09/2023	-	-
	Buy NZD 42,893 Sell GBP 20,756 07/09/2023	-	-
	Buy USD 4,926 Sell GBP 3,907 07/09/2023	-	-
	Buy USD 5,401 Sell GBP 4,246 07/09/2023	-	-
	Buy USD 5,836 Sell GBP 4,635 07/09/2023	-	-
	Buy USD 5,924 Sell GBP 4,531 07/09/2023	-	-
	Buy USD 7,439 Sell GBP 5,927 07/09/2023	-	-
	Buy USD 7,461 Sell GBP 5,794 07/09/2023	-	-
	Buy USD 8,282 Sell GBP 6,454 07/09/2023	-	-
	Buy USD 9,092 Sell GBP 7,046 07/09/2023	-	-
	Buy USD 10,958 Sell GBP 8,374 07/09/2023	-	-
	Buy USD 17,427 Sell GBP 13,936 07/09/2023	(1)	-
Futures (-0.08%)		20	0.05
(11)	Short US 10 Year Ultra Future 20/09/2023	20	0.05
Inflation Swaps (0.09%)		37	0.09
USD 215,000	Pay fixed 2.311% receive floating USCPI 12/07/2051	20	0.05
USD 248,000	Pay fixed 2.42% receive floating USCPI 09/09/2051	17	0.04
Total investment assets and liabilities		39,236	99.97
Net other assets		12	0.03
Total Net Assets		39,248	100.00

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

Financial Statements

Statement of Total Return

For the year ended 31 July 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(13,885)		(11,228)
Revenue	2	2,375		1,079	
Expenses	3	(56)		(73)	
Interest payable and similar charges		(2)		-	
Net revenue before taxation		2,317		1,006	
Taxation	4	-		-	
Net revenue after taxation			2,317		1,006
Total return before distributions			(11,568)		(10,222)
Distributions	5		(2,317)		(1,006)
Change in net assets attributable to shareholders from investment activities			(13,885)		(11,228)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2023

	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		47,301		48,452
Amounts receivable on the issue of shares	9,882		16,458	
Amounts payable on the cancellation of shares	(6,325)		(7,492)	
		3,557		8,966
Dilution adjustment		20		40
Change in net assets attributable to shareholders from investment activities (see above)		(13,885)		(11,228)
Retained distribution on accumulation shares		2,255		1,071
Closing net assets attributable to shareholders		39,248		47,301

Financial Statements

Continued

Balance Sheet

As at 31 July 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			39,238		46,805
Current assets:					
Debtors	6	961		844	
Cash and bank balances	7	248		483	
			1,209		1,327
Total assets			40,447		48,132
Liabilities:					
Investment liabilities			(2)		(38)
Bank overdrafts	7	(1)		-	
Creditors	8	(1,072)		(778)	
Distribution payable		(124)		(15)	
			(1,197)		(793)
Total liabilities			(1,199)		(831)
Net assets attributable to shareholders			39,248		47,301

Notes to the Financial Statements

1 Net Capital Losses

	2023 £'000	2022 £'000
Non-derivative securities	(14,109)	(11,266)
Derivative contracts	134	79
Forward currency contracts	89	(48)
Other gains	5	9
Transaction charges	(4)	(2)
Net capital losses	(13,885)	(11,228)

2 Revenue

	2023 £'000	2022 £'000
Derivative revenue	1	-
Interest on debt securities	2,374	1,079
Total revenue	2,375	1,079

3 Expenses

	2023 £'000	2022 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	24	34
General administration charge	31	38
	55	72
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	1	1
	1	1
Total expenses	56	73

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £11,700 (2022: £10,860).

Notes to the Financial Statements

Continued

4 Taxation

	2023 £'000	2022 £'000
(a) Analysis of charge in year		
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:

Net revenue before taxation	2,317	1,006
Corporation tax at 20% (2022: 20%)	463	201
Effects of:		
Excess allowable expenses	333	989
UK Indexation relief	(796)	(1,190)
Total tax charge for year (note 4a)	-	-

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 £1,644,000 (2022: £1,311,000) 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	1,043	396
Final distribution	1,357	698
	2,400	1,094
Add: Income deducted on cancellation of shares	86	43
Deduct: Income received on issue of shares	(169)	(131)
Total distributions for the year	2,317	1,006

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	52	42
Amounts receivable from the ACD for the issue of shares	10	802
Sales awaiting settlement	899	-
Total debtors	961	844

7 Liquidity

	2023 £'000	2022 £'000
Cash and bank balances		
Cash at bank	245	414
Cash at broker	3	69
	248	483
Bank overdrafts		
Overdraft at bank	(1)	-
	(1)	-
Net liquidity	247	483

8 Creditors

	2023 £'000	2022 £'000
Accrued expenses payable to ACD	4	6
Amounts payable to the ACD for cancellation of shares	59	18
Purchases awaiting settlement	1,009	754
Total creditors	1,072	778

9 Related Party Transactions

abrtn 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 abrtn Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to abrtn 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

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	16,922	18,442	12,561	9,458
Trades in the year before transaction costs	16,922	18,442	12,561	9,458
Total net trades in the year after transaction costs	16,922	18,442	12,561	9,458

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 0.44% (2022: 0.22%), 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
A Accumulation	438,498	93,540	(331,317)	(98,325)	102,396
A Income	147,092	1,799	(3,932)	(6,223)	138,736
I Accumulation	5,735,267	863,420	(3,109,935)	110,627	3,599,379
I Income	613,022	3,523,749	(534,594)	8,626	3,610,803
K Accumulation	4,056	-	-	-	4,056
M Accumulation	906	-	(906)	-	-
M Income	909	-	(909)	-	-
Z Accumulation	12,297,873	2,427,151	(40,176)	-	14,684,848

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 Level 1	2023 £'000 Level 2	2023 £'000 Level 3	2022 £'000 Level 1	2022 £'000 Level 2	2022 £'000 Level 3
Fair value of investment assets						
Bonds	37,357	1,812	-	45,543	1,217	-
Derivatives	20	49	-	-	45	-
Total investment assets	37,377	1,861	-	45,543	1,262	-
Fair value of investment liabilities						
Derivatives	-	(2)	-	(35)	(3)	-
Total investment liabilities	-	(2)	-	(35)	(3)	-

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.

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
Currency				
UK Sterling	246	37,893	1,112	39,251
Australian Dollar	(1)	-	-	(1)
New Zealand Dollar	-	964	(966)	(2)
US Dollar	40	312	(352)	-
Total	285	39,169	(206)	39,248

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
Currency				
UK Sterling	45,770	-	1,349	47,119
New Zealand Dollar	1,217	-	(1,192)	25
US Dollar	298	-	(141)	157
Total	47,285	-	16	47,301

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's financial instruments, measured as the potential one month loss in value from adverse changes in equity prices, interest rates, inflation rates and foreign currency exchange rates, with a 99 percent confidence level. Calculated on this basis, the table indicates that the net value of the fund's financial assets and liabilities could be expected to change by more than the stated amount on only two days out of 200, in response to either price, interest rate, inflation or foreign currency exchange rate changes.

2023	Minimum	Maximum	Average
VaR 99% 1 Month	11.87%	23.87%	20.43%

2022	Minimum	Maximum	Average
VaR 99% 1 Month	10.12%	11.30%	10.73%

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.

2023	Market value £'000	Percentage of total net assets %
Investment grade securities	39,169	99.80
Below investment grade securities	-	-
Unrated securities	-	-
Total value of securities	39,169	99.80

Notes to the Financial Statements

Continued

2022	Market value £'000	Percentage of total net assets %
Investment grade securities	46,760	98.86
Below investment grade securities	-	-
Unrated securities	-	-
Total value of securities	46,760	98.86

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
Leveraged instruments				
Forward currency contracts	1,613	10	1,893	-
Futures	1,000	20	1,724	(35)
Swaps	360	37	380	42
Total market exposure	2,973	67	3,997	7

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 %
Broker or exchange exposure					
Bank of America Merrill Lynch	20	3	-	23	0.06
	20	3	-	23	0.06
2022	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
Broker or exchange exposure					
Bank of America Merrill Lynch	(35)	69	-	34	0.07
	(35)	69	-	34	0.07

Notes to the Financial Statements

Continued

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	
Barclays	-	(1)	-	-	(1)
Goldman Sachs	-	(1)	-	-	(1)
Natwest Markets	-	1	-	-	1
Royal Bank of Canada	-	11	-	-	11
UBS	37	-	-	-	37
Total	37	10	-	-	47

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

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

2022 Counterparties	Swaps £'000	Forwards £'000	Collateral (held)/pledged		Net exposure £'000
			Cash £'000	Stock £'000	
Bank of America Merrill Lynch	-	2	-	-	2
JP Morgan	-	(1)	-	-	(1)
Royal Bank of Canada	-	1	-	-	1
Standard Chartered	-	(2)	-	-	(2)
UBS	42	-	-	-	42
Total	42	-	-	-	42

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

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	Total £'000
Derivatives			
Investment liabilities	-	2	2
Non-derivatives			
Other creditors	-	1,072	1,072
Bank overdrafts	1	-	1
Distribution payable	-	124	124
Total financial liabilities	1	1,198	1,199

Notes to the Financial Statements

Continued

2022	On demand £'000	Up to one year £'000	Total £'000
Derivatives			
Investment liabilities	-	38	38
Non-derivatives			
Other creditors	-	778	778
Distribution payable	-	15	15
Total financial liabilities	-	831	831

Distribution Tables

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

Interim interest distribution

Group 1 – shares purchased prior to 1 August 2022

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

	Revenue	Equalisation	Distribution paid 28/04/23	Distribution paid 29/04/22
A Accumulation				
Group 1	4.4608	-	4.4608	1.3909
Group 2	2.4625	1.9983	4.4608	1.3909
A Income				
Group 1	3.5275	-	3.5275	1.1185
Group 2	2.3960	1.1315	3.5275	1.1185
I Accumulation				
Group 1	4.3962	-	4.3962	1.8935
Group 2	2.7403	1.6559	4.3962	1.8935
I Income				
Group 1	2.8222	-	2.8222	1.2422
Group 2	1.2324	1.5898	2.8222	1.2422
K Accumulation				
Group 1	2.5921	-	2.5921	1.1527
Group 2	2.5921	-	2.5921	1.1527
M Accumulation				
Group 1	-	-	-	0.8854
Group 2	-	-	-	0.8854
M Income				
Group 1	-	-	-	0.8779
Group 2	-	-	-	0.8779
Z Accumulation				
Group 1	6.0070	-	6.0070	2.8314
Group 2	3.9552	2.0518	6.0070	2.8314

Distribution Tables

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

Final interest distribution

Group 1 – shares purchased prior to 1 February 2023

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

	Revenue	Equalisation	Distribution paid 31/10/23	Distribution paid 31/10/22
A Accumulation				
Group 1	5.4211	-	5.4211	2.6455
Group 2	2.7789	2.6422	5.4211	2.6455
A Income				
Group 1	4.1854	-	4.1854	2.1170
Group 2	2.3473	1.8381	4.1854	2.1170
I Accumulation				
Group 1	5.2224	-	5.2224	2.9039
Group 2	3.1739	2.0485	5.2224	2.9039
I Income				
Group 1	3.2647	-	3.2647	1.8907
Group 2	1.9619	1.3028	3.2647	1.8907
K Accumulation				
Group 1	3.0805	-	3.0805	1.7382
Group 2	3.0805	-	3.0805	1.7382
M Accumulation				
Group 1	-	-	-	1.4297
Group 2	-	-	-	1.4297
M Income				
Group 1	-	-	-	1.4236
Group 2	-	-	-	1.4236
Z Accumulation				
Group 1	7.0801	-	7.0801	4.1057
Group 2	1.9222	5.1579	7.0801	4.1057

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 Sterling Money Market Fund

For the year ended 31 July 2023

Investment Objective

The fund aims to generate income and preserve some capital over the short term (2 years or less) by investing in cash deposits and money market instruments.

Performance Target: The fund targets a return equivalent to SONIA. 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.

SONIA has been chosen as a proxy for the return from cash deposits.

Investment Policy

Portfolio Securities

- The fund invests at least 80% in cash deposits and money market instruments.
- The fund may also invest in reverse repos, securitisations and asset backed commercial paper.
- The fund may also invest in other funds (including those managed by abrdn).
- The fund qualifies as a money-market fund under the MMF Regulation and more specifically as a Standard VNAV MMF.

Management Process

- The management team use their discretion (active management) to maintain a diverse asset mix at country, sector and company level.
- The fund is managed in line with the MMF Regulation which is used as a reference for portfolio management and risk monitoring of the fund. For example, constraints include limits on the average maturity of the portfolio.

Derivatives and Techniques

- The fund may 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 include instruments used to manage expected changes in interest rates.

Performance Review

For the year ended 31 July 2023, the value of abrdn Sterling Money Market Fund - I Accumulation Shares increased by 3.53% compared to an increase of 3.48% in the performance target, SONIA.

Source: Lipper; Basis: total return, published NAV to NAV, net of annual charges, UK net income reinvested, GBP.

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.

Market Review

During the period under review, sterling short-term interest rate markets experienced significant volatility. At the beginning of the period, the base rate stood at 1.25%, with projections of subsequent increases, reaching approximately 3% by June 2023. The Bank of England's (BoE) Monetary Policy Committee (MPC) increased the rate by 50 basis points (bps) to 1.75% in early August due to mounting inflation concerns as headline inflation surged from 9.4% to 10.1% in mid-August, surpassing the consensus prediction of 9.8%. September witnessed additional turbulence due to the Government's Energy Plan, leading to greater volatility in longer-end yields. The MPC sanctioned another 50bps rate hike with varying voting outcomes among committee members. The main event thereafter was the mini budget announced on 23 September, with Chancellor Kwasi Kwarteng's unfunded tax cuts triggering significant market reverberations. The 10-year Gilt yield surged above 4%, with the terminal rate projected at 6% by September 2023. The BoE intervention calmed markets although doubts about the UK's fiscal standing. The base rate ended September at 2.25%.

As October unfolded, the market priced in further interest hikes, projecting a rate of around 5.5% by March 2023. Reacting to September's Gilt market turmoil, the BoE expanded its daily Gilt-buying operations to include inflation-linked Gilts. As the UK inflation level reached a 40-year high of 10.1%, Governor Bailey reaffirmed the BoE's readiness to raise interest rates. Political shifts followed, with Prime Minister Liz Truss resigning on 20 October to be replaced by Rishi Sunak. This transition led to downward adjustments in rate forecasts. The MPC raised the base rate by 75 basis points (bps) to 3% at its early November meeting, while UK inflation hit a 41-year high of 11.1% on 16 November. The base rate hit 3.5% in mid-December.

Moving into the first quarter of 2023, January witnessed declining yields in response to moderating inflation across major economies. Despite rising wages offset by reduced fuel costs, overall inflation eased, prompting the market-implied peak base rate to fall below 4.5%. The International Monetary Fund raised its 2023 global growth forecast, noting reduced recession risks from strong US and European demand. However, the UK's economic outlook remained weak among G7 countries due to higher taxes, rising rates and elevated energy costs. In February, the MPC raised the base rate by 50bps to 4%, yet global inflationary pressures pushed the implied peak rate to

abrdn Sterling Money Market Fund

Continued

4.8%. March witnessed significant events, including Silicon Valley Bank's bankruptcy and banking sector contagion reaching Europe, leading to UBS acquiring Credit Suisse. UK inflation continued rising and the MPC voted to hike the base rate by another 25bps to 4.25%. A further 25bps increase to 4.5% came in May. Despite these moves by the BoE, the peak base rate forecast continued to rise. June concluded with a 50bps base rate hike to 5%.

July was another busy month in the UK Gilt market, with heightened activity as yields surged due to concerns about persistent inflation. The Gilt curve reacted once again with the 10-year at 4.65% and 2-year around 5%. As the month progressed, the market stabilised and yields stabilise as data showed a moderation in inflation outturns for June.

Portfolio Activity and Review

Over the 12-month review period, aside from the market dislocation that occurred during late summer 2022 under the short-lived Truss premiership, the impact of inflation and cost of living on the economy led the front end of the market and rate expectations for the UK to rise significantly. The BoE remained in inflation fighting mode, raising its policy rate at each meeting during the period by an increment of 0.5–0.75 percentage points.

Fund positioning has been dominated by ensuring the portfolio reset quickly to higher market yields with particular focus around the MPC policy meeting calendar. The weighted average maturity (WAM) moved within a fairly limited range, and this allowed regular trading in short-term money market instruments. On occasion, as market expectations for base rate increases accelerated beyond expectations, we added selected positions in 6-, 9- and 12-month tenors to capture in higher yields and the spread in floating rate securities remains attractive. We have taken the opportunity to add high-quality names in the one-year space to replace some of our historic positions as we approached the end of the period, moving the fund's WAM has been increased beyond its typical range to circa 75 days plus.

The fund is well positioned to take advantage of market opportunities with low-risk positioning in credit and rates and will be able to reposition rapidly to deliver value.

Portfolio Outlook and Strategy

The continued rapid rise in key interest rates that we have witnessed will undoubtedly lead to severe economic stresses and challenges. The trade-off between inflation and economic slowdown remains key in the coming quarters. Lower energy prices and signs of an easing in supply-chain issues globally have helped somewhat, but the cost-of-living crisis continues to hit media headlines,

and inflation remains stickier than expected, particularly in the UK. Markets will pay close attention to the BoE meeting of 3 August when the base rate is expected to reach 5.25%.

Recent conditions have been frustrating for investment managers. Economic data continues to surprise to the upside and economic forecasts have seen significant revision. Accordingly, holding any longer-term strategic trades have proven difficult. Prices in government bond markets have been particularly volatile. There have been many false dawns, for both bond bulls and bears. Now, we may have reached a position where government and private balance sheets are unable to cope with higher interest rates. Headline inflation is falling, and core will ultimately follow, but it is proving to be stickier than expected. While core inflation remains elevated, central banks have little choice but to plough ahead with further interest-rate hikes – particularly if this surprising economic resilience holds.

Positioning in such an environment is replete with uncertainty. Therefore, the fund's investment activity will remain firmly on capital preservation and liquidity. We await further signals of the outlook becoming more supportive for government bonds. This could happen through further reductions in inflation measures and weaker signals for consumption. Government spending is in no position to do any of the heavy lifting if growth starts to wobble, as many countries face much higher debt servicing costs. A slowdown is coming, but bond investors may need to wait a little longer for the repricing to occur.

Euro IG and Aggregate Team

August 2023

abrdn Sterling Money Market 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 July 2023.

The fund is rated as 1 because of the extent to which the following risk factors apply:

- 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 may hold money-market instruments, the value of which may be subject to adverse movements in extreme market conditions.
- The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- 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

A Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	113.52	113.20	113.26
Return before operating charges*	4.16	0.60	0.22
Operating charges	(0.28)	(0.28)	(0.28)
Return after operating charges*	3.88	0.32	(0.06)
Distributions	(3.22)	(0.19)	-
Retained distributions on accumulation shares	3.22	0.19	-
Closing net asset value per share	117.40	113.52	113.20
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	3.42%	0.28%	(0.05%)
Other information			
Closing net asset value (£'000)	36,819	30,091	27,829
Closing number of shares	31,362,672	26,507,242	24,583,611
Operating charges	0.25%	0.25%	0.25%
Direct transaction costs	-	-	-
Prices			
Highest share price	117.4	113.5	113.3
Lowest share price	113.5	113.2	113.2

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

A Income	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	100.21	100.08	100.13
Return before operating charges*	3.64	0.53	0.20
Operating charges	(0.25)	(0.25)	(0.25)
Return after operating charges*	3.39	0.28	(0.05)
Distributions	(2.81)	(0.15)	-
Closing net asset value per share	100.79	100.21	100.08
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	3.38%	0.28%	(0.05%)
Other information			
Closing net asset value (£'000)	1,318	649	791
Closing number of shares	1,307,284	647,885	790,273
Operating charges	0.25%	0.25%	0.25%
Direct transaction costs	-	-	-
Prices			
Highest share price	101.8	100.4	100.2
Lowest share price	100.2	100.0	100.1

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

I Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	115.89	115.44	115.39
Return before operating charges*	4.24	0.62	0.22
Operating charges	(0.17)	(0.17)	(0.17)
Return after operating charges*	4.07	0.45	0.05
Distributions	(3.40)	(0.31)	(0.01)
Retained distributions on accumulation shares	3.40	0.31	0.01
Closing net asset value per share	119.96	115.89	115.44
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	3.51%	0.39%	0.04%
Other information			
Closing net asset value (£'000)	638,687	375,388	374,004
Closing number of shares	532,399,573	323,928,819	323,969,346
Operating charges	0.15%	0.15%	0.15%
Direct transaction costs	-	-	-
Prices			
Highest share price	120.0	115.9	115.5
Lowest share price	115.9	115.4	115.4

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.

Comparative Tables

Continued

	2023	2022	2021
I Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	100.24	100.12	100.09
Return before operating charges*	3.64	0.54	0.19
Operating charges	(0.15)	(0.15)	(0.15)
Return after operating charges*	3.49	0.39	0.04
Distributions	(2.91)	(0.27)	(0.01)
Closing net asset value per share	100.82	100.24	100.12
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	3.48%	0.39%	0.04%
Other information			
Closing net asset value (£'000)	64,681	23,077	17,676
Closing number of shares	64,153,724	23,022,254	17,654,426
Operating charges	0.15%	0.15%	0.15%
Direct transaction costs	-	-	-
Prices			
Highest share price	101.8	100.4	100.2
Lowest share price	100.3	100.1	100.1

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

M Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	100.76	100.43	100.43
Return before operating charges*	3.69	0.53	0.20
Operating charges	(0.20)	(0.20)	(0.20)
Return after operating charges*	3.49	0.33	-
Distributions	(2.91)	(0.21)	-
Retained distributions on accumulation shares	2.91	0.21	-
Closing net asset value per share	104.25	100.76	100.43
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	3.46%	0.33%	-
Other information			
Closing net asset value (£'000)	161	173	160
Closing number of shares	154,956	171,767	159,531
Operating charges	0.20%	0.20%	0.20%
Direct transaction costs	-	-	-
Prices			
Highest share price	104.3	100.8	100.5
Lowest share price	100.8	100.4	100.4

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.

Comparative Tables

Continued

M Income ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	100.38	100.25	100.20
Return before operating charges*	1.23	0.53	0.25
Operating charges	(0.09)	(0.20)	(0.20)
Return after operating charges*	1.14	0.33	0.05
Distributions	(0.30)	(0.20)	-
Redemption value as at 17 January 2023	(101.22)	-	-
Closing net asset value per share	-	100.38	100.25
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	1.14%	0.33%	0.05%
Other information			
Closing net asset value (£'000)	-	1	1
Closing number of shares	-	1,000	1,000
Operating charges	0.20%	0.20%	0.20%
Direct transaction costs	-	-	-
Prices			
Highest share price	101.2	100.6	100.3
Lowest share price	100.4	100.3	100.2

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.

^A M income share class closed on 17 January 2023.

Comparative Tables

Continued

Z Gross Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	109.55	109.03	108.87
Return before operating charges*	4.01	0.57	0.21
Operating charges	(0.05)	(0.05)	(0.05)
Return after operating charges*	3.96	0.52	0.16
Distributions	(3.33)	(0.40)	(0.04)
Retained distributions on accumulation shares	3.33	0.40	0.04
Closing net asset value per share	113.51	109.55	109.03
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	3.61%	0.48%	0.15%
Other information			
Closing net asset value (£'000)	392	414	1
Closing number of shares	345,401	377,660	699
Operating charges	0.05%	0.05%	0.05%
Direct transaction costs	-	-	-
Prices			
Highest share price	113.5	109.5	109.0
Lowest share price	109.6	109.0	108.9

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.

Portfolio Statement

As at 31 July 2023

Holding	Investment	Market value £'000	Percentage of total net assets
Bonds (8.07%)		59,840	8.06
Sterling Denominated Bonds (8.07%)		59,840	8.06
Corporate Bonds (8.07%)		59,840	8.06
less than 5 years to maturity			
10,000,000	Bank of Montreal FRN 2023	10,003	1.35
10,000,000	Bank of Nova Scotia FRN 2025	10,077	1.36
5,000,000	Bank of Nova Scotia FRN July 2024	5,000	0.67
4,000,000	Bank of Nova Scotia FRN March 2024	3,999	0.54
5,000,000	Commonwealth Bank of Australia FRN 2023	5,000	0.67
5,000,000	Coventry Building Society FRN 2023	5,004	0.67
8,500,000	HSBC Bank FRN 2025	8,500	1.15
6,000,000	HSBC Bank FRN 2023	6,003	0.81
5,000,000	Metropolitan Life Global Funding I FRN 2023	5,000	0.67
1,250,000	Royal Bank of Canada FRN 2024	1,254	0.17
Money Markets (78.27%)		545,816	73.56
Certificates Of Deposits (67.00%)		420,810	56.71
10,000,000	ABN AMRO Bank CD 0% 02/01/2024	9,786	1.32
6,000,000	Australia & New Zealand CD 0% 02/04/2024	5,767	0.78
5,000,000	Australia & New Zealand CD 0% 03/01/2024	4,887	0.66
20,000,000	Banco Santander CD 0% 15/09/2023	19,878	2.68
10,000,000	Bank of America CD 0% 07/08/2023	9,992	1.35
5,000,000	Banque Federative du Credit Mutuel CD 0% 19/09/2023	4,969	0.67
10,000,000	Banque Federative du Credit Mutuel CD 5.245% 19/02/2024	9,997	1.35
8,000,000	Barclays Bank CD 4.57% 07/09/2023	8,000	1.08
5,000,000	Barclays Bank CD 4.8% 01/02/2024	4,997	0.67
4,000,000	Barclays Bank CD 4.82% 27/12/2023	3,998	0.54
10,000,000	Barclays Bank CD 5.16% 12/03/2024	9,997	1.35
4,000,000	Barclays Bank CD 5.56% 03/10/2023	4,000	0.54
10,000,000	Citibank CD 0% 10/08/2023	9,987	1.34
10,000,000	Citibank CD 5.3% 03/01/2024	9,999	1.35
5,000,000	Commonwealth Bank of Australia CD 5.06% 05/01/2024	4,999	0.67
10,000,000	Commonwealth Bank of Australia CD 5.25% 26/04/2024	9,995	1.35
15,000,000	Credit Agricole CD 4.94% 04/08/2023	15,002	2.02

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
10,000,000	DNB Bank CD 3.26% 17/08/2023	9,994	1.35
5,000,000	DNB Bank CD 6.54% 01/07/2024	4,999	0.67
10,000,000	Euroclear Bank CD 4.85% 12/09/2023	9,942	1.34
10,000,000	First Abu Dhabi Bank CD 4.93% 16/10/2023	10,000	1.35
10,000,000	First Abu Dhabi Bank CD 5.47% 09/01/2024	9,999	1.35
5,000,000	Handelsbanken CD 5.42% 28/09/2023	5,000	0.67
15,000,000	ING Bank CD 0% 03/04/2024	14,505	1.95
5,000,000	ING Bank CD 0% 24/04/2024	4,814	0.65
10,000,000	KBC Bank CD 0% 31/10/2023	9,861	1.33
10,000,000	KBC Bank CD 0% 09/08/2023	9,988	1.35
10,000,000	Korea Development Bank CD 0% 03/10/2023	9,917	1.34
10,000,000	Lloyds Financial CD 5.83% 04/12/2023	9,999	1.35
10,000,000	MUFG Bank Ltd (TOKYO) CD 4.93% 03/10/2023	9,999	1.35
10,000,000	MUFG Bank Ltd (TOKYO) CD 5.02% 05/09/2023	10,000	1.35
5,000,000	National Australia Bank CD 0% 19/01/2024	4,885	0.66
4,000,000	National Australia Bank CD 3.55% 21/08/2023	4,000	0.54
5,000,000	National Australia Bank CD 5.% 05/01/2024	4,999	0.67
5,000,000	National Australia Bank CD 5.4% 02/10/2023	5,000	0.67
5,000,000	Nordea Bank Finland CD 0% 05/07/2024	4,710	0.63
8,000,000	Nordea Bank Finland CD 0% 07/08/2023	7,993	1.08
2,000,000	Nordea Bank Finland CD 4.24% 18/09/2023	2,000	0.27
6,000,000	Norinchukin Bank CD 0% 06/09/2023	5,970	0.80
10,500,000	Norinchukin Bank CD 0% 23/08/2023	10,468	1.41
1,500,000	OP Corporate Bank CD 0% 28/09/2023	1,488	0.20
12,000,000	Oversea-Chinese Banking CD 0% 05/10/2023	11,892	1.60
10,000,000	Rabobank International CD 0% 14/06/2024	9,518	1.28
10,000,000	Rabobank International CD 0% 19/04/2024	9,635	1.30
3,000,000	Royal Bank of Canada CD 4.4% 22/09/2023	3,000	0.40
5,000,000	Skandinaviska Enskil CD 6.1% 19/06/2024	4,998	0.67
5,000,000	Societe Generale CD 4.25% 20/09/2023	4,993	0.67
15,000,000	Societe Generale CD 5.1% 18/09/2023	15,000	2.02
5,000,000	Toronto-Dominion Bank CD 5.38% 22/05/2024	4,998	0.67
10,000,000	Toronto-Dominion Bank CD 6.12% 24/04/2024	10,000	1.35
10,000,000	UBS CD 4.49% 12/01/2024	9,997	1.35
10,000,000	UBS CD 4.69% 09/10/2023	9,999	1.35

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Commercial Paper (11.27%)		125,006	16.85
5,000,000	Banque Federative du Credit Mutuel CP 4.89% 02/01/2024	4,897	0.66
4,000,000	Barclays Bank CP 4.68% 05/02/2024	3,908	0.53
15,000,000	Erste Group Bank CP 4.92% 03/08/2023	15,000	2.02
5,000,000	La Banque Postale CP 4.7% 24/11/2023	4,917	0.66
10,000,000	La Banque Postale CP 5.275% 04/09/2023	9,966	1.34
5,000,000	Legal & General CP 4.69% 10/08/2023	4,999	0.67
20,000,000	Natwest Bank CP 4.92% 03/08/2023	20,000	2.70
4,000,000	OP Corporate Bank CP 3.63% 22/08/2023	3,993	0.54
5,000,000	OP Corporate Bank CP 4.53% 26/01/2024	4,886	0.66
5,000,000	OP Corporate Bank CP 4.64% 16/01/2024	4,890	0.66
5,000,000	OP Corporate Bank CP 5.2% 03/05/2024	4,902	0.66
5,000,000	OP Corporate Bank CP 6% 13/06/2024	4,926	0.66
5,000,000	Skandinaviska Enskil CP 4.49% 06/11/2023	4,928	0.66
5,000,000	Skandinaviska Enskil CP 5.01% 30/10/2023	4,932	0.67
5,000,000	Toronto-Dominion Bank CP 4.78% 20/11/2023	4,920	0.66
10,000,000	Toyota Motor Finance CP 4.77% 11/08/2023	9,997	1.35
13,000,000	Toyota Motor Finance CP 5.56% 10/10/2023	12,945	1.75
Collective Investment Schemes (3.02%)		22,000	2.96
22,000	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc+	22,000	2.96
Total investment assets		627,656	84.58
Net other assets		114,402	15.42
Total Net Assets		742,058	100.00

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 July 2022.

+ Managed by subsidiaries of abrdrn plc.

Financial Statements

Statement of Total Return

For the year ended 31 July 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains	1		3,114		499
Revenue	2	18,055		1,765	
Expenses	3	(848)		(653)	
Interest payable and similar charges		-		(8)	
Net revenue before taxation		17,207		1,104	
Taxation	4	-		-	
Net revenue after taxation			17,207		1,104
Total return before distributions			20,321		1,603
Distributions	5		(17,207)		(1,104)
Change in net assets attributable to shareholders from investment activities			3,114		499

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2023

	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		429,793		420,462
Amounts receivable on the issue of shares	374,564		115,015	
Amounts payable on the cancellation of shares	(82,183)		(107,245)	
		292,381		7,770
Change in net assets attributable to shareholders from investment activities (see above)		3,114		499
Retained distribution on accumulation shares		16,770		1,062
Closing net assets attributable to shareholders		742,058		429,793

Financial Statements

Continued

Balance Sheet

As at 31 July 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			627,656		384,077
Current assets:					
Debtors	6	3,762		807	
Cash and bank balances	7	111,649		45,324	
			115,411		46,131
Total assets			743,067		430,208
Liabilities:					
Creditors	8	(321)		(370)	
Distribution payable		(688)		(45)	
			(1,009)		(415)
Total liabilities			(1,009)		(415)
Net assets attributable to shareholders			742,058		429,793

Notes to the Financial Statements

1 Net Capital Gains

	2023 £'000	2022 £'000
Non-derivative securities	3,117	504
Transaction charges	(3)	(5)
Net capital gains	3,114	499

2 Revenue

	2023 £'000	2022 £'000
Bank and margin interest	4,250	242
Interest on debt securities	8,011	644
Interest on short term investments	5,794	879
Total revenue	18,055	1,765

3 Expenses

	2023 £'000	2022 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	595	459
General administration charge	226	172
	821	631
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	27	22
	27	22
Total expenses	848	653

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £11,700 (2022: £10,860).

Notes to the Financial Statements

Continued

4 Taxation

	2023 £'000	2022 £'000
(a) Analysis of charge in year		
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:

Net revenue before taxation	17,207	1,104
Corporation tax at 20% (2022: 20%)	3,441	221
Effects of:		
Excess allowable expenses	-	(97)
Distributions treated as tax deductible	(3,441)	(124)
Total tax charge for year (note 4a)	-	-

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	1,540	-
Second interim distribution	3,557	-
Third interim distribution	5,510	308
Final distribution	7,651	814
	18,258	1,122
Add: Income deducted on cancellation of shares	267	23
Deduct: Income received on issue of shares	(1,318)	(41)
Total distributions for the year	17,207	1,104

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	3,597	785
Amounts receivable from the ACD for the issue of shares	165	22
Total debtors	3,762	807

7 Liquidity

	2023 £'000	2022 £'000
Cash and bank balances		
Cash at bank	30	159
Deposits with original maturity of less than 3 months	111,619	45,165
	111,649	45,324
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	22,000	13,000
Net liquidity	133,649	58,324

* 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	91	53
Accrued expenses payable to the Depositary or associates of the Depositary	3	3
Amounts payable to the ACD for cancellation of shares	227	314
Total creditors	321	370

9 Related Party Transactions

abrndn 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 abrndn Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to abrndn 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

There are no transaction costs associated with the purchases or sales of bonds 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.

Trades in the year	Purchases		Sales	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Bonds	1,869,736	1,206,548	1,643,931	1,197,063
Trades in the year before transaction costs	1,869,736	1,206,548	1,643,931	1,197,063
Total net trades in the year after transaction costs	1,869,736	1,206,548	1,643,931	1,197,063

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 0.05% (2022: 0.07%), 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
A Accumulation	26,507,242	12,548,330	(7,053,683)	(639,217)	31,362,672
A Income	647,885	1,211,508	(421,106)	(131,003)	1,307,284
I Accumulation	323,928,819	259,805,494	(51,986,719)	651,979	532,399,573
I Income	23,022,254	53,420,163	(12,419,632)	130,939	64,153,724
M Accumulation	171,767	37,853	(54,664)	-	154,956
M Income	1,000	-	(1,000)	-	-
Z Gross Accumulation	377,660	190,153	(194,894)	(27,518)	345,401

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	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	-	59,840	-	-	34,668	-
Money Market Instruments	-	545,816	-	-	336,409	-
Collective Investment Schemes	-	22,000	-	-	13,000	-
Total investment assets	-	627,656	-	-	384,077	-

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.

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

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
2023				
Currency				
UK Sterling	193,489	545,816	2,753	742,058
Total	193,489	545,816	2,753	742,058

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
2022				
Currency				
UK Sterling	85,345	344,056	392	429,793
Total	85,345	344,056	392	429,793

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

As at 31 July 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 £31,383,000 (2022: £19,204,000).

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	53,837	7.25
Below investment grade securities	-	-
Unrated securities	6,003	0.81
Total value of securities	59,840	8.06
	Market value £'000	Percentage of total net assets %
2022		
Investment grade securities	34,668	8.07
Below investment grade securities	-	-
Unrated securities	-	-
Total value of securities	34,668	8.07

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

Financial derivatives instrument risk

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

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2023 £1,009,000 (2022: £415,000).

Distribution Tables

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

First interim interest distribution

Group 1 – shares purchased prior to 1 August 2022

Group 2 – shares purchased between 1 August 2022 and 31 October 2022

	Revenue	Equalisation	Distribution paid 31/01/23	Distribution paid 31/01/22
A Accumulation				
Group 1	0.3350	-	0.3350	-
Group 2	0.1738	0.1612	0.3350	-
A Income				
Group 1	0.2957	-	0.2957	-
Group 2	0.1555	0.1402	0.2957	-
I Accumulation				
Group 1	0.3713	-	0.3713	-
Group 2	0.1917	0.1796	0.3713	-
I Income				
Group 1	0.3213	-	0.3213	-
Group 2	0.1739	0.1474	0.3213	-
M Accumulation				
Group 1	0.3101	-	0.3101	-
Group 2	0.1265	0.1836	0.3101	-
M Income				
Group 1	0.2950	-	0.2950	-
Group 2	0.2950	-	0.2950	-
Z Gross Accumulation				
Group 1	0.3786	-	0.3786	0.0049
Group 2	0.1653	0.2133	0.3786	0.0049

Distribution Tables

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

Second 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 28/04/23	Distribution paid 29/04/22
A Accumulation				
Group 1	0.7307	-	0.7307	-
Group 2	0.3773	0.3534	0.7307	-
A Income				
Group 1	0.6430	-	0.6430	-
Group 2	0.4691	0.1739	0.6430	-
I Accumulation				
Group 1	0.7758	-	0.7758	-
Group 2	0.4336	0.3422	0.7758	-
I Income				
Group 1	0.6688	-	0.6688	-
Group 2	0.4296	0.2392	0.6688	-
M Accumulation				
Group 1	0.6612	-	0.6612	-
Group 2	0.4684	0.1928	0.6612	-
M Income				
Group 1	-	-	-	-
Group 2	-	-	-	-
Z Gross Accumulation				
Group 1	0.7614	-	0.7614	0.0316
Group 2	0.4153	0.3461	0.7614	0.0316

Distribution Tables

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

Third 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 31/07/23	Distribution paid 29/07/22
A Accumulation				
Group 1	0.9711	-	0.9711	-
Group 2	0.3737	0.5974	0.9711	-
A Income				
Group 1	0.8473	-	0.8473	-
Group 2	0.3757	0.4716	0.8473	-
I Accumulation				
Group 1	1.0204	-	1.0204	0.0852
Group 2	0.4936	0.5268	1.0204	0.0852
I Income				
Group 1	0.8727	-	0.8727	0.0741
Group 2	0.4943	0.3784	0.8727	0.0741
M Accumulation				
Group 1	0.8751	-	0.8751	0.0314
Group 2	0.1718	0.7033	0.8751	0.0314
M Income				
Group 1	-	-	-	0.0660
Group 2	-	-	-	0.0660
Z Gross Accumulation				
Group 1	0.9929	-	0.9929	0.1229
Group 2	0.6320	0.3609	0.9929	0.1229

Distribution Tables

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

Final 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 31/10/23	Distribution paid 31/10/22
A Accumulation				
Group 1	1.1808	-	1.1808	0.1878
Group 2	0.6546	0.5262	1.1808	0.1878
A Income				
Group 1	1.0231	-	1.0231	0.1546
Group 2	0.4521	0.5710	1.0231	0.1546
I Accumulation				
Group 1	1.2372	-	1.2372	0.2217
Group 2	0.6757	0.5615	1.2372	0.2217
I Income				
Group 1	1.0513	-	1.0513	0.1925
Group 2	0.5382	0.5131	1.0513	0.1925
M Accumulation				
Group 1	1.0598	-	1.0598	0.1806
Group 2	0.2675	0.7923	1.0598	0.1806
M Income				
Group 1	-	-	-	0.1300
Group 2	-	-	-	0.1300
Z Gross Accumulation				
Group 1	1.1956	-	1.1956	0.2376
Group 2	0.7687	0.4269	1.1956	0.2376

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 Sterling Short Term Government Bond Fund

For the year ended 31 July 2023

Investment Objective

To generate income and some growth over the medium to long term (3 to 5 years) by investing in UK Government bonds with a maturity of up to five years.

Performance Target: To achieve the return of the FTSE Actuaries UK Conventional Gilts up to 5 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 index.

Investment Policy

Portfolio Securities

- The fund invests at least 80% in government bonds issued or guaranteed by the UK Government with a maturity of up to 5 years.
- The fund may also invest in investment grade bonds of any maturity, issued anywhere in the world by governments, sub-sovereigns and corporations including inflation-linked 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 abrdn), money-market instruments, and cash.

Management Process

- The management team use their discretion (active management) to identify investments after analysing individual bonds and derivatives alongside global economic and market conditions.
- In seeking to achieve the Performance Target, the FTSE Actuaries UK Conventional Gilts up to 5 Years 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 1.70%. Due to the fund's risk constraints the intention is that the fund's performance will not deviate significantly from that of the index over the long 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"). These positions can be used in overseas markets.
- Derivatives include instruments used to manage expected changes in interest rates, inflation, currencies or creditworthiness of corporations or governments.

Performance Review

For the year ended 31 July 2023, the value of abrdn Sterling Short Term Government Bond Fund – I Accumulation Shares decreased by 3.59% compared to a decrease of 3.40% in the performance target, the FTSE Actuaries UK Conventional Gilts All Stocks up to 5 Years Index.

Source: Lipper; Basis: total return, published NAV to NAV, net of annual charges, UK net income reinvested, GBP.

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.

Market Review

The review period was a difficult one for government bonds, with significant swings in the market. Over the 12-months, aside from the market dislocation that occurred during late summer 2022 under the short-lived Truss premiership, the impact of inflation and cost of living on the economy led the front end of the market and rate expectations for the UK. The Bank of England (BoE) remained in inflation-fighting mode, and continued to raise rates throughout the period.

In the third quarter of 2022, UK government bonds underwent a period of volatility that continued into October. With two hikes in a row by the BoE's Monetary Policy Committee (MPC), the base rate reached 2.25% by the end of September. In late September, Chancellor Kwasi Kwarteng heralded the biggest programme of tax cuts in 50 years, to be funded by new borrowing. Investors in UK assets were shocked; sterling fell sharply, while 5-year Gilt yields soared to 4.7%. The BoE intervened and restored calm in the markets. Yet, the third quarter of 2022 ended as the worst ever for Gilts.

abrdn Sterling Short Term Government Bond Fund

Continued

Amid political uncertainty, a change in government saw Rishi Sunak become the new prime minister. Meanwhile, the BoE stayed committed to fighting inflationary pressures by increasing policy rates by 75 basis points (bps) and 50bps in November and December, and taking the cash rate to 3.5%. The stabilisation in bond markets in the fourth quarter of 2022 attracted strong inflows into Gilts with the highest yields in a decade. Nevertheless, the total return for the calendar year was -23.83%, so a humbling and unforgettable year for UK government bonds. At the end of 2022, the yield on the 5-year Gilt was over 3.6%. Meanwhile, inflationary pressures eased to 10.5% in December, coming down from the 41-year high of 11.1% in October, which suggested there could be a pause in policy tightening.

Moving into 2023, investors were filled with hope for a gradual easing in inflation, supported by lower energy prices. This resulted in cash inflows that drove government bond yields lower in January. However, February data was dominated by falling unemployment and stickier inflation, reversing the sentiment for bonds and causing the BoE to hike the base rate by another 50bps to 4%. In mid-March, Silicon Valley Bank in the US collapsed, causing a turmoil across US regional banks. Worries spread into Europe where Credit Suisse was the next victim, resulting in a purchase by UBS with the Swiss government backing the transaction. In March, central banks hiked rates in Europe, the UK and the US. Government bond yields subsequently fell sharply as investors began to call the end of the rate-hiking cycle. Overall, yields ended the quarter lower.

In the second quarter of 2023, higher core inflation and better economic data provided a hostile backdrop for government bonds. The UK was the standout underperformer; 10-year Gilt yields rose by around 90bps in the three months to 30 June. While bonds were weak across the board, front-end rates came under even more pressure. Curves flattened aggressively in the face of increased threats of rate hikes from central banks. Contributory factors for the sharp re-pricing in global bonds included sticky inflation and accelerating wage growth. In June, the BoE hiked rates by 50bps.

Finally, July started with Gilts climbing to their highest levels in recent times, beating even the rates seen in September and October 2022 as the market narrative of UK inflation levels being out of control continued. The 10-year Gilt yield peaked at 4.65%, with the terminal rate hitting 6.50%. Adding fuel to the narrative was the 50bps increase at the July MPC. As the month progressed, however, the Gilt market started to calm with inflation coming in below expectations. At the end of July, the yield on the 5-year Gilt was under 4.4%.

Portfolio Activity and Review

Given the volatility over the period, the fund adopted a flexible approach to duration management, although predominantly positioned with a short bias relative to the benchmark seeking higher yields.

Going into September 2023, the fund set up cross-market strategies, selling Gilts versus both German Bunds and US Treasuries. Following a period of sharp underperformance and widening spreads between the markets, we closed this strategy, fearing that the BoE intervention and the appointment of the new Chancellor Jeremy Hunt would lead to a retracement.

During October and November, we increased our curve steepening strategies, which had come under pressure following the intervention by the BoE in late September. After a sharp steepening in the yield curve, we closed this strategy in January.

In early December, we also reinstated an underweight cross market strategy in UK government bonds, on this occasion versus Australia, in the medium-dated part of the yield curve. We view this a structural-medium term strategy for the fund.

The first quarter of 2023 was strong for the fund. There were notable contributions across all the main strategy types: duration, relative value, yield curve and country spreads. Duration management was positive for excess returns. Yield curve strategies were also positive. A steepening bias in the UK and Europe added gains to performance, offset only slightly by losses arising in our US curve-steepening strategy. Within our country spread strategy bucket, the UK underweight versus Australia was a notably strong performer. The UK versus Germany relative position in 10-year bonds, added towards the end of the quarter, made a small negative contribution.

However, the second quarter of 2023 has been a more difficult one in terms of performance. UK positioning suffered following higher-than-expected inflation and better economic data. Both these factors created a hostile backdrop for government bonds. The front end of the UK curve moved materially higher on expectations of an interest rate hike from the BoE rate. As a result, UK Gilts materially underperformed other core markets, and the yield curve flattened. Even though the front-end positioning was stopped out, we maintained our UK curve positioning as we believe this will reverse as market volatility reverses in the summer months. The fund also held a long German Bund position vs the UK 10-year; but as Gilts meaningfully underperformed this position was closed.

abrdn Sterling Short Term Government Bond Fund

Continued

In July, the downside misses in UK data, notably the inflation and PMIs saw markets question the narrative that UK inflation is out of control. Although only one month of data, there are signs that the aggressive monetary policy tightening of the last two years is starting to slow the UK economy down and in particular the tight labour market. It's fair to say that private sector wages and services inflation are uncomfortably high but for the first time, potentially, the BoE could see light at the end of tunnel. As a result, UK curves started to steepen, and a small amount of the summer Gilt underperformance started to unwind. But we believe the UK has a long way to go.

Portfolio Outlook and Strategy

The continued rapid rise in key interest rates that we have witnessed will undoubtedly lead to severe economic stresses and challenges. The trade-off between inflation and economic slowdown remains key in the coming quarters. Lower energy prices and signs of an easing in supply-chain issues globally have helped somewhat, but the cost-of-living crisis continues to hit media headlines, and inflation remains stickier than expected, particularly in the UK. Markets will pay close attention to the BoE meeting of 3 August when the base rate is expected to reach 5.25%.

Recent conditions have been frustrating for investment managers. Economic data continues to surprise to the upside and economic forecasts have seen significant revision. Accordingly, holding any longer-term strategic trades has proven difficult. Prices in government bond markets have been particularly volatile. There have been many false dawns, for both bond bulls and bears. Now, we may have reached a position where government and private balance sheets are unable to cope with higher interest rates. We have been positioned for a significant economic slowdown and an easing of central bank policy. To date, we have been wrongfooted by economic resilience in the face of the most aggressive hiking cycle seen in decades. Headline inflation is falling, and core will ultimately follow, but it is proving to be stickier than expected. While core inflation remains elevated, central banks have little choice but to plough ahead with further interest-rate hikes – particularly if this surprising economic resilience holds.

Positioning in such an environment is replete with uncertainty. Therefore, the fund's investment activity will remain firmly on capital preservation and liquidity. At this juncture, we prefer to play for the end of the cycle in outright duration terms at the front end of the yield curve. Curve trading has been the most volatile and most painful environment recently. However, over the medium term, steeper global curves make the most sense, and we are looking for opportunities to re-engage. That said, we have scaled down positions until the outlook becomes more

supportive for government bonds. This could happen through further reductions in inflation measures and weaker signals for consumption. Government spending is in no position to do any of the heavy lifting if growth starts to wobble, as many countries face much higher debt servicing costs. A slowdown is coming, but bond investors may need to wait a little longer for the repricing to occur.

Rates Team

August 2023

abrdn Sterling Short Term Government 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 July 2023.

The fund is rated as 2 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

A Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	123.73	128.33	130.22
Return before operating charges*	(4.06)	(3.66)	(0.87)
Operating charges	(0.90)	(0.94)	(1.02)
Return after operating charges*	(4.96)	(4.60)	(1.89)
Distributions	(1.87)	-	-
Retained distributions on accumulation shares	1.87	-	-
Closing net asset value per share	118.77	123.73	128.33
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(4.01%)	(3.58%)	(1.45%)
Other information			
Closing net asset value (£'000)	3,944	6,644	9,707
Closing number of shares	3,320,100	5,369,397	7,564,297
Operating charges	0.75%	0.75%	0.79%
Direct transaction costs	-	-	-
Prices			
Highest share price	124.0	128.4	130.3
Lowest share price	116.0	121.4	128.2

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

A Income	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	112.83	117.02	118.74
Return before operating charges*	(3.69)	(3.33)	(0.79)
Operating charges	(0.82)	(0.86)	(0.93)
Return after operating charges*	(4.51)	(4.19)	(1.72)
Distributions	(1.70)	-	-
Closing net asset value per share	106.62	112.83	117.02
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(4.00%)	(3.58%)	(1.45%)
Other information			
Closing net asset value (£'000)	402	515	639
Closing number of shares	377,142	456,854	546,328
Operating charges	0.75%	0.75%	0.79%
Direct transaction costs	-	-	-
Prices			
Highest share price	113.0	117.1	118.8
Lowest share price	105.6	110.7	116.9

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

I Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	101.12	104.35	105.40
Return before operating charges*	(3.32)	(2.98)	(0.71)
Operating charges	(0.25)	(0.25)	(0.34)
Return after operating charges*	(3.57)	(3.23)	(1.05)
Distributions	(2.03)	(0.04)	(0.04)
Retained distributions on accumulation shares	2.03	0.04	0.04
Closing net asset value per share	97.55	101.12	104.35
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(3.53%)	(3.10%)	(1.00%)
Other information			
Closing net asset value (£'000)	34,954	41,758	97,698
Closing number of shares	35,830,647	41,295,276	93,621,527
Operating charges	0.25%	0.25%	0.33%
Direct transaction costs	-	-	-
Prices			
Highest share price	101.3	104.4	105.5
Lowest share price	94.90	99.13	104.2

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
I Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	98.92	102.14	103.20
Return before operating charges*	(3.23)	(2.92)	(0.68)
Operating charges	(0.24)	(0.25)	(0.34)
Return after operating charges*	(3.47)	(3.17)	(1.02)
Distributions	(1.97)	(0.05)	(0.04)
Closing net asset value per share	93.48	98.92	102.14
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(3.51%)	(3.10%)	(0.99%)
Other information			
Closing net asset value (£'000)	4,253	3,824	6,199
Closing number of shares	4,549,998	3,865,399	6,069,032
Operating charges	0.25%	0.25%	0.33%
Direct transaction costs	-	-	-
Prices			
Highest share price	99.11	102.2	103.3
Lowest share price	92.68	97.02	102.0

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

M Accumulation ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	99.23	102.37	103.42
Return before operating charges*	(2.02)	(2.84)	(0.65)
Operating charges	(0.14)	(0.30)	(0.40)
Return after operating charges*	(2.16)	(3.14)	(1.05)
Distributions	(0.25)	(0.05)	(0.02)
Retained distributions on accumulation shares	0.25	0.05	0.02
Redemption value as at 17 January 2023	(97.07)	-	-
Closing net asset value per share	-	99.23	102.37
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(2.18%)	(3.07%)	(1.02%)
Other information			
Closing net asset value (£'000)	-	1	1
Closing number of shares	-	986	986
Operating charges	0.30%	0.30%	0.38%
Direct transaction costs	-	-	-
Prices			
Highest share price	99.42	102.4	103.6
Lowest share price	93.10	97.20	102.2

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.

^A M Accumulation share class was closed on 17 January 2023.

Comparative Tables

Continued

M Income ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	98.45	101.67	102.75
Return before operating charges*	(2.02)	(2.92)	(0.67)
Operating charges	(0.14)	(0.30)	(0.39)
Return after operating charges*	(2.16)	(3.22)	(1.06)
Distributions	(0.25)	-	(0.02)
Redemption value as at 17 January 2023	(96.04)	-	-
Closing net asset value per share	-	98.45	101.67
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(2.19%)	(3.17%)	(1.03%)
Other information			
Closing net asset value (£'000)	-	1	100
Closing number of shares	-	990	98,483
Operating charges	0.30%	0.30%	0.38%
Direct transaction costs	-	-	-
Prices			
Highest share price	98.63	101.7	102.9
Lowest share price	92.36	96.53	101.5

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.

^A M Income share class was closed on 17 January 2023.

Comparative Tables

Continued

	2023	2022	2021
P Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	114.30	118.02	119.20
Return before operating charges*	(3.74)	(3.37)	(0.79)
Operating charges	(0.28)	(0.29)	(0.30)
Return after operating charges*	(4.02)	(3.66)	(1.09)
Distributions	(2.27)	(0.06)	(0.09)
Closing net asset value per share	108.01	114.30	118.02
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(3.52%)	(3.10%)	(0.91%)
Other information			
Closing net asset value (£'000)	1,612	1,727	1,666
Closing number of shares	1,492,205	1,510,858	1,411,635
Operating charges	0.25%	0.25%	0.25%
Direct transaction costs	-	-	-
Prices			
Highest share price	114.5	118.1	119.4
Lowest share price	107.1	112.1	117.8

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.

