



# abrdn OEIC I

Annual Long Report  
For the year ended 31 July 2024

[abrdn.com](https://abrdn.com)

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# Report of the Authorised Corporate Director

abrdn OEIC I ('the Company') is an open-ended investment company with variable capital. The Company is incorporated in Scotland with registered number SI000001 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 nineteen live funds and twelve closed funds.

## Appointments

### Authorised Corporate Director

abrdn Fund Managers Limited

#### Registered Office

280 Bishopsgate  
London  
EC2M 4AG

#### Correspondence address

PO Box 12233  
Chelmsford  
Essex  
CM99 2EE

### Investment Adviser

abrdn Investments Limited

#### Registered Office

1 George Street  
Edinburgh  
EH2 2LL

#### 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 abrdn 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 abrdn plc, which is incorporated in Scotland.

Financial details and Fund Managers' reviews of the individual funds for the year ended 31 July 2024 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 abrdn 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 abrdn website at **abrdn.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.

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

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

## Developments and Prospectus updates since 1 August 2023

- On 17 August 2023, the abrdn Diversified Income Fund changed name to abrdn Diversified Growth and Income Fund and updated the Investment Objective and Policy ("IOP") from "To generate a positive return through income and some capital growth" to "To generate a positive return through capital growth and income". The investment policy of the Fund was updated in relation to the Fund's management process and use of derivatives and there was a change to the approach to the deduction of charges in respect of accumulation share classes. All details were communicated to investors regarding the changes.
- On 17 August 2023 the AMC rates on the abrdn Diversified Growth and Income Fund were reduced on the A shares from 1.05% to 0.95%, the I shares from 0.60% to 0.50% and the M shares from 0.60% to 0.50%.
- On 13 September 2023, abrdn Emerging Markets Equity Fund G Acc shareclass closed.
- On the 20th of September 2023, the abrdn UK Income Equity Fund K Acc shareclass was launched.
- On 30 September 2023, Mr. Neil Machray resigned as a director of abrdn Fund Managers Limited.
- On 6 October 2023, the AMC for the K Inc shareclass in the abrdn UK Income Equity Fund was reduced from 0.675% to 0.56%.
- On 6 October 2023, LF abrdn Income Focus Fund merged into abrdn UK Income Equity Fund (OEIC I).
- On 27 October 2023, the abrdn UK Income Equity Fund P Acc, ZA Inc and ZC Acc were launched.
- On 27 October 2023, the abrdn UK High Income Equity Fund (OEIC II) merged into abrdn UK Income Equity Fund (OEIC I).
- On 27 October 2023, abrdn Multi-Asset Fund (OEIC I) merged into abrdn Global Balanced Growth Fund (OEIC II).
- On 27 October 2023, the abrdn Diversified Growth Fund (abrdn Unit Trust I) merged into abrdn Diversified Growth and Income Fund (OEIC I).
- On 7 November 2023, the abrdn Strategic Bond Fund Z Inc was launched.
- On 23 November 2023, Mrs. Denise Thomas resigned as a director of abrdn Fund Managers Limited.
- On 1 December 2023, the abrdn Global Absolute Return Strategies Fund merged into the abrdn Diversified Growth and Income Fund (OEIC I).

# Report of the Authorised Corporate Director

## Continued

- On 1 December 2023, the abrdn Diversified Growth and Income Fund K Acc, ZA Acc and the ZC Acc were launched.
- On 1 December 2023, the benchmarks for the abrdn Sterling Bond Fund and abrdn Sterling Short Term Government Bond Fund were updated to reflect a rebrand by the benchmark provider. These changes neither alter the constituents of the benchmark, nor do they impact the relevant fund's risk profile.
- On 21 December 2023, the Global exposure sum of notionals figure was updated.
- On 27 February 2024, Martin Kwiatkowski was appointed as a director of abrdn Fund Managers Limited.
- On 6 March 2024, Institutional Z Acc share class was closed for abrdn Strategic Bond Fund, abrdn UK Mid-Cap Equity Fund & abrdn Sterling Inflation-Linked Bond Fund.
- On 8 March 2024, the abrdn MT American Equity Value Fund merged into the abrdn American Equity Fund (OEIC I).
- On 15 March 2024, Fraser Tulloch was appointed as a director of abrdn Fund Managers Limited.
- On 21 March 2024 there was further updates to the eligible markets list details for US.
- On 2 April 2024 the AMC rates for abrdn UK Mid-Cap Equity Fund K share class was reduced from 0.675% to 0.55%.
- On 12 April 2024 any references to the address 10 Queens Terrace, Aberdeen, AB10 1XL were replaced with 1 George Street, Edinburgh, EH2 2LL.
- On 1 May 2024, the abrdn MT Japan Fund merged into the abrdn Japanese Equity Fund (OEIC I).
- On 16 July 2024, the abrdn Diversified Growth and Income Fund ZA Acc was closed.
- 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.

## Assessment of Value (unaudited)

In 2017 the Financial Conduct Authority (FCA) published the final Asset Management Market Study. This introduced (among other reforms) new governance rules with the aim of enhancing duty of care and ensuring the industry

acts in investors' best interests. The rules were outlined in the FCA policy statement PS18/8 and came into effect from 30 September 2019. As a result, abrdn Fund Managers Limited is required to perform a detailed annual assessment, determining whether our funds are "providing value to investors". The resulting findings will be published on a composite basis throughout the year, and can be found on the 'Literature' pages of our website.

## Climate-related Financial Disclosures (unaudited)

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, funds are 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 strongly over the year under review. A key theme was the pace of inflation in major economies and the responses by various central banks to that. At the start of the period, central banks in Western economies raised interest rates faster and further than initially anticipated to counter multi-decade-high inflation. This, in turn, brought down inflationary pressures in many countries. Additionally, global economic growth held up better than investors expected, defying fears of a recession triggered by steep interest rates. In the first three months of the period, equities generated negative returns amid concerns that interest rates would remain higher for longer. However, the asset class regained some ground towards the end of 2023 as reassuring inflation trends led investors to anticipate potential rate cuts in 2024. Equities continued to perform well in the first quarter of 2024,

# Report of the Authorised Corporate Director

## Continued

supported by strong economic data, but weakened in April as fears resurfaced that interest rates might remain higher for longer due to stubborn inflation. Following that, May, June and July were stronger months for global stocks, supported by renewed hopes of future rate cuts and reassuring corporate earnings.

The UK stock market, as represented by the FTSE All-Share Index, rose over the period. The FTSE 250 Index, which contains smaller companies typically more focused on the domestic UK economy, outperformed the FTSE 100 Index, representing multinational companies. The performance of the FTSE 100 Index lagged those of many overseas markets given it is home to many so-called defensive shares. However, it also contains several energy and mining companies, which buoyed the index's return as commodity prices ended the period close to where they were after the outbreak of the war in Eastern Europe in early 2022. Meanwhile, smaller UK companies were held back at the start of the period by heightened economic uncertainty. But, as the outlook for the domestic economy improved, they then performed better due to improved investor risk appetite. In politics, a key event over the period was the UK general election that took place in early July. The then Prime Minister Rishi Sunak called for the snap election as he looked to capitalise on an improving economic environment. However, it was the Labour Party that subsequently secured a substantial majority, as anticipated, with Kier Starmer taking over as prime minister. In terms of policy, the Bank of England (BoE) increased rates in August 2023 by 25 basis points (bps), bringing the country's base rate to a 16-year high of 5.25%. As a result, UK annual consumer inflation continued to trend downwards, with the headline rate falling back to the BoE's 2% target in May and June this year. This then led to expectations of rate cuts in the months ahead. At its meeting on 1 August 2024, the BoE voted by a majority of 5-4 to reduce its rate by 25 bps, to 5%. It was its first rate cut in over four years.

US equities, as measured by the broad S&P 500 Index, rose strongly over the 12-month period. Growth-focused stocks, such as technology companies, performed particularly well. These stocks were more sensitive to the changing rhetoric of monetary tightening coming to an end, and then reversing, because of the favourable effect on their future discounted earnings. Stocks linked to the artificial intelligence theme, such as NVIDIA, Microsoft and Alphabet, performed particularly well. In terms of policy, amid a relatively robust economy, the US Federal Reserve (Fed) maintained its restrictive policy stance. However, with annual inflation showing sustained improvement, the Fed maintained the target range for the fed funds rate at 5.25-5.50%, the highest level since 2001. Investors were initially concerned that interest rates would stay higher for longer, which led stocks to weaken early in the period. Equities then rebounded towards the end of 2023 and over the first three months of 2024 as encouraging

inflation trends led to optimism about future interest-rate cuts. However, US stocks then weakened again in April as higher-than-expected inflation over the first quarter of the year led to renewed fears of interest rates remaining elevated. Subsequently, fresh hopes of interest-rate cuts by the end of the year, as well as a better-than-expected first-quarter corporate earnings season, helped US stocks gain some ground in the last three months of the period to the end of July.

Continental Europe's stock markets, as measured by the FTSE World Europe ex UK Index, rose over the period as investor sentiment in the region improved due to declining annual inflation and an unexpectedly resilient European economy. European equities performed steadily in the early summer of 2023 but weakened in the autumn due to concerns about further monetary tightening and slowing economic growth. However, those fears subsequently eased, leading to a notable rebound in the asset class towards the end of 2023. European stocks continued their upward trend over the first quarter of 2024 before weakening in April on fears of interest rates staying higher for longer. Hopes of future rate cuts, along with robust corporate earnings, then saw equities rise in May. At the European Parliament elections in June, France's centrist alliance suffered a shock defeat to Marine Le Pen's far-right National Rally. This resulted in French President Emmanuel Macron calling for a snap general election, which led to a sharp sell-off in French equities. However, French equities, and European equities more broadly, rose in July after the far-right National Rally's electoral gains were less than predicted. In terms of policy, the European Central Bank (ECB) continued to raise rates as it strove to bring the annual inflation rate down to its 2% target. The ECB's 25 bps increase in its key interest rates in September, the sixth hike of 2023, took the base rate to 4.50%. Encouraged by signs of disinflation, the ECB then cut the rate to 4.25% in June. However, according to a preliminary estimate, annual inflation unexpectedly rose from 2.5% in June to 2.6% in July. Meanwhile, eurozone GDP, according to a flash estimate, grew sequentially by a higher-than-expected 0.3% in the second quarter of 2024, matching the growth rate experienced in the first three months of the year.

The Japanese stock market, as measured by the TOPIX Index, recorded a strong double-digit gain in yen terms over the year but increased less in sterling terms due to the depreciation of the yen. Solid company results and an increased focus by Japanese companies on shareholder returns helped share prices climb notably higher over the period. Facing milder inflationary pressures than the world's other major central banks, the Bank of Japan (BoJ) left its key interest rate unchanged at -0.1% and the target for the 10-year government bond yield at around 0% for much of the period. However, with annual core inflation still above the 2% target, the BoJ further tweaked its yield-curve control policy at its October 2023 meeting.

# Report of the Authorised Corporate Director

## Continued

As expected, the BoJ then raised its key short-term interest rate from -0.1% to around 0.0–0.1% at its March meeting. This was the first rate hike since 2007, concluding eight years of negative interest rates. The central bank also finally ended its yield-curve-control policy. At its July meeting at the end of the period, it then hiked rates again, to 0.25%, and reduced its monthly bond purchases. Given the BoJ's ongoing commitment to maintaining its accommodative monetary policy, the Japanese yen steadily weakened over the period before regaining most of its losses after the central bank's second rate hike.

Stock markets in the Asia Pacific (excluding Japan) region advanced over the year, underpinned by signs that high annual inflation globally was beginning to subside. Investor sentiment improved as fears receded that the world economy could be tipped into a recession by interest-rate hikes. As disinflation became more apparent, investors started to anticipate major central banks cutting rates during the course of 2024. The ECB led the way with a rate reduction in June. Chinese share prices lagged over the period. This was due to growing risks in the country's highly indebted property sector (centred around major developers like Evergrande and Country Garden), ongoing geopolitical tensions with the US, and a regulatory crackdown (which focused on data privacy and national security). As a result, Chinese authorities announced various stimulus measures aimed at boosting investor sentiment. These included further cuts to banks' reserve requirement ratios in both September 2023 and January 2024, along with reductions in key lending rates in February and July. The earlier measures helped move the Chinese economy out of deflation at the start of 2024, while the later actions aimed to sustain growth. In contrast, the Taiwanese and, to a lesser degree, South Korean stock markets both recorded solid gains over the period, helped by their relatively high weightings to the technology sector. Additionally, the Indian market performed strongly, as investors were encouraged by the robust performance of the local economy, which continued to be supported by Prime Minister Narendra Modi's reforms.

The year was a volatile one for fixed income, with declining yields and improving bond prices overall. Global bond markets were initially weak. However, the prospect of an end to monetary tightening and potential rate cuts in the months ahead provided support for much of the remaining period, although there was some weakness in the first quarter of 2024 due to continued inflation worries. Meanwhile, corporate bonds generated solid returns over the period as investor risk appetite improved. Investment-grade bonds underperformed riskier high-yield bonds due to the former's higher interest-rate sensitivity and the latter's exposure to a more robust economic environment than initially feared, which supported credit fundamentals. Market conditions were challenging in the first few months of the period due to ongoing interest-rate hikes by central banks, stubbornly high annual inflation and an uncertain

economic outlook. Furthermore, the onset of hostilities in the Middle East led to significant market uncertainty at the beginning of October as fears of escalation and rising oil prices plagued the economic landscape. As government bond yields rose, corporate bond yields also increased in the autumn of 2023. However, credit spreads – the yield premium received by investors in return for the typically greater risk of lending to companies rather than governments – tightened towards the end of 2023. This was due to growing expectations that global inflation pressures could be peaking, fuelling investors' hopes that the current cycle of interest-rate rises could be coming to a close. Signs of disinflation led investors to factor in rate cuts in 2024, resulting in a strong finish to 2023 for corporate bonds. Government bond yields resumed their upward trend in the first quarter of 2024 amid fears that persistent inflation could lead to rates staying higher for longer. This weighed on corporate bonds before growing expectations that global inflation pressures could be peaking again led investors to anticipate rate cuts later in 2024. Against this backdrop, credit spreads continued to tighten over much of the period, although there has been some mild widening lately due to economic and political uncertainties.

## Outlook

We believe that we are approaching the end of the economic cycle. This belief is reinforced by incoming data across developed market economies showing a softening in activity, a loosening in labour markets and a decline in inflation measures. Having said that, macroeconomic factors remain as unpredictable as ever, with investors scrutinising the latest data and trying to predict when a pivot in the direction of interest rates might occur. We now have central banks on different paths with regard to rates, with the ECB cutting them in June, the BoJ raising them again in July and the Fed, for now, still on hold. Geopolitical pressures remain elevated throughout the world and, with the early start to presidential proceedings in the US, this is likely to remain the case. Recessionary concerns appear to have abated, given that economic data has so far been more positive than many expected. However, one or two weak data points could alter that picture very quickly.

In fixed income, we think there will be a decline in yields, with short-term bonds seeing larger price gains than longer-term ones, as we anticipate a rate-cutting cycle from the major central banks to continue. We recognise that the path to this medium-term outcome is unlikely to be a smooth one and that stubborn inflation may present several hurdles. So far in 2024, central-bank data dependency has exacerbated government bond volatility. Labour market data is a key focus for several central banks, especially considering the propensity for wage and employment changes to lag other indicators. Although the outlook for bonds remains positive, some caution appears prudent.



# 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 abrdn (AAM) UK Smaller Companies Fund, abrdn Asia Pacific and Japan Equity Fund, abrdn China A Share Equity Fund, abrdn Multi-Asset Fund, abrdn Sterling 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 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 abrdn Fund Managers Limited, the Authorised Corporate Director.

**Aron Mitchell**  
Director  
25 November 2024

**Adam Shanks**  
Director  
25 November 2024



# Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of 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**

25 November 2024

# 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 2024 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 17.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the financial position of each of the sub-funds as at 31 July 2024 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) UK Smaller Companies Fund, abrdn Asia Pacific and Japan Equity Fund, abrdn China A Share Equity Fund, abrdn Multi-Asset Fund, abrdn Sterling 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, 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) UK Smaller Companies Fund, abrdn Asia Pacific and Japan Equity Fund, abrdn China A Share Equity Fund, abrdn Multi-Asset Fund, abrdn Sterling 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. 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 abrdn 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 abrdn 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](http://www.frc.org.uk/auditorsresponsibilities).

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

This report is made solely to the Company's shareholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook ('the COLL Rules') issued by the Financial Conduct Authority under the Open-Ended Investment Companies Regulations 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

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

Chartered Accountants  
319 St Vincent Street  
Glasgow  
G2 5AS  
25 November 2024

# Notes to the Financial Statements of abrdn OEIC I

For the year ended 31 July 2024

## 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) UK Smaller Companies Fund, abrdn Asia Pacific and Japan Equity Fund, abrdn China A Share Equity Fund, abrdn Multi-Asset Fund, abrdn Sterling 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 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 is no longer open to investors having merged on 12 May 2023. abrdn (AAM) UK Smaller Companies Fund and abrdn UK Equity Fund are no longer open to investors having merged on 23 June 2023. abrdn Multi-Asset Fund is no longer open to investors having merged on 27 October 2023. It is the intention of the ACD to terminate the funds at a later date once the residual assets and liabilities are settled. abrdn China A Share fund and abrdn Sterling Bond Fund are due to close on 8 August 2024. 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) UK Smaller Companies Fund, abrdn Asia Pacific and Japan Equity Fund, abrdn Multi-Asset 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 2024. 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 abrdn 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 abrdn policy collateral or margin must be exchanged to limit the exposure to investors should an agreement fail. Collateral is exchanged at an agreement level on a net basis following abrdn policy at a counterparty level within a fund. Collateral is monitored and where required exchanged daily. Collateral is bilateral in nature exchanged between the two counterparties in a transaction. Margin is similar to collateral limiting the risk for investors. The main difference is the exchange of initial margin, required before a contract is opened. Once opened the exchange of variation margin is monitored and where required exchanged daily. Both collateral and margin do not affect the valuation of the asset they are protecting or the fund unless re-hypothecated (used to buy) into another investment asset. All funds do not re-hypothecate but may use liquidity collective investments to manage cash effectively.

# Notes to the Financial Statements of abrdn OEIC I

## Continued

### (I) 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, 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

There were no cross-holdings between funds in abrdn OEIC I as at 31 July 2024.

### 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 Shares	Market Value £'000	Number of Shares	Market Value £'000	Number of Shares	Market Value £'000
<b>Investor Fund</b>	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 abrdn OEIC I, were held as at 31 July 2023.

# abrdn American Equity Fund

For the year ended 31 July 2024

## 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 2024, the value of abrdn American Equity Fund – Institutional Accumulation Shares increased by 15.72% compared to an increase of 21.11% in the performance comparator, the S&P 500 Index, (lagged by one day).

Fund data source: ABOR, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP. Benchmark data source: Factset. Please note the fund performance is quoted net of fees while the index return is quoted gross and contains no adjustment for fees.

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.

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

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

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

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

# abrdn American Equity Fund

## Continued

### Market Review

US equities gained over the 12 months to 31 July 2024. Growth-focused stocks, such as technology companies, performed particularly well. These stocks are more sensitive to the prospect of monetary tightening coming to an end, and then reversing, because of the favourable effect on their future discounted earnings.

The possibility of interest rates remaining elevated for longer weighed on markets from August to October. Additionally, the outbreak of war in the Middle East added to the uncertainty around inflation. Despite a dovish tone in late 2023, the US Federal Reserve's (Fed's) messaging turned cautious in early 2024 and its Chairman Jerome Powell added that a rate reduction in March 2024 seemed unlikely. However, given the falling core inflation and the Fed's 'dot plot' forecasts from December 2023, investors became more hopeful of monetary easing in 2024. At the beginning of the year, equities performed well as these encouraging inflation trends towards the end of 2023 led to optimism about future interest-rate cuts. However, equities then weakened in April as higher-than-expected inflation over the first quarter of the year led to renewed fears of interest rates staying higher for longer. Equities rebounded in May, June and July due to fresh hopes of interest-rate cuts by the end of the year, as well as a better-than-expected first-quarter corporate earnings season.

Faced with a relatively robust economy, the Fed kept the target range for the fed funds rate at 5.25-5.50%, the highest level since 2001. The latest 'dot plot' from the Fed's committee members forecasted just one rate cut in 2024 – whereas three had been predicted back in March – with further easing likely in 2025 and 2026. Fed Chairman Jerome Powell pushed the message that cuts are likely to come in September. Powell also noted the progress made on inflation – the latest data showed the consumer price index (CPI) rose 3% in the 12 months to June 2024, a decline from 3.3% in May. The core CPI figure was 3.3%, its lowest level in over three years.

### Portfolio Activity and Review

Sector wise, our stock selection in the information technology, communication services and financials sectors detracted from performance. Meanwhile, consumer discretionary, consumer staples and real estate added to returns.

At the stock level, our underweight exposure to NVIDIA cost the fund in relative terms as the shares performed strongly over the period. Ongoing artificial intelligence-related excitement continued to send the share price notably higher. Lululemon Athletica also weighed on

returns as investors became increasingly concerned that rising competition and product saturation would impede future growth in the US. Elsewhere, our overweight holding in CVS hurt performance as the company's health insurance activities were hurt by rising healthcare costs and weakness in its consumer pharmacy activities. NICE also dragged on returns after its shares sold off over the period amid the departure of its CEO and the news of a potentially competing product from Microsoft. Lastly, our off-benchmark allocation to LPL Financial was negative as investors became concerned that in the future the company may have to increase the interest it pays out to its customers.