Comparative Tables

Continued

Z Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	150.40	154.90	156.02
Return before operating charges*	(4.94)	(4.43)	(1.04)
Operating charges	(0.07)	(0.07)	(0.08)
Return after operating charges*	(5.01)	(4.50)	(1.12)
Distributions	(3.31)	(0.40)	(0.30)
Retained distributions on accumulation shares	3.31	0.40	0.30
Closing net asset value per share	145.39	150.40	154.90
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(3.33%)	(2.91%)	(0.72%)
Other information			
Closing net asset value (£'000)	42,531	44,136	369
Closing number of shares	29,253,929	29,345,276	238,388
Operating charges	0.05%	0.05%	0.05%
Direct transaction costs	-	-	-
Prices			
Highest share price	150.7	155.0	156.3
Lowest share price	141.2	147.4	154.6

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 July 2023

Investment	Market value £'000	Percentage of total net assets
Bonds (98.11%)	86,328	98.44
Euro Denominated Bonds (0.55%)	-	-
Government Bonds (0.55%)	-	-
Sterling Denominated Bonds (97.56%)	86,328	98.44
Corporate Bonds (0.60%)	2,376	2.71
less than 5 years to maturity		
1,000,000 Asian Infrastructure Investment Bank 4.375% 2026	967	1.10
960,000 BNG Bank 1.625% 2025	884	1.01
200,000 Bpifrance 4% 2026	192	0.22
339,000 Oesterreichische Kontrollbank 1.25% 2023	333	0.38
Government Bonds (96.96%)	83,952	95.73
less than 5 years to maturity		
1,000,000 Agence Francaise de Developpement 4.375% 2026	968	1.10
321,000 CPPIB Capital 1.25% 2027	271	0.31
250,000 CPPIB Capital 4.375% 2026	243	0.28
5,000,000 CPPIB Capital 6% 2025	5,021	5.73
103,000 European Investment Bank 0.125% 2026	87	0.10
268,000 European Investment Bank 0.75% 2024	252	0.29
84,000 European Investment Bank 1.125% 2025	77	0.09
200,000 FMS Wertmanagement 0.625% 2023	196	0.22
500,000 FMS Wertmanagement 1.125% 2023	498	0.57
100,000 FMS Wertmanagement 1.375% 2025	94	0.11
72,000 Inter-American Development Bank 1.25% 2023	71	0.08
432,000 KFW 1.125% 2025	398	0.45
874,000 KFW 3.75% 2027	833	0.95
329,000 Kommunalbanken 0.25% 2025	290	0.33
221,000 Kommunalbanken 4% 2026	213	0.24
214,000 Kommunekredit 0.375% 2024	200	0.23
112,000 Nordic Investment Bank 1.125% 2023	110	0.12
37,000 Nordic Investment Bank 1.125% 2025	34	0.04
380,000 Nordic Investment Bank 3.875% 2026	366	0.42
717,000 Ontario (Province of Canada) 0.25% 2026	601	0.68
237,000 Ontario (Province of Canada) 0.5% 2023	232	0.26

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
430,000	Ontario Teachers' Finance Trust 1.125% 2026	381	0.43
312,000	PRS Finance 1.75% 2026	264	0.30
336,000	Svensk Exportkredit 1.375% 2023	330	0.38
2,627,900	UK (Govt of) 0.125% 2024	2,564	2.92
9,847,300	UK (Govt of) 0.25% 2025	9,174	10.46
1,055,100	UK (Govt of) 0.375% 2026	919	1.05
1,135,924	UK (Govt of) 1% 2024	1,103	1.26
1,011,247	UK (Govt of) 2% 2025	952	1.09
4,772,754	UK (Govt of) 2.75% 2024	4,652	5.30
23,409,100	UK (Govt of) 3.5% 2025	22,561	25.73
21,348,900	UK (Govt of) 4.125% 2027	20,860	23.79
2,146,300	UK (Govt of) 4.5% 2028	2,131	2.43
6,896,177	UK (Govt of) 5% 2025	6,895	7.86
between 5 and 10 years to maturity			
107,000	Tennessee Valley Authority 5.625% 2032	111	0.13
Derivatives (-0.38%)		(133)	(0.15)
Forward Currency Contracts (0.01%)		(1)	-
	Buy AUD 5,160 Sell GBP 2,745 07/09/2023	-	-
	Buy AUD 5,837 Sell GBP 3,029 07/09/2023	-	-
	Buy AUD 6,027 Sell GBP 3,157 07/09/2023	-	-
	Buy AUD 6,227 Sell GBP 3,300 07/09/2023	-	-
	Buy AUD 7,052 Sell GBP 3,709 07/09/2023	-	-
	Buy AUD 7,583 Sell GBP 4,097 07/09/2023	-	-
	Buy AUD 10,092 Sell GBP 5,287 07/09/2023	-	-
	Buy AUD 14,332 Sell GBP 7,729 07/09/2023	(1)	-
	Buy AUD 16,609 Sell GBP 8,892 07/09/2023	-	-
	Buy AUD 16,948 Sell GBP 8,922 07/09/2023	-	-
	Buy AUD 17,404 Sell GBP 9,138 07/09/2023	-	-
	Buy AUD 18,226 Sell GBP 9,490 07/09/2023	-	-
	Buy AUD 23,574 Sell GBP 12,574 07/09/2023	(1)	-
	Buy AUD 24,198 Sell GBP 12,724 07/09/2023	-	-
	Buy AUD 26,835 Sell GBP 14,392 07/09/2023	(1)	-
	Buy AUD 30,389 Sell GBP 15,894 07/09/2023	-	-
	Buy AUD 42,614 Sell GBP 22,351 07/09/2023	-	-

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
	Buy AUD 43,342 Sell GBP 22,707 07/09/2023	-	-
	Buy AUD 76,596 Sell GBP 39,861 07/09/2023	-	-
	Buy AUD 238,697 Sell GBP 128,418 07/09/2023	(4)	-
	Buy EUR 4,447 Sell GBP 3,837 07/09/2023	-	-
	Buy EUR 6,399 Sell GBP 5,480 07/09/2023	-	-
	Buy EUR 7,362 Sell GBP 6,327 07/09/2023	-	-
	Buy EUR 7,975 Sell GBP 6,932 07/09/2023	-	-
	Buy EUR 8,806 Sell GBP 7,588 07/09/2023	-	-
	Buy EUR 9,611 Sell GBP 8,299 07/09/2023	-	-
	Buy EUR 10,777 Sell GBP 9,354 07/09/2023	-	-
	Buy EUR 18,850 Sell GBP 16,212 07/09/2023	-	-
	Buy EUR 32,111 Sell GBP 27,473 07/09/2023	-	-
	Buy GBP 2,421 Sell AUD 4,548 07/09/2023	-	-
	Buy GBP 2,941 Sell AUD 5,635 07/09/2023	-	-
	Buy GBP 4,106 Sell AUD 7,752 07/09/2023	-	-
	Buy GBP 4,537 Sell AUD 8,463 07/09/2023	-	-
	Buy GBP 5,269 Sell AUD 10,008 07/09/2023	-	-
	Buy GBP 6,622 Sell AUD 12,711 07/09/2023	-	-
	Buy GBP 8,661 Sell AUD 16,088 07/09/2023	1	-
	Buy GBP 11,469 Sell AUD 21,779 07/09/2023	-	-
	Buy GBP 12,500 Sell AUD 23,814 07/09/2023	-	-
	Buy GBP 14,941 Sell AUD 28,429 07/09/2023	-	-
	Buy GBP 15,385 Sell AUD 29,236 07/09/2023	-	-
	Buy GBP 18,230 Sell AUD 33,941 07/09/2023	1	-
	Buy GBP 18,608 Sell AUD 35,367 07/09/2023	-	-
	Buy GBP 18,624 Sell AUD 35,465 07/09/2023	-	-
	Buy GBP 19,017 Sell AUD 35,798 07/09/2023	1	-
	Buy GBP 20,569 Sell AUD 39,459 07/09/2023	-	-
	Buy GBP 32,719 Sell AUD 60,996 07/09/2023	1	-
	Buy GBP 48,932 Sell AUD 93,248 07/09/2023	-	-
	Buy GBP 3,476 Sell EUR 4,029 07/09/2023	-	-
	Buy GBP 4,052 Sell EUR 4,698 07/09/2023	-	-
	Buy GBP 4,673 Sell EUR 5,443 07/09/2023	-	-
	Buy GBP 5,530 Sell EUR 6,424 07/09/2023	-	-
	Buy GBP 6,098 Sell EUR 7,081 07/09/2023	-	-
	Buy GBP 6,594 Sell EUR 7,643 07/09/2023	-	-
	Buy GBP 7,116 Sell EUR 8,333 07/09/2023	-	-

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
	Buy GBP 7,267 Sell EUR 8,416 07/09/2023	-	-
	Buy GBP 11,325 Sell EUR 13,152 07/09/2023	-	-
	Buy GBP 11,752 Sell EUR 13,653 07/09/2023	-	-
	Buy GBP 12,356 Sell EUR 14,426 07/09/2023	-	-
	Buy GBP 25,496 Sell EUR 29,607 07/09/2023	-	-
	Buy GBP 4,118 Sell USD 5,317 07/09/2023	-	-
	Buy GBP 5,318 Sell USD 6,705 07/09/2023	-	-
	Buy GBP 5,366 Sell USD 6,904 07/09/2023	-	-
	Buy GBP 5,709 Sell USD 7,474 07/09/2023	-	-
	Buy GBP 6,432 Sell USD 8,255 07/09/2023	-	-
	Buy GBP 7,983 Sell USD 10,136 07/09/2023	-	-
	Buy GBP 11,166 Sell USD 14,256 07/09/2023	-	-
	Buy GBP 11,329 Sell USD 14,476 07/09/2023	-	-
	Buy GBP 11,949 Sell USD 15,261 07/09/2023	-	-
	Buy GBP 12,071 Sell USD 15,577 07/09/2023	-	-
	Buy GBP 24,139 Sell USD 30,856 07/09/2023	-	-
	Buy GBP 30,301 Sell USD 39,011 07/09/2023	-	-
	Buy USD 5,724 Sell GBP 4,517 07/09/2023	-	-
	Buy USD 6,852 Sell GBP 5,321 07/09/2023	-	-
	Buy USD 7,459 Sell GBP 5,812 07/09/2023	-	-
	Buy USD 7,908 Sell GBP 6,228 07/09/2023	-	-
	Buy USD 12,116 Sell GBP 9,517 07/09/2023	-	-
	Buy USD 13,276 Sell GBP 10,227 07/09/2023	-	-
	Buy USD 15,764 Sell GBP 12,395 07/09/2023	-	-
	Buy USD 16,303 Sell GBP 12,704 07/09/2023	-	-
	Buy USD 21,166 Sell GBP 16,392 07/09/2023	-	-
	Buy USD 32,822 Sell GBP 25,027 07/09/2023	1	-
	Buy USD 42,360 Sell GBP 32,399 07/09/2023	1	-
	Futures (-0.12%)	(29)	(0.03)
9	Long Euro Bond Future 07/09/2023	-	-
24	Long Long Gilt Future 27/09/2023	(5)	(0.01)
107	Long US 2 Year Note (CBT) Future 29/09/2023	(66)	(0.07)
(42)	Short US 10 Year Ultra Future 20/09/2023	42	0.05

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Interest Rate Swaps (-0.27%)		(103)	(0.12)
EUR 1,623,000	Pay fixed 2.604% receive floating EURIBOR 06/01/2056	(18)	(0.02)
USD 6,517,000	Pay fixed 3.264% receive floating USD-SOFR 13/06/2033	20	0.02
GBP 637,000	Pay fixed 3.4197% receive floating GBP-SONIA 04/05/2063	45	0.05
GBP 432,000	Pay fixed 3.5347% receive floating GBP-SONIA 10/05/2063	20	0.02
AUD 2,219,000	Pay floating AUD-BBR-BBSW receive fixed 3.805% 09/08/2032	(31)	(0.03)
AUD 2,219,000	Pay floating AUD-BBR-BBSW receive fixed 3.81% 10/08/2032	(32)	(0.03)
AUD 1,924,000	Pay floating AUD-BBR-BBSW receive fixed 4.4005% 02/09/2032	(5)	(0.01)
AUD 1,924,000	Pay floating AUD-BBR-BBSW receive fixed 4.40175% 02/09/2032	(5)	(0.01)
AUD 1,924,000	Pay floating AUD-BBR-BBSW receive fixed 4.419% 02/09/2032	(4)	-
EUR 3,803,000	Pay floating EURIBOR receive fixed 3.05% 06/01/2036	31	0.03
GBP 1,654,000	Pay floating GBP-SONIA receive fixed 3.682% 04/05/2033	(80)	(0.09)
GBP 1,109,000	Pay floating GBP-SONIA receive fixed 3.7925% 10/05/2033	(44)	(0.05)
Total investment assets and liabilities		86,195	98.29
Net other assets		1,501	1.71
Total Net Assets		87,696	100.00

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

Financial Statements

Statement of Total Return

For the year ended 31 July 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(5,094)		(2,541)
Revenue	2	2,135		271	
Expenses	3	(162)		(237)	
Interest payable and similar charges		(1)		(23)	
Net revenue before taxation		1,972		11	
Taxation	4	-		-	
Net revenue after taxation			1,972		11
Total return before distributions			(3,122)		(2,530)
Distributions	5		(1,972)		(51)
Change in net assets attributable to shareholders from investment activities			(5,094)		(2,581)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2023

	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		98,606		116,379
Amounts receivable on the issue of shares	22,076		58,956	
Amounts payable on the cancellation of shares	(29,725)		(74,241)	
		(7,649)		(15,285)
Dilution adjustment		7		17
Change in net assets attributable to shareholders from investment activities (see above)		(5,094)		(2,581)
Retained distribution on accumulation shares		1,826		76
Closing net assets attributable to shareholders		87,696		98,606

Financial Statements

Continued

Balance Sheet

As at 31 July 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			86,492		97,096
Current assets:					
Debtors	6	601		5,004	
Cash and bank balances	7	1,171		3,916	
			1,772		8,920
Total assets			88,264		106,016
Liabilities:					
Investment liabilities			(297)		(727)
Creditors	8	(226)		(6,680)	
Distribution payable		(45)		(3)	
			(271)		(6,683)
Total liabilities			(568)		(7,410)
Net assets attributable to shareholders			87,696		98,606

Notes to the Financial Statements

1 Net Capital Losses

	2023 £'000	2022 £'000
Non-derivative securities	(5,530)	(2,539)
Derivative contracts	462	53
Forward currency contracts	(23)	(63)
Other gains	4	12
Transaction charges	(7)	(4)
Net capital losses	(5,094)	(2,541)

2 Revenue

	2023 £'000	2022 £'000
Bank and margin interest	16	1
Interest on debt securities	2,119	265
Stocklending revenue	-	5
Total revenue	2,135	271

3 Expenses

	2023 £'000	2022 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	122	202
General administration charge	37	33
	159	235
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fees	3	2
	3	2
Total expenses	162	237

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £11,700 (2022: £10,860).

Notes to the Financial Statements

Continued

4 Taxation

	2023 £'000	2022 £'000
(a) Analysis of charge in year		
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:

Net revenue before taxation	1,972	11
Corporation tax at 20% (2022: 20%)	395	2
Effects of:		
Excess allowable expenses	(22)	(2)
Distributions treated as tax deductible	(373)	-
Total tax charge for year (note 4a)	-	-

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 £Nil (2022: £22,000) due to the use of surplus expenses.

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

	2023 £'000	2022 £'000
First interim distribution	296	2
Second interim distribution	430	-
Third interim distribution	571	1
Final distribution	654	77
	1,951	80
Add: Income deducted on cancellation of shares	72	1
Deduct: Income received on issue of shares	(51)	(30)
Total distributions for the year	1,972	51
Movement between net revenue and distributions		
Net revenue after taxation	1,972	11
Shortfall transfer from capital to revenue	-	40
Total distributions for the year	1,972	51

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	540	408
Amounts receivable from the ACD for the issue of shares	61	16
Sales awaiting settlement	-	4,580
Total debtors	601	5,004

7 Liquidity

	2023 £'000	2022 £'000
Cash and bank balances		
Cash at bank	718	3,415
Cash at broker	303	361
Collateral cash pledged to counterparties*	150	140
	1,171	3,916
Net liquidity	1,171	3,916

* 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	12	15
Accrued expenses payable to the Depositary or associates of the Depositary	1	-
Amounts payable to the ACD for cancellation of shares	213	408
Purchases awaiting settlement	-	6,257
Total creditors	226	6,680

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

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	80,802	102,129	85,961	116,341
Trades in the year before transaction costs	80,802	102,129	85,961	116,341
Total net trades in the year after transaction costs	80,802	102,129	85,961	116,341

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 0.09% (2022: 0.07%), 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
A Accumulation	5,369,397	732,280	(2,760,885)	(20,692)	3,320,100
A Income	456,854	1,739	(81,451)	-	377,142
I Accumulation	41,295,276	10,952,407	(16,442,313)	25,277	35,830,647
I Income	3,865,399	2,248,501	(1,618,400)	54,498	4,549,998
M Accumulation	986	-	(986)	-	-
M Income	990	-	(990)	-	-
P Income	1,510,858	206,842	(178,330)	(47,165)	1,492,205
Z Accumulation	29,345,276	5,557,939	(5,649,286)	-	29,253,929

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 Level 1	2023 £'000 Level 2	2023 £'000 Level 3	2022 £'000 Level 1	2022 £'000 Level 2	2022 £'000 Level 3
Fair value of investment assets						
Bonds	81,415	4,913	-	95,093	1,647	-
Derivatives	42	122	-	101	255	-
Total investment assets	81,457	5,035	-	95,194	1,902	-
Fair value of investment liabilities						
Derivatives	(71)	(226)	-	(217)	(510)	-
Total investment liabilities	(71)	(226)	-	(217)	(510)	-

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.

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
Currency				
UK Sterling	1,111	86,328	260	87,699
Australian Dollar	(77)	-	72	(5)
Euro	14	-	(14)	-
US Dollar	20	-	(18)	2
Total	1,068	86,328	300	87,696

Notes to the Financial Statements

Continued

2022	Floating rate financial assets/ (liabilities) £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
Currency				
UK Sterling	3,646	96,201	(1,240)	98,607
Australian Dollar	140	-	-	140
Euro	(77)	539	(455)	7
US Dollar	(53)	-	(95)	(148)
Total	3,656	96,740	(1,790)	98,606

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 month one 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	1.49%	3.27%	2.30%
2022	Minimum	Maximum	Average
VaR 99% 1 Month	0.44%	2.18%	0.86%

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.

2023	Market value £'000	Percentage of total net assets %
Investment grade securities	86,328	98.48
Below investment grade securities	-	-
Unrated securities	-	-
Total value of securities	86,328	98.48

Notes to the Financial Statements

Continued

2022	Market value £'000	Percentage of total net assets %
Investment grade securities	96,740	98.11
Below investment grade securities	-	-
Unrated securities	-	-
Total value of securities	96,740	98.11

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
Leveraged instruments				
Forward currency contracts	1,071	(1)	914	6
Futures	24,036	(29)	26,883	(116)
Swaps	18,894	(103)	25,909	(261)
Total market exposure	44,001	(133)	53,706	(371)

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 %
Broker or exchange exposure					
Bank of America Merrill Lynch	(29)	303	-	274	0.31
	(29)	303	-	274	0.31

2022	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
Broker or exchange exposure					
Bank of America Merrill Lynch	(116)	361	-	245	0.25
	(116)	361	-	245	0.25

Notes to the Financial Statements

Continued

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.

All stock lending is conducted by the stocklending agent on behalf of the fund using a standard agreement with available counterparties. It is collateralised daily with a right of recall within 24 hours.

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	13	-	-	-	13
BNP Paribas	-	1	-	-	1
Citigroup	(40)	-	40	-	-
JP Morgan	-	(3)	-	-	(3)
Morgan Stanley	(39)	-	110	-	71
Royal Bank of Canada	-	1	-	-	1
UBS	(37)	-	-	-	(37)
Total	(103)	(1)	150	-	46

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

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

The fund receives 85% of the revenue returns from stock lending. The gross earnings for the year are £Nil (2022: £6,000) and expenses paid to the lending agent, Securities Finance Trust Company, are £Nil (2022: £1,000).

2022 Counterparties	Swaps £'000	Forwards £'000	Collateral (held)/pledged		Net exposure £'000
			Cash £'000	Stock £'000	
Bank of America Merrill Lynch	-	(1)	-	-	(1)
Barclays	(68)	(2)	80	-	10
BNP Paribas	(75)	-	-	-	(75)
Citigroup	(57)	-	60	-	3
Goldman Sachs	(5)	-	-	-	(5)
JP Morgan	(56)	-	-	-	(56)
Natwest Markets	-	10	-	-	10
UBS	-	(1)	-	-	(1)
Total	(261)	6	140	-	(115)

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

Notes to the Financial Statements

Continued

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
Derivatives					
Investment liabilities	-	78	-	219	297
Non-derivatives					
Other creditors	-	226	-	-	226
Distribution payable	-	45	-	-	45
Total financial liabilities	-	349	-	219	568

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
Derivatives					
Investment liabilities	-	221	194	312	727
Non-derivatives					
Other creditors	-	6,680	-	-	6,680
Distribution payable	-	3	-	-	3
Total financial liabilities	-	6,904	194	312	7,410

Distribution Tables

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

First interim interest distribution

Group 1 – shares purchased prior to 1 August 2022

Group 2 – shares purchased between 1 August 2022 and 31 October 2022

	Revenue	Equalisation	Distribution paid 31/01/23	Distribution paid 31/01/22
A Accumulation				
Group 1	0.1962	-	0.1962	-
Group 2	0.1402	0.0560	0.1962	-
A Income				
Group 1	0.1789	-	0.1789	-
Group 2	0.1279	0.0510	0.1789	-
I Accumulation				
Group 1	0.2842	-	0.2842	0.0015
Group 2	0.1399	0.1443	0.2842	0.0015
I Income				
Group 1	0.2781	-	0.2781	0.0014
Group 2	0.0665	0.2116	0.2781	0.0014
M Accumulation				
Group 1	0.2546	-	0.2546	-
Group 2	0.2546	-	0.2546	-
M Income				
Group 1	0.2505	-	0.2505	-
Group 2	0.2505	-	0.2505	-
P Income				
Group 1	0.3213	-	0.3213	0.0018
Group 2	0.1405	0.1808	0.3213	0.0018
Z Accumulation				
Group 1	0.4963	-	0.4963	0.0803
Group 2	0.2554	0.2409	0.4963	0.0803

Distribution Tables

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

Second 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 28/04/23	Distribution paid 29/04/22
A Accumulation				
Group 1	0.3637	-	0.3637	-
Group 2	0.2065	0.1572	0.3637	-
A Income				
Group 1	0.3311	-	0.3311	-
Group 2	0.1799	0.1512	0.3311	-
I Accumulation				
Group 1	0.4222	-	0.4222	-
Group 2	0.2516	0.1706	0.4222	-
I Income				
Group 1	0.4118	-	0.4118	-
Group 2	0.2502	0.1616	0.4118	-
M Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
M Income				
Group 1	-	-	-	-
Group 2	-	-	-	-
P Income				
Group 1	0.4758	-	0.4758	-
Group 2	0.3425	0.1333	0.4758	-
Z Accumulation				
Group 1	0.7026	-	0.7026	0.0484
Group 2	0.7026	-	0.7026	0.0484

Distribution Tables

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

Third 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 31/07/23	Distribution paid 29/07/22
A Accumulation				
Group 1	0.5970	-	0.5970	-
Group 2	0.3207	0.2763	0.5970	-
A Income				
Group 1	0.5418	-	0.5418	-
Group 2	0.2529	0.2889	0.5418	-
I Accumulation				
Group 1	0.6103	-	0.6103	-
Group 2	0.3107	0.2996	0.6103	-
I Income				
Group 1	0.5927	-	0.5927	-
Group 2	0.2309	0.3618	0.5927	-
M Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
M Income				
Group 1	-	-	-	-
Group 2	-	-	-	-
P Income				
Group 1	0.6849	-	0.6849	-
Group 2	0.3771	0.3078	0.6849	-
Z Accumulation				
Group 1	0.9811	-	0.9811	0.0769
Group 2	0.3208	0.6603	0.9811	0.0769

Distribution Tables

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

Final 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 31/10/23	Distribution paid 31/10/22
A Accumulation				
Group 1	0.7101	-	0.7101	-
Group 2	0.1794	0.5307	0.7101	-
A Income				
Group 1	0.6445	-	0.6445	-
Group 2	0.1519	0.4926	0.6445	-
I Accumulation				
Group 1	0.7094	-	0.7094	0.0421
Group 2	0.3125	0.3969	0.7094	0.0421
I Income				
Group 1	0.6845	-	0.6845	0.0514
Group 2	0.2894	0.3951	0.6845	0.0514
M Accumulation				
Group 1	-	-	-	0.0497
Group 2	-	-	-	0.0497
M Income				
Group 1	-	-	-	-
Group 2	-	-	-	-
P Income				
Group 1	0.7902	-	0.7902	0.0614
Group 2	0.4274	0.3628	0.7902	0.0614
Z Accumulation				
Group 1	1.1300	-	1.1300	0.1917
Group 2	1.0714	0.0586	1.1300	0.1917

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 Strategic Bond Fund

For the year ended 31 July 2023

Investment Objective

To generate income and some growth over the long term (5 years or more) by investing in government and corporate bonds issued anywhere in the world.

Performance Target: To exceed the IA £ Strategic Bond Sector Average return over 1 year (after charges) and be top quartile over rolling three year periods. 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. It has been chosen as the target as the constituents of the sector have similar aims and objectives.

Investment Policy

Portfolio Securities

- The fund will invest at least 80% in bonds issued anywhere in the world by governments, sub sovereigns and corporations.
- The fund may invest in investment grade, emerging market, high yield, inflation-linked, convertible, asset backed and mortgage-backed bonds.
- At least 80% of the fund's investments will be in Sterling or will be subjected to techniques to reduce (hedge) risk related to currency movements on non-Sterling investments. The fund has some flexibility to seek returns from currencies.
- The fund may also invest in other funds (including those managed by abrdn) and money-market instruments, and cash.

Management Process

- The management team use their discretion (active management) to identify bonds and derivatives after analysing companies prospects and creditworthiness alongside global economic and market conditions.
- The team also seek to reduce the risk of losses and the expected change (as measured by annual volatility) in the value of the fund, is not ordinarily expected to exceed 8%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the average fund of the IA £ Strategic Bond Sector Average over the long term.

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 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

For the year ended 31 July 2023, the value of abrdn Strategic Bond Fund – I Accumulation Shares decreased by 2.11% compared to a decrease of 1.60% in the performance target, the IA £ Strategic Bond Sector Average return over 1 year (after charges).

Source: Lipper; Basis: total return, published NAV to NAV, net of annual charges, UK net income reinvested, GBP.

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.

Market Review

Following two sharply negative quarters earlier in 2022, September was a disaster for bond markets. The trends of rising yields and widening spreads seemed to have subsided until the announcements by the UK government of unfunded tax cuts in a fiscal easing package. The UK currency and government bond markets took flight, and a febrile environment took hold. Due to higher yields leading to margin calls, UK pension funds were forced to liquidate bond holdings. This created a 'death spiral' of even higher yields that threatened to severely disrupt the financial system. The Bank of England was obliged to step in to limit the damage. Ten-year gilt yields were more than 130 basis points higher in September, resulting in some very negative market returns for duration-sensitive asset classes. The UK investment-grade market delivered its worst return in a quarter of a century, falling by over 12.5% in the quarter to 30 September. Happily, corporate bond markets bounced back in the final three months of 2022, providing some relief. A combination of spread tightening and (initially at least) falling government bond yields led to investment-grade markets posting strongly positive returns. High yield also recovered well, and emerging-market (EM) bonds posted their best quarter since June 2020. While the recovery was global, the new government

abrdn Strategic Bond Fund

Continued

in the UK resulted in its domestic market turning in one of the stronger performances. Moving into 2023, fixed income started the year strongly, with the trends seen at the back end of 2022 continuing. Government bond yields and credit spreads fell as markets sought to price in falling inflation and a slowing of the pace of central bank rate hikes.

A new period of panic in March was centred around the financial sector. A run on US institution Silicon Valley Bank was swiftly followed by problems in Europe, where Credit Suisse had to be rescued by a forced takeover by UBS. Measures were implemented to protect the banking sector that limited the risk of contagion. Nevertheless, the sector underperformed other areas of credit markets, with junior parts of the capital structure lagging materially. Real estate, a higher beta and cyclical sector, was a major underperformer as the combination of higher bond yields and an economic slowdown continue to hamper several issuers. From April onwards, risk-facing markets performed well despite a gradual deterioration in economic data. Meanwhile, higher-quality areas such as UK government bonds produced sharply negative returns as inflation continued to cause concern. Spreads tightened modestly in investment-grade credit, but the impact of this was more than wiped out by rising yields. The Bank of England was compelled to raise interest rates further as inflation data continued to exceed expectations. July proved to be a stronger month in all bond markets after a challenging first half of the year. Yields fell as inflation data finally appeared to be moving in the right direction, while credit spreads tightened as investor appetite for risk remained robust. Investment-grade, high-yield and EM debt all generated strong returns and helped the fund deliver a positive return. A relatively high duration exposure was particularly beneficial.

Portfolio Activity and Review

At the beginning of the review period, the portfolio was focused on investment-grade, with significant allocations in short-dated bonds and a small allocation to high-yield corporates. This meant it was exposed to the market sell-off and produced a negative return during the initial period as inflation and more rate hikes were priced in. Duration exposure was largely within the US dollar-related and UK markets, but it remained relatively short. High-yield and EM exposure was low given the uncertain macroeconomic outlook. Some hedges were put in

place to protect against further deterioration in credit markets. Exposure to UK banks and the real estate sector had a negative impact on fund performance. Moving into October, the portfolio's high allocations to BBB and BB-rated corporate bonds were beneficial. Banks and insurers performed well. Yields fell sharply in October and November before moving higher once again in December. Adjustments made at the start of December were focused on reducing both duration and credit risk, taking profit in both instances and reducing the overall risk profile of the fund. The investment-grade exposure in the UK and other comparable markets that had hampered performance early in the summer boosted performance in January. Although credit risk has gradually been taken out of the fund, it has significant weightings in both financials and other strong performing sectors, such as real estate and cyclical industrials. These performed well as markets attempted to price in a less aggressive path for policy rates and a soft landing for major economies. Duration was taken higher, with exposure to both sterling rates and dollar bloc markets adding value.

Duration helped performance in the first three months of 2023, and US, UK and Australian government bonds were significant contributors. Credit exposure has been largely focused on the investment-grade market. Holdings in bonds issued by insurers such as Axa and Aviva, and UK retailers Next and Tesco, added value. While Credit Suisse and Deutsche Bank were notable negatives in the wake of March's banking turmoil, the sector recovered from April onwards. Both Deutsche Bank and UBS performed strongly, with the latter boosted on the completion of the merger deal with Credit Suisse. Latterly, utilities performed poorly. This followed the news that the UK government was exploring options for Thames Water, including nationalisation, and that the company was seeking additional shareholder funding. The fund has exposure to Thames Water via its operating company, and these bonds are expected to remain investment-grade. EM bonds performed well, and more EM exposure was added to the fund during spring. During July, high-yield corporate exposure was pared back via sales of bonds issued by Verisure, Rogers Communications and Marriott Vacation Resorts. The curve-steepening bias in the fund was increased, as was our exposure to Australian government bonds.

abrdn Strategic Bond Fund

Continued

Portfolio Outlook and Strategy

Duration has been maintained above six years as policy rates appear to be approaching their peaks in the US, Europe and, somewhat later, the UK. Although economic growth continues to exceed expectations, inflationary pressures are abating, and this has provided some relief to markets. There are risks over the coming months to economic activity, which will have implications for financial markets. As a result, the focus remains on investment-grade credit in global markets, where spreads offer compelling value. Conversely, high-yield credit appears somewhat expensive in the current environment.

Sterling IG And Aggregate Team

August 2023

abrdn Strategic 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. The risk and reward indicator changed from 3 to 4 on 5 December 2022.

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 July 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 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 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

A Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	153.34	173.99	160.69
Return before operating charges*	(2.41)	(18.92)	15.12
Operating charges	(1.58)	(1.73)	(1.82)
Return after operating charges*	(3.99)	(20.65)	13.30
Distributions	(6.50)	(4.33)	(3.79)
Retained distributions on accumulation shares	6.50	4.33	3.79
Closing net asset value per share	149.35	153.34	173.99
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(2.60%)	(11.87%)	8.28%
Other information			
Closing net asset value (£'000)	2,180	1,591	1,507
Closing number of shares	1,459,569	1,037,298	866,345
Operating charges	1.05%	1.05%	1.07%
Direct transaction costs	-	-	-
Prices			
Highest share price	157.6	175.6	174.6
Lowest share price	139.6	149.7	161.3

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

A Income	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	107.94	125.79	118.80
Return before operating charges*	(1.67)	(13.51)	11.11
Operating charges	(1.09)	(1.24)	(1.34)
Return after operating charges*	(2.76)	(14.75)	9.77
Distributions	(4.51)	(3.10)	(2.78)
Closing net asset value per share	100.67	107.94	125.79
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(2.56%)	(11.73%)	8.22%
Other information			
Closing net asset value (£'000)	399	25	26
Closing number of shares	396,702	23,533	20,377
Operating charges	1.05%	1.05%	1.07%
Direct transaction costs	-	-	-
Prices			
Highest share price	108.9	127.0	126.9
Lowest share price	98.25	106.1	119.2

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

I Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	162.11	183.11	168.36
Return before operating charges*	(2.54)	(19.96)	15.87
Operating charges	(0.96)	(1.04)	(1.12)
Return after operating charges*	(3.50)	(21.00)	14.75
Distributions	(7.61)	(5.36)	(4.77)
Retained distributions on accumulation shares	7.61	5.36	4.77
Closing net asset value per share	158.61	162.11	183.11
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(2.16%)	(11.47%)	8.76%
Other information			
Closing net asset value (£'000)	17,175	17,750	19,899
Closing number of shares	10,828,306	10,949,520	10,867,133
Operating charges	0.60%	0.60%	0.62%
Direct transaction costs	-	-	-
Prices			
Highest share price	167.0	184.9	183.7
Lowest share price	147.7	158.2	169.0

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
I Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	107.63	125.45	118.48
Return before operating charges*	(1.65)	(13.48)	11.07
Operating charges	(0.63)	(0.71)	(0.77)
Return after operating charges*	(2.28)	(14.19)	10.30
Distributions	(4.96)	(3.63)	(3.33)
Closing net asset value per share	100.39	107.63	125.45
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(2.12%)	(11.31%)	8.69%
Other information			
Closing net asset value (£'000)	3,348	2,924	3,696
Closing number of shares	3,334,854	2,717,091	2,945,787
Operating charges	0.60%	0.60%	0.62%
Direct transaction costs	-	-	-
Prices			
Highest share price	108.6	126.7	126.7
Lowest share price	98.06	105.9	118.9

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

	2023	2022	2021
I Gross Accumulation	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	127.23	143.72	132.14
Return before operating charges*	(1.99)	(15.67)	12.45
Operating charges	(0.75)	(0.82)	(0.87)
Return after operating charges*	(2.74)	(16.49)	11.58
Distributions	(5.96)	(4.21)	(3.75)
Retained distributions on accumulation shares	5.96	4.21	3.75
Closing net asset value per share	124.49	127.23	143.72
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(2.15%)	(11.47%)	8.76%
Other information			
Closing net asset value (£'000)	9,928	15,226	17,911
Closing number of shares	7,975,553	11,967,090	12,462,542
Operating charges	0.60%	0.60%	0.62%
Direct transaction costs	-	-	-
Prices			
Highest share price	131.1	145.1	144.2
Lowest share price	115.9	124.1	132.6

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.

Comparative Tables

Continued

	2023	2022	2021
I Gross Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	93.68	109.19	103.12
Return before operating charges*	(1.44)	(11.73)	9.64
Operating charges	(0.54)	(0.62)	(0.67)
Return after operating charges*	(1.98)	(12.35)	8.97
Distributions	(4.32)	(3.16)	(2.90)
Closing net asset value per share	87.38	93.68	109.19
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(2.11%)	(11.31%)	8.70%
Other information			
Closing net asset value (£'000)	11,098	12,270	15,178
Closing number of shares	12,701,340	13,097,431	13,900,362
Operating charges	0.60%	0.60%	0.62%
Direct transaction costs	-	-	-
Prices			
Highest share price	94.56	110.3	110.3
Lowest share price	85.35	92.17	103.5

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

K Accumulation ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	90.35	101.85	100.00 ^B
Return before operating charges*	(1.42)	(11.12)	2.06
Operating charges	(0.36)	(0.38)	(0.21)
Return after operating charges*	(1.78)	(11.50)	1.85
Distributions	(4.42)	(3.19)	(1.41)
Retained distributions on accumulation shares	4.42	3.19	1.41
Closing net asset value per share	88.57	90.35	101.85
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(1.97%)	(11.29%)	1.85%
Other information			
Closing net asset value (£'000)	78,507	64,504	14,369
Closing number of shares	88,634,449	71,397,108	14,108,415
Operating charges	0.40%	0.40%	0.42%
Direct transaction costs	-	-	-
Prices			
Highest share price	93.19	102.9	102.2
Lowest share price	82.33	88.13	99.04

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.

^A K Accumulation share class was launched on 4 February 2021.

^B The opening net asset value stated is the share class launch price.

Comparative Tables

Continued

K Income ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	86.15	100.41	100.00 ^B
Return before operating charges*	(1.34)	(10.78)	2.04
Operating charges	(0.33)	(0.37)	(0.21)
Return after operating charges*	(1.67)	(11.15)	1.83
Distributions	(4.14)	(3.11)	(1.42)
Closing net asset value per share	80.34	86.15	100.41
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(1.94%)	(11.10%)	1.83%
Other information			
Closing net asset value (£'000)	7,261	2,204	1
Closing number of shares	9,037,309	2,559,002	1,000
Operating charges	0.40%	0.40%	0.42%
Direct transaction costs	-	-	-
Prices			
Highest share price	86.95	101.4	101.4
Lowest share price	78.51	84.79	99.03

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.

^A K Income share class was launched on 4 February 2021.

^B The opening net asset value stated is the share class launch price.

Comparative Tables

Continued

M Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	107.11	121.03	111.27
Return before operating charges*	(1.63)	(13.17)	10.55
Operating charges	(0.69)	(0.75)	(0.79)
Return after operating charges*	(2.32)	(13.92)	9.76
Distributions	(5.02)	(3.52)	(3.18)
Retained distributions on accumulation shares	5.02	3.52	3.18
Closing net asset value per share	104.79	107.11	121.03
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(2.17%)	(11.50%)	8.77%
Other information			
Closing net asset value (£'000)	1,724	1	1
Closing number of shares	1,645,406	929	929
Operating charges	0.65%	0.65%	0.67%
Direct transaction costs	-	-	-
Prices			
Highest share price	110.4	122.2	121.4
Lowest share price	97.59	104.5	111.7

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

M Income	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	95.49	111.32	105.14
Return before operating charges*	(1.41)	(11.93)	10.05
Operating charges	(0.60)	(0.69)	(0.74)
Return after operating charges*	(2.01)	(12.62)	9.31
Distributions	(4.39)	(3.21)	(3.13)
Closing net asset value per share	89.09	95.49	111.32
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(2.10%)	(11.34%)	8.85%
Other information			
Closing net asset value (£'000)	460	1	1
Closing number of shares	516,088	953	953
Operating charges	0.65%	0.65%	0.67%
Direct transaction costs	-	-	-
Prices			
Highest share price	96.41	112.4	112.5
Lowest share price	87.02	93.95	105.5

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

Z Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	172.27	193.62	177.13
Return before operating charges*	(2.70)	(21.17)	16.71
Operating charges	(0.17)	(0.18)	(0.22)
Return after operating charges*	(2.87)	(21.35)	16.49
Distributions	(8.95)	(6.61)	(5.97)
Retained distributions on accumulation shares	8.95	6.61	5.97
Closing net asset value per share	169.40	172.27	193.62
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(1.67%)	(11.03%)	9.31%
Other information			
Closing net asset value (£'000)	10,132	21,927	30,823
Closing number of shares	5,981,227	12,727,996	15,918,917
Operating charges	0.10%	0.10%	0.12%
Direct transaction costs	-	-	-
Prices			
Highest share price	178.0	195.6	194.3
Lowest share price	157.1	168.0	177.8

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.

Comparative Tables

Continued

	2023
ZA Income ^A	pence per share
Change in net assets per share	
Opening net asset value per share	61.07 ^B
Return before operating charges*	(1.04)
Operating charges	(0.01)
Return after operating charges*	(1.05)
Distributions	(1.59)
Closing net asset value per share	58.43
* after direct transaction costs of:	-
Performance	
Return after charges	(1.72%)
Other information	
Closing net asset value (£'000)	2,209
Closing number of shares	3,780,348
Operating charges	0.02%
Direct transaction costs	-
Prices	
Highest share price	61.62
Lowest share price	57.34

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.

^A ZA Income share class was launched on 24th February 2023.

^B The opening net asset value stated is the share class launch price.

Comparative Tables

Continued

ZC Accumulation ^A	2023 pence per share
Change in net assets per share	
Opening net asset value per share	99.57 ^B
Return before operating charges*	(1.73)
Operating charges	(0.04)
Return after operating charges*	(1.77)
Distributions	(2.58)
Retained distributions on accumulation shares	2.58
Closing net asset value per share	97.80
* after direct transaction costs of:	-
Performance	
Return after charges	(1.78%)
Other information	
Closing net asset value (£'000)	68,821
Closing number of shares	70,365,338
Operating charges	0.10%
Direct transaction costs	-
Prices	
Highest share price	100.7
Lowest share price	94.49

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.

^A ZC Accumulation share class was launched on 24 February 2023.

^B The opening net asset value stated is the share class launch price.

Portfolio Statement

As at 31 July 2023

Holding	Investment	Market value £'000	Percentage of total net assets
Bonds (92.25%)		180,161	84.49
Euro Denominated Bonds (10.67%)		23,297	10.93
Corporate Bonds (10.67%)		23,297	10.93
less than 5 years to maturity			
3,000,000	Cromwell EREIT 2.125% 2025	2,221	1.04
1,000,000	Thames Water Utilities Finance 0.19% 2023	840	0.39
between 5 and 10 years to maturity			
4,200,000	Anglo American Capital 5% 2031	3,681	1.73
900,000	CaixaBank FRN 2029	763	0.36
4,000,000	Digital Dutch Finco REIT 1% 2032	2,554	1.20
1,700,000	Eni 4.25% 2033	1,449	0.68
2,000,000	Nordea Bank FRN 2029	1,646	0.77
2,500,000	Svenska Handelsbanken FRN 2029	2,093	0.98
418,000	Verisure Midholding 5.25% 2029	313	0.15
between 10 and 15 years to maturity			
2,500,000	Novo Banco 9.875% fixed to floating 2033	2,222	1.04
greater than 25 years to maturity			
700,000	Lloyds Banking 4.947% fixed to floating 2049	561	0.26
Perpetual			
2,000,000	Aegon 5.625% fixed to floating Perpetual	1,529	0.72
900,000	Athora Netherlands 7% fixed to floating Perpetual	727	0.34
900,000	BNP Paribas FRN Perpetual	561	0.26
1,000,000	CaixaBank 3.625% fixed to floating Perpetual	609	0.29
904,482	Stichting 6.5% Perpetual	729	0.34
1,000,000	Van Lanschot Kempen FRN Perpetual	799	0.38
Sterling Denominated Bonds (68.27%)		142,013	66.60
Corporate Bonds (50.97%)		139,984	65.65
less than 5 years to maturity			
750,000	AA Bond 6.269% 2025	724	0.34
3,447,000	ABP Finance 6.25% 2026	3,419	1.60

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,500,000	Banco Santander 3.125% fixed to floating 2026	1,384	0.65
2,700,000	BAT International Finance 2.25% 2028	2,247	1.05
1,300,000	CPUK Finance 3.588% 2025	1,211	0.57
1,400,000	Credit Agricole 5.75% fixed to floating 2027	1,375	0.65
800,000	Danske Bank 2.25% fixed to floating 2028	688	0.32
1,500,000	Deutsche Bank 2.625% 2024	1,417	0.66
700,000	Enel Finance International 1% 2027	575	0.27
1,700,000	FirstGroup 6.875% 2024	1,695	0.80
1,534,000	Ford Motor Credit 6.86% 2026	1,506	0.71
1,600,000	Go-Ahead 2.5% 2024	1,589	0.75
1,481,000	Hammerson REIT 3.5% 2025	1,328	0.62
800,000	Hammerson REIT 6% 2026	743	0.35
1,178,000	Hammerson REIT 7.25% 2028	1,095	0.51
1,000,000	Heathrow Funding 2.625% 2028	831	0.39
353,000	HSBC 2.256% fixed to floating 2026	321	0.15
1,800,000	Metrocentre Finance REIT 8.75% 2023	1,011	0.47
1,711,000	Mizuho Financial 5.628% 2028	1,674	0.79
650,000	National Grid Electricity Distribution West Midlands 6% 2025	644	0.30
3,900,000	NewRiver REIT 3.5% 2028	3,256	1.53
881,000	OP Corporate Bank 3.375% 2026	828	0.39
880,000	Pension Insurance 6.5% 2024	874	0.41
750,000	Petroleos Mexicanos 3.75% 2025	651	0.31
2,000,000	Santander UK 7.098% fixed to floating 2027	2,007	0.94
1,000,000	Stagecoach 4% 2025	928	0.44
768,000	TalkTalk Telecom 3.875% 2025	647	0.30
800,000	Thames Water Utilities Finance 2.875% 2027	622	0.29
500,000	Thames Water Utilities Finance 3.5% 2028	439	0.21
2,000,000	Thames Water Utilities Finance 4% 2025	1,865	0.87
1,226,000	Virgin Media Secured Finance 5% 2027	1,118	0.52
3,058,000	Workspace REIT 2.25% 2028	2,318	1.09
between 5 and 10 years to maturity			
3,500,000	APA Infrastructure 3.125% 2031	2,796	1.31
1,952,000	AT&T 4.375% 2029	1,780	0.84
911,000	Australia & New Zealand Banking 1.809% fixed to floating 2031	769	0.36
2,700,000	Banco Santander 2.25% fixed to floating 2032	2,200	1.03
450,000	Barclays 8.407% fixed to floating 2032	461	0.22

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
3,000,000	Berkeley 2.5% 2031	2,019	0.95
284,000	Blackstone Property Partners Europe 4.875% 2032	219	0.10
3,700,000	BNP Paribas 2% fixed to floating 2031	3,182	1.49
1,347,000	CPUK Finance 6.136% 2031	1,289	0.60
1,700,000	Deutsche Bank 6.125% fixed to floating 2030	1,602	0.75
900,000	E.ON International Finance 6.25% 2030	929	0.44
887,000	E.ON International Finance 6.375% 2032	925	0.43
4,419,000	Enel Finance International 2.875% 2029	3,766	1.77
1,800,000	Goldman Sachs 3.625% fixed to floating 2029	1,598	0.75
3,000,000	Grainger 3% 2030	2,334	1.09
491,000	HSBC 3% fixed to floating 2030	412	0.19
1,914,000	Intesa Sanpaolo 6.5% fixed to floating 2029	1,842	0.86
2,500,000	Metropolitan Life Global Funding I 1.625% 2028	2,046	0.96
2,200,000	NatWest 2.105% fixed to floating 2031	1,859	0.87
2,500,000	NatWest 3.619% fixed to floating 2029	2,208	1.04
2,500,000	Pension Insurance 5.625% 2030	2,231	1.05
520,000	Premiertel 6.175% 2032	360	0.17
1,000,000	RL Finance Bonds No 3 6.125% 2028	954	0.45
4,000,000	Santander UK 2.421% fixed to floating 2029	3,343	1.57
1,000,000	Societe Generale 6.25% 2033	1,016	0.48
1,711,000	Swedbank 5.875% fixed to floating 2029	1,666	0.78
825,000	Telereal Secured Finance 4.01% 2031	414	0.19
430,000	Telereal Securitisation FRN 2031 'B7'	347	0.16
2,600,000	Telereal Securitisation FRN 2031 'C1'	2,265	1.06
2,000,000	Tesco Corporate Treasury Services 2.75% 2030	1,647	0.77
between 10 and 15 years to maturity			
760,000	Annington Funding 3.685% 2034	589	0.28
2,748,000	Lloyds Banking 2.707% fixed to floating 2035	2,054	0.96
3,500,000	Morgan Stanley 5.789% fixed to floating 2033	3,435	1.61
2,099,000	Northumbrian Water Finance 6.375% 2034	2,118	0.99
529,000	Severn Trent Utilities Finance 5.25% 2036	500	0.23
3,500,000	UBS 7.375% fixed to floating 2033	3,777	1.77
between 15 and 25 years to maturity			
587,000	Anglian Water Services Financing 6% 2039	593	0.28
529,000	Arqiva Financing 7.21% 2045	537	0.25

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
2,300,000	Eversholt Funding 3.529% 2042	1,662	0.78
1,500,000	Legal & General 5.375% fixed to floating 2045	1,446	0.68
600,000	RMPA Services 5.337% 2038	389	0.18
2,500,000	Tesco Property Finance 4 5.8006% 2040	2,154	1.01
greater than 25 years to maturity			
1,552,000	Aviva 4% fixed to floating 2055	1,196	0.56
2,020,000	Aviva 4.375% fixed to floating 2049	1,756	0.82
2,329,000	AXA 6.6862% fixed to floating 2049	2,319	1.09
3,000,000	Channel Link Enterprises Finance 3.043% fixed to floating 2050	2,502	1.17
2,200,000	EDF 5.875% fixed to floating 2049	1,842	0.86
2,800,000	Legal & General 4.5% fixed to floating 2050	2,399	1.13
2,963,000	NGG Finance 5.625% fixed to floating 2073	2,823	1.32
3,096,000	Ørsted 2.5% fixed to floating 3021	2,066	0.97
1,423,000	Zurich Finance Ireland Designated Activity 5.125% fixed to floating 2052	1,268	0.60
Perpetual			
1,782,000	Barclays 6.375% fixed to floating Perpetual	1,605	0.75
1,355,000	Barclays 7.125% fixed to floating Perpetual	1,275	0.60
460,000	Barclays Bank 9% Perpetual	460	0.22
1,089,000	Credit Agricole 7.5% fixed to floating Perpetual	1,042	0.49
2,000,000	Deutsche Bank 7.125% fixed to floating Perpetual	1,706	0.80
1,450,000	Lloyds Bank 11.75% Perpetual	2,064	0.97
3,800,000	Mobico 4.25% fixed to floating Perpetual	3,328	1.56
2,000,000	NatWest 4.5% fixed to floating Perpetual	1,570	0.74
Government Bonds (17.30%)		2,029	0.95
less than 5 years to maturity			
2,300,000	UK (Govt of) 1.25% 2027	2,029	0.95
US Dollar Denominated Bonds (13.31%)		14,851	6.96
Corporate Bonds (12.44%)		13,905	6.52
less than 5 years to maturity			
1,200,000	Danske Bank FRN 2024	904	0.43

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
between 5 and 10 years to maturity			
1,400,000	Petroleos Mexicanos 5.95% 2031	808	0.38
Perpetual			
2,150,000	Australia & New Zealand Banking FRN Perpetual	1,568	0.74
2,000,000	BNP Paribas FRN Perpetual	1,516	0.71
1,270,000	DNB Bank FRN Perpetual (Issue 1985)	839	0.39
210,000	DNB Bank FRN Perpetual (Issue 1986)	135	0.06
1,400,000	ING 3.875% fixed to floating Perpetual	825	0.39
597,000	Societe Generale 4.75% fixed to floating Perpetual	390	0.18
1,800,000	Standard Chartered 7.014% fixed to floating Perpetual	1,348	0.63
7,200,000	Westpac Banking FRN Perpetual	5,572	2.61
Government Bonds (0.87%)		946	0.44
greater than 25 years to maturity			
1,900,000	US Treasury 1.875% 2051	946	0.44
Collective Investment Schemes (2.59%)		12,537	5.88
789,035	abrdr Emerging Markets Total Return Bond Fund SICAV I Z Acc USD+	12,537	5.88
Derivatives (-3.41%)		(3,936)	(1.85)
Credit Default Swaps (0.01%)		(465)	(0.22)
EUR 10,000,000	Buy iTraxx Europe Series 39 20/06/2028 5%	(465)	(0.22)
Forward Currency Contracts (-0.46%)		634	0.30
	Buy AUD 51,436 Sell GBP 26,950 07/09/2023	-	-
	Buy AUD 60,968 Sell GBP 32,798 07/09/2023	(1)	-
	Buy AUD 62,452 Sell GBP 33,312 07/09/2023	(1)	-
	Buy AUD 65,042 Sell GBP 33,955 07/09/2023	-	-
	Buy AUD 75,479 Sell GBP 39,033 07/09/2023	-	-
	Buy AUD 102,771 Sell GBP 53,844 07/09/2023	-	-
	Buy AUD 113,187 Sell GBP 59,539 07/09/2023	-	-
	Buy AUD 137,843 Sell GBP 73,804 07/09/2023	(2)	-

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
	Buy AUD 171,874 Sell GBP 92,196 07/09/2023	(3)	-
	Buy AUD 186,990 Sell GBP 98,439 07/09/2023	(1)	-
	Buy AUD 191,011 Sell GBP 100,296 07/09/2023	(1)	-
	Buy AUD 201,484 Sell GBP 104,912 07/09/2023	-	-
	Buy AUD 254,997 Sell GBP 134,085 07/09/2023	(1)	-
	Buy AUD 261,414 Sell GBP 140,407 07/09/2023	(4)	-
	Buy AUD 314,188 Sell GBP 164,334 07/09/2023	-	-
	Buy AUD 352,502 Sell GBP 189,064 07/09/2023	(5)	-
	Buy AUD 414,601 Sell GBP 217,463 07/09/2023	(1)	-
	Buy AUD 770,731 Sell GBP 401,100 07/09/2023	1	-
	Buy AUD 1,674,660 Sell GBP 878,785 07/09/2023	(5)	-
	Buy CAD 16,376 Sell GBP 9,677 07/09/2023	-	-
	Buy CAD 16,962 Sell GBP 10,020 07/09/2023	-	-
	Buy CAD 22,626 Sell GBP 13,066 07/09/2023	-	-
	Buy CAD 23,199 Sell GBP 13,698 07/09/2023	-	-
	Buy CAD 34,357 Sell GBP 20,140 07/09/2023	-	-
	Buy CAD 46,269 Sell GBP 27,381 07/09/2023	-	-
	Buy CAD 54,043 Sell GBP 32,187 07/09/2023	-	-
	Buy CAD 60,866 Sell GBP 35,244 07/09/2023	1	-
	Buy CAD 61,213 Sell GBP 36,414 07/09/2023	-	-
	Buy CAD 67,694 Sell GBP 39,481 07/09/2023	-	-
	Buy CAD 73,338 Sell GBP 43,480 07/09/2023	-	-
	Buy CAD 76,987 Sell GBP 45,006 07/09/2023	-	-
	Buy CAD 81,064 Sell GBP 48,004 07/09/2023	-	-
	Buy CAD 112,518 Sell GBP 67,260 07/09/2023	(1)	-
	Buy CAD 150,537 Sell GBP 89,719 07/09/2023	(1)	-
	Buy CAD 173,715 Sell GBP 103,088 07/09/2023	(1)	-
	Buy CAD 185,268 Sell GBP 110,139 07/09/2023	(1)	-
	Buy CAD 211,533 Sell GBP 124,435 07/09/2023	-	-
	Buy EUR 556,085 Sell GBP 480,205 07/09/2023	(2)	-
	Buy EUR 556,311 Sell GBP 484,117 07/09/2023	(6)	-
	Buy EUR 565,126 Sell GBP 482,658 07/09/2023	3	-
	Buy EUR 2,163,104 Sell GBP 1,865,690 07/09/2023	(7)	-
	Buy EUR 3,323,915 Sell GBP 2,852,303 07/09/2023	4	-
	Buy GBP 21,952 Sell AUD 42,218 07/09/2023	-	-
	Buy GBP 23,367 Sell AUD 43,582 07/09/2023	1	-
	Buy GBP 38,352 Sell AUD 71,240 07/09/2023	1	-

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
	Buy GBP 39,309 Sell AUD 73,837 07/09/2023	1	-
	Buy GBP 48,578 Sell AUD 90,074 07/09/2023	2	-
	Buy GBP 59,605 Sell AUD 113,204 07/09/2023	1	-
	Buy GBP 93,548 Sell AUD 179,457 07/09/2023	-	-
	Buy GBP 98,286 Sell AUD 187,242 07/09/2023	1	-
	Buy GBP 99,297 Sell AUD 190,582 07/09/2023	-	-
	Buy GBP 121,541 Sell AUD 231,965 07/09/2023	1	-
	Buy GBP 122,189 Sell AUD 232,021 07/09/2023	1	-
	Buy GBP 141,611 Sell AUD 269,087 07/09/2023	1	-
	Buy GBP 155,706 Sell AUD 296,258 07/09/2023	1	-
	Buy GBP 161,998 Sell AUD 309,203 07/09/2023	1	-
	Buy GBP 165,821 Sell AUD 312,144 07/09/2023	3	-
	Buy GBP 173,129 Sell AUD 329,039 07/09/2023	1	-
	Buy GBP 192,295 Sell AUD 366,163 07/09/2023	1	-
	Buy GBP 200,906 Sell AUD 373,432 07/09/2023	6	-
	Buy GBP 8,349 Sell CAD 14,080 07/09/2023	-	-
	Buy GBP 11,432 Sell CAD 19,450 07/09/2023	-	-
	Buy GBP 15,947 Sell CAD 27,015 07/09/2023	-	-
	Buy GBP 20,720 Sell CAD 34,741 07/09/2023	-	-
	Buy GBP 20,748 Sell CAD 34,729 07/09/2023	-	-
	Buy GBP 21,317 Sell CAD 36,702 07/09/2023	-	-
	Buy GBP 22,826 Sell CAD 38,841 07/09/2023	-	-
	Buy GBP 26,508 Sell CAD 44,961 07/09/2023	-	-
	Buy GBP 29,870 Sell CAD 50,183 07/09/2023	-	-
	Buy GBP 37,536 Sell CAD 63,603 07/09/2023	-	-
	Buy GBP 48,074 Sell CAD 81,077 07/09/2023	-	-
	Buy GBP 53,048 Sell CAD 88,735 07/09/2023	1	-
	Buy GBP 53,664 Sell CAD 92,348 07/09/2023	(1)	-
	Buy GBP 57,725 Sell CAD 96,499 07/09/2023	1	-
	Buy GBP 59,969 Sell CAD 100,400 07/09/2023	1	-
	Buy GBP 59,972 Sell CAD 100,397 07/09/2023	1	-
	Buy GBP 77,224 Sell CAD 131,241 07/09/2023	-	-
	Buy GBP 552,931 Sell EUR 635,066 07/09/2023	7	-
	Buy GBP 838,863 Sell EUR 969,291 07/09/2023	6	-
	Buy GBP 28,052,271 Sell EUR 32,581,490 07/09/2023	53	0.02
	Buy GBP 40,882 Sell NZD 83,915 07/09/2023	1	-
	Buy GBP 177,170 Sell NZD 364,259 07/09/2023	2	-

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
	Buy GBP 1,401,393 Sell NZD 2,884,748 07/09/2023	11	-
	Buy GBP 444,697 Sell USD 564,608 07/09/2023	6	-
	Buy GBP 553,274 Sell USD 724,001 07/09/2023	(9)	-
	Buy GBP 613,835 Sell USD 767,590 07/09/2023	17	0.01
	Buy GBP 821,324 Sell USD 1,044,029 07/09/2023	10	-
	Buy GBP 1,237,986 Sell USD 1,622,646 07/09/2023	(23)	(0.01)
	Buy GBP 1,511,560 Sell USD 1,981,222 07/09/2023	(28)	(0.01)
	Buy GBP 1,766,412 Sell USD 2,283,236 07/09/2023	(8)	-
	Buy GBP 2,389,903 Sell USD 2,974,729 07/09/2023	78	0.04
	Buy GBP 3,168,217 Sell USD 4,069,059 07/09/2023	6	-
	Buy GBP 19,211,493 Sell USD 24,015,850 07/09/2023	548	0.26
	Buy NZD 50,848 Sell GBP 24,869 07/09/2023	-	-
	Buy NZD 50,930 Sell GBP 24,628 07/09/2023	-	-
	Buy NZD 58,753 Sell GBP 28,467 07/09/2023	-	-
	Buy NZD 59,270 Sell GBP 28,503 07/09/2023	-	-
	Buy NZD 69,138 Sell GBP 33,787 07/09/2023	(1)	-
	Buy NZD 113,485 Sell GBP 55,163 07/09/2023	(1)	-
	Buy NZD 120,350 Sell GBP 58,264 07/09/2023	-	-
	Buy NZD 139,420 Sell GBP 67,853 07/09/2023	(1)	-
	Buy NZD 145,825 Sell GBP 70,388 07/09/2023	-	-
	Buy NZD 146,535 Sell GBP 71,278 07/09/2023	(1)	-
	Buy NZD 171,045 Sell GBP 82,455 07/09/2023	-	-
	Buy NZD 185,768 Sell GBP 90,510 07/09/2023	(1)	-
	Buy NZD 209,278 Sell GBP 102,088 07/09/2023	(1)	-
	Buy NZD 228,461 Sell GBP 110,219 07/09/2023	-	-
	Buy NZD 229,142 Sell GBP 110,673 07/09/2023	-	-
	Buy NZD 233,005 Sell GBP 112,830 07/09/2023	(1)	-
	Buy NZD 243,094 Sell GBP 117,707 07/09/2023	(1)	-
	Buy NZD 262,509 Sell GBP 127,079 07/09/2023	(1)	-
	Buy NZD 340,523 Sell GBP 164,234 07/09/2023	1	-
	Buy NZD 428,843 Sell GBP 207,518 07/09/2023	(1)	-
	Buy NZD 4,577,920 Sell GBP 2,205,551 07/09/2023	1	-
	Buy USD 589,995 Sell GBP 466,795 07/09/2023	(8)	-
	Buy USD 2,071,807 Sell GBP 1,625,790 07/09/2023	(16)	(0.01)
	Buy USD 3,031,559 Sell GBP 2,357,688 07/09/2023	(2)	-

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Futures (-1.16%)		(1,181)	(0.56)
68	Long Australia 10 Year Bond Future 15/09/2023	(24)	(0.01)
772	Long Canadian 2 Year Bond Future 20/09/2023	(237)	(0.11)
30	Long Euro Bond Future 07/09/2023	9	-
180	Long Euro-Schatz Future 07/09/2023	(108)	(0.05)
340	Long US 2 Year Note (CBT) Future 29/09/2023	(719)	(0.34)
463	Long US 5 Year Note (CBT) Future 29/09/2023	(92)	(0.04)
215	Long US 10 Year Note (CBT) Future 20/09/2023	(217)	(0.10)
(61)	Short Long Gilt Future 27/09/2023	6	-
(33)	Short US 10 Year Ultra Future 20/09/2023	42	0.02
(127)	Short US Ultra Bond (CBT) Future 20/09/2023	159	0.07
Inflation Swaps (-0.51%)		-	-
Interest Rate Swaps (-1.29%)		(2,924)	(1.37)
EUR 6,400,000	Pay fixed 2.3695% receive floating EURIBOR 28/03/2055	195	0.09
GBP 14,800,000	Pay fixed 2.725% receive floating GBP-SONIA 29/11/2032	491	0.23
GBP 25,300,000	Pay fixed 3.76% receive floating GBP-SONIA 11/07/2033	(140)	(0.07)
AUD 19,800,000	Pay floating AUD-BBR-BBSW receive fixed 2.705% 03/03/2032	(712)	(0.33)
AUD 55,400,000	Pay floating AUD-BBR-BBSW receive fixed 4.27% 16/03/2033	(358)	(0.17)
AUD 20,000,000	Pay floating AUD-BBR-BBSW receive fixed 4.87% 09/11/2032	123	0.06
EUR 28,800,000	Pay floating EURIBOR receive fixed 2.802% 28/03/2030	(60)	(0.03)
GBP 58,800,000	Pay floating GBP-SONIA receive fixed 4.064% 02/10/2025	(1,597)	(0.75)
GBP 23,440,000	Pay floating GBP-SONIA receive fixed 5.618% 26/07/2025	10	-
NZD 12,800,000	Pay floating NZD-BKBM receive fixed 2.02% 09/09/2027	(650)	(0.30)
NZD 4,810,000	Pay floating NZD-BKBM receive fixed 2.845% 02/11/2027	(193)	(0.09)
NZD 38,400,000	Pay floating NZD-BKBM receive fixed 5% 01/03/2026	(33)	(0.01)
Total investment assets and liabilities		188,762	88.52
Net other assets		24,480	11.48
Total Net Assets		213,242	100.00

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 July 2022.