On the positive side, American Express boosted returns as the company guided 2024 revenue growth of over 10%, giving investors more confidence that card fees and customer growth could more than offset any slowdown in spending volume growth. The company continued to deliver above expectations on earnings later in the period. Amazon was also positive as its results pointed to better-than-expected margin improvement in its US online retail operations, while its shares further benefitted from investors' optimism that cloud computing demand would accelerate throughout 2024. Additionally, Boston Scientific contributed to performance as the company's strong results bolstered investor expectations in its high-growth products within the medical devices portfolio, most significantly the new products for treating atrial fibrillation. Our underweight allocation to Apple added to returns, as the stock underperformed due to weaker-than-expected iPhone sales. Lastly, our lack of exposure to Tesla helped performance as the electric-vehicle (EV) manufacturer's first-quarter deliveries were disappointing due to weak EV demand and slower production in both North America and Europe. The company's shares also fell later in the period following the release of below-expectations earnings for the second quarter of 2024.

In key portfolio activity and in the first half of the period, we initiated Cadence Design Systems as we are positive on its ongoing structural growth in semiconductor design, especially with the added benefit of cloud hyperscalers looking to design their own chips to take workloads off NVIDIA's graphics-processing-unit products. We also bought a position in Apple as part of our risk management of the fund given the enlarged position of Apple in the US benchmark. Within financials, the fund initiated MSCI due to its strong moat and pricing power that could support compounding growth into the medium term, driven by its index business and follow-up products in ESG and climate. We also bought LPL Financial Holdings, which we believe has the potential to grow its network of financial advisors significantly over the medium term, benefitting from increased demand for financial advice and a large



# abrdn American Equity Fund

## Continued

number of advisors leaving the major banks. Within industrials, we introduced Hubbell, which through its utility business gives us exposure to grid modernisation spending in the US. As the US electrifies and transitions into cleaner energies it would need to upgrade and build a substantial new grid infrastructure. Early in the period, we also bought Lululemon Athletica as at the time we saw strong potential for sustainable growth through gaining market share, new store growth and expansion into new markets.

In the second half of the period, the fund initiated NXP Semiconductors as we see strong structural growth prospects, particularly in semiconductors for automotives. This should become increasingly apparent as the current inventory digestion cycle passes. In April, we bought NVIDIA given the company's dominant market position in a data-centre upgrade cycle. The fund also initiated Linde as we are positive about the company's potential for growth given its project backlog and strong track record of execution. Lastly, we introduced Advanced Drainage Systems towards the end of the period, after the company announced strong results and upgraded guidance for 2024. Management pointed to better pricing and margins, aided by robust infrastructure spending, which helped offset weakness in residential and commercial construction.

On the sell side and in the first half of the period, we exited Emerson Electric as we think growth is less bankable in a weaker economic environment, and we are less confident than previously in the management's capital allocation given the National Instruments deal. We also disposed of Comcast as we became more concerned over the risk to broadband pricing in the US cable market due to new competition from fixed wireless access using new fifth-generation (5G) networks. Elsewhere, we sold Crown Holdings as the growth outlook for aluminium cans looked lower over the coming years. Towards the end of the period, we offloaded CVS as we saw a further risk to the outlook for both retail pharmacy profitability and the company's health insurance margins.

## Portfolio Outlook and Strategy

US economic growth has been resilient, but the pace has moderated as a result of slower consumer spending and subdued investments driven by higher interest rates. In line with this, inflation has also slowed in recent months, which we expect to continue with ongoing easing in the labour market, wage growth, and housing inflation. Despite these signs of cooling inflation, the Fed remains cautious in its approach to cutting rates, signalling only one cut for this year.

### North American Equity Team

August 2024

# 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 2024.

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

- Equity Risk – 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.
- Concentration Risk – A concentrated portfolio (whether by number of holdings, geographic location or sector) may be more volatile and less liquid than a more broadly diversified one.
- Derivatives Risk – The use of derivatives may involve additional liquidity, credit and counterparty risks. In some cases the risk of loss from derivatives may be increased where a small change in the value of the underlying investment may have a larger impact on the value of the derivative.

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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	3,660.64	3,782.48	3,905.33
Return before operating charges*	661.69	(75.15)	(72.31)
Operating charges	(51.15)	(46.69)	(50.54)
Return after operating charges*	610.54	(121.84)	(122.85)
Distributions	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	4,271.18	3,660.64	3,782.48
* after direct transaction costs of:	0.80	2.08	2.36
<b>Performance</b>			
Return after charges	16.68%	(3.22%)	(3.15%)
<b>Other information</b>			
Closing net asset value (£'000)	70,989	63,474	79,648
Closing number of shares	1,662,051	1,733,971	2,105,720
Operating charges	1.29%	1.30%	1.30%
Direct transaction costs	0.02%	0.06%	0.06%
<b>Prices</b>			
Highest share price	4,383	3,993	4,301
Lowest share price	3,543	3,294	3,342

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

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

Operating charges are expenses associated with the maintenance and administration of the fund on 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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	4,123.09	4,241.18	4,358.08
Return before operating charges*	748.68	(83.93)	(79.95)
Operating charges	(39.46)	(34.16)	(36.95)
Return after operating charges*	709.22	(118.09)	(116.90)
Distributions	(3.00)	(8.82)	(0.09)
Retained distributions on accumulation shares	3.00	8.82	0.09
Closing net asset value per share	4,832.31	4,123.09	4,241.18
* after direct transaction costs of:	0.95	2.33	2.64
<b>Performance</b>			
Return after charges	17.20%	(2.78%)	(2.68%)
<b>Other information</b>			
Closing net asset value (£'000)	368,301	48,668	55,341
Closing number of shares	7,621,638	1,180,380	1,304,848
Operating charges	0.84%	0.85%	0.85%
Direct transaction costs	0.02%	0.06%	0.06%
<b>Prices</b>			
Highest share price	4,958	4,479	4,806
Lowest share price	3,995	3,704	3,744

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

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

Operating charges are expenses associated with the maintenance and administration of the fund on 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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	146.45	150.72	154.96
Return before operating charges*	26.52	(2.98)	(2.84)
Operating charges	(1.40)	(1.29)	(1.40)
Return after operating charges*	25.12	(4.27)	(4.24)
Distributions	(0.03)	(0.24)	-
Retained distributions on accumulation shares	0.03	0.24	-
Closing net asset value per share	171.57	146.45	150.72
* after direct transaction costs of:	0.03	0.08	0.09
<b>Performance</b>			
Return after charges	17.15%	(2.83%)	(2.74%)
<b>Other information</b>			
Closing net asset value (£'000)	26	41	43
Closing number of shares	15,381	27,826	28,512
Operating charges	0.89%	0.90%	0.90%
Direct transaction costs	0.02%	0.06%	0.06%
<b>Prices</b>			
Highest share price	176.0	159.2	170.9
Lowest share price	141.9	131.6	133.1

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

Z Accumulation	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	243.50	248.61	253.04
Return before operating charges*	44.29	(4.86)	(4.18)
Operating charges	(0.24)	(0.25)	(0.25)
Return after operating charges*	44.05	(5.11)	(4.43)
Distributions	(2.18)	(2.31)	(2.45)
Retained distributions on accumulation shares	2.18	2.31	2.45
Closing net asset value per share	287.55	243.50	248.61
* after direct transaction costs of:	0.05	0.14	0.16
<b>Performance</b>			
Return after charges	18.09%	(2.06%)	(1.75%)
<b>Other information</b>			
Closing net asset value (£'000)	23	19	20
Closing number of shares	7,835	7,835	7,835
Operating charges	0.09%	0.10%	0.10%
Direct transaction costs	0.02%	0.06%	0.06%
<b>Prices</b>			
Highest share price	294.9	262.6	280.3
Lowest share price	236.4	218.1	219.3

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.

# Portfolio Statement

As at 31 July 2024

Holding	Investment	Market value £'000	Percentage of total net assets
North American Equities (97.50%)		425,856	96.93
Communication Services (12.54%)		33,133	7.54
Media & Entertainment (12.54%)		33,133	7.54
77,184	Alphabet 'A'	10,302	2.34
169,420	Alphabet 'C'	22,831	5.20
Consumer Discretionary (14.99%)		64,410	14.66
Consumer Discretionary Distribution & Retail (14.99%)		56,874	12.95
199,178	Amazon.com	28,992	6.60
14,075	O'Reilly Automotive	12,340	2.81
176,622	TJX	15,542	3.54
Consumer Durables & Apparel (0.00%)		7,536	1.71
37,445	Lululemon Athletica	7,536	1.71
Consumer Staples (3.10%)		11,456	2.61
Household & Personal Products (3.10%)		11,456	2.61
91,523	Procter & Gamble	11,456	2.61
Energy (3.95%)		15,315	3.49
508,035	Baker Hughes	15,315	3.49
Financials (14.61%)		71,865	16.36
Financial Services (14.61%)		66,226	15.08
73,177	American Express	14,409	3.28
166,727	Charles Schwab	8,462	1.93
63,109	Fiserv	8,036	1.83
23,309	Goldman Sachs	9,241	2.10
46,450	LPL Financial	8,000	1.82
38,236	Mastercard 'A'	13,795	3.14
10,181	MSCI	4,283	0.98



# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Insurance (0.00%)</b>		<b>5,639</b>	<b>1.28</b>
94,260	MetLife	5,639	1.28
<b>Health Care (17.38%)</b>		<b>64,517</b>	<b>14.68</b>
<b>Health Care Equipment &amp; Services (9.48%)</b>		<b>34,163</b>	<b>7.77</b>
259,476	Boston Scientific	14,919	3.39
34,486	ResMed	5,722	1.30
30,144	UnitedHealth	13,522	3.08
<b>Pharmaceuticals, Biotechnology &amp; Life Sciences (7.90%)</b>		<b>30,354</b>	<b>6.91</b>
38,123	Danaher	8,224	1.87
15,689	Eli Lilly	9,810	2.23
110,966	Merck	9,772	2.23
116,205	Royalty Pharma 'A'	2,548	0.58
<b>Industrials (11.16%)</b>		<b>36,344</b>	<b>8.27</b>
<b>Capital Goods (5.05%)</b>		<b>17,399</b>	<b>3.96</b>
16,658	Advanced Drainage Systems	2,298	0.52
46,391	Atkore	4,876	1.11
33,227	Hubbell	10,225	2.33
<b>Commercial &amp; Professional services (3.12%)</b>		<b>10,153</b>	<b>2.31</b>
12,704	Veralto	1,054	0.24
57,684	Waste Management	9,099	2.07
<b>Transportation (2.99%)</b>		<b>8,792</b>	<b>2.00</b>
134,770	Canadian Pacific Kansas City	8,792	2.00

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Information Technology (16.71%)</b>		<b>124,436</b>	<b>28.32</b>
<b>Semiconductors &amp; Semiconductor Equipment (3.43%)</b>		<b>49,965</b>	<b>11.37</b>
45,828	Analog Devices	8,252	1.88
84,950	Broadcom	10,640	2.42
189,366	Marvell Technology	9,879	2.25
129,960	NVIDIA	11,856	2.70
45,554	NXP Semiconductors	9,338	2.12
<b>Software &amp; Services (13.28%)</b>		<b>60,189</b>	<b>13.70</b>
24,829	Accenture 'A'	6,393	1.46
57,091	Amdocs	3,885	0.88
3,250	Azul Holdings**	-	-
33,951	Cadence Design Systems	7,072	1.61
112,767	Microsoft	36,717	8.36
43,453	Nice ADR	6,122	1.39
<b>Technology Hardware &amp; Equipment (0.00%)</b>		<b>14,282</b>	<b>3.25</b>
82,637	Apple	14,282	3.25
<b>Materials (3.06%)</b>		<b>4,380</b>	<b>1.00</b>
12,411	Linde	4,380	1.00
<b>Collective Investment Schemes (2.43%)</b>		<b>9,091</b>	<b>2.07</b>
11,676	abrdn Liquidity Fund (Lux) - US Dollar Fund Z1 Inc+	9,091	2.07
Total investment assets		434,947	99.00
Net other assets		4,392	1.00
<b>Total Net Assets</b>		<b>439,339</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2023.

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

+ Managed by subsidiaries of abrdn plc.

\*\* Delisted

# Financial Statements

## Statement of Total Return

For the year ended 31 July 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
Income:					
Net capital gains/(losses)	1		30,213		(3,155)
Revenue	2	2,438		1,406	
Expenses	3	(2,349)		(1,273)	
Interest payable and similar charges		(1)		(2)	
Net revenue before taxation		88		131	
Taxation	4	(302)		(179)	
Net expense after taxation			(214)		(48)
<b>Total return before distributions</b>			<b>29,999</b>		<b>(3,203)</b>
Distributions	5		(36)		(108)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>29,963</b>		<b>(3,311)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2024

	2024		2023	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>112,202</b>		<b>135,052</b>
Amounts receivable on the issue of shares	32,922		47,103	
Amounts payable on the cancellation of shares	(70,596)		(66,746)	
Amounts receivable on inspecie transfers*	334,620		-	
		296,946		(19,643)
Dilution adjustment		(1)		-
Change in net assets attributable to shareholders from investment activities (see above)		29,963		(3,311)
Retained distribution on accumulation shares		229		104
<b>Closing net assets attributable to shareholders</b>		<b>439,339</b>		<b>112,202</b>

\* Relating to an inspecie transfer from abrdn MT American Equity Unconstrained Fund on 8 March 2024.

# Financial Statements

## Continued

### Balance Sheet

As at 31 July 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			434,947		112,119
<b>Current assets:</b>					
Debtors	6	6,238		2,516	
Cash and bank balances	7	209		256	
			6,447		2,772
<b>Total assets</b>			<b>441,394</b>		<b>114,891</b>
<b>Liabilities:</b>					
Bank overdrafts	7	-		(11)	
Creditors	8	(2,055)		(2,678)	
			(2,055)		(2,689)
<b>Total liabilities</b>			<b>(2,055)</b>		<b>(2,689)</b>
<b>Net assets attributable to shareholders</b>			<b>439,339</b>		<b>112,202</b>

# Notes to the Financial Statements

## 1 Net Capital Gains/(Losses)

	2024 £'000	2023 £'000
Non-derivative securities	30,235	(2,991)
Other losses	(11)	(151)
Transaction charges	(11)	(13)
<b>Net capital gains/(losses)</b>	<b>30,213</b>	<b>(3,155)</b>

## 2 Revenue

	2024 £'000	2023 £'000
Bank and margin interest	199	107
Overseas dividends	2,239	1,299
<b>Total revenue</b>	<b>2,438</b>	<b>1,406</b>

## 3 Expenses

	2024 £'000	2023 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	2,142	1,175
General administration charge	197	93
	2,339	1,268
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	10	5
	10	5
<b>Total expenses</b>	<b>2,349</b>	<b>1,273</b>

Irrecoverable VAT is included in the above expenses, where applicable.  
The audit fee for the year, including VAT, was £9,900 (2023: £9,120).

## 4 Taxation

	2024 £'000	2023 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	302	179
<b>Total taxation (note 4b)</b>	<b>302</b>	<b>179</b>

# Notes to the Financial Statements

## Continued

	2024 £'000	2023 £'000
<b>(b) Factors affecting total tax charge for the year</b>		
The tax assessed for the year is greater than (2023: 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:		
<b>Net revenue before taxation</b>	<b>88</b>	<b>131</b>
Corporation tax at 20% (2023: 20%)	18	26
Effects of:		
Revenue not subject to taxation	(448)	(260)
Overseas taxes	302	179
Excess allowable expenses	430	234
<b>Total tax charge for year (note 4a)</b>	<b>302</b>	<b>179</b>
Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.		
<b>(c) Factors that may affect future tax charge</b>		
At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £8,552,000 (2023: £8,122,000) 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)

	2024 £'000	2023 £'000
Distribution	229	104
Add: Income deducted on cancellation of shares	32	20
Deduct: Income received on issue of shares	(225)	(16)
<b>Total distributions for the year</b>	<b>36</b>	<b>108</b>
<b>Movement between net expense and distributions</b>		
Net expense after taxation	(214)	(48)
Shortfall transfer from capital to revenue	250	156
<b>Total distributions for the year</b>	<b>36</b>	<b>108</b>

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

# Notes to the Financial Statements

## Continued

### 6 Debtors

	2024 £'000	2023 £'000
Accrued revenue	164	48
Amounts receivable from the ACD for the issue of shares	3,528	2,468
Overseas withholding tax recoverable	4	-
Sales awaiting settlement	2,542	-
<b>Total debtors</b>	<b>6,238</b>	<b>2,516</b>

### 7 Liquidity

	2024 £'000	2023 £'000
<b>Cash and bank balances</b>		
Cash at bank	209	256
	<b>209</b>	<b>256</b>
<b>Bank overdrafts</b>		
Overdraft at bank	-	(11)
	<b>-</b>	<b>(11)</b>
abrdn Liquidity Fund (Lux) – US Dollar Fund Z1 Inc*	9,091	2,726
<b>Net liquidity</b>	<b>9,300</b>	<b>2,971</b>

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

### 8 Creditors

	2024 £'000	2023 £'000
Accrued expenses payable to ACD	332	99
Accrued expenses payable to the Depositary or associates of the Depositary	3	1
Amounts payable to the ACD for cancellation of shares	4	28
Purchases awaiting settlement	1,716	2,550
<b>Total creditors</b>	<b>2,055</b>	<b>2,678</b>

### 9 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.

# 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	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Trades in the year</b>				
Equities	36,274	79,222	83,210	96,394
Inspecie transactions	333,135	-	-	-
<b>Trades in the year before transaction costs</b>	<b>369,409</b>	<b>79,222</b>	<b>83,210</b>	<b>96,394</b>
<b>Commissions</b>				
Equities	17	30	(31)	(35)
<b>Total commissions</b>	<b>17</b>	<b>30</b>	<b>(31)</b>	<b>(35)</b>
<b>Taxes</b>				
Equities	-	-	(1)	(2)
<b>Total taxes</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>(2)</b>
<b>Total transaction costs</b>	<b>17</b>	<b>30</b>	<b>(32)</b>	<b>(37)</b>
<b>Total net trades in the year after transaction costs</b>	<b>369,426</b>	<b>79,252</b>	<b>83,178</b>	<b>96,357</b>
	Purchases		Sales	
	2024 %	2023 %	2024 %	2023 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.05	0.04	0.04	0.04
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Commissions			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 0.03% (2023: 0.02%), 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 2023	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2024
A Accumulation	1,733,971	590,719	(643,302)	(19,337)	1,662,051
I Accumulation	1,180,380	7,366,909	(943,057)	17,406	7,621,638
M Accumulation	27,826	354	(4,949)	(7,850)	15,381
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).

	2024 £'000	2024 £'000	2024 £'000	2023 £'000	2023 £'000	2023 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	425,856	-	-	109,393	-	-
Collective Investment Schemes	-	9,091	-	-	2,726	-
<b>Total investment assets</b>	<b>425,856</b>	<b>9,091</b>	<b>-</b>	<b>109,393</b>	<b>2,726</b>	<b>-</b>

### 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 2024 £'000	Net foreign currency exposure 2023 £'000
Canadian Dollar	-	5
US Dollar	436,148	109,868
<b>Total</b>	<b>436,148</b>	<b>109,873</b>

At 31 July 2024, 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 £21,807,000 (2023: £5,494,000).

# 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 2024, 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 £21,747,000 (2023: £5,606,000).

### **Financial derivatives instrument risk**

The fund had no exposure to derivatives as at 31 July 2024 (2023: £Nil).

### **Liquidity risk**

All of the fund's financial liabilities are payable on demand or in less than one year, 2024 £2,055,000 (2023: £2,689,000).

# Distribution Table

For the year ended 31 July 2024 (in pence per share)

## Final dividend distribution

Group 1 – shares purchased prior to 1 August 2023

Group 2 – shares purchased between 1 August 2023 and 31 July 2024

	Revenue	Equalisation	Distribution paid 31/10/24	Distribution paid 31/10/23
<b>A Accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>I Accumulation</b>				
Group 1	2.9970	-	2.9970	8.8171
Group 2	-	2.9970	2.9970	8.8171
<b>M Accumulation</b>				
Group 1	0.0293	-	0.0293	0.2416
Group 2	0.0259	0.0034	0.0293	0.2416
<b>Z Accumulation</b>				
Group 1	2.1763	-	2.1763	2.3064
Group 2	2.1763	-	2.1763	2.3064

## 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 2024

## 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 2024, the value of abrdn Asia Pacific Equity Fund - I Accumulation Shares increased by 2.02% compared to an increase of 7.57% in the performance comparator, the MSCI AC Asia Pacific ex Japan Index.

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

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

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

# abrdn Asia Pacific Equity Fund

## Continued

### Market Review

Asian equities continued to perform well over the year as inflationary pressures eased and investors welcomed signals from the US Federal Reserve (Fed) that it was moving its monetary policy towards potential rate cuts in 2024. Towards the end of the review period, soft US data resulted in forecasts that the Fed would cut rates faster and deeper than previously anticipated. Other key sentiment drivers were China's stalled recovery amid continued property woes, a higher for longer interest rate environment and conflict in the Middle East. Through the review period, the Chinese authorities implemented various measures to support sentiment, financial markets and the broader economy. While there are still concerns about the possibility of further US tariffs and sanctions, sentiment towards the mainland China market improved in the second half of the period on hopes of more economic stimulus policies.