+ Managed by subsidiaries of abrdn plc.

Financial Statements

Statement of Total Return

For the year ended 31 July 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(13,291)		(16,472)
Revenue	2	9,463		4,216	
Expenses	3	(610)		(484)	
Interest payable and similar charges	4	(4)		(62)	
Net revenue before taxation		8,849		3,670	
Taxation	5	2		(4)	
Net revenue after taxation			8,851		3,666
Total return before distributions			(4,440)		(12,806)
Distributions	6		(8,851)		(3,666)
Change in net assets attributable to shareholders from investment activities			(13,291)		(16,472)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2023

	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		138,423		103,412
Amounts receivable on the issue of shares	36,348		74,506	
Amounts payable on the cancellation of shares	(54,084)		(26,494)	
Amounts receivable on inspecie transfers*	97,914		-	
		80,178		48,012
Dilution adjustment		176		148
Change in net assets attributable to shareholders from investment activities (see above)		(13,291)		(16,472)
Retained distribution on accumulation shares		7,756		3,323
Closing net assets attributable to shareholders		213,242		138,423

* Relating to an inspecie transfer from abrdn Global Strategic Bond Fund on 24 February 2023.

Financial Statements

Continued

Balance Sheet

As at 31 July 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			194,516		132,457
Current assets:					
Debtors	7	3,363		4,535	
Cash and bank balances	8	25,551		9,866	
			28,914		14,401
Total assets			223,430		146,858
Liabilities:					
Investment liabilities			(5,754)		(5,896)
Creditors	9	(4,076)		(2,391)	
Distribution payable		(358)		(148)	
			(4,434)		(2,539)
Total liabilities			(10,188)		(8,435)
Net assets attributable to shareholders			213,242		138,423

Notes to the Financial Statements

1 Net Capital Losses

	2023 £'000	2022 £'000
Non-derivative securities	(14,848)	(12,147)
Derivative contracts	282	(1,127)
Forward currency contracts	1,438	(3,201)
Other (losses)/gains	(149)	13
Transaction charges	(14)	(10)
Net capital losses	(13,291)	(16,472)

2 Revenue

	2023 £'000	2022 £'000
Bank and margin interest	137	7
Derivative revenue	58	-
Income from Overseas Collective Investment Schemes		
Unfranked income	209	222
Interest on debt securities	9,059	3,971
Stocklending revenue	-	16
Total revenue	9,463	4,216

3 Expenses

	2023 £'000	2022 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	462	386
Dealing charge	1	-
General administration charge	136	91
	599	477
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	11	7
	11	7
Total expenses	610	484

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £11,700 (2022: £10,860).

Notes to the Financial Statements

Continued

4 Interest Payable and Similar Charges

	2023 £'000	2022 £'000
Derivative expense	-	61
Interest payable	4	1
Total interest payable & similar charges	4	62

5 Taxation

	2023 £'000	2022 £'000
(a) Analysis of charge in year		
Corporation tax	-	1
Double taxation relief	-	(1)
Overseas taxes	(2)	4
Total taxation (note 5b)	(2)	4

(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:

Net revenue before taxation	8,849	3,670
Corporation tax at 20% (2022: 20%)	1,770	734
Effects of:		
Overseas taxes	(2)	4
Double taxation relief	-	(1)
Distributions treated as tax deductible	(1,770)	(733)
Total tax charge for year (note 5a)	(2)	4

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.

Notes to the Financial Statements

Continued

6 Distributions

	2023 £'000	2022 £'000
First interim distribution	2,243	786
Second interim distribution	1,557	838
Third interim distribution	1,850	1,060
Final distribution	3,124	1,219
	8,774	3,903
Add: Income deducted on cancellation of shares	271	110
Deduct: Income received on issue of shares	(194)	(347)
Total distributions for the year	8,851	3,666

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

7 Debtors

	2023 £'000	2022 £'000
Accrued revenue	3,038	1,452
Amounts receivable from the ACD for the issue of shares	21	265
Amounts receivable from merger	37	-
Overseas withholding tax recoverable	1	3
Sales awaiting settlement	266	2,815
Total debtors	3,363	4,535

8 Liquidity

	2023 £'000	2022 £'000
Cash and bank balances		
Cash at bank	17,816	3,568
Cash at broker	2,855	3,688
Collateral cash pledged to counterparties [~]	4,880	2,610
	25,551	9,866
Net liquidity	25,551	9,866

[~] 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.

Notes to the Financial Statements

Continued

9 Creditors

	2023 £'000	2022 £'000
Accrued expenses payable to ACD	56	47
Accrued expenses payable to the Depositary or associates of the Depositary	2	1
Amounts payable to the ACD for cancellation of shares	78	593
Purchases awaiting settlement	3,940	1,750
Total creditors	4,076	2,391

10 Related Party Transactions

abrdn 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 abrdn Fund Managers Limited at the end of the accounting year are disclosed in notes 7 and 9.

Amounts payable to abrdn 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, collective investment schemes 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.

Collective investments operate within the terms of the offer document or prospectus. Typically we do not invest into funds that require an initial charge to be made. The underlying price may contain an estimation of cost known as a dilution levy which is applied from time to time.

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
Trades in the year				
Bonds	168,830	114,038	196,032	67,435
Collective investment schemes	12,537	-	3,595	946
Inspecie transactions	92,769	-	-	-
Trades in the year before transaction costs	274,136	114,038	199,627	68,381
Total net trades in the year after transaction costs	274,136	114,038	199,627	68,381

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 0.70% (2022: 0.74%), 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
A Accumulation	1,037,298	828,032	(347,520)	(58,241)	1,459,569
A Income	23,533	386,125	(12,956)	-	396,702
I Accumulation	10,949,520	4,904,481	(5,080,702)	55,007	10,828,306
I Income	2,717,091	1,163,575	(547,727)	1,915	3,334,854
I Gross Accumulation	11,967,090	23,912	(4,015,449)	-	7,975,553
I Gross Income	13,097,431	646,907	(1,042,998)	-	12,701,340
K Accumulation	71,397,108	24,134,469	(6,897,128)	-	88,634,449
K Income	2,559,002	7,130,806	(652,499)	-	9,037,309
M Accumulation	929	2,033,232	(388,755)	-	1,645,406
M Income	953	555,540	(38,247)	(2,158)	516,088
Z Accumulation	12,727,996	905,756	(7,652,525)	-	5,981,227
ZC Accumulation	-	89,502,163	(19,136,825)	-	70,365,338
ZA Income	-	3,780,348	-	-	3,780,348

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	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	2,975	177,186	-	25,152	102,546	-
Collective Investment Schemes	-	12,537	-	-	3,589	-
Derivatives	216	1,602	-	502	668	-
Total investment assets	3,191	191,325	-	25,654	106,803	-
Fair value of investment liabilities						
Derivatives	(1,397)	(4,357)	-	(2,107)	(3,789)	-
Total investment liabilities	(1,397)	(4,357)	-	(2,107)	(3,789)	-

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

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
Currency				
UK Sterling	26,089	139,401	49,469	214,959
Australian Dollar	(947)	-	904	(43)
Canadian Dollar	1	-	9	10
Euro	5,997	17,435	(23,509)	(77)
New Zealand Dollar	(876)	-	2,294	1,418
US Dollar	11,371	4,317	(18,713)	(3,025)
Total	41,635	161,153	10,454	213,242

2022	Floating rate financial assets/ (liabilities) £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
Currency				
UK Sterling	9,222	93,508	42,922	145,652
Australian Dollar	(504)	-	636	132
Canadian Dollar	(235)	-	332	97
Euro	2,662	12,794	(17,138)	(1,682)
New Zealand Dollar	(547)	-	(210)	(757)
US Dollar	2,207	15,969	(23,195)	(5,019)
Total	12,805	122,271	3,347	138,423

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 month one 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	3.04%	6.62%	4.92%

2022	Minimum	Maximum	Average
VaR 99% 1 Month	3.37%	4.77%	3.89%

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.

2023	Market value £'000	Percentage of total net assets %
Investment grade securities	149,916	70.31
Below investment grade securities	27,944	13.11
Unrated securities	2,301	1.07
Total value of securities	180,161	84.49

2022	Market value £'000	Percentage of total net assets %
Investment grade securities	81,376	58.78
Below investment grade securities	37,286	26.94
Unrated securities	9,036	6.53
Total value of securities	127,698	92.25

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.

Notes to the Financial Statements

Continued

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
Leveraged instruments				
Forward currency contracts	82,855	634	50,818	(645)
Futures	202,837	(1,181)	74,823	(1,605)
Swaps	238,023	(3,389)	107,222	(2,476)
Total market exposure	523,715	(3,936)	232,863	(4,726)

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 %
Broker or exchange exposure					
Bank of America Merrill Lynch	(1,181)	2,855	0	1,674	0.79
	(1,181)	2,855	-	1,674	0.79

2022	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
Broker or exchange exposure					
Bank of America Merrill Lynch	(1,605)	3,688	0	2,083	1.50
	(1,605)	3,688	-	2,083	1.50

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.

All stock lending is conducted by the stocklending agent on behalf of the fund using a standard agreement with available counterparties. It is collateralised daily with a right of recall within 24 hours.

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

Notes to the Financial Statements

Continued

2023 Counterparties	Swaps £'000	Forwards £'000	Collateral (held)/pledged		Net exposure £'000
			Cash £'000	Stock £'000	
Bank of America Merrill Lynch	123	17	-	-	140
Barclays	10	1	1,430	-	1,441
BNP Paribas	-	(11)	-	-	(11)
Citigroup	(1,329)	(10)	1,370	-	31
Deutsche Bank	-	(1)	-	-	(1)
Goldman Sachs	(465)	1	470	-	6
HSBC	-	(5)	-	-	(5)
JP Morgan	(140)	83	130	-	73
Morgan Stanley	-	8	-	-	8
Royal Bank of Canada	-	600	-	-	600
Standard Chartered	-	(48)	-	-	(48)
UBS	(1,588)	(1)	1,480	-	(109)
Total	(3,389)	634	4,880	-	2,125

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

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

The fund receives 85% of the revenue returns from stock lending. The gross earnings for the year are £Nil (2022: £19,000) and expenses paid to the lending agent, Securities Finance Trust Company, are £Nil (2022: £3,000).

2022 Counterparties	Swaps £'000	Forwards £'000	Collateral (held)/pledged		Net exposure £'000
			Cash £'000	Stock £'000	
Bank of America Merrill Lynch	33	(22)	-	-	11
Barclays	(517)	-	600	-	83
Citigroup	(705)	264	660	-	219
Goldman Sachs	(594)	-	530	-	(64)
JP Morgan	19	(4)	20	-	35
Royal Bank of Canada	-	(905)	-	-	(905)
Standard Chartered	-	33	-	-	33
StateStreet	-	(5)	-	-	(5)
UBS	(712)	(6)	800	-	82
Total	(2,476)	(645)	2,610	-	(511)

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

Liquidity risk

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

Notes to the Financial Statements

Continued

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
Derivatives					
Investment liabilities	-	1,546	2,938	1,270	5,754
Non-derivatives					
Other creditors	-	4,076	-	-	4,076
Distribution payable	-	358	-	-	358
Total financial liabilities	-	5,980	2,938	1,270	10,188

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
Derivatives					
Investment liabilities	-	3,336	830	1,730	5,896
Non-derivatives					
Other creditors	-	2,391	-	-	2,391
Distribution payable	-	148	-	-	148
Total financial liabilities	-	5,875	830	1,730	8,435

Distribution Tables

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

First interim interest distribution

Group 1 – shares purchased prior to 1 August 2022

Group 2 – shares purchased between 1 August 2022 and 31 October 2022

	Revenue	Equalisation	Distribution paid 31/01/23	Distribution paid 31/01/22
A Accumulation				
Group 1	1.2914	-	1.2914	0.9511
Group 2	0.5974	0.6940	1.2914	0.9511
A Income				
Group 1	0.9113	-	0.9113	0.6888
Group 2	-	0.9113	0.9113	0.6888
I Accumulation				
Group 1	1.5429	-	1.5429	1.2096
Group 2	0.8901	0.6528	1.5429	1.2096
I Income				
Group 1	1.0247	-	1.0247	0.8288
Group 2	0.6427	0.3820	1.0247	0.8288
I Gross Accumulation				
Group 1	1.2109	-	1.2109	0.9495
Group 2	0.7929	0.4180	1.2109	0.9495
I Gross Income				
Group 1	0.8918	-	0.8918	0.7213
Group 2	0.3930	0.4988	0.8918	0.7213
K Accumulation				
Group 1	0.9040	-	0.9040	0.7243
Group 2	0.4476	0.4564	0.9040	0.7243
K Income				
Group 1	0.8622	-	0.8622	0.7068
Group 2	0.4453	0.4169	0.8622	0.7068
M Accumulation				
Group 1	1.0234	-	1.0234	0.7770
Group 2	1.0234	-	1.0234	0.7770
M Income				
Group 1	0.9148	-	0.9148	0.7553
Group 2	0.9148	-	0.9148	0.7553
Z Accumulation				
Group 1	1.8501	-	1.8501	1.5249
Group 2	0.3804	1.4697	1.8501	1.5249

Distribution Tables

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

Second 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 28/04/23	Distribution paid 29/04/22
A Accumulation				
Group 1	1.4520	-	1.4520	0.9422
Group 2	0.7776	0.6744	1.4520	0.9422
A Income				
Group 1	1.0146	-	1.0146	0.6759
Group 2	0.0050	1.0096	1.0146	0.6759
I Accumulation				
Group 1	1.7176	-	1.7176	1.2048
Group 2	1.0655	0.6521	1.7176	1.2048
I Income				
Group 1	1.1286	-	1.1286	0.8185
Group 2	0.7793	0.3493	1.1286	0.8185
I Gross Accumulation				
Group 1	1.3483	-	1.3483	0.9429
Group 2	1.3483	-	1.3483	0.9429
I Gross Income				
Group 1	0.9827	-	0.9827	0.7112
Group 2	0.3294	0.6533	0.9827	0.7112
K Accumulation				
Group 1	1.0028	-	1.0028	0.7234
Group 2	0.5335	0.4693	1.0028	0.7234
K Income				
Group 1	0.9461	-	0.9461	0.7202
Group 2	0.4682	0.4779	0.9461	0.7202
M Accumulation				
Group 1	1.1493	-	1.1493	0.7576
Group 2	1.1493	-	1.1493	0.7576
M Income				
Group 1	1.0050	-	1.0050	0.7543
Group 2	1.0050	-	1.0050	0.7543
Z Accumulation				
Group 1	2.0420	-	2.0420	1.5102
Group 2	1.4202	0.6218	2.0420	1.5102

Distribution Tables

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

Third 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 31/07/23	Distribution paid 29/07/22
A Accumulation				
Group 1	1.8407	-	1.8407	1.3323
Group 2	1.3973	0.4434	1.8407	1.3323
A Income				
Group 1	1.2730	-	1.2730	0.9513
Group 2	0.9653	0.3077	1.2730	0.9513
I Accumulation				
Group 1	2.1297	-	2.1297	1.5956
Group 2	1.4734	0.6563	2.1297	1.5956
I Income				
Group 1	1.3848	-	1.3848	1.0785
Group 2	1.0605	0.3243	1.3848	1.0785
I Gross Accumulation				
Group 1	1.6714	-	1.6714	1.2525
Group 2	0.7962	0.8752	1.6714	1.2525
I Gross Income				
Group 1	1.2053	-	1.2053	0.9388
Group 2	0.5606	0.6447	1.2053	0.9388
K Accumulation				
Group 1	1.2325	-	1.2325	0.9358
Group 2	0.5690	0.6635	1.2325	0.9358
K Income				
Group 1	1.1484	-	1.1484	0.9092
Group 2	1.0866	0.0618	1.1484	0.9092
M Accumulation				
Group 1	1.3961	-	1.3961	1.0686
Group 2	1.0643	0.3318	1.3961	1.0686
M Income				
Group 1	1.2205	-	1.2205	0.9662
Group 2	0.9269	0.2936	1.2205	0.9662

Distribution Tables

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

	Revenue	Equalisation	Distribution paid 31/07/23	Distribution paid 29/07/22
Z Accumulation				
Group 1	2.4831	-	2.4831	1.9164
Group 2	2.4831	-	2.4831	1.9164
ZC Accumulation				
Group 1	1.9037	-	1.0937	-
Group 2	0.8113	0.2824	1.0937	-
ZA Income				
Group 1	0.6795	-	0.6795	-
Group 2	0.6795	-	0.6795	-

Distribution Tables

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

Final 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 31/10/23	Distribution paid 31/10/22
A Accumulation				
Group 1	1.9144	-	1.9144	1.1060
Group 2	1.0185	0.8959	1.9144	1.1060
A Income				
Group 1	1.3093	-	1.3093	0.7857
Group 2	0.8767	0.4326	1.3093	0.7857
I Accumulation				
Group 1	2.2198	-	2.2198	1.3476
Group 2	0.7269	1.4929	2.2198	1.3476
I Income				
Group 1	1.4192	-	1.4192	0.9051
Group 2	0.7727	0.6465	1.4192	0.9051
I Gross Accumulation				
Group 1	1.7288	-	1.7288	1.0607
Group 2	1.7288	-	1.7288	1.0607
I Gross Income				
Group 1	1.2370	-	1.2370	0.7878
Group 2	0.7572	0.4798	1.2370	0.7878
K Accumulation				
Group 1	1.2818	-	1.2818	0.8048
Group 2	1.0404	0.2414	1.2818	0.8048
K Income				
Group 1	1.1860	-	1.1860	0.7689
Group 2	1.0853	0.1007	1.1860	0.7689
M Accumulation				
Group 1	1.4493	-	1.4493	0.9136
Group 2	0.4878	0.9615	1.4493	0.9136
M Income				
Group 1	1.2491	-	1.2491	0.7322
Group 2	1.0722	0.1769	1.2491	0.7322

Distribution Tables

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

	Revenue	Equalisation	Distribution paid 31/10/23	Distribution paid 31/10/22
Z Accumulation				
Group 1	2.5761	-	2.5761	1.6535
Group 2	2.5761	-	2.5761	1.6535
ZC Accumulation				
Group 1	1.4858	-	1.4858	-
Group 2	0.7187	0.7671	1.4858	-
ZA Income				
Group 1	0.9144	-	0.9144	-
Group 2	0.9144	-	0.9144	-

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 Equity Fund

For the year ended 31 July 2023

Investment Objective

To generate income and some capital 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.

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 invest up to 20% in non-UK listed Companies.
- 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 sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the Performance Target, the FTSE All-Share 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 9%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the 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.

Performance Review

For the year ended 31 July 2023, the value of abrdrn UK Income Equity Fund – I Income Shares increased by 2.98% compared to an increase of 6.09% in the performance target, the FTSE All Share Index

Source: Lipper; Basis: total return, published NAV to NAV, net of annual charges, UK net income reinvested, GBP.

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.

Market Review

The UK stock market advanced over the period but lagged its peers in Europe and the US due to persistently high inflation and concerns about economic growth. Following falls at the end of summer 2022, equity prices rebounded in October and November after Liz Truss, Boris Johnson's successor as prime minister, resigned in the wake of a disastrous mini-Budget that had caused a spike in UK bond yields. China's reopening towards the end of the year following the end of its zero-Covid policy also boosted sentiment and commodity prices.

At the start of 2023, hopes rose that central banks would soon be able to end their programme of interest-rate increases, but turbulence returned to global markets in March following the collapse of US-based Silicon Valley Bank and a loss of confidence in Switzerland's Credit Suisse. Intervention from financial regulators helped to avert a more serious liquidity crisis. While equities in Europe and the US subsequently staged a strong recovery, this was driven to a significant extent by gains in the type of technology stocks which represent a smaller share of the UK market. Lacklustre economic data from China throughout the period led to a weakening of commodity prices, which weighed on the UK's large-cap energy and mining stocks.

Annual inflation in Britain peaked at 11.1% in October, a 40-year high. Although the pace of price rises in the UK slowed in the months that followed, inflation remained well above the 2% Bank of England (BoE) target throughout

abrdn UK Income Equity Fund

Continued

the period, with the Consumer Prices Index figure for June 2023 standing at 7.9%. The BoE raised interest rates on eight occasions during the 12 months, taking the base rate to 5%. Investors forecast further increases in the second half of the year.

Portfolio Activity and Review

At a stock level, the Fund's lack of holding in HSBC detracted from performance as the company's shares made solid gains on the back of rising interest rates and the post-Covid reopening of the Hong Kong market. Shares in construction materials business Marshalls were negative after the company faced downgrades from its exposure to residential property markets while weakening discretionary spending impacted the landscaping business. The market remained concerned about the firm's volume outlook this year. Self-storage firm Safestore also lagged the market, largely mirroring a dip in the wider real estate sector due to higher-than-expected inflation and rising interest rates. The company's reported trading was robust, however, albeit with some signs of occupancy demand dipping from a high level.

Conversely, our holding in AVEVA Group was positive after it accepted a takeover bid from Schneider Electric. We sold out of the company as a result of the deal. Our lack of a position in British American Tobacco added to performance as the company's shares declined, while the Fund's holding in TotalEnergies also boosted returns after its shares benefited from the resilient oil price earlier in the period and a well-received capital markets day in September.

In terms of additional activity, the fund initiated a new position in Games Workshop Group, which we see as a unique asset with strong quality credentials and an attractive yield. We also took new positions in Microsoft, LVMH, Genus, L'Oreal and Roche over the period, and added to existing holdings in Oxford Instruments, Close Brothers Group and London Stock Exchange Group, among others. We closed the Fund's positions in several other businesses including Watkin Jones, Countryside Partnerships, Sirius Real Estate, Ashmore Group, XP Power and Assura. We also sold out of both Dechra Pharmaceuticals and Industrials REIT following takeover offers for the companies.

Portfolio Outlook and Strategy

Recent economic data provides a less-than-clear picture around current conditions and future direction. However, in most developed economies growth appears to be more robust than might be expected in light of the meaningful monetary policy tightening over the past 12 months. On the other hand, the momentum of China's reopening has faded and more stimulus is likely to feature. Underlying price pressures have been sticky reflecting excess demand across various sectors and economies prompting central banks to remain hawkish. We believe that the current tightening cycle will ultimately restrict economic growth with the subsequent downturn leading to a relatively rapid fall in inflationary pressures. That will allow for significant interest rate cuts over the next 18 months.

The portfolio is jam-packed with high quality, predominantly global businesses capable of delivering appealing long-term earnings and dividend growth at a modest aggregate valuation. Our focus on quality companies should provide protection through a downturn: those companies with pricing power, high margins and strong balance sheets are better placed to navigate a more challenging economic environment and emerge in a strong position. Furthermore, these quality characteristics are helpful in underpinning the portfolio's income generation.

The valuations of UK-listed companies remain attractive on a relative and absolute basis. Apart from the global financial crisis, the UK's market multiple is nearing its lowest point for 30 years. It is cheap in absolute terms, relative to history and also relative to global equities. Investors are benefiting from global income at a knockdown price. Moreover, the dividend yield of the UK market remains at an appealing premium to other regional equity markets.

In summary, we feel optimistic that our long-term focus on investments in high-quality companies with robust competitive positions, strong balance sheets and led by experienced management teams, will be capable of delivering premium earnings and dividend growth.

UK Equity Team

August 2023

abrdrn UK Income 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 July 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

A Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	1,438.86	1,457.95	1,169.92
Return before operating charges*	49.37	(0.51)	305.08
Operating charges	(18.33)	(18.58)	(17.05)
Return after operating charges*	31.04	(19.09)	288.03
Distributions	(58.44)	(60.50)	(48.05)
Retained distributions on accumulation shares	58.44	60.50	48.05
Closing net asset value per share	1,469.90	1,438.86	1,457.95
* after direct transaction costs of:	1.02	1.24	1.49
Performance			
Return after charges	2.16%	(1.31%)	24.62%
Other information			
Closing net asset value (£'000)	48,140	55,181	59,010
Closing number of shares	3,275,045	3,835,059	4,047,479
Operating charges	1.29%	1.29%	1.30%
Direct transaction costs	0.07%	0.08%	0.11%
Prices			
Highest share price	1,504	1,521	1,465
Lowest share price	1,265	1,294	1,144

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

A Income	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	376.83	398.43	331.07
Return before operating charges*	12.77	(0.20)	85.62
Operating charges	(4.77)	(5.03)	(4.79)
Return after operating charges*	8.00	(5.23)	80.83
Distributions	(15.15)	(16.37)	(13.47)
Closing net asset value per share	369.68	376.83	398.43
* after direct transaction costs of:	0.27	0.34	0.42
Performance			
Return after charges	2.12%	(1.31%)	24.41%
Other information			
Closing net asset value (£'000)	47,314	51,981	57,928
Closing number of shares	12,798,429	13,794,285	14,538,970
Operating charges	1.29%	1.29%	1.30%
Direct transaction costs	0.07%	0.08%	0.11%
Prices			
Highest share price	387.2	415.8	408.4
Lowest share price	331.2	347.0	323.8

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.

Comparative Tables

Continued

I Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	1,611.01	1,625.12	1,298.29
Return before operating charges*	55.54	(0.62)	339.31
Operating charges	(13.39)	(13.49)	(12.48)
Return after operating charges*	42.15	(14.11)	326.83
Distributions	(65.57)	(67.57)	(53.44)
Retained distributions on accumulation shares	65.57	67.57	53.44
Closing net asset value per share	1,653.16	1,611.01	1,625.12
* after direct transaction costs of:	1.15	1.38	1.67
Performance			
Return after charges	2.62%	(0.87%)	25.17%
Other information			
Closing net asset value (£'000)	33,057	42,593	38,143
Closing number of shares	1,999,604	2,643,866	2,347,079
Operating charges	0.84%	0.84%	0.85%
Direct transaction costs	0.07%	0.08%	0.11%
Prices			
Highest share price	1,690	1,696	1,633
Lowest share price	1,417	1,446	1,271

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
I Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	424.33	446.64	369.49
Return before operating charges*	14.44	(0.25)	95.73
Operating charges	(3.50)	(3.68)	(3.51)
Return after operating charges*	10.94	(3.93)	92.22
Distributions	(17.10)	(18.38)	(15.07)
Closing net asset value per share	418.17	424.33	446.64
* after direct transaction costs of:	0.30	0.38	0.47
Performance			
Return after charges	2.58%	(0.88%)	24.96%
Other information			
Closing net asset value (£'000)	16,021	15,507	16,772
Closing number of shares	3,831,329	3,654,361	3,755,205
Operating charges	0.84%	0.84%	0.85%
Direct transaction costs	0.07%	0.08%	0.11%
Prices			
Highest share price	437.4	466.3	457.8
Lowest share price	373.3	390.0	361.7

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

K Income	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	118.23	124.37	102.80
Return before operating charges*	4.03	(0.09)	26.66
Operating charges	(0.89)	(0.93)	(0.88)
Return after operating charges*	3.14	(1.02)	25.78
Distributions	(4.77)	(5.12)	(4.21)
Closing net asset value per share	116.60	118.23	124.37
* after direct transaction costs of:	0.08	0.11	0.13
Performance			
Return after charges	2.66%	(0.82%)	25.08%
Other information			
Closing net asset value (£'000)	70	96	164
Closing number of shares	60,367	81,139	131,782
Operating charges	0.76%	0.76%	0.78%
Direct transaction costs	0.07%	0.08%	0.11%
Prices			
Highest share price	121.9	129.9	127.5
Lowest share price	104.0	108.6	100.7

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

M Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	128.46	129.58	103.60
Return before operating charges*	4.49	0.02	27.02
Operating charges	(1.13)	(1.14)	(1.04)
Return after operating charges*	3.36	(1.12)	25.98
Distributions	(5.23)	(5.39)	(4.55)
Retained distributions on accumulation shares	5.23	5.39	4.55
Closing net asset value per share	131.82	128.46	129.58
* after direct transaction costs of:	0.09	0.11	0.13
Performance			
Return after charges	2.62%	(0.86%)	25.08%
Other information			
Closing net asset value (£'000)	25	28	27
Closing number of shares	18,830	22,047	20,994
Operating charges	0.89%	0.89%	0.90%
Direct transaction costs	0.07%	0.08%	0.11%
Prices			
Highest share price	134.8	135.4	130.4
Lowest share price	113.0	115.3	101.4

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.

Comparative Tables

Continued

M Income	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	112.24	118.13	97.84
Return before operating charges*	3.88	0.02	25.37
Operating charges	(0.98)	(1.03)	(0.98)
Return after operating charges*	2.90	(1.01)	24.39
Distributions	(4.53)	(4.88)	(4.10)
Closing net asset value per share	110.61	112.24	118.13
* after direct transaction costs of:	0.08	0.10	0.12
Performance			
Return after charges	2.58%	(0.85%)	24.93%
Other information			
Closing net asset value (£'000)	40	39	39
Closing number of shares	35,742	34,446	33,204
Operating charges	0.89%	0.89%	0.90%
Direct transaction costs	0.07%	0.08%	0.11%
Prices			
Highest share price	115.7	124.3	121.7
Lowest share price	98.74	103.2	95.80

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

Z Income	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	115.98	121.23	99.62
Return before operating charges*	3.93	(0.14)	25.80
Operating charges	(0.10)	(0.10)	(0.11)
Return after operating charges*	3.83	(0.24)	25.69
Distributions	(4.69)	(5.01)	(4.08)
Closing net asset value per share	115.12	115.98	121.23
* after direct transaction costs of:	0.08	0.10	0.13
Performance			
Return after charges	3.30%	(0.20%)	25.79%
Other information			
Closing net asset value (£'000)	6,038	8,245	10,466
Closing number of shares	5,245,173	7,108,815	8,632,853
Operating charges	0.09%	0.09%	0.10%
Direct transaction costs	0.07%	0.08%	0.11%
Prices			
Highest share price	120.2	126.8	124.3
Lowest share price	102.2	106.3	97.70

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.

Portfolio Statement

As at 31 July 2023

Holding	Investment	Market value £'000	Percentage of total net assets
UK Equities (97.58%)		151,361	100.44
Basic Materials (6.93%)		11,364	7.54
161,307	Anglo American	3,861	2.56
214,348	BHP	5,200	3.45
39,121	Croda International	2,303	1.53
Consumer Discretionary (9.26%)		20,149	13.37
20,276	Games Workshop	2,360	1.57
426,255	Howden Joinery	3,141	2.08
3,395	L'Oreal	1,231	0.82
2,395	LVMH Moet Hennessy Louis Vuitton	1,741	1.15
483,465	Moonpig	867	0.58
310,878	RELX	8,142	5.40
337,980	Vistry	2,667	1.77
Consumer Staples (12.16%)		20,915	13.88
164,257	Coca-Cola HBC	3,763	2.50
226,890	Diageo	7,707	5.11
20,783	Nestle	1,991	1.32
177,884	Unilever	7,454	4.95
Energy (5.81%)		10,143	6.73
1,056,548	BP	5,103	3.39
106,437	TotalEnergies	5,040	3.34
Financials (16.82%)		26,433	17.54
474,800	Chesnara	1,280	0.85
431,159	Close Brothers	3,960	2.63
672,481	Direct Line Insurance	1,011	0.67
164,577	Hiscox	1,774	1.18
215,447	Intermediate Capital	3,026	2.01
55,620	London Stock Exchange	4,705	3.12

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,113,524	M&G	2,233	1.48
261,366	Nordea Bank	2,302	1.53
446,047	OSB	1,637	1.09
411,900	Oversea-Chinese Banking	3,204	2.12
174,105	Standard Chartered	1,301	0.86
Health Care (11.64%)		19,123	12.69
72,727	AstraZeneca	8,134	5.40
1,067,842	ConvaTec	2,225	1.48
90,345	Genus	2,221	1.47
88,223	GSK	1,221	0.81
18,875	Novo Nordisk	2,364	1.57
4,372	Roche (Participating certificate)	1,061	0.70
160,183	Smith & Nephew	1,897	1.26
Industrials (17.56%)		22,199	14.73
125,736	Experian	3,782	2.51
349,418	Genuit	1,092	0.73
473,030	Inchcape	3,869	2.57
42,555	Kone	1,704	1.13
450,722	Marshalls	1,210	0.80
87,838	Mondi	1,199	0.80
86,456	Oxford Instruments	2,071	1.37
629,624	Rentokil Initial	3,997	2.65
174,900	RS	1,372	0.91
5,734	VAT	1,903	1.26
Real Estate (5.74%)		2,896	1.92
327,085	Safestore REIT	2,896	1.92
Technology (3.20%)		5,806	3.85
7,340	Microsoft	1,917	1.27
415,281	Sage	3,889	2.58

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Telecommunications (1.44%)		2,394	1.59
120,000	Accton Technology	1,134	0.75
151,279	Telenor	1,260	0.84
Utilities (7.02%)		9,939	6.60
294,654	Drax	1,781	1.18
340,129	National Grid	3,507	2.33
276,009	SSE	4,651	3.09
Collective Investment Schemes (1.92%)		5	-
5	Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund Z1 Inc+	5	-
Total investment assets		151,366	100.44
Net other liabilities		(661)	(0.44)
Total Net Assets		150,705	100.00

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 July 2022.

+ Managed by subsidiaries of abrdn plc.

Financial Statements

Statement of Total Return

For the year ended 31 July 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(1,630)		(7,903)
Revenue	2	6,780		7,662	
Expenses	3	(1,732)		(1,919)	
Interest payable and similar charges		(1)		(1)	
Net revenue before taxation		5,047		5,742	
Taxation	4	(93)		(62)	
Net revenue after taxation			4,954		5,680
Total return before distributions			3,324		(2,223)
Distributions	5		(6,593)		(7,456)
Change in net assets attributable to shareholders from investment activities			(3,269)		(9,679)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2023

	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		173,670		182,549
Amounts receivable on the issue of shares	6,292		12,753	
Amounts payable on the cancellation of shares	(29,405)		(16,094)	
		(23,113)		(3,341)
Change in net assets attributable to shareholders from investment activities (see above)		(3,269)		(9,679)
Retained distribution on accumulation shares		3,384		4,095
Unclaimed distributions		33		46
Closing net assets attributable to shareholders		150,705		173,670

Financial Statements

Continued

Balance Sheet

As at 31 July 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			151,366		172,799
Current assets:					
Debtors	6	796		1,000	
Cash and bank balances	7	470		2,044	
			1,266		3,044
Total assets			152,632		175,843
Liabilities:					
Bank overdrafts	7	-		(23)	
Creditors	8	(312)		(320)	
Distribution payable		(1,615)		(1,830)	
			(1,927)		(2,173)
Total liabilities			(1,927)		(2,173)
Net assets attributable to shareholders			150,705		173,670

Notes to the Financial Statements

1 Net Capital Losses

	2023 £'000	2022 £'000
Non-derivative securities	(1,692)	(7,878)
Derivative contracts	44	-
Other gains/(losses)	24	(18)
Transaction charges	(6)	(7)
Net capital losses	(1,630)	(7,903)

2 Revenue

	2023 £'000	2022 £'000
Bank and margin interest	12	9
Derivative revenue	284	386
Overseas dividends	1,126	1,181
UK dividends	5,214	5,811
UK REIT	144	275
Total revenue	6,780	7,662

3 Expenses

	2023 £'000	2022 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	1,597	1,771
General administration charge	128	142
	1,725	1,913
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	7	6
	7	6
Total expenses	1,732	1,919

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £9,120 (2022: £8,460).

Notes to the Financial Statements

Continued

4 Taxation

	2023 £'000	2022 £'000
(a) Analysis of charge in year		
Overseas taxes	93	62
Total taxation (note 4b)	93	62

(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:

Net revenue before taxation	5,047	5,742
Corporation tax at 20% (2022: 20%)	1,009	1,148
Effects of:		
Revenue not subject to taxation	(1,268)	(1,394)
Overseas taxes	93	62
Excess allowable expenses	259	246
Total tax charge for year (note 4a)	93	62

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 £18,795,000 (2022: £18,536,000) 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	2,819	3,304
Final distribution	3,461	4,134
	6,280	7,438
Add: Income deducted on cancellation of shares	434	210
Deduct: Income received on issue of shares	(121)	(192)
Total distributions for the year	6,593	7,456

Notes to the Financial Statements

Continued

	2023 £'000	2022 £'000
Movement between net revenue and distributions		
Net revenue after taxation	4,954	5,680
Expenses charged to capital	1,725	1,913
Tax relief on expenses charged to capital	(86)	(137)
Total distributions for the year	6,593	7,456

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	460	603
Overseas withholding tax recoverable	336	301
Sales awaiting settlement	-	96
Total debtors	796	1,000

7 Liquidity

	2023 £'000	2022 £'000
Cash and bank balances		
Cash at bank	470	2,044
	470	2,044
Bank overdrafts		
Overdraft at bank	-	(23)
	-	(23)
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	5	3,336
Net liquidity	475	5,357

* 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.

Notes to the Financial Statements

Continued

8 Creditors

	2023 £'000	2022 £'000
Accrued expenses payable to ACD	138	153
Accrued expenses payable to the Depositary or associates of the Depositary	1	1
Amounts payable to the ACD for cancellation of shares	181	166
Purchases awaiting settlement	(8)	-
Total creditors	312	320

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 £'000	2022 £'000	2023 £'000	2022 £'000
Trades in the year				
Equities	21,909	33,570	38,433	39,180
Corporate actions	-	220	-	-
Trades in the year before transaction costs	21,909	33,790	38,433	39,180
Commissions				
Equities	12	19	(25)	(22)
Total commissions	12	19	(25)	(22)
Taxes				
Equities	78	111	-	-
Total taxes	78	111	-	-
Total transaction costs	90	130	(25)	(22)
Total net trades in the year after transaction costs	21,999	33,920	38,408	39,158

Notes to the Financial Statements

Continued

	Purchases		Sales	
	2023 %	2022 %	2023 %	2022 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.05	0.06	0.06	0.06
Taxes				
Equities	0.36	0.33	-	-
			2023 %	2022 %
Total transaction costs expressed as a percentage of net asset value				
Commissions			0.02	0.02
Taxes			0.05	0.06

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 0.10% (2022: 0.15%), 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
A Accumulation	3,835,059	13,742	(324,274)	(249,482)	3,275,045
A Income	13,794,285	338,275	(969,656)	(364,475)	12,798,429
I Accumulation	2,643,866	220,331	(1,087,018)	222,425	1,999,604
I Income	3,654,361	306,602	(452,783)	323,149	3,831,329
K Income	81,139	-	(20,772)	-	60,367
M Accumulation	22,047	4	(3,221)	-	18,830
M Income	34,446	1,365	(69)	-	35,742
Z Income	7,108,815	1	(1,863,643)	-	5,245,173

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	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
Equities	151,361	-	-	169,463	-	-
Collective Investment Schemes	-	5	-	-	3,336	-
Total investment assets	151,361	5	-	169,463	3,336	-

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	Net foreign
	currency	currency
	exposure	exposure
	2023	2022
	£'000	£'000
Danish Krone	2,422	2,954
Euro	9,962	7,008
Norwegian Krone	1,291	2,881
Singapore Dollar	3,204	2,254
Swedish Krona	2,302	2,328
Swiss Franc	4,955	3,348
Taiwan Dollar	1,134	816
US Dollar	1,920	-
Total	27,190	21,589

At 31 July 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 £1,360,000 (2022: £1,079,000).

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 July 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 £7,568,000 (2022: £8,640,000).

Notes to the Financial Statements

Continued

Financial derivatives instrument risk

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

Bilateral agreements

The fund receives 85% of the revenue returns from stock lending. The gross earnings for the year are £Nil (2022: £Nil) and expenses paid to the lending agent, Securities Finance Trust Company, are £Nil (2022: £Nil).

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2023 £1,927,000 (2022: £2,173,000).

Distribution Tables

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

Interim dividend distribution

Group 1 – shares purchased prior to 1 August 2022

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

	Revenue	Equalisation	Distribution paid 28/04/23	Distribution paid 29/04/22
A Accumulation				
Group 1	25.0278	-	25.0278	26.5830
Group 2	13.5629	11.4649	25.0278	26.5830
A Income				
Group 1	6.5543	-	6.5543	7.2678
Group 2	1.8676	4.6867	6.5543	7.2678
I Accumulation				
Group 1	28.0453	-	28.0453	29.6519
Group 2	16.1027	11.9426	28.0453	29.6519
I Income				
Group 1	7.3868	-	7.3868	8.1529
Group 2	1.8911	5.4957	7.3868	8.1529
K Income				
Group 1	2.0586	-	2.0586	2.2707
Group 2	2.0586	-	2.0586	2.2707
M Accumulation				
Group 1	2.2370	-	2.2370	2.3671
Group 2	0.6440	1.5930	2.2370	2.3671
M Income				
Group 1	1.9552	-	1.9552	2.1701
Group 2	0.5610	1.3942	1.9552	2.1701
Z Income				
Group 1	2.0217	-	2.0217	2.2158
Group 2	2.0217	-	2.0217	2.2158

Distribution Tables

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

Final dividend distribution

Group 1 – shares purchased prior to 1 February 2023

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

	Revenue	Equalisation	Distribution paid 31/10/23	Distribution paid 31/10/22
A Accumulation				
Group 1	33.4132	-	33.4132	33.9149
Group 2	16.2400	17.1732	33.4132	33.9149
A Income				
Group 1	8.5988	-	8.5988	9.0980
Group 2	2.3861	6.2127	8.5988	9.0980
I Accumulation				
Group 1	37.5287	-	37.5287	37.9220
Group 2	26.3322	11.1965	37.5287	37.9220
I Income				
Group 1	9.7131	-	9.7131	10.2307
Group 2	2.8109	6.9022	9.7131	10.2307
K Income				
Group 1	2.7067	-	2.7067	2.8501
Group 2	2.7067	-	2.7067	2.8501
M Accumulation				
Group 1	2.9935	-	2.9935	3.0248
Group 2	2.9935	-	2.9935	3.0248
M Income				
Group 1	2.5702	-	2.5702	2.7071
Group 2	0.6322	1.9380	2.5702	2.7071
Z Income				
Group 1	2.6679	-	2.6679	2.7905
Group 2	2.6679	-	2.6679	2.7905

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 Mid-Cap Equity Fund

For the year ended 31 July 2023

Investment Objective

To generate growth over the long term (5 years or more) by investing in UK mid-capitalisation equities (company shares).

Performance Target: To achieve the return of the FTSE 250 (ex Investment Trusts) Index plus 3% 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 will invest at least 60% in mid-capitalisation equities and equity related securities of companies listed, incorporated or domiciled in the UK or companies that derive a significant proportion of their revenues or profits from UK operations or have a significant proportion of their assets there.
- Mid capitalisation companies are defined as any stock included in the FTSE 250 (ex Investment Trusts) Index or, if not included within the index, any stock having a market capitalisation smaller than that of the stock with the largest market capitalisation in such index.
- The fund may also invest in smaller and larger capitalisation companies listed, incorporated or domiciled in 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 diverse asset mix at sector and stock level.
- Their primary focus is on stock selection using the management team's quality, growth and momentum approach. It aims to identify companies that show a range of high quality characteristics, operate in growing markets and display positive business momentum.
- In seeking to achieve the Performance Target, the FTSE 250 (ex Investment Trusts) 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 9%. Due to the

active nature of the management process, the fund's performance profile may deviate significantly from that of the index.

- Please note: The fund's ability to buy and sell small and mid-capitalisation shares and the associated costs can be affected during periods of market stress. In certain circumstances investors in the fund may not be able to sell their investment when they want to.

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.

Performance Review

For the year ended 31 July 2023, the value of abrdn UK Mid-Cap Equity Fund – I Accumulation Shares decreased by 11.25% compared to a decrease of 1.04% in the performance target, the FTSE 250 (ex Investment Trusts) Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

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.

Market Review

UK mid-cap equities declined over the period due to persistently high inflation, rising interest rates and concerns about economic growth. After falls at the end of summer 2022, equity prices recovered in October and November after Liz Truss, Boris Johnson's successor as prime minister, resigned in the wake of a disastrous mini-Budget that had caused a spike in UK bond yields. China's reopening towards the end of the year following the end of its zero-Covid policy also boosted sentiment.

At the start of 2023, hopes rose that central banks would soon be able to end their programme of interest-rate hikes, but turbulence returned to global markets in March following the collapse of US-based Silicon Valley Bank and a loss of confidence in Switzerland's Credit Suisse. Intervention from financial regulators helped to avert a more serious liquidity crisis. While equities in Europe and the US subsequently staged a strong recovery, this was driven to a significant extent by gains in the type of

abrdrn UK Mid-Cap Equity Fund

Continued

technology stocks which represent a smaller share of the UK market.

Annual inflation in Britain peaked at 11.1% in October, a 40-year high. Although the pace of price rises in the UK slowed in the months that followed, inflation remained well above the 2% Bank of England (BoE) target throughout the period, with the Consumer Prices Index figure for June 2023 standing at 7.9%. The BoE raised interest rates on eight occasions during the 12 months, taking the base rate to 5%. With inflation in Britain remaining considerably higher than in other major European markets as well as the US, investors in the UK became resigned to further tightening of monetary policy in 2023, and feared a significant impact on domestic economic growth.

Portfolio Activity and Review

Looking at individual holdings, shares in construction materials business Marshalls were negative after the company faced downgrades from its exposure to residential property markets and weakening discretionary spending. The market remained concerned about the firm's volume outlook this year. Keywords Studios weighed on returns due to fears artificial intelligence (AI) technology could disrupt its business. However, we believe the company has already taken a range of actions to mitigate this impact and take advantage of AI-related opportunities. Auction Technology Group also detracted from performance; despite showing resilience in sales in its end markets and the balance of end market exposures, the market was resistant to highly valued growth stocks.

Conversely, the fund's holding in CVS Group added to returns as investors viewed its resilient business model as being capable of withstanding a period of economic slowdown. Shares in Greggs were also positive, with its value-for-money offering helping to support trading dynamics despite headlines on consumer spending, with innovation and their growth strategy driving business opportunities. Alpha Group International, a leading non-bank provider of financial solutions, was a further positive after its share price gained on impressive trading results, and progress in their expansion into alternative banking solutions.

In terms of activity, we initiated positions in Coats Group and Energean. We are confident in the medium-term dominance of market leader Coats, while Energean is founder-run and has a strong track record of growing reserves and resources. We participated in the placing to fund YouGov's purchase of the consumer panel business of GfK, the Germany-based market research company, and we initiated a holding in manufacturer Rotork following the publication of a positive trading update. The company's oil and gas end-market has transformed from

a headwind to a tailwind, other end markets are supportive and progress is being made in margins. We also bought into holiday business and carrier Jet2, as we had long been confident the firm would emerge from recent difficulties as a market-share winner, and we opened a position in Diploma, a supplier of technical products.

We added to the fund's existing holdings in Telecom Plus, Spirent Communications, Craneware and AJ Bell, among others, and trimmed positions in a number of companies including DiscoverIE Group, Games Workshop Group, Safestore and Greggs. We sold out of several holdings, among them Genuit Group, Synthomer, Dr Martens, Alphawave IP Group and Hotel Chocolat Group. We also exited the holding in Dechra Pharmaceuticals following a recommended takeover offer for the company.

Portfolio Outlook and Strategy

The environment remains heavily influenced by macroeconomic conditions, with bond yields having been a key driver of market shape and direction in recent months. A key data point for the UK will be the next inflation print in mid-August, with investors hopeful that another reduction (and potentially by more than expected) will allay many fears about the UK's outlook. Consistent trends of UK inflation declining, combined with a peaking of interest rate expectations, will likely be necessary for sustained progress in markets. The UK remains the outlier in terms of inflation levels, so any further signs that price rises are being brought under control will be seen as a positive.

We have continued to see some strong market reactions to earnings momentum, with companies that have published earnings upgrades being rewarded and vice-versa. This has also favoured a number of more cyclical names as well as those emerging from tough trading periods, where expectations are very low and the potential for a positive rebound is large. Looking through this, we feel the current environment can be an attractive one for investors who are focused on stock picking and who can identify businesses capable of meeting or even beating market expectations. However, potential market headwinds remain from an economic growth standpoint as well as with regard to foreign-exchange and interest-rate movements. Many of our holdings have low debt levels and some have net positive cash balance sheets: this should give them the confidence to continue investing in their businesses, either organically or through accretive bolt-on acquisitions.

Smaller Companies Equity Team

August 2023

abrdn UK Mid-Cap 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 July 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 shares of small and mid-cap companies may be less liquid and more volatile than those of larger companies.
- 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 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

A Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	249.75	354.21	259.03
Return before operating charges*	(26.65)	(100.50)	99.11
Operating charges	(2.93)	(3.96)	(3.93)
Return after operating charges*	(29.58)	(104.46)	95.18
Distributions	(3.16)	(1.68)	(0.21)
Retained distributions on accumulation shares	3.16	1.68	0.21
Closing net asset value per share	220.17	249.75	354.21
* after direct transaction costs of:	0.24	0.67	0.77
Performance			
Return after charges	(11.84%)	(29.49%)	36.74%
Other information			
Closing net asset value (£'000)	26,144	17,881	26,104
Closing number of shares	11,874,286	7,159,276	7,369,622
Operating charges	1.29%	1.29%	1.30%
Direct transaction costs	0.10%	0.22%	0.25%
Prices			
Highest share price	252.6	377.9	353.7
Lowest share price	201.3	224.6	260.8

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.

Comparative Tables

Continued

A Income	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	207.35	296.04	216.62
Return before operating charges*	(22.09)	(83.98)	82.87
Operating charges	(2.43)	(3.31)	(3.28)
Return after operating charges*	(24.52)	(87.29)	79.59
Distributions	(2.62)	(1.40)	(0.17)
Closing net asset value per share	180.21	207.35	296.04
* after direct transaction costs of:	0.20	0.56	0.64
Performance			
Return after charges	(11.83%)	(29.49%)	36.74%
Other information			
Closing net asset value (£'000)	2,545	3,373	5,339
Closing number of shares	1,412,448	1,626,869	1,803,463
Operating charges	1.29%	1.29%	1.30%
Direct transaction costs	0.10%	0.22%	0.25%
Prices			
Highest share price	209.7	315.8	295.6
Lowest share price	167.1	187.7	218.1

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

I Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	207.44	292.87	213.21
Return before operating charges*	(22.16)	(83.30)	81.82
Operating charges	(1.59)	(2.13)	(2.16)
Return after operating charges*	(23.75)	(85.43)	79.66
Distributions	(3.49)	(2.54)	(1.30)
Retained distributions on accumulation shares	3.49	2.54	1.30
Closing net asset value per share	183.69	207.44	292.87
* after direct transaction costs of:	0.20	0.55	0.65
Performance			
Return after charges	(11.45%)	(29.17%)	37.36%
Other information			
Closing net asset value (£'000)	70,162	91,240	126,138
Closing number of shares	38,195,188	43,984,635	43,069,995
Operating charges	0.84%	0.84%	0.85%
Direct transaction costs	0.10%	0.22%	0.25%
Prices			
Highest share price	209.8	312.6	292.4
Lowest share price	167.3	186.5	214.6

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.

Comparative Tables

Continued

	2023	2022	2021
I Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	180.18	257.37	188.27
Return before operating charges*	(19.19)	(73.19)	72.15
Operating charges	(1.37)	(1.78)	(1.90)
Return after operating charges*	(20.56)	(74.97)	70.25
Distributions	(3.02)	(2.22)	(1.15)
Closing net asset value per share	156.60	180.18	257.37
* after direct transaction costs of:	0.17	0.46	0.57
Performance			
Return after charges	(11.41%)	(29.13%)	37.31%
Other information			
Closing net asset value (£'000)	17,174	22,317	12,411
Closing number of shares	10,966,996	12,386,233	4,822,418
Operating charges	0.84%	0.84%	0.85%
Direct transaction costs	0.10%	0.22%	0.25%
Prices			
Highest share price	182.2	274.7	257.0
Lowest share price	145.3	163.4	189.5

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

K Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	148.10	208.93	152.00
Return before operating charges*	(15.82)	(59.51)	58.36
Operating charges	(1.03)	(1.32)	(1.43)
Return after operating charges*	(16.85)	(60.83)	56.93
Distributions	(2.59)	(1.95)	(1.06)
Retained distributions on accumulation shares	2.59	1.95	1.06
Closing net asset value per share	131.25	148.10	208.93
* after direct transaction costs of:	0.14	0.38	0.47
Performance			
Return after charges	(11.38%)	(29.12%)	37.45%
Other information			
Closing net asset value (£'000)	12,563	49,784	18,665
Closing number of shares	9,571,336	33,615,544	8,933,630
Operating charges	0.76%	0.76%	0.78%
Direct transaction costs	0.10%	0.22%	0.25%
Prices			
Highest share price	149.8	223.0	208.6
Lowest share price	119.5	133.2	153.0

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

K Income ^A	2023 pence per share	2022 pence per share
Change in net assets per share		
Opening net asset value per share	86.28	100.00 ^B
Return before operating charges*	(9.19)	(12.87)
Operating charges	(0.60)	(0.22)
Return after operating charges*	(9.79)	(13.09)
Distributions	(1.50)	(0.63)
Closing net asset value per share	74.99	86.28
* after direct transaction costs of:	0.08	0.06
Performance		
Return after charges	(11.35%)	(13.09%)
Other information		
Closing net asset value (£'000)	3,339	1,193
Closing number of shares	4,452,170	1,382,767
Operating charges	0.76%	0.76%
Direct transaction costs	0.10%	0.22%
Prices		
Highest share price	87.27	101.3
Lowest share price	69.60	78.14

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.

^A K Income share class was launched on 30 March 2022.

^B The opening net asset value stated is the share class launch price.