The Indian market was the top performer across the region thanks to its rapidly growing economy, growth in the corporate sector and substantial foreign capital inflows. Investors shrugged off initial concerns about the uncertain outcome of the general election and the market recovered quickly. The new coalition government's first Budget, which included measures to improve consumption, rural demand and employment, gave a further boost to the market. Equities in Taiwan also made strong gains as investors judged that the semiconductor cycle was nearing its trough and responded to rapid developments in artificial intelligence (AI). By contrast, the Hong Kong market was the key laggard, with concerns over China's macro outlook compounded by the impact of heavy foreign capital outflows.

### Portfolio Activity and Review

The fund underperformed its benchmark during the period, driven primarily by our exposure to China and Hong Kong. This was mitigated by good stock selection in Taiwan, the fund's underweight to China and the non-benchmark holdings in the Netherlands, which all proved positive.

Quality remained out of favour in Asia and in China we faced acute style headwinds. Steadier structural growth names were sold down aggressively and the performance of low quality Chinese SOEs gave Chinese markets a value tilt. Against this backdrop, the vast majority of this underperformance was by our positions in China, specifically domestic China and the Chinese consumer, and Hong Kong. After hopes of a rapid post-pandemic rebound faded in early 2023 macroeconomic challenges came to the fore. We underestimated the impact of capital flows on our holdings as foreign investors fled abroad to reduce their China risk whilst domestic investors moved away from quality and towards value and yield.

Our exposure to several consumer-related stocks was costly for performance, most notably our holdings in baijiu maker Kweichow Moutai (Moutai), China Tourism Group Duty Free and Aier Eye Hospital. Moutai was affected by falling wholesale prices of its Feitian product but the company has put in place some measures to control short-term supply to the market in order to support wholesale prices which is a positive signal, although there may be further volatility in the near term. While we remain convinced of the company's quality we have resized our position in the company. We have also exited our positions in China Tourism Group Duty Free and Aier Eye Hospital.

In Hong Kong, pan-Asia life insurer AIA Group delivered solid revenue growth and announced an increase in shareholder returns, but this was insufficient to offset the negative sentiment clouding the Hong Kong market. Budweiser APAC's overall results were in line with expectations and beer consumption is recovering in China. However, the market has focused on temporary headwinds in its Korea business.

As for China's outlook, the central government introduced some measures following the Third Plenum in July to provide liquidity support to the financial system to stimulate lending and support broader economic growth. While the mainland economy remains under pressure, recent corporate results have highlighted the strength of some business franchises and we still find great investment opportunities taking a longer-term view. We also view Chinese equity valuations as very attractive and continue to focus on stocks with strong fundamentals as well as better cashflow and earnings visibility.

While our holdings in India detracted overall, there were some notable contributions from Power Grid Corporation of India, which benefited from an uptick in infrastructure development and power-related capex, and real estate developer Godrej Properties, a new position in the period, which was boosted by the upcycle in the residential property sector. In the financial sector, SBI Life was also among the top contributors.

Our positioning in Taiwan tech and our non-benchmark holdings in ASM International and ASML also contributed significantly to performance. The IT sector was the best sectoral performer over the year, posting solid double-digit gains, on the back of semiconductor and AI-related strength. As a result, the fund's overweight position provided a boost to performance, with contributors including several of the fund's Taiwanese holdings, namely passive components maker Yageo Corp and semiconductor chip manufacturer Taiwan Semiconductor Manufacturing Co (TSMC). Yageo reported record second-quarter sales as AI-related demand remained solid for the Taiwanese group. First-quarter figures from TSMC also beat expectations, with the company more

# abrdn Asia Pacific Equity Fund

## Continued

positive on the artificial intelligence (AI) supply chain and also increasing its AI contribution guidance into 2028.

In Australia, our holdings in Cochlear and Goodman Group also did well. Cochlear, a leading manufacturer and distributor of medical hearing devices, was helped by its resilient healthcare business model in a period of uncertainty while Goodman delivered good results and continued to share progress on its data-centre opportunity.

In terms of key portfolio trades, some key trends have carried through from 2023, and this has helped informed us in terms of how we have refined our positioning in the first half of 2024. Using earnings visibility and cash flow generation as our key focus points, we have exited where we expect any fundamental weakness to persist for the next few quarters, and held on, or even added to holdings where fundamentals have remained resilient. As such, adjustments have been stock specific, not related to broad themes or sectors. We 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.

Among the key trends, China has remained the major challenge for performance and our positioning. We have continued to monitor our holdings closely and exited positions in GDS, Glodon and Wuxi Biologics on concerns over their earnings visibility, along with those in Aier Eye Hospital and China Tourism Group Duty Free, as already mentioned. In their place, we introduced consumer-related stocks that have quality and a strong competitive edge in their markets. An example would be Trip.com, the leading online travel agency (OTA) in Asia, displaying a level of dominance in both China and India, the two most populous nations. We see a long runway for growth, with the international and domestic accommodation segment boosted by rising penetration in the core markets, and additional growth coming from outbound travel and Trip.com.

We retain our favourable view of India, which is a high-conviction market for us, and continued to increase our exposure to the country, where we have found quality companies that are well placed to capitalise on a favourable economic and policy backdrop. Among new holdings initiated here were Bharti Airtel, a leading telecommunications service provider with a pan-India reach and sophisticated customer base with higher-than-average mobile spending; Indian Hotels (IHCL), India's largest hospitality company, which is well placed to tap on the hotel industry's multi-year upcycle with demand growth likely to surpass supply growth for the next few years; Info Edge (India), one of the strongest domestic internet companies; Pidilite Industries, a high-quality consumer and specialty chemicals business; ICICI Bank,

which has been delivering superior growth and improved returns without compromising on asset quality. Finally, we added a new position in NTPC, a state-owned enterprise with a pipeline of both thermal and renewable energy.

We continue to be positive on the longer-term structural growth outlook of Asia's technology sector. In particular, Taiwan is at the cutting edge of the global technology boom, especially in semiconductors and AI. Within this context, we invested via a placement in GlobalWafers, a silicon wafer manufacturer that ranks as one of the global leaders in a consolidating industry.

## Portfolio Outlook and Strategy

Asia's economic landscape is undergoing a profound shift. India is rising as an economic superpower as the growth balance tilts increasingly away from China. Southeast Asia is also benefitting from China's geopolitical woes as global companies seek to diversify supply chains. As with the US, the technology sector has borne the brunt of the recent market sell-off on nervousness about elevated valuations, especially in artificial intelligence (AI)-related stocks, and the impact of the US presidential election on geopolitical tensions. However, the AI boom in Asia's world leading semiconductor industry underscores the region's critical role in driving global innovation and economic growth which creates abundant opportunities for investors.

Asia is now clearly more than just China, with opportunities across the broader region. Asian markets have been tarnished by investor concerns over China, but this overlooks the excellent progress the broader region has made in recent years in strengthening their economies, shoring up their currencies, creating employment, adopting technology and driving innovation. At the corporate level, we see a bright outlook due to the broad-based growth across Asia and the fundamental strength of the companies in the portfolio which are typically leaders in the industries or markets in which they operate. China is clearly showing signs of bottoming and recent corporate results have underscored the strength of some business franchises.

There has been some volatility recently, caused by concerns that the Fed was behind the curve in cutting interest rates after higher US jobless data triggered recession fears, but market expectations are rising for the Fed to cut rates faster and deeper than previously anticipated. While market sentiment is likely to remain volatile over the short term against a still-uncertain backdrop, we maintain our conviction in our holdings and their ability to navigate the various crosswinds buffeting markets, given their quality and fundamentals.

## Asia Pacific Equity Team

August 2024

# abrdn Asia Pacific 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 2024.

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

- Equity Risk – 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.
- Emerging Markets Risk – The fund may invest in emerging markets, where political, economic, legal and regulatory systems are less developed. As a result, investing in emerging markets may involve higher volatility and a greater risk of loss than investing in developed markets. In particular, where the fund invests in Variable Interest Entity (VIE) structures to gain exposure to industries with foreign ownership restrictions or invests in Chinese assets via Stock Connect/Bond Connect, there are additional operational risks, which are outlined in the prospectus.
- Derivatives Risk – The use of derivatives may involve additional liquidity, credit and counterparty risks. In some cases the risk of loss from derivatives may be increased where a small change in the value of the underlying investment may have a larger impact on the value of the derivative.

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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	305.25	322.25	351.86
Return before operating charges*	8.51	(12.88)	(25.14)
Operating charges	(3.88)	(4.12)	(4.47)
Return after operating charges*	4.63	(17.00)	(29.61)
Distributions	(2.50)	(2.73)	(1.63)
Retained distributions on accumulation shares	2.50	2.73	1.63
Closing net asset value per share	309.88	305.25	322.25
* after direct transaction costs of:	0.38	0.26	0.33
<b>Performance</b>			
Return after charges	1.52%	(5.28%)	(8.42%)
<b>Other information</b>			
Closing net asset value (£'000)	129,469	143,542	229,814
Closing number of shares	41,779,935	47,025,228	71,314,836
Operating charges	1.31%	1.30%	1.31%
Direct transaction costs	0.13%	0.08%	0.09%
<b>Prices</b>			
Highest share price	321.4	348.8	371.1
Lowest share price	276.9	285.2	306.0

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

A Income	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	267.77	285.22	313.01
Return before operating charges*	7.43	(11.39)	(22.37)
Operating charges	(3.40)	(3.65)	(3.97)
Return after operating charges*	4.03	(15.04)	(26.34)
Distributions	(2.19)	(2.41)	(1.45)
Closing net asset value per share	269.61	267.77	285.22
* after direct transaction costs of:	0.33	0.23	0.29
<b>Performance</b>			
Return after charges	1.51%	(5.27%)	(8.42%)
<b>Other information</b>			
Closing net asset value (£'000)	17,445	18,155	23,041
Closing number of shares	6,470,617	6,780,145	8,078,025
Operating charges	1.31%	1.30%	1.31%
Direct transaction costs	0.13%	0.08%	0.09%
<b>Prices</b>			
Highest share price	281.9	308.7	330.1
Lowest share price	242.9	252.4	272.2

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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	339.11	356.40	387.39
Return before operating charges*	9.48	(14.30)	(27.76)
Operating charges	(2.83)	(2.99)	(3.23)
Return after operating charges*	6.65	(17.29)	(30.99)
Distributions	(4.27)	(4.61)	(3.50)
Retained distributions on accumulation shares	4.27	4.61	3.50
Closing net asset value per share	345.76	339.11	356.40
* after direct transaction costs of:	0.42	0.28	0.36
<b>Performance</b>			
Return after charges	1.96%	(4.85%)	(8.00%)
<b>Other information</b>			
Closing net asset value (£'000)	377,968	468,283	357,552
Closing number of shares	109,314,388	138,091,480	100,324,357
Operating charges	0.86%	0.85%	0.86%
Direct transaction costs	0.13%	0.08%	0.09%
<b>Prices</b>			
Highest share price	358.5	386.6	408.8
Lowest share price	308.3	315.7	338.0

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

I Income	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	152.93	162.93	178.86
Return before operating charges*	4.27	(6.52)	(12.83)
Operating charges	(1.27)	(1.37)	(1.49)
Return after operating charges*	3.00	(7.89)	(14.32)
Distributions	(1.93)	(2.11)	(1.61)
Closing net asset value per share	154.00	152.93	162.93
* after direct transaction costs of:	0.19	0.13	0.17
<b>Performance</b>			
Return after charges	1.96%	(4.84%)	(8.01%)
<b>Other information</b>			
Closing net asset value (£'000)	19,647	25,454	26,193
Closing number of shares	12,757,454	16,644,626	16,076,119
Operating charges	0.86%	0.85%	0.86%
Direct transaction costs	0.13%	0.08%	0.09%
<b>Prices</b>			
Highest share price	161.7	176.7	188.7
Lowest share price	139.0	144.3	156.1

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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	110.78	116.13	125.92
Return before operating charges*	3.10	(4.66)	(9.05)
Operating charges	(0.65)	(0.69)	(0.74)
Return after operating charges*	2.45	(5.35)	(9.79)
Distributions	(1.67)	(1.79)	(1.44)
Retained distributions on accumulation shares	1.67	1.79	1.44
Closing net asset value per share	113.23	110.78	116.13
* after direct transaction costs of:	0.14	0.09	0.12
<b>Performance</b>			
Return after charges	2.21%	(4.61%)	(7.77%)
<b>Other information</b>			
Closing net asset value (£'000)	239,448	277,606	291,966
Closing number of shares	211,461,995	250,597,146	251,405,124
Operating charges	0.61%	0.60%	0.61%
Direct transaction costs	0.13%	0.08%	0.09%
<b>Prices</b>			
Highest share price	117.4	126.1	132.9
Lowest share price	100.8	102.9	110.1

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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	123.81	130.18	141.58
Return before operating charges*	3.46	(5.27)	(10.15)
Operating charges	(1.09)	(1.10)	(1.25)
Return after operating charges*	2.37	(6.37)	(11.40)
Distributions	(1.50)	(1.62)	(1.21)
Retained distributions on accumulation shares	1.50	1.62	1.21
Closing net asset value per share	126.18	123.81	130.18
* after direct transaction costs of:	0.15	0.10	0.13
<b>Performance</b>			
Return after charges	1.91%	(4.89%)	(8.05%)
<b>Other information</b>			
Closing net asset value (£'000)	6,744	8,988	69
Closing number of shares	5,344,587	7,259,356	52,681
Operating charges	0.91%	0.90%	0.91%
Direct transaction costs	0.13%	0.08%	0.09%
<b>Prices</b>			
Highest share price	130.8	141.2	149.4
Lowest share price	112.5	115.3	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

M Income	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	118.07	125.79	138.07
Return before operating charges*	3.31	(5.03)	(9.88)
Operating charges	(1.05)	(1.12)	(1.22)
Return after operating charges*	2.26	(6.15)	(11.10)
Distributions	(1.43)	(1.57)	(1.18)
Closing net asset value per share	118.90	118.07	125.79
* after direct transaction costs of:	0.15	0.10	0.13
<b>Performance</b>			
Return after charges	1.91%	(4.89%)	(8.04%)
<b>Other information</b>			
Closing net asset value (£'000)	22	22	23
Closing number of shares	18,550	18,372	18,269
Operating charges	0.91%	0.90%	0.91%
Direct transaction costs	0.13%	0.08%	0.09%
<b>Prices</b>			
Highest share price	124.8	136.4	145.7
Lowest share price	107.3	111.4	120.4

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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	395.15	412.19	444.64
Return before operating charges*	11.20	(16.62)	(31.99)
Operating charges	(0.41)	(0.42)	(0.46)
Return after operating charges*	10.79	(17.04)	(32.45)
Distributions	(7.90)	(8.40)	(7.29)
Retained distributions on accumulation shares	7.90	8.40	7.29
Closing net asset value per share	405.94	395.15	412.19
* after direct transaction costs of:	0.49	0.33	0.42
<b>Performance</b>			
Return after charges	2.73%	(4.13%)	(7.30%)
<b>Other information</b>			
Closing net asset value (£'000)	957	2,044	5,873
Closing number of shares	235,786	517,404	1,424,934
Operating charges	0.11%	0.10%	0.11%
Direct transaction costs	0.13%	0.08%	0.09%
<b>Prices</b>			
Highest share price	420.7	448.8	469.5
Lowest share price	360.5	365.8	389.9

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

ZC accumulation <sup>A</sup>	2024 pence per share	2023 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	172.82	169.9 <sup>B</sup>
Return before operating charges*	4.90	2.94
Operating charges	(0.18)	(0.02)
Return after operating charges*	4.72	2.92
Distributions	(3.45)	(1.04)
Retained distributions on accumulation shares	3.45	1.04
Closing net asset value per share	177.54	172.82
* after direct transaction costs of:	0.22	0.03
<b>Performance</b>		
Return after charges	2.73%	1.72%
<b>Other information</b>		
Closing net asset value (£'000)	599	1,032
Closing number of shares	337,564	597,103
Operating charges	0.11%	0.04%
Direct transaction costs	0.13%	0.08%
<b>Prices</b>		
Highest share price	184.0	176.60
Lowest share price	157.7	165.10

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

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

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

<sup>A</sup> ZC Accumulation share class was launched on 12 May 2023.

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



# Portfolio Statement

As at 31 July 2024

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (98.64%)</b>		<b>787,142</b>	<b>99.35</b>
<b>European Equities (3.29%)</b>		<b>38,415</b>	<b>4.85</b>
<b>Netherlands (3.29%)</b>		<b>38,415</b>	<b>4.85</b>
30,507	ASM International	16,284	2.06
30,891	ASML	22,131	2.79
<b>North America Equities (0.00%)</b>		<b>15,111</b>	<b>1.91</b>
<b>United States (0.00%)</b>		<b>15,111</b>	<b>1.91</b>
925,971	ResMed	15,111	1.91
<b>Pacific Basin Equities (93.36%)</b>		<b>722,430</b>	<b>91.18</b>
<b>Australia (12.12%)</b>		<b>81,006</b>	<b>10.22</b>
988,481	BHP	21,207	2.68
33,871	Cochlear	5,906	0.75
160,527	CSL	25,234	3.18
884,615	Goodman REIT	15,763	1.99
3,636,000	Mirvac REIT	3,919	0.49
640,011	Woodside Energy	8,977	1.13
<b>China (24.87%)</b>		<b>149,756</b>	<b>18.91</b>
1,945,144	Alibaba	14,985	1.89
1,197,000	ANTA Sports Products	8,362	1.06
559,513	Contemporary Amperex Technology 'A'	11,229	1.42
71,723	Kweichow Moutai 'A'	10,981	1.39
1,033,300	Meituan 'B'	11,256	1.42
3,799,568	NARI Technology 'A'	9,831	1.24
277,200	NetEase	4,039	0.51
328,664	Shenzhen Mindray Bio-Medical Electronics 'A'	9,102	1.15
1,533,153	Tencent	55,342	6.98
4,752,000	Tianhe Chemicals**	-	-
265,150	Trip.com	8,926	1.13
241,650	Yum China	5,703	0.72

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Hong Kong (10.63%)</b>		<b>39,085</b>	<b>4.93</b>
5,448,122	AIA	28,505	3.60
6,234,500	Budweiser Brewing*	5,903	0.74
147,000	China Metal Recycling**	-	-
2,001,093	China Resources Land	4,677	0.59
<b>India (14.70%)</b>		<b>164,430</b>	<b>20.75</b>
777,631	Bharti Airtel	10,781	1.36
312,800	Godrej Properties	9,365	1.18
678,448	HDFC Bank	10,204	1.29
292,245	Hindustan Unilever	7,356	0.93
1,952,901	ICICI Bank	22,089	2.79
1,046,831	Indian Hotels	6,246	0.79
99,680	Info Edge India	6,528	0.82
291,606	Larsen & Toubro	10,333	1.30
399,044	Mahindra & Mahindra	10,794	1.36
1,711,630	NTPC	6,618	0.84
204,118	Pidilite Industries	6,049	0.76
4,085,740	Power Grid Corporation of India	13,243	1.67
1,026,425	SBI Life Insurance	16,702	2.11
432,429	Tata Consultancy Services	17,659	2.23
94,633	UltraTech Cement	10,463	1.32
<b>Indonesia (3.32%)</b>		<b>27,921</b>	<b>3.52</b>
36,739,315	Bank Central Asia	18,031	2.27
71,971,300	Telkom Indonesia	9,890	1.25
<b>Macau (1.33%)</b>		<b>-</b>	<b>-</b>
<b>Philippines (1.51%)</b>		<b>8,824</b>	<b>1.11</b>
5,454,631	Bank of the Philippine Islands	8,824	1.11

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Singapore (3.97%)</b>		<b>28,746</b>	<b>3.63</b>
1,160,407	DBS	24,713	3.12
466,918	Oversea-Chinese Banking	4,033	0.51
<b>South Korea (9.64%)</b>		<b>89,975</b>	<b>11.36</b>
98,824	HD Korea Shipbuilding & offshore Engineering	11,540	1.46
22,390	Samsung Biologics	11,864	1.50
1,548,538	Samsung Electronics (Preference)	56,745	7.16
89,290	SK Hynix	9,826	1.24
<b>Taiwan (11.19%)</b>		<b>123,198</b>	<b>15.55</b>
927,000	Accton Technology	11,088	1.40
1,505,000	Delta Electronics	14,758	1.86
309,340	Globalwafers	3,634	0.46
3,482,827	Taiwan Semiconductor Manufacturing	76,966	9.71
893,000	Yageo	16,752	2.12
<b>Thailand (0.08%)</b>		<b>9,489</b>	<b>1.20</b>
1,864,600	Advanced Info Service (Alien Market)	9,489	1.20
<b>UK Equities (1.99%)</b>		<b>11,186</b>	<b>1.41</b>
<b>Basic Materials (0.68%)</b>		<b>-</b>	<b>-</b>
<b>Financials (1.31%)</b>		<b>11,186</b>	<b>1.41</b>
4,038,333	abrdn Asia Focus+	11,186	1.41
Total investment assets		787,142	99.35
Net other assets		5,157	0.65
<b>Total Net Assets</b>		<b>792,299</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities within the meaning of the FCA rules.  
The percentage figures in brackets show the comparative holding as at 31 July 2023.