Comparative Tables

Continued

M Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	116.50	164.56	119.87
Return before operating charges*	(12.44)	(46.79)	45.96
Operating charges	(0.94)	(1.27)	(1.27)
Return after operating charges*	(13.38)	(48.06)	44.69
Distributions	(1.91)	(1.35)	(0.66)
Retained distributions on accumulation shares	1.91	1.35	0.66
Closing net asset value per share	103.12	116.50	164.56
* after direct transaction costs of:	0.11	0.31	0.36
Performance			
Return after charges	(11.48%)	(29.21%)	37.28%
Other information			
Closing net asset value (£'000)	12,631	25	34
Closing number of shares	12,248,809	21,454	20,644
Operating charges	0.89%	0.89%	0.90%
Direct transaction costs	0.10%	0.22%	0.25%
Prices			
Highest share price	117.8	175.6	164.3
Lowest share price	93.96	104.8	120.7

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

M Income	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	112.68	160.95	117.74
Return before operating charges*	(12.02)	(45.68)	45.09
Operating charges	(0.90)	(1.24)	(1.22)
Return after operating charges*	(12.92)	(46.92)	43.87
Distributions	(1.84)	(1.35)	(0.66)
Closing net asset value per share	97.92	112.68	160.95
* after direct transaction costs of:	0.11	0.30	0.35
Performance			
Return after charges	(11.47%)	(29.15%)	37.26%
Other information			
Closing net asset value (£'000)	1,085	1	2
Closing number of shares	1,107,733	885	885
Operating charges	0.89%	0.89%	0.89%
Direct transaction costs	0.10%	0.22%	0.25%
Prices			
Highest share price	114.0	171.8	160.7
Lowest share price	90.87	102.2	118.5

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

	2023
P Accumulation ^A	pence per share
Change in net assets per share	
Opening net asset value per share	195.13 ^B
Return before operating charges*	(10.91)
Operating charges	(0.32)
Return after operating charges*	(11.23)
Distributions	(2.59)
Retained distributions on accumulation shares	2.59
Closing net asset value per share	183.90
* after direct transaction costs of:	0.08
Performance	
Return after charges	(5.76%)
Other information	
Closing net asset value (£'000)	44,656
Closing number of shares	24,282,343
Operating charges	0.39%
Direct transaction costs	0.10%
Prices	
Highest share price	196.8
Lowest share price	176.3

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.

^A P Accumulation share class was launched on 24 February 2023.

^B The opening net asset value stated is the share class launch price.

Comparative Tables

Continued

Z Accumulation ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	313.14	438.80	317.07
Return before operating charges*	(27.71)	(125.33)	122.09
Operating charges	(0.17)	(0.33)	(0.36)
Return after operating charges*	(27.88)	(125.66)	121.73
Distributions	(2.59)	(6.69)	(4.73)
Retained distributions on accumulation shares	2.59	6.69	4.73
Redemption value as at 24 May 2023	(285.26)	-	-
Closing net asset value per share	-	313.14	438.80
* after direct transaction costs of:	0.30	0.83	0.93
Performance			
Return after charges	(8.90%)	(28.64%)	38.39%
Other information			
Closing net asset value (£'000)	-	27,445	44,034
Closing number of shares	-	8,764,376	10,035,277
Operating charges	0.09%	0.09%	0.10%
Direct transaction costs	0.11%	0.22%	0.25%
Prices			
Highest share price	316.8	468.7	438.1
Lowest share price	253.0	281.4	319.2

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.

^A Z Accumulation share class liquidated on 24 May 2023.

Comparative Tables

Continued

ZC Accumulation ^A	2023 pence per share
Change in net assets per share	
Opening net asset value per share	304.46 ^B
Return before operating charges*	(17.13)
Operating charges	(0.11)
Return after operating charges*	(17.24)
Distributions	(4.40)
Retained distributions on accumulation shares	4.40
Closing net asset value per share	287.22
* after direct transaction costs of:	0.13
Performance	
Return after charges	(5.66%)
Other information	
Closing net asset value (£'000)	326
Closing number of shares	113,552
Operating charges	0.09%
Direct transaction costs	0.10%
Prices	
Highest share price	307.1
Lowest share price	275.3

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.

^A ZC Accumulation share class was launched on 24 February 2023.

^B The opening net asset value stated is the share class launch price.

Portfolio Statement

As at 31 July 2023

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (95.93%)		188,375	98.82
UK Equities (95.93%)		188,375	98.82
Basic Materials (1.63%)		4,812	2.52
305,311	Hill & Smith	4,812	2.52
Consumer Discretionary (26.69%)		64,256	33.71
63,703	4imprint	2,822	1.48
295,683	CVS++	6,091	3.20
351,750	Dunelm	4,042	2.12
224,125	Focusrite++	1,273	0.67
237,078	Future	1,987	1.04
51,312	Games Workshop	5,973	3.13
2,001,857	GlobalData++	3,243	1.70
2,266,545	Hollywood Bowl	5,077	2.66
404,279	Howden Joinery	2,979	1.56
2,623,176	JD Sports Fashion	4,135	2.17
415,430	Jet2++	4,665	2.45
249,146	Keywords Studios++	4,387	2.30
419,026	Next 15++	2,657	1.40
1,224,261	Pets at Home	4,802	2.52
550,260	Team17++	1,733	0.91
372,302	Watches of Switzerland	2,803	1.47
187,826	WHSmith	2,802	1.47
287,722	YouGov++	2,785	1.46
Consumer Staples (5.83%)		11,669	6.12
108,800	Cranswick	3,627	1.90
185,308	Greggs	5,114	2.68
453,986	Hilton Food	2,928	1.54
Energy (0.98%)		4,776	2.51
171,875	Energiean	1,989	1.05
1,166,104	Serica Energy++	2,787	1.46

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Financials (12.66%)		26,074	13.68
1,747,720	AJ Bell	5,726	3.00
215,310	Alpha++	4,823	2.53
329,271	Impax Asset Management++	1,804	0.95
182,977	Intermediate Capital	2,570	1.35
977,165	JTC	7,031	3.69
181,193	Liontrust Asset Management	1,170	0.61
803,897	OSB	2,950	1.55
Health Care (3.30%)		4,621	2.42
144,558	Craneware++	1,973	1.03
107,741	Genus	2,648	1.39
Industrials (12.45%)		28,637	15.02
597,974	Alpha Financial Markets Consulting++	2,278	1.19
6,144,559	Coats	4,295	2.25
128,222	Diploma	4,149	2.18
566,405	DiscoverIE	4,531	2.38
320,257	FDM	1,745	0.92
1,024,128	Marshalls	2,749	1.44
1,133,804	Midwich++	4,864	2.55
1,306,334	Rotork	4,026	2.11
Real Estate (4.95%)		3,742	1.96
219,936	Safestore REIT	1,948	1.02
2,174,208	Sirius Real Estate	1,794	0.94
Technology (21.82%)		28,471	14.94
654,139	Auction Technology	4,631	2.43
400,282	Auto Trader	2,585	1.36
1,364,011	Big Technologies++	3,574	1.87
1,147,034	Bytes Technology	5,913	3.10

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
183,556	Computacenter	4,024	2.11
810,277	GB++	2,032	1.07
257,531	Kainos	3,371	1.77
156,167	Softcat	2,341	1.23
Telecommunications (5.62%)		11,317	5.94
507,552	Gamma Communication++	5,614	2.94
1,124,094	Spirent Communications	1,900	1.00
228,822	Telecom Plus	3,803	2.00
Collective Investment Schemes (3.70%)		4,070	2.13
4,070	Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund Z1 Inc+	4,070	2.13
Total investment assets		192,445	100.95
Net other liabilities		(1,820)	(0.95)
Total Net Assets		190,625	100.00

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 July 2022.

+ Managed by subsidiaries of abrdn plc.

++ AIM listed.

Financial Statements

Statement of Total Return

For the year ended 31 July 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(33,206)		(88,481)
Revenue	2	5,349		4,577	
Expenses	3	(1,505)		(1,829)	
Net revenue before taxation		3,844		2,748	
Taxation	4	-		-	
Net revenue after taxation			3,844		2,748
Total return before distributions			(29,362)		(85,733)
Distributions	5		(3,844)		(2,748)
Change in net assets attributable to shareholders from investment activities			(33,206)		(88,481)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2023

	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		213,259		232,727
Amounts receivable on the issue of shares	17,416		129,415	
Amounts payable on the cancellation of shares	(113,442)		(63,355)	
Amounts receivable on inspecie transfer*	103,560		-	
		7,534		66,060
Dilution adjustment		167		407
Change in net assets attributable to shareholders from investment activities (see above)		(33,206)		(88,481)
Retained distribution on accumulation shares		2,871		2,545
Unclaimed distributions		-		1
Closing net assets attributable to shareholders		190,625		213,259

*Relating to an inspecie transfer from abrdn UK Opportunities Equity Fund on 24 February 2023.

Financial Statements

Continued

Balance Sheet

As at 31 July 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			192,445		212,460
Current assets:					
Debtors	6	1,059		3,346	
Cash and bank balances	7	512		310	
			1,571		3,656
Total assets			194,016		216,116
Liabilities:					
Creditors	8	(3,064)		(2,631)	
Distribution payable		(327)		(226)	
			(3,391)		(2,857)
Total liabilities			(3,391)		(2,857)
Net assets attributable to shareholders			190,625		213,259

Notes to the Financial Statements

1 Net Capital Losses

	2023 £'000	2022 £'000
Non-derivative securities	(33,199)	(88,471)
Other gains	1	-
Transaction charges	(8)	(10)
Net capital losses	(33,206)	(88,481)

2 Revenue

	2023 £'000	2022 £'000
Bank and margin interest	170	45
Stocklending revenue	-	7
UK dividends	5,123	4,378
UK REIT	56	147
Total revenue	5,349	4,577

3 Expenses

	2023 £'000	2022 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	1,343	1,627
Dealing charge	3	-
General administration charge	154	195
	1,500	1,822
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	5	7
	5	7
Total expenses	1,505	1,829

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £9,120 (2022: £8,460).

Notes to the Financial Statements

Continued

4 Taxation

	2023 £'000	2022 £'000
(a) Analysis of charge in year		
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:

Net revenue before taxation	3,844	2,748
Corporation tax at 20% (2022: 20%)	769	550
Effects of:		
Revenue not subject to taxation	(1,025)	(876)
Excess allowable expenses	256	326
Total tax charge for year (note 4a)	-	-

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 £6,215,000 (2021: £5,958,000) 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	778	881
Final distribution	2,549	1,927
	3,327	2,808
Add: Income deducted on cancellation of shares	656	195
Deduct: Income received on issue of shares	(139)	(255)
Total distributions for the year	3,844	2,748

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	848	858
Amounts receivable from the ACD for the issue of shares	54	242
Amounts receivable from merger	66	-
Sales awaiting settlement	91	2,246
Total debtors	1,059	3,346

7 Liquidity

	2023 £'000	2022 £'000
Cash and bank balances		
Cash at bank	512	310
	512	310
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	4,070	7,885
Net liquidity	4,582	8,195

* 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	135	131
Accrued expenses payable to the Depositary or associates of the Depositary	1	1
Amounts payable to the ACD for cancellation of shares	2,928	1,415
Purchases awaiting settlement	-	1,084
Total creditors	3,064	2,631

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
Trades in the year				
Equities	142,477	130,134	125,680	58,750
Corporate actions	-	543	-	-
Trades in the year before transaction costs	142,477	130,677	125,680	58,750
Commissions				
Equities	17	74	(66)	(37)
Total commissions	17	74	(66)	(37)
Taxes				
Equities	117	416	(1)	-
Total taxes	117	416	(1)	-
Total transaction costs	134	490	(67)	(37)
Total net trades in the year after transaction costs	142,611	131,167	125,613	58,713
	Purchases		Sales	
	2023 %	2022 %	2023 %	2022 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.01	0.06	0.05	0.06
Taxes				
Equities	0.08	0.32	-	-
			2023 %	2022 %
Total transaction costs expressed as a percentage of net asset value				
Commissions			0.04	0.05
Taxes			0.06	0.17

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 0.73% (2022: 0.24%), 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
A Accumulation	7,159,276	6,455,262	(1,208,781)	(531,471)	11,874,286
A Income	1,626,869	158,932	(253,168)	(120,185)	1,412,448
I Accumulation	43,984,635	11,943,709	(18,384,402)	651,246	38,195,188
I Income	12,386,233	1,647,630	(3,204,950)	138,083	10,966,996
K Accumulation	33,615,544	5,994,022	(30,015,591)	(22,639)	9,571,336
K Income	1,382,767	3,465,039	(395,636)	-	4,452,170
M Accumulation	21,454	15,266,307	(3,045,712)	6,760	12,248,809
M Income	885	1,231,143	(124,295)	-	1,107,733
P Accumulation	-	25,803,287	(1,520,944)	-	24,282,343
Z Accumulation	8,764,376	2,011	(8,766,387)	-	-
ZC Accumulation	-	134,236	(20,684)	-	113,552

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
Fair value of investment assets						
Equities	188,375	-	-	204,575	-	-
Collective Investment Schemes	-	4,070	-	-	7,885	-
Total investment assets	188,375	4,070	-	204,575	7,885	-

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 July 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 £9,622,000 (2022: £10,623,000).

Financial derivatives instrument risk

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

Bilateral agreements

The fund receives 85% of the revenue returns from stock lending. The gross earnings for the year are £Nil (2022: £8,000) and expenses paid to the lending agent, Securities Finance Trust Company, are £Nil (2022: £1,000).

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2023 £3,391,000 (2022: £2,857,000).

Distribution Tables

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

Interim dividend distribution

Group 1 – shares purchased prior to 1 August 2022

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

	Revenue	Equalisation	Distribution paid 28/04/23	Distribution paid 29/04/22
A Accumulation				
Group 1	0.6810	-	0.6810	0.0938
Group 2	0.3844	0.2966	0.6810	0.0938
A Income				
Group 1	0.5656	-	0.5656	0.0784
Group 2	0.4656	0.1000	0.5656	0.0784
I Accumulation				
Group 1	0.9974	-	0.9974	0.7378
Group 2	0.5960	0.4014	0.9974	0.7378
I Income				
Group 1	0.8663	-	0.8663	0.6482
Group 2	0.4242	0.4421	0.8663	0.6482
K Accumulation				
Group 1	0.7635	-	0.7635	0.6072
Group 2	0.4985	0.2650	0.7635	0.6072
K Income				
Group 1	0.4447	-	0.4447	-
Group 2	0.0680	0.3767	0.4447	-
M Accumulation				
Group 1	0.5346	-	0.5346	0.3724
Group 2	0.2834	0.2512	0.5346	0.3724
M Income				
Group 1	0.5207	-	0.5207	0.3660
Group 2	0.5207	-	0.5207	0.3660
P Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Z Accumulation				
Group 1	2.5945	-	2.5945	2.7548
Group 2	1.3916	1.2029	2.5945	2.7548
ZC Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-

Distribution Tables

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

Final dividend distribution

Group 1 – shares purchased prior to 1 February 2023

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

	Revenue	Equalisation	Distribution paid 31/10/23	Distribution paid 31/10/22
A Accumulation				
Group 1	2.4797	-	2.4797	1.5828
Group 2	2.2103	0.2694	2.4797	1.5828
A Income				
Group 1	2.0527	-	2.0527	1.3226
Group 2	1.8402	0.2125	2.0527	1.3226
I Accumulation				
Group 1	2.4890	-	2.4890	1.7998
Group 2	1.9644	0.5246	2.4890	1.7998
I Income				
Group 1	2.1512	-	2.1512	1.5767
Group 2	1.5285	0.6227	2.1512	1.5767
K Accumulation				
Group 1	1.8286	-	1.8286	1.3430
Group 2	1.0304	0.7982	1.8286	1.3430
K Income				
Group 1	1.0595	-	1.0595	0.6289
Group 2	0.5790	0.4805	1.0595	0.6289
M Accumulation				
Group 1	1.3718	-	1.3718	0.9816
Group 2	1.2138	0.1580	1.3718	0.9816
M Income				
Group 1	1.3230	-	1.3230	0.9816
Group 2	1.1085	0.2145	1.3230	0.9816
P Accumulation				
Group 1	2.5909	-	2.5909	-
Group 2	1.5014	1.0895	2.5909	-

Distribution Tables

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

	Revenue	Equalisation	Distribution paid 31/10/23	Distribution paid 31/10/22
Z Accumulation				
Group 1	-	-	-	3.9318
Group 2	-	-	-	3.9318
ZC Accumulation				
Group 1	4.3951	-	4.3951	-
Group 2	2.9667	1.4284	4.3951	-

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 Real Estate Share Fund

For the year ended 31 July 2023

Investment Objective

To generate income and some growth over the long term (5 years or more) by investing in UK property-related equities (company shares) including listed closed ended real estate investment trusts ("REITs").

Performance Target: To achieve the return of the FTSE 350 Real Estate Index plus 3% per annum (before charges) over rolling three year periods. 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 in equities and equity-related securities of companies that derive a significant proportion of their revenues or profits from real estate operations or have a significant proportion of their assets in real estate.
- At least 80% of the fund must be invested in UK listed securities, while up to 20% may be invested overseas.
- 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 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 is focused on finding high quality companies at attractive valuations that can be held for the long term.
- The FTSE 350 Real Estate 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 12%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the index over the long term.

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.

Performance Review

For the year ended 31 July 2023, the value of abrdrn UK Real Estate Share Fund – I Accumulation Shares decreased by 20.58% compared to a decrease of 22.47% in the performance target, the FTSE 350 Real Estate Index.

Source: Lipper; Basis: total return, published NAV to NAV, net of annual charges, UK net income reinvested, GBP.

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.

Market Review

The market for commercial real estate in the UK has sustained a sharp fall in reported capital values of 21% from the May 2022 peak (MSCI UK Monthly Property Index) and share prices for the real estate equities that this fund primarily invests in have declined even more, by over 40% from the January 2022 peak (FTSE 350 Real Estate Index).

Much of the pain for both listed and direct values occurred in the period from August through to October 2022, culminating in and exacerbated by the 'mini-budget' of the short-lived government under Prime Minister Liz Truss. Since then, the backdrop for economic activity has been better than expected, with expectations for GDP growth at home and abroad consistently upgraded through 2023 such that the Bank of England (BoE) no longer expects the UK to be in recession this year.

The flip side of a stronger economy is that inflation and, therefore, interest rates are higher than expected. From a low of 0.1% in December 2021 to the latest 5.25% level, the BoE has raised the base rate 14 times. Although inflation is easing, the 'core' consumer price index rate of 6.9% for July was higher than hoped and the market expects further rate hikes still to come.

Although the equities held in this fund typically benefit from long-dated, low-cost debt, the market for real estate is being squeezed by how expensive new debt has become. The resulting higher cost of capital is the key reason for the sharp fall in property values.

Within the sector, the relative winners included a trio of merger and acquisition takeouts, which all occurred in the spring of 2023, of Industrials REIT, Civitas Social Housing and CT Property Trust, all at healthy share price premiums. Other outperformers included equities exposed to the

abrdrn UK Real Estate Share Fund

Continued

buoyant residential and student accommodation sector, such as Grainger and Unite Group, where a shortage of supply is supporting rental growth. A recovery in footfall and spending also aided retail and leisure exposed stocks such as Shaftesbury Capital and Hammerson. Sector laggards included many office-exposed names such as British Land and Great Portland Estates, where concerns over working from home continue to linger. Most logistics names were also laggards, including SEGRO, after values repriced especially fast for that segment of the market.

Portfolio Activity and Review

The fund outperformed its benchmark over the period. Stock picking within the sector, exposure to equities with attractive property backing, and the overseas allocation all aided performance.

Within the sector, we did particularly well from Industrials REIT. We introduced this specialist landlord of multi-let industrial premises in 2019 and, aided by strong demand for space by tenants, it generated a healthy dividend yield before eventually accepting a 168p takeover offer from Blackstone at a 42% share price premium and 12% book-value premium. Positions in other mid-cap names with improving operating fundamentals such as Sirius Real Estate and Workspace Group also performed well. Our current caution towards offices, in particular not owning British Land, and long-standing aversion to social housing landlords also proved beneficial, in particular after Home REIT (a name we have never invested in) fell into financial distress and saw its shares suspended.

The fund has the flexibility to invest selectively in equities in adjacent markets if we see attractive real estate backing and valuations. This included beneficial exposure in the period to Whitbread, the owner of Premier Inn, as its strong value-led proposition performed well, with consumers looking to return to travel. Pub landlord Fuller Smith & Turner also did well on the rebound in London trading, and a position in discounted housebuilder Bellway also aided performance. These gains more than made up for a poor performance by a now-exited position in developer Watkin Jones, which fell after higher interest rates slowed the demand for new construction.

Approximately 10% of the fund is currently invested in overseas listed stocks, an area of allocation that has proven itself to be very valuable in terms of both performance and liquidity management over the last decade and more. This remained the case in the period, with strong performances by Shurgard Self-Storage and logistics specialist Catena in particular.

In portfolio activity, we made a number of stock changes during the period, exiting six positions and introducing one new holding. In the case of Industrials REIT, it was

due to the attractively priced takeover offer. For Watkin Jones and Capital & Counties, we felt there had been an adverse change in the investment case. The exits of CLS Holdings and Countryside Partnerships came because we had rival uses for the capital that brought similar end-market exposure, at similarly discounted if not better valuations but with lower risk. In particular, we rolled a large part of the proceeds into Workspace Group and Bellway. Lastly, we try to preserve the fund's use of its exposure to overseas names only in instances where we otherwise struggle to gain sufficient exposure to that sector through the UK market. Consequently, we exited Shurgard Self-Storage at the time of introducing a position in UK specialist Lok'nStore, as together with the positions in Big Yellow and Safestore we were well represented in that segment. Lok'nStore operates and develops self-storage units and closely matches what we look for in a company: exposure to a relatively attractive segment of the property market, a founder-led management team with significant ownership, and a consistently conservative approach to the use of financial leverage.

In terms of aggregate fund positions, there were no major changes year-on-year. We remain cautious both on an absolute and relative basis to the retail and office sectors, where we see the medium-term fundamentals as underwhelming. We remain overweight and/or with significant absolute exposure to more attractive segments such as residential, student, self-storage and logistics. Improved valuations for names in the large logistics sector had prompted us to move overweight, but the exit of Industrials REIT towards the end of the period saw the exposure fall back to neutral versus the benchmark. However, it is still our largest exposure in absolute. We continue to selectively use the fund's flexibility to invest in attractive property-backed stocks such as Whitbread and Fuller Smith & Turner and in overseas positions such as Catena and CTP NV, with the latter names also helping us manage the underweight to SEGRO caused by its large index position.

abrdn UK Real Estate Share Fund

Continued

Portfolio Outlook and Strategy

Operationally, the rental outlook for the sector is still encouraging; we are seeing rental growth not only remain in positive territory but actually improve, even in the hard-hit retail and office segments. This is in contrast to the similar stage of the early 1990 and 2008–09 property downturns when rental values fell sharply. This illustrates the degree to which the recent fall in values has been driven by increased interest rates rather than by tenant weakness.

In the near term, our forecasts concur with the expectation that the BoE base rate will rise further from the latest 5.25% level. With debt costing materially more for corporates and investors to borrow, it is no surprise that values are under pressure. The 21% decline in property values already incurred is both significant and a faster fall than that seen in the early 1990s and 2007–09 downturns, yet listed property share prices imply a material further decline from here. Even if this materialises, which is not our expectation, it would likely form the basis for attractive subsequent returns.

Higher interest rates are painful for both household and corporate borrowing costs, but the trajectory strengthens abrdn's forecasts that inflation will be tamed and sharply lower in 2024, allowing a rate-cutting cycle to begin. Indeed, there are early signs of improvement, with inflation already at much lower levels in the US and China, the world's two largest economies.

Given what is priced into listed property valuations and the sector's tendency to move ahead of the direct market (typically by six to nine months), we believe this will provide a supportive backdrop for shareholder returns over the next year or more. In the meantime, we remain focused on maintaining a portfolio comprising real estate equities with relatively attractive fundamentals supported by balance sheets that are sufficiently robust to allow them to weather the higher interest rate environment.

UK Equity Team

August 2023

abrdrn UK 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 July 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.
- 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

A Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	159.73	174.80	132.85
Return before operating charges*	(29.31)	(12.76)	43.88
Operating charges	(1.86)	(2.31)	(1.93)
Return after operating charges*	(31.17)	(15.07)	41.95
Distributions	(5.00)	(3.20)	(1.94)
Retained distributions on accumulation shares	5.00	3.20	1.94
Closing net asset value per share	128.56	159.73	174.80
* after direct transaction costs of:	0.09	0.14	0.18
Performance			
Return after charges	(19.51%)	(8.62%)	31.58%
Other information			
Closing net asset value (£'000)	53,217	79,715	93,429
Closing number of shares	41,393,763	49,905,352	53,448,815
Operating charges	1.43%	1.36%	1.30%
Direct transaction costs	0.07%	0.08%	0.12%
Prices			
Highest share price	161.1	186.3	174.9
Lowest share price	109.8	144.1	129.3

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.

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

Comparative Tables

Continued

	2023	2022	2021
I Accumulation	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	270.02	296.04	224.67
Return before operating charges*	(52.75)	(23.40)	73.51
Operating charges	(2.14)	(2.62)	(2.14)
Return after operating charges*	(54.89)	(26.02)	71.37
Distributions	(6.29)	(4.99)	(3.60)
Retained distributions on accumulation shares	6.29	4.99	3.60
Closing net asset value per share	215.13	270.02	296.04
* after direct transaction costs of:	0.16	0.23	0.31
Performance			
Return after charges	(20.33%)	(8.79%)	31.77%
Other information			
Closing net asset value (£'000)	162,245	251,081	297,574
Closing number of shares	75,418,676	92,985,502	100,519,027
Operating charges	0.98%	0.91%	0.85%
Direct transaction costs	0.07%	0.08%	0.12%
Prices			
Highest share price	272.5	316.0	296.2
Lowest share price	185.4	244.2	218.7

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.

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

Comparative Tables

Continued

K Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	159.07	174.28	132.19
Return before operating charges*	(31.09)	(13.81)	43.27
Operating charges	(1.17)	(1.40)	(1.18)
Return after operating charges*	(32.26)	(15.21)	42.09
Distributions	(3.78)	(3.04)	(2.22)
Retained distributions on accumulation shares	3.78	3.04	2.22
Closing net asset value per share	126.81	159.07	174.28
* after direct transaction costs of:	0.09	0.14	0.19
Performance			
Return after charges	(20.28%)	(8.73%)	31.84%
Other information			
Closing net asset value (£'000)	38,520	78,499	45,562
Closing number of shares	30,377,260	49,349,692	26,142,598
Operating charges	0.91%	0.83%	0.78%
Direct transaction costs	0.07%	0.08%	0.12%
Prices			
Highest share price	160.5	186.1	174.4
Lowest share price	109.3	143.8	128.7

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.

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

Comparative Tables

Continued

M Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	134.94	148.00	112.37
Return before operating charges*	(26.35)	(11.72)	36.76
Operating charges	(1.12)	(1.34)	(1.13)
Return after operating charges*	(27.47)	(13.06)	35.63
Distributions	(3.10)	(2.42)	(1.77)
Retained distributions on accumulation shares	3.10	2.42	1.77
Closing net asset value per share	107.47	134.94	148.00
* after direct transaction costs of:	0.08	0.11	0.16
Performance			
Return after charges	(20.36%)	(8.82%)	31.71%
Other information			
Closing net asset value (£'000)	148	173	52
Closing number of shares	137,293	128,339	34,831
Operating charges	1.03%	0.96%	0.90%
Direct transaction costs	0.07%	0.08%	0.12%
Prices			
Highest share price	136.2	158.0	148.1
Lowest share price	92.66	122.0	109.4

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.

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

Comparative Tables

Continued

Z Accumulation ^A	2023 pence per share	2022 pence per share
Change in net assets per share		
Opening net asset value per share	88.62	100.00 ^B
Return before operating charges*	(17.43)	(11.24)
Operating charges	(0.16)	(0.14)
Return after operating charges*	(17.59)	(11.38)
Distributions	(2.51)	(2.10)
Retained distributions on accumulation shares	2.51	2.10
Closing net asset value per share	71.03	88.62
* after direct transaction costs of:	0.05	0.07
Performance		
Return after charges	(19.85%)	(11.38%)
Other information		
Closing net asset value (£'000)	2,028	2,659
Closing number of shares	2,854,329	3,000,498
Operating charges	0.23%	0.16%
Direct transaction costs	0.07%	0.08%
Prices		
Highest share price	89.46	103.4
Lowest share price	60.93	80.11

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.

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

^A Z Accumulation share class was launched on 13 August 2021.

^B The opening net asset value stated is the share class launch price.

Portfolio Statement

As at 31 July 2023

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (98.87%)		251,596	98.22
European Equities (15.41%)		43,023	16.80
Belgium (1.81%)		-	-
Germany (7.15%)		23,093	9.02
124,000	LEG Immobilien	6,843	2.67
19,697,400	Sirius Real Estate	16,250	6.35
Netherlands (2.47%)		6,587	2.57
615,900	CTP	6,587	2.57
Spain (1.71%)		6,083	2.38
191,200	Cellnex Telecom	6,083	2.38
Sweden (2.27%)		7,260	2.83
242,600	Catena	7,260	2.83
UK Equities (83.46%)		208,573	81.42
Consumer Discretionary (12.46%)		23,947	9.35
444,000	Bellway	9,830	3.84
726,000	Fuller Smith & Turner	4,312	1.68
280,300	Whitbread	9,805	3.83
Real Estate (71.00%)		184,626	72.07
26,373,000	Assura REIT	12,485	4.87
1,109,000	Big Yellow REIT	11,889	4.64
241,800	Derwent London REIT	5,112	2.00
3,936,100	Grainger	9,903	3.87
739,100	Great Portland Estates REIT	3,159	1.23
860,000	Lok'nStore++	6,777	2.65
8,940,000	LondonMetric Property REIT	16,512	6.45

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
5,357,800	Primary Health Properties REIT	5,060	1.97
1,414,500	Rightmove	8,065	3.15
1,408,100	Safestore REIT	12,469	4.87
977,800	Savills	9,519	3.72
2,990,000	Segro REIT	22,808	8.90
9,287,200	Supermarket Income REIT	7,077	2.76
10,994,000	Tritax Big Box REIT	15,172	5.92
1,857,416	Unite REIT	18,073	7.05
8,486,700	Urban Logistics REIT	10,320	4.03
2,060,000	Workspace REIT	10,226	3.99
Collective Investment Schemes (0.07%)		2,858	1.11
2,858	Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund Z1 Inc+	2,858	1.11
Total investment assets		254,454	99.33
Net other assets		1,704	0.67
Total Net Assets		256,158	100.00

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 July 2022.

+ Managed by subsidiaries of abrdn plc.

++ AIM listed.

Financial Statements

Statement of Total Return

For the year ended 31 July 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(91,376)		(51,728)
Revenue	2	12,058		12,220	
Expenses	3	(2,773)		(4,124)	
Interest payable and similar charges		-		(1)	
Net revenue before taxation		9,285		8,095	
Taxation	4	(42)		(2)	
Net revenue after taxation			9,243		8,093
Total return before distributions			(82,133)		(43,635)
Distributions	5		(9,243)		(8,093)
Change in net assets attributable to shareholders from investment activities			(91,376)		(51,728)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2023

	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		412,127		436,617
Amounts receivable on the issue of shares	12,136		117,809	
Amounts payable on the cancellation of shares	(85,395)		(98,597)	
		(73,259)		19,212
Dilution adjustment		-		68
Change in net assets attributable to shareholders from investment activities (see above)		(91,376)		(51,728)
Retained distribution on accumulation shares		8,666		7,958
Closing net assets attributable to shareholders		256,158		412,127

Financial Statements

Continued

Balance Sheet

As at 31 July 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			254,454		407,759
Current assets:					
Debtors	6	1,341		3,306	
Cash and bank balances	7	1,701		1,905	
			3,042		5,211
Total assets			257,496		412,970
Liabilities:					
Creditors	8	(1,338)		(843)	
			(1,338)		(843)
Total liabilities			(1,338)		(843)
Net assets attributable to shareholders			256,158		412,127

Notes to the Financial Statements

1 Net Capital Losses

	2023 £'000	2022 £'000
Non-derivative securities	(91,373)	(51,748)
Other gains	5	27
Transaction charges	(8)	(7)
Net capital losses	(91,376)	(51,728)

2 Revenue

	2023 £'000	2022 £'000
Bank and margin interest	82	13
Overseas dividends	583	1,069
Stocklending revenue	-	1
UK dividends	4,843	4,793
UK REIT	6,550	6,344
Total revenue	12,058	12,220

3 Expenses

	2023 £'000	2022 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	2,516	3,741
General administration charge	247	367
	2,763	4,108
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	10	16
	10	16
Total expenses	2,773	4,124

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £9,120 (2022: £8,460).

Notes to the Financial Statements

Continued

4 Taxation

	2023 £'000	2022 £'000
(a) Analysis of charge in year		
Overseas taxes	42	2
Total taxation (note 4b)	42	2

(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:

Net revenue before taxation	9,285	8,095
Corporation tax at 20% (2022: 20%)	1,857	1,619
Effects of:		
Revenue not subject to taxation	(1,085)	(1,172)
Overseas taxes	42	2
Excess allowable expenses	(772)	(447)
Total tax charge for year (note 4a)	42	2

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 £1,610,000 (2022: £2,382,000) 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	3,766	2,722
Final distribution	4,900	5,236
	8,666	7,958
Add: Income deducted on cancellation of shares	647	457
Deduct: Income received on issue of shares	(70)	(322)
Total distributions for the year	9,243	8,093

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	1,316	1,327
Amounts receivable from the ACD for the issue of shares	-	1,970
Overseas withholding tax recoverable	25	9
Total debtors	1,341	3,306

7 Liquidity

	2023 £'000	2022 £'000
Cash and bank balances		
Cash at bank	1,701	1,905
	1,701	1,905
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	-	271
Net liquidity	1,701	2,176

* 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	196	297
Accrued expenses payable to the Depositary or associates of the Depositary	1	2
Amounts payable to the ACD for cancellation of shares	1,141	544
Total creditors	1,338	843

9 Related Party Transactions

abrdrn 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 abrdrn Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

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 8.

Notes to the Financial Statements

Continued

10 Portfolio Transaction Costs

	Purchases		Sales	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trades in the year				
Equities	41,611	99,282	99,983	62,753
Corporate actions	-	-	6,349	-
Trades in the year before transaction costs	41,611	99,282	106,332	62,753
Commissions				
Equities	25	41	(70)	(40)
Total commissions	25	41	(70)	(40)
Taxes				
Equities	124	288	-	-
Total taxes	124	288	-	-
Total transaction costs	149	329	(70)	(40)
Total net trades in the year after transaction costs	41,760	99,611	106,262	62,713
	Purchases		Sales	
	2023 %	2022 %	2023 %	2022 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.06	0.04	0.07	0.06
Taxes				
Equities	0.30	0.29	-	-
			2023 %	2022 %
Total transaction costs expressed as a percentage of net asset value				
Commissions			0.03	0.02
Taxes			0.04	0.06

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 0.15% (2022: 0.30%), 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
A Accumulation	49,905,352	491,649	(6,825,264)	(2,177,974)	41,393,763
I Accumulation	92,985,502	3,108,482	(21,714,564)	1,039,256	75,418,676
K Accumulation	49,349,692	4,028,079	(23,428,231)	427,720	30,377,260
M Accumulation	128,339	13,085	(4,131)	-	137,293
Z Accumulation	3,000,498	23,859	(170,028)	-	2,854,329

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	251,596	-	-	407,488	-	-
Collective Investment Schemes	-	2,858	-	-	271	-
Total investment assets	251,596	2,858	-	407,488	271	-

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 2023 £'000	Net foreign currency exposure 2022 £'000
Euro	20,034	35,926
Swedish Krona	7,260	9,356
Swiss Franc	-	48
Total	27,294	45,330

Notes to the Financial Statements

Continued

At 31 July 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 £1,365,000 (2022: £2,267,000).

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 July 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 £12,723,000 (2022: £20,388,000).

Financial derivatives instrument risk

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

Bilateral agreements

The fund receives 85% of the revenue returns from stock lending. The gross earnings for the year are £Nil (2022: £1,000) and expenses paid to the lending agent, Securities Finance Trust Company, are £Nil (2022: £Nil).

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2023 £1,338,000 (2022: £843,000).

Distribution Tables

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

Interim dividend distribution

Group 1 – shares purchased prior to 1 August 2022

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

	Revenue	Equalisation	Distribution paid 28/04/23	Distribution paid 29/04/22
A Accumulation				
Group 1	1.8719	-	1.8719	0.7630
Group 2	1.0758	0.7961	1.8719	0.7630
I Accumulation				
Group 1	2.4923	-	2.4923	1.7464
Group 2	1.5905	0.9018	2.4923	1.7464
K Accumulation				
Group 1	1.5081	-	1.5081	1.0825
Group 2	1.0367	0.4714	1.5081	1.0825
M Accumulation				
Group 1	1.2229	-	1.2229	0.8434
Group 2	0.7330	0.4899	1.2229	0.8434
Z Accumulation				
Group 1	1.0404	-	1.0404	0.7758
Group 2	0.6936	0.3468	1.0404	0.7758

Distribution Tables

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

Final dividend distribution

Group 1 – shares purchased prior to 1 February 2023

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

	Revenue	Equalisation	Distribution paid 31/10/23	Distribution paid 31/10/22
A Accumulation				
Group 1	3.1319	-	3.1319	2.4357
Group 2	2.0867	1.0452	3.1319	2.4357
I Accumulation				
Group 1	3.8025	-	3.8025	3.2404
Group 2	2.1488	1.6537	3.8025	3.2404
K Accumulation				
Group 1	2.2767	-	2.2767	1.9556
Group 2	1.6546	0.6221	2.2767	1.9556
M Accumulation				
Group 1	1.8796	-	1.8796	1.5772
Group 2	1.2902	0.5894	1.8796	1.5772
Z Accumulation				
Group 1	1.4662	-	1.4662	1.3289
Group 2	1.1345	0.3317	1.4662	1.3289

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 Sustainable and Responsible Investment Equity Fund

For the year ended 31 July 2023

Investment Objective

To generate growth over the long term (5 years or more) by investing in UK equities (company shares), which adhere to the abrdn Sustainable and Responsible Investment Equity Approach.

Performance Target: To achieve the return of the FTSE All-Share 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.

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, incorporated or domiciled in the UK or companies 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.
- All equity and equity related securities will adhere to the abrdn Sustainable and Responsible Investment Equity Approach available on www.abrdn.com under "Sustainable Investing".
- The abrdn Sustainable and Responsible Investment Equity Approach applies the investment manager'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 management teams to identify sustainable leaders and improvers. Leaders are viewed as companies with the best in class ESG credentials or products and services which address global environmental and societal challenges, whilst improvers are typically companies with average governance, ESG management practices and disclosure with potential for improvement.
- An abrdn ESG House Score is also used to identify and exclude companies exposed to the highest ESG risks within high and medium risk sectors.
- In addition a set of company exclusions are applied relating to the principles of the UN Global Compact, tobacco manufacturing, thermal coal, gambling, oil & gas and weapons.

Management Process

- The management team use their discretion (active management) to maintain a diverse asset mix at sector and stock level.
- Engagement with external company management teams is part of the investment process and ongoing stewardship programme which evaluates ownership structures, governance and management quality of those companies.
- Through the application of our abrdn Sustainable and Responsible Investment Equity Approach, the fund is expected to have a lower carbon footprint compared to the FTSE All-Share Index.
- In seeking to achieve the performance target, the FTSE All-Share 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 and sustainable and responsible nature of the management process, the fund will not invest in a material number of stocks and sectors in the FTSE All-Share Index. This means the fund's performance profile may deviate significantly from that of 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 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.
- Derivatives are exempt from the abrdn Sustainable and Responsible Investment Equity Approach.

Performance Review

For the year ended 31 July 2023, the value of abrdn UK Responsible Equity Fund – I Accumulation Shares increased by 1.37% compared to an increase of 6.09% in the performance target, the FTSE All-Share Index.

Source: Lipper; Basis: total return, published NAV to NAV, net of annual charges, UK net income reinvested, GBP.

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.

abrdn UK Sustainable and Responsible Investment Equity Fund

Continued

Market Review

The UK stock market advanced over the period but lagged its peers in Europe and the US due to persistently high inflation and concerns about economic growth. Following falls at the end of summer 2022, equity prices rebounded in October and November after Liz Truss, Boris Johnson's successor as prime minister, resigned in the wake of a disastrous mini-Budget that had caused a spike in UK bond yields. China's reopening towards the end of the year following the end of its zero-Covid policy also boosted sentiment and commodity prices.

At the start of 2023, hopes rose that central banks would soon be able to end their programme of interest-rate increases, but turbulence returned to global markets in March following the collapse of US-based Silicon Valley Bank and a loss of confidence in Switzerland's Credit Suisse. Intervention from financial regulators helped to avert a more serious liquidity crisis. While equities in Europe and the US subsequently staged a strong recovery, this was driven to a significant extent by gains in the type of technology stocks which represent a smaller share of the UK market. Lacklustre economic data from China throughout the period led to a weakening of commodity prices, which weighed on the UK's large-cap energy and mining stocks.

Annual inflation in Britain peaked at 11.1% in October, a 40-year high. Although the pace of price rises in the UK slowed in the months that followed, inflation remained well above the 2% Bank of England (BoE) target throughout the period, with the Consumer Prices Index figure for June 2023 standing at 7.9%. The BoE raised interest rates on eight occasions during the 12 months, taking the base rate to 5%. Investors forecast further increases in the second half of the year.

Portfolio Activity and Review

At the stock level, the fund's lack of holding in both HSBC and BP detracted from performance as the companies' shares made solid gains on the back of rising interest rates and continued strength in energy prices, respectively. Shares in construction materials business Marshalls were negative after the company faced downgrades from its exposure to residential property markets while weakening discretionary spending impacted the landscaping business. The market remained concerned about the firm's volume outlook this year. Our holding in recruitment consultant FDM Group was a negative as its shares declined later in the period on concerns about labour market resilience. Countryside Partnerships also weighed on returns due to operational issues and significant management churn. This led us to exit our holding in the company ahead of its acquisition by Vistry.

Conversely, our holding in AVEVA Group was positive after it accepted a takeover bid from Schneider Electric. We sold out of the company as a result of the deal. Shares in Dunelm Group added to performance after rallying on improved sentiment on the UK market, as investors recognised its value proposition and market-share opportunity. The fund's lack of holding in GSK and British American Tobacco was a further positive as shares in both companies declined sharply.

In terms of additional activity, the fund initiated a position in Unilever, a business that has demonstrated good pricing power in the recent inflationary environment, a testament to its investment in brands and products. We introduced investment platform Hargreaves Lansdown and Sage Group, a world-leading accounting software provider that benefits from strong, recurring customer relationships. New positions were also taken in Greggs, NatWest Group, Telecom Plus, Hollywood Bowl Group, Kainos Group and IP Group during the period. As well as our exits from AVEVA and Countryside Partnerships, we closed our positions in several firms including Ashmore Group, ASOS, Standard Chartered, Lloyds Banking Group, Drax and Unite. The holding in Homeserve was also closed following a takeover bid.

Portfolio Outlook and Strategy

Signs that inflation is easing have reduced some of the prior concerns about future interest rate levels, supporting a slightly more positive view for the UK market and notably those companies exposed to domestic demand. Company mid-year reporting has shown that trading is more difficult in many areas, but perhaps not as bad as feared previously. There remain reasons to be cautious as the lagged impact of rate rises feeds through to the real economy. However, our focus remains on the more individual prospects for our holdings and how they are reflected in valuations. Given the negativity surrounding both the UK economy and the UK market, it is in these valuations that we increasingly see attractive opportunities to put in place the building blocks to deliver strong future returns to shareholders.

While we remain mindful of the macroeconomic backdrop and risks present in the fund, our belief remains that companies with high margins and healthy returns on capital are well placed to navigate periods of high inflation. Those that are soundly financed have the ability to avoid some of the risks when unforeseen circumstances arise. We also believe that investing in high-quality companies affords exposure to just these characteristics. We continue to focus on bottom-up stock-picking and environmental, social and governance (ESG) integration. We believe companies that actively consider and manage their key

abrdn UK Sustainable and Responsible Investment Equity Fund

Continued

ESG impacts will be well placed to navigate uncertain times and harness opportunities. The fund targets investment in high-quality, sustainable leaders and ESG improvers across the UK market and has a three- to five-year time horizon. We continue to engage with holdings to understand the key ESG risks and opportunities they face, as well as to support positive change. We remain optimistic for the prospects of our investments and will endeavour to continue working hard to identify and invest in some of the best businesses listed in the UK.

UK Equity Team

August 2023

abrdn UK Sustainable and Responsible Investment 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 July 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.
- 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 December 2021 and May 2023, the Key Investor Information Document (KIID) for the fund included incorrect wording in the Investment Policy ("IP") section. This IP wording differed from that detailed in the fund Prospectus, which was correct. This was a disclosure error only which did not impact on the fund's performance, as the fund has always been managed to the correct IP detailed in the Prospectus. The incorrect information identified is detailed below and the updated KIID can be found at www.abrdn.com/en/uk/investor/fund-centre.

Incorrect wording detailed in the Investment Policy Section of the KIID: The fund will invest at least 70% in equities and equity related securities of companies listed on global stock exchanges.

Corrected with the following wording: The fund will invest at least 70% in equities and equity related securities of companies incorporated or domiciled in the UK or companies having significant operations and/or exposure to the UK.

Missing wording from the Derivatives and Techniques section of the KIID IP which has now been included:

Derivatives are exempt from the abrdn Sustainable and Responsible Investment Equity Approach.

Comparative Tables

A Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	227.10	258.25	190.64
Return before operating charges*	4.11	(28.07)	70.60
Operating charges	(2.91)	(3.08)	(2.99)
Return after operating charges*	1.20	(31.15)	67.61
Distributions	(4.04)	(2.19)	(1.72)
Retained distributions on accumulation shares	4.04	2.19	1.72
Closing net asset value per share	228.30	227.10	258.25
* after direct transaction costs of:	0.74	0.26	0.97
Performance			
Return after charges	0.53%	(12.06%)	35.46%
Other information			
Closing net asset value (£'000)	222,582	20,691	24,022
Closing number of shares	97,494,233	9,111,109	9,301,516
Operating charges	1.29%	1.29%	1.32%
Direct transaction costs	0.32%	0.11%	0.43%
Prices			
Highest share price	235.6	272.6	260.0
Lowest share price	192.2	201.4	191.9

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

A Income	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	172.51	198.07	147.23
Return before operating charges*	3.08	(21.53)	54.51
Operating charges	(2.18)	(2.36)	(2.34)
Return after operating charges*	0.90	(23.89)	52.17
Distributions	(3.05)	(1.67)	(1.33)
Closing net asset value per share	170.36	172.51	198.07
* after direct transaction costs of:	0.55	0.20	0.76
Performance			
Return after charges	0.52%	(12.06%)	35.43%
Other information			
Closing net asset value (£'000)	30,117	227	227
Closing number of shares	17,677,763	131,555	114,772
Operating charges	1.29%	1.29%	1.32%
Direct transaction costs	0.32%	0.11%	0.43%
Prices			
Highest share price	177.9	209.0	200.4
Lowest share price	146.0	154.1	148.2

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

I Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	200.62	227.11	166.89
Return before operating charges*	3.62	(24.72)	61.98
Operating charges	(1.65)	(1.77)	(1.76)
Return after operating charges*	1.97	(26.49)	60.22
Distributions	(4.45)	(2.88)	(2.41)
Retained distributions on accumulation shares	4.45	2.88	2.41
Closing net asset value per share	202.59	200.62	227.11
* after direct transaction costs of:	0.64	0.23	0.86
Performance			
Return after charges	0.98%	(11.66%)	36.08%
Other information			
Closing net asset value (£'000)	322,500	27,877	34,650
Closing number of shares	159,189,134	13,895,356	15,256,495
Operating charges	0.84%	0.84%	0.87%
Direct transaction costs	0.32%	0.11%	0.43%
Prices			
Highest share price	208.6	239.8	228.7
Lowest share price	169.9	177.6	168.0

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
I Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	165.43	190.00	141.20
Return before operating charges*	2.98	(20.69)	52.35
Operating charges	(1.35)	(1.48)	(1.51)
Return after operating charges*	1.63	(22.17)	50.84
Distributions	(3.66)	(2.40)	(2.04)
Closing net asset value per share	163.40	165.43	190.00
* after direct transaction costs of:	0.53	0.20	0.74
Performance			
Return after charges	0.99%	(11.67%)	36.01%
Other information			
Closing net asset value (£'000)	16,153	13,071	20,345
Closing number of shares	9,885,613	7,901,512	10,708,242
Operating charges	0.84%	0.84%	0.87%
Direct transaction costs	0.32%	0.11%	0.43%
Prices			
Highest share price	170.6	200.6	192.7
Lowest share price	140.1	147.9	142.1

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

K Accumulation ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	91.39	103.08	100.00 ^B
Return before operating charges*	1.67	(11.25)	3.12
Operating charges	(0.42)	(0.44)	(0.04)
Return after operating charges*	1.25	(11.69)	3.08
Distributions	(2.37)	(1.66)	(0.17)
Retained distributions on accumulation shares	2.37	1.66	0.17
Closing net asset value per share	92.64	91.39	103.08
* after direct transaction costs of:	0.30	0.11	0.04
Performance			
Return after charges	1.37%	(11.34%)	3.08%
Other information			
Closing net asset value (£'000)	44,966	1	1
Closing number of shares	48,539,872	994	994
Operating charges	0.46%	0.46%	0.41%
Direct transaction costs	0.32%	0.11%	0.43%
Prices			
Highest share price	95.23	108.9	103.8
Lowest share price	77.46	80.78	99.83

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.

^A K Accumulation share class was launched on 29 June 2021.

^B The opening net asset value stated is the share class launch price.

Comparative Tables

Continued

	2023
L Accumulation ^A	pence per share
Change in net assets per share	
Opening net asset value per share	131.43 ^B
Return before operating charges*	6.17
Operating charges	(0.08)
Return after operating charges*	6.09
Distributions	(0.22)
Retained distributions on accumulation shares	0.22
Closing net asset value per share	137.52
* after direct transaction costs of:	0.05
Performance	
Return after charges	4.63%
Other information	
Closing net asset value (£'000)	122
Closing number of shares	88,699
Operating charges	0.59%
Direct transaction costs	0.32%
Prices	
Highest share price	138.0
Lowest share price	128.7

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.

^A L Accumulation share class was launched on 23 June 2023.

^B The opening net asset value stated is the share class launch price.

Comparative Tables

Continued

	2023
L Income ^A	pence per share
Change in net assets per share	
Opening net asset value per share	116.77 ^B
Return before operating charges*	5.47
Operating charges	(0.07)
Return after operating charges*	5.40
Distributions	(0.20)
Closing net asset value per share	121.97
* after direct transaction costs of:	0.04
Performance	
Return after charges	4.62%
Other information	
Closing net asset value (£'000)	11
Closing number of shares	9,294
Operating charges	0.59%
Direct transaction costs	0.32%
Prices	
Highest share price	122.6
Lowest share price	114.3

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.

^A L Income share class was launched on 23 June 2023.

^B The opening net asset value stated is the share class launch price.

Comparative Tables

Continued

M Accumulation	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	130.26	147.49	108.46
Return before operating charges*	2.49	(16.02)	40.26
Operating charges	(1.16)	(1.21)	(1.23)
Return after operating charges*	1.33	(17.23)	39.03
Distributions	(2.92)	(1.85)	(1.46)
Retained distributions on accumulation shares	2.92	1.85	1.46
Closing net asset value per share	131.59	130.26	147.49
* after direct transaction costs of:	0.43	0.15	0.55
Performance			
Return after charges	1.02%	(11.68%)	35.99%
Other information			
Closing net asset value (£'000)	15,564	1	1
Closing number of shares	11,828,137	881	881
Operating charges	0.89%	0.89%	0.95%
Direct transaction costs	0.32%	0.11%	0.43%
Prices			
Highest share price	135.5	155.7	148.5
Lowest share price	110.4	115.3	109.2

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

M Income	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	123.87	142.23	105.69
Return before operating charges*	2.31	(15.40)	39.16
Operating charges	(1.09)	(1.17)	(1.18)
Return after operating charges*	1.22	(16.57)	37.98
Distributions	(2.74)	(1.79)	(1.44)
Closing net asset value per share	122.35	123.87	142.23
* after direct transaction costs of:	0.40	0.15	0.54
Performance			
Return after charges	0.98%	(11.65%)	35.94%
Other information			
Closing net asset value (£'000)	1,484	1	1
Closing number of shares	1,213,210	892	892
Operating charges	0.89%	0.88%	0.94%
Direct transaction costs	0.32%	0.11%	0.43%
Prices			
Highest share price	127.8	150.2	144.2
Lowest share price	104.9	110.7	106.4

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.

Comparative Tables

Continued

Z Accumulation ^A	2023 pence per share
Change in net assets per share	
Opening net asset value per share	99.81 ^B
Return before operating charges*	3.71
Operating charges	(0.03)
Return after operating charges*	3.68
Distributions	(1.39)
Retained distributions on accumulation shares	1.39
Closing net asset value per share	103.49
* after direct transaction costs of:	0.12
Performance	
Return after charges	3.69%
Other information	
Closing net asset value (£'000)	20,237
Closing number of shares	19,554,076
Operating charges	0.09%
Direct transaction costs	0.32%
Prices	
Highest share price	106.1
Lowest share price	96.83

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.

^A Z Accumulation share class was launched on 22 March 2023.

^B The opening net asset value stated is the share class launch price.

Comparative Tables

Continued

ZC Accumulation ^A	2023 pence per share
Change in net assets per share	
Opening net asset value per share	99.35 ^B
Return before operating charges*	(0.04)
Operating charges	(0.04)
Return after operating charges*	(0.08)
Distributions	(1.50)
Retained distributions on accumulation shares	1.50
Closing net asset value per share	99.27
* after direct transaction costs of:	0.13
Performance	
Return after charges	(0.08%)
Other information	
Closing net asset value (£'000)	1,910
Closing number of shares	1,924,490
Operating charges	0.09%
Direct transaction costs	0.32%
Prices	
Highest share price	101.8
Lowest share price	92.88

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.

^A ZC Accumulation share class was launched on 3 March 2023.

^B The opening net asset value stated is the share class launch price.

Portfolio Statement

As at 31 July 2023

Holding	Investment	Market value £'000	Percentage of total net assets
UK Equities (97.80%)		665,914	98.56
Basic Materials (1.47%)		8,487	1.25
144,133	Croda International	8,487	1.25
Consumer Discretionary (17.71%)		110,978	16.42
601,432	Bellway	13,316	1.97
623,955	Dunelm	7,169	1.06
2,728,413	Hollywood Bowl	6,112	0.90
2,591,288	Howden Joinery	19,093	2.83
7,652,445	Moonpig	13,728	2.03
1,389,518	RELX	36,391	5.39
2,014,465	Watches of Switzerland	15,169	2.24
Consumer Staples (4.83%)		77,606	11.49
607,596	Coca-Cola HBC	13,920	2.06
600,431	Diageo	20,397	3.02
248,883	Greggs	6,869	1.02
869,120	Unilever	36,420	5.39
Financials (22.61%)		150,802	22.32
2,256,455	Close Brothers	20,725	3.07
1,726,555	Hargreaves Lansdown	14,696	2.18
1,411,477	Hiscox	15,216	2.25
587,799	Intermediate Capital	8,256	1.22
3,492,413	IP	2,085	0.31
988,885	JTC	7,115	1.05
307,550	London Stock Exchange	26,019	3.85
8,106,263	NatWest	19,795	2.93
3,879,262	OSB	14,237	2.11
2,094,068	Prudential	22,658	3.35

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Health Care (13.72%)		87,136	12.90
500,678	AstraZeneca	55,996	8.29
6,744,225	ConvaTec	14,055	2.08
695,098	Genus	17,085	2.53
Industrials (21.02%)		134,905	19.97
391,431	Ashtead	22,546	3.34
2,093,095	Bodycote	14,474	2.14
12,781,371	Coats	8,934	1.32
3,971,772	DS Smith	12,293	1.82
971,121	FDM	5,293	0.78
2,871,276	Genuit	8,973	1.33
273,507	Halma	6,113	0.91
3,910,373	Marshalls	10,495	1.55
1,048,194	Mondi	14,308	2.12
629,969	Oxford Instruments	15,088	2.23
808,051	RS	6,338	0.94
547,824	Weir	10,050	1.49
Real Estate (3.59%)		-	-
Technology (7.33%)		53,094	7.86
2,458,381	Auto Trader	15,876	2.35
1,737,212	GB++	4,357	0.65
169,762	Kainos	2,222	0.33
1,453,628	Sage	13,612	2.01
1,135,886	Softcat	17,027	2.52
Telecommunications (0.00%)		21,242	3.14
1,278,096	Telecom Plus	21,242	3.14

Portfolio Statement

As at 31 July 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Utilities (5.52%)		21,664	3.21
1,285,711	SSE	21,664	3.21
Total investment assets		665,914	98.56
Net other assets		9,732	1.44
Total Net Assets		675,646	100.00

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 July 2022.

Prior year classifications for some sectors have been updated to reflect current year classifications.

** AIM listed.

Financial Statements

Statement of Total Return

For the year ended 31 July 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains/(losses)	1		9,074		(10,954)
Revenue	2	5,683		1,601	
Expenses	3	(1,805)		(706)	
Net revenue before taxation		3,878		895	
Taxation	4	5		(4)	
Net revenue after taxation			3,883		891
Total return before distributions			12,957		(10,063)
Distributions	5		(3,882)		(891)
Change in net assets attributable to shareholders from investment activities			9,075		(10,954)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2023

	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		61,869		79,247
Amounts receivable on the issue of shares	62,703		14,085	
Amounts payable on the cancellation of shares	(27,149)		(21,123)	
Amounts receivable on inspecie transfers*	560,413		-	
		595,967		(7,038)
Dilution adjustment		236		12
Change in net assets attributable to shareholders from investment activities (see above)		9,075		(10,954)
Retained distribution on accumulation shares		8,499		602
Closing net assets attributable to shareholders		675,646		61,869

* Relating to an inspecie transfer from abrdn UK Growth Equity Fund and abrdn UK High Alpha Equity Fund on 3 March 2023 and abrdn UK Equity Fund on 23 June 2023.