+ Managed by subsidiaries of abrdn plc.

\* A portion of this security is on loan at the year end.

\*\* Suspended.

# Financial Statements

## Statement of Total Return

For the year ended 31 July 2024

	Notes	2024		2023	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains/(losses)	1		5,716		(49,572)
Revenue	2	18,739		21,748	
Expenses	3	(7,203)		(7,783)	
Interest payable and similar charges		-		(2)	
Net revenue before taxation		11,536		13,963	
Taxation	4	(6,487)		(2,276)	
Net revenue after taxation			5,049		11,687
<b>Total return before distributions</b>			<b>10,765</b>		<b>(37,885)</b>
Distributions	5		(10,709)		(12,259)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>56</b>		<b>(50,144)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2024

	2024		2023	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>945,126</b>		<b>934,531</b>
Amounts receivable on the issue of shares	949		28,751	
Amounts payable on the cancellation of shares	(163,285)		(90,765)	
Amounts receivable on inspecie transfers*	-		110,460	
		(162,336)		48,446
Change in net assets attributable to shareholders from investment activities (see above)		56		(50,144)
Retained distribution on accumulation shares		9,344		12,293
Movement in amount payable on termination		109		
<b>Closing net assets attributable to shareholders</b>		<b>792,299</b>		<b>945,126</b>

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

# Financial Statements

## Continued

### Balance Sheet

As at 31 July 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			787,142		932,286
<b>Current assets:</b>					
Debtors	6	4,900		2,744	
Cash and bank balances		11,668		19,360	
			16,568		22,104
<b>Total assets</b>			<b>803,710</b>		<b>954,390</b>
<b>Liabilities:</b>					
Provisions for liabilities	7		(5,643)		(1,855)
Creditors	8	(5,381)		(6,895)	
Distribution payable		(387)		(514)	
			(5,769)		(7,409)
<b>Total liabilities</b>			<b>(11,411)</b>		<b>(9,264)</b>
<b>Net assets attributable to shareholders</b>			<b>792,299</b>		<b>945,126</b>

# Notes to the Financial Statements

## 1 Net Capital Gains/(Losses)

	2024 £'000	2023 £'000
Non-derivative securities	6,589	(49,419)
Other losses	(829)	(124)
Transaction charges	(44)	(29)
<b>Net capital gains/(losses)</b>	<b>5,716</b>	<b>(49,572)</b>

## 2 Revenue

	2024 £'000	2023 £'000
Bank and margin interest	1	1
Overseas dividends	17,932	18,762
Overseas REIT	281	125
Stocklending revenue	2	-
UK dividends	523	2,860
<b>Total revenue</b>	<b>18,739</b>	<b>21,748</b>

## 3 Expenses

	2024 £'000	2023 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	6,350	6,855
Dealing charge	4	1
General administration charge	675	736
	7,029	7,592
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Revenue collection expenses	-	3
Safe custody fee	174	188
	174	191
<b>Total expenses</b>	<b>7,203</b>	<b>7,783</b>

Irrecoverable VAT is included in the above expenses, where applicable.  
The audit fee for the year, including VAT, was £9,900 (2023: £9,120).

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2024 £'000	2023 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	827	1,704
Overseas capital gains tax	1,872	967
<b>Total current tax</b>	<b>2,699</b>	<b>2,671</b>
Deferred tax (note 4c)	3,788	(395)
<b>Total taxation (note 4b)</b>	<b>6,487</b>	<b>2,276</b>

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

The tax assessed for the year is greater than (2023: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

<b>Net revenue before taxation</b>	<b>11,536</b>	<b>13,963</b>
Corporation tax at 20% (2023: 20%)	2,307	2,793
Effects of:		
Revenue not subject to taxation	(3,691)	(4,238)
Overseas taxes	827	1,704
Overseas tax expensed	(7)	(3)
Excess allowable expenses	1,391	1,448
Overseas capital gains tax	1,872	967
Deferred tax	3,788	(395)
<b>Total tax charge for year (note 4a)</b>	<b>6,487</b>	<b>2,276</b>

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

#### (c) Deferred tax

Deferred tax charge at the start of the year	1,855	2,250
Deferred tax charge in statement of total return for year (note 4a)	3,788	(395)
<b>Provision at the end of the year</b>	<b>5,643</b>	<b>1,855</b>

#### (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 £57,898,000 (2023: £56,507,000) 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)

	2024 £'000	2023 £'000
Distribution	9,732	12,808
Add: Income deducted on cancellation of shares	981	623
Deduct: Income received on issue of shares	(4)	(1,172)
<b>Total distributions for the year</b>	<b>10,709</b>	<b>12,259</b>
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	5,049	11,687
Overseas capital gains tax on realised gains	1,872	967
Overseas deferred capital gains tax on unrealised gains	3,788	(395)
<b>Total distributions for the year</b>	<b>10,709</b>	<b>12,259</b>

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

### 6 Debtors

	2024 £'000	2023 £'000
Accrued revenue	986	395
Amounts receivable from the ACD for the issue of shares	11	180
Amounts receivable from merger	72	710
Overseas withholding tax recoverable	570	661
Sales awaiting settlement	3,261	798
<b>Total debtors</b>	<b>4,900</b>	<b>2,744</b>

### 7 Provisions for Liabilities

	2024 £'000	2023 £'000
The provisions for liabilities comprise:		
Overseas capital gains tax	5,643	1,855
<b>Total provisions for liabilities</b>	<b>5,643</b>	<b>1,855</b>



# Notes to the Financial Statements

## Continued

### 8 Creditors

	2024 £'000	2023 £'000
Accrued expenses payable to ACD	571	653
Accrued expenses payable to the Depositary or associates of the Depositary	17	18
Amounts payable to the ACD for cancellation of shares	807	1,120
Capital gains tax payable	42	-
Other accrued expenses	3,904	3,897
Purchases awaiting settlement	40	1,207
<b>Total creditors</b>	<b>5,381</b>	<b>6,895</b>

### 9 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 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	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Trades in the year</b>				
Equities	304,862	290,322	457,540	279,599
Inspecie transactions	-	50,247	-	-
Corporate actions	-	-	153	-
<b>Trades in the year before transaction costs</b>	<b>304,862</b>	<b>340,569</b>	<b>457,693</b>	<b>279,599</b>
<b>Commissions</b>				
Equities	152	180	(175)	(135)
<b>Total commissions</b>	<b>152</b>	<b>180</b>	<b>(175)</b>	<b>(135)</b>
<b>Taxes</b>				
Equities	180	175	(573)	(249)
<b>Total taxes</b>	<b>180</b>	<b>175</b>	<b>(573)</b>	<b>(249)</b>
<b>Total transaction costs</b>	<b>332</b>	<b>355</b>	<b>(748)</b>	<b>(384)</b>
<b>Total net trades in the year after transaction costs</b>	<b>305,194</b>	<b>340,924</b>	<b>456,945</b>	<b>279,215</b>

# Notes to the Financial Statements

## Continued

	Purchases		Sales	
	2024 %	2023 %	2024 %	2023 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.05	0.06	0.04	0.05
<b>Taxes</b>				
Equities	0.06	0.06	0.13	0.09
			<b>2024 %</b>	<b>2023 %</b>
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Commissions			0.04	0.03
Taxes			0.09	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 0.20% (2023: 0.18%), this is representative of the average spread on the assets held during the year.

## 11 Shares in Issue Reconciliation

	Opening shares 2023	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2024
A Accumulation	47,025,228	137,256	(4,037,395)	(1,345,154)	41,779,935
A Income	6,780,145	34,622	(110,926)	(233,224)	6,470,617
I Accumulation	138,091,480	-	(30,160,955)	1,383,863	109,314,388
I Income	16,644,626	222,873	(4,517,643)	407,598	12,757,454
K Accumulation	250,597,146	-	(39,135,151)	-	211,461,995
M Accumulation	7,259,356	106,061	(1,539,172)	(481,658)	5,344,587
M Income	18,372	312	(134)	-	18,550
Z Accumulation	517,404	-	(281,618)	-	235,786
ZC accumulation	597,103	3,570	(263,109)	-	337,564

## 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

	2024	2024	2024	2023	2023	2023
	£'000	£'000	£'000	£'000	£'000	£'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	787,142	-	-	932,286	-	-
<b>Total investment assets</b>	<b>787,142</b>	<b>-</b>	<b>-</b>	<b>932,286</b>	<b>-</b>	<b>-</b>

## 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 2024 £'000	Net foreign currency exposure 2023 £'000
<b>Currency</b>		
Australian Dollar	96,274	109,582
China Renminbi	41,143	100,413
Euro	38,496	31,106
Hong Kong Dollar	148,078	246,993
Indian Rupee	165,070	137,551
Indonesian Rupiah	27,921	31,404
Philippines Peso	8,784	14,262
Singapore Dollar	28,746	37,467
South Korean Won	93,113	91,409
Taiwan Dollar	123,582	106,667
Thai Baht	9,489	1,535
US Dollar	(3,903)	(3,078)
<b>Total</b>	<b>776,793</b>	<b>905,311</b>

At 31 July 2024, 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 £38,840,000 (2023: £45,266,000).

### 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.

# 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 2024, 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 £39,357,000 (2023: £46,614,000).

### Financial derivatives instrument risk

The fund had no exposure to derivatives as at 31 July 2024 (2023: £Nil).

### 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:

2024 Counterparties	Stock on Loan* £'000	Repo £'000	Collateral (held)/pledged		Net exposure £'000
			Cash £'000	Stock* £'000	
Morgan Stanley	4439	-	-	(4,867)	(428)
<b>Total</b>	<b>4,439</b>	<b>-</b>	<b>-</b>	<b>(4,867)</b>	<b>(428)</b>

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

### Top Ten SFTR Issuers

2024	Type	Collateral Stock
Novartis	Equity	(484)
Becton Dickinson	Equity	(484)
Amphenol	Equity	(484)
CSX	Equity	(467)
Allstate	Equity	(467)
Bristol-Myers Squibb	Equity	(467)
Merck	Equity	(422)
ASML	Equity	(247)
EssilorLuxottica	Equity	(232)
Mitsubishi UFJ Financial	Equity	(219)
Combined issuers outside top 10	Equity	(894)
		<b>(4,867)</b>

### 2023

There was no counterparty exposure as at 31 July 2023.

# 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.

	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
<b>2024</b>					
<b>Derivatives</b>					
Investment liabilities	-	-	-	-	-
<b>Non-derivatives</b>					
Other creditors	-	11,024	-	-	11,024
Bank overdrafts	-	-	-	-	-
Distribution payable	-	387	-	-	387
<b>Total financial liabilities</b>	<b>-</b>	<b>11,411</b>	<b>-</b>	<b>-</b>	<b>11,411</b>
	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
<b>2023</b>					
<b>Derivatives</b>					
Investment liabilities	-	-	-	-	-
<b>Non-derivatives</b>					
Other creditors	-	8,750	-	-	8,750
Bank overdrafts	-	-	-	-	-
Distribution payable	-	514	-	-	514
<b>Total financial liabilities</b>	<b>-</b>	<b>9,264</b>	<b>-</b>	<b>-</b>	<b>9,264</b>

# Distribution Table

For the year ended 31 July 2024 (in pence per share)

## Final dividend distribution

Group 1 – shares purchased prior to 1 August 2023

Group 2 – shares purchased between 1 August 2023 and 31 July 2024

	Revenue	Equalisation	Distribution paid 31/10/24	Distribution paid 31/10/23
<b>A Accumulation</b>				
Group 1	2.4956	-	2.4956	2.7271
Group 2	1.5252	0.9704	2.4956	2.7271
<b>A Income</b>				
Group 1	2.1890	-	2.1890	2.4141
Group 2	1.2082	0.9808	2.1890	2.4141
<b>I Accumulation</b>				
Group 1	4.2687	-	4.2687	4.6061
Group 2	2.5625	1.7062	4.2687	4.6061
<b>I Income</b>				
Group 1	1.9253	-	1.9253	2.1052
Group 2	1.2380	0.6873	1.9253	2.1052
<b>K Accumulation</b>				
Group 1	1.6669	-	1.6669	1.7889
Group 2	1.6669	-	1.6669	1.7889
<b>M Accumulation</b>				
Group 1	1.4978	-	1.4978	1.6196
Group 2	0.9306	0.5672	1.4978	1.6196
<b>M Income</b>				
Group 1	1.4289	-	1.4289	1.5658
Group 2	1.0250	0.4039	1.4289	1.5658
<b>Z Accumulation</b>				
Group 1	7.8969	-	7.8969	8.4040
Group 2	7.8969	-	7.8969	8.4040
<b>ZC accumulation</b>				
Group 1	3.4538	-	3.4538	1.0443
Group 2	2.1766	1.2772	3.4538	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 2024

## 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 QFI, 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 participant 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 2024, the abrdn China A Share Sustainable Equity Fund – Institutional Accumulation Shares declined by 26.28% in sterling terms, underperforming its performance comparator, the MSCI China A Onshore Index, which was down by 14.48%.

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

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](http://www.msci.com)).

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

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 China A Share Equity Fund

## Continued

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

### Market Review

The mainland Chinese stock market oscillated throughout the year, ending the 12 months to 31 July 2024 in negative territory. At the beginning of the review period, share prices enjoyed a meaningful rally when investors responded favourably to the long-awaited Politburo meeting, where the government signalled its intention to underpin domestic demand and control risk.

Yet, as the summer progressed, the market was restrained by heightened concerns about the health of the real estate sector. However, stocks weakened by September amid a persistently hawkish US Federal Reserve (Fed) and growing tensions between China and the West. Added to this were continued investor outflows despite the economy showing signs of recovery.

In the latter stages of 2023, Chinese stock markets initially recovered on rising expectations of a Fed interest-rate cut and optimism surrounding policy support for the property sector. However, most of these gains were erased when disappointing fourth-quarter guidance, particularly from large e-commerce companies, affected investor confidence, as did further caution triggered by an ongoing fall in property sales and sanction threats from the US that broadened to include Chinese biotech firms.

The mainland Chinese stock market lost more ground in the early weeks of 2024. That said, the decline paused in February amid upbeat travel data due to the extended Lunar New Year holiday. As a result, consumer discretionary stocks rallied and led the benchmark. Furthermore, the IT sector recovered, which was helped by improving investor sentiment. In March, we also witnessed some improvements in economic data releases, with China's official manufacturing Purchasing Managers' Index (PMI) rising to 50.8 (from 49.1 in February). This was its first increase since September 2023.

The final months of the period were marked by mixed economic data releases and the possibility of further US tariffs and sanctions. In tandem, consumer sentiment remained weak. More positively, companies reported their full-year and first-quarter results, with broad improvements across various sectors.

Also, the policy tone from the Third Plenum meeting in July was mostly upbeat, indicating a growing awareness of the need to address the pace of China's economic growth. Finally, the Politburo meeting highlighted the increasing need to support the economy. The People's Bank of China also delivered an earlier-than-expected policy rate cut.

Regarding economic data, the most recent official manufacturing PMI survey for July was slightly lower, registering at 49.4 compared with June's 49.5. Of various elements that form the index, only production was above the 50 boundary. However, improvements were seen in the raw material and employment segments.

### Portfolio Activity and Review

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

Stock selection proved disappointing, with our holdings in information technology, industrial and financial names detracting from relative returns. Conversely, zero weightings in communication services and real estate added value.

Turning to individual holdings, IT software names, such as Hundsun Technologies and Glodon, underperformed due to downstream customers facing budgetary constraints. Other negative contributor to relative returns were Centre Testing and Aier Eye Hospital, which lost momentum amid lower expectations for an economic recovery. This came after the market's initial excitement about policy support for the property sector. Spirits producer Kweichow Moutai was impacted by weakness in the wholesale price of its premium products and shares in China Tourism Group Duty Free given lower earnings visibility amid a still weak consumption environment.

In contrast, Fuyao Glass reported solid first-quarter earnings and remained defensive despite fierce auto-sector price competition. Electrical equipment provider Nari Technology gained on expectations that its capital expenditure would strengthen, while upbeat shipments to Apple boosted electronics manufacturer Luxshare. In financials, Jiangsu Changshu Rural Commercial Bank and China Merchants Bank outperformed amid improving macroeconomic sentiment, with the latter also raising its dividend payout ratio.

In key portfolio activity, in the first half of the year, we purchased Zhejiang Shuanghuan, a leading gear manufacturer with over 40 years of experience. Its products are widely used in electric vehicles (EVs), motorcycles, construction machinery, and power tools. The company benefits from rising EV penetration, with a 50% domestic market share in EV gear sets. We also initiated a position in StarPower, the largest insulated-gate bipolar transistor (IGBT) manufacturer in China that we think could benefit from surging market demand and the ongoing localisation trend, and we bought Jiangsu Hengli Hydraulic, a leading supplier of excavator hydraulic cylinders in China, with over 50% of the domestic market share. The company continues to generate growth by expanding product lines, leveraging its technology leadership, and increasing its export business.



# abrdn China A Share Equity Fund

## Continued

We also introduced Jiangsu Changshu Rural Commercial Bank, a rural commercial bank in Jiangsu province experiencing growth that exceeds the industry average. This expansion is attributed to its unique understanding of, and access to, customers in underserved rural areas. Another addition was leading drug store chain Yifeng Pharmacy as we sought to capitalise on its market-share expansion in a notably fragmented segment.

Against these, we exited battery separator leader Yunnan Energy due to concerns about rising overcapacity risks and better opportunities in the other parts of the electric vehicle value chain, and we sold China Vanke in favour of better opportunities elsewhere.

In the second half of the period, the portfolio's holdings were sold off in view of the fund's closure.

## Portfolio Outlook and Strategy

The fund closed on 8 August 2024.

### Asia Pacific Equity Team

August 2024

# 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 2024.

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

## Continued

I Accumulation	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	104.31	122.81	130.84
Return before operating charges*	(26.28)	(17.15)	(6.51)
Operating charges	(1.09)	(1.35)	(1.52)
Return after operating charges*	(27.37)	(18.50)	(8.03)
Distributions	(0.50)	(0.41)	(0.18)
Retained distributions on accumulation shares	0.50	0.41	0.18
Closing net asset value per share	76.94	104.31	122.81
* after direct transaction costs of:	0.14	0.08	0.12
<b>Performance</b>			
Return after charges	(26.24%)	(15.06%)	(6.14%)
<b>Other information</b>			
Closing net asset value (£'000)	1,360	5,190	5,969
Closing number of shares	1,767,888	4,975,149	4,860,057
Operating charges	1.24%	1.17%	1.17%
Direct transaction costs	0.15%	0.07%	0.09%
<b>Prices</b>			
Highest share price	105.2	135.7	148.1
Lowest share price	75.35	96.15	109.0

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 Accumulation	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	106.38	124.55	132.01
Return before operating charges*	(26.88)	(17.37)	(6.57)
Operating charges	(0.62)	(0.80)	(0.89)
Return after operating charges*	(27.50)	(18.17)	(7.46)
Distributions	(1.32)	(1.00)	(0.84)
Retained distributions on accumulation shares	1.32	1.00	0.84
Closing net asset value per share	78.88	106.38	124.55
* after direct transaction costs of:	0.14	0.08	0.12
<b>Performance</b>			
Return after charges	(25.85%)	(14.59%)	(5.65%)
<b>Other information</b>			
Closing net asset value (£'000)	1	1	1
Closing number of shares	1,000	1,000	1,000
Operating charges	0.74%	0.67%	0.67%
Direct transaction costs	0.15%	0.07%	0.09%
<b>Prices</b>			
Highest share price	107.2	137.9	149.7
Lowest share price	77.04	98.04	110.4

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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	104.10	122.62	130.71
Return before operating charges*	(26.23)	(17.10)	(6.51)
Operating charges	(1.13)	(1.42)	(1.58)
Return after operating charges*	(27.36)	(18.52)	(8.09)
Distributions	(0.59)	-	(0.15)
Retained distributions on accumulation shares	0.59	-	0.15
Closing net asset value per share	76.74	104.10	122.62
* after direct transaction costs of:	0.14	0.08	0.12
<b>Performance</b>			
Return after charges	(26.28%)	(15.10%)	(6.19%)
<b>Other information</b>			
Closing net asset value (£'000)	274	626	1,547
Closing number of shares	357,555	601,661	1,261,767
Operating charges	1.29%	1.22%	1.22%
Direct transaction costs	0.15%	0.07%	0.09%
<b>Prices</b>			
Highest share price	104.9	135.4	147.9
Lowest share price	75.18	95.96	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.

# Comparative Tables

## Continued

Z Accumulation	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	108.51	126.48	133.42
Return before operating charges*	(27.45)	(17.77)	(6.71)
Operating charges	(0.22)	(0.20)	(0.23)
Return after operating charges*	(27.67)	(17.97)	(6.94)
Distributions	(1.76)	(1.59)	(1.49)
Retained distributions on accumulation shares	1.76	1.59	1.49
Closing net asset value per share	80.84	108.51	126.48
* after direct transaction costs of:	0.14	0.08	0.12
<b>Performance</b>			
Return after charges	(25.50%)	(14.21%)	(5.20%)
<b>Other information</b>			
Closing net asset value (£'000)	4,042	5,426	6,324
Closing number of shares	5,000,000	5,000,000	5,000,000
Operating charges	0.24%	0.17%	0.17%
Direct transaction costs	0.15%	0.07%	0.09%
<b>Prices</b>			
Highest share price	109.4	140.4	151.6
Lowest share price	78.79	99.99	112.0

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.

# Portfolio Statement

As at 31 July 2024

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (97.72%)		-	-
Pacific Basin Equities (97.72%)		-	-
China (97.72%)		-	-
Collective Investment Schemes (0.93%)		-	-
Total investment assets		-	-
Net other assets		5,677	100.00
<b>Total Net Assets</b>		<b>5,677</b>	<b>100.00</b>

The percentage figures in brackets show the comparative holding as at 31 July 2023.

# Financial Statements

## Statement of Total Return

For the year ended 31 July 2024

	Notes	2024		2023	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(2,853)		(2,193)
Revenue	2	169		209	
Expenses	3	(50)		(87)	
Net revenue before taxation		119		122	
Taxation	4	(17)		(21)	
Net revenue after taxation			102		101
<b>Total return before distributions</b>			<b>(2,751)</b>		<b>(2,092)</b>
Distributions	5		(102)		(101)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(2,853)</b>		<b>(2,193)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2024

	2024		2023	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>11,243</b>		<b>13,841</b>
Amounts receivable on the issue of shares	1,009		1,942	
Amounts payable on the cancellation of shares	(3,824)		(2,449)	
		(2,815)		(507)
Dilution adjustment		3		2
Change in net assets attributable to shareholders from investment activities (see above)		(2,853)		(2,193)
Retained distribution on accumulation shares		99		100
<b>Closing net assets attributable to shareholders</b>		<b>5,677</b>		<b>11,243</b>



# Financial Statements

## Continued

### Balance Sheet

As at 31 July 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			-		11,091
<b>Current assets:</b>					
Debtors	6	66		23	
Cash and bank balances	7	6,053		139	
			6,119		162
<b>Total assets</b>			<b>6,119</b>		<b>11,253</b>
<b>Liabilities:</b>					
Creditors	8	(442)		(10)	
			(442)		(10)
<b>Total liabilities</b>			<b>(442)</b>		<b>(10)</b>
<b>Net assets attributable to shareholders</b>			<b>5,677</b>		<b>11,243</b>

# Notes to the Financial Statements

## 1 Net Capital Losses

	2024 £'000	2023 £'000
Non-derivative securities	(2,866)	(2,177)
Other gains/(losses)	24	(9)
Transaction charges	(11)	(7)
<b>Net capital losses</b>	<b>(2,853)</b>	<b>(2,193)</b>

## 2 Revenue

	2024 £'000	2023 £'000
Bank and margin interest	4	4
Overseas dividends	165	205
<b>Total revenue</b>	<b>169</b>	<b>209</b>

## 3 Expenses

	2024 £'000	2023 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	41	72
General administration charge	7	11
	48	83
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	2	4
	2	4
<b>Total expenses</b>	<b>50</b>	<b>87</b>

Irrecoverable VAT is included in the above expenses, where applicable.  
The audit fee for the year, including VAT, was £9,900 (2023: £9,120).

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2024 £'000	2023 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	17	21
<b>Total taxation (note 4b)</b>	<b>17</b>	<b>21</b>

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

The tax assessed for the year is less than (2023: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

<b>Net revenue before taxation</b>	<b>119</b>	<b>122</b>
Corporation tax at 20% (2023: 20%)	24	24
Effects of:		
Revenue not subject to taxation	(33)	(41)
Overseas taxes	17	21
Excess allowable expenses	9	17
<b>Total tax charge for year (note 4a)</b>	<b>17</b>	<b>21</b>

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

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

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £66,000 (2023: £57,000) 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

	2024 £'000	2023 £'000
Distribution	99	100
Add: Income deducted on cancellation of shares	3	2
Deduct: Income received on issue of shares	-	(1)
<b>Total distributions for the year</b>	<b>102</b>	<b>101</b>

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

# Notes to the Financial Statements

## Continued

### 6 Debtors

	2024 £'000	2023 £'000
Accrued revenue	1	10
Amounts receivable from the ACD for the issue of shares	-	13
Sales awaiting settlement	65	-
<b>Total debtors</b>	<b>66</b>	<b>23</b>

### 7 Liquidity

	2024 £'000	2023 £'000
<b>Cash and bank balances</b>		
Cash at bank	6,053	139
	<b>6,053</b>	<b>139</b>
abrdn Liquidity Fund (Lux) – Sterling Fund Z1 Inc*	-	105
<b>Net liquidity</b>	<b>6,053</b>	<b>244</b>

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

### 8 Creditors

	2024 £'000	2023 £'000
Accrued expenses payable to ACD	2	5
Accrued expenses payable to the Depositary or associates of the Depositary	1	1
Amounts payable to the ACD for cancellation of shares	439	1
Purchases awaiting settlement	-	3
<b>Total creditors</b>	<b>442</b>	<b>10</b>

### 9 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 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.

# Notes to the Financial Statements

## Continued

### 10 Portfolio Transaction Costs

	Purchases		Sales	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
<b>Trades in the year</b>				
Equities	2,184	2,793	10,318	3,086
<b>Trades in the year before transaction costs</b>	<b>2,184</b>	<b>2,793</b>	<b>10,318</b>	<b>3,086</b>
<b>Commissions</b>				
Equities	2	3	(5)	(2)
<b>Total commissions</b>	<b>2</b>	<b>3</b>	<b>(5)</b>	<b>(2)</b>
<b>Taxes</b>				
Equities	-	-	(6)	(3)
<b>Total taxes</b>	<b>-</b>	<b>-</b>	<b>(6)</b>	<b>(3)</b>
<b>Total transaction costs</b>	<b>2</b>	<b>3</b>	<b>(11)</b>	<b>(5)</b>
<b>Total net trades in the year after transaction costs</b>	<b>2,186</b>	<b>2,796</b>	<b>10,307</b>	<b>3,081</b>
	Purchases		Sales	
	2024	2023	2024	2023
	%	%	%	%
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.07	0.11	0.05	0.08
<b>Taxes</b>				
Equities	0.01	0.01	0.06	0.11
			<b>2024</b>	<b>2023</b>
			<b>%</b>	<b>%</b>
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Commissions			0.08	0.04
Taxes			0.07	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 0.00% (2023: 0.04%), 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 2023	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2024
I Accumulation	4,975,149	1,036,583	(4,255,586)	11,742	1,767,888
K Accumulation	1,000	-	-	-	1,000
M Accumulation	601,661	72,580	(304,919)	(11,767)	357,555
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).

	2024 £'000 Level 1	2024 £'000 Level 2	2024 £'000 Level 3	2023 £'000 Level 1	2023 £'000 Level 2	2023 £'000 Level 3
<b>Fair value of investment assets</b>						
Equities	-	-	-	10,986	-	-
Collective Investment Schemes	-	-	-	-	105	-
<b>Total investment assets</b>	-	-	-	10,986	105	-

### 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 2024 £'000	Net foreign currency exposure 2023 £'000
China Renminbi	5,792	10,484
Hong Kong Dollar	66	530
<b>Total</b>	<b>5,858</b>	<b>11,014</b>

At 31 July 2024, 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 £293,000 (2023: £551,000).

# 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 2024, 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 (2023: £555,000).

### **Financial derivatives instrument risk**

The fund had no exposure to derivatives as at 31 July 2024 (2023: £Nil).

### **Liquidity risk**

All of the fund's financial liabilities are payable on demand or in less than one year, 2024 £442,000 (2023: £10,000).

## 14 Subsequent Events

The fund was closed on 08 August 2024.

# Distribution Table

For the year ended 31 July 2024 (in pence per share)

## Final dividend distribution

Group 1 – shares purchased prior to 1 August 2023

Group 2 – shares purchased between 1 August 2023 and 31 July 2024

	Revenue	Equalisation	Distribution paid 31/10/24	Distribution paid 31/10/23
<b>I Accumulation</b>				
Group 1	0.4983	–	0.4983	0.4064
Group 2	0.4783	0.0200	0.4983	0.4064
<b>K Accumulation</b>				
Group 1	1.3150	–	1.3150	0.9990
Group 2	1.3150	–	1.3150	0.9990
<b>M Accumulation</b>				
Group 1	0.5923	–	0.5923	–
Group 2	0.5647	0.0276	0.5923	–
<b>Z Accumulation</b>				
Group 1	1.7626	–	1.7626	1.5943
Group 2	1.7626	–	1.7626	1.5943

## 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

For the year ended 31 July 2024

## Investment Objective

To generate a positive return through capital growth and income 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.
- The management team select individual holdings depending on their prospects for growth and income and/or creditworthiness relative to market expectations, given the anticipated future economic and business conditions.
- 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").
- Derivatives include instruments used to express short 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 2024, the value of the abrdn Diversified Growth and Income Fund – Institutional Accumulation Shares increased by 8.46% compared with an increase of 10.22% in the performance target, the SONIA GBP Index +5.00%.

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

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

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

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

# abrdn Diversified Growth and Income Fund

## Continued

### Market Review

Global equities exhibited a strong performance throughout the year despite periodic volatility. This performance was due to the resilience of the US economy, strong company earnings and slowing inflation, which increased optimism that interest rates will decline during 2024.

### Portfolio Activity and Review

Against this backdrop, our listed equities and private equity allocation delivered positive returns. Our property holdings also performed positively driven by expectations around rate cuts. Our holdings in asset-backed securities delivered positive returns, driven by income generation and higher bond prices. Our special opportunities allocation generated positive returns due to stock-specific news including mergers and acquisitions, precious metal price appreciation and improved fundamentals. Our US credit allocation also produced a positive return, with both income and price appreciation contributing positively. Our local currency emerging market bond allocation produced a positive return when measured against our funding basket. Income generation and price appreciation contributed positively over the period while currency returns detracted over the year.

Towards the start of the period, the abrdn Diversified Income Fund was repositioned as the abrdn Diversified Growth and Income Fund. There was a marginal decrease in our position in local currency emerging market bonds. There was no change to the fund's return target or risk expectation.

During the period we increased our listed equity allocation. This decision was driven by higher expected returns and the potential for a more benign economic environment. We also increased our allocation to property on valuation grounds and the view that the asset class is potentially past its low point. abrdn's Global Real Estate Investment Trust (REIT) team manages this portfolio and has focused on global companies with long-dated stable cash flows, less volatile earnings and attractive returns in high-growth thematic industries. Towards the end of the period, our REIT allocation was repositioned into a thematic proposition that is underpinned by structural demand drivers such as technological progress, changing demographics and carbon and climate risk.

We made small decreases in our allocation to infrastructure, special opportunities and asset-backed securities during the period. We made a marginal increase in our allocation to developed market government bonds during the period, reflecting better potential risk-adjusted returns.

Lastly, we made several changes to listed alternative investments within infrastructure, private equity, property and special opportunities on valuation grounds.

### Portfolio Outlook and Strategy

Global monetary policy easing should broaden later this year if, as we expect, sequential inflation moderates again. We think the re-emergence of inflation pressures over the first half of 2024, in the US and elsewhere, should give way to a resumption of moderating sequential inflation. However, risks remain on the 'last mile' of disinflation, as geopolitics might re-ignite inflation pressures.

The moderation in US growth looks consistent with a soft landing, although both a no landing and a more severe slowdown are risks. Meanwhile, growth has recovered in the eurozone and the UK amid positive real income growth and improving sentiment. We are forecasting an extended period of around-trend growth in these economies, implying a degree of convergence with the US.

Given this backdrop, while we see selective opportunities in traditional asset classes, we remain cautious about relying on them alone 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 as well as diversification benefits; asset-backed securities, which continue to offer attractive spreads; some specialist property investments, which can offer attractive, reliable returns; and a variety of special opportunities such as healthcare and precious metals royalties and litigation finance.

### Diversified Assets Team

August 2024

# abrdn Diversified Growth and 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 2024.

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

- **Equity Risk** – 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.
- **Closed-ended Funds (Investment Trust) Risk** – These may trade at a discount or premium to the value of their underlying assets, which will impact on returns in addition to the performance of the underlying assets. A reduction in the premium or an increase in the discount will negatively impact investors' returns.
- **Private Markets Risk (UCITS funds)** – The fund invests in companies that are listed on stock markets. The value of these companies is driven by the growth and performance of the underlying private market assets in which they invest. These underlying private market assets do not trade on public markets therefore, valuation and pricing may be difficult to determine. Assets may be long-term projects which have development risk and uncertainty regarding their financial viability and overall the risk of default, bankruptcy or dilution of the value of the fund's holding in individual assets is higher than for public market assets.
- **Interest Rate Risk** – The fund invests in securities which can be subject to price fluctuation for a variety of reasons including changes in interest rates or inflation expectations.
- **Credit Risk** – The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- **Emerging Markets Risk** – The fund may invest in emerging markets, where political, economic, legal and regulatory systems are less developed. As a result, investing in emerging markets may involve higher

volatility and a greater risk of loss than investing in developed markets. In particular, where the fund invests in Variable Interest Entity (VIE) structures to gain exposure to industries with foreign ownership restrictions or invests in Chinese assets via Stock Connect/Bond Connect, there are additional operational risks, which are outlined in the prospectus.

- **Derivatives Risk** – The use of derivatives may involve additional liquidity, credit and counterparty risks. In some cases the risk of loss from derivatives may be increased where a small change in the value of the underlying investment may have a larger impact on the value of the derivative.

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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	236.63	232.35	242.33
Return before operating charges*	22.74	7.94	(6.03)
Operating charges	(2.63)	(3.66)	(3.95)
Return after operating charges*	20.11	4.28	(9.98)
Distributions	(9.51)	(11.77)	(10.67)
Retained distributions on accumulation shares	9.51	11.77	10.67
Closing net asset value per share	256.74	236.63	232.35
* after direct transaction costs of:	0.08	0.16	0.21
<b>Performance</b>			
Return after charges	8.50%	1.84%	(4.12%)
<b>Other information</b>			
Closing net asset value (£'000)	47,346	13,141	14,611
Closing number of shares	18,440,955	5,553,282	6,288,636
Operating charges	1.08%	1.58%	1.63%
Direct transaction costs	0.03%	0.07%	0.09%
<b>Prices</b>			
Highest share price	255.9	239.5	250.0
Lowest share price	225.7	217.9	230.0

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.

Due to new guidance from the Investment Association that came into force from 31 December 2023, the charges for underlying Closed Ended Funds held on the fund have now been excluded from the Operating Charges. This resulted in an decrease of 0.34% in the Ongoing Charges figures disclosed as at 31 July 2024.

# Comparative Tables

## Continued

A Income	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	107.58	111.16	121.17
Return before operating charges*	10.01	3.63	(2.84)
Operating charges	(1.16)	(1.71)	(1.94)
Return after operating charges*	8.85	1.92	(4.78)
Distributions	(5.24)	(5.50)	(5.23)
Closing net asset value per share	111.19	107.58	111.16
* after direct transaction costs of:	0.03	0.07	0.10
<b>Performance</b>			
Return after charges	8.23%	1.73%	(3.94%)
<b>Other information</b>			
Closing net asset value (£'000)	3,347	859	673
Closing number of shares	3,010,632	798,505	605,249
Operating charges	1.08%	1.58%	1.63%
Direct transaction costs	0.03%	0.07%	0.09%
<b>Prices</b>			
Highest share price	111.3	114.5	123.2
Lowest share price	101.8	103.5	110.4

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 from the Investment Association that came into force from 31 December 2023, the charges for underlying Closed Ended Funds held on the fund have now been excluded from the Operating Charges. This resulted in an decrease of 0.34% in the Ongoing Charges figures disclosed as at 31 July 2024.

# Comparative Tables

## Continued

I Accumulation	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	152.48	149.18	155.02
Return before operating charges*	14.56	4.98	(4.01)
Operating charges	(1.00)	(1.68)	(1.83)
Return after operating charges*	13.56	3.30	(5.84)
Distributions	(6.66)	(7.44)	(6.70)
Retained distributions on accumulation shares	6.66	7.44	6.70
Closing net asset value per share	166.04	152.48	149.18
* after direct transaction costs of:	0.05	0.10	0.14
<b>Performance</b>			
Return after charges	8.89%	2.21%	(3.77%)
<b>Other information</b>			
Closing net asset value (£'000)	213,904	25,877	27,083
Closing number of shares	128,829,489	16,971,205	18,154,626
Operating charges	0.63%	1.13%	1.18%
Direct transaction costs	0.03%	0.07%	0.09%
<b>Prices</b>			
Highest share price	165.5	153.8	160.1
Lowest share price	145.6	140.0	147.6

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 from the Investment Association that came into force from 31 December 2023, the charges for underlying Closed Ended Funds held on the fund have now been excluded from the Operating Charges. This resulted in an decrease of 0.34% in the Ongoing Charges figures disclosed as at 31 July 2024.

# Comparative Tables

## Continued

	2024	2023	2022
I Income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	96.75	99.52	108.00
Return before operating charges*	8.95	3.19	(2.66)
Operating charges	(0.61)	(1.10)	(1.25)
Return after operating charges*	8.34	2.09	(3.91)
Distributions	(4.64)	(4.86)	(4.57)
Closing net asset value per share	100.45	96.75	99.52
* after direct transaction costs of:	0.03	0.07	0.09
<b>Performance</b>			
Return after charges	8.62%	2.10%	(3.62%)
<b>Other information</b>			
Closing net asset value (£'000)	73,130	62,071	125,340
Closing number of shares	72,805,421	64,155,511	125,942,256
Operating charges	0.63%	1.13%	1.18%
Direct transaction costs	0.03%	0.07%	0.09%
<b>Prices</b>			
Highest share price	100.5	102.5	109.8
Lowest share price	91.67	92.71	98.79

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.

Due to new guidance from the Investment Association that came into force from 31 December 2023, the charges for underlying Closed Ended Funds held on the fund have now been excluded from the Operating Charges. This resulted in an decrease of 0.34% in the Ongoing Charges figures disclosed as at 31 July 2024.

# Comparative Tables

## Continued

K Accumulation <sup>A</sup>	2024 pence per share
<b>Change in net assets per share</b>	
Opening net asset value per share	48.52 <sup>B</sup>
Return before operating charges*	3.91
Operating charges	(0.19)
Return after operating charges*	3.72
Distributions	(1.60)
Retained distributions on accumulation shares	1.60
Closing net asset value per share	52.24
* after direct transaction costs of:	0.01
<b>Performance</b>	
Return after charges	7.67%
<b>Other information</b>	
Closing net asset value (£'000)	31,862
Closing number of shares	60,990,432
Operating charges	0.57%
Direct transaction costs	0.03%
<b>Prices</b>	
Highest share price	52.07
Lowest share price	48.61

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

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

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

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

<sup>A</sup> K Accumulation share class was launched on 1 December 2023.

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



# Comparative Tables

## Continued

M Accumulation	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	112.71	110.27	114.58
Return before operating charges*	10.77	3.74	(2.90)
Operating charges	(0.80)	(1.30)	(1.41)
Return after operating charges*	9.97	2.44	(4.31)
Distributions	(4.87)	(5.50)	(4.96)
Retained distributions on accumulation shares	4.87	5.50	4.96
Closing net asset value per share	122.68	112.71	110.27
* after direct transaction costs of:	0.04	0.07	0.10
<b>Performance</b>			
Return after charges	8.85%	2.21%	(3.76%)
<b>Other information</b>			
Closing net asset value (£'000)	91,617	308	302
Closing number of shares	74,681,373	273,190	274,136
Operating charges	0.68%	1.18%	1.23%
Direct transaction costs	0.03%	0.07%	0.09%
<b>Prices</b>			
Highest share price	122.3	113.6	118.4
Lowest share price	107.6	103.5	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.

Due to new guidance from the Investment Association that came into force from 31 December 2023, the charges for underlying Closed Ended Funds held on the fund have now been excluded from the Operating Charges. This resulted in an decrease of 0.34% in the Ongoing Charges figures disclosed as at 31 July 2024.

# Comparative Tables

## Continued

M Income	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	91.21	93.84	101.82
Return before operating charges*	8.48	3.03	(2.43)
Operating charges	(0.62)	(1.08)	(1.20)
Return after operating charges*	7.86	1.95	(3.63)
Distributions	(4.38)	(4.58)	(4.35)
Closing net asset value per share	94.69	91.21	93.84
* after direct transaction costs of:	0.03	0.06	0.09
<b>Performance</b>			
Return after charges	8.62%	2.08%	(3.57%)
<b>Other information</b>			
Closing net asset value (£'000)	179	170	909
Closing number of shares	189,003	186,202	968,866
Operating charges	0.68%	1.18%	1.23%
Direct transaction costs	0.03%	0.07%	0.09%
<b>Prices</b>			
Highest share price	94.73	96.68	103.6
Lowest share price	86.42	87.41	93.15

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.

Due to new guidance from the Investment Association that came into force from 31 December 2023, the charges for underlying Closed Ended Funds held on the fund have now been excluded from the Operating Charges. This resulted in an decrease of 0.34% in the Ongoing Charges figures disclosed as at 31 July 2024.