Financial Statements

Continued

Balance Sheet

As at 31 July 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			665,914		60,509
Current assets:					
Debtors	6	3,993		176	
Cash and bank balances		7,639		1,486	
			11,632		1,662
Total assets			677,546		62,171
Liabilities:					
Creditors	7	(1,308)		(170)	
Distribution payable		(592)		(132)	
			(1,900)		(302)
Total liabilities			(1,900)		(302)
Net assets attributable to shareholders			675,646		61,869

Notes to the Financial Statements

1 Net Capital Gains/(Losses)

	2023 £'000	2022 £'000
Non-derivative securities	9,079	(10,947)
Other losses	-	(4)
Transaction charges	(5)	(3)
Net capital gains/(losses)	9,074	(10,954)

2 Revenue

	2023 £'000	2022 £'000
Overseas dividends	(35)	35
Stocklending revenue	-	1
UK dividends	5,632	1,516
UK REIT	86	49
Total revenue	5,683	1,601

3 Expenses

	2023 £'000	2022 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	1,653	646
Dealing charge	4	-
General administration charge	143	58
	1,800	704
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fees	5	2
	5	2
Total expenses	1,805	706

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £9,120 (2022: £8,460).

Notes to the Financial Statements

Continued

4 Taxation

	2023 £'000	2022 £'000
(a) Analysis of charge in year		
Overseas taxes	(5)	4
Total taxation (note 4b)	(5)	4

(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	2022
Net revenue before taxation	3,878	895
Corporation tax at 20% (2022: 20%)	776	179
Effects of:		
Revenue not subject to taxation	(1,120)	(310)
Overseas taxes	(5)	4
Excess allowable expenses	344	131
Total tax (credit)/charge for year (note 4a)	(5)	4

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 £1,315,000 (2022: £971,000) 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	399	263
Final distribution	8,747	566
	9,146	829
Add: Income deducted on cancellation of shares	196	109
Deduct: Income received on issue of shares	(5,460)	(47)
Total distributions for the year	3,882	891
Movement between net revenue and distributions		
Net revenue after taxation	3,883	891
Undistributed revenue carried forward	(1)	-
Total distributions for the year	3,882	891

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	1,639	154
Amounts receivable from the ACD for the issue of shares	65	16
Amounts receivable from merger	2,289	-
Overseas withholding tax recoverable	-	6
Total debtors	3,993	176

7 Creditors

	2023 £'000	2022 £'000
Accrued expenses payable to ACD	534	49
Accrued expenses payable to the Depositary or associates of the Depositary	1	-
Amounts payable to the ACD for cancellation of shares	481	121
Purchases awaiting settlement	292	-
Total creditors	1,308	170

8 Related Party Transactions

abrN 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 abrN Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 7.

Amounts payable to abrN Fund Managers Limited, in respect of expenses are disclosed in note 3 and any amounts due at the year end in note 7.

9 Portfolio Transaction Costs

	Purchases		Sales	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trades in the year				
Equities	105,178	15,363	62,384	21,211
Inspecie transactions	553,768	-	-	-
Corporate actions	-	105	815	-
Trades in the year before transaction costs	658,946	15,468	63,199	21,211

Notes to the Financial Statements

Continued

	Purchases		Sales	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trades in the year				
Commissions				
Equities	36	8	(37)	(10)
Total commissions	36	8	(37)	(10)
Taxes				
Equities	500	62	-	-
Total taxes	500	62	-	-
Total transaction costs	536	70	(37)	(10)
Total net trades in the year after transaction costs	659,482	15,538	63,162	21,201

	Purchases		Sales	
	2023 %	2022 %	2023 %	2022 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.03	0.05	0.06	0.05
Taxes				
Equities	0.48	0.40	-	-

	2023 %	2022 %
Total transaction costs expressed as a percentage of net asset value		
Commissions	0.04	0.02
Taxes	0.28	0.09

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: 0.15%), this is representative of the average spread on the assets held during the year.

10 Shares in Issue Reconciliation

	Opening shares 2022	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2023
A Accumulation	9,111,109	91,537,526	(2,809,989)	(344,413)	97,494,233
A Income	131,555	17,927,769	(365,749)	(15,812)	17,677,763
I Accumulation	13,895,356	149,465,511	(4,716,762)	545,029	159,189,134
I Income	7,901,512	6,870,429	(4,903,744)	17,416	9,885,613
K Accumulation	994	48,539,003	(125)	-	48,539,872

Notes to the Financial Statements

Continued

	Opening shares 2022	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2023
L Accumulation	-	99,576	(10,877)	-	88,699
L Income	-	9,294	-	-	9,294
M Accumulation	881	12,764,025	(721,131)	(215,638)	11,828,137
M Income	892	1,286,533	(72,942)	(1,273)	1,213,210
Z Accumulation	-	21,642,493	(2,088,417)	-	19,554,076
ZC Accumulation	-	1,982,723	(24,945)	(33,288)	1,924,490

11 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	665,914	-	-	60,509	-	-
Total investment assets	665,914	-	-	60,509	-	-

12 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 July 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 £33,296,000 (2022: £3,025,000).

Notes to the Financial Statements

Continued

Financial derivatives instrument risk

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

Bilateral agreements

The fund receives 85% of the revenue returns from stock lending. The gross earnings for the year are £Nil (2022: £1,000) and expenses paid to the lending agent, Securities Finance Trust Company, are £Nil (2022: £Nil).

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2023 £1,900,000 (2022: £302,000).

Distribution Tables

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

Interim dividend distribution

Group 1 – shares purchased prior to 1 August 2022

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

	Revenue	Equalisation	Distribution paid 28/04/23	Distribution paid 29/04/22
A Accumulation				
Group 1	1.4237	-	1.4237	0.4417
Group 2	0.2869	1.1368	1.4237	0.4417
A Income				
Group 1	1.0813	-	1.0813	0.3381
Group 2	0.4978	0.5835	1.0813	0.3381
I Accumulation				
Group 1	1.6913	-	1.6913	0.9013
Group 2	0.7555	0.9358	1.6913	0.9013
I Income				
Group 1	1.3946	-	1.3946	0.7540
Group 2	0.5220	0.8726	1.3946	0.7540
K Accumulation				
Group 1	0.9311	-	0.9311	0.6103
Group 2	0.9311	-	0.9311	0.6103
L Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
L Income				
Group 1	-	-	-	-
Group 2	-	-	-	-
M Accumulation				
Group 1	1.1407	-	1.1407	0.5334
Group 2	1.1407	-	1.1407	0.5334
M Income				
Group 1	1.0700	-	1.0700	0.5170
Group 2	1.0700	-	1.0700	0.5170
Z Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
ZC Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-

Distribution Tables

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

Final dividend distribution

Group 1 – shares purchased prior to 1 February 2023

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

	Revenue	Equalisation	Distribution paid 31/10/23	Distribution paid 31/10/22
A Accumulation				
Group 1	2.6124	-	2.6124	1.7446
Group 2	1.6682	0.9442	2.6124	1.7446
A Income				
Group 1	1.9720	-	1.9720	1.3355
Group 2	0.4848	1.4872	1.9720	1.3355
I Accumulation				
Group 1	2.7633	-	2.7633	1.9750
Group 2	0.3706	2.3927	2.7633	1.9750
I Income				
Group 1	2.2612	-	2.2612	1.6471
Group 2	0.3135	1.9477	2.2612	1.6471
K Accumulation				
Group 1	1.4387	-	1.4387	1.0518
Group 2	0.3879	1.0508	1.4387	1.0518
L Accumulation				
Group 1	0.2179	-	0.2179	-
Group 2	0.2179	-	0.2179	-
L Income				
Group 1	0.1972	-	0.1972	-
Group 2	0.1972	-	0.1972	-
M Accumulation				
Group 1	1.7781	-	1.7781	1.3133
Group 2	1.5168	0.2613	1.7781	1.3133
M Income				
Group 1	1.6747	-	1.6747	1.2696
Group 2	1.4167	0.2580	1.6747	1.2696

Distribution Tables

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

	Revenue	Equalisation	Distribution paid 31/10/23	Distribution paid 31/10/22
Z Accumulation				
Group 1	1.3904	-	1.3904	-
Group 2	1.1175	0.2729	1.3904	-
ZC Accumulation				
Group 1	1.4966	-	1.4966	-
Group 2	0.5410	0.9556	1.4966	-

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 (AAM) Sterling Government Bond Fund (closed)

For the year ended 31 July 2023

Investment Objective

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

Performance Target: To achieve the return of the FTSE Actuaries UK Conventional Gilts All Stocks 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 invests at least 80% in government bonds issued or guaranteed by the UK Government.
- The fund may also invest in investment grade bonds issued anywhere in the world by governments, sub-sovereigns and corporations including inflation-linked 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 abrdn), money-market instruments and cash.

Management Process

- The management team use their discretion (active management) to identify investments after analysing individual bonds and derivatives alongside global economic and market conditions.
- In seeking to achieve the Performance Target, the FTSE Actuaries UK Conventional Gilts All Stocks 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 1.70%. Due to the fund's risk constraints the intention is that the fund's performance will not deviate significantly from that of the index over the long term.

Derivatives and Techniques

- The fund will make routine use of derivatives to reduce risk, to 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"). These positions can be used in overseas markets.
- Derivatives include instruments used to manage expected changes in interest rates, inflation, currencies or creditworthiness of corporations or governments.

Performance Review

For the period ended 12 May 2023, the value of abrdn (AAM) Sterling Government Bond Fund – I Accumulation Shares decreased by 12.67% compared to a decrease of 13.85% in the performance target, FTSE Actuaries UK Conventional Gilts All Stocks Index.

Source: Lipper; Basis: total return, published NAV to NAV, net of annual charges, UK net income reinvested, GBP.

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.

Market Review

The review period was a difficult one for government bonds, with significant swings in the market. Over the almost 10-months until the closure of the fund, aside from the market dislocation that occurred during late summer of 2022 under the short-lived Truss premiership, the impact of inflation and cost of living on the economy led the front end of the market and rate expectations for the UK. The Bank of England (BoE) remained in inflation-fighting mode, and continued to raise rates throughout the period.

In the third quarter of 2022, UK government bonds underwent a period of volatility that continued into October. With two hikes in a row by the BoE's Monetary Policy Committee (MPC), the base rate reached 2.25% by the end of September. In late September, Chancellor Kwasi Kwarteng heralded the biggest programme of tax cuts in 50 years, to be funded by new borrowing. Investors in UK assets were shocked; sterling fell sharply, while 10-year Gilt yields soared to 4.5%. The BoE intervened and restored calm in the markets. Yet, the third quarter of 2022 ended as the worst ever for Gilts.

Amid political uncertainty, a change in government saw Rishi Sunak become the new prime minister. Meanwhile, the BoE stayed committed to fighting inflationary pressures by increasing policy rates by 75 basis points (bps) and 50bps in November and December, and taking the cash rate to 3.5%. The stabilisation in bond markets in the fourth quarter of 2022 attracted strong inflows into

abrdn (AAM) Sterling Government Bond Fund (closed)

Continued

Gilts with the highest yields in a decade. Nevertheless, the total return for the calendar year was -23.83%, so a humbling and unforgettable year for UK government bonds. At the end of 2022, the yield on the 10-year Gilt was almost 3.7%. Meanwhile, inflationary pressures eased to 10.5% in December, coming down from the 41-year high of 11.1% in October, which suggested there could be a pause in policy tightening.

Moving into 2023, investors were filled with hope for a gradual easing in inflation, supported by lower energy prices. This resulted in cash inflows that drove government bond yields lower in January. However, February data was dominated by falling unemployment and stickier inflation, reversing the sentiment for bonds and causing the BoE to hike the base rate by another 50bps to 4%. In mid-March, Silicon Valley Bank in the US collapsed, causing a turmoil across US regional banks. Worries spread into Europe where Credit Suisse was the next victim, resulting in a purchase by UBS with the Swiss government backing the transaction. In March, central banks hiked rates in Europe, the UK and the US. Government bond yields subsequently fell sharply as investors began to call the end of the rate-hiking cycle. Overall, yields ended the quarter lower.

In the second quarter of 2023, higher core inflation and better economic data provided a hostile backdrop for government bonds. The UK was the standout underperformer; 10-year Gilt yields rose by around 90bps in the three months to 30 June. While bonds were weak across the board, front-end rates came under even more pressure. Curves flattened aggressively in the face of increased threats of rate hikes from central banks. Contributory factors for the sharp repricing in global bonds included sticky inflation and accelerating wage growth. In June, the BoE hiked rates by 50bps.

Portfolio Activity and Review

Given the volatility over the period, the fund adopted a flexible approach to duration management, although predominantly positioned with a short bias relative to benchmark seeking higher yields.

Early in the period, the fund took profits on a cross-market strategy whereby it was underweight UK government bonds relative to Germany. Following a period of sharp underperformance and widening spread between the two markets, we closed this strategy, fearing that the BoE intervention and the appointment of the new Chancellor Jeremy Hunt would lead to a retracement.

During October and November, we increased our curve steepening strategies which had come under pressure following the intervention by the BoE in late September.

After a sharp steepening in the yield curve, we closed this strategy in mid to later December.

In early December, we also reinstated an underweight cross-market strategy in UK government bonds, on this occasion versus Australia, in the medium-dated part of the yield curve. We view this as a structural medium-term strategy for the fund.

Throughout the period, the fund took profits on several Gilt relative value strategies, which had initially underperformed during late September as a result of the BoE intervention, but latterly outperformed providing a net positive contribution to the fund.

The first quarter of 2023 was strong for the fund. There were notable contributions across all the main strategy types: duration, relative value, yield curve and country spreads. Duration management was positive for excess returns. Yield curve strategies were also positive. A steepening bias in the UK and Europe added gains to performance, offset only slightly by losses arising in our US curve-steepening strategy. Within our country spread strategy bucket, the UK underweight versus Australia was a notably strong performer. The UK versus Germany relative position in 10-year bonds, added towards the end of the quarter, made a small negative contribution.

However, the second quarter of 2023 has been a more difficult one in terms of performance. UK positioning suffered following higher-than-expected inflation and better economic data. Both these factors created a hostile backdrop for government bonds. The front end of the UK curve moved materially higher on expectations of an interest rate hike from the BoE rate. As a result, UK Gilts materially underperformed other core markets, and the yield curve flattened. Thus, the front-end positioning was stopped out.

Portfolio Outlook and Strategy

The fund closed on 12 May 2023.

Pan Euro Macro Team

August 2023

abrdrn (AAM) Sterling Government Bond Fund (closed)

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 12 May 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

A Accumulation^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	165.90	194.64	204.99
Return before operating charges*	(22.06)	(27.31)	(8.54)
Operating charges	(0.91)	(1.43)	(1.81)
Return after operating charges*	(22.97)	(28.74)	(10.35)
Distributions	(1.68)	(0.26)	-
Retained distributions on accumulation shares	1.68	0.26	-
Redemption value as at 12 May 2023	(142.93)	-	-
Closing net asset value per share	-	165.90	194.64
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(13.85%)	(14.77%)	(5.05%)
Other information			
Closing net asset value (£'000)	-	507	658
Closing number of shares	-	305,584	337,818
Operating charges	0.79%	0.79%	0.93%
Direct transaction costs	-	-	-
Prices			
Highest share price	169.3	196.7	205.0
Lowest share price	130.3	156.8	185.3

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.

^A A Accumulation share class was closed on 12 May 2023.

Comparative Tables

Continued

A Income ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	125.24	147.18	155.00
Return before operating charges*	(16.64)	(20.66)	(6.45)
Operating charges	(0.68)	(1.08)	(1.37)
Return after operating charges*	(17.32)	(21.74)	(7.82)
Distributions	(1.27)	(0.20)	-
Redemption value as at 12 May 2023	(106.65)	-	-
Closing net asset value per share	-	125.24	147.18
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(13.83%)	(14.77%)	(5.05%)
Other information			
Closing net asset value (£'000)	-	559	687
Closing number of shares	-	446,082	466,769
Operating charges	0.79%	0.79%	0.93%
Direct transaction costs	-	-	-
Prices			
Highest share price	127.8	148.7	155.0
Lowest share price	98.37	118.6	140.1

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.

^A A Income share class was closed on 12 May 2023.

Comparative Tables

Continued

I Accumulation ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	174.15	203.30	213.14
Return before operating charges*	(23.18)	(28.60)	(8.89)
Operating charges	(0.35)	(0.55)	(0.95)
Return after operating charges*	(23.53)	(29.15)	(9.84)
Distributions	(2.37)	(1.22)	(0.39)
Retained distributions on accumulation shares	2.37	1.22	0.39
Redemption value as at 12 May 2023	(150.62)	-	-
Closing net asset value per share	-	174.15	203.30
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(13.51%)	(14.34%)	(4.62%)
Other information			
Closing net asset value (£'000)	-	70,894	90,005
Closing number of shares	-	40,708,099	44,271,390
Operating charges	0.29%	0.29%	0.47%
Direct transaction costs	-	-	-
Prices			
Highest share price	177.7	205.8	213.2
Lowest share price	136.9	164.5	193.3

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.

^A I Accumulation share class was closed on 12 May 2023.

Comparative Tables

Continued

	2023	2022	2021
I Income ^A	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	103.24	121.35	127.46
Return before operating charges*	(13.72)	(17.05)	(5.30)
Operating charges	(0.21)	(0.33)	(0.58)
Return after operating charges*	(13.93)	(17.38)	(5.88)
Distributions	(1.40)	(0.73)	(0.23)
Redemption value as at 12 May 2023	(87.91)	-	-
Closing net asset value per share	-	103.24	121.35
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(13.49%)	(14.32%)	(4.61%)
Other information			
Closing net asset value (£'000)	-	270	356
Closing number of shares	-	261,522	293,689
Operating charges	0.29%	0.29%	0.47%
Direct transaction costs	-	-	-
Prices			
Highest share price	105.4	122.8	127.5
Lowest share price	81.17	97.95	115.5

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.

^A I Income share class was closed on 12 May 2023.

Comparative Tables

Continued

M Accumulation ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	98.76	115.24	120.68
Return before operating charges*	(11.44)	(16.12)	(4.84)
Operating charges	(0.11)	(0.36)	(0.60)
Return after operating charges*	(11.55)	(16.48)	(5.44)
Distributions	-	(0.73)	(0.33)
Retained distributions on accumulation shares	-	0.73	0.33
Redemption value as at 16 December 2022	(87.21)	-	-
Closing net asset value per share	-	98.76	115.24
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(11.70%)	(14.30%)	(4.51%)
Other information			
Closing net asset value (£'000)	-	1	1
Closing number of shares	-	903	903
Operating charges	0.34%	0.34%	0.52%
Direct transaction costs	-	-	-
Prices			
Highest share price	100.8	116.7	120.7
Lowest share price	77.68	93.20	109.6

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.

^A M Accumulation share class was closed on 16 December 2022.

Comparative Tables

Continued

M Income ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	95.83	112.64	118.33
Return before operating charges*	(11.08)	(15.76)	(4.78)
Operating charges	(0.11)	(0.35)	(0.59)
Return after operating charges*	(11.19)	(16.11)	(5.37)
Distributions	-	(0.70)	(0.32)
Redemption value as at 16 December 2022	(84.64)	-	-
Closing net asset value per share	-	95.83	112.64
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(11.68%)	(14.30%)	(4.54%)
Other information			
Closing net asset value (£'000)	-	1	1
Closing number of shares	-	915	915
Operating charges	0.34%	0.34%	0.52%
Direct transaction costs	-	-	-
Prices			
Highest share price	97.80	114.0	118.3
Lowest share price	75.38	90.91	107.2

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.

^A M Income share class was closed on 16 December 2022.

Comparative Tables

Continued

P Income ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	132.41	155.63	163.47
Return before operating charges*	(17.60)	(21.86)	(6.82)
Operating charges	(0.29)	(0.46)	(0.52)
Return after operating charges*	(17.89)	(22.32)	(7.34)
Distributions	(1.77)	(0.90)	(0.50)
Redemption value as at 12 May 2023	(112.75)	-	-
Closing net asset value per share	-	132.41	155.63
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(13.51%)	(14.34%)	(4.49%)
Other information			
Closing net asset value (£'000)	-	10	12
Closing number of shares	-	7,959	7,959
Operating charges	0.32%	0.32%	0.33%
Direct transaction costs	-	-	-
Prices			
Highest share price	135.1	157.5	163.5
Lowest share price	104.1	125.6	148.2

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.

^A P Income share class was closed on 12 May 2023.

Comparative Tables

Continued

Q Income ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	132.40	155.62	163.45
Return before operating charges*	(16.97)	(21.86)	(6.79)
Operating charges	(0.17)	(0.38)	(0.43)
Return after operating charges*	(17.14)	(22.24)	(7.22)
Distributions	(0.98)	(0.98)	(0.61)
Redemption value as at 17 February 2023	(114.28)	-	-
Closing net asset value per share	-	132.40	155.62
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(12.95%)	(14.29%)	(4.42%)
Other information			
Closing net asset value (£'000)	-	12	21
Closing number of shares	-	9,224	13,153
Operating charges	0.26%	0.26%	0.27%
Direct transaction costs	-	-	-
Prices			
Highest share price	135.1	157.6	163.5
Lowest share price	104.1	125.6	148.2

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.

^A Q Income share class was closed on 17 February 2023.

Comparative Tables

Continued

Z Accumulation ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	103.49	120.57	125.94
Return before operating charges*	(13.78)	(16.98)	(5.25)
Operating charges	(0.07)	(0.10)	(0.12)
Return after operating charges*	(13.85)	(17.08)	(5.37)
Distributions	(1.56)	(0.95)	(0.68)
Retained distributions on accumulation shares	1.56	0.95	0.68
Redemption value as at 12 May 2023	(89.64)	-	-
Closing net asset value per share	-	103.49	120.57
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(13.38%)	(14.17%)	(4.26%)
Other information			
Closing net asset value (£'000)	-	48,411	50,288
Closing number of shares	-	46,781,133	41,709,440
Operating charges	0.09%	0.09%	0.10%
Direct transaction costs	-	-	-
Prices			
Highest share price	105.6	122.1	126.0
Lowest share price	81.39	97.72	114.6

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.

^A Z Accumulation share class was closed on 12 May 2023.

Portfolio Statement

As at 31 July 2023

Investment	Market value £'000	Percentage of total net assets
Holding		
Bonds (95.94%)	-	-
Euro Denominated Bonds (0.78%)	-	-
Government Bonds (0.78%)	-	-
Sterling Denominated Bonds (95.16%)	-	-
Corporate Bonds (0.99%)	-	-
Government Bonds (94.17%)	-	-
Derivatives (-0.87%)	-	-
Forward Currency Contracts (0.01%)	-	-
Futures (-0.31%)	-	-
Interest Rate Swaps (-0.57%)	-	-
Total investment assets	-	-
Net other assets	-	-
Total Net Assets	-	-

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

Financial Statements

Statement of Total Return

For the year ended 31 July 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(17,994)		(20,221)
Revenue	2	2,115		1,186	
Expenses	3	(186)		(273)	
Interest payable and similar charges		(4)		(18)	
Net revenue before taxation		1,925		895	
Taxation	4	-		-	
Net revenue after taxation			1,925		895
Total return before distributions			(16,069)		(19,326)
Distributions	5		(1,923)		(895)
Change in net assets attributable to shareholders from investment activities			(17,992)		(20,221)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2023

	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		120,665		142,029
Amounts receivable on the issue of shares	27,868		17,453	
Amounts payable on the cancellation of shares	(4,051)		(19,519)	
Amounts payable on inspecie transfers*	(128,567)		-	
		(104,750)		(2,066)
Dilution adjustment		10		14
Change in net assets attributable to shareholders from investment activities (see above)		(17,992)		(20,221)
Retained distribution on accumulation shares		2,055		909
Unclaimed distributions		1		-
Movement in amount payable on termination		11		-
Closing net assets attributable to shareholders		-		120,665

* Relating to an inspecie transfer to abrdn UK Government Bond Fund on 12 May 2023.

Financial Statements

Continued

Balance Sheet

As at 31 July 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			-		116,350
Current assets:					
Debtors	6	-		2,373	
Cash and bank balances	7	111		4,949	
			111		7,322
Total assets			111		123,672
Liabilities:					
Investment liabilities			-		(1,628)
Bank overdrafts	7	(5)		-	
Creditors	8	(106)		(1,376)	
Distribution payable		-		(3)	
			(111)		(1,379)
Total liabilities			(111)		(3,007)
Net assets attributable to shareholders			-		120,665

Notes to the Financial Statements

1 Net Capital Losses

	2023 £'000	2022 £'000
Non-derivative securities	(17,902)	(19,859)
Derivative contracts	31	(293)
Forward currency contracts	(96)	(75)
Other (losses)/gains	(19)	14
Transaction charges	(8)	(8)
Net capital losses	(17,994)	(20,221)

2 Revenue

	2023 £'000	2022 £'000
Bank and margin interest	25	3
Interest on debt securities	2,090	1,181
Stocklending revenue	-	2
Total revenue	2,115	1,186

3 Expenses

	2023 £'000	2022 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	110	170
General administration charge	74	100
	184	270
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	2	3
	2	3
Total expenses	186	273

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £11,700 (2022: £10,860).

Notes to the Financial Statements

Continued

4 Taxation

	2023 £'000	2022 £'000
(a) Analysis of charge in year		
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:

Net revenue before taxation	1,925	895
Corporation tax at 20% (2022: 20%)	385	179
Effects of:		
Distributions treated as tax deductible	(385)	(179)
Total tax charge for year (note 4a)	-	-

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
Interim distribution	1,093	327
Special distribution	971	-
Final distribution	-	585
	2,064	912
Add: Income deducted on cancellation of shares	16	31
Deduct: Income received on issue of shares	(157)	(48)
Total distributions for the year	1,923	895
Movement between net revenue and distributions		
Net revenue after taxation	1,925	895
Undistributed revenue carried forward	(2)	-
Total distributions for the year	1,923	895

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	-	521
Amounts receivable from the ACD for the issue of shares	-	1,852
Total debtors	-	2,373

7 Liquidity

	2023 £'000	2022 £'000
Cash and bank balances		
Cash at bank	111	3,075
Cash at broker	-	1,084
Collateral cash pledged to counterparties [~]	-	790
	111	4,949
Bank overdrafts		
Overdraft at bank	(5)	-
	(5)	-
Net liquidity	106	4,949

[~] 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	-	20
Accrued expenses payable to the Depositary or associates of the Depositary	-	1
Amounts payable on termination	106	27
Purchases awaiting settlement	-	1,328
Total creditors	106	1,376

9 Related Party Transactions

abrtn 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 abrtn Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to abrtn 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

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
Trades in the year				
Bonds	108,491	166,865	81,440	170,408
Inspecie transactions	-	-	124,887	-
Trades in the year before transaction costs	108,491	166,865	206,327	170,408
Total net trades in the year after transaction costs	108,491	166,865	206,327	170,408

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 0.00% (2022: 0.16%), 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
A Accumulation	305,584	12,595	(302,923)	(15,256)	-
A Income	446,082	14,210	(441,373)	(18,919)	-
I Accumulation	40,708,099	5,894,943	(46,617,550)	14,508	-
I Income	261,522	170,029	(454,465)	22,914	-
M Accumulation	903	-	(903)	-	-
M Income	915	-	(915)	-	-
P Income	7,959	-	(7,959)	-	-
Q Income	9,224	-	(9,224)	-	-
Z Accumulation	46,781,133	21,269,425	(68,050,558)	-	-

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	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	-	-	-	113,008	2,763	-
Derivatives	-	-	-	120	459	-
Total investment assets	-	-	-	113,128	3,222	-
Fair value of investment liabilities						
Derivatives	-	-	-	(490)	(1,138)	-
Total investment liabilities	-	-	-	(490)	(1,138)	-

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.

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
Currency				
UK Sterling	(5)	-	(106)	(111)
Australian Dollar	1	-	-	1
Euro	110	-	-	110
Total	106	-	(106)	-

Notes to the Financial Statements

Continued

2022	Floating rate financial assets/ (liabilities) £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
Currency				
UK Sterling	4,026	114,828	1,784	120,638
Australian Dollar	156	-	(79)	77
Euro	(31)	943	(903)	9
US Dollar	115	-	(174)	(59)
Total	4,266	115,771	628	120,665

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 fund closed on 12 May 2023, therefore VaR is not presented for the year to 31 July 2023. The table below indicates the VaR of the fund, measured as the maximum month one 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.

2022	Minimum	Maximum	Average
VaR 99% 1 Month	4.75%	5.70%	5.07%

Counterparty risk

Credit quality of debt security investment assets

The Fund closed on 12 May 2023 and held no investments at the period end. The following table shows the credit quality of the part of the investment portfolio that is invested in debt securities.

2022	Market value £'000	Percentage of total net assets %
Investment grade securities	115,771	95.94%
Below investment grade securities	-	-
Unrated securities	-	-
Total value of securities	115,771	95.94%

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.

The fund closed on 12 May 2023 and held no derivatives at the year end.

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
Leveraged instruments				
Forward currency contracts	-	-	1,830	5
Futures	-	-	34,829	(370)
Swaps	-	-	47,050	(684)
Total market exposure	-	-	83,709	(1,049)

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.

The fund closed on 12 May 2023 and held no derivatives at the year end.

At the prior year end the fund had the following clearing broker exposure.

2022	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
Broker or exchange exposure					
Bank of America Merrill Lynch	(370)	1,084	-	714	0.59
	(370)	1,084	-	714	0.59

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.

The fund receives 85% of the revenue returns from stock lending. The gross earnings for the year are £Nil (2022: £2,000) and expenses paid to the lending agent, Securities Finance Trust Company, are £Nil (2022: £Nil).

At the prior year end the fund had the following clearing broker exposure.

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)
Barclays	(410)	(3)	440	-	27
BNP Paribas	(34)	-	-	-	(34)
Citigroup	(104)	12	110	-	18
Goldman Sachs	(34)	-	120	-	86
JP Morgan	(102)	-	120	-	18
Royal Bank of Canada	-	(2)	-	-	(2)
StateStreet	-	(1)	-	-	(1)
Total	(684)	5	790	-	111

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

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
Derivatives					
Non-derivatives					
Other creditors	-	(106)	-	-	(106)
Bank overdrafts	(5)	-	-	-	(5)
Total financial liabilities	(5)	(106)	-	-	(111)

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
Derivatives					
Investment liabilities	-	(501)	(560)	(567)	(1,628)
Non-derivatives					
Other creditors	-	(1,376)	-	-	(1,376)
Distribution payable	-	(3)	-	-	(3)
Total financial liabilities	-	(1,880)	(560)	(567)	(3,007)

Distribution Tables

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

Interim interest distribution

Group 1 – shares purchased prior to 1 August 2022

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

	Revenue	Equalisation	Distribution paid 28/04/23	Distribution paid 29/04/22
A Accumulation				
Group 1	0.8394	-	0.8394	-
Group 2	0.6413	0.1981	0.8394	-
A Income				
Group 1	0.6336	-	0.6336	-
Group 2	0.1941	0.4395	0.6336	-
I Accumulation				
Group 1	1.2737	-	1.2737	0.4463
Group 2	0.5790	0.6947	1.2737	0.4463
I Income				
Group 1	0.7551	-	0.7551	0.2664
Group 2	0.4257	0.3294	0.7551	0.2664
M Accumulation				
Group 1	-	-	-	0.2149
Group 2	-	-	-	0.2149
M Income				
Group 1	-	-	-	0.2121
Group 2	-	-	-	0.2121
P Income				
Group 1	0.9507	-	0.9507	0.3198
Group 2	0.9507	-	0.9507	0.3198
Q Income				
Group 1	0.9840	-	0.9840	0.3635
Group 2	0.9840	-	0.9840	0.3635
Z Accumulation				
Group 1	0.8503	-	0.8503	0.3841
Group 2	0.3987	0.4516	0.8503	0.3841

Distribution Tables

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

Special interest distribution

Group 1 – shares purchased prior to 1 February 2023

Group 2 – shares purchased between 1 February 2023 and 12 May 2023

	Revenue	Equalisation	Distribution paid 12/07/2023
A Accumulation			
Group 1	0.8442	-	0.8442
Group 2	0.3759	0.4683	0.8442
A Income			
Group 1	0.6342	-	0.6342
Group 2	0.2936	0.3406	0.6342
I Accumulation			
Group 1	1.1000	-	1.1000
Group 2	0.7339	0.3661	1.1000
I Income			
Group 1	0.6460	-	0.6460
Group 2	0.3095	0.3365	0.6460
M Accumulation			
Group 1	-	-	-
Group 2	-	-	-
M Income			
Group 1	-	-	-
Group 2	-	-	-
P Income			
Group 1	0.8188	-	0.8188
Group 2	0.8188	-	0.8188
Q Income			
Group 1	-	-	-
Group 2	-	-	-
Z Accumulation			
Group 1	0.7047	-	0.7047
Group 2	0.0279	0.6768	0.7047

Distribution Tables

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

Final interest distribution

Group 1 – shares purchased prior to 13 May 2023

Group 2 – shares purchased between 13 May 2023 and 31 July 2023

	Revenue	Equalisation	Distribution paid 31/10/23	Distribution paid 31/10/22
A Accumulation				
Group 1	-	-	-	0.2646
Group 2	-	-	-	0.2646
A Income				
Group 1	-	-	-	0.2007
Group 2	-	-	-	0.2007
I Accumulation				
Group 1	-	-	-	0.7785
Group 2	-	-	-	0.7785
I Income				
Group 1	-	-	-	0.4636
Group 2	-	-	-	0.4636
M Accumulation				
Group 1	-	-	-	0.5185
Group 2	-	-	-	0.5185
M Income				
Group 1	-	-	-	0.4909
Group 2	-	-	-	0.4909
P Income				
Group 1	-	-	-	0.5774
Group 2	-	-	-	0.5774
Q Income				
Group 1	-	-	-	0.6172
Group 2	-	-	-	0.6172
Z Accumulation				
Group 1	-	-	-	0.5672
Group 2	-	-	-	0.5672

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 (AAM) UK Smaller Companies Fund (closed)

For the year ended 31 July 2023

Investment Objective

To generate growth over the long term (5 years or more) by investing in UK smaller capitalisation equities (company shares).

Performance Target: To achieve the return of the Numis Smaller Companies Plus AIM excluding Investment Companies Index plus 3% 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 will invest at least 60% in smaller capitalisation equities and equity related securities of companies listed, incorporated or domiciled in the UK or companies that derive a significant proportion of their revenues or profits from UK operations or have a significant proportion of their assets there.
- Smaller capitalisation companies are defined as any stock having a market capitalisation less than the 10th percentile stock of the overall UK equity market.
- The fund may also invest in mid and larger capitalisation companies listed, incorporated or domiciled in 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 diverse asset mix at sector and stock level.
- Their primary focus is on stock selection using the management team's quality, growth and momentum approach. It aims to identify companies that show a range of high quality characteristics, operate in growing markets and display positive business momentum.

- In seeking to achieve the Performance Target, the Numis Smaller Companies Plus AIM excluding Investment Companies 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 index.
- Please note: The fund's ability to buy and sell small and mid-capitalisation shares and the associated costs can be affected during periods of market stress. In certain circumstances investors in the fund may not be able to sell their investment when they want to.

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.

Performance Review

For the period ended 23 June 2023, the value of abrdn (AAM) UK Smaller Companies Fund – I Accumulation Shares decreased by 13.67% compared to a decrease of 7.51% in the performance target, the Numis Smaller Companies Plus AIM excluding Investment Companies Index.

Source: Lipper; Basis: total return, published NAV to NAV, net of annual charges, UK net income reinvested, GBP.

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.

abrdn (AAM) UK Smaller Companies Fund (closed)

Continued

Market Review

UK small-cap equities declined over the period due to persistently high inflation, rising interest rates and concerns about economic growth. After falls at the end of summer 2022, equity prices recovered in October and November after Liz Truss, Boris Johnson's successor as prime minister, resigned in the wake of a disastrous mini-Budget that had caused a spike in UK bond yields. China's reopening towards the end of the year following the end of its zero-Covid policy also boosted sentiment and commodity prices.

At the start of 2023, hopes rose that central banks would soon be able to end their programme of interest-rate hikes, but turbulence returned to global markets in March following the collapse of US-based Silicon Valley Bank and a loss of confidence in Switzerland's Credit Suisse. Intervention from financial regulators helped to avert a more serious liquidity crisis. While equities in Europe and the US subsequently staged a strong recovery, this was driven to a significant extent by gains in the type of technology stocks which represent a smaller share of the UK market.

Annual inflation in Britain peaked at 11.1% in October, a 40-year high. Although the pace of price rises in the UK slowed in the months that followed, inflation remained well above the 2% Bank of England (BoE) target throughout the period, with the Consumer Prices Index figure for June 2023 standing at 7.9%. The BoE raised interest rates on eight occasions during the 12 months, taking the base rate to 5%. With inflation in Britain remaining considerably higher than in other major European markets as well as the US, investors in the UK became resigned to further tightening of monetary policy in 2023, and feared a significant impact on domestic economic growth.

Portfolio Activity and Review

On a stock-specific basis, the fund's holding in Future weighed on returns after its shares fell in response to the expectation that the challenging audience trends seen in the first half of the 2023 would continue in the months ahead. Concerns on AI also drove shares down, compounded by management change. Focusrite also detracted, with consumer spending under pressure following a strong Covid period. The company also suffered from the timing of its new product range while attempting to clear existing stock in a challenging market environment. Shares in Telecom Plus declined on concerns about the company's trading outlook as the energy market normalised, however their growth outlook was reassuring. Marshalls was also negative after facing downgrades from its exposure to residential property markets and discretionary spending.

Conversely, 4imprint Group added to returns as a result of further earnings upgrades over the period, with exceptional organic growth driven by investment in the company's marketing operations. Hollywood Bowl Group was another significant contributor to performance after posting strong trading updates and continuing to generate cash to be returned to shareholders. Bytes Technology Group also boosted returns in the wake of a positive earnings update, with the company announcing plans to pay a special dividend thanks to strong trading momentum and a confident outlook. Finally, shares in Alpha Financial Markets Consulting held up well after successive trading statements showed ongoing acceleration in growth across all divisions and geographies. The firm also managed its CEO succession well.

In terms of activity, we added Smart Metering Systems, a leader in the UK energy infrastructure market with a well-understood smart-meter business that generates inflation-linked revenue. We also introduced Coats Group due to our confidence in the medium-term dominance of this market leader, and initiated holdings in engineering consultant Ricardo and recruitment company FDM. The fund also took new positions in Spirent Communications, Craneware and Paragon Banking Group, and we added to existing holdings in Telecom Plus, Serica Energy and Tatton Asset Management, among others.

On the sell side, we removed Alliance Pharma in the wake of another disappointing update. This business had not proved to be as reliable as we had hoped. We exited Inspects Group, which was weak on softening demand in consumer markets such as Germany, as well as due to problems in its manufacturing operations. We also sold out of Moonpig Group, where we had been disappointed by a lack of progress on gift-attach rates, and Seraphine Group, among others.

Portfolio Outlook and Strategy

The fund closed on 23 June 2023.

Smaller Companies Equity Team

August 2023

abrdn (AAM) UK Smaller Companies Fund (closed)

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 23 June 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 shares of small and mid-cap companies may be less liquid and more volatile than those of larger companies.
- 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 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

A Accumulation^A	2023	2022	2021
	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	439.68	576.75	401.48
Return before operating charges*	(57.93)	(130.28)	181.60
Operating charges	(4.55)	(6.79)	(6.33)
Return after operating charges*	(62.48)	(137.07)	175.27
Distributions	-	(1.36)	-
Retained distributions on accumulation shares	-	1.36	-
Redemption value as at 23 June 2023	(377.20)	-	-
Closing net asset value per share	-	439.68	576.75
* after direct transaction costs of:	0.31	0.43	0.48
Performance			
Return after charges	(14.21%)	(23.77%)	43.66%
Other information			
Closing net asset value (£'000)	-	47,480	66,687
Closing number of shares	-	10,798,722	11,562,452
Operating charges	1.29%	1.29%	1.30%
Direct transaction costs	0.08%	0.08%	0.10%
Prices			
Highest share price	440.4	621.9	575.3
Lowest share price	352.5	394.6	404.8

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.

^A A Accumulation share class was closed on 23 June 2023.

Comparative Tables

Continued

I Accumulation ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	235.96	308.14	213.53
Return before operating charges*	(31.11)	(69.82)	96.83
Operating charges	(1.60)	(2.36)	(2.22)
Return after operating charges*	(32.71)	(72.18)	94.61
Distributions	-	(2.02)	(1.07)
Retained distributions on accumulation shares	-	2.02	1.07
Redemption value as at 23 June 2023	(203.25)	-	-
Closing net asset value per share	-	235.96	308.14
* after direct transaction costs of:	0.17	0.23	0.26
Performance			
Return after charges	(13.86%)	(23.42%)	44.31%
Other information			
Closing net asset value (£'000)	-	38,366	49,582
Closing number of shares	-	16,259,085	16,090,687
Operating charges	0.84%	0.84%	0.85%
Direct transaction costs	0.08%	0.08%	0.10%
Prices			
Highest share price	236.4	332.4	307.3
Lowest share price	189.3	211.7	215.3

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.

^A I Accumulation share class was closed on 23 June 2023.

Comparative Tables

Continued

K Accumulation ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	162.59	212.16	146.91
Return before operating charges*	(21.45)	(48.08)	66.61
Operating charges	(1.00)	(1.49)	(1.36)
Return after operating charges*	(22.45)	(49.57)	65.25
Distributions	-	(1.53)	(0.86)
Retained distributions on accumulation shares	-	1.53	0.86
Redemption value as at 23 June 2023	(140.14)	-	-
Closing net asset value per share	-	162.59	212.16
* after direct transaction costs of:	0.12	0.16	0.17
Performance			
Return after charges	(13.81%)	(23.36%)	44.41%
Other information			
Closing net asset value (£'000)	-	259	408
Closing number of shares	-	159,494	192,511
Operating charges	0.77%	0.76%	0.78%
Direct transaction costs	0.08%	0.08%	0.10%
Prices			
Highest share price	162.9	228.9	211.6
Lowest share price	130.5	145.9	148.1

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.

^A K Accumulation share class was closed on 23 June 2023.

Comparative Tables

Continued

M Accumulation ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	131.20	171.41	118.84
Return before operating charges*	(17.30)	(38.82)	53.87
Operating charges	(0.94)	(1.39)	(1.30)
Return after operating charges*	(18.24)	(40.21)	52.57
Distributions	-	(1.04)	(0.51)
Retained distributions on accumulation shares	-	1.04	0.51
Redemption value as at 23 June 2023	(112.96)	-	-
Closing net asset value per share	-	131.20	171.41
* after direct transaction costs of:	0.09	0.13	0.14
Performance			
Return after charges	(13.90%)	(23.46%)	44.24%
Other information			
Closing net asset value (£'000)	-	97	129
Closing number of shares	-	73,860	75,433
Operating charges	0.89%	0.89%	0.90%
Direct transaction costs	0.08%	0.08%	0.10%
Prices			
Highest share price	131.4	184.9	171.0
Lowest share price	105.3	117.7	119.8

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.

^A M Accumulation share class was closed on 23 June 2023.

Comparative Tables

Continued

Z Accumulation ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	555.12	719.48	494.86
Return before operating charges*	(73.34)	(163.78)	225.22
Operating charges	(0.41)	(0.58)	(0.60)
Return after operating charges*	(73.75)	(164.36)	224.62
Distributions	-	(9.69)	(7.02)
Retained distributions on accumulation shares	-	9.69	7.02
Redemption value as at 23 June 2023	(481.37)	-	-
Closing net asset value per share	-	555.12	719.48
* after direct transaction costs of:	0.40	0.54	0.60
Performance			
Return after charges	(13.29%)	(22.84%)	45.39%
Other information			
Closing net asset value (£'000)	-	1,256	3,313
Closing number of shares	-	226,357	460,403
Operating charges	0.09%	0.09%	0.10%
Direct transaction costs	0.08%	0.08%	0.10%
Prices			
Highest share price	556.3	778.0	717.6
Lowest share price	446.1	497.6	499.0

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.

^A Z Accumulation share class was closed on 23 June 2023.

Portfolio Statement

As at 31 July 2023

Holding	Investment	Market value £'000	Percentage of total net assets
UK Equities (94.22%)		-	-
Basic Materials (1.65%)		-	-
Consumer Discretionary (21.36%)		-	-
687,400	Patisserie*	-	-
Consumer Staples (5.57%)		-	-
Energy (1.32%)		-	-
Financials (8.99%)		-	-
18,769	HIE Ventures*	-	-
Health Care (3.51%)		-	-
Industrials (24.50%)		-	-
Real Estate (4.71%)		-	-
Technology (17.46%)		-	-
Telecommunications (5.15%)		-	-
Collective Investment Schemes (2.78%)		-	-
Total investment assets		-	-
Net other assets		-	-
Total Net Assets		-	-

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

* Delisted.

Financial Statements

Statement of Total Return

For the year ended 31 July 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(12,959)		(29,422)
Revenue	2	1,642		1,742	
Expenses	3	(707)		(1,159)	
Interest payable and similar charges		(3)		-	
Net revenue before taxation		932		583	
Taxation	4	(33)		(62)	
Net revenue after taxation			899		521
Total return before distributions			(12,060)		(28,901)
Distributions	5		(903)		(521)
Change in net assets attributable to shareholders from investment activities			(12,963)		(29,422)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2023

	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		87,458		120,119
Amounts receivable on the issue of shares	1,934		12,993	
Amounts payable on the cancellation of shares	(11,386)		(16,752)	
Amounts payable on inspecie transfers*	(65,936)		-	
		(75,388)		(3,759)
Dilution adjustment		18		11
Change in net assets attributable to shareholders from investment activities (see above)		(12,963)		(29,422)
Retained distribution on accumulation shares		875		509
Closing net assets attributable to shareholders		-		87,458

* Relating to an inspecie transfer to abrdn UK Smaller Companies Fund on 23 June 2023.

Financial Statements

Continued

Balance Sheet

As at 31 July 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			-		84,837
Current assets:					
Debtors	6	23		695	
Cash and bank balances	7	167		2,236	
			190		2,931
Total assets			190		87,768
Liabilities:					
Creditors	8	(190)		(310)	
			(190)		(310)
Total liabilities			(190)		(310)
Net assets attributable to shareholders			-		87,458

Notes to the Financial Statements

1 Net Capital Losses

	2023 £'000	2022 £'000
Non-derivative securities	(12,954)	(29,415)
Other losses	-	(4)
Transaction charges	(5)	(3)
Net capital losses	(12,959)	(29,422)

2 Revenue

	2023 £'000	2022 £'000
Bank and margin interest	16	14
Overseas dividends	112	213
UK dividends	1,496	1,470
UK REIT	18	45
Total revenue	1,642	1,742

3 Expenses

	2023 £'000	2022 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	652	1,068
General administration charge	53	88
	705	1,156
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	2	3
	2	3
Total expenses	707	1,159

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £9,120 (2022: £8,460).

Notes to the Financial Statements

Continued

4 Taxation

	2023 £'000	2022 £'000
(a) Analysis of charge in year		
Overseas taxes	33	62
Total taxation (note 4b)	33	62

(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:

Net revenue before taxation	932	583
Corporation tax at 20% (2022: 20%)	187	117
Effects of:		
Revenue not subject to taxation	(322)	(336)
Overseas taxes	33	62
Excess allowable expenses	135	219
Total tax charge for year (note 4a)	33	62

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 £7,045,000 (2022: £6,910,000) 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	278	59
Special distribution	597	-
Final distribution	-	450
	875	509
Add: Income deducted on cancellation of shares	47	24
Deduct: Income received on issue of shares	(19)	(12)
Total distributions for the year	903	521

Notes to the Financial Statements

Continued

	2023 £'000	2022 £'000
Movement between net revenue and distributions		
Net revenue after taxation	899	521
Undistributed revenue carried forward	4	-
Total distributions for the year	903	521

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

6 Debtors

	2023 £'000	2022 £'000
Accrued revenue	23	289
Amounts receivable from the ACD for the issue of shares	-	388
Sales awaiting settlement	-	18
Total debtors	23	695

7 Liquidity

	2023 £'000	2022 £'000
Cash and bank balances		
Cash at bank	167	2,236
	167	2,236
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	-	2,436
Net liquidity	167	4,672

* 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	-	74
Amounts payable to the ACD for cancellation of shares	-	144
Amounts payable on termination	190	-
Purchases awaiting settlement	-	92
Total creditors	190	310

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	12,213	24,825	81,717	30,391
Corporate actions	-	172	-	-
Trades in the year before transaction costs	12,213	24,997	81,717	30,391
Commissions				
Equities	7	18	(14)	(23)
Total commissions	7	18	(14)	(23)
Taxes				
Equities	34	47	-	-
Total taxes	34	47	-	-
Total transaction costs	41	65	(14)	(23)
Total net trades in the year after transaction costs	12,254	25,062	81,703	30,368
	Purchases		Sales	
	2023	2022	2023	2022
	%	%	%	%
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.06	0.07	0.02	0.08
Taxes				
Equities	0.28	0.19	-	-

Notes to the Financial Statements

Continued

	2023 %	2022 %
Total transaction costs expressed as a percentage of net asset value		
Commissions	0.03	0.04
Taxes	0.05	0.04

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 0.00% (2022: 1.31%), 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
A Accumulation	10,798,722	25,139	(9,924,920)	(898,941)	-
I Accumulation	16,259,085	832,720	(18,764,140)	1,672,335	-
K Accumulation	159,494	751	(160,245)	-	-
M Accumulation	73,860	468	(74,328)	-	-
Z Accumulation	226,357	344	(226,701)	-	-

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	-	-	-	82,401	-	-
Collective Investment Schemes	-	-	-	-	2,436	-
Total investment assets	-	-	-	82,401	2,436	-

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.

Notes to the Financial Statements

Continued

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 July 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 £Nil (2022: £4,242,000).

Financial derivatives instrument risk

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

Bilateral agreements

The fund receives 85% of the revenue returns from stock lending. The gross earnings for the year are £Nil (2022: £Nil) and expenses paid to the lending agent, Securities Finance Trust Company, are £Nil (2022: £Nil).

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2023 £190,000 (2022: £310,000).

Distribution Tables

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

Interim dividend distribution

Group 1 – shares purchased prior to 1 August 2022

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

	Revenue	Equalisation	Distribution paid 28/04/23	Distribution paid 29/04/22
A Accumulation				
Group 1	1.0261	-	1.0261	-
Group 2	0.7407	0.2854	1.0261	-
I Accumulation				
Group 1	1.0371	-	1.0371	0.2658
Group 2	0.5079	0.5292	1.0371	0.2658
K Accumulation				
Group 1	0.7706	-	0.7706	0.2596
Group 2	0.3360	0.4346	0.7706	0.2596
M Accumulation				
Group 1	0.5465	-	0.5465	0.1002
Group 2	0.2299	0.3166	0.5465	0.1002
Z Accumulation				
Group 1	4.3540	-	4.3540	3.3902
Group 2	2.2786	2.0754	4.3540	3.3902

Distribution Tables

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

Special dividend distribution

Group 1 – shares purchased prior to 1 February 2023

Group 2 – shares purchased between 1 February 2023 and 22 June 2023

	Revenue	Equalisation	Distribution paid 23/08/23
A Accumulation			
Group 1	3.0915	-	3.0915
Group 2	2.2665	0.8250	3.0915
I Accumulation			
Group 1	2.0342	-	2.0342
Group 2	1.3749	0.6593	2.0342
K Accumulation			
Group 1	6.2683	-	6.2683
Group 2	5.1311	1.1372	6.2683
M Accumulation			
Group 1	1.4447	-	1.4447
Group 2	0.7544	0.6903	1.4447
Z Accumulation			
Group 1	1.1072	-	1.1072
Group 2	0.5684	0.5388	1.1072

Distribution Tables

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

Final dividend distribution

Group 1 – shares purchased prior to 23 June 2023

Group 2 – shares purchased between 23 June 2023 and 31 July 2023

	Revenue	Equalisation	Distribution paid 31/10/23	Distribution paid 31/10/22
A Accumulation				
Group 1	-	-	-	1.3625
Group 2	-	-	-	1.3625
I Accumulation				
Group 1	-	-	-	1.7565
Group 2	-	-	-	1.7565
K Accumulation				
Group 1	-	-	-	1.2739
Group 2	-	-	-	1.2739
M Accumulation				
Group 1	-	-	-	0.9422
Group 2	-	-	-	0.9422
Z Accumulation				
Group 1	-	-	-	6.2950
Group 2	-	-	-	6.2950

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 Asia Pacific and Japan Equity Fund (closed)

For the year ended 31 July 2023

Investment Objective

To generate growth over the long term (5 years or more) by investing in Asia Pacific, including Japan equities (company shares).

Performance Target: To achieve the return of the MSCI AC Asia Pacific Index plus 3% 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 equities and equity related securities of companies listed, incorporated or domiciled in Asia Pacific including Japan countries, or companies that derive a significant proportion of their revenues or profits or have a significant proportion of their assets there.
- 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, sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the Performance Target, the MSCI AC Asia Pacific 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 exceed 12.5%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the MSCI AC Asia Pacific 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.

Performance Review

For the period ended 12 May 2023, the value of abrdrn Asia Pacific and Japan Equity Fund - I Accumulation Shares decreased by 4.64% compared to an increase of 2.40% in the performance target, the MSCI AC Asia Pacific Index.

Source: Lipper; Basis: total return, published NAV to NAV, net of annual charges, UK net income reinvested, GBP.

Source: MSCI. The MSCI information may only be used for your internal use, may not be reproduced or redisseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis forecast or prediction. The MSCI information is provided on an 'as is' basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the 'MSCI Parties') expressly disclaims all warranties (including without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages (www.msci.com).

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.

Market Review

Asia Pacific markets ended the period under review flat overall, but there were some significant swings in sentiment along the way due to a range of factors. A faster-than-anticipated reopening of the Chinese economy by the mainland authorities, followed quickly by an ending of restrictions in Hong Kong, led markets across the region to rally on expectations of a strong recovery in demand for everything from consumer electronics to travel and commodities. The buoyant mood continued until concerns over inflation, the US Federal Reserve's (Fed) policy trajectory and the risk of a recession began to weigh on sentiment.

The policy tightening bias was also evident in Asian countries, with Indonesia and the Philippines raising interest rates. Worries over Chinese President Xi Jinping's power consolidation also had an impact as he filled the country's leadership team with close allies while securing

abrdrn Asia Pacific and Japan Equity Fund (closed)

Continued

an unprecedented third term in office. Signs of a patchy recovery in China emerged, although first-quarter GDP of 4.5% was better than expected. The Fed's long series of policy rate increases contributed to stresses in the banking system in the US and then Europe, with banking stocks in the West and developed Asia bearing the brunt of weak investor sentiment.

In Japan, the central bank (BoJ) maintained its policy of low interest rates despite inflation rising to a 41-year high and weakness in the yen. However, the BoJ made an adjustment in its bond yield policy towards the end of 2022 and there was speculation that a change in governor towards the end of the period might lead the BoJ to make more significant changes to its policies. Elsewhere, the markets in Singapore and Thailand outperformed the wider region, while Indonesian stocks got a boost from positive comments from Bank Indonesia which highlighted increasing domestic demand and exports.

Portfolio Activity and Review

The fund underperformed the benchmark in the period with stock selection in China and Japan the main factors weighing on performance relative to the index. Conversely, stock selection in India and Hong Kong proved positive.

More broadly, the fund has also faced style headwinds, with the value style continuing to outperform. Broadly, quality remains out of favour in Asia, with any results blip being punished, even in cases when the overall earnings were in line with market expectations. That being said, adjustments that we have made to the portfolio since 2022 have generally been additive, as we have focused on near term earnings visibility and higher conviction holdings. As the economic outlook becomes more uncertain, we expect investors to prize consistent earnings delivery, and equally punish misses. China has been a major drag on performance, but it also represents a unique opportunity globally as its economy rebounds from years of Covid-related restrictions. Therefore, China is a special case – though it has been a notable underperformer this year, it also has the potential to recover while the rest of the global economy slows down. We still see significant potential for China's economy and market to spring back, given that much of the bad news has been priced in while a fundamental recovery is gathering pace.

Looking more closely at China, the country's reopening led to expectations of a substantial rise in demand for everything from consumer electronics to travel and commodities. That initially gave a boost to the stock market in China, but consumption recovery was uneven and fell short of the market's high expectations. Many of our Chinese consumer-focused names underperformed,

including luxury automobile retailer Zhongsheng Group China and Tourism Group Duty Free, which was beaten down due to slower-than-expected holiday sales in Hainan. Fears about cyclical weakness in the e-commerce sector affected JD.com, although later in the period it recovered some of the lost ground after announcing a new strategy and improving sentiment on the regulatory front. Yunnan Energy New Material's shares weakened substantially following the announcement of a probe into the chairman and vice chairman. We sought the views of industry experts and decided the best route was to sit on the sidelines. Within the same sector, Longi Green Energy Technology also detracted over the period.

Encouragingly, it is worth noting that consumption recovery in China is still happening, only at a slower pace than anticipated. Sectors such as restaurant services, automotive sales and online retail were resilient whilst tourism recovered well. Policy measures also remain supportive. At the July 2023 Politburo meeting, the Chinese government signalled efforts to boost consumption, support housing demand, improve China's capital markets and resume private sector confidence and investments. Thus, we anticipate the consumption recovery to come through as consumer confidence is gradually restored and expect our holdings to re-rate with time.