# Comparative Tables

## Continued

Z Accumulation	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	257.85	252.16	260.79
Return before operating charges*	24.42	7.03	(7.11)
Operating charges	(0.35)	(1.34)	(1.52)
Return after operating charges*	24.07	5.69	(8.63)
Distributions	(12.39)	(12.27)	(10.97)
Retained distributions on accumulation shares	12.39	12.27	10.97
Closing net asset value per share	281.92	257.85	252.16
* after direct transaction costs of:	0.08	0.17	0.23
<b>Performance</b>			
Return after charges	9.33%	2.26%	(3.31%)
<b>Other information</b>			
Closing net asset value (£'000)	120,553	230	2,663
Closing number of shares	42,761,986	89,277	1,055,600
Operating charges	0.13%	0.53%	0.58%
Direct transaction costs	0.03%	0.07%	0.09%
<b>Prices</b>			
Highest share price	281.0	259.9	270.0
Lowest share price	246.4	235.9	249.4

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 from the Investment Association that came into force from 31 December 2023, the charges for underlying Closed Ended Funds held on the fund have now been excluded from the Operating Charges. This resulted in an decrease of 0.34% in the Ongoing Charges figures disclosed as at 31 July 2024.

# Comparative Tables

## Continued

ZA accumulation <sup>A</sup>	2024 pence per share
<b>Change in net assets per share</b>	
Opening net asset value per share	80.06 <sup>B</sup>
Return before operating charges*	5.60
Operating charges	(0.09)
Return after operating charges*	5.51
Distributions	(1.94)
Retained distributions on accumulation shares	1.94
Redemption value as at 16 July 2024	(85.57)
Closing net asset value per share	-
* after direct transaction costs of:	0.02
<b>Performance</b>	
Return after charges	6.88%
<b>Other information</b>	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	0.17%
Direct transaction costs	0.03%
<b>Prices</b>	
Highest share price	85.57
Lowest share price	80.21

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

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

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

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

<sup>A</sup> ZA Accumulation share class was launched on 1 December 2023 and closed on 16 July 2024.

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

# Comparative Tables

## Continued

ZC accumulation <sup>A</sup>	2024 pence per share
<b>Change in net assets per share</b>	
Opening net asset value per share	79.52 <sup>B</sup>
Return before operating charges*	6.39
Operating charges	(0.10)
Return after operating charges*	6.29
Distributions	(2.58)
Retained distributions on accumulation shares	2.58
Closing net asset value per share	85.81
* after direct transaction costs of:	0.02
<b>Performance</b>	
Return after charges	7.91%
<b>Other information</b>	
Closing net asset value (£'000)	4,353
Closing number of shares	5,073,196
Operating charges	0.17%
Direct transaction costs	0.03%
<b>Prices</b>	
Highest share price	85.52
Lowest share price	79.67

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

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

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

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

<sup>A</sup> ZC Accumulation share class was launched on 1 December 2023.

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

# Portfolio Statement

As at 31 July 2024

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Bonds (39.36%)</b>		<b>215,032</b>	<b>36.68</b>
<b>Australian Dollar Denominated Government Bonds (0.10%)</b>		<b>610</b>	<b>0.10</b>
<b>Government Bonds (0.10%)</b>		<b>610</b>	<b>0.10</b>
less than 5 years to maturity			
143,000	Australia (Commonwealth of) 2.25% 2028	69	0.01
79,000	Australia (Commonwealth of) 3.25% 2025	40	0.01
220,000	Australia (Commonwealth of) 4.25% 2026	112	0.02
between 5 and 10 years to maturity			
218,000	Australia (Commonwealth of) 1% 2031	90	0.01
205,000	Australia (Commonwealth of) 2.75% 2029	99	0.02
269,000	Australia (Commonwealth of) 4.5% 2033	141	0.02
between 15 and 25 years to maturity			
120,000	Australia (Commonwealth of) 2.75% 2041	49	0.01
greater than 25 years to maturity			
34,000	Australia (Commonwealth of) 1.75% 2051	10	-
<b>Brazilian Real Denominated Bonds (3.06%)</b>		<b>12,727</b>	<b>2.17</b>
<b>Government Bonds (3.06%)</b>		<b>12,727</b>	<b>2.17</b>
less than 5 years to maturity			
14,141,000	Brazil (Fed Rep of) 10% 2025	1,940	0.33
between 5 and 10 years to maturity			
58,954,000	Brazil (Fed Rep of) 10% 2031	7,433	1.27
18,217,000	Brazil (Fed Rep of) 10% 2033	2,267	0.39
between 10 and 15 years to maturity			
8,862,000	Brazil (Fed Rep of) 10% 2035	1,087	0.18

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Canadian Dollar Denominated Bonds (0.12%)</b>		<b>816</b>	<b>0.14</b>
<b>Government Bonds (0.12%)</b>		<b>816</b>	<b>0.14</b>
less than 5 years to maturity			
423,000	Canada (Govt of) 0.5% 2025	230	0.04
142,000	Canada (Govt of) 2% 2028	77	0.01
98,000	Canada (Govt of) 4% 2026	56	0.01
between 5 and 10 years to maturity			
372,000	Canada (Govt of) 1.25% 2030	189	0.03
120,000	Canada (Govt of) 5.75% 2033	81	0.02
between 10 and 15 years to maturity			
119,000	Canada (Govt of) 5% 2037	80	0.01
greater than 25 years to maturity			
236,000	Canada (Govt of) 2% 2051	103	0.02
<b>Chilean Peso Denominated Bonds (0.46%)</b>		<b>2,529</b>	<b>0.43</b>
<b>Government Bonds (0.46%)</b>		<b>2,529</b>	<b>0.43</b>
less than 5 years to maturity			
1,235,000,000	Chile (Republic of) 2.5% 2025	1,015	0.17
1,890,000,000	Chile (Republic of) 5% 2028	1,514	0.26
<b>Colombian Peso Denominated Bonds (1.71%)</b>		<b>6,460</b>	<b>1.10</b>
<b>Government Bonds (1.71%)</b>		<b>6,460</b>	<b>1.10</b>
between 5 and 10 years to maturity			
36,264,800,000	Colombia (Republic of) 7% 2031	5,898	1.01
greater than 25 years to maturity			
4,547,600,000	Colombia (Republic of) 7.25% 2050	562	0.09

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Czech Koruna Denominated Bonds (1.19%)</b>		<b>5,783</b>	<b>0.99</b>
<b>Government Bonds (1.19%)</b>		<b>5,783</b>	<b>0.99</b>
less than 5 years to maturity			
2,900,000	Czech Republic (Govt of) 1% 2026	91	0.01
83,950,000	Czech Republic (Govt of) 1.25% 2025	2,733	0.47
between 5 and 10 years to maturity			
32,360,000	Czech Republic (Govt of) 0.95% 2030	924	0.16
71,060,000	Czech Republic (Govt of) 2% 2033	2,035	0.35
<b>Denmark Denominated Bonds (0.02%)</b>		<b>100</b>	<b>0.02</b>
<b>Government Bonds (0.02%)</b>		<b>100</b>	<b>0.02</b>
less than 5 years to maturity			
484,900	Denmark (Kingdom of) 0.5% 2027	52	0.01
between 15 and 25 years to maturity			
341,500	Denmark (Kingdom of) 4.5% 2039	48	0.01
<b>Dominican Peso Denominated Bonds (0.24%)</b>		<b>2,472</b>	<b>0.42</b>
<b>Government Bonds (0.24%)</b>		<b>2,472</b>	<b>0.42</b>
between 5 and 10 years to maturity			
58,800,000	Dominican (Republic of) 13.625% 2033	920	0.16
between 10 and 15 years to maturity			
111,250,000	Dominican (Republic of) 11.25% 2035	1,552	0.26
<b>Euro Denominated Bonds (1.65%)</b>		<b>9,397</b>	<b>1.60</b>
<b>Corporate Bonds (0.09%)</b>		-	-
<b>Government Bonds (1.56%)</b>		<b>9,397</b>	<b>1.60</b>
less than 5 years to maturity			
165,600	Belgium (Kingdom of) 0% 2027	129	0.02
24,200	Belgium (Kingdom of) 0.8% 2025	20	-



# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
160,500	Belgium (Kingdom of) 0.9% 2029	125	0.02
82,000	France (Govt of) 0% 2025	68	0.01
374,500	France (Govt of) 0% 2027	295	0.05
231,600	France (Govt of) 0.5% 2026	187	0.03
597,800	France (Govt of) 0.75% 2028	464	0.08
48,900	France (Govt of) 2.75% 2027	41	0.01
18,700	France (Govt of) 2.75% 2029	16	-
196,100	France (Govt of) 6% 2025	171	0.03
286,300	Germany (Fed Rep of) 0.25% 2029	221	0.04
299,400	Germany (Fed Rep of) 0.5% 2026	244	0.04
340,500	Germany (Fed Rep of) 1.3% 2027	278	0.05
199,700	Germany (Fed Rep of) 3.1% 2025	168	0.03
253,000	Italy (Govt of) 0.45% 2029	190	0.03
342,000	Italy (Govt of) 0.85% 2027	274	0.05
321,000	Italy (Govt of) 1.5% 2025	267	0.05
232,600	Italy (Govt of) 6.5% 2027	218	0.04
158,800	Netherlands (Govt of) 0.25% 2029	120	0.02
167,800	Netherlands (Govt of) 0.5% 2026	136	0.02
44,000	Spain (Govt of) 1.3% 2026	36	0.01
167,000	Spain (Govt of) 1.4% 2028	134	0.02
428,000	Spain (Govt of) 2.15% 2025	357	0.06
between 5 and 10 years to maturity			
22,300	Belgium (Kingdom of) 4% 2032	20	-
358,700	France (Govt of) 0% 2030	255	0.04
201,800	France (Govt of) 0% 2032	137	0.02
15,100	France (Govt of) 1.5% 2031	12	-
178,900	France (Govt of) 5.75% 2032	182	0.03
259,000	Germany (Fed Rep of) 0% 2030	192	0.03
195,900	Germany (Fed Rep of) 0% 2031	142	0.02
38,800	Germany (Fed Rep of) 2.3% 2033	33	0.01
298,300	Germany (Fed Rep of) 4.75% 2034	306	0.05
407,000	Italy (Govt of) 2.45% 2033	315	0.05
249,000	Italy (Govt of) 3.5% 2030	214	0.04
155,000	Italy (Govt of) 5.75% 2033	152	0.03
176,000	Italy (Govt of) 6% 2031	173	0.03
28,900	Netherlands (Govt of) 0.5% 2032	21	-

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
359,000	Spain (Govt of) 0.8% 2029	275	0.05
73,000	Spain (Govt of) 1.25% 2030	56	0.01
144,000	Spain (Govt of) 2.55% 2032	118	0.02
101,000	Spain (Govt of) 5.75% 2032	102	0.02
between 10 and 15 years to maturity			
33,700	Belgium (Kingdom of) 1.45% 2037	24	-
114,000	Belgium (Kingdom of) 5% 2035	114	0.02
398,600	France (Govt of) 1.25% 2036	275	0.05
46,000	France (Govt of) 4.75% 2035	45	0.01
149,000	Italy (Govt of) 5% 2034	140	0.02
106,300	Netherlands (Govt of) 4% 2037	102	0.02
148,000	Spain (Govt of) 4.2% 2037	137	0.02
between 15 and 25 years to maturity			
80,100	Belgium (Kingdom of) 3.75% 2045	72	0.01
117,200	France (Govt of) 2% 2048	76	0.01
108,500	France (Govt of) 3.25% 2045	90	0.02
83,300	France (Govt of) 4.5% 2041	81	0.01
207,900	Germany (Fed Rep of) 2.5% 2046	174	0.03
91,100	Germany (Fed Rep of) 4.75% 2040	99	0.02
157,000	Italy (Govt of) 2.7% 2047	106	0.02
231,000	Italy (Govt of) 3.45% 2048	175	0.03
18,000	Italy (Govt of) 4.75% 2044	16	-
23,000	Italy (Govt of) 5% 2039	22	-
13,000	Italy (Govt of) 5% 2040	12	-
58,400	Netherlands (Govt of) 3.75% 2042	56	0.01
34,000	Spain (Govt of) 2.9% 2046	26	0.01
148,000	Spain (Govt of) 4.7% 2041	144	0.03
90,000	Spain (Govt of) 4.9% 2040	89	0.02
greater than 25 years to maturity			
83,600	Belgium (Kingdom of) 2.15% 2066	52	0.01
154,700	France (Govt of) 0.75% 2052	69	0.01
79,900	France (Govt of) 1.75% 2066	43	0.01
81,200	France (Govt of) 4% 2055	75	0.01
221,900	Germany (Fed Rep of) 0% 2052	94	0.02

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
16,000	Italy (Govt of) 2.15% 2072	8	-
89,600	Netherlands (Govt of) 0% 2052	37	0.01
102,000	Spain (Govt of) 3.45% 2066	80	0.01
<b>Hungarian Forint Denominated Bonds (0.22%)</b>		<b>3,917</b>	<b>0.67</b>
<b>Government Bonds (0.22%)</b>		<b>3,917</b>	<b>0.67</b>
less than 5 years to maturity			
390,000,000	Hungary (Govt of) 1.5% 2026	775	0.13
385,600,000	Hungary (Govt of) 5.5% 2025	822	0.14
between 10 and 15 years to maturity			
100,000,000	Hungary (Govt of) 3% 2038	146	0.03
976,570,000	Hungary (Govt of) 7% 2035	2,174	0.37
<b>Indian Rupee Denominated Bonds (0.42%)</b>		<b>3,571</b>	<b>0.61</b>
<b>Government Bonds (0.42%)</b>		<b>3,571</b>	<b>0.61</b>
less than 5 years to maturity			
19,260,000	Gujarat (State of) 7.2% 2027	180	0.03
between 5 and 10 years to maturity			
86,800,000	Asian Infrastructure Investment Bank 6% 2031	758	0.13
44,500,000	CAF 8.25% 2034	423	0.07
183,000,000	Inter-American Development Bank 7% April 2033	1,707	0.29
54,000,000	Inter-American Development Bank 7% August 2033	503	0.09
<b>Indonesian Rupiah Denominated Bonds (2.84%)</b>		<b>10,735</b>	<b>1.83</b>
<b>Government Bonds (2.84%)</b>		<b>10,735</b>	<b>1.83</b>
less than 5 years to maturity			
36,823,000,000	Indonesia (Republic of) 5.125% 2027	1,691	0.29
40,633,000,000	Indonesia (Republic of) 6.125% 2028	1,901	0.32
43,332,000,000	Indonesia (Republic of) 6.375% 2028	2,043	0.35
16,490,000,000	Indonesia (Republic of) 9% 2029	855	0.15

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
between 5 and 10 years to maturity			
12,391,000,000	Indonesia (Republic of) 6.5% 2031	581	0.10
7,900,000,000	Indonesia (Republic of) 6.625% 2034	370	0.06
between 10 and 15 years to maturity			
32,708,000,000	Indonesia (Republic of) 7.125% 2038	1,574	0.27
between 15 and 25 years to maturity			
35,846,000,000	Indonesia (Republic of) 7.125% 2043	1,720	0.29
<b>Japanese Yen Denominated Bonds (1.09%)</b>		<b>6,740</b>	<b>1.15</b>
<b>Government Bonds (1.09%)</b>		<b>6,740</b>	<b>1.15</b>
less than 5 years to maturity			
38,750,000	Japan (Govt of) 0.005% 2025	200	0.03
33,950,000	Japan (Govt of) 0.005% 2026	174	0.03
79,000,000	Japan (Govt of) 0.005% 2027	403	0.07
145,150,000	Japan (Govt of) 0.1% 2025	749	0.13
37,050,000	Japan (Govt of) 0.1% 2028	188	0.03
48,550,000	Japan (Govt of) 0.1% June 2029	244	0.04
18,750,000	Japan (Govt of) 2.2% 2028	103	0.02
51,500,000	Japan (Govt of) 2.3% 2027	280	0.05
between 5 and 10 years to maturity			
88,400,000	Japan (Govt of) 0.1% 2031	435	0.07
72,100,000	Japan (Govt of) 0.1% December 2029	362	0.06
73,200,000	Japan (Govt of) 0.2% 2032	358	0.06
37,050,000	Japan (Govt of) 1.5% 2034	200	0.03
72,900,000	Japan (Govt of) 1.6% 2030	397	0.07
33,550,000	Japan (Govt of) 1.7% 2032	185	0.03
between 10 and 15 years to maturity			
42,100,000	Japan (Govt of) 0.4% 2039	186	0.03
34,100,000	Japan (Govt of) 0.5% 2038	154	0.03
34,850,000	Japan (Govt of) 1.4% 2034	186	0.03
24,850,000	Japan (Govt of) 2.5% 2036	146	0.02
20,050,000	Japan (Govt of) 2.5% 2038	118	0.02

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
between 15 and 25 years to maturity			
34,950,000	Japan (Govt of) 0.3% 2039	150	0.03
53,850,000	Japan (Govt of) 0.5% 2046	206	0.03
39,200,000	Japan (Govt of) 1.1% 2042	182	0.03
29,300,000	Japan (Govt of) 1.9% 2042	155	0.03
20,800,000	Japan (Govt of) 2% 2041	113	0.02
22,850,000	Japan (Govt of) 2.2% 2041	128	0.02
27,650,000	Japan (Govt of) 2.3% 2040	157	0.03
greater than 25 years to maturity			
25,850,000	Japan (Govt of) 0.4% 2050	89	0.02
29,400,000	Japan (Govt of) 0.4% 2056	90	0.02
30,400,000	Japan (Govt of) 0.5% 2059	91	0.02
37,050,000	Japan (Govt of) 0.6% 2050	135	0.02
20,400,000	Japan (Govt of) 0.9% 2057	74	0.01
22,250,000	Japan (Govt of) 1.6% 2052	102	0.02
<b>Kazakhstani Tenge Denominated Bonds (0.19%)</b>		<b>963</b>	<b>0.16</b>
<b>Corporate Bonds (0.19%)</b>		<b>963</b>	<b>0.16</b>
less than 5 years to maturity			
487,000,000	Development Bank of Kazakhstan 10.95% 2026	755	0.13
127,500,000	Development Bank of Kazakhstan 13% 2027	208	0.03
<b>Kenyan Shilling Denominated Bonds (0.00%)</b>		<b>1,268</b>	<b>0.22</b>
<b>Government Bonds (0.00%)</b>		<b>1,268</b>	<b>0.22</b>
between 5 and 10 years to maturity			
213,650,000	Kenya (Republic of) 18.4607% 2032	1,268	0.22
<b>Malaysian Ringgit Denominated Bonds (1.68%)</b>		<b>6,961</b>	<b>1.19</b>
<b>Government Bonds (1.68%)</b>		<b>6,961</b>	<b>1.19</b>
less than 5 years to maturity			
10,842,000	Malaysia (Govt of) 3.733% 2028	1,853	0.32
1,157,000	Malaysia (Govt of) 3.906% 2026	198	0.03

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
between 5 and 10 years to maturity			
10,493,000	Malaysia (Govt of) 3.828% 2034	1,790	0.31
4,376,000	Malaysia (Govt of) 3.844% 2033	745	0.13
6,370,000	Malaysia (Govt of) 3.885% 2029	1,096	0.19
1,754,000	Malaysia (Govt of) 4.232% 2031	307	0.05
1,076,000	Malaysia (Govt of) 4.498% 2030	190	0.03
between 10 and 15 years to maturity			
4,246,000	Malaysia (Govt of) 4.762% 2037	782	0.13
<b>Mexican Peso Denominated Bonds (3.16%)</b>		<b>10,668</b>	<b>1.82</b>
<b>Corporate Bonds (0.62%)</b>		-	-
<b>Government Bonds (2.54%)</b>		<b>10,668</b>	<b>1.82</b>
less than 5 years to maturity			
38,004,900	Mexico (United Mexican States) 5.75% 2026	1,475	0.25
11,289,700	Mexico (United Mexican States) 7% 2026	441	0.08
39,093,400	Mexico (United Mexican States) 7.5% 2027	1,535	0.26
between 5 and 10 years to maturity			
40,000,000	Mexico (United Mexican States) 7.5% 2033	1,445	0.25
between 10 and 15 years to maturity			
737,200	Mexico (United Mexican States) 4.5% Index-Linked 2035	238	0.04
25,000,000	Mexico (United Mexican States) 8% 2035	907	0.15
68,297,000	Mexico (United Mexican States) 8.5% 2038	2,541	0.43
between 15 and 25 years to maturity			
61,659,700	Mexico (United Mexican States) 7.75% 2042	2,086	0.36
<b>Peruvian Sol Denominated Bonds (1.19%)</b>		<b>6,177</b>	<b>1.05</b>
<b>Government Bonds (1.19%)</b>		<b>6,177</b>	<b>1.05</b>
between 5 and 10 years to maturity			
1,984,000	Peru (Republic of) 6.15% 2032	403	0.07
10,335,000	Peru (Republic of) 6.95% 2031	2,233	0.38
16,451,000	Peru (Republic of) 7.3% 2033	3,541	0.60