In Japan, not holding Mitsubishi UFJ Financial Group (MUFG) for part of the period proved costly as its share price outperformed the financials sector. However, we subsequently introduced a position in MUFG, which is the largest banking group in Japan, into the portfolio. Our holding in medical device maker Olympus also weighed on performance given near-term concerns about cost inflation and the delay of new product launches.

Although our financial stocks detracted from performance in overall terms there were some notable exceptions. Bank Central Asia, which has a strong balance sheet, benefited from the Indonesian central bank's interest rate increases, and Singapore-based DBS both made positive contributions due to expectations that it would deliver sequential growth in its profit margins.

The mining sector made the biggest contribution to performance in the period. Australia's OZ Minerals was the top performer after it received a takeover bid from BHP and approval for a large copper and nickel project in Western Australia. We subsequently sold our stake in OZ Minerals. South Korea's LG Chem benefited from expectations that China's reopening would boost demand in the company's core petrochemicals business. In the same sector, Shin-Etsu Chemical rose on better-than-expected results and hopes that end-demand for semiconductor wafers had bottomed out.

abrdn Asia Pacific and Japan Equity Fund (closed)

Continued

In key portfolio activity, the prevailing style trends have presented a challenge for our fund. We have adapted the portfolio in several ways over 2022 and in 2023 but have resisted making wholesale changes and in some cases, we believe that sticking with our favoured long-term positioning has proved to be the right call. We expect our positioning to be more appreciated by the market in the second half of 2023.

In line with that, we added to companies where we had more visibility over higher near-term earnings. We added a new position in Aier Eye Hospital, China's largest domestic private eyecare hospital chain. Demand for its services is supported by the ageing population, rising living standards and government policies to improve the accessibility and standards of drugs and healthcare. We also introduced Meituan, which operates a food delivery and local services app in China and is uniquely placed to benefit from China's shift towards a service-driven economy with more services moving online. We regard it as a long-term growth story. We participated in the Hong Kong IPO of China Tourism mainly due to the attractive discount on offer. It is the largest duty-free operator in China and its scale provides stronger bargaining power with the potential for higher profit margins. We also added a position in Telkom Indonesia, the dominant telecommunications operator in Indonesia, whose growth is driven by the greater use of data, the roll out of 5G services, and the rising penetration of broadband. Finally, we bought a stake in MUFG, as mentioned above.

Against these, we exited our position in Shenzhen Inovance Technology due to rising raw material and freight costs weighing heavily on its profit margins. We also sold out of Techtronic Industries and Nippon Sanso in view of better opportunities elsewhere, as well as Yunnan Energy New Material and OZ Minerals, as mentioned above.

Portfolio Outlook and Strategy

The fund closed on 12 May 2023.

Asia Pacific Equity Team

August 2023

abrdn Asia Pacific and Japan Equity Fund (closed)

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 12 May 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 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 fund may invest in companies with Variable Interest Entity (VIE) structures in order to gain exposure to industries with foreign ownership restrictions. There is a risk that investments in these structures may be adversely affected by changes in the legal and regulatory framework.
- 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.
- 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

A Accumulation^A	2023	2022	2021
	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	278.99	310.50	267.00
Return before operating charges*	(10.72)	(27.51)	48.29
Operating charges	(2.87)	(4.00)	(4.79)
Return after operating charges*	(13.59)	(31.51)	43.50
Distributions	(0.99)	(0.88)	-
Retained distributions on accumulation shares	0.99	0.88	-
Redemption value as at 12 May 2023	(265.40)	-	-
Closing net asset value per share	-	278.99	310.50
* after direct transaction costs of:	0.53	0.21	0.24
Performance			
Return after charges	(4.87%)	(10.15%)	16.29%
Other information			
Closing net asset value (£'000)	-	25,890	31,915
Closing number of shares	-	9,279,825	10,278,606
Operating charges	1.32%	1.32%	1.54%
Direct transaction costs	0.19%	0.07%	0.07%
Prices			
Highest share price	296.7	336.1	346.2
Lowest share price	250.6	264.1	270.5

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.

^A A Accumulation share class was closed on 12 May 2023.

Comparative Tables

Continued

I Accumulation ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	189.52	209.97	179.75
Return before operating charges*	(7.32)	(18.66)	32.51
Operating charges	(1.28)	(1.79)	(2.29)
Return after operating charges*	(8.60)	(20.45)	30.22
Distributions	(1.34)	(1.54)	(0.97)
Retained distributions on accumulation shares	1.34	1.54	0.97
Redemption value as at 12 May 2023	(180.92)	-	-
Closing net asset value per share	-	189.52	209.97
* after direct transaction costs of:	0.36	0.14	0.16
Performance			
Return after charges	(4.54%)	(9.74%)	16.81%
Other information			
Closing net asset value (£'000)	-	74,817	88,758
Closing number of shares	-	39,477,688	42,271,003
Operating charges	0.87%	0.87%	1.09%
Direct transaction costs	0.19%	0.07%	0.07%
Prices			
Highest share price	202.0	227.5	233.6
Lowest share price	170.4	179.3	182.1

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.

^A I Accumulation share class was closed on 12 May 2023.

Comparative Tables

Continued

M Accumulation ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	127.38	141.20	120.94
Return before operating charges*	(4.91)	(12.55)	21.87
Operating charges	(0.91)	(1.27)	(1.61)
Return after operating charges*	(5.82)	(13.82)	20.26
Distributions	(0.85)	(0.97)	(0.58)
Retained distributions on accumulation shares	0.85	0.97	0.58
Redemption value as at 12 May 2023	(121.56)	-	-
Closing net asset value per share	-	127.38	141.20
* after direct transaction costs of:	0.24	0.10	0.11
Performance			
Return after charges	(4.57%)	(9.79%)	16.75%
Other information			
Closing net asset value (£'000)	-	223	173
Closing number of shares	-	175,446	122,711
Operating charges	0.92%	0.92%	1.14%
Direct transaction costs	0.19%	0.07%	0.07%
Prices			
Highest share price	135.7	153.0	157.1
Lowest share price	114.5	120.5	122.5

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.

^A M Accumulation share class was closed on 12 May 2023.

Portfolio Statement

As at 31 July 2023

Investment	Market value £'000	Percentage of total net assets
Equities (99.30%)	-	-
European Equities (1.47%)	-	-
Netherlands (1.47%)	-	-
Japanese Equities (30.57%)	-	-
Pacific Basin Equities (66.50%)	-	-
Australia (12.40%)	-	-
China (16.89%)	-	-
Hong Kong (5.46%)	-	-
India (9.38%)	-	-
Indonesia (1.59%)	-	-
Macau (0.44%)	-	-
New Zealand (0.55%)	-	-
Philippines (0.94%)	-	-
Singapore (2.81%)	-	-
South Korea (7.45%)	-	-
Taiwan (7.81%)	-	-
Thailand (0.78%)	-	-
UK Equities (0.76%)	-	-
Basic Materials (0.76%)	-	-
Total investment assets	-	-
Net other assets	-	-
Total Net Assets	-	-

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

Financial Statements

Statement of Total Return

For the year ended 31 July 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(4,835)		(12,523)
Revenue	2	1,462		1,977	
Expenses	3	(714)		(1,112)	
Interest payable and similar charges		(2)		-	
Net revenue before taxation		746		865	
Taxation	4	(195)		(175)	
Net revenue after taxation			551		690
Total return before distributions			(4,284)		(11,833)
Distributions	5		(612)		(722)
Change in net assets attributable to shareholders from investment activities			(4,896)		(12,555)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2023

	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		100,930		120,846
Amounts receivable on the issue of shares	6,808		22,935	
Amounts payable on the cancellation of shares	(15,322)		(30,988)	
Amounts payable on inspecie transfers*	(88,115)		-	
		(96,629)		(8,053)
Dilution adjustment		5		-
Change in net assets attributable to shareholders from investment activities (see above)		(4,896)		(12,555)
Retained distribution on accumulation shares		590		692
Closing net assets attributable to shareholders		-		100,930

* Relating to an inspecie transfer to abrdn Asia Pacific Equity Fund on 12 May 2023.

Financial Statements

Continued

Balance Sheet

As at 31 July 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			-		100,225
Current assets:					
Debtors	6	26		660	
Cash and bank balances		269		748	
			295		1,408
Total assets			295		101,633
Liabilities:					
Provisions for liabilities	7		-		(188)
Creditors	8	(295)		(515)	
			(295)		(515)
Total liabilities			(295)		(703)
Net assets attributable to shareholders			-		100,930

Notes to the Financial Statements

1 Net Capital Losses

	2023 £'000	2022 £'000
Non-derivative securities	(4,614)	(12,496)
Other (losses)/gains	(204)	1
Transaction charges	(17)	(28)
Net capital losses	(4,835)	(12,523)

2 Revenue

	2023 £'000	2022 £'000
Overseas dividends	1,274	1,663
Overseas REIT	8	15
Stocklending revenue	-	2
UK dividends	180	297
Total revenue	1,462	1,977

3 Expenses

	2023 £'000	2022 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	641	999
General administration charge	60	92
	701	1,091
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Revenue collection expenses	-	1
Safe custody fee	13	20
	13	21
Total expenses	714	1,112

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £9,120 (2022: £8,460).

Notes to the Financial Statements

Continued

4 Taxation

	2023 £'000	2022 £'000
(a) Analysis of charge in year		
Overseas taxes	128	143
Overseas capital gains tax	255	95
Total current tax	383	238
Deferred tax (note 4c)	(188)	(63)
Total taxation (note 4b)	195	175

(b) Factors affecting total tax charge for the year

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

Net revenue before taxation	746	865
Corporation tax at 20% (2022: 20%)	149	173
Effects of:		
Revenue not subject to taxation	(290)	(393)
Overseas taxes	128	143
Excess allowable expenses	141	220
Overseas capital gains tax	255	95
Deferred tax charge in statement of total return for year	(188)	(63)
Total tax charge for year (note 4a)	195	175

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

Provision at the start of the year	188	251
Deferred tax charge in statement of total return for year (note 4a)	(188)	(63)
Provision at the end of the year	-	188

(d) 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 £7,041,000 (2022: £6,900,000) 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.

Notes to the Financial Statements

Continued

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

	2023 £'000	2022 £'000
Special Distribution	590	-
Distribution	-	692
Add: Income deducted on cancellation of shares	55	71
Deduct: Income received on issue of shares	(33)	(41)
Total distributions for the year	612	722
Movement between net revenue and distributions		
Net revenue after taxation	551	690
Expenses charged to capital	(2)	-
Overseas capital gains tax on realised gains	255	95
Overseas deferred capital gains tax on unrealised gains	(188)	(63)
Undistributed revenue carried forward	(4)	-
Total distributions for the year	612	722

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

6 Debtors

	2023 £'000	2022 £'000
Accrued revenue	-	122
Overseas withholding tax recoverable	26	53
Sales awaiting settlement	-	485
Total debtors	26	660

7 Provisions for Liabilities

	2023 £'000	2022 £'000
The provisions for liabilities comprise:		
Overseas capital gains tax	-	188
Total provisions for liabilities	-	188

Notes to the Financial Statements

Continued

8 Creditors

	2023 £'000	2022 £'000
Accrued expenses payable to ACD	-	81
Accrued expenses payable to the Depositary or associates of the Depositary	-	3
Amounts payable to the ACD for cancellation of shares	-	431
Amounts payable on termination	295	-
Total creditors	295	515

9 Related Party Transactions

abrtn 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 abrtn Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to abrtn 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 £'000	2022 £'000	2023 £'000	2022 £'000
Trades in the year				
Equities	33,779	34,541	89,182	39,935
Inspecie transactions	-	-	40,296	-
Corporate actions	-	55	-	-
Trades in the year before transaction costs	33,779	34,596	129,478	39,935
Commissions				
Equities	14	17	(27)	(15)
Total commissions	14	17	(27)	(15)
Taxes				
Equities	20	12	(83)	(37)
Total taxes	20	12	(83)	(37)
Total transaction costs	34	29	(110)	(52)
Total net trades in the year after transaction costs	33,813	34,625	129,368	39,883

Notes to the Financial Statements

Continued

	Purchases		Sales	
	2023 %	2022 %	2023 %	2022 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.04	0.05	0.03	0.04
Taxes				
Equities	0.06	0.03	0.09	0.09
			2023 %	2022 %
Total transaction costs expressed as a percentage of net asset value				
Commissions			0.05	0.03
Taxes			0.14	0.04

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 0.00% (2022: 0.21%), 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
A Accumulation	9,279,825	2,257,565	(9,703,639)	(1,833,751)	-
I Accumulation	39,477,688	316,972	(42,489,862)	2,695,202	-
M Accumulation	175,446	1,263	(176,709)	-	-

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	-	-	-	100,225	-	-
Total investment assets	-	-	-	100,225	-	-

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
Australian Dollar	-	11,073
China Renminbi	13	9,261
Euro	2	1,484
Hong Kong Dollar	-	13,462
Indian Rupee	34	9,783
Indonesian Rupiah	-	1,603
Japanese Yen	-	30,887
Philippines Peso	9	948
Singapore Dollar	1	2,830
South Korean Won	16	7,544
Taiwan Dollar	28	8,172
Thai Baht	-	791
US Dollar	(23)	330
Total	80	98,168

At 31 July 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 £4,000 (2022: £4,908,000).

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 July 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 £Nil (2022: £5,011,000).

Notes to the Financial Statements

Continued

Financial derivatives instrument risk

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

Bilateral agreements

The fund receives 85% of the revenue returns from stock lending. The gross earnings for the year are £Nil (2022: £2,000) and expenses paid to the lending agent, Securities Finance Trust Company, are £Nil (2022: £Nil).

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2023 £295,000 (2022: £703,000).

Distribution Tables

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

Special dividend distribution

Group 1 – shares purchased prior to 1 August 2022

Group 2 – shares purchased between 1 August 2022 and 11 May 2023

	Revenue	Equalisation	Distribution paid 12/07/23
A Accumulation			
Group 1	0.9926	-	0.9926
Group 2	0.4904	0.5022	0.9926
I Accumulation			
Group 1	1.3383	-	1.3383
Group 2	0.5513	0.7870	1.3383
M Accumulation			
Group 1	0.8498	-	0.8498
Group 2	0.4185	0.4313	0.8498

Final dividend distribution

Group 1 – shares purchased prior to 12 May 2023

Group 2 – shares purchased between 12 May 2023 and 31 July 2023

	Revenue	Equalisation	Distribution paid 31/10/23	Distribution paid 31/10/22
A Accumulation				
Group 1	-	-	-	0.8791
Group 2	-	-	-	0.8791
I Accumulation				
Group 1	-	-	-	1.5411
Group 2	-	-	-	1.5411
M Accumulation				
Group 1	-	-	-	0.9675
Group 2	-	-	-	0.9675

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 European High Yield Bond Fund (closed)

For the year ended 31 July 2023

Investment Objective

To generate income and some growth over the long term (5 years or more) by investing in Sterling and Euro denominated sub-investment grade (high yield) corporate bonds.

Performance Target: To achieve the return of the ICE BofAML European Currency High Yield Constrained Index (Hedged to GBP) plus 1.25% 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 70% in Sterling and Euro denominated sub-investment grade corporate bonds.
- The fund may also invest in bonds issued anywhere in the world by governments and corporations, such as sub-sovereigns, investment grade, inflation-linked, convertible, asset backed and mortgage-backed bonds.
- 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 identify bonds and derivatives after analysing companies prospects and creditworthiness alongside global economic and market conditions.
- In seeking to achieve the performance target, the ICE BofAML European Currency High Yield Constrained 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 4.50%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the ICE BofAML European Currency High Yield Constrained Index (Hedged to GBP).

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 routinely use derivatives to reduce risk or 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

For the period ended 31 March 2023, the value of abrdn European High Yield Bond Fund – I Accumulation Shares increased by 2.64% compared to an increase of 2.68% in the performance target, the ICE BofAML European Currency High Yield Constrained Index (Hedged to GBP).

Source: Lipper; Basis: total return, published NAV to NAV, net of annual charges, UK net income reinvested, GBP.

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.

Market Review

The European high-yield (HY) market delivered a mixed performance over the period.

The HY market was volatile in August, after US Federal Reserve (Fed) Chair Jerome Powell spoke at the Jackson Hole conference and reinforced the Fed's hawkish stance, ending hopes of an earlier Fed pivot toward looser policy. September was another tough month, as stubborn inflation, rising government bond yields and ongoing policy concerns in the UK weighed on risk appetite. The fourth quarter of 2022 saw a reversal of fortune for HY investors. The impressive rally into the year-end halted the streak of negative total returning quarters at four. Returns were aided by a coinciding rally in government bond markets that propelled yields lower. Signs that peak inflation had been reached turned investor sentiment positive and credit spreads reacted favourably. Financial markets started the new year with a different tone to most of 2022. Government bonds, corporate bonds and equities recovered aggressively as investor sentiment improved, on hopes that central banks could manufacture a 'soft landing' for the global economy. This view was supported by the reopening of China, decreasing risks over gas supplies and a big decline in inflation expectations. The latter bolstered optimism that central banks will not need to tighten financial conditions as severely as previously thought. Volatility increased as the first quarter of 2023 progressed, with stubborn inflation data and banking

abrdn European High Yield Bond Fund (closed)

Continued

sector stress dominating headlines. All told however, the result was a strong quarter, with tighter credit spreads working in tandem with lower government bond yields to produce an impressive total return for the HY market.

Portfolio Activity and Review

The fund performed broadly in line with the benchmark (Merrill Lynch Global High Yield Constrained (hedged to GBP 100%)) over the seven months after a difficult start to the period. The newly elected Liz Truss in the UK led to the announcement in September of a number of unexpected fiscal measures, the most controversial of which was the plan to scrap the 45% income tax band for the highest earners. The implied cost and lack of funding transparency led to a run on the currency and gilts which in turn hammered UK equities and corporate bonds. The yield to maturity on sterling HY jumped from 9.1% at the start of the month to 11.4%, generating a return of -6.7% in that month alone. Aside from September 2008 when Lehman Brothers declared bankruptcy and March 2020 during the height of Covid-19 uncertainty, this was the biggest monthly draw down on record for the sterling HY market. The fund's overweight exposure to the UK, which has long been a source of alpha for the fund, hurt the fund materially at the beginning of the period, although much of this recovered by the end of the year as Liz Truss was removed and her policies were rolled back. The strong rally in the final quarter of the year also benefitted the fund in relative terms due to the positioning in longer-dated bonds and lower-rated credits, both of which outperformed.

The fund benefitted from our lack of exposure to the deeply troubled real-estate sector. A number of issuers have come under attack from short sellers accusing them of poor governance standards, complicated corporate structures and misstated balance sheets and cash flows. The sector contributed 0.12% of negative returns to the market over the seven months, something which the fund mostly avoided. Other contributors to performance included EnQuest, the North Sea oil and gas production company, and Profine, the PVC window profile producer. EnQuest continued to generate exceptionally strong free cash flow as oil prices remained elevated and has now managed to refinance the majority of the debt profile which is a material positive for the company. Profine's bonds rallied strongly at the start of 2023 after positive comments from management about the prospects for the business. Detractors from performance included retailers HSE and Shop Direct, the latter of which we have now exited. TalkTalk also weighed on returns after acquisition plans seemed to fail on overly aggressive pricing from the owners.

There was very little primary activity in the market, but the fund was very active in the secondary market towards the end of the period as we looked to take advantage of strength to de-risk the fund. We have continued to reduce exposure to the more cyclical sectors and have materially increased the credit quality of the fund as we become increasingly concerned about the potential damage central bank tightening will do to the real economy.

Portfolio Outlook and Strategy

The fund closed on 03 March 2023.

Euro HY and Global Leverage Loans Team

August 2023

abrdn European High Yield Bond Fund (closed)

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 3 March 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.

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

A Accumulation^A	2023	2022	2021
	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	142.70	157.53	141.21
Return before operating charges*	5.13	(12.91)	18.23
Operating charges	(1.05)	(1.92)	(1.91)
Return after operating charges*	4.08	(14.83)	16.32
Distributions	(4.79)	(7.84)	(7.64)
Retained distributions on accumulation shares	4.79	7.84	7.64
Redemption value as at 3 March 2023	(146.78)	-	-
Closing net asset value per share	-	142.70	157.53
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	2.86%	(9.41%)	11.56%
Other information			
Closing net asset value (£'000)	-	1,800	2,230
Closing number of shares	-	1,261,654	1,415,427
Operating charges	1.25%	1.25%	1.26%
Direct transaction costs	-	-	-
Prices			
Highest share price	148.9	159.8	158.1
Lowest share price	133.6	136.7	142.3

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.

^A A Accumulation share class was closed on 3 March 2023.

Comparative Tables

Continued

A Income^A	2023	2022	2021
	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	74.30	86.35	81.41
Return before operating charges*	2.58	(6.82)	10.33
Operating charges	(0.54)	(1.03)	(1.08)
Return after operating charges*	2.04	(7.85)	9.25
Distributions	(2.46)	(4.20)	(4.31)
Redemption value as at 3 March 2023	(73.88)	-	-
Closing net asset value per share	-	74.30	86.35
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	2.74%	(9.09%)	11.36%
Other information			
Closing net asset value (£'000)	-	4,201	5,086
Closing number of shares	-	5,654,394	5,889,176
Operating charges	1.25%	1.25%	1.26%
Direct transaction costs	-	-	-
Prices			
Highest share price	76.30	87.22	87.36
Lowest share price	68.89	71.49	81.73

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.

^A A Income share class was closed on 3 March 2023.

Comparative Tables

Continued

I Accumulation ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	149.85	164.68	146.95
Return before operating charges*	5.38	(13.54)	19.01
Operating charges	(0.70)	(1.29)	(1.28)
Return after operating charges*	4.68	(14.83)	17.73
Distributions	(5.04)	(8.22)	(7.97)
Retained distributions on accumulation shares	5.04	8.22	7.97
Redemption value as at 3 March 2023	(154.53)	-	-
Closing net asset value per share	-	149.85	164.68
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	3.12%	(9.01%)	12.07%
Other information			
Closing net asset value (£'000)	-	9,254	13,040
Closing number of shares	-	6,175,199	7,918,714
Operating charges	0.80%	0.80%	0.81%
Direct transaction costs	-	-	-
Prices			
Highest share price	156.8	167.1	165.2
Lowest share price	140.5	143.5	148.1

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.

^A I Accumulation share class was closed on 3 March 2023.

Comparative Tables

Continued

	2023	2022	2021
I Income ^A	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	87.78	101.55	95.31
Return before operating charges*	3.05	(8.04)	12.10
Operating charges	(0.41)	(0.78)	(0.81)
Return after operating charges*	2.64	(8.82)	11.29
Distributions	(2.91)	(4.95)	(5.05)
Redemption value as at 3 March 2023	(87.51)	-	-
Closing net asset value per share	-	87.78	101.55
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	3.00%	(8.69%)	11.85%
Other information			
Closing net asset value (£'000)	-	15,253	21,121
Closing number of shares	-	17,376,545	20,797,996
Operating charges	0.80%	0.80%	0.81%
Direct transaction costs	-	-	-
Prices			
Highest share price	90.15	102.6	102.7
Lowest share price	81.46	84.43	95.79

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.

^A I Income share class was closed on 3 March 2023.

Comparative Tables

Continued

M Accumulation ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	108.28	118.98	106.23
Return before operating charges*	3.92	(9.71)	13.73
Operating charges	(0.54)	(0.99)	(0.98)
Return after operating charges*	3.38	(10.70)	12.75
Distributions	(3.64)	(5.94)	(5.71)
Retained distributions on accumulation shares	3.64	5.94	5.71
Redemption value as at 3 March 2023	(111.66)	-	-
Closing net asset value per share	-	108.28	118.98
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	3.12%	(8.99%)	12.00%
Other information			
Closing net asset value (£'000)	-	9	10
Closing number of shares	-	8,161	8,186
Operating charges	0.85%	0.85%	0.86%
Direct transaction costs	-	-	-
Prices			
Highest share price	113.3	120.7	119.4
Lowest share price	101.5	103.7	107.0

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.

^A M Accumulation share class was closed on 3 March 2023.

Comparative Tables

Continued

M Income ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	89.69	103.75	97.38
Return before operating charges*	(0.71)	(8.15)	12.48
Operating charges	(0.22)	(0.84)	(0.88)
Return after operating charges*	(0.93)	(8.99)	11.60
Distributions	(1.25)	(5.07)	(5.23)
Redemption value as at 11 November 2022	(87.51)	-	-
Closing net asset value per share	-	89.69	103.75
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(1.04%)	(8.67%)	11.91%
Other information			
Closing net asset value (£'000)	-	1	1
Closing number of shares	-	975	975
Operating charges	0.85%	0.85%	0.86%
Direct transaction costs	-	-	-
Prices			
Highest share price	92.12	104.9	104.9
Lowest share price	83.23	86.25	97.87

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.

^A M Income share class was closed on 14 November 2023.

Comparative Tables

Continued

Z Accumulation ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	127.12	138.73	122.93
Return before operating charges*	4.56	(11.47)	15.94
Operating charges	(0.07)	(0.14)	(0.14)
Return after operating charges*	4.49	(11.61)	15.80
Distributions	(3.00)	(6.94)	(6.69)
Retained distributions on accumulation shares	3.00	6.94	6.69
Redemption value as at 3 March 2023	(131.61)	-	-
Closing net asset value per share	-	127.12	138.73
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	3.53%	(8.37%)	12.85%
Other information			
Closing net asset value (£'000)	-	1,140	1,714
Closing number of shares	-	897,062	1,235,803
Operating charges	0.10%	0.10%	0.11%
Direct transaction costs	-	-	-
Prices			
Highest share price	133.4	141.1	139.2
Lowest share price	119.3	121.7	123.9

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.

^A Z Accumulation share class was closed on 3 March 2023.

Portfolio Statement

As at 31 July 2023

Investment	Market value £'000	Percentage of total net assets
Holding		
Bonds (92.08%)	-	-
Euro Denominated Bonds (69.14%)	-	-
Corporate Bonds (69.14%)	-	-
Sterling Denominated Bonds (22.31%)	-	-
Corporate Bonds (22.31%)	-	-
US Dollar Denominated Bonds (0.63%)	-	-
Corporate Bonds (0.63%)	-	-
Derivatives (0.99%)	-	-
Forward Currency Contracts (0.99%)	-	-
Total investment assets	-	-
Net other assets	-	-
Total Net Assets	-	-

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

Financial Statements

Statement of Total Return

For the year ended 31 July 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(46)		(5,082)
Revenue	2	1,099		1,985	
Expenses	3	(149)		(324)	
Interest payable and similar charges		-		(3)	
Net revenue before taxation		950		1,658	
Taxation	4	-		-	
Net revenue after taxation			950		1,658
Total return before distributions			904		(3,424)
Distributions	5		(1,020)		(1,979)
Change in net assets attributable to shareholders from investment activities			(116)		(5,403)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2023

	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		31,658		43,202
Amounts receivable on the issue of shares	1,143		1,908	
Amounts payable on the cancellation of shares	(4,190)		(8,807)	
Amounts payable on inspecie transfers*	(28,896)		-	
		(31,943)		(6,899)
Dilution adjustment		18		9
Change in net assets attributable to shareholders from investment activities (see above)		(116)		(5,403)
Retained distribution on accumulation shares		387		749
Movement in amount payable on termination		(4)		
Closing net assets attributable to shareholders		-		31,658

*Relating to an inspecie transfer to abrdn High Yield Bond Fund on 3 March 2023.

Financial Statements

Continued

Balance Sheet

As at 31 July 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			-		29,463
Current assets:					
Debtors	6	-		441	
Cash and bank balances		13		1,889	
			13		2,330
Total assets			13		31,793
Liabilities:					
Bank overdrafts		(7)		-	
Creditors	7	(6)		(48)	
Distribution payable		-		(87)	
			(13)		(135)
Total liabilities			(13)		(135)
Net assets attributable to shareholders			-		31,658

Notes to the Financial Statements

1 Net Capital Losses

	2023 £'000	2022 £'000
Non-derivative securities	925	(5,618)
Forward currency contracts	(977)	535
Other gains	10	6
Transaction charges	(4)	(5)
Net capital losses	(46)	(5,082)

2 Revenue

	2023 £'000	2022 £'000
Interest on debt securities	1,099	1,926
Stocklending revenue	-	59
Total revenue	1,099	1,985

3 Expenses

	2023 £'000	2022 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	134	291
General administration charge	14	31
	148	322
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	1	2
	1	2
Total expenses	149	324

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £11,700 (2022: £10,860).

Notes to the Financial Statements

Continued

4 Taxation

	2023 £'000	2022 £'000
(a) Analysis of charge in year		
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:

Net revenue before taxation	950	1,658
Corporation tax at 20% (2022: 20%)	190	331
Effects of:		
Distributions treated as tax deductible	(190)	(331)
Total tax charge for year (note 4a)	-	-

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	155	177
Second interim distribution	142	186
Third interim distribution	136	160
Fourth interim distribution	146	189
Fifth interim distribution	146	191
Sixth interim distribution	139	185
Seventh interim distribution	126	149
Special distribution	21	-
Eighth interim distribution	-	159
Ninth interim distribution	-	147
Tenth interim distribution	-	140
Eleventh interim distribution	-	141
Final distribution	-	143
	1,011	1,967
Add: Income deducted on cancellation of shares	12	17
Deduct: Income received on issue of shares	(3)	(5)
Total distributions for the year	1,020	1,979

Notes to the Financial Statements

Continued

	2023 £'000	2022 £'000
Movement between net revenue and distributions		
Net revenue after taxation	950	1,658
Expenses charged to capital	148	322
Undistributed revenue carried forward	(78)	(1)
Total distributions for the year	1,020	1,979

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	-	422
Amounts receivable from the ACD for the issue of shares	-	19
Total debtors	-	441

7 Creditors

	2023 £'000	2022 £'000
Accrued expenses payable to ACD	-	22
Accrued expenses payable to the Depositary or associates of the Depositary	-	1
Amounts payable on termination	6	-
Amounts payable to the ACD for cancellation of shares	-	25
Total creditors	6	48

8 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 7.

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 7.

Notes to the Financial Statements

Continued

9 Portfolio Transaction Costs

There are no transaction costs associated with the purchases or sales of bonds 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.

	Purchases		Sales	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trades in the year				
Bonds	5,473	9,954	7,753	17,186
Inspecie transactions	-	-	27,975	-
Trades in the year before transaction costs	5,473	9,954	35,728	17,186
Total net trades in the year after transaction costs	5,473	9,954	35,728	17,186

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 0.00% (2022: 1.46%), this is representative of the average spread on the assets held during the year.

10 Shares in Issue Reconciliation

	Opening shares 2022	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2023
A Accumulation	1,261,654	9,645	(1,061,668)	(209,631)	-
A Income	5,654,394	12,482	(3,337,938)	(2,328,938)	-
I Accumulation	6,175,199	201,636	(6,576,157)	199,322	-
I Income	17,376,545	941,408	(20,286,432)	1,968,479	-
M Accumulation	8,161	-	(8,161)	-	-
M Income	975	-	(975)	-	-
Z Accumulation	897,062	768	(897,830)	-	-

Notes to the Financial Statements

Continued

11 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	-	-	-	-	29,151	-
Derivatives	-	-	-	-	312	-
Total investment assets	-	-	-	-	29,463	-

12 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
Currency				
UK Sterling	13	-	(6)	7
Euro	(7)	-	-	(7)
Total	6	-	(6)	-

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
Currency				
UK Sterling	1,234	7,060	23,296	31,590
Euro	2,336	20,208	(22,498)	46
US Dollar	-	201	(179)	22
Total	3,570	27,469	619	31,658

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's financial instruments, measured as the potential one month loss (Prior year this was based on a 5 day loss) in value from adverse changes in equity prices, interest rates, inflation rates and foreign currency exchange rates with a 99 percent confidence level. Calculated on this basis, the table indicates that the net value of the fund's financial assets and liabilities could be expected to change by more than the stated amount on only two days out of 200, in response to either price, interest rate, inflation or foreign currency exchange rate changes.

2023	Minimum	Maximum	Average
VaR 99% 1 Month	4.73%	5.51%	5.09%

2022	Minimum	Maximum	Average
VaR 99% 1 Month	2.06%	2.65%	2.38%

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.

The fund closed on 03 March 2023 and held no investments at the period end.

2022	Market value £'000	Percentage of total net assets %
Investment grade securities	90	0.28
Below investment grade securities	28,744	90.80
Unrated securities	317	1.00
Total value of securities	29,151	92.08

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.

The fund closed on 03 March 2023 and held no derivatives at the year end

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

	2022	
	Market exposure £'000	Market value £'000
Leveraged instruments		
Forward currency contracts	22,977	312
Total market exposure	22,977	312

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

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.

All stock lending is conducted by the stocklending agent on behalf of the fund using a standard agreement with available counterparties. It is collateralised daily with a right of recall within 24 hours.

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

2023 Counterparties	Collateral (held)/pledged		
	Forwards £'000	Cash £'000	Net exposure £'000
Total	-	-	-

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

The fund receives 85% of the revenue returns from stock lending. The gross earnings for the year are £Nil (2022: £69,000) and expenses paid to the lending agent, Securities Finance Trust Company, are £Nil (2022: £10,000).

2022 Counterparties	Collateral (held)/pledged		
	Forwards £'000	Cash £'000	Net exposure £'000
Bank of America Merrill Lynch	3	-	3
HSBC	300	-	300
Societe Generale	2	-	2
Standard Chartered	1	-	1
UBS	6	-	6
Total	312	-	312

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2023 £13,000 (2022: £135,000).

Distribution Tables

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

First interim interest distribution

Group 1 – shares purchased prior to 1 August 2022

Group 2 – shares purchased between 1 August 2022 and 31 August 2022

	Revenue	Equalisation	Distribution paid 30/09/22	Distribution paid 30/09/21
A Accumulation				
Group 1	0.7086	-	0.7086	0.6527
Group 2	0.4210	0.2876	0.7086	0.6527
A Income				
Group 1	0.3690	-	0.3690	0.3577
Group 2	0.1505	0.2185	0.3690	0.3577
I Accumulation				
Group 1	0.7442	-	0.7442	0.6824
Group 2	0.3611	0.3831	0.7442	0.6824
I Income				
Group 1	0.4359	-	0.4359	0.4208
Group 2	0.2123	0.2236	0.4359	0.4208
M Accumulation				
Group 1	0.5378	-	0.5378	0.4930
Group 2	0.5378	-	0.5378	0.4930
M Income				
Group 1	0.4438	-	0.4438	0.4295
Group 2	0.4438	-	0.4438	0.4295
Z Accumulation				
Group 1	0.6314	-	0.6314	0.5750
Group 2	0.6314	-	0.6314	0.5750

Distribution Tables

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

Second interim interest distribution

Group 1 – shares purchased prior to 1 September 2022

Group 2 – shares purchased between 1 September 2022 and 30 September 2022

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
A Accumulation				
Group 1	0.6556	-	0.6556	0.6881
Group 2	0.2357	0.4199	0.6556	0.6881
A Income				
Group 1	0.3397	-	0.3397	0.3757
Group 2	0.1602	0.1795	0.3397	0.3757
I Accumulation				
Group 1	0.6888	-	0.6888	0.7196
Group 2	0.3539	0.3349	0.6888	0.7196
I Income				
Group 1	0.4016	-	0.4016	0.4421
Group 2	0.2206	0.1810	0.4016	0.4421
M Accumulation				
Group 1	0.4982	-	0.4982	0.5200
Group 2	0.4982	-	0.4982	0.5200
M Income				
Group 1	0.4121	-	0.4121	0.4541
Group 2	0.4121	-	0.4121	0.4541
Z Accumulation				
Group 1	0.5849	-	0.5849	0.6069
Group 2	0.5849	-	0.5849	0.6069

Distribution Tables

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

Third interim interest distribution

Group 1 – shares purchased prior to 1 October 2022

Group 2 – shares purchased between 1 October 2022 and 31 October 2022

	Revenue	Equalisation	Distribution paid 30/11/22	Distribution paid 30/11/21
A Accumulation				
Group 1	0.6374	-	0.6374	0.5955
Group 2	0.3890	0.2484	0.6374	0.5955
A Income				
Group 1	0.3287	-	0.3287	0.3236
Group 2	0.1820	0.1467	0.3287	0.3236
I Accumulation				
Group 1	0.6700	-	0.6700	0.6230
Group 2	0.3301	0.3399	0.6700	0.6230
I Income				
Group 1	0.3886	-	0.3886	0.3810
Group 2	0.1648	0.2238	0.3886	0.3810
M Accumulation				
Group 1	0.4844	-	0.4844	0.4509
Group 2	0.4844	-	0.4844	0.4509
M Income				
Group 1	0.3936	-	0.3936	0.3905
Group 2	0.3936	-	0.3936	0.3905
Z Accumulation				
Group 1	0.5691	-	0.5691	0.5255
Group 2	0.5691	-	0.5691	0.5255

Distribution Tables

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

Fourth interim interest distribution

Group 1 – shares purchased prior to 1 November 2022

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

	Revenue	Equalisation	Distribution paid 30/12/22	Distribution paid 31/12/21
A Accumulation				
Group 1	0.6787	-	0.6787	0.7062
Group 2	0.4392	0.2395	0.6787	0.7062
A Income				
Group 1	0.3482	-	0.3482	0.3824
Group 2	0.1947	0.1535	0.3482	0.3824
I Accumulation				
Group 1	0.7135	-	0.7135	0.7392
Group 2	0.3112	0.4023	0.7135	0.7392
I Income				
Group 1	0.4120	-	0.4120	0.4503
Group 2	0.1587	0.2533	0.4120	0.4503
M Accumulation				
Group 1	0.5165	-	0.5165	0.5349
Group 2	0.5165	-	0.5165	0.5349
M Income				
Group 1	-	-	-	0.4623
Group 2	-	-	-	0.4623
Z Accumulation				
Group 1	0.6065	-	0.6065	0.6240
Group 2	0.6065	-	0.6065	0.6240

Distribution Tables

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

Fifth interim interest distribution

Group 1 – shares purchased prior to 1 December 2022

Group 2 – shares purchased between 1 December 2022 and 31 December 2022

	Revenue	Equalisation	Distribution paid 31/01/23	Distribution paid 31/01/22
A Accumulation				
Group 1	0.6839	-	0.6839	0.7267
Group 2	0.4659	0.2180	0.6839	0.7267
A Income				
Group 1	0.3513	-	0.3513	0.3918
Group 2	0.2371	0.1142	0.3513	0.3918
I Accumulation				
Group 1	0.7177	-	0.7177	0.7609
Group 2	0.5178	0.1999	0.7177	0.7609
I Income				
Group 1	0.4120	-	0.4120	0.4615
Group 2	0.2123	0.1997	0.4120	0.4615
M Accumulation				
Group 1	0.5193	-	0.5193	0.5500
Group 2	0.5193	-	0.5193	0.5500
M Income				
Group 1	-	-	-	0.4736
Group 2	-	-	-	0.4736
Z Accumulation				
Group 1	0.6106	-	0.6106	0.6427
Group 2	0.6106	-	0.6106	0.6427

Distribution Tables

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

Sixth interim interest distribution

Group 1 – shares purchased prior to 1 January 2023

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

	Revenue	Equalisation	Distribution paid 28/02/23	Distribution paid 28/02/22
A Accumulation				
Group 1	0.6845	-	0.6845	0.7128
Group 2	0.5076	0.1769	0.6845	0.7128
A Income				
Group 1	0.3482	-	0.3482	0.3825
Group 2	0.1340	0.2142	0.3482	0.3825
I Accumulation				
Group 1	0.7209	-	0.7209	0.7468
Group 2	0.4306	0.2903	0.7209	0.7468
I Income				
Group 1	0.4122	-	0.4122	0.4507
Group 2	0.1497	0.2625	0.4122	0.4507
M Accumulation				
Group 1	0.5209	-	0.5209	0.5398
Group 2	0.5209	-	0.5209	0.5398
M Income				
Group 1	-	-	-	0.4613
Group 2	-	-	-	0.4613
Z Accumulation				
Group 1	-	-	-	0.6311
Group 2	-	-	-	0.6311

Distribution Tables

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

Seventh interim interest distribution

Group 1 – shares purchased prior to 1 February 2023

Group 2 – shares purchased between 1 February 2023 and 28 February 2023

	Revenue	Equalisation	Distribution paid 31/03/23	Distribution paid 31/03/22
A Accumulation				
Group 1	0.6364	-	0.6364	0.6156
Group 2	0.6051	0.0313	0.6364	0.6156
A Income				
Group 1	0.3214	-	0.3214	0.3289
Group 2	0.3214	-	0.3214	0.3289
I Accumulation				
Group 1	0.6697	-	0.6697	0.6449
Group 2	0.5914	0.0783	0.6697	0.6449
I Income				
Group 1	0.3812	-	0.3812	0.3874
Group 2	0.2509	0.1303	0.3812	0.3874
M Accumulation				
Group 1	0.4842	-	0.4842	0.4662
Group 2	0.4842	-	0.4842	0.4662
M Income				
Group 1	-	-	-	0.3967
Group 2	-	-	-	0.3967
Z Accumulation				
Group 1	-	-	-	0.5455
Group 2	-	-	-	0.5455

Distribution Tables

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

Special distribution

Group 1 – shares purchased prior to 1 March 2023

Group 2 – shares purchased between 1 March 2023 and 2 March 2023

	Revenue	Equalisation	Distribution paid 03/05/23
A Accumulation			
Group 1	0.1059	-	0.1059
Group 2	0.0425	0.0634	0.1059
A Income			
Group 1	0.0534	-	0.0534
Group 2	0.0534	-	0.0534
I Accumulation			
Group 1	0.1116	-	0.1116
Group 2	0.0220	0.0896	0.1116
I Income			
Group 1	0.0632	-	0.0632
Group 2	0.0253	0.0379	0.0632
M Accumulation			
Group 1	0.0806	-	0.0806
Group 2	0.0806	-	0.0806
M Income			
Group 1	-	-	-
Group 2	-	-	-
Z Accumulation			
Group 1	-	-	-
Group 2	-	-	-

Distribution Tables

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

Eighth interim interest distribution

Group 1 – shares purchased prior to 3 March 2023

Group 2 – shares purchased between 3 March 2023 and 31 March 2023

	Revenue	Equalisation	Distribution paid 29/04/23	Distribution paid 29/04/22
A Accumulation				
Group 1	-	-	-	0.6626
Group 2	-	-	-	0.6626
A Income				
Group 1	-	-	-	0.3525
Group 2	-	-	-	0.3525
I Accumulation				
Group 1	-	-	-	0.6946
Group 2	-	-	-	0.6946
I Income				
Group 1	-	-	-	0.4157
Group 2	-	-	-	0.4157
M Accumulation				
Group 1	-	-	-	0.5021
Group 2	-	-	-	0.5021
M Income				
Group 1	-	-	-	0.4254
Group 2	-	-	-	0.4254
Z Accumulation				
Group 1	-	-	-	0.5874
Group 2	-	-	-	0.5874

Distribution Tables

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

Ninth interim interest distribution

Group 1 – shares purchased prior to 1 April 2023

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

	Revenue	Equalisation	Distribution paid 31/05/23	Distribution paid 31/05/22
A Accumulation				
Group 1	-	-	-	0.6233
Group 2	-	-	-	0.6233
A Income				
Group 1	-	-	-	0.3301
Group 2	-	-	-	0.3301
I Accumulation				
Group 1	-	-	-	0.6536
Group 2	-	-	-	0.6536
I Income				
Group 1	-	-	-	0.3895
Group 2	-	-	-	0.3895
M Accumulation				
Group 1	-	-	-	0.4730
Group 2	-	-	-	0.4730
M Income				
Group 1	-	-	-	0.3987
Group 2	-	-	-	0.3987
Z Accumulation				
Group 1	-	-	-	0.5503
Group 2	-	-	-	0.5503

Distribution Tables

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

Tenth interim interest distribution

Group 1 – shares purchased prior to 1 May 2023

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

	Revenue	Equalisation	Distribution paid 30/06/23	Distribution paid 30/06/22
A Accumulation				
Group 1	-	-	-	0.5984
Group 2	-	-	-	0.5984
A Income				
Group 1	-	-	-	0.3158
Group 2	-	-	-	0.3158
I Accumulation				
Group 1	-	-	-	0.6282
Group 2	-	-	-	0.6282
I Income				
Group 1	-	-	-	0.3726
Group 2	-	-	-	0.3726
M Accumulation				
Group 1	-	-	-	0.4539
Group 2	-	-	-	0.4539
M Income				
Group 1	-	-	-	0.3833
Group 2	-	-	-	0.3833
Z Accumulation				
Group 1	-	-	-	0.5319
Group 2	-	-	-	0.5319

Distribution Tables

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

Eleventh interim interest distribution

Group 1 – shares purchased prior to 1 June 2023

Group 2 – shares purchased between 1 June 2023 and 30 June 2023

	Revenue	Equalisation	Distribution paid 29/07/23	Distribution paid 29/07/22
A Accumulation				
Group 1	-	-	-	0.6200
Group 2	-	-	-	0.6200
A Income				
Group 1	-	-	-	0.3257
Group 2	-	-	-	0.3257
I Accumulation				
Group 1	-	-	-	0.6506
Group 2	-	-	-	0.6506
I Income				
Group 1	-	-	-	0.3846
Group 2	-	-	-	0.3846
M Accumulation				
Group 1	-	-	-	0.4706
Group 2	-	-	-	0.4706
M Income				
Group 1	-	-	-	0.3946
Group 2	-	-	-	0.3946
Z Accumulation				
Group 1	-	-	-	0.5515
Group 2	-	-	-	0.5515

Distribution Tables

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

Final interest distribution

Group 1 – shares purchased prior to 1 July 2023

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

	Revenue	Equalisation	Distribution paid 31/08/23	Distribution paid 31/08/22
A Accumulation				
Group 1	-	-	-	0.6416
Group 2	-	-	-	0.6416
A Income				
Group 1	-	-	-	0.3355
Group 2	-	-	-	0.3355
I Accumulation				
Group 1	-	-	-	0.6735
Group 2	-	-	-	0.6735
I Income				
Group 1	-	-	-	0.3962
Group 2	-	-	-	0.3962
M Accumulation				
Group 1	-	-	-	0.4869
Group 2	-	-	-	0.4869
M Income				
Group 1	-	-	-	0.4008
Group 2	-	-	-	0.4008
Z Accumulation				
Group 1	-	-	-	0.5712
Group 2	-	-	-	0.5712

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 Sterling Short Dated Corporate Bond Fund (closed)

For the year ended 31 July 2023

Investment Objective

To generate income and some growth over the medium term (3 to 5 years) by investing in Sterling denominated investment grade corporate bonds with maturities of up to 5 years.

Performance Target: To achieve the return of the iBoxx Sterling Corporates (1-5 year) Index plus 0.25% 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 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 abrdn) and money-market instruments, and cash.

Management Process

- The management team use their discretion (active management) to identify bonds and derivatives after analysing companies prospects and creditworthiness alongside global economic and market conditions.
- 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 will not deviate significantly from that of the index over the long term.

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 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 include instruments used to manage expected changes in interest rates, inflation, currencies or creditworthiness of corporations or governments.

Performance Review

For the period ended 23 June 2023, the value of abrdn Sterling Short Dated Corporate Bond Fund – I Accumulation Shares decreased by 2.80% compared to a decrease of 3.44% in the performance target, iBoxx Sterling Corporates (1-5 year) Index.

Source: Lipper; Basis: total return, published NAV to NAV, net of annual charges, UK net income reinvested, GBP.

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.

Market Review

Corporate bond prices had a mixed performance over the 12-month period. Investment-grade bonds underperformed riskier high-yield bonds. A backdrop of sharply rising interest rates, stubbornly high annual inflation and a worsening economic outlook created challenging market conditions. Credit spreads – the yield premium received by investors in return for the typically greater risk of lending to companies rather than governments – widened until autumn as the economic environment deteriorated. Spreads then tightened until March as investors' appetite for riskier assets began to return.

In September, UK government and corporate bonds suffered a particularly difficult month after a badly received mini-Budget from the short-lived Truss cabinet. In October, the speedy reversal of the mini-Budget and Rishi Sunak's subsequent appointment as prime minister created calmer bond market conditions. However, a growth in expectations that global inflationary pressures may be peaking led to hopes that the current cycle of interest-rate rises may be nearing its end. This helped corporate bonds to perform better in the second half of the period. Turbulence in the global banking sector in March caused credit spreads to widen to levels last seen at the start of 2023. However, the negative effect of wider credit spreads was offset by lower government bond yields amid a flight to safety. Consequently, investment-grade corporate bonds enjoyed gains in March, although riskier UK and European high-yield bonds fell.

abrdn Sterling Short Dated Corporate Bond Fund (closed)

Continued

Calm returned to bond markets in April. Credit spreads tightened, although they still ended wider than they were before March's volatility.

Portfolio Activity and Review

The fund outperformed its benchmark during the review period. Credit spreads over underlying UK government bonds (gilts) narrowed. However, the sell-off in gilts resulted in negative total returns. As spreads compressed, the underperformance of our overweight in AAA rated bonds was more than offset by our 'barbell' of overweight in BBB and off-benchmark BB rated bonds. Our underweight in A rated bonds was also beneficial.

Overall, portfolio positioning in senior banks made a positive contribution. The senior holding company bonds in Credit Suisse (CS) ranked among the top performers after the announcement that the company would be absorbed into UBS, its more highly rated Swiss rival. Meanwhile, Deutsche Bank senior paper underperformed. Within Tier 2 banks, overweight positions in Banco Santander and Virgin Money underperformed. Within insurance, Axa Tier 2 bonds outperformed.

Non-financials outperformed corporates, driven by lack of supply. Our holdings of BP hybrids held in the portfolio outperformed. Indeed, our positioning in corporate highlights boosted performance, particularly within the energy and utilities sectors. As well as the BP hybrids, we built positions in National Grid and Vattenfall, and both made positive contributions. In telecoms, Vodafone was one of the top performers. We held exposure via Vodafone hybrids. In real estate, a lack of exposure to poorly performing Aroundtown helped relative performance. NewRiver real estate investment trust, one of our preferred names, outperformed after the operator reported resilient occupancy and footfall.

An overweight overall duration position dragged on performance. However, the effects were partially offset by curve positioning, as an overweight in over five-year and under one-year bonds aided returns, while the two to three-year area of the curve underperformed.

Portfolio Outlook and Strategy

The fund closed on 23 June 2023.

Sterling IG and Aggregate Team

August 2023

abrdn Sterling Short Dated Corporate Bond Fund (closed)

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 23 June 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

A Accumulation^A	2023	2022	2021
	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	103.12	108.61	105.75
Return before operating charges*	(2.50)	(4.83)	3.56
Operating charges	(0.58)	(0.66)	(0.70)
Return after operating charges*	(3.08)	(5.49)	2.86
Distributions	-	(1.78)	(1.80)
Retained distributions on accumulation shares	-	1.78	1.80
Redemption value as at 23 June 2023	(100.04)	-	-
Closing net asset value per share	-	103.12	108.61
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(2.99%)	(5.05%)	2.70%
Other information			
Closing net asset value (£'000)	-	900	5
Closing number of shares	-	873,060	5,001
Operating charges	0.64%	0.64%	0.65%
Direct transaction costs	-	-	-
Prices			
Highest share price	104.0	108.9	108.8
Lowest share price	95.29	101.1	105.8

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.

^A A Accumulation share class was closed on 23 June 2023.

Comparative Tables

Continued

A Income ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	94.70	101.45	100.43
Return before operating charges*	(4.99)	(4.48)	3.38
Operating charges	(0.52)	(0.63)	(0.66)
Return after operating charges*	(5.51)	(5.11)	2.72
Distributions	-	(1.64)	(1.70)
Redemption value as at 23 June 2023	(89.19)	-	-
Closing net asset value per share	-	94.70	101.45
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(5.82%)	(5.04%)	2.71%
Other information			
Closing net asset value (£'000)	-	33	35
Closing number of shares	-	34,291	34,291
Operating charges	0.64%	0.64%	0.65%
Direct transaction costs	-	-	-
Prices			
Highest share price	95.28	101.7	102.3
Lowest share price	87.52	93.37	100.5

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.

^A A Income share class was closed on 23 June 2023.

Comparative Tables

Continued

I Accumulation ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	104.88	110.13	106.90
Return before operating charges*	(2.56)	(4.88)	3.61
Operating charges	(0.31)	(0.37)	(0.38)
Return after operating charges*	(2.87)	(5.25)	3.23
Distributions	-	(2.12)	(2.16)
Retained distributions on accumulation shares	-	2.12	2.16
Redemption value as at 23 June 2023	(102.01)	-	-
Closing net asset value per share	-	104.88	110.13
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(2.74%)	(4.77%)	3.02%
Other information			
Closing net asset value (£'000)	-	11,095	15,410
Closing number of shares	-	10,579,090	13,992,354
Operating charges	0.34%	0.34%	0.35%
Direct transaction costs	-	-	-
Prices			
Highest share price	106.0	110.5	110.3
Lowest share price	96.97	102.8	106.9

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.

^A I Accumulation share class was closed on 23 June 2023.

Comparative Tables

Continued

I Income ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	94.67	101.41	100.39
Return before operating charges*	(5.24)	(4.45)	3.37
Operating charges	(0.28)	(0.34)	(0.35)
Return after operating charges*	(5.52)	(4.79)	3.02
Distributions	-	(1.95)	(2.00)
Redemption value as at 23 June 2023	(89.15)	-	-
Closing net asset value per share	-	94.67	101.41
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(5.83%)	(4.72%)	3.01%
Other information			
Closing net asset value (£'000)	1	14,594	10,961
Closing number of shares	-	15,415,433	10,808,396
Operating charges	0.34%	0.34%	0.35%
Direct transaction costs	-	-	-
Prices			
Highest share price	95.25	101.7	102.3
Lowest share price	87.55	93.38	100.4

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.

^A I Income share class was closed on 23 June 2023.

Comparative Tables

Continued

K Accumulation ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	105.49	110.67	107.30
Return before operating charges*	(2.57)	(4.92)	3.64
Operating charges	(0.22)	(0.26)	(0.27)
Return after operating charges*	(2.79)	(5.18)	3.37
Distributions	-	(2.24)	(2.26)
Retained distributions on accumulation shares	-	2.24	2.26
Redemption value as at 23 June 2023	(102.70)	-	-
Closing net asset value per share	-	105.49	110.67
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(2.64%)	(4.68%)	3.14%
Other information			
Closing net asset value (£'000)	-	1,817	2,807
Closing number of shares	-	1,722,390	2,536,549
Operating charges	0.24%	0.24%	0.25%
Direct transaction costs	-	-	-
Prices			
Highest share price	106.6	111.0	110.9
Lowest share price	97.55	103.4	107.3

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.

^A K Accumulation share class was closed on 23 June 2023.

Comparative Tables

Continued

K Income ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	94.65	101.40	100.38
Return before operating charges*	(5.32)	(4.47)	3.37
Operating charges	(0.19)	(0.24)	(0.25)
Return after operating charges*	(5.51)	(4.71)	3.12
Distributions	-	(2.04)	(2.10)
Redemption value as at 23 June 2023	(89.14)	-	-
Closing net asset value per share	-	94.65	101.40
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(5.82%)	(4.64%)	3.11%
Other information			
Closing net asset value (£'000)	-	5,963	10,520
Closing number of shares	-	6,299,812	10,374,670
Operating charges	0.24%	0.24%	0.25%
Direct transaction costs	-	-	-
Prices			
Highest share price	95.23	101.7	102.3
Lowest share price	87.54	93.38	100.4

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.

^A K Income share class was closed on 23 June 2023.

Comparative Tables

Continued

M Accumulation ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	104.30	109.50	106.32
Return before operating charges*	(0.95)	(4.78)	3.61
Operating charges	(0.18)	(0.42)	(0.43)
Return after operating charges*	(1.13)	(5.20)	3.18
Distributions	-	(2.10)	(2.11)
Retained distributions on accumulation shares	-	2.10	2.11
Redemption value as at 17 January 2023	(103.17)	-	-
Closing net asset value per share	-	104.30	109.50
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(1.08%)	(4.75%)	2.99%
Other information			
Closing net asset value (£'000)	-	1	1
Closing number of shares	-	964	964
Operating charges	0.39%	0.39%	0.40%
Direct transaction costs	-	-	-
Prices			
Highest share price	104.9	109.8	109.7
Lowest share price	96.43	102.2	106.4

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.

^A M Accumulation share class was closed on 17 January 2023.

Comparative Tables

Continued

M Income ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	96.56	103.43	102.39
Return before operating charges*	(1.57)	(4.50)	3.45
Operating charges	(0.17)	(0.40)	(0.41)
Return after operating charges*	(1.74)	(4.90)	3.04
Distributions	-	(1.97)	(2.00)
Redemption value as at 17 January 2023	(94.82)	-	-
Closing net asset value per share	-	96.56	103.43
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(1.80%)	(4.74%)	2.97%
Other information			
Closing net asset value (£'000)	-	1	1
Closing number of shares	-	979	979
Operating charges	0.39%	0.39%	0.40%
Direct transaction costs	-	-	-
Prices			
Highest share price	97.15	103.8	104.3
Lowest share price	89.28	95.24	102.4

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.

^A M Income share class was closed on 17 January 2023.

Comparative Tables

Continued

Z Accumulation ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	106.70	111.70	108.10
Return before operating charges*	(2.61)	(4.96)	3.66
Operating charges	(0.03)	(0.04)	(0.06)
Return after operating charges*	(2.64)	(5.00)	3.60
Distributions	-	(2.51)	(2.51)
Retained distributions on accumulation shares	-	2.51	2.51
Redemption value as at 23 June 2023	(104.06)	-	-
Closing net asset value per share	-	106.70	111.70
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(2.47%)	(4.48%)	3.33%
Other information			
Closing net asset value (£'000)	(1)	7,580	6
Closing number of shares	-	7,103,913	5,001
Operating charges	0.04%	0.04%	0.05%
Direct transaction costs	-	-	-
Prices			
Highest share price	108.0	112.1	111.9
Lowest share price	98.71	104.6	108.1

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.

^A Z Accumulation share class was closed on 23 June 2023.

Portfolio Statement

As at 31 July 2023

Investment	Market value £'000	Percentage of total net assets
Holding		
Bonds (97.71%)	-	-
Sterling Denominated Bonds (93.17%)	-	-
Corporate Bonds (84.11%)	-	-
Government Bonds (9.06%)	-	-
US Dollar Denominated Bonds (4.54%)	-	-
Corporate Bonds (4.54%)	-	-
Derivatives (-0.15%)	-	-
Forward Currency Contracts (-0.14%)	-	-
Futures (-0.01%)	-	-
Total investment assets	-	-
Net other assets	-	-
Total Net Assets	-	-

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

Financial Statements

Statement of Total Return

For the year ended 31 July 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(2,668)		(2,511)
Revenue	2	2,072		874	
Expenses	3	(141)		(116)	
Net revenue before taxation		1,931		758	
Taxation	4	-		-	
Net revenue after taxation			1,931		758
Total return before distributions			(737)		(1,753)
Distributions	5		(1,931)		(758)
Change in net assets attributable to shareholders from investment activities			(2,668)		(2,511)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2023

	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		41,984		39,746
Amounts receivable on the issue of shares	34,435		17,691	
Amounts payable on the cancellation of shares	(20,117)		(13,318)	
Amounts payable on inspecie transfers*	(54,377)		-	
		(40,059)		4,373
Dilution adjustment		49		13
Change in net assets attributable to shareholders from investment activities (see above)		(2,668)		(2,511)
Retained distribution on accumulation shares		694		363
Closing net assets attributable to shareholders		-		41,984

* Relating to an inspecie transfer to abrdn Short Dated Corporate Bond Fund on 23 June 2023.

Financial Statements

Continued

Balance Sheet

As at 31 July 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			-		41,022
Current assets:					
Debtors	6	-		1,240	
Cash and bank balances	7	416		215	
			416		1,455
Total assets			416		42,477
Liabilities:					
Investment liabilities			-		(62)
Creditors	8	(162)		(303)	
Distribution payable		(254)		(128)	
			(416)		(431)
Total liabilities			(416)		(493)
Net assets attributable to shareholders			-		41,984

Notes to the Financial Statements

1 Net Capital Losses

	2023 £'000	2022 £'000
Non-derivative securities	(2,388)	(2,266)
Derivative contracts	(265)	(19)
Forward currency contracts	(18)	(226)
Other gains	6	2
Transaction charges	(3)	(2)
Net capital losses	(2,668)	(2,511)

2 Revenue

	2023 £'000	2022 £'000
Derivative revenue	1	-
Interest on debt securities	2,071	874
Total revenue	2,072	874

3 Expenses

	2023 £'000	2022 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	122	102
General administration charge	16	11
	138	113
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	3	3
	3	3
Total expenses	141	116

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £11,700 (2022: £10,860).

Notes to the Financial Statements

Continued

4 Taxation

	2023	2022
	£'000	£'000
(a) Analysis of charge in year		
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:

Net revenue before taxation	1,931	758
Corporation tax at 20% (2022: 20%)	386	152
Effects of:		
Distributions treated as tax deductible	(386)	(152)
Total tax charge for year (note 4a)	-	-

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	2022
	£'000	£'000
First interim distribution	415	169
Second interim distribution	573	176
Third interim distribution	638	176
Special distribution	363	-
Final distribution	-	264
	1,989	785
Add: Income deducted on cancellation of shares	91	33
Deduct: Income received on issue of shares	(149)	(60)
Total distributions for the year	1,931	758

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	-	625
Amounts receivable from the ACD for the issue of shares	-	112
Sales awaiting settlement	-	503
Total debtors	-	1,240

7 Liquidity

	2023 £'000	2022 £'000
Cash and bank balances		
Cash at bank	416	170
Cash at broker	-	45
	416	215
Net liquidity	416	215

8 Creditors

	2023 £'000	2022 £'000
Accrued expenses payable to ACD	-	10
Amounts payable on termination	162	293
Total creditors	162	303

9 Related Party Transactions

abrnn 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 abrnn Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to abrnn 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

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	2022	2023	2022
Trades in the year	£'000	£'000	£'000	£'000
Bonds	43,585	24,588	28,590	19,486
Inspecie transactions	-	-	53,747	-
Trades in the year before transaction costs	43,585	24,588	82,337	19,486
Total net trades in the year after transaction costs	43,585	24,588	82,337	19,486

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 0.00% (2022: 0.43%), 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
A Accumulation	873,060	794,301	(1,667,361)	-	-
A Income	34,291	305,355	(339,646)	-	-
I Accumulation	10,579,090	2,675,177	(13,254,267)	-	-
I Income	15,415,433	16,052,160	(31,636,285)	168,692	-
K Accumulation	1,722,390	1,833,354	(3,555,744)	-	-
K Income	6,299,812	14,141,930	(20,273,033)	(168,709)	-
M Accumulation	964	-	(964)	-	-
M Income	979	-	(979)	-	-
Z Accumulation	7,103,913	1,407,657	(8,511,570)	-	-

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	-	-	-	3,802	37,220	-
Total investment assets	-	-	-	3,802	37,220	-
Fair value of investment liabilities						
Derivatives	-	-	-	(3)	(59)	-
Total investment liabilities	-	-	-	(3)	(59)	-

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.

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
Currency				
UK Sterling	416	-	(416)	-
Total	416	-	(416)	-

2022	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
Currency				
UK Sterling	3,798	35,543	2,668	42,009
US Dollar	154	1,741	(1,920)	(25)
Total	3,952	37,284	748	41,984

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 fund closed on 23 June 2023, therefore VaR is not presented for the year to 31 July 2023. The table below indicates the VaR of the fund, measured as the maximum month one 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.

2022	Minimum	Maximum	Average
VaR 99% 1 Month	1.55%	2.55%	2.07%

Counterparty risk

Credit quality of debt security investment assets

The Fund closed on 23 June 2023 and held no investments at the period end. 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 %
2022		
Investment grade securities	39,111	93.16
Below investment grade securities	1,911	4.55
Unrated securities	-	-
Total value of securities	41,022	97.71

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.

The fund closed on 23 June 2023 and held no derivatives at the year end.

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
Leveraged instruments				
Forward currency contracts	-	-	1,930	(59)
Futures	-	-	1,885	(3)
Total market exposure	-	-	3,815	(62)

Notes to the Financial Statements

Continued

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.

The fund closed on 23 June 2023 and held no derivatives at the year end.

At the prior year end the fund had the following clearing broker exposure.

	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
Broker or exchange exposure					
Bank of America Merrill Lynch	(3)	45	-	42	0.10
	(3)	45	-	42	0.10

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 prior year end the fund had the following clearing broker exposure.

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

2022 Counterparties	Collateral (held)/pledged			Net exposure £'000
	Forwards £'000	Cash £'000	Stock £'000	
Credit Agricole*	-	-	-	-
Royal Bank of Canada	(59)	-	-	(59)
Total	(59)	-	-	(59)

* The market value of forward transactions with Credit Agricole is (£393).

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

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2023 £416,000 (2022: £493,000).

Distribution Tables

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

First interim interest distribution

Group 1 – shares purchased prior to 1 August 2022

Group 2 – shares purchased between 1 August 2022 and 31 October 2022

	Revenue	Equalisation	Distribution paid 31/01/23	Distribution paid 31/01/22
A Accumulation				
Group 1	0.6239	-	0.6239	0.3995
Group 2	0.6239	-	0.6239	0.3995
A Income				
Group 1	0.5702	-	0.5702	0.3703
Group 2	0.2031	0.3671	0.5702	0.3703
I Accumulation				
Group 1	0.7085	-	0.7085	0.4862
Group 2	0.1963	0.5122	0.7085	0.4862
I Income				
Group 1	0.6398	-	0.6398	0.4476
Group 2	0.2667	0.3731	0.6398	0.4476
K Accumulation				
Group 1	0.7384	-	0.7384	0.5164
Group 2	0.2727	0.4657	0.7384	0.5164
K Income				
Group 1	0.6627	-	0.6627	0.4732
Group 2	0.2888	0.3739	0.6627	0.4732
M Accumulation				
Group 1	0.7031	-	0.7031	0.4791
Group 2	0.7031	-	0.7031	0.4791
M Income				
Group 1	0.6516	-	0.6516	0.4606
Group 2	0.6516	-	0.6516	0.4606
Z Accumulation				
Group 1	0.7989	-	0.7989	0.5818
Group 2	0.7989	-	0.7989	0.5818

Distribution Tables

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

Second 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 28/04/23	Distribution paid 29/04/22
A Accumulation				
Group 1	0.8212	-	0.8212	0.4052
Group 2	0.5617	0.2595	0.8212	0.4052
A Income				
Group 1	0.7488	-	0.7488	0.3770
Group 2	0.7488	-	0.7488	0.3770
I Accumulation				
Group 1	0.9131	-	0.9131	0.4950
Group 2	0.6322	0.2809	0.9131	0.4950
I Income				
Group 1	0.8184	-	0.8184	0.4554
Group 2	0.4961	0.3223	0.8184	0.4554
K Accumulation				
Group 1	0.9447	-	0.9447	0.5239
Group 2	0.7593	0.1854	0.9447	0.5239
K Income				
Group 1	0.8415	-	0.8415	0.4764
Group 2	0.4474	0.3941	0.8415	0.4764
M Accumulation				
Group 1	-	-	-	0.4718
Group 2	-	-	-	0.4718
M Income				
Group 1	-	-	-	0.4596
Group 2	-	-	-	0.4596
Z Accumulation				
Group 1	1.0089	-	1.0089	0.5860
Group 2	1.0089	-	1.0089	0.5860

Distribution Tables

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

Third 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 31/07/23	Distribution paid 29/07/22
A Accumulation				
Group 1	0.9357	-	0.9357	0.4211
Group 2	0.9357	-	0.9357	0.4211
A Income				
Group 1	0.8470	-	0.8470	0.3905
Group 2	0.6580	0.1890	0.8470	0.3905
I Accumulation				
Group 1	1.0296	-	1.0296	0.5069
Group 2	0.3796	0.6500	1.0296	0.5069
I Income				
Group 1	0.9146	-	0.9146	0.4626
Group 2	0.4684	0.4462	0.9146	0.4626
K Accumulation				
Group 1	1.0618	-	1.0618	0.5358
Group 2	1.0078	0.0540	1.0618	0.5358
K Income				
Group 1	0.9372	-	0.9372	0.4862
Group 2	0.4756	0.4616	0.9372	0.4862
M Accumulation				
Group 1	-	-	-	0.4895
Group 2	-	-	-	0.4895
M Income				
Group 1	-	-	-	0.4576
Group 2	-	-	-	0.4576
Z Accumulation				
Group 1	1.1271	-	1.1271	0.5946
Group 2	0.2049	0.9222	1.1271	0.5946

Distribution Tables

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

Special distribution interim interest distribution

Group 1 – shares purchased prior to 1 May 2023

Group 2 – shares purchased between 1 May 2023 and 22 June 2023

	Revenue	Equalisation	Distribution paid 23/08/23
A Accumulation			
Group 1	0.6129	-	0.6129
Group 2	0.6129	-	0.6129
A Income			
Group 1	0.5509	-	0.5509
Group 2	0.4279	0.1230	0.5509
I Accumulation			
Group 1	0.6377	-	0.6337
Group 2	0.4889	0.1488	0.6337
I Income			
Group 1	0.5910	-	0.5910
Group 2	0.2641	0.3269	0.5910
K Accumulation			
Group 1	0.6897	-	0.6897
Group 2	0.6897	-	0.6897
K Income			
Group 1	0.6003	-	0.6003
Group 2	0.2643	0.3360	0.6003
M Accumulation			
Group 1	-	-	-
Group 2	-	-	-
M Income			
Group 1	-	-	-
Group 2	-	-	-
Z Accumulation			
Group 1	0.7308	-	0.7308
Group 2	0.7308	-	0.7308

Distribution Tables

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

Final interest distribution

Group 1 – shares purchased prior to 23 June 2023

Group 2 – shares purchased between 23 June 2023 and 31 July 2023

	Revenue	Equalisation	Distribution paid 31/10/23	Distribution paid 31/10/22
A Accumulation				
Group 1	-	-	-	0.5573
Group 2	-	-	-	0.5573
A Income				
Group 1	-	-	-	0.5071
Group 2	-	-	-	0.5071
I Accumulation				
Group 1	-	-	-	0.6365
Group 2	-	-	-	0.6365
I Income				
Group 1	-	-	-	0.5798
Group 2	-	-	-	0.5798
K Accumulation				
Group 1	-	-	-	0.6674
Group 2	-	-	-	0.6674
K Income				
Group 1	-	-	-	0.6028
Group 2	-	-	-	0.6028
M Accumulation				
Group 1	-	-	-	0.6637
Group 2	-	-	-	0.6637
M Income				
Group 1	-	-	-	0.5955
Group 2	-	-	-	0.5955
Z Accumulation				
Group 1	-	-	-	0.7434
Group 2	-	-	-	0.7434

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 Equity Fund (closed)

For the year ended 31 July 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 All-Share Index plus 3% 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 will invest at least 70% in equities and equity related securities of companies listed, incorporated or domiciled in the UK or companies that derive a significant proportion of their revenues or profits from UK operations or have a significant proportion of their assets there.
- 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 sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the Performance Target, the FTSE All-Share 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 9%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the 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.

Performance Review

For the period ended 23 June 2023, the value of abrdrn UK Equity Fund – I Accumulation Shares decreased by 2.92% compared to an increase of 2.28% in the performance target, the FTSE All-Share Index.

Source: Lipper; Basis: total return, published NAV to NAV, net of annual charges, UK net income reinvested, GBP.

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.

Market Review

The UK stock market advanced over the period but lagged its peers in Europe and the US due to persistently high inflation and concerns about economic growth. Following falls at the end of summer 2022, equity prices rebounded in October and November after Liz Truss, Boris Johnson's successor as prime minister, resigned in the wake of a disastrous mini-Budget that had caused a spike in UK bond yields. China's reopening towards the end of the year following the end of its zero-Covid policy also boosted sentiment and commodity prices.

At the start of 2023, hopes rose that central banks would soon be able to end their programme of interest-rate increases, but turbulence returned to global markets in March following the collapse of US-based Silicon Valley Bank and a loss of confidence in Switzerland's Credit Suisse. Intervention from financial regulators helped to avert a more serious liquidity crisis. While equities in Europe and the US subsequently staged a strong recovery, this was driven to a significant extent by gains in the type of technology stocks which represent a smaller share of the UK market. Lacklustre economic data from China throughout the period led to a weakening of commodity prices, which weighed on the UK's large-cap energy and mining stocks.

Annual inflation in Britain peaked at 11.1% in October, a 40-year high. Although the pace of price rises in the UK slowed in the months that followed, inflation remained well above the 2% Bank of England (BoE) target throughout the period, with the Consumer Prices Index figure for June 2023 standing at 7.9%. The BoE raised interest rates on

abrdrn UK Equity Fund (closed)

Continued

eight occasions during the 12 months, taking the base rate to 5%. Investors forecast further increases in the second half of the year.

Portfolio Activity and Review

The fund's underweight exposure to the energy sector continued to act as a drag on performance over the period, as did our overweight holding of telecommunications businesses. However, our overweight exposure to technology and industrials names was positive.

In stock-specific terms, the main detractor from performance was Telecom Plus. Its shares declined on concerns about the company trading outlook as the energy market normalised. Shares in construction materials business Marshalls were negative after the company faced downgrades from its exposure to residential property markets while weakening discretionary spending impacted the landscaping business. The market remained concerned about the firm's volume outlook this year. The fund's lack of holding in HSBC detracted from performance as the company's shares made solid gains on the back of rising interest rates and the post-Covid reopening of the Hong Kong market.

Conversely, our holding in AVEVA Group was positive as the company accepted a takeover offer from Schneider Electric. Shares in Oxford Instruments added to returns after the firm increased its full-year earnings guidance. Our lack of exposure to British American Tobacco, Vodafone and GSK was also beneficial as the companies' shares lagged wider market.

In terms of activity, we initiated new positions in Bellway and Hargreaves Lansdown over the period. We also introduced Sage Group, a world-leading accounting software provider that benefits from strong, recurring customer revenues, as well as NatWest Group and Hollywood Bowl Group. To fund these purchases, we exited our holdings in Standard Chartered, Unite, Countryside Partnerships and AVEVA, among other businesses. We also trimmed several of the fund's positions including those in Diageo, Prudential and London Stock Exchange Group.

Portfolio Outlook and Strategy

The fund closed on 23 June 2023.

UK Equity Team

August 2023

abrdn UK Equity Fund (closed)

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 23 June 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.
- 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

A Accumulation^A	2023	2022	2021
	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	226.68	251.61	201.85
Return before operating charges*	(6.45)	(21.93)	52.75
Operating charges	(2.56)	(3.00)	(2.99)
Return after operating charges*	(9.01)	(24.93)	49.76
Distributions	(3.11)	(1.49)	(0.84)
Retained distributions on accumulation shares	3.11	1.49	0.84
Redemption value as at 23 June 2023	(217.67)	-	-
Closing net asset value per share	-	226.68	251.61
* after direct transaction costs of:	0.49	0.28	0.44
Performance			
Return after charges	(3.97%)	(9.91%)	24.65%
Other information			
Closing net asset value (£'000)	-	75,091	89,925
Closing number of shares	-	33,127,322	35,740,575
Operating charges	1.28%	1.28%	1.30%
Direct transaction costs	0.22%	0.12%	0.19%
Prices			
Highest share price	234.2	262.9	252.6
Lowest share price	199.5	197.8	203.0

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.

^A A Accumulation share class was closed on 23 June 2023.

Comparative Tables

Continued

A Income ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	174.69	195.19	157.12
Return before operating charges*	(4.93)	(17.01)	41.05
Operating charges	(1.97)	(2.33)	(2.33)
Return after operating charges*	(6.90)	(19.34)	38.72
Distributions	(2.39)	(1.16)	(0.65)
Redemption value as at 23 June 2023	(165.40)	-	-
Closing net asset value per share	-	174.69	195.19
* after direct transaction costs of:	0.37	0.22	0.34
Performance			
Return after charges	(3.95%)	(9.91%)	24.64%
Other information			
Closing net asset value (£'000)	-	28,640	34,029
Closing number of shares	-	16,394,417	17,433,743
Operating charges	1.28%	1.28%	1.30%
Direct transaction costs	0.22%	0.12%	0.19%
Prices			
Highest share price	179.6	204.0	196.5
Lowest share price	153.7	153.3	158.0

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.

^A A Income share class was closed on 23 June 2023.

Comparative Tables

Continued

I Accumulation ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	250.35	276.63	220.93
Return before operating charges*	(7.13)	(24.14)	57.85
Operating charges	(1.84)	(2.14)	(2.15)
Return after operating charges*	(8.97)	(26.28)	55.70
Distributions	(4.43)	(2.80)	(2.06)
Retained distributions on accumulation shares	4.43	2.80	2.06
Redemption value as at 23 June 2023	(241.38)	-	-
Closing net asset value per share	-	250.35	276.63
* after direct transaction costs of:	0.54	0.31	0.48
Performance			
Return after charges	(3.58%)	(9.50%)	25.21%
Other information			
Closing net asset value (£'000)	-	344,929	366,614
Closing number of shares	-	137,778,973	132,526,992
Operating charges	0.83%	0.83%	0.85%
Direct transaction costs	0.22%	0.12%	0.19%
Prices			
Highest share price	259.5	289.2	277.6
Lowest share price	220.5	218.1	222.2

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.

^A I Accumulation share class was closed on 23 June 2023.

Comparative Tables

Continued

	2023	2022	2021
I Income ^A	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	174.60	195.10	157.02
Return before operating charges*	(4.93)	(17.02)	41.06
Operating charges	(1.28)	(1.51)	(1.52)
Return after operating charges*	(6.21)	(18.53)	39.54
Distributions	(3.08)	(1.97)	(1.46)
Redemption value as at 23 June 2023	(165.31)	-	-
Closing net asset value per share	-	174.60	195.10
* after direct transaction costs of:	0.38	0.22	0.34
Performance			
Return after charges	(3.56%)	(9.50%)	25.18%
Other information			
Closing net asset value (£'000)	-	10,163	11,619
Closing number of shares	-	5,820,624	5,954,997
Operating charges	0.83%	0.83%	0.85%
Direct transaction costs	0.22%	0.12%	0.19%
Prices			
Highest share price	179.7	204.0	196.8
Lowest share price	153.8	153.2	157.9

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.

^A I Income share class was closed on 23 June 2023.

Comparative Tables

Continued

K Accumulation ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	150.60	166.28	132.70
Return before operating charges*	(4.29)	(14.50)	34.77
Operating charges	(1.01)	(1.18)	(1.19)
Return after operating charges*	(5.30)	(15.68)	33.58
Distributions	(2.77)	(1.80)	(1.35)
Retained distributions on accumulation shares	2.77	1.80	1.35
Redemption value as at 23 June 2023	(145.30)	-	-
Closing net asset value per share	-	150.60	166.28
* after direct transaction costs of:	0.32	0.19	0.29
Performance			
Return after charges	(3.52%)	(9.43%)	25.31%
Other information			
Closing net asset value (£'000)	-	933	1,241
Closing number of shares	-	619,381	746,339
Operating charges	0.76%	0.76%	0.78%
Direct transaction costs	0.22%	0.12%	0.19%
Prices			
Highest share price	156.2	173.9	166.9
Lowest share price	132.7	131.2	133.5

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.

^A K Accumulation share class was closed on 23 June 2023.

Comparative Tables

Continued

L Accumulation ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	136.78	150.76	120.10
Return before operating charges*	(3.91)	(13.16)	31.48
Operating charges	(0.70)	(0.82)	(0.82)
Return after operating charges*	(4.61)	(13.98)	30.66
Distributions	(2.73)	(1.88)	(1.46)
Retained distributions on accumulation shares	2.73	1.88	1.46
Redemption value as at 23 June 2023	(132.17)	-	-
Closing net asset value per share	-	136.78	150.76
* after direct transaction costs of:	0.29	0.17	0.26
Performance			
Return after charges	(3.37%)	(9.27%)	25.53%
Other information			
Closing net asset value (£'000)	-	146	161
Closing number of shares	-	107,076	107,076
Operating charges	0.58%	0.58%	0.60%
Direct transaction costs	0.22%	0.12%	0.19%
Prices			
Highest share price	142.0	157.7	151.3
Lowest share price	120.5	119.0	120.8

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.

^A L Accumulation share class was closed on 23 June 2023.

Comparative Tables

Continued

L Income ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	124.01	138.58	111.53
Return before operating charges*	(3.49)	(12.09)	29.17
Operating charges	(0.63)	(0.75)	(0.76)
Return after operating charges*	(4.12)	(12.84)	28.41
Distributions	(2.46)	(1.73)	(1.36)
Retained distributions on accumulation shares	-	-	-
Redemption value as at 23 June 2023	(117.43)	-	-
Closing net asset value per share	-	124.01	138.58
* after direct transaction costs of:	0.26	0.16	0.24
Performance			
Return after charges	(3.32%)	(9.27%)	25.47%
Other information			
Closing net asset value (£'000)	-	39	43
Closing number of shares	-	31,267	31,267
Operating charges	0.58%	0.58%	0.60%
Direct transaction costs	0.22%	0.12%	0.19%
Prices			
Highest share price	127.7	144.9	139.9
Lowest share price	109.3	108.9	112.2

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.

^A L Income share class was closed on 23 June 2023.

Comparative Tables

Continued

M Accumulation ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	123.01	135.99	108.66
Return before operating charges*	(3.50)	(11.87)	28.45
Operating charges	(0.96)	(1.11)	(1.12)
Return after operating charges*	(4.46)	(12.98)	27.33
Distributions	(2.12)	(1.32)	(0.95)
Retained distributions on accumulation shares	2.12	1.32	0.95
Redemption value as at 23 June 2023	(118.55)	-	-
Closing net asset value per share	-	123.01	135.99
* after direct transaction costs of:	0.26	0.15	0.24
Performance			
Return after charges	(3.63%)	(9.54%)	25.15%
Other information			
Closing net asset value (£'000)	-	365	337
Closing number of shares	-	296,763	247,812
Operating charges	0.88%	0.88%	0.90%
Direct transaction costs	0.22%	0.12%	0.19%
Prices			
Highest share price	127.4	142.2	136.5
Lowest share price	108.3	107.2	109.3

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.

^A M Accumulation share class was closed on 23 June 2023.

Comparative Tables

Continued

M Income ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	118.31	132.21	106.41
Return before operating charges*	(3.33)	(11.54)	27.82
Operating charges	(0.92)	(1.08)	(1.09)
Return after operating charges*	(4.25)	(12.62)	26.73
Distributions	(2.04)	(1.28)	(0.93)
Redemption value as at 23 June 2023	(112.02)	-	-
Closing net asset value per share	-	118.31	132.21
* after direct transaction costs of:	0.25	0.15	0.23
Performance			
Return after charges	(3.59%)	(9.55%)	25.12%
Other information			
Closing net asset value (£'000)	-	32	36
Closing number of shares	-	27,173	27,062
Operating charges	0.88%	0.88%	0.90%
Direct transaction costs	0.22%	0.12%	0.19%
Prices			
Highest share price	121.8	138.2	133.3
Lowest share price	104.2	103.8	107.0

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.

^A M Income share class was closed on 23 June 2023.

Portfolio Statement

As at 31 July 2023

Holding	Investment	Market value £'000	Percentage of total net assets
UK Equities (98.57%)		-	-
Basic Materials (3.82%)		-	-
Consumer Discretionary (13.66%)		-	-
Consumer Staples (11.54%)		-	-
Financials (18.47%)		-	-
6,075	HIE Ventures*	-	-
Health Care (13.00%)		-	-
Industrials (23.65%)		-	-
Real Estate (2.15%)		-	-
Technology (8.37%)		-	-
Telecommunications (3.91%)		-	-
Total investment assets		-	-
Net other assets		-	-
Total Net Assets		-	-

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

* Delisted

Financial Statements

Statement of Total Return

For the year ended 31 July 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(21,948)		(52,051)
Revenue	2	10,610		9,077	
Expenses	3	(3,504)		(4,410)	
Net revenue before taxation		7,106		4,667	
Taxation	4	48		(48)	
Net revenue after taxation			7,154		4,619
Total return before distributions			(14,794)		(47,432)
Distributions	5		(7,153)		(4,619)
Change in net assets attributable to shareholders from investment activities			(21,947)		(52,051)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2023

	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		460,338		504,005
Amounts receivable on the issue of shares	14,844		29,496	
Amounts payable on the cancellation of shares	(83,823)		(25,552)	
Amounts payable on inspecie transfers*	(375,708)		-	
		(444,687)		3,944
Dilution adjustment		71		70
Change in net assets attributable to shareholders from investment activities (see above)		(21,947)		(52,051)
Retained distribution on accumulation shares		6,198		4,321
Unclaimed distributions		35		49
Movement in amount payable on termination		(8)		
Closing net assets attributable to shareholders		-		460,338

* Relating to an inspecie transfer to abrdn UK Sustainable & Responsible Investment Equity Fund on 23 June 2023.

Financial Statements

Continued

Balance Sheet

As at 31 July 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			-		453,768
Current assets:					
Debtors	6	199		769	
Cash and bank balances		843		6,675	
			1,042		7,444
Total assets			1,042		461,212
Liabilities:					
Creditors	7	(709)		(647)	
Distribution payable		(333)		(227)	
			(1,042)		(874)
Total liabilities			(1,042)		(874)
Net assets attributable to shareholders			-		460,338

Notes to the Financial Statements

1 Net Capital Losses

	2023 £'000	2022 £'000
Non-derivative securities	(21,945)	(52,050)
Other gains	-	2
Transaction charges	(3)	(3)
Net capital losses	(21,948)	(52,051)

2 Revenue

	2023 £'000	2022 £'000
Overseas dividends	(324)	312
Stocklending revenue	-	6
UK dividends	10,731	8,564
UK REIT	203	195
Total revenue	10,610	9,077

3 Expenses

	2023 £'000	2022 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	3,195	4,023
General administration charge	300	376
	3,495	4,399
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	9	11
	9	11
Total expenses	3,504	4,410

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £9,120 (2022: £8,460).

Notes to the Financial Statements

Continued

4 Taxation

	2023 £'000	2022 £'000
(a) Analysis of charge in year		
Overseas taxes	(48)	48
Total taxation (note 4b)	(48)	48

(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:

Net revenue before taxation	7,106	4,667
Corporation tax at 20% (2022: 20%)	1,421	933
Effects of:		
Revenue not subject to taxation	(2,081)	(1,775)
Overseas taxes	(48)	48
Excess allowable expenses	660	842
Total tax charge for year (note 4a)	(48)	48

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 £20,765,000 (2022: £20,105,000) 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	2,705	1,457
Special distribution	4,025	-
Final distribution	-	3,170
	6,730	4,627
Add: Income deducted on cancellation of shares	534	99
Deduct: Income received on issue of shares	(111)	(107)
Total distributions for the year	7,153	4,619

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	199	710
Overseas withholding tax recoverable	-	59
Total debtors	199	769

7 Creditors

	2023 £'000	2022 £'000
Accrued expenses payable to ACD	-	345
Accrued expenses payable to the Depositary or associates of the Depositary	-	1
Amounts payable on termination	709	-
Amounts payable to the ACD for cancellation of shares	-	301
Total creditors	709	647

8 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 7.

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 7.

9 Portfolio Transaction Costs

	Purchases		Sales	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trades in the year				
Equities	133,831	112,041	182,288	99,590
Inspecie transactions	-	-	370,925	-
Corporate actions	-	-	13,271	-
Trades in the year before transaction costs	133,831	112,041	566,484	99,590
Commissions				
Equities	79	59	(98)	(60)
Total commissions	79	59	(98)	(60)

Notes to the Financial Statements

Continued

	Purchases		Sales	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trades in the year				
Taxes				
Equities	643	445	-	-
Total taxes	643	445	-	-
Total transaction costs	722	504	(98)	(60)
Total net trades in the year after transaction costs	134,553	112,545	566,386	99,530

	Purchases		Sales	
	2023 %	2022 %	2023 %	2022 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.06	0.05	0.05	0.06
Taxes				
Equities	0.48	0.40	-	-

	2023 %	2022 %
Total transaction costs expressed as a percentage of net asset value		
Commissions	0.05	0.03
Taxes	0.17	0.09

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 0.00% (2022: 0.14%), this is representative of the average spread on the assets held during the year.

10 Shares in Issue Reconciliation

	Opening shares 2022	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2023
A Accumulation	33,127,322	104,684	(31,819,536)	(1,412,470)	-
A Income	16,394,417	80,647	(15,884,955)	(590,109)	-
I Accumulation	137,778,973	6,095,093	(145,156,266)	1,282,200	-
I Income	5,820,624	270,749	(6,673,175)	581,802	-
K Accumulation	619,381	-	(619,381)	-	-
L Accumulation	107,076	-	(107,076)	-	-
L Income	31,267	-	(31,267)	-	-
M Accumulation	296,763	18,982	(315,745)	-	-
M Income	27,173	327	(27,500)	-	-

Notes to the Financial Statements

Continued

11 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
Equities	-	-	-	453,768	-	-
Total investment assets	-	-	-	453,768	-	-

12 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 July 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 £Nil (2022: £22,688,000).

Financial derivatives instrument risk

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

Bilateral agreements

The fund receives 85% of the revenue returns from stock lending. The gross earnings for the year are £Nil (2022: £7,000) and expenses paid to the lending agent, Securities Finance Trust Company, are £Nil (2022: £1,000).

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2023 £1,042,000 (2022: £874,000).

Distribution Tables

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

Interim dividend distribution

Group 1 – shares purchased prior to 1 August 2022

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

	Revenue	Equalisation	Distribution paid 28/04/23	Distribution paid 29/04/22
A Accumulation				
Group 1	1.0878	-	1.0878	0.3048
Group 2	0.3160	0.7718	1.0878	0.3048
A Income				
Group 1	0.8383	-	0.8383	0.2365
Group 2	0.0820	0.7563	0.8383	0.2365
I Accumulation				
Group 1	1.7492	-	1.7492	0.9615
Group 2	0.4847	1.2645	1.7492	0.9615
I Income				
Group 1	1.2198	-	1.2198	0.6781
Group 2	0.6633	0.5565	1.2198	0.6781
K Accumulation				
Group 1	1.1072	-	1.1072	0.6403
Group 2	1.1072	-	1.1072	0.6403
L Accumulation				
Group 1	1.1221	-	1.1221	0.7140
Group 2	1.1221	-	1.1221	0.7140
L Income				
Group 1	1.0173	-	1.0173	0.6573
Group 2	1.0173	-	1.0173	0.6573
M Accumulation				
Group 1	0.8296	-	0.8296	0.4388
Group 2	0.2873	0.5423	0.8296	0.4388
M Income				
Group 1	0.7989	-	0.7989	0.4269
Group 2	0.1447	0.6542	0.7989	0.4269

Distribution Tables

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

Special distribution

Group 1 – shares purchased prior to 1 February 2023

Group 2 – shares purchased between 1 February 2023 and 22 June 2023

	Revenue	Equalisation	Distribution paid 23/08/23
A Accumulation			
Group 1	2.0221	-	2.0221
Group 2	0.5817	1.4404	2.0221
A Income			
Group 1	1.5515	-	1.5515
Group 2	1.0529	0.4986	1.5515
I Accumulation			
Group 1	2.6852	-	2.6852
Group 2	1.6710	1.0142	2.6852
I Income			
Group 1	1.8601	-	1.8601
Group 2	0.7839	1.0762	1.8601
K Accumulation			
Group 1	1.6611	-	1.6611
Group 2	1.6611	-	1.6611
L Accumulation			
Group 1	1.6050	-	1.6050
Group 2	1.6050	-	1.6050
L Income			
Group 1	1.4430	-	1.4430
Group 2	1.4430	-	1.4430
M Accumulation			
Group 1	1.2949	-	1.2949
Group 2	0.6643	0.6306	1.2949
M Income			
Group 1	1.2380	-	1.2380
Group 2	0.2651	0.9729	1.2380

Distribution Tables

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

Final dividend distribution

Group 1 – shares purchased prior to 23 June 2023

Group 2 – shares purchased between 23 June 2023 and 31 July 2023

	Revenue	Equalisation	Distribution paid 31/10/23	Distribution paid 31/10/22
A Accumulation				
Group 1	-	-	-	1.1872
Group 2	-	-	-	1.1872
A Income				
Group 1	-	-	-	0.9193
Group 2	-	-	-	0.9193
I Accumulation				
Group 1	-	-	-	1.8428
Group 2	-	-	-	1.8428
I Income				
Group 1	-	-	-	1.2963
Group 2	-	-	-	1.2963
K Accumulation				
Group 1	-	-	-	1.1622
Group 2	-	-	-	1.1622
L Accumulation				
Group 1	-	-	-	1.1679
Group 2	-	-	-	1.1679
L Income				
Group 1	-	-	-	1.0685
Group 2	-	-	-	1.0685
M Accumulation				
Group 1	-	-	-	0.8806
Group 2	-	-	-	0.8806
M Income				
Group 1	-	-	-	0.8501
Group 2	-	-	-	0.8501

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 World Income Equity Fund (closed)

For the year ended 31 July 2023

Investment Objective

To generate income and some growth over the long term (5 years or more) by investing in equities (company shares) worldwide.

Performance Target: To exceed the return of the MSCI AC World High Yield Index plus 3% 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 will invest at least 70% in equities and equity related securities of companies listed on global stock exchanges that offer good sustainable income prospects.
- 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 diverse asset mix at country, sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the Performance Target, the MSCI AC World High Yield 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 9%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the index over the long term.

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.

Performance Review

For the period ended 19 April 2023, the value of abrdn World Equity Income Fund – I Income Shares increased by 7.39% compared to an increase of 4.11% in the performance target, the MSCI AC World High Yield Index.

Source: Lipper; Basis: total return, published NAV to NAV, net of annual charges, UK net income reinvested, GBP.

Source: MSCI. The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis forecast or prediction. The MSCI information is provided on an 'as is' basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the 'MSCI Parties') expressly disclaims all warranties (including without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages (www.msci.com).

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.

Market Review

Global stock markets rose in sterling terms and more notably in local-currency terms over the 12 months as share prices recovered from the sharp sell-off suffered in the first half of 2022. Central banks in Western economies raised interest rates faster and much further than previously anticipated to counter multi-decade-high inflation. Nevertheless, global economic growth held up better than many investors expected, defying fears of a recession triggered by higher rates. US and eurozone inflation peaked in the autumn of 2022, prompting hopes that an end to interest-rate rises might be in sight. The new year started on a highly positive note, with strong stock market gains. 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. Stock markets recovered after an initial sell-off. After a quiet April, most markets fell in May. This was against a backdrop of further interest-rate rises, protracted negotiations over raising the US government's debt ceiling and signs of slowing economic momentum. News of a compromise agreement over the debt limit and further encouraging inflation data then led to equities having strong months in June and July, despite still-hawkish rhetoric from central banks.

abrdn World Income Equity Fund (closed)

Continued

Portfolio Activity and Review

Among the main contributors to performance was Grupo Aeroportuario del Sureste. Total passenger traffic at its airports grew 30% year on year to the end of January, beating consensus expectations for all geographies. Demand for leisure travel to places like Cancun remains strong despite fears of a global economic slowdown. Semiconductor stocks performed very well, reflecting investor expectations of demand recovery later this year. BE Semiconductor Industries reported impressive gross margin stability in its fourth-quarter results, as well as a standout order book, which was driven by high-end smartphone demand and its market-leading hybrid-bonding business. Meanwhile, iron ore producers, including Vale, performed strongly. This was after top consumer China took steps to bolster its property market, countering worries that tightening Covid-19 restrictions earlier in the period would hurt demand for the metal. TotalEnergies' latest 'Capital Markets Day' was reassuring and well received by investors. It included the announcement of a special dividend to be paid in December 2022. The company's third-quarter results, announced in October 2022, were solid, with no change to full-year guidance.

In terms of stocks that detracted, Canadian gas distribution company TC Energy's share price remained weak, despite strong operating performance and a favourable pricing environment. This was due to investor concerns over above-budget spending on TC Energy's Coastal Gaslink project and delays on the firm's projected non-core asset disposals. After a strong period of performance, Banco Bradesco's share price fell after its third-quarter results showed a decline in asset quality. However, the bank's loan growth remains solid, and the insurance business is performing satisfactorily. Some more evidence emerged of the US Food and Drug Administration's negative stance on menthol e-cigarettes, which was unhelpful for British American Tobacco. China Vanke was weak given the continued tough backdrop for the Chinese property sector. The company's 2022 results were fairly resilient, with revenue growth of 11% year on year and signs that the gross margin has stabilised after a sharp decline in 2021. However, land acquisitions were relatively low, prompting concerns about future bookings.

The fund was liquidated in mid-April. All positions were sold.

Portfolio Outlook and Strategy

The fund closed on 19 April 2023.

Global Equity Team

August 2023

abrdn World Income Equity Fund (closed)

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 19 April 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 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 fund may invest in companies with Variable Interest Entity (VIE) structures in order to gain exposure to industries with foreign ownership restrictions. There is a risk that investments in these structures may be adversely affected by changes in the legal and regulatory framework.
- 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.
- 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

A Accumulation^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	163.61	147.66	125.37
Return before operating charges*	13.79	18.04	24.45
Operating charges	(1.58)	(2.09)	(2.16)
Return after operating charges*	12.21	15.95	22.29
Distributions	-	(7.44)	(4.55)
Retained distributions on accumulation shares	-	7.44	4.55
Redemption value as at 19 April 2023	(175.82)	-	-
Closing net asset value per share	-	163.61	147.66
* after direct transaction costs of:	0.23	0.05	0.09
Performance			
Return after charges	7.46%	10.80%	17.78%
Other information			
Closing net asset value (£'000)	-	3,615	3,929
Closing number of shares	-	2,209,503	2,660,858
Operating charges	1.31%	1.31%	1.53%
Direct transaction costs	0.14%	0.04%	0.07%
Prices			
Highest share price	178.1	172.2	153.2
Lowest share price	159.5	146.1	122.4

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.

^A A Accumulation share class was closed on 19 April 2023.

Comparative Tables

Continued

A Income ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	64.24	60.74	53.27
Return before operating charges*	4.07	7.36	10.28
Operating charges	(0.62)	(0.85)	(0.90)
Return after operating charges*	3.45	6.51	9.38
Distributions	-	(3.01)	(1.91)
Redemption value as at 19 April 2023	(67.69)	-	-
Closing net asset value per share	-	64.24	60.74
* after direct transaction costs of:	0.09	0.02	0.04
Performance			
Return after charges	5.37%	10.72%	17.61%
Other information			
Closing net asset value (£'000)	-	9,829	9,431
Closing number of shares	-	15,301,570	15,525,949
Operating charges	1.31%	1.31%	1.53%
Direct transaction costs	0.14%	0.04%	0.07%
Prices			
Highest share price	68.65	69.19	63.65
Lowest share price	62.60	60.11	51.58

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.

^A A Income share class was closed on 19 April 2023.

Comparative Tables

Continued

I Accumulation ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	161.62	145.21	122.73
Return before operating charges*	13.65	17.77	23.98
Operating charges	(1.05)	(1.36)	(1.50)
Return after operating charges*	12.60	16.41	22.48
Distributions	-	(7.33)	(4.46)
Retained distributions on accumulation shares	-	7.33	4.46
Redemption value as at 19 April 2023	(174.22)	-	-
Closing net asset value per share	-	161.62	145.21
* after direct transaction costs of:	0.23	0.05	0.09
Performance			
Return after charges	7.80%	11.30%	18.32%
Other information			
Closing net asset value (£'000)	-	2,548	1,729
Closing number of shares	-	1,576,203	1,190,935
Operating charges	0.86%	0.86%	1.08%
Direct transaction costs	0.14%	0.04%	0.07%
Prices			
Highest share price	176.3	170.0	150.6
Lowest share price	157.7	143.8	119.9

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.

^A I Accumulation share class was closed on 19 April 2023.

Comparative Tables

Continued

I Income ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	68.38	64.38	56.20
Return before operating charges*	4.34	7.78	10.87
Operating charges	(0.44)	(0.58)	(0.67)
Return after operating charges*	3.90	7.20	10.20
Distributions	-	(3.20)	(2.02)
Redemption value as at 19 April 2023	(72.28)	-	-
Closing net asset value per share	-	68.38	64.38
* after direct transaction costs of:	0.10	0.02	0.04
Performance			
Return after charges	5.70%	11.18%	18.15%
Other information			
Closing net asset value (£'000)	-	11,553	16,036
Closing number of shares	-	16,894,252	24,907,411
Operating charges	0.86%	0.86%	1.08%
Direct transaction costs	0.14%	0.04%	0.07%
Prices			
Highest share price	73.24	73.55	67.35
Lowest share price	66.69	63.76	54.48

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.

^A I Income share class was closed on 19 April 2023.

Comparative Tables

Continued

M Accumulation ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	120.28	108.00	91.20
Return before operating charges*	9.69	13.34	17.97
Operating charges	(0.53)	(1.06)	(1.17)
Return after operating charges*	9.16	12.28	16.80
Distributions	-	(5.46)	(3.37)
Retained distributions on accumulation shares	-	5.46	3.37
Redemption value as at 17 January 2023	(129.44)	-	-
Closing net asset value per share	-	120.28	108.00
* after direct transaction costs of:	0.17	0.04	0.07
Performance			
Return after charges	7.62%	11.37%	18.42%
Other information			
Closing net asset value (£'000)	-	1	1
Closing number of shares	-	936	936
Operating charges	0.91%	0.91%	1.13%
Direct transaction costs	0.14%	0.04%	0.07%
Prices			
Highest share price	130.0	126.5	112.0
Lowest share price	117.4	106.9	89.18

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.

^A M Accumulation share class was closed on 17 January 2023.

Comparative Tables

Continued

M Income ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	103.64	97.58	85.18
Return before operating charges*	6.64	11.86	16.49
Operating charges	(0.70)	(0.94)	(1.08)
Return after operating charges*	5.94	10.92	15.41
Distributions	-	(4.86)	(3.01)
Redemption value as at 19 April 2023	(109.58)	-	-
Closing net asset value per share	-	103.64	97.58
* after direct transaction costs of:	0.15	0.03	0.06
Performance			
Return after charges	5.73%	11.19%	18.09%
Other information			
Closing net asset value (£'000)	-	11	11
Closing number of shares	-	10,961	10,644
Operating charges	0.91%	0.91%	1.13%
Direct transaction costs	0.14%	0.04%	0.07%
Prices			
Highest share price	111.0	111.5	102.1
Lowest share price	101.1	96.63	82.57

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.

^A M Income share class was closed on 19 April 2023.

Portfolio Statement

As at 31 July 2023

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (99.94%)		-	-
Emerging Market Equities (8.98%)		-	-
Brazil (6.32%)		-	-
Chile (2.66%)		-	-
European Equities (20.12%)		-	-
Denmark (2.37%)		-	-
Finland (1.81%)		-	-
France (4.80%)		-	-
Germany (0.82%)		-	-
Italy (1.15%)		-	-
Netherlands (1.23%)		-	-
Norway (1.81%)		-	-
Sweden (2.86%)		-	-
Switzerland (3.27%)		-	-
North American Equities (33.14%)		-	-
Canada (4.87%)		-	-
United States (24.00%)		-	-
Mexico (4.27%)		-	-
Pacific Basin Equities (27.61%)		-	-
Australia (0.98%)		-	-
China (3.18%)		-	-

Portfolio Statement

As at 31 July 2023 continued

Investment	Market value £'000	Percentage of total net assets
Hong Kong (2.98%)	-	-
Indonesia (3.40%)	-	-
Singapore (3.37%)	-	-
South Korea (2.66%)	-	-
Taiwan (8.66%)	-	-
Thailand (2.38%)	-	-
UK Equities (10.09%)	-	-
Basic Materials (1.67%)	-	-
Consumer Staples (5.67%)	-	-
Energy (1.71%)	-	-
Telecommunications (1.04%)	-	-
Total investment assets	-	-
Net other assets	-	-
Total Net Assets	-	-

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

Financial Statements

Statement of Total Return

For the year ended 31 July 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains	1		1,444		2,120
Revenue	2	773		1,510	
Expenses	3	(189)		(310)	
Net revenue before taxation		584		1,200	
Taxation	4	(65)		(89)	
Net revenue after taxation			519		1,111
Total return before distributions			1,963		3,231
Distributions	5		(681)		(1,399)
Change in net assets attributable to shareholders from investment activities			1,282		1,832

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2023

	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		27,557		31,137
Amounts receivable on the issue of shares	8,394		3,039	
Amounts payable on the cancellation of shares	(37,201)		(8,733)	
		(28,807)		(5,694)
Dilution adjustment		17		-
Change in net assets attributable to shareholders from investment activities (see above)		1,282		1,832
Retained distribution on accumulation shares		88		281
Unclaimed distributions		1		1
Movement in amount payable on termination		(138)		-
Closing net assets attributable to shareholders		-		27,557

Financial Statements

Continued

Balance Sheet

As at 31 July 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			-		27,540
Current assets:					
Debtors	6	74		373	
Cash and bank balances	7	74		62	
			148		435
Total assets			148		27,975
Liabilities:					
Bank overdrafts	7	-		(18)	
Creditors	8	(148)		(46)	
Distribution payable		-		(354)	
			(148)		(418)
Total liabilities			(148)		(418)
Net assets attributable to shareholders			-		27,557

Notes to the Financial Statements

1 Net Capital Gains

	2023 £'000	2022 £'000
Non-derivative securities	1,395	2,147
Other gains/(losses)	59	(18)
Transaction charges	(10)	(9)
Net capital gains	1,444	2,120

2 Revenue

	2023 £'000	2022 £'000
Overseas dividends	647	1,341
Overseas REIT	3	16
UK dividends	123	153
Total revenue	773	1,510

3 Expenses

	2023 £'000	2022 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	177	287
General administration charge	7	12
	184	299
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Revenue collection expenses	3	7
Safe custody fee	2	4
	5	11
Total expenses	189	310

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £9,120 (2022: £8,460).

4 Taxation

	2023 £'000	2022 £'000
(a) Analysis of charge in year		
Overseas taxes	65	89
Total taxation (note 4b)	65	89

Notes to the Financial Statements

Continued

	2023 £'000	2022 £'000
(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:		
Net revenue before taxation	584	1,200
Corporation tax at 20% (2022: 20%)	117	240
Effects of:		
Revenue not subject to taxation	(145)	(284)
Overseas taxes	64	89
Overseas tax expensed	(1)	(2)
Excess allowable expenses	30	46
Total tax charge for year (note 4a)	65	89

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 £2,676,000 (2022: £2,646,000) 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
First interim distribution	235	433
Second interim distribution	295	211
Third interim distribution	-	268
Final distribution	-	454
	530	1,366
Add: Income deducted on cancellation of shares	207	47
Deduct: Income received on issue of shares	(56)	(14)
Total distributions for the year	681	1,399
Movement between net revenue and distributions		
Net revenue after taxation	519	1,111
Expenses charged to capital	184	299
Tax relief on expenses charged to capital	(7)	(11)
Undistributed revenue carried forward	(15)	-
Total distributions for the year	681	1,399

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

Notes to the Financial Statements

Continued

Marginal relief applies benefit (cash) in line with the nature of the expense, where expenses are deducted from capital the tax benefit is returned to capital. In maximising the distribution to investors marginal relief is included in the distribution.

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	2	180
Amounts receivable from the ACD for the issue of shares	-	93
Overseas withholding tax recoverable	72	99
Sales awaiting settlement	-	1
Total debtors	74	373

7 Liquidity

	2023 £'000	2022 £'000
Cash and bank balances		
Cash at bank	74	62
	74	62
Bank overdrafts		
Overdraft at bank	-	(18)
	-	(18)
Net liquidity	74	44

8 Creditors

	2023 £'000	2022 £'000
Accrued expenses payable to ACD	-	24
Accrued expenses payable to the Depositary or associates of the Depositary	-	1
Amounts payable on termination	148	21
Total creditors	148	46

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.

Notes to the Financial Statements

Continued

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

Amounts payable to abrdn 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 £'000	2022 £'000	2023 £'000	2022 £'000
Trades in the year				
Equities	6,570	2,805	35,415	8,440
Corporate actions	-	-	1	9
Trades in the year before transaction costs	6,570	2,805	35,416	8,449
Commissions				
Equities	2	2	(9)	(4)
Total commissions	2	2	(9)	(4)
Taxes				
Equities	4	1	(11)	(3)
Total taxes	4	1	(11)	(3)
Total transaction costs	6	3	(20)	(7)
Total net trades in the year after transaction costs	6,576	2,808	35,396	8,442
	Purchases		Sales	
	2023 %	2022 %	2023 %	2022 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.04	0.05	0.02	0.04
Taxes				
Equities	0.06	0.05	0.03	0.04
Total transaction costs expressed as a percentage of net asset value			2023 %	2022 %
Commissions			0.06	0.02
Taxes			0.08	0.02

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 0.00% (2022: 0.24%), 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
A Accumulation	2,209,503	40,052	(2,109,850)	(139,705)	-
A Income	15,301,570	303,611	(14,678,496)	(926,685)	-
I Accumulation	1,576,203	2,305,271	(4,022,705)	141,231	-
I Income	16,894,252	5,827,790	(23,591,259)	869,217	-
M Accumulation	936	-	(936)	-	-
M Income	10,961	242	(11,203)	-	-

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	-	-	-	27,540	-	-
Total investment assets	-	-	-	27,540	-	-

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 2023 £'000	Net foreign currency exposure 2022 £'000
Australian Dollar	-	270
Canadian Dollar	1	1,347
Danish Krone	6	657
Euro	41	2,713
Hong Kong Dollar	-	1,750

Notes to the Financial Statements

Continued

Currency	Net foreign currency exposure	Net foreign currency exposure
	2023 £'000	2022 £'000
Indian Rupee	6	7
Indonesian Rupiah	-	936
Mexican Peso	-	1,178
Norwegian Krone	6	505
Polish Zloty	12	11
Singapore Dollar	-	929
Swedish Krona	-	1,285
Swiss Franc	-	901
Taiwan Dollar	-	1,715
Thai Baht	-	660
US Dollar	18	10,652
Total	90	25,516

At 31 July 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 £5,000 (2022: £1,276,000).

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 July 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 £Nil (2022: £1,377,000).

Financial derivatives instrument risk

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

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2023 £148,000 (2022: £418,000).

Distribution Tables

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

First interim dividend distribution

Group 1 – shares purchased prior to 1 August 2022

Group 2 – shares purchased between 1 August 2022 and 31 October 2022

	Revenue	Equalisation	Distribution paid 31/01/23	Distribution paid 31/01/22
A Accumulation				
Group 1	1.6035	-	1.6035	2.1340
Group 2	0.8575	0.7460	1.6035	2.1340
A Income				
Group 1	0.6317	-	0.6317	0.8781
Group 2	0.0218	0.6099	0.6317	0.8781
I Accumulation				
Group 1	1.5910	-	1.5910	2.0999
Group 2	0.7641	0.8269	1.5910	2.0999
I Income				
Group 1	0.6728	-	0.6728	0.9333
Group 2	0.3441	0.3287	0.6728	0.9333
M Accumulation				
Group 1	1.1925	-	1.1925	1.5580
Group 2	1.1925	-	1.1925	1.5580
M Income				
Group 1	1.0212	-	1.0212	1.4214
Group 2	1.0212	-	1.0212	1.4214

Distribution Tables

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

Second 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 28/04/23	Distribution paid 29/04/22
A Accumulation				
Group 1	1.6239	-	1.6239	1.1333
Group 2	1.2987	0.3252	1.6239	1.1333
A Income				
Group 1	0.6249	-	0.6249	0.4592
Group 2	0.0948	0.5301	0.6249	0.4592
I Accumulation				
Group 1	1.5889	-	1.5889	1.1156
Group 2	0.3788	1.2101	1.5889	1.1156
I Income				
Group 1	0.6658	-	0.6658	0.4885
Group 2	0.1643	0.5015	0.6658	0.4885
M Accumulation				
Group 1	-	-	-	0.8345
Group 2	-	-	-	0.8345
M Income				
Group 1	1.0116	-	1.0116	0.7410
Group 2	0.9640	0.0476	1.0116	0.7410

Distribution Tables

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

Third 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 31/07/23	Distribution paid 29/07/22
A Accumulation				
Group 1	-	-	-	1.5094
Group 2	-	-	-	1.5094
A Income				
Group 1	-	-	-	0.6080
Group 2	-	-	-	0.6080
I Accumulation				
Group 1	-	-	-	1.4863
Group 2	-	-	-	1.4863
I Income				
Group 1	-	-	-	0.6471
Group 2	-	-	-	0.6471
M Accumulation				
Group 1	-	-	-	1.1134
Group 2	-	-	-	1.1134
M Income				
Group 1	-	-	-	0.9813
Group 2	-	-	-	0.9813

Distribution Tables

For the year ended 31 July 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 July 2023

	Revenue	Equalisation	Distribution paid 31/10/23	Distribution paid 31/10/22
A Accumulation				
Group 1	-	-	-	2.6650
Group 2	-	-	-	2.6650
A Income				
Group 1	-	-	-	1.0629
Group 2	-	-	-	1.0629
I Accumulation				
Group 1	-	-	-	2.6259
Group 2	-	-	-	2.6259
I Income				
Group 1	-	-	-	1.1312
Group 2	-	-	-	1.1312
M Accumulation				
Group 1	-	-	-	1.9587
Group 2	-	-	-	1.9587
M Income				
Group 1	-	-	-	1.7149
Group 2	-	-	-	1.7149

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.

ASI Eastern European Equity Fund (closed)

For the year ended 31 July 2023

Investment Objective

To generate growth over the long term (5 years or more) by investing in European emerging markets equities (company shares).

Performance Target: To achieve the return of the MSCI Emerging Market Europe 10/40 Index plus 3% 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 equities and equity related securities of companies listed, incorporated or domiciled in European emerging market countries, or companies that derive a significant proportion of their revenues or profits or have a significant proportion of their assets there.
- The fund may also invest up to 10% in other European equities.
- 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 diverse asset mix at country, sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the Performance Target, the MSCI Emerging Market Europe 10/40 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 12.5%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the MSCI Emerging Market Europe 10/40 Index over the long term.

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.

Market Review

In February 2022, Russia unexpectedly invaded the Ukraine, triggering a war between the two countries. The invasion drew widespread condemnation from the international community, and Russia subsequently incurred hefty economic and financial sanctions from its key trading partners the European Union, UK and the US.

Starting on 25 February 2022, abrdn was unable to trade in local Russian securities, and soon after (on 28 February 2022) the Moscow Exchange (MOEX) shut down trading altogether. While the MOEX reopened for trading in March, we were unable to assign value to Russian positions due to our inability either to trade positions or to repatriate proceeds.

Portfolio Activity and Review

Given the inability to accurately price securities making up a material part of the fund's net asset value, abrdn's Investor Protection Committee (IPC) took the decision to suspend the fund on 28 February 2022. Since that time, given the prevailing market conditions and liquidity, abrdn's Valuation and Pricing Committee (VPC) decided to reduce the price on all Russian equity and Global Depository Receipts (GDR) and American Depository Receipt (ADR) instruments to zero. This decision, taken on 3 March 2022, was followed by news that major index providers would remove Russia from all composite indices, price all securities to zero, and downgrade Russia to 'standalone market' status, similar to Iran and Argentina. MSCI removed Russia from all its indices on 9 March 2022.