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Philippine peso Denominated Bonds (0.10%)</b>		<b>2,291</b>	<b>0.39</b>
<b>Government Bonds (0.10%)</b>		<b>2,291</b>	<b>0.39</b>
between 5 and 10 years to maturity			
97,100,000	Philippines (Republic of) 6.25% 2034	1,298	0.22
11,820,000	Philippines (Republic of) 6.625% 2033	161	0.03
60,340,000	Philippines (Republic of) 6.75% 2032	832	0.14
<b>Polish Zloty Denominated Bonds (0.59%)</b>		<b>4,545</b>	<b>0.78</b>
<b>Government Bonds (0.59%)</b>		<b>4,545</b>	<b>0.78</b>
less than 5 years to maturity			
1,846,000	Poland (Republic of) 0.75% 2025	354	0.06
5,486,000	Poland (Republic of) 5.75% 2029	1,102	0.19
between 5 and 10 years to maturity			
9,600,000	Poland (Republic of) 2.75% 2029	1,680	0.29
6,865,000	Poland (Republic of) 6% 2033	1,409	0.24
<b>Romanian Leu Denominated Bonds (0.77%)</b>		<b>3,089</b>	<b>0.53</b>
<b>Government Bonds (0.77%)</b>		<b>3,089</b>	<b>0.53</b>
less than 5 years to maturity			
2,380,000	Romania (Republic of) 3.65% 2025	395	0.07
between 5 and 10 years to maturity			
8,825,000	Romania (Republic of) 3.65% 2031	1,244	0.21
4,650,000	Romania (Republic of) 6.7% 2032	788	0.14
705,000	Romania (Republic of) 7.2% 2033	123	0.02
between 10 and 15 years to maturity			
3,720,000	Romania (Republic of) 4.75% 2034	539	0.09
<b>South African Rand Denominated Bonds (2.18%)</b>		<b>10,804</b>	<b>1.84</b>
<b>Government Bonds (2.18%)</b>		<b>10,804</b>	<b>1.84</b>
less than 5 years to maturity			
13,000,000	South Africa (Republic of) 10.5% 2026	582	0.10

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
between 5 and 10 years to maturity			
87,947,700	South Africa (Republic of) 8.25% 2032	3,384	0.58
between 10 and 15 years to maturity			
72,144,247	South Africa (Republic of) 6.25% 2036	2,136	0.36
17,743,600	South Africa (Republic of) 8.5% 2037	619	0.11
27,318,200	South Africa (Republic of) 8.875% 2035	1,020	0.17
between 15 and 25 years to maturity			
43,507,300	South Africa (Republic of) 6.5% 2041	1,191	0.20
39,479,500	South Africa (Republic of) 8.75% 2044	1,321	0.23
15,703,700	South Africa (Republic of) 9% 2040	551	0.09
<b>Sterling Denominated Bonds (0.34%)</b>		<b>2,444</b>	<b>0.42</b>
<b>Government Bonds (0.34%)</b>		<b>2,444</b>	<b>0.42</b>
less than 5 years to maturity			
292,700	UK (Govt of) 0.125% 2026	277	0.05
213,300	UK (Govt of) 0.625% 2025	207	0.03
306,100	UK (Govt of) 1.625% 2028	281	0.05
28,200	UK (Govt of) 4.125% 2027	28	-
between 5 and 10 years to maturity			
125,500	UK (Govt of) 0.375% 2030	102	0.02
21,300	UK (Govt of) 0.875% 2033	16	-
297,900	UK (Govt of) 4.75% 2030	314	0.05
between 10 and 15 years to maturity			
99,100	UK (Govt of) 4.25% 2036	100	0.02
219,000	UK (Govt of) 4.5% 2034	228	0.04
92,700	UK (Govt of) 4.75% 2038	98	0.02
between 15 and 25 years to maturity			
133,700	UK (Govt of) 1.5% 2047	77	0.01
157,600	UK (Govt of) 1.75% 2049	94	0.02
101,900	UK (Govt of) 3.25% 2044	86	0.01
83,800	UK (Govt of) 3.5% 2045	73	0.01



# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
67,000	UK (Govt of) 4.25% 2039	67	0.01
93,600	UK (Govt of) 4.25% 2040	92	0.02
greater than 25 years to maturity			
120,600	UK (Govt of) 1.625% 2054	64	0.01
97,200	UK (Govt of) 1.625% 2071	45	0.01
66,700	UK (Govt of) 1.75% 2057	36	0.01
82,300	UK (Govt of) 2.5% 2065	53	0.01
66,100	UK (Govt of) 3.5% 2068	54	0.01
54,500	UK (Govt of) 4.25% 2055	52	0.01
<b>Swedish Krona Denominated Bonds (0.01%)</b>		<b>67</b>	<b>0.01</b>
<b>Government Bonds (0.01%)</b>		<b>67</b>	<b>0.01</b>
less than 5 years to maturity			
850,000	Sweden (Kingdom of) 0.75% 2028	59	0.01
between 10 and 15 years to maturity			
95,000	Sweden (Kingdom of) 3.5% 2039	8	-
<b>Thai Baht Denominated Bonds (0.79%)</b>		<b>4,405</b>	<b>0.75</b>
<b>Government Bonds (0.79%)</b>		<b>4,405</b>	<b>0.75</b>
less than 5 years to maturity			
16,822,000	Thailand (Kingdom of) 2.35% 2026	367	0.06
between 5 and 10 years to maturity			
80,680,000	Thailand (Kingdom of) 2% 2031	1,708	0.29
33,005,000	Thailand (Kingdom of) 3.775% 2032	786	0.13
between 10 and 15 years to maturity			
65,293,000	Thailand (Kingdom of) 1.6% 2035	1,285	0.22
11,215,000	Thailand (Kingdom of) 3.3% 2038	259	0.05

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Turkish Lira Denominated Bonds (0.00%)</b>		<b>3,671</b>	<b>0.63</b>
<b>Government Bonds (0.00%)</b>		<b>3,671</b>	<b>0.63</b>
less than 5 years to maturity			
25,013,500	Turkey (Republic of) 37% 2026	578	0.10
44,838,440	Turkey (Republic of) FRN 2026	1,065	0.18
85,805,196	Turkey (Republic of) FRN 2027	2,028	0.35
<b>Ukrainian Hryvnia Denominated Bonds (0.09%)</b>			
<b>Government Bonds (0.09%)</b>		<b>-</b>	<b>-</b>
<b>Uruguayan Peso Denominated Bonds (0.45%)</b>			
<b>Government Bonds (0.45%)</b>		<b>1,997</b>	<b>0.34</b>
less than 5 years to maturity			
183,788	Uruguay (Republic of) 4.375% Index-Linked 2028	2	-
35,115,000	Uruguay (Republic of) 8.5% 2028	664	0.11
between 5 and 10 years to maturity			
30,997,250	Uruguay (Republic of) 8.25% 2031	557	0.10
39,829,000	Uruguay (Republic of) 9.75% 2033	774	0.13
<b>US Dollar Denominated Bonds (14.70%)</b>		<b>89,825</b>	<b>15.32</b>
<b>Corporate Bonds (11.81%)</b>		<b>69,885</b>	<b>11.92</b>
less than 5 years to maturity			
1,582,000	Academy 6% 2027	1,220	0.21
1,485,000	Baxter International 2.272% 2028	1,040	0.18
1,000,000	Brighthouse Financial Global Funding 5.55% 2027	784	0.13
361,000	Columbia Pipelines 6.055% 2026	285	0.05
675,000	CRH SMW Finance 5.2% 2029	534	0.09
545,000	Crown Castle REIT 4.3% 2029	413	0.07
1,000,000	Crown Castle REIT 5.6% 2029	800	0.14
457,000	Elevance Health 5.15% 2029	363	0.06
939,000	Enel Finance International 5.125% 2029	731	0.12
316,000	Enerflex 9% 2027	254	0.04
588,000	Enerflex 9% 2027 '144A'	472	0.08

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
880,000	Equinix REIT 1.45% 2026	644	0.11
1,182,000	First Quantum Minerals 6.875% 2027	904	0.15
1,135,000	Ford Motor Credit 4.542% 2026	869	0.15
916,000	Frontier Communications 5% 2028	686	0.12
546,000	NCL 5.875% 2027	422	0.07
328,000	NCR Atleos 9.5% 2029	279	0.05
763,000	NextEra Energy Capital 5.749% 2025	598	0.10
1,327,000	Penske Truck Leasing 1.2% 2025	983	0.17
1,628,000	Royalty Pharma 1.2% 2025	1,213	0.21
1,272,000	SK Hynix 5.5% 2027	1,000	0.17
565,000	Solventum 5.45% 2027	444	0.08
1,311,000	Southern California Edison 6.65% 2029	1,089	0.19
1,116,000	Teva Pharmaceutical Finance Netherlands III 4.75% 2027	844	0.14
908,000	Tyson Foods 5.4% 2029	719	0.12
1,720,000	Ventas Realty REIT 3.25% 2026	1,287	0.22
756,000	Viatis 2.3% 2027	545	0.09
250,000	Walgreens Boots Alliance 3.45% 2026	185	0.03
between 5 and 10 years to maturity			
685,000	AEP Texas 5.7% 2034	544	0.09
930,000	Aon North America 5.3% 2031	740	0.13
610,000	Block 6.5% 2032	483	0.08
2,150,000	Boston Gas 3.001% 2029	1,524	0.26
783,000	BP Capital Markets America 4.812% 2033	604	0.10
2,369,000	Broadridge Financial Solutions 2.6% 2031	1,590	0.27
1,342,000	Builders FirstSource 4.25% 2032	931	0.16
2,177,000	CCO 4.25% 2031	1,441	0.25
322,000	CenterPoint Energy Resources 5.4% 2034	253	0.04
1,470,000	Cigna 5.25% 2034	1,156	0.20
1,148,000	Citizens Financial 5.841% fixed to floating 2030	909	0.15
920,000	Commonwealth Bank of Australia 5.837% 2034	736	0.13
2,042,000	Constellation Brands 2.875% 2030	1,433	0.24
640,000	DTE Energy 5.85% 2034	518	0.09
1,450,000	Duke Energy Progress 3.4% 2032	1,026	0.17
573,000	Enbridge 5.7% 2033	459	0.08
892,000	EnerSys 6.625% 2032	711	0.12
1,246,000	EnLink Midstream 6.5% 2030	1,012	0.17
801,000	Equinix Europe 2 Financing REIT 5.5% 2034	636	0.11

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,315,000	Fiserv 5.625% 2033	1,061	0.18
770,000	Fox 6.5% 2033	643	0.11
1,350,000	Fresenius Medical Care US Finance III 3% 2031	875	0.15
485,000	General Motors Financial 5.6% 2031	383	0.06
675,000	Georgia Power 5.25% 2034	537	0.09
949,000	Graphic Packaging International 3.75% 2030	671	0.11
1,118,000	Hess Midstream Operations 4.25% 2030	808	0.14
1,155,000	Host Hotels & Resorts REIT 5.7% 2034	906	0.15
835,000	Intel 5.15% 2034	657	0.11
171,000	Miter Brands Acquisition 6.75% 2032	135	0.02
1,022,000	NatWest 6.475% fixed to floating 2034	824	0.14
710,000	Netflix 4.875% 2030	559	0.09
2,391,000	NRG Energy 3.625% 2031	1,632	0.28
520,000	NTT Finance 5.136% 2031	411	0.07
939,000	Organon 6.75% 2034	740	0.13
1,264,000	Pacific Gas and Electric 6.15% 2033	1,025	0.17
1,957,000	Perrigo Finance 4.9% 2030	1,435	0.24
750,000	Public Service Enterprise 5.45% 2034	594	0.10
700,000	Realty Income REIT 5.125% 2034	545	0.09
445,000	Royal Caribbean Cruises 6% 2033	349	0.06
1,379,000	Sprint Capital 8.75% 2032	1,308	0.22
636,000	Tempur Sealy International 3.875% 2031	425	0.07
676,000	Toyota Motor Credit 4.8% 2034	523	0.09
610,000	Vistra Operations 6% 2034	488	0.08
945,000	Warnermedia 4.279% 2032	637	0.11
498,000	Whistler Pipeline 5.4% 2029	390	0.07
between 10 and 15 years to maturity			
1,479,000	Alexandria Real Estate Equities REIT 4.75% 2035	1,093	0.19
1,080,000	Credit Agricole 6.251% fixed to floating 2035	868	0.15
1,075,000	HSBC 7.399% fixed to floating 2034	929	0.16
135,000	JPMorgan Chase 5.294% fixed to floating 2035	107	0.02
594,000	JPMorgan Chase 6.254% fixed to floating 2034	501	0.09
886,000	Lloyds Banking 5.679% fixed to floating 2035	706	0.12
665,000	MetLife 5.3% 2034	531	0.09
1,356,000	Morgan Stanley 5.297% fixed to floating 2037	1,033	0.18
573,000	Royalty Pharma 5.4% 2034	446	0.08

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
between 15 and 25 years to maturity			
670,000	Allstate 4.2% 2046	434	0.07
770,000	Bristol-Myers Squibb 5.5% 2044	610	0.10
635,000	Broadcom 3.5% 2041	389	0.07
888,000	CVS Health 5.125% 2045	623	0.11
510,000	Dow Chemical 5.55% 2048	387	0.07
1,115,000	Oracle 3.65% 2041	682	0.12
257,000	Sumitomo Mitsui Financial 5.836% 2044	208	0.04
570,000	Takeda Pharmaceutical 5.65% 2044	445	0.08
515,000	Tyson Foods 4.55% 2047	332	0.06
1,121,000	Utah Acquisition 5.25% 2046	747	0.13
greater than 25 years to maturity			
310,000	Apollo Global Management 5.8% 2054	243	0.04
835,000	AT&T 3.5% 2053	454	0.08
419,000	Athene 6.25% 2054	333	0.06
805,000	J M Smucker 3.55% 2050	447	0.08
460,000	Solventum 5.9% 2054	352	0.06
894,000	Toronto-Dominion Bank 8.125% fixed to floating 2082	726	0.12
585,000	Vodafone 5.75% 2054	452	0.08
Perpetual			
592,000	BNP Paribas 8.5% fixed to floating Perpetual	484	0.08
570,000	Wells Fargo 6.85% fixed to floating Perpetual	449	0.08
<b>Government Bonds (2.89%)</b>		<b>19,940</b>	<b>3.40</b>
less than 5 years to maturity			
595,500	US Treasury 0.25% 2025	441	0.08
560,800	US Treasury 0.375% 2025	413	0.07
565,700	US Treasury 0.625% 2026	410	0.07
810,700	US Treasury 1.25% 2028	569	0.10
1,030,600	US Treasury 1.5% 2027	752	0.13
509,600	US Treasury 1.625% 2026	380	0.06
652,100	US Treasury 1.875% 2027	480	0.08
1,041,100	US Treasury 2% 2026	772	0.13
714,900	US Treasury 2.25% 2027	528	0.09

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
855,400	US Treasury 2.375% 2029	620	0.11
744,900	US Treasury 2.75% 2028	556	0.09
554,800	US Treasury 3% July 2025	425	0.07
360,600	US Treasury 3% October 2025	275	0.05
568,100	US Treasury 3.125% 2025	435	0.07
694,700	US Treasury 3.25% 2027	529	0.09
756,200	US Treasury 3.625% 2028	581	0.10
105,300	US Treasury 3.75% 2026	81	0.01
193,200	US Treasury 3.75% 2028	149	0.03
583,900	US Treasury 3.875% 2025	451	0.08
450,700	US Treasury 3.875% 2026	348	0.06
527,600	US Treasury 4.25% 2025	409	0.07
511,000	US Treasury 4.375% 2028	404	0.07
110,100	US Treasury 4.625% 2026	86	0.01
448,500	US Treasury 4.875% 2028	361	0.06
623,000	US Treasury 5.25% 2028	510	0.09
27,000	US Treasury 6% 2026	22	-
617,700	US Treasury 6.125% 2027	512	0.09
between 5 and 10 years to maturity			
674,200	US Treasury 0.625% 2030	432	0.07
573,400	US Treasury 0.875% 2030	371	0.06
554,000	US Treasury 1.375% 2031	361	0.06
587,800	US Treasury 1.5% 2030	402	0.07
650,500	US Treasury 1.625% 2031	436	0.07
137,100	US Treasury 2.625% 2029	100	0.02
591,400	US Treasury 2.75% 2032	421	0.07
757,400	US Treasury 3.5% 2033	567	0.10
198,800	US Treasury 3.75% 2030	153	0.03
589,900	US Treasury 3.875% 2033	453	0.08
365,800	US Treasury 4% 2029	286	0.05
187,700	US Treasury 4.375% 2034	150	0.03
between 10 and 15 years to maturity			
297,200	US Treasury 4.5% 2038	240	0.04

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
between 15 and 25 years to maturity			
629,800	US Treasury 1.125% May 2040	313	0.05
723,200	US Treasury 1.125% August 2040	357	0.06
375,400	US Treasury 2.25% 2046	202	0.03
253,500	US Treasury 2.75% 2047	148	0.02
371,700	US Treasury 2.875% 2045	227	0.04
260,100	US Treasury 2.875% 2049	154	0.03
387,700	US Treasury 3% 2042	250	0.04
447,300	US Treasury 3% 2044	281	0.05
113,900	US Treasury 3.125% 2043	74	0.01
276,200	US Treasury 3.375% 2048	180	0.03
342,100	US Treasury 3.625% 2043	238	0.04
347,300	US Treasury 4.375% 2041	274	0.05
greater than 25 years to maturity			
327,000	US Treasury 1.25% 2050	131	0.02
494,000	US Treasury 1.625% 2050	218	0.04
351,800	US Treasury 2% 2051	170	0.03
303,300	US Treasury 2.375% 2049	162	0.03
297,000	US Treasury 2.875% 2052	175	0.03
245,100	US Treasury 3.625% 2053	168	0.03
309,100	US Treasury 4% 2052	226	0.04
158,200	US Treasury 4.25% 2054	121	0.02
<b>Equities (47.55%)</b>		<b>297,939</b>	<b>50.82</b>
<b>Emerging Market Equities (0.09%)</b>		<b>311</b>	<b>0.05</b>
<b>Brazil (0.03%)</b>		<b>128</b>	<b>0.02</b>
37,200	B3	56	0.01
10,200	Raia Drogasil	39	0.01
10,500	Vibra Energia	33	-
<b>Israel (0.00%)</b>		<b>50</b>	<b>0.01</b>
352	Nice	50	0.01

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Russia (0.00%)		-	-
5,920	Alrosa+++	-	-
78	Polyus+++	-	-
9,700	Sberbank of Russia+++	-	-
842	Solidcore Resources+++	-	-
South Africa (0.06%)		133	0.02
2,183	Clicks	33	-
18,259	FirstRand	64	0.01
2,676	Gold Fields	36	0.01
European Equities (3.78%)		30,462	5.20
Austria (0.01%)		-	-
Belgium (0.08%)		802	0.14
14,371	Aedifica REIT	712	0.12
1,486	KBC	90	0.02
Denmark (0.18%)		1,252	0.21
876	Carlsberg 'B'	83	0.01
892	Coloplast 'B'	90	0.02
572	Genmab	126	0.02
5,375	Novo Nordisk 'B'	554	0.09
3,477	Novonesis 'B'	173	0.03
1,669	Ørsted	77	0.01
7,720	Vestas Wind Systems	149	0.03
Finland (0.09%)		559	0.10
5,885	Metso	47	0.01
4,106	Neste	65	0.01
45,466	Nokia	138	0.02
4,061	Sampo 'A'	139	0.03



# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
4,879	Stora Enso 'R'	47	0.01
4,766	UPM-Kymmene	123	0.02
<b>France (0.40%)</b>		<b>2,249</b>	<b>0.38</b>
722	Air Liquide	103	0.02
2,469	Cie de Saint-Gobain	165	0.03
2,675	Cie Generale des Etablissements Michelin	82	0.01
5,382	Danone	273	0.05
1,414	Edenred	46	0.01
652	Eiffage	51	0.01
408	Gecina REIT	31	0.01
3,617	Getlink	50	0.01
2,376	Legrand	200	0.02
341	LVMH	188	0.03
999	Pernod Ricard	104	0.02
1,779	Rexel	35	0.01
763	Sanofi	61	0.01
1,953	Schneider Electric	367	0.06
7,700	TotalEnergies	405	0.07
985	Vinci	88	0.01
<b>Germany (0.20%)</b>		<b>2,015</b>	<b>0.34</b>
604	adidas	117	0.02
2,866	BASF	104	0.02
2,073	Daimler Truck	62	0.01
373	Deutsche Boerse	59	0.01
5,414	Infineon Technologies	146	0.02
169	MTU Aero Engines	37	0.01
2,273	SAP	374	0.06
910	Siemens	130	0.02
41,117	Vonovia	986	0.17
<b>Greece (0.00%)</b>		<b>30</b>	<b>0.01</b>
983	Metlen Energy & Metals	30	0.01

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Ireland (1.59%)</b>		<b>9,433</b>	<b>1.61</b>
1,577	Accenture 'A'	406	0.07
2,544	Aptiv	137	0.02
2,437	CRH (UK listing)	161	0.03
618	CRH (US listing)	41	0.01
584	Experian	21	-
234	Flutter Entertainment	36	-
9,907,732	Greencoat Renewables++	7,596	1.30
1,527	Kerry 'A'	111	0.02
1,506	Kingspan	110	0.02
4,922	Medtronic	308	0.05
1,946	Trane Technologies	506	0.09
<b>Italy (0.08%)</b>		<b>172</b>	<b>0.03</b>
8,544	Generali	172	0.03
<b>Netherlands (0.12%)</b>		<b>2,427</b>	<b>0.41</b>
1,506	Akzo Nobel	72	0.01
575	ASML	412	0.07
89,059	CTP	1,211	0.21
2,983	ING	42	0.01
3,418	Koninklijke Ahold Delhaize	86	0.01
36,205	Koninklijke KPN	111	0.02
1,494	NXP Semiconductors	306	0.05
1,476	Prosus	40	0.01
1,123	Wolters Kluwer	147	0.02
<b>Norway (0.08%)</b>		<b>238</b>	<b>0.04</b>
2,842	Aker BP	54	0.01
4,768	Equinor	98	0.01
3,415	Mowi	45	0.01
6,220	Orkla	41	0.01