Since the fund's suspension, we followed the VPC's methodology in writing Russian positions to zero, but retained title to those shares and continued to look for resolution of some kind to the humanitarian tragedy. We tried to recover capital where we could but as an investment house, our view has been, and still is that the ESG risks associated with securities exposed to Russia, Belarus and Ukraine made those markets effectively uninvestable for the foreseeable future. We consequently placed bans on purchases in those markets.

Portfolio Outlook and Strategy

The fund closed on 13 September 2022.

Global Emerging Markets Equity Team

August 2023

ASI Eastern European Equity Fund (closed)

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 13 September 2022.

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.
- 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

A Accumulation^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	128.32	407.22	313.06
Return before operating charges*	2.76	(274.74)	99.03
Operating charges	(0.23)	(4.16)	(4.87)
Return after operating charges*	2.53	(278.90)	94.16
Distributions	-	(6.57)	(15.68)
Retained distributions on accumulation shares	-	6.57	15.68
Redemption value as at 13 September 2022	(130.85)	-	-
Closing net asset value per share	-	128.32	407.22
* after direct transaction costs of:	0.07	0.27	0.20
Performance			
Return after charges	1.97%	(68.49%)	30.08%
Other information			
Closing net asset value (£'000)	-	1,325	4,273
Closing number of shares	-	1,032,545	1,049,378
Operating charges	1.39%	1.39%	1.39%
Direct transaction costs	0.05%	0.08%	0.06%
Prices			
Highest share price	139.5	478.4	412.4
Lowest share price	129.4	108.2	288.1

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.

^A A Accumulation share class was closed on 13 September 2022.

Comparative Tables

Continued

I Accumulation ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	134.60	422.41	330.19
Return before operating charges*	2.82	(284.87)	95.68
Operating charges	(0.16)	(2.94)	(3.46)
Return after operating charges*	2.66	(287.81)	92.22
Distributions	-	(7.28)	(10.51)
Retained distributions on accumulation shares	-	7.28	10.51
Redemption value as at 13 September 2022	(137.26)	-	-
Closing net asset value per share	-	134.60	422.41
* after direct transaction costs of:	0.07	0.28	0.21
Performance			
Return after charges	1.98%	(68.14%)	27.93%
Other information			
Closing net asset value (£'000)	-	4,982	15,485
Closing number of shares	-	3,701,601	3,665,894
Operating charges	0.94%	0.94%	0.94%
Direct transaction costs	0.05%	0.08%	0.06%
Prices			
Highest share price	145.1	495.7	429.3
Lowest share price	134.6	112.1	302.4

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.

^A I Accumulation share class was closed on 13 September 2022.

Comparative Tables

Continued

M Accumulation ^A	2023 pence per share	2022 pence per share	2021 pence per share
Change in net assets per share			
Opening net asset value per share	48.84	153.32	119.94
Return before operating charges*	1.04	(103.37)	34.71
Operating charges	(0.06)	(1.11)	(1.33)
Return after operating charges*	0.98	(104.48)	33.38
Distributions	-	(2.65)	(3.71)
Retained distributions on accumulation shares	-	2.65	3.71
Redemption value as at 13 September 2022	(49.82)	-	-
Closing net asset value per share	-	48.84	153.32
* after direct transaction costs of:	0.03	0.10	0.08
Performance			
Return after charges	2.01%	(68.15%)	27.83%
Other information			
Closing net asset value (£'000)	-	1	1
Closing number of shares	-	816	816
Operating charges	0.99%	0.99%	0.99%
Direct transaction costs	0.05%	0.08%	0.06%
Prices			
Highest share price	52.66	179.9	155.8
Lowest share price	48.85	40.68	109.8

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.

^A M Accumulation share class was closed on 13 September 2022.

Portfolio Statement

As at 31 July 2023

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (96.53%)		-	-
Emerging Market Equities (0.00%)		-	-
Russia (0.00%)		-	-
6,222	Beluga+++	-	-
363,181	Gazprom+++	-	-
9,422	HeadHunter ADR*	-	-
27,068	Lukoil ADR+++	-	-
346,685	Magnitogorsk Iron & Steel Works+++	-	-
2,187	MMC Norilsk Nickel+++	-	-
94,580	Novatek+++	-	-
4,742	Polyus+++	-	-
309,590	Renaissance Insurance+++	-	-
83,861	Rosneft Oil+++	-	-
548,794	Sberbank of Russia+++	-	-
4,622,000	Segezha+++	-	-
22,398	Yandex 'A'	-	-
European Equities (72.72%)		-	-
Czech Republic (4.14%)		-	-
Greece (15.65%)		-	-
Hungary (6.86%)		-	-
Kazakhstan (5.41%)		-	-
Netherlands (4.12%)		-	-
Poland (30.22%)		-	-
Romania (3.63%)		-	-
Slovenia (2.69%)		-	-

Portfolio Statement

As at 31 July 2023 continued

Investment	Market value £'000	Percentage of total net assets
Middle East Equities (9.72%)	-	-
Turkey (9.72%)	-	-
North American Equities (4.96%)	-	-
United States (4.96%)	-	-
UK Equities (9.13%)	-	-
Industrials (5.33%)	-	-
Technology (3.80%)	-	-
Total investment assets	-	-
Net other assets	-	-
Total Net Assets	-	-

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

* Suspended.

+++ Priced per abrdn VPC.

Financial Statements

Statement of Total Return

For the year ended 31 July 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains/(losses)	1		443		(13,988)
Revenue	2	27		548	
Expenses	3	(4)		(138)	
Net revenue before taxation		23		410	
Taxation	4	(2)		(237)	
Net revenue after taxation			21		173
Total return before distributions			464		(13,815)
Distributions	5		(16)		(349)
Change in net assets attributable to shareholders from investment activities			448		(14,164)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2023

	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		6,308		19,760
Amounts receivable on the issue of shares	-		3,413	
Amounts payable on the cancellation of shares	(6,416)		(3,038)	
		(6,416)		375
Change in net assets attributable to shareholders from investment activities (see above)		448		(14,164)
Retained distribution on accumulation shares		-		337
Movement in amount payable on termination		(340)		-
Closing net assets attributable to shareholders		-		6,308

Financial Statements

Continued

Balance Sheet

As at 31 July 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			-		6,089
Current assets:					
Debtors	6	17		31	
Cash and bank balances		388		194	
			405		225
Total assets			405		6,314
Liabilities:					
Creditors	7	(405)		(6)	
			(405)		(6)
Total liabilities			(405)		(6)
Net assets attributable to shareholders			-		6,308

Notes to the Financial Statements

1 Net Capital Gains/(Losses)

	2023 £'000	2022 £'000
Non-derivative securities	467	(13,963)
Other losses	(18)	(8)
Subsidised fees taken from the capital account*	-	2
Transaction charges	(6)	(19)
Net capital gains/(losses)	443	(13,988)

* Subsidised fees are paid by the ACD.

2 Revenue

	2023 £'000	2022 £'000
Overseas dividends	23	538
UK dividends	4	10
Total revenue	27	548

3 Expenses

	2023 £'000	2022 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	-	126
	-	126
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Revenue collection expenses	1	2
Safe custody fee	3	12
	4	14
Other:		
Subsidised fees*	-	(2)
	-	(2)
Total expenses	4	138

Irrecoverable VAT is included in the above expenses, where relevant. The audit fee for the year, including VAT, was £6,840 (2022: £8,460).

* Subsidised fees are paid by the ACD.

Notes to the Financial Statements

Continued

4 Taxation

	2023 £'000	2022 £'000
(a) Analysis of charge in year		
Overseas taxes	2	61
Total current tax	2	61
Deferred tax (note 4c)	-	176
Total taxation (note 4b)	2	237

(b) Factors affecting total tax charge for the year

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

Net revenue before taxation	23	410
Corporation tax at 20% (2022: 20%)	5	82
Effects of:		
Revenue not subject to taxation	(6)	(71)
Overseas taxes	2	61
Overseas tax expensed	-	(4)
Excess allowable expenses	1	(7)
Deferred tax asset	-	176
Total tax charge for year (note 4a)	2	237

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

Provision at the start of the year	-	(176)
Deferred tax charge in statement of total return for year (note 4a)	-	176
Provision at the end of the year	-	-

(d) 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 £169,000 (2022: £169,000) 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.

Notes to the Financial Statements

Continued

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

	2023 £'000	2022 £'000
Distribution	-	337
Add: Income deducted on cancellation of shares	16	24
Deduct: Income received on issue of shares	-	(12)
Total distributions for the year	16	349
Movement between net revenue and distributions		
Net revenue after taxation	21	173
Overseas deferred capital gains tax on unrealised gains	-	176
Undistributed revenue carried forward	(5)	-
Total distributions for the year	16	349

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

6 Debtors

	2023 £'000	2022 £'000
Accrued revenue	-	15
Expenses reimbursement receivable from the ACD	5	5
Overseas withholding tax recoverable	12	11
Total debtors	17	31

7 Creditors

	2023 £'000	2022 £'000
Accrued expenses payable to ACD	-	4
Accrued expenses payable to the Depositary or associates of the Depositary	-	2
Amounts payable on termination	405	-
Total creditors	405	6

Notes to the Financial Statements

Continued

8 Related Party Transactions

abrDN 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 abrDN Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 7.

Amounts payable to abrDN Fund Managers Limited, in respect of expenses are disclosed in note 3 and any amounts due at the year end in note 7.

Amounts receivable from abrDN 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 7.

9 Portfolio Transaction Costs

	Purchases		Sales	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trades in the year				
Equities	28	7,699	6,604	6,982
Trades in the year before transaction costs	28	7,699	6,604	6,982
Commissions				
Equities	-	5	(3)	(6)
Total commissions	-	5	(3)	(6)
Taxes				
Equities	-	2	(1)	-
Total taxes	-	2	(1)	-
Total transaction costs	-	7	(4)	(6)
Total net trades in the year after transaction costs	28	7,706	6,600	6,976
	Purchases		Sales	
	2023 %	2022 %	2023 %	2022 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.22	0.07	0.04	0.08
Taxes				
Equities	0.07	0.03	0.01	-

Notes to the Financial Statements

Continued

	2023 %	2022 %
Total transaction costs expressed as a percentage of net asset value		
Commissions	0.34	0.07
Taxes	0.08	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 0.00% (2022: 0.36%), this is representative of the average spread on the assets held during the year.

10 Shares in Issue Reconciliation

	Opening shares 2022	Creations during the year	Cancellations during the year	Closing shares 2023
A Accumulation	1,032,545	-	(1,032,545)	-
I Accumulation	3,701,601	-	(3,701,601)	-
M Accumulation	816	-	(816)	-

11 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	-	-	-*	6,089	-	-
Total investment assets	-	-	-	6,089	-	-

*Level 3 includes equities which have been valued at zero by abrdn's fair value pricing committee.

12 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.

Notes to the Financial Statements

Continued

Currency	Net foreign currency exposure	Net foreign currency exposure
	2023 £'000	2022 £'000
Czech Koruna	-	261
Euro	-	1,712
Hungarian Forint	-	433
Polish Zloty	11	1,637
Romanian Leu	-	229
Turkish Lira	-	613
US Dollar	1	901
Total	12	5,786

At 31 July 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 £1,000 (2022: £289,000).

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 July 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 £Nil (2022: £304,000).

Financial derivatives instrument risk

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

Liquidity risk

All of the fund's financial liabilities are payable on the termination of the fund which is expected to be completed within one to five years, 2023 £405,000 (2022: £6,000).

Distribution Table

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

Final dividend distribution

Group 1 – shares purchased prior to 1 August 2022

Group 2 – shares purchased between 1 August 2022 and 31 July 2023

	Revenue	Equalisation	Distribution paid 31/10/23	Distribution paid 31/10/22
A Accumulation				
Group 1	-	-	-	6.5723
Group 2	-	-	-	6.5723
I Accumulation				
Group 1	-	-	-	7.2770
Group 2	-	-	-	7.2770
M Accumulation				
Group 1	-	-	-	2.6539
Group 2	-	-	-	2.6539

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.

ASI Emerging Markets Bond Fund (closed)

For the year ended 31 July 2023

ASI Emerging Market Bond Fund is no longer open to investors, having redeemed all shares on 30 June 2022. 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. At the time of the share cancellation, all realisable securities were sold. Some securities which were not immediately realisable due to a trading suspension, or due to being delisted, continue to be held at the current balance sheet date. Should an opportunity to sell these securities for value arise, they will be sold, otherwise abrdn will, in conjunction with the Depositary, pursue any possible residual value from such securities until all such opportunities have been reasonably exhausted.

Comparative Tables

A Accumulation ^A	2022 pence per share	2021 pence per share
Change in net assets per share		
Opening net asset value per share	145.15	137.90
Return before operating charges*	(28.93)	9.20
Operating charges	(1.65)	(1.95)
Return after operating charges*	(30.58)	7.25
Distributions	(8.65)	(7.26)
Retained distributions on accumulation shares	8.65	7.26
Redemption value as at 30 June 2022	(114.57)	-
Closing net asset value per share	-	145.15
* after direct transaction costs of:	-	-
Performance		
Return after charges	(21.07%)	5.26%
Other information		
Closing net asset value (£'000)	-	1,626
Closing number of shares	-	1,119,949
Operating charges	1.33%	1.36%
Direct transaction costs	-	-
Prices		
Highest share price	147.5	147.7
Lowest share price	113.7	137.1

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.

^A A Accumulation share class was closed on 30 June 2022.

Comparative Tables

Continued

A Income ^A	2022 pence per share	2021 pence per share
Change in net assets per share		
Opening net asset value per share	83.32	83.30
Return before operating charges*	(16.01)	5.46
Operating charges	(0.93)	(1.15)
Return after operating charges*	(16.94)	4.31
Distributions	(4.83)	(4.29)
Redemption value as at 30 June 2022	(61.55)	-
Closing net asset value per share	-	83.32
* after direct transaction costs of:	-	-
Performance		
Return after charges	(20.33%)	5.17%
Other information		
Closing net asset value (£'000)	-	2,032
Closing number of shares	-	2,438,930
Operating charges	1.33%	1.36%
Direct transaction costs	-	-
Prices		
Highest share price	84.42	87.68
Lowest share price	61.55	81.98

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.

^A A Income share class was closed on 30 June 2022.

Comparative Tables

Continued

I Accumulation ^A	2022 pence per share	2021 pence per share
Change in net assets per share		
Opening net asset value per share	126.84	119.96
Return before operating charges*	(25.36)	8.01
Operating charges	(0.95)	(1.13)
Return after operating charges*	(26.31)	6.88
Distributions	(7.57)	(6.33)
Retained distributions on accumulation shares	7.57	6.33
Redemption value as at 30 June 2022	(100.53)	-
Closing net asset value per share	-	126.84
* after direct transaction costs of:	-	-
Performance		
Return after charges	(20.74%)	5.74%
Other information		
Closing net asset value (£'000)	-	17,785
Closing number of shares	-	14,022,238
Operating charges	0.88%	0.91%
Direct transaction costs	-	-
Prices		
Highest share price	129.0	128.7
Lowest share price	99.74	119.4

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.

^A I Accumulation share class was closed on 30 June 2022.

Comparative Tables

Continued

I Income ^A	2022 pence per share	2021 pence per share
Change in net assets per share		
Opening net asset value per share	78.52	78.15
Return before operating charges*	(15.10)	5.12
Operating charges	(0.60)	(0.72)
Return after operating charges*	(15.70)	4.40
Distributions	(4.56)	(4.03)
Redemption value as at 30 June 2022	(58.26)	-
Closing net asset value per share	-	78.52
* after direct transaction costs of:	-	-
Performance		
Return after charges	(19.99%)	5.63%
Other information		
Closing net asset value (£'000)	-	19,642
Closing number of shares	-	25,015,081
Operating charges	0.88%	0.91%
Direct transaction costs	-	-
Prices		
Highest share price	79.59	82.41
Lowest share price	58.26	77.02

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.

^A I Income share class was closed on 30 June 2022.

Comparative Tables

Continued

M Accumulation ^A	2022 pence per share	2021 pence per share
Change in net assets per share		
Opening net asset value per share	116.46	110.20
Return before operating charges*	(23.26)	7.36
Operating charges	(0.93)	(1.10)
Return after operating charges*	(24.19)	6.26
Distributions	(6.97)	(5.76)
Retained distributions on accumulation shares	6.97	5.76
Redemption value as at 30 June 2022	(92.27)	-
Closing net asset value per share	-	116.46
* after direct transaction costs of:	-	-
Performance		
Return after charges	(20.77%)	5.68%
Other information		
Closing net asset value (£'000)	-	10
Closing number of shares	-	8,396
Operating charges	0.93%	0.96%
Direct transaction costs	-	-
Prices		
Highest share price	118.4	118.2
Lowest share price	91.57	109.7

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.

^A M Accumulation share class was closed on 30 June 2022.

Comparative Tables

Continued

M Income ^A	2022 pence per share	2021 pence per share
Change in net assets per share		
Opening net asset value per share	100.53	100.02
Return before operating charges*	(19.33)	6.42
Operating charges	(0.78)	(0.98)
Return after operating charges*	(20.11)	5.44
Distributions	(5.84)	(4.93)
Redemption value as at 30 June 2022	(74.58)	-
Closing net asset value per share	-	100.53
* after direct transaction costs of:	-	-
Performance		
Return after charges	(20.00%)	5.44%
Other information		
Closing net asset value (£'000)	-	1
Closing number of shares	-	948
Operating charges	0.93%	0.96%
Direct transaction costs	-	-
Prices		
Highest share price	101.9	105.5
Lowest share price	74.58	98.58

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.

^A M Income share class was closed on 30 June 2022.

Comparative Tables

Continued

Z Accumulation ^A	2022 pence per share	2021 pence per share
Change in net assets per share		
Opening net asset value per share	161.20	151.34
Return before operating charges*	(32.40)	10.11
Operating charges	(0.18)	(0.25)
Return after operating charges*	(32.58)	9.86
Distributions	(9.67)	(8.02)
Retained distributions on accumulation shares	9.67	8.02
Redemption value as at 30 June 2022	(128.62)	-
Closing net asset value per share	-	161.20
* after direct transaction costs of:	-	-
Performance		
Return after charges	(20.21%)	6.52%
Other information		
Closing net asset value (£'000)	-	625
Closing number of shares	-	387,947
Operating charges	0.13%	0.16%
Direct transaction costs	-	-
Prices		
Highest share price	164.1	162.9
Lowest share price	127.6	150.8

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.

^A Z Accumulation share class was closed on 30 June 2022.

Portfolio Statement

As at 31 July 2023

Holding	Investment	Market value £'000	Percentage of total net assets
Emerging Market Equities (0.00%)		-	-
Brazil (0.00%)		-	-
77,464	OAS (Warrants)	-	-
Total investment assets		-	-
Net other assets		-	-
Total Net Assets		-	-

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 July 2022.

Financial Statements

Statement of Total Return

For the year ended 31 July 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains/(losses)	1		1		(7,976)
Revenue	2	10		1,903	
Expenses	3	-		(251)	
Interest payable and similar charges		(1)		(1)	
Net revenue before taxation		9		1,651	
Taxation	4	(2)		(17)	
Net revenue after taxation			7		1,634
Total return before distributions			8		(6,342)
Distributions	5		-		(1,889)
Change in net assets attributable to shareholders from investment activities			8		(8,231)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2023

	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		-		41,721
Amounts receivable on the issue of shares	-		1,754	
Amounts payable on the cancellation of shares	-		(36,383)	
				(34,629)
Dilution adjustment		-		52
Change in net assets attributable to shareholders from investment activities (see above)		8		(8,231)
Retained distribution on accumulation shares		-		1,060
Movement in amount payable on termination		(8)		27
Closing net assets attributable to shareholders		-		-

Financial Statements

Continued

Balance Sheet

As at 31 July 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			-		57
Current assets:					
Debtors	6	-		208	
Cash and bank balances	7	10		515	
			10		723
Total assets			10		780
Liabilities:					
Investment liabilities			-		(32)
Bank overdrafts	7	-		(198)	
Creditors	8	(10)		(526)	
Distribution payable		-		(24)	
			(10)		(748)
Total liabilities			(10)		(780)
Net assets attributable to shareholders			-		-

Notes to the Financial Statements

1 Net Capital Gains/(Losses)

	2023 £'000	2022 £'000
Non-derivative securities	-	(4,986)
Forward currency contracts	-	(3,115)
Other gains	1	138
Transaction charges	-	(13)
Net capital gains/(losses)	1	(7,976)

2 Revenue

	2023 £'000	2022 £'000
Income from Overseas Collective Investment Schemes		
Unfranked income	-	11
Interest on debt securities	10	1,890
Stocklending revenue	-	2
Total revenue	10	1,903

3 Expenses

	2023 £'000	2022 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	-	226
General administration charge	-	23
	-	249
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	-	2
	-	2
Total expenses	-	251

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £2,400 (2022: £10,860).

Notes to the Financial Statements

Continued

4 Taxation

	2023 £'000	2022 £'000
(a) Analysis of charge in year		
Corporation tax	2	3
Double taxation relief	-	(3)
Overseas taxes	-	17
Total taxation (note 4b)	2	17

(b) Factors affecting total tax charge for the year

The tax assessed for the year is equal to (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:

Net revenue before taxation	9	1,651
Corporation tax at 20% (2022: 20%)	2	330
Effects of:		
Overseas taxes	-	17
Double taxation relief	-	(3)
Distributions treated as tax deductible	-	(327)
Total tax charge for year (note 4a)	2	17

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
Month 1 distribution	-	222
Month 2 distribution	-	225
Month 3 distribution	-	119
Month 4 distribution	-	187
Month 5 distribution	-	152
Month 6 distribution	-	159
Month 7 distribution	-	148
Month 8 distribution	-	159
Month 9 distribution	-	199
Month 10 distribution	-	125
Special distribution	-	68
	-	1,763

Notes to the Financial Statements

Continued

	2023 £'000	2022 £'000
Add: Income deducted on cancellation of shares	-	131
Deduct: Income received on issue of shares	-	(5)
Total distributions for the year	-	1,889
Movement between net revenue and distributions		
Net revenue after taxation	7	1,634
Expenses charged to capital	-	250
Shortfall transfer from capital to revenue	2	5
Undistributed revenue carried forward	(9)	
Total distributions for the year	-	1,889

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

Marginal relief applies benefit (cash) in line with the nature of the expense, where expenses are deducted from capital the tax benefit is returned to capital. In maximising the distribution to investors marginal relief is included in the distribution.

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

6 Debtors

	2023 £'000	2022 £'000
Sales awaiting settlement	-	208
Total debtors	-	208

7 Liquidity

	2023 £'000	2022 £'000
Cash and bank balances		
Cash at bank	10	515
	10	515
Bank overdrafts		
Overdraft at bank	-	(198)
	-	(198)
Net liquidity	10	317

Notes to the Financial Statements

Continued

8 Creditors

	2023 £'000	2022 £'000
Accrued expenses payable to ACD	-	11
Accrued expenses payable to the Depositary or associates of the Depositary	-	3
Amounts payable on termination	8	512
Corporation tax payable	2	-
Total creditors	10	526

9 Related Party Transactions

abrtn 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 abrtn Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to abrtn 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, collective investment schemes 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.

Collective investments operate within the terms of the offer document or prospectus. Typically we do not invest into funds that require an initial charge to be made. The underlying price may contain an estimation of cost known as a dilution levy which is applied from time to time.

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
Trades in the year				
Bonds	-	12,236	-	47,439
Collective investment schemes	-	-	-	443
Trades in the year before transaction costs	-	12,236	-	47,882
Total net trades in the year after transaction costs	-	12,236	-	47,882

Notes to the Financial Statements

Continued

11 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
Derivatives	-	-	-	-	57	-
Total investment assets	-	-	-	-	57	-
Fair value of investment liabilities						
Derivatives	-	-	-	-	(32)	-
Total investment liabilities	-	-	-	-	(32)	-

12 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	Net foreign
	currency	currency
	exposure	exposure
	2023	2022
	£'000	£'000
Chilean Peso	-	3
Indian Rupee	-	5
US Dollar	5	2
Total	5	10

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
Currency				
UK Sterling	5	-	(10)	(5)
US Dollar	5	-	-	5
Total	10	-	(10)	-

2022	Floating rate financial assets/ (liabilities) £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
Currency				
UK Sterling	515	-	(525)	(10)
Chilean Peso	-	-	3	3
Indian Rupee	-	-	5	5
US Dollar	(198)	-	200	2
Total	317	-	(317)	-

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 fund closed on 30 June 2022, therefore VaR is not presented for the year to 31 July 2023. The table below indicates the VaR of the fund, measured as the maximum month one 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.

2022	Minimum	Maximum	Average
VaR 99% 1 Month	5.54%	6.54%	6.07%

Counterparty risk

Credit quality of debt security investment assets

The fund closed on 30 June 2022 and held no investments at the period end or the prior period end.

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.

The fund closed on 30 June 2022 and held no derivatives at the year end.

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

	2022	
	Market exposure £'000	Market value £'000
Leveraged instruments		
Forward currency contracts	9,287	25
Total market exposure	9,287	25

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

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.

The fund receives 85% of the revenue returns from stock lending. The gross earnings for the year are £Nil (2022: £2,000) and expenses paid to the lending agent, Securities Finance Trust Company, are £Nil (2022: £Nil).

At the prior year end the fund had the following clearing broker exposure.

2022 Counterparties	Collateral (held)/pledged			Net exposure £'000
	Forwards £'000	Cash £'000	Stock* £'000	
Barclays	(1)	-	-	(1)
BNP Paribas	20	-	-	20
Citigroup	2	-	-	2
HSBC	(4)	-	-	(4)
Natwest Markets	12	-	-	12
Societe Generale	(1)	-	-	(1)
Standard Chartered	23	-	-	23
UBS	(26)	-	-	(26)
Total	25	-	-	25

* contains the required disclosures for Concentration Data within Securities Financing Transaction Regulation (SFTR) Disclosures.

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2023 £10,000 (2022: £780,000).

Distribution Tables

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

First interim interest distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 August 2021

	Distribution paid 30/09/21
A Accumulation	
Group 1	0.7770
Group 2	0.7770
A Income	
Group 1	0.4460
Group 2	0.4460
I Accumulation	
Group 1	0.6791
Group 2	0.6791
I Income	
Group 1	0.4204
Group 2	0.4204
M Accumulation	
Group 1	0.6225
Group 2	0.6225
M Income	
Group 1	0.5272
Group 2	0.5272
Z Accumulation	
Group 1	0.8634
Group 2	0.8634

Distribution Tables

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

Second interim interest distribution

Group 1 – shares purchased prior to 1 September 2021

Group 2 – shares purchased between 1 September 2021 and 30 September 2021

	Distribution paid 29/10/21
A Accumulation	
Group 1	0.7959
Group 2	0.7959
A Income	
Group 1	0.4546
Group 2	0.4546
I Accumulation	
Group 1	0.6959
Group 2	0.6959
I Income	
Group 1	0.4286
Group 2	0.4286
M Accumulation	
Group 1	0.6390
Group 2	0.6390
M Income	
Group 1	0.5552
Group 2	0.5552
Z Accumulation	
Group 1	0.8854
Group 2	0.8854

Distribution Tables

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

Third interim interest distribution

Group 1 – shares purchased prior to 1 October 2021

Group 2 – shares purchased between 1 October 2021 and 31 October 2021

	Distribution paid 30/11/21
A Accumulation	
Group 1	0.4970
Group 2	0.4970
A Income	
Group 1	0.2824
Group 2	0.2824
I Accumulation	
Group 1	0.4346
Group 2	0.4346
I Income	
Group 1	0.2661
Group 2	0.2661
M Accumulation	
Group 1	0.3998
Group 2	0.3998
M Income	
Group 1	0.3448
Group 2	0.3448
Z Accumulation	
Group 1	0.5531
Group 2	0.5531

Distribution Tables

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

Fourth interim interest distribution

Group 1 – shares purchased prior to 1 November 2021

Group 2 – shares purchased between 1 November 2021 and 30 November 2021

	Distribution paid 31/12/21
A Accumulation	
Group 1	0.8445
Group 2	0.8445
A Income	
Group 1	0.4779
Group 2	0.4779
I Accumulation	
Group 1	0.7390
Group 2	0.7390
I Income	
Group 1	0.4510
Group 2	0.4510
M Accumulation	
Group 1	0.6788
Group 2	0.6788
M Income	
Group 1	0.5763
Group 2	0.5763
Z Accumulation	
Group 1	0.9412
Group 2	0.9412

Distribution Tables

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

Fifth interim interest distribution

Group 1 – shares purchased prior to 1 December 2021

Group 2 – shares purchased between 1 December 2021 and 31 December 2021

	Distribution paid 31/01/22
A Accumulation	
Group 1	0.6876
Group 2	0.6876
A Income	
Group 1	0.3869
Group 2	0.3869
I Accumulation	
Group 1	0.6018
Group 2	0.6018
I Income	
Group 1	0.3652
Group 2	0.3652
M Accumulation	
Group 1	0.5527
Group 2	0.5527
M Income	
Group 1	0.4680
Group 2	0.4680
Z Accumulation	
Group 1	0.7669
Group 2	0.7669

Distribution Tables

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

Sixth interim interest distribution

Group 1 – shares purchased prior to 1 January 2022

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

	Distribution paid 28/02/22
A Accumulation	
Group 1	0.7277
Group 2	0.7277
A Income	
Group 1	0.4065
Group 2	0.4065
I Accumulation	
Group 1	0.6372
Group 2	0.6372
I Income	
Group 1	0.3848
Group 2	0.3848
M Accumulation	
Group 1	0.5850
Group 2	0.5850
M Income	
Group 1	0.4951
Group 2	0.4951
Z Accumulation	
Group 1	0.8127
Group 2	0.8127

Distribution Tables

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

Seventh interim interest distribution

Group 1 – shares purchased prior to 1 February 2022

Group 2 – shares purchased between 1 February 2022 and 28 February 2022

	Distribution paid 31/03/22
A Accumulation	
Group 1	0.6826
Group 2	0.6826
A Income	
Group 1	0.3801
Group 2	0.3801
I Accumulation	
Group 1	0.5979
Group 2	0.5979
I Income	
Group 1	0.3590
Group 2	0.3590
M Accumulation	
Group 1	0.5491
Group 2	0.5491
M Income	
Group 1	0.4610
Group 2	0.4610
Z Accumulation	
Group 1	0.7630
Group 2	0.7630

Distribution Tables

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

Eighth interim interest distribution

Group 1 – shares purchased prior to 1 March 2022

Group 2 – shares purchased between 1 March 2022 and 31 March 2022

	Distribution paid 29/04/22
A Accumulation	
Group 1	0.8027
Group 2	0.8027
A Income	
Group 1	0.4446
Group 2	0.4446
I Accumulation	
Group 1	0.7034
Group 2	0.7034
I Income	
Group 1	0.4202
Group 2	0.4202
M Accumulation	
Group 1	0.6454
Group 2	0.6454
M Income	
Group 1	0.5372
Group 2	0.5372
Z Accumulation	
Group 1	0.8981
Group 2	0.8981

Distribution Tables

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

Ninth interim interest distribution

Group 1 – shares purchased prior to 1 April 2022

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

	Distribution paid 31/05/22
A Accumulation	
Group 1	1.0108
Group 2	1.0108
A Income	
Group 1	0.5561
Group 2	0.5561
I Accumulation	
Group 1	0.8864
Group 2	0.8864
I Income	
Group 1	0.5262
Group 2	0.5262
M Accumulation	
Group 1	0.8144
Group 2	0.8144
M Income	
Group 1	0.6721
Group 2	0.6721
Z Accumulation	
Group 1	1.1327
Group 2	1.1327

Distribution Tables

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

Tenth interim interest distribution

Group 1 – shares purchased prior to 1 May 2022

Group 2 – shares purchased between 1 May 2022 and 31 May 2022

	Distribution paid 30/06/22
A Accumulation	
Group 1	0.8054
Group 2	0.8054
A Income	
Group 1	0.4398
Group 2	0.4398
I Accumulation	
Group 1	0.7063
Group 2	0.7063
I Income	
Group 1	0.4159
Group 2	0.4159
M Accumulation	
Group 1	0.6491
Group 2	0.6491
M Income	
Group 1	0.5332
Group 2	0.5332
Z Accumulation	
Group 1	0.9029
Group 2	0.9029

Distribution Tables

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

Special interest distribution

Group 1 – shares purchased prior to 1 June 2022

Group 2 – shares purchased between 1 June 2022 and 28 June 2022

	Distribution paid 26/08/22
A Accumulation	
Group 1	1.0163
Group 2	1.0163
A Income	
Group 1	0.5555
Group 2	0.5555
I Accumulation	
Group 1	0.8914
Group 2	0.8914
I Income	
Group 1	0.5226
Group 2	0.5226
M Accumulation	
Group 1	0.8305
Group 2	0.8305
M Income	
Group 1	0.6689
Group 2	0.6689
Z Accumulation	
Group 1	1.1492
Group 2	1.1492

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.

ASI Euro Corporate Bond Fund (closed)

For the year ended 31 July 2023

ASI Euro Corporate Bond Fund is no longer open to investors, having redeemed all shares on 22 June 2020. 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. At the time of the share cancellation, all realisable securities were sold. One security which was not immediately realisable due to a trading suspension, or due to being delisted, continues to be held at the current balance sheet date. Should an opportunity to sell it for value arise, it will be sold, otherwise abrdn will, in conjunction with the Depositary, pursue any possible residual value from it until all such opportunities have been reasonably exhausted.

Portfolio Statement

As at 31 July 2023

Holding	Investment	Market value £'000	Percentage of total net assets
Bonds (0.00%)		-	-
Euro Denominated Bonds (0.00%)		-	-
Corporate Bonds (0.00%)		-	-
between 5 and 10 years to maturity			
2,000,000	Lehman Brothers 4.625% 2019*	-	-
Total investment assets		-	-
Net other assets		-	-
Total Net Assets		-	-

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

* Defaulted.

Financial Statements

Statement of Total Return

For the year ended 31 July 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
Income:					
Net capital gains			-		-
Revenue		-		-	
Expenses		-		-	
Net revenue before taxation		-		-	
Taxation	1	-		-	
Net revenue after taxation			-		-
Total return			-		-
Change in net assets attributable to shareholders from investment activities			-		-

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 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)		-		-
Closing net assets attributable to shareholders		-		-

Financial Statements

Continued

Balance Sheet

As at 31 July 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets		-	-	-	-
Current assets:					
			-		-
Total assets			-		-
Liabilities:					
Creditors		-	-	-	-
			-		-
Total liabilities			-		-
Net assets attributable to shareholders			-		-

ASI Financial Equity Fund (closed)

For the year ended 31 July 2023

ASI Financial Equity Fund is no longer open to investors, having redeemed all shares on 29 November 2021. 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 have not been prepared on a going concern basis. At the time of the share cancellation, all securities were sold.

Comparative Tables

A Income^A	2022	2021
	pence per share	pence per share
Change in net assets per share		
Opening net asset value per share	4,464.66	3,601.97
Return before operating charges*	288.55	925.31
Operating charges	(20.37)	(54.23)
Return after operating charges*	268.18	871.08
Distributions	-	(8.44)
Redemption value as at 29 November 2021	(4,732.84)	-
Closing net asset value per share	-	4,464.66
* after direct transaction costs of:	2.38	2.04
Performance		
Return after charges	6.01%	24.18%
Other information		
Closing net asset value (£'000)	-	49,959
Closing number of shares	-	1,118,983
Operating charges	1.32%	1.32%
Direct transaction costs	0.06%	0.05%
Prices		
Highest share price	4,817	4,536
Lowest share price	4,504	3,586

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.

^A A Income share class was closed on 29 November 2021.

Comparative Tables

Continued

I Income ^A	2022 pence per share	2021 pence per share
Change in net assets per share		
Opening net asset value per share	187.54	151.27
Return before operating charges*	12.13	38.91
Operating charges	(0.56)	(1.50)
Return after operating charges*	11.57	37.41
Distributions	-	(1.14)
Redemption value as at 29 November 2021	(199.11)	-
Closing net asset value per share	-	187.54
* after direct transaction costs of:	0.10	0.09
Performance		
Return after charges	6.17%	24.73%
Other information		
Closing net asset value (£'000)	-	1,716
Closing number of shares	-	915,121
Operating charges	0.87%	0.87%
Direct transaction costs	0.06%	0.05%
Prices		
Highest share price	202.6	191.1
Lowest share price	189.2	150.7

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.

^A I Income share class was closed on 29 November 2021.

Comparative Tables

Continued

M Income ^A	2022 pence per share	2021 pence per share
Change in net assets per share		
Opening net asset value per share	125.79	101.46
Return before operating charges*	8.13	26.10
Operating charges	(0.40)	(1.07)
Return after operating charges*	7.73	25.03
Distributions	-	(0.71)
Redemption value as at 29 November 2021	(133.52)	-
Closing net asset value per share	-	125.79
* after direct transaction costs of:	0.07	0.06
Performance		
Return after charges	6.15%	24.67%
Other information		
Closing net asset value (£'000)	-	6
Closing number of shares	-	5,040
Operating charges	0.92%	0.92%
Direct transaction costs	0.06%	0.05%
Prices		
Highest share price	135.9	128.2
Lowest share price	126.9	101.1

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.

^A M Income share class was closed on 29 November 2021.

Financial Statements

Statement of Total Return

For the year ended 31 July 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains	1		6		3,151
Revenue	2	-		326	
Expenses	3	-		(226)	
Interest payable and similar charges		-		(1)	
Net revenue before taxation		-		99	
Taxation	4	(6)		(100)	
Net expense after taxation			(6)		(1)
Total return before equalisation			-		3,150
Equalisation on shares	5		-		(76)
Change in net assets attributable to shareholders from investment activities			-		3,074

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2023

	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		-		51,681
Amounts receivable on the issue of shares	-		542	
Amounts payable on the cancellation of shares	-		(55,286)	
				(54,744)
Dilution adjustment		-		(5)
Change in net assets attributable to shareholders from investment activities (see above)		-		3,074
Unclaimed distributions		-		(6)
Closing net assets attributable to shareholders		-		-

Financial Statements

Continued

Balance Sheet

As at 31 July 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			-		-
Current assets:					
Debtors	6	23		24	
Cash and bank balances		32		31	
			55		55
Total assets			55		55
Liabilities:					
Creditors	7	(55)		(55)	
			(55)		(55)
Total liabilities			(55)		(55)
Net assets attributable to shareholders			-		-

Notes to the Financial Statements

1 Net Capital Gains

	2023 £'000	2022 £'000
Non-derivative securities	6	3,059
Other gains	-	96
Transaction charges	-	(4)
Net capital gains	6	3,151

2 Revenue

	2023 £'000	2022 £'000
Overseas dividends	-	311
Overseas REIT	-	5
UK dividends	-	10
Total revenue	-	326

3 Expenses

	2023 £'000	2022 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	-	208
General administration charge	-	14
	-	222
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Revenue collection expenses	-	2
Safe custody fee	-	2
	-	4
Total expenses	-	226

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £2,400 (2022: £6,360).

Notes to the Financial Statements

Continued

4 Taxation

	2023 £'000	2022 £'000
(a) Analysis of charge in year		
Overseas taxes	6	18
Overseas capital gains tax	-	191
Total current tax	6	209
Deferred tax (note 4c)	-	(109)
Total taxation (note 4b)	6	100

(b) Factors affecting total tax charge for the year

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

Net revenue before taxation	-	99
Corporation tax at 20% (2022: 20%)	-	20
Effects of:		
Revenue not subject to taxation	-	(64)
Overseas taxes	6	18
Excess allowable expenses	-	44
Overseas capital gains tax	-	191
Deferred tax	-	(109)
Total tax charge for year (note 4a)	6	100

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	-	109
Deferred tax credit in statement of total return for year (note 4a)	-	(109)
Provision at the end of the year	-	-

(d) 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 £817,000 (2022: £817,000) 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.

Notes to the Financial Statements

Continued

5 Distributions (including the movement between net expense and distributions)

	2023 £'000	2022 £'000
Add: Income deducted on cancellation of shares	-	77
Deduct: Income received on issue of shares	-	(1)
Total distributions for the year	-	76
Movement between net expense and distributions		
Net expense after taxation	(6)	(1)
Overseas capital gains tax on realised gains	-	191
Overseas deferred capital gains tax on unrealised gains	-	(109)
Shortfall transfer from capital to revenue	6	(5)
Total distributions for the year	-	76

6 Debtors

	2023 £'000	2022 £'000
Overseas withholding tax recoverable	23	24
Total debtors	23	24

7 Creditors

	2023 £'000	2022 £'000
Amounts payable on termination	55	-
Other accrued expenses	-	55
Total creditors	55	55

8 Related Party Transactions

abrnd 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 abrnd Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 7.

Amounts payable to abrnd Fund Managers Limited, in respect of expenses are disclosed in note 3 and any amounts due at the year end in note 7.

Notes to the Financial Statements

Continued

9 Portfolio Transaction Costs

	Purchases		Sales	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trades in the year				
Equities	-	-	-	54,849
Corporate actions	-	173	-	-
Trades in the year before transaction costs	-	173	-	54,849
Commissions				
Equities	-	-	-	(8)
Total commissions	-	-	-	(8)
Taxes				
Equities	-	-	-	(19)
Total taxes	-	-	-	(19)
Total transaction costs	-	-	-	(27)
Total net trades in the year after transaction costs	-	173	-	54,822
	Purchases		Sales	
	2023 %	2022 %	2023 %	2022 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	-	-	-	0.01
Taxes				
Equities	-	-	-	0.03
			2023 %	2022 %
Commissions			-	0.02
Taxes			-	0.04

Notes to the Financial Statements

Continued

10 Risk Management Policies and Disclosures

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

The fund closed on 29 November 2021.

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	3	2
Euro	9	16
Indian Rupee	1	1
Polish Zloty	8	8
US Dollar	1	4
Total	22	31

At 31 July 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 £1,000 (2022: £2,000).

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.

Financial derivatives instrument risk

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

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2023 £55,000 (2022: £55,000).

ASI Global High Yield Bond Fund (closed)

For the year ended 31 July 2023

ASI Global High Yield Bond Fund is no longer open to investors, having redeemed all shares on 26 October 2020. 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 have not been prepared on a going concern basis. At the time of the share cancellation, all realisable securities were sold. Some securities which were not immediately realisable due to a trading suspension, or due to being delisted, continue to be held at the current balance sheet date. Should an opportunity to sell these securities for value arise, they will be sold, otherwise abrdn will, in conjunction with the Depositary, pursue any possible residual value from such securities until all such opportunities have been reasonably exhausted.

Comparative Tables

A Accumulation^A	2021 pence per share
Change in net assets per share	
Opening net asset value per share	164.20
Return before operating charges*	1.58
Operating charges	(0.48)
Return after operating charges*	1.10
Distributions	(1.47)
Retained distributions on accumulation shares	1.47
Redemption value as at 26 October 2020	(165.30)
Closing net asset value per share	-
* after direct transaction costs of:	0.01
Performance	
Return after charges	0.67%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	1.23%
Direct transaction costs	0.01%
Prices	
Highest share price	166.2
Lowest share price	162.3

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.

^A A Accumulation share class was closed on 26 October 2020.

Comparative Tables

Continued

	2021 pence per share
A Income^A	
Change in net assets per share	
Opening net asset value per share	85.84
Return before operating charges*	1.57
Operating charges	(0.25)
Return after operating charges*	1.32
Distributions	(0.77)
Redemption value as at 26 October 2020	(86.39)
Closing net asset value per share	-
* after direct transaction costs of:	0.01
Performance	
Return after charges	1.54%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	1.23%
Direct transaction costs	0.01%
Prices	
Highest share price	86.76
Lowest share price	84.84

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.

^A A Income share class was closed on 26 October 2020.

Comparative Tables

Continued

I Accumulation ^A	2021 pence per share
Change in net assets per share	
Opening net asset value per share	176.07
Return before operating charges*	1.65
Operating charges	(0.33)
Return after operating charges*	1.32
Distributions	(1.76)
Retained distributions on accumulation shares	1.76
Redemption value as at 26 October 2020	(177.39)
Closing net asset value per share	-
* after direct transaction costs of:	0.01
Performance	
Return after charges	0.75%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	0.78%
Direct transaction costs	0.01%
Prices	
Highest share price	178.4
Lowest share price	174.2

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.

^A I Accumulation share class was closed on 26 October 2020.

Comparative Tables

Continued

	2021
I Income ^A	pence per share
Change in net assets per share	
Opening net asset value per share	81.78
Return before operating charges*	1.56
Operating charges	(0.15)
Return after operating charges*	1.41
Distributions	(0.82)
Redemption value as at 26 October 2020	(82.37)
Closing net asset value per share	-
* after direct transaction costs of:	-
Performance	
Return after charges	1.72%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	0.78%
Direct transaction costs	0.01%
Prices	
Highest share price	82.72
Lowest share price	80.89

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.

^A I Income share class was closed on 26 October 2020.

Comparative Tables

Continued

	2021 pence per share
M Accumulation^A	
Change in net assets per share	
Opening net asset value per share	107.47
Return before operating charges*	0.89
Operating charges	(0.21)
Return after operating charges*	0.68
Distributions	(1.07)
Retained distributions on accumulation shares	1.07
Redemption value as at 26 October 2020	(108.15)
Closing net asset value per share	-
* after direct transaction costs of:	0.01
Performance	
Return after charges	0.63%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	0.83%
Direct transaction costs	0.01%
Prices	
Highest share price	108.9
Lowest share price	106.3

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.

^A M Accumulation share class was closed on 26 October 2020.

Comparative Tables

Continued

	2021
M Income ^A	pence per share
Change in net assets per share	
Opening net asset value per share	98.60
Return before operating charges*	1.89
Operating charges	(0.19)
Return after operating charges*	1.70
Distributions	(0.98)
Redemption value as at 26 October 2020	(99.32)
Closing net asset value per share	-
* after direct transaction costs of:	0.01
Performance	
Return after charges	1.72%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	0.83%
Direct transaction costs	0.01%
Prices	
Highest share price	99.73
Lowest share price	97.53

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.

^A M Income share class was closed on 26 October 2020.

Comparative Tables

Continued

	2021
P Gross Income^A	pence per share
Change in net assets per share	
Opening net asset value per share	79.26
Return before operating charges*	1.53
Operating charges	(0.11)
Return after operating charges*	1.42
Distributions	(0.83)
Redemption value as at 26 October 2020	(79.85)
Closing net asset value per share	-
* after direct transaction costs of:	-
Performance	
Return after charges	1.79%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	0.59%
Direct transaction costs	0.01%
Prices	
Highest share price	80.20
Lowest share price	78.42

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.

^A P Gross income share class was closed on 26 October 2020.

Comparative Tables

Continued

	2021
P Income^A	pence per share
Change in net assets per share	
Opening net asset value per share	82.38
Return before operating charges*	1.60
Operating charges	(0.12)
Return after operating charges*	1.48
Distributions	(0.86)
Redemption value as at 26 October 2020	(83.00)
Closing net asset value per share	-
* after direct transaction costs of:	-
Performance	
Return after charges	1.80%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	0.59%
Direct transaction costs	0.01%
Prices	
Highest share price	83.36
Lowest share price	81.51

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.

^A P Income share class was closed on 26 October 2020.

Comparative Tables

Continued

	2021
Q Gross Income^A	pence per share
Change in net assets per share	
Opening net asset value per share	79.30
Return before operating charges*	1.54
Operating charges	(0.10)
Return after operating charges*	1.44
Distributions	(0.84)
Redemption value as at 26 October 2020	(79.90)
Closing net asset value per share	-
* after direct transaction costs of:	-
Performance	
Return after charges	1.82%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	0.51%
Direct transaction costs	0.01%
Prices	
Highest share price	80.26
Lowest share price	78.47

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.

^A Q Gross income share class was closed on 26 October 2020.

Comparative Tables

Continued

	2021
Q Income ^A	pence per share
Change in net assets per share	
Opening net asset value per share	82.38
Return before operating charges*	1.57
Operating charges	(0.10)
Return after operating charges*	1.47
Distributions	(0.87)
Redemption value as at 26 October 2020	(82.98)
Closing net asset value per share	-
* after direct transaction costs of:	-
Performance	
Return after charges	1.78%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	0.51%
Direct transaction costs	0.01%
Prices	
Highest share price	83.37
Lowest share price	81.52

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.

^A Q Income share class was closed on 26 October 2020.

Comparative Tables

Continued

Z Accumulation^A	2021 pence per share
Change in net assets per share	
Opening net asset value per share	174.65
Return before operating charges*	1.39
Operating charges	(0.05)
Return after operating charges*	1.34
Distributions	(2.01)
Retained distributions on accumulation shares	2.01
Redemption value as at 26 October 2020	(175.99)
Closing net asset value per share	-
* after direct transaction costs of:	0.01
Performance	
Return after charges	0.77%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	0.13%
Direct transaction costs	0.01%
Prices	
Highest share price	177.2
Lowest share price	172.9

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.

^A Z Accumulation share class was closed on 26 October 2020.

Portfolio Statement

As at 31 July 2023

Holding	Investment	Market value £'000	Percentage of total net assets
Corporate Bonds (0.00%)		-	-
807,000	Galapagos 5.375% 2021**	-	-
Equities (0.00%)		-	-
North America Equities (0.00%)		-	-
United States (0.00%)		-	-
20	New Cotai Participation*	-	-
1	Quad Graphics*	-	-
Total investment assets		-	-
Net other assets		-	-
Total Net Assets		-	-

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

* Delisted.

** Defaulted.

Financial Statements

Statement of Total Return

For the year ended 31 July 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital (losses)/gains	1		-		11
Expenses	2	-		(1)	
Net expense before taxation		-		(1)	
Taxation	3	-		(23)	
Net expense after taxation			-		(24)
Total return			-		(13)
Change in net assets attributable to shareholders from investment activities			-		(13)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2023

	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		-		-
Amounts payable on the cancellation of shares	-		10	
		-		10
Change in net assets attributable to shareholders from investment activities (see above)		-		(13)
Unclaimed distributions		1		3
Movement in amount payable on termination		(1)		-
Closing net assets attributable to shareholders		-		-

Financial Statements

Continued

Balance Sheet

As at 31 July 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			-		-
Current assets:					
Cash and bank balances		4		2	
			4		2
Total assets			4		2
Liabilities:					
Creditors	5	(4)		(2)	
			(4)		(2)
Total liabilities			(4)		(2)
Net assets attributable to shareholders			-		-

Notes to the Financial Statements

1 Net Capital (Losses)/Gains

	2023 £'000	2022 £'000
Non-derivative securities	-	9
Other gains	-	2
Net capital (losses)/gains	-	11

2 Expenses

	2023 £'000	2022 £'000
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Depositary's fees	-	1
	-	1
Total expenses	-	1

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £2,400 (2022: £2,400).

3 Taxation

	2023 £'000	2022 £'000
(a) Analysis of charge in year		
Overseas taxes	-	23
Total taxation (note 4b)	-	23

(b) Factors affecting total tax charge for the year

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

Net expense before taxation	-	(1)
Corporation tax at 20% (2022: 20%)	-	-
Effects of:		
Overseas taxes	-	23
Total tax charge for year (note 4a)	-	23

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.

Notes to the Financial Statements

Continued

4 Distributions (including the movement between net expense and distributions)

	2023 £'000	2022 £'000
Movement between net expense and distributions		
Net expense after taxation	-	(24)
Shortfall transfer from capital to revenue	-	24
Total distributions for the year	-	-

5 Creditors

	2023 £'000	2022 £'000
Amounts payable to the ACD for cancellation of shares	4	-
Amounts payable on termination	-	2
Total creditors	4	2

6 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 note 5.

Amounts payable to abrdr Fund Managers Limited, in respect of expenses are disclosed in note 2 and any amounts due at the year end in note 5.

7 Portfolio Transaction Costs

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

8 Risk Management Policies and Disclosures

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

The fund closed on 26 October 2020.

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.

Notes to the Financial Statements

Continued

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:

	Floating rate financial assets/ (liabilities) £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
2023				
Currency				
UK Sterling	4	-	(4)	-
Total	4	-	(4)	-

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
2022				
Currency				
UK Sterling	2	-	-	2
Total	2	-	-	2

Financial derivatives instrument risk

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

Counterparty risk

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.

All stock lending is conducted by the stocklending agent on behalf of the fund using a standard agreement with available counterparties. It is collateralised daily with a right of recall within 24 hours.

At the year end the fund held no positions with those presented being only in respect of the prior year end.

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2023 £4,000 (2022: £2,000).

Securities Financing Transactions Disclosure (unaudited)

The funds engage in Securities Financing Transactions (SFTs) (as defined in Article 3 of Regulation (EU) 2015/2365, SFTs include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions, Total Return Swaps (TRS) and margin lending transactions). In accordance with Article 13 of the Regulation, the fund's involvement in and exposures related to securities lending at the year end are detailed below:

Global data

	Absolute Amount (£'000)	% of Lendable Assets	Proportion of AUM (%)
abrdr Diversified Growth and Income Fund	11	0.01%	0.01%
	11	0.01%	0.01%

Global aggregate data

All transactions take place under English law with a UK representative of the counterparty. All contracts can be exited at value on the same day and all collateral can be returned within 24 hours to protect the portfolio values. The registration of the counterparty is therefore within the UK for the purposes of the transaction. The tenor values are same day or 24 hours for the purposes of the transactions. TRS can be arranged to circumvent the SFT regulations, they have not been used in this way and are disclosed for completeness however do not in this capacity have the characteristics of an SFT.

Counterparty by transaction type	Settlement	Collateral Type	Quality	Collateral Currency	Market value SFT £'000	Market value collateral £'000
Stocklending						
BNP Paribas	Bilateral	Equity	Main market listing	GBP	11	-
BNP Paribas	Bilateral	Equity	Main market listing	EUR	-	9
BNP Paribas	Bilateral	Equity	Main market listing	DKK	-	28
BNP Paribas	Bilateral	Equity	Main market listing	USD	-	56
					11	93

Securities Financing Transactions Disclosure (unaudited)

Continued

Data on reuse of collateral

Non-cash collateral will not be sold, re-invested or pledged. There are no investment returns therefore associated with the securities held as collateral.

Cash collateral will only be: Placed on deposit; Invested in high-quality government bonds; Used for the purpose of reverse repo transactions with credit institutions that are subject to prudential supervision (and on terms that permit the Manager to recall at any time the full amount of cash on an accrued basis); or Invested in short-term money market funds (as defined for the purposes by the European Securities and Markets Authority ("ESMA"))

The returns earned by the Fund from the reinvestment of cash collateral in money market funds during the year are disclosed below.

Money Market Fund	Return %
Aberdeen Standard Liquidity Fund (Lux) - Euro Fund	3.71
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund	5.25

Safekeeping of collateral

Collateral is received under a title transfer arrangement and collateral received must be held by or on behalf of the Depository. Collateral is held in an account belonging to the fund with only assets belonging to the fund in this account.

Collateral is posted to a Central Counterparty Clearing House or broker in a segregated account for the fund. Where collateral is exchanged bilaterally a recall position on the assets is retained.

Remuneration

Undertakings for Collective Investment Transferrable Securities V Directive (UCITS V) Remuneration Disclosure UCITS V Fund Annual Report and Accounts

Remuneration Policy

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

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

Remuneration Principles

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

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

Remuneration Framework

Employee remuneration is composed 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 abrDN to operate a fully flexible policy on variable remuneration components, including having the ability to award no variable remuneration component in certain circumstances where either individual and/or Group performance does not support such award.

Remuneration

Continued

Base salary	<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>
Benefits (including retirement benefit where appropriate)	<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>
Annual Performance Bonus Awards	<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>
Other elements of remuneration – selected employees	<p>The following remuneration arrangements may be awarded in certain very limited circumstances:</p> <p>Carried Interest Plans – These arrangements are designed to reward performance in roles where a carried interest plan is appropriate. Selected employees are granted carried interest shares in private market funds established by the Group.</p> <p>Buy-Out Awards/Guaranteed Bonuses – These are intended to facilitate/support the recruitment of new employees. Buy-outs are not awarded, paid or provided unless they are in the context of hiring new employees. Guaranteed bonuses are not awarded, paid or provided unless they are exceptional and in the context of hiring new employees and limited to the first year of service. These awards are only made where such a payment or award is permitted under any relevant remuneration regulations and are designed to compensate for actual or expected remuneration foregone from previous employers by virtue of their recruitment.</p> <p>Retention and Special Performance Awards / LTIP – Supports retention and/or the delivery of specific performance outcomes. The Company may determine that it is appropriate to grant an exceptional award in limited circumstances. Awards are structured to deliver specific retention and/or performance outcomes. Retention and/or special performance awards comply with all relevant regulatory requirements.</p> <p>Severance Pay – Payment made to support an employee whose role is considered to be redundant. Severance payments comply with any legislative and regulatory requirements and any payments are inclusive of any statutory entitlement. In the event of severance, the treatment of any individual elements of an employee's remuneration is governed, as appropriate, by relevant plan or scheme rules.</p>

Remuneration

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
abrdn Fund Managers Limited¹	1,101	160,808
of which		
Fixed remuneration		122,073
Variable remuneration		38,735
abrdn Fund Managers Limited 'Identified Staff'²	85	52,178
of which		
Senior Management ³	46	34,570
Other 'Identified Staff'	39	17,608

¹ 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.

² 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

³ Senior management are defined in this table as Management Company Directors and members of the abrdn plc Board, together with its Executive Committee, Investment Management Committee and Group Product Committee.

Further Information

Constitution

abrdrn OEIC I was incorporated on 23 December 1997, incorporated 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

Copies of the current Prospectus and Key Investor Information Documents (KIIDs) for the abrdrn OEIC I funds, 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. 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 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 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 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.

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.