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Portugal (0.00%)</b>		<b>83</b>	<b>0.01</b>
5,069	Galp Energia	83	0.01
<b>Spain (0.08%)</b>		<b>6,207</b>	<b>1.06</b>
1,901	Amadeus IT	97	0.02
214,323	Cellnex Telecom	5,810	0.99
2,913	Endesa	44	0.01
7,286	Iberdrola	75	0.01
1,767	Industria de Diseno Textil	67	0.01
10,287	Repsol	114	0.02
<b>Sweden (0.11%)</b>		<b>1,093</b>	<b>0.19</b>
2,509	Boliden	59	0.01
36,596	EQT	918	0.16
5,558	Svenska Cellulosa 'B'	59	0.01
2,848	Volvo 'B'	57	0.01
<b>Switzerland (0.76%)</b>		<b>3,902</b>	<b>0.67</b>
9,249	ABB	399	0.07
1,040	Chubb	223	0.04
1,817	Coca-Cola HBC	52	0.01
637	DSM-Firmenich	63	0.01
78	Givaudan	297	0.05
1,429	Logitech International	100	0.02
2,971	Nestle	234	0.04
1,597	Novartis	139	0.02
1,110	Partners	1,163	0.20
1,022	Roche (Participating certificate)	258	0.04
1,547	SGS	132	0.02
2,805	SIG	46	0.01
470	Sika	111	0.02
605	Swiss Prime Site	47	0.01
2,241	Swiss Re	215	0.04

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,620	TE Connectivity	195	0.03
653	Temenos	35	0.01
3,656	UBS	86	0.01
251	Zurich Insurance	107	0.02
<b>Japanese Equities (0.95%)</b>		<b>7,404</b>	<b>1.26</b>
4,300	Ajinomoto	138	0.02
9,900	Asahi Kasei	56	0.01
12,900	Astellas Pharma	116	0.02
5,200	Bridgestone	166	0.03
633	Comforia Residential REIT	1,014	0.17
9,500	Concordia Financial	47	0.01
2,700	Daifuku	38	0.01
3,400	Daiichi Sankyo	108	0.02
1,100	Daikin Industries	125	0.02
5,100	Daiwa House Industry	113	0.02
1,300	Eisai	39	0.01
27,900	ENEOS	114	0.02
8,700	FANUC	203	0.03
600	Fast Retailing	129	0.02
9,000	Fujitsu	127	0.02
2,100	Hankyu Hanshin	47	0.01
4,800	Inpex	58	0.01
5,200	Isuzu Motors	56	0.01
10,100	ITOCHU	406	0.07
3,700	Kao	126	0.02
5,900	Komatsu	133	0.02
15,600	LY	30	-
12,900	Marubeni	191	0.03
11,900	Mitsubishi UFJ Financial	108	0.02
14,400	Mitsui	263	0.04
152,900	Mitsui Fudosan	1,243	0.21
8,430	Mizuho Financial	150	0.03
7,500	Murata Manufacturing	130	0.02
8,500	Nippon Paint	42	0.01
1,300	Nitto Denko	88	0.01

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
2,200	Nomura Research Institute	53	0.01
3,700	Olympus	50	0.01
1,600	Omron	46	0.01
6,400	ORIX	121	0.02
1,800	Pan Pacific International	37	0.01
3,800	Recruit	170	0.03
8,500	Resona	48	0.01
4,900	Ricoh	36	0.01
3,000	Seiko Epson	41	0.01
3,500	Sekisui Chemical	41	0.01
5,800	Sekisui House	113	0.02
2,400	Shionogi	82	0.01
3,600	Shiseido	88	0.01
6,000	Sompo	107	0.02
1,600	Sony	112	0.02
3,900	T&D	57	0.01
2,300	Tokyo Electron	369	0.06
15,000	Toyota Motor	229	0.04
<b>North American Equities (13.15%)</b>		<b>101,902</b>	<b>17.38</b>
<b>Bermuda (0.06%)</b>		<b>649</b>	<b>0.11</b>
4,340	Catco Reinsurance Opportunities Fund	44	0.01
3,912	Catco Reinsurance Opportunities Fund 'C'	487	0.08
384	Everest	118	0.02
<b>Canada (2.43%)</b>		<b>14,989</b>	<b>2.56</b>
2,653	Bank of Montreal	174	0.03
5,491	Bank of Nova Scotia	199	0.03
41,918	Brookfield	1,584	0.27
12,892	Brookfield Asset Management 'A'	436	0.07
2,824	CAE	40	0.01
3,982	Cameco	140	0.02
1,284	Canadian Imperial Bank of Commerce	52	0.01
639	Canadian Pacific Kansas City	42	0.01
10,531	Enbridge	307	0.05

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
5,300	First Quantum Minerals	50	0.01
31,113	Franco-Nevada	3,001	0.51
2,102	Keyera	46	0.01
6,830	Lundin Mining	53	0.01
2,634	Magna International	91	0.02
15,194	Manulife Financial	313	0.05
2,827	National Bank of Canada	183	0.03
4,449	Nutrien	177	0.03
10,929	Onex*	581	0.10
2,881	Pan American Silver*	51	0.01
5,315	Pembina Pipeline	160	0.03
2,157	Shopify 'A'	103	0.02
1,046	Stantec	70	0.01
4,907	Sun Life Financial	189	0.03
1,882	Teck Resources 'B'	71	0.01
967	Thomson Reuters	121	0.02
2,318	Waste Connections	321	0.06
136,790	Wheaton Precious Metals	6,309	1.08
972	WSP Global	125	0.02
<b>Mexico (0.04%)</b>		<b>111</b>	<b>0.02</b>
19,100	Grupo Financiero Banorte 'O'	111	0.02
<b>United States (10.62%)</b>		<b>86,153</b>	<b>14.69</b>
891	3M	88	0.02
1,479	Abbott Laboratories	122	0.02
3,252	AbbVie	469	0.08
791	Adobe	340	0.06
2,475	Advanced Micro Devices	278	0.05
3,647	Aflac	271	0.05
410	Air Products and Chemicals	84	0.01
1,145	Albemarle	83	0.01
11,269	Alexandria Real Estate Equities REIT	1,029	0.18
15,004	Alphabet 'A'	2,003	0.34
12,438	Amazon.com	1,810	0.31

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,051	American Express	207	0.04
43,609	American Homes 4 Rent 'A' REIT	1,225	0.21
1,752	American Water Works	194	0.03
1,147	Amgen	297	0.05
920	Analog Devices	166	0.03
4,519	Annaly Capital Management REIT	70	0.01
482	Ansys	117	0.02
543	Aon 'A'	139	0.02
18,307	Apollo Global Management	1,786	0.31
24,636	Apple	4,258	0.73
941	Applied Materials	155	0.03
23,812	Ares Capital	388	0.07
581	Arista Networks	157	0.03
477	Assurant	65	0.01
10,051	AT&T	151	0.03
1,269	Autodesk	244	0.04
2,229	Automatic Data Processing	455	0.08
10,133	AvalonBay Communities REIT	1,617	0.28
8,763	Baker Hughes	264	0.05
2,725	Ball	135	0.02
9,066	Bank of America	284	0.05
5,263	Bank of New York Mellon	267	0.05
444	Berkshire Hathaway 'B'	152	0.03
1,622	Best Buy	109	0.02
326	Biogen	54	0.01
188	BlackRock	128	0.02
32,703	Blackstone Secured Lending Fund	781	0.13
780	Block	38	0.01
97,225	Blue Owl Capital	1,176	0.20
5,806	Boston Scientific	334	0.06
38,418	Brixmor Property REIT	762	0.13
6,380	Broadcom	799	0.14
1,059	Broadridge Financial Solutions	176	0.03
1,879	Brown-Forman 'B'	66	0.01
1,147	Bunge Global	94	0.02
850,118	Burford Capital++	9,317	1.59
1,480	BXP REIT	82	0.01

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
752	Cadence Design Systems	157	0.03
1,777	Campbell Soup	65	0.01
1,305	Caterpillar	352	0.06
911	Cencora	169	0.03
1,711	Charles Schwab	87	0.02
5,400	Chipotle Mexican Grill	228	0.04
491	Cigna	133	0.02
5,480	Cisco Systems	207	0.04
1,231	Citigroup	62	0.01
508	CME	77	0.01
8,327	Coca-Cola	432	0.07
2,172	Cognizant Technology Solutions 'A'	128	0.02
4,053	Comcast 'A'	130	0.02
3,074	Corteva	134	0.02
557	Costco Wholesale	356	0.06
170	Crowdstrike 'A'	31	0.01
1,293	Crown Castle REIT	111	0.02
8,130	CSX	222	0.04
1,275	Cummins	290	0.05
1,702	CVS Health	80	0.01
842	Danaher	182	0.03
229	Deckers Outdoor	164	0.03
837	Deere	242	0.04
1,064	Dexcom	56	0.01
14,698	Digital Realty Trust REIT	1,710	0.29
1,893	Dow	80	0.01
2,096	DuPont de Nemours	137	0.02
1,117	Eaton	265	0.05
2,144	Ecolab	385	0.07
1,710	Electronic Arts	201	0.03
358	Elevance Health	148	0.03
1,346	Eli Lilly	842	0.14
872	Enphase Energy	78	0.01
2,810	Equinix REIT	1,729	0.29
2,277	Essential Utilities	72	0.01
436	Essex Property Trust REIT	95	0.02
3,194	Exxon Mobil	295	0.05



# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
368	FactSet Research Systems	118	0.02
2,827	Fidelity National Information Services	169	0.03
913	First Solar	153	0.03
693	Fiserv	88	0.02
829	Fortinet	37	0.01
6,248	Freeport-McMoRan	221	0.04
49,889	FS KKR Capital	787	0.13
349	Gartner	136	0.02
4,652	Gen Digital	94	0.02
5,178	General Mills	271	0.05
3,841	Gilead Sciences	227	0.04
644	GoDaddy 'A'	73	0.01
469	Goldman Sachs	186	0.03
2,070	Halliburton	56	0.01
1,318	Hartford Financial Services	114	0.02
177	HCA Healthcare	50	0.01
70,892	Healthpeak Properties REIT	1,204	0.21
1,179	Henry Schein	66	0.01
630	Hershey	97	0.02
11,692	Hewlett Packard Enterprise	181	0.03
402	Hilton Worldwide	67	0.01
1,581	Home Depot	453	0.08
6,829	Host Hotels & Resorts REIT	93	0.02
3,518	Howmet Aerospace	262	0.04
4,115	HP	116	0.02
147	HubSpot	57	0.01
148	Humana	42	0.01
13,352	Huntington Bancshares	155	0.03
240	Insulet	36	0.01
8,095	Intel	194	0.03
2,711	Intercontinental Exchange	320	0.05
2,350	International Business Machines	352	0.06
320	International Flavors & Fragrances	25	-
3,462	Interpublic	87	0.01
668	Intuit	336	0.06
441	Intuitive Surgical	152	0.03
1,027	J M Smucker	94	0.02

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
642	Jack Henry & Associates	86	0.01
3,088	Johnson & Johnson	379	0.06
5,687	Johnson Controls International	317	0.05
4,889	JPMorgan Chase	810	0.14
2,652	Kellanova	120	0.02
940	Kenvue	13	-
5,810	Keurig Dr Pepper	155	0.03
3,928	Kimco Realty REIT	66	0.01
26,075	KKR	2,506	0.43
217	KLA	139	0.02
214	Lam Research	153	0.03
663	Linde	234	0.04
1,145	Lowe's	219	0.04
604	Marathon Petroleum	83	0.01
2,339	Marvell Technology	122	0.02
1,284	Mastercard 'A'	463	0.08
2,379	McCormick	143	0.02
58	MercadoLibre	75	0.01
3,961	Merck	349	0.06
3,161	Meta Platforms	1,167	0.20
972	MetLife	58	0.01
652	Micron Technology	56	0.01
11,399	Microsoft	3,712	0.63
368	Moderna	34	0.01
5,801	Mondelez International 'A'	309	0.05
942	Moody's	335	0.06
3,136	Mosaic	73	0.01
739	Motorola Solutions	229	0.04
435	MSCI	183	0.03
3,018	Nasdaq	159	0.03
531	NetApp	52	0.01
601	Netflix	294	0.05
5,923	Newmont	226	0.04
854	NextEra Energy	51	0.01
751	NIKE 'B'	44	0.01
1,078	Norfolk Southern	209	0.04
1,125	Nucor	143	0.02

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
39,173	Nvidia	3,574	0.61
27,062	Oaktree Specialty Lending	379	0.06
32,404	Omega Healthcare Investors REIT	919	0.16
327	ON Semiconductor	20	-
2,127	ONEOK	138	0.02
1,847	Oracle	200	0.03
523	Palo Alto Networks	132	0.02
185	Parker-Hannifin	81	0.01
2,592	PayPal	133	0.02
1,991	PepsiCo	267	0.05
11,017	Pfizer	262	0.04
871	Phillips 66	99	0.02
1,122	PNC Financial Services	158	0.03
1,220	PPG Industries	121	0.02
2,972	Procter & Gamble	372	0.06
1,550	Progressive	258	0.04
20,432	Prologis REIT	2,005	0.34
3,248	Prudential Financial	317	0.05
2,878	Public Service Enterprise	179	0.03
326	Public Storage REIT	75	0.01
881	Qorvo	82	0.01
2,015	Qualcomm	284	0.05
681	Quanta Services	141	0.02
1,364	Raymond James Financial	123	0.02
1,383	Regency Centers REIT	72	0.01
63	Regeneron Pharmaceuticals	53	0.01
8,270	Regions Financial	144	0.02
731	Republic Services	111	0.02
109	ResMed	18	-
375	Ross Stores	42	0.01
1,128	S&P Global	425	0.07
1,163	Salesforce	234	0.04
4,493	Schlumberger	169	0.03
1,179	Seagate Technology	94	0.02
240	ServiceNow	152	0.03
61,437	Sixth Street Specialty Lending	997	0.17
212	Skyworks Solutions	19	-

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,581	State Street	105	0.02
839	Steel Dynamics	87	0.01
1,621	Synchrony Financial	64	0.01
287	Synopsys	125	0.02
1,429	Sysco	85	0.01
1,443	Target	169	0.03
3,978	Tesla	719	0.12
2,246	Texas Instruments	356	0.06
207	Thermo Fisher Scientific	99	0.02
1,423	TJX	125	0.02
538	Toro	40	0.01
1,164	TransUnion	82	0.01
449	Travelers	76	0.01
2,240	Trimble	95	0.02
5,680	Truist Financial	198	0.03
358	Tyler Technologies	158	0.03
2,309	Uber Technologies	116	0.02
282	Ulta Beauty	80	0.01
2,019	Union Pacific	388	0.07
1,029	United Parcel Service 'B'	104	0.02
80	United Rentals	47	0.01
1,234	UnitedHealth	554	0.09
3,540	Ventas REIT	150	0.03
2,129	Veralto	177	0.03
7,330	Verizon Communications	231	0.04
377	Vertex Pharmaceuticals	145	0.02
7,178	Viatris	67	0.01
9,515	VICI Properties REIT	232	0.04
2,548	Visa 'A'	527	0.09
392	Vulcan Materials	84	0.01
169	W.W. Grainger	128	0.02
4,241	Walmart	227	0.04
4,363	Walt Disney	318	0.05
1,609	Waste Management	254	0.04
2,907	Wells Fargo	134	0.02
21,856	Welltower REIT	1,893	0.32
1,612	Westinghouse Air Brake Technologies	202	0.03

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
6,568	Weyerhaeuser REIT	162	0.03
298	Williams-Sonoma	36	0.01
802	Wynn Resorts	52	0.01
425	Zoetis	60	0.01
<b>Pacific Basin Equities (1.14%)</b>		<b>10,649</b>	<b>1.82</b>
<b>Australia (0.37%)</b>		<b>4,533</b>	<b>0.77</b>
2,115	Ampol	36	0.01
1,718	ASX	57	0.01
479	Atlassian 'A'	66	0.01
4,065	BlueScope Steel	45	0.01
13,470	Brambles	106	0.02
472	Cochlear	82	0.01
9,437	Coles	87	0.01
2,827	Commonwealth Bank of Australia	197	0.03
4,909	Computershare	68	0.01
1,628	CSL	256	0.04
9,674	Dexus REIT	34	0.01
81,039	Goodman REIT	1,444	0.25
16,999	GPT REIT	40	0.01
24,439	Medibank	49	0.01
1,063,337	Mirvac REIT	1,146	0.19
13,441	QBE Insurance	122	0.02
1,629	Ramsay Health Care	38	0.01
4,186	Sonic Healthcare	59	0.01
21,472	Stockland REIT	50	0.01
12,296	Suncorp	111	0.02
37,092	Telstra	74	0.01
7,201	Treasury Wine Estates	45	0.01
2,158	Wesfarmers	81	0.01
17,124	Woodside Energy	240	0.04
<b>China (0.26%)</b>		<b>1,426</b>	<b>0.25</b>
32,832	Alibaba	253	0.04
25,000	China Mengniu Dairy	33	0.01

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
45,000	CMOC 'H'	28	-
2,400	Contemporary Amperex Technology 'A'	48	0.01
4,990	JD.com 'A'	52	0.01
1,046	JD.com ADR	21	-
56,000	Lenovo	56	0.01
9,250	Meituan 'B'	101	0.02
12,446	NIO ADR	43	0.01
1,004	PDD ADR	101	0.02
42,000	Ping An Insurance Company of China 'H'	143	0.02
11,500	Tencent	415	0.07
40,028,409	Tianhe Chemicals**	-	-
35,000	WuXi Biologics (Cayman)	40	0.01
3,936	Yum China	92	0.02
<b>Hong Kong (0.10%)</b>		<b>781</b>	<b>0.13</b>
32,200	AIA	168	0.03
4,001,400	China Metal Recycling**	-	-
37,000	China Overseas Land & Investment	47	0.01
55,000	Geely Automobile	44	0.01
6,300	Hang Seng Bank	60	0.01
10,800	Hong Kong Exchanges & Clearing	250	0.04
22,780	Link REIT	75	0.01
14,000	MTR	35	0.01
10,504	Prudential	73	0.01
15,000	Wharf Real Estate Investment	29	-
<b>India (0.05%)</b>		<b>1,122</b>	<b>0.19</b>
8,471	Axis Bank	92	0.02
1,148	Godrej Properties	34	0.01
4,393	HCL Technologies	67	0.01
8,697	HDFC Bank	131	0.02
5,740	Hindustan Unilever	144	0.02
7,666	Indian Hotels	46	0.01
7,762	Infosys	135	0.02
7,585	Mahindra & Mahindra	205	0.04

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
3,095	Nestle India	71	0.01
5,041	Reliance Industries	141	0.02
5,014	Tata Consumer Products	55	0.01
192	Tata Consumer Products (Rights)	1	-
<b>Malaysia (0.01%)</b>		<b>71</b>	<b>0.01</b>
56,800	CIMB	71	0.01
<b>New Zealand (0.01%)</b>		<b>-</b>	<b>-</b>
<b>Singapore (0.04%)</b>		<b>398</b>	<b>0.07</b>
13,100	Keppel	51	0.01
30,206	Oversea-Chinese Banking	261	0.04
8,900	Singapore Exchange	51	0.01
19,100	Wilmar International	35	0.01
<b>South Korea (0.12%)</b>		<b>1,102</b>	<b>0.19</b>
2,618	Hana Financial	96	0.02
640	Hyundai Motor	90	0.01
3,592	KB Financial	179	0.03
613	NAVER	60	0.01
514	Samsung Electro-Mechanics	46	0.01
7,420	Samsung Electronics	352	0.06
277	Samsung Fire & Marine Insurance	58	0.01
533	Samsung SDI	96	0.02
752	SK Hynix	83	0.01
4,745	Woori Financial	42	0.01
<b>Taiwan (0.18%)</b>		<b>1,216</b>	<b>0.21</b>
13,571	Cathay Financial	20	-
7,000	E Ink	45	0.01
2,000	Hotai Motor	31	0.01
94,421	SinoPac Financial	59	0.01
48,000	Taiwan Semiconductor Manufacturing	1,061	0.18

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
UK Equities (28.44%)		147,211	25.11
Basic Materials (0.06%)		297	0.05
5,729	Anglo American	135	0.02
1,177	Croda International	47	0.01
2,287	Rio Tinto	115	0.02
Consumer Discretionary (0.12%)		802	0.14
8,648	Barratt Developments	46	0.01
1,076	Berkeley	55	0.01
3,269	Burberry	25	-
4,607	Compass	110	0.02
14,053	RELX	516	0.09
31,374	Taylor Wimpey	50	0.01
Consumer Staples (0.15%)		781	0.13
2,000	Coca-Cola Europacific Partners	115	0.02
20,407	Diageo	494	0.08
3,612	Unilever	172	0.03
Energy (0.09%)		592	0.10
49,503	BP	227	0.04
12,831	Shell	365	0.06
Financials (26.19%)		140,941	24.04
83,417	3i	2,608	0.45
4,585,425	3i Infrastructure	16,003	2.73
672,818	Apax Global Alpha	1,042	0.18
13,785	Aviva 'B'	69	0.01
20,531,470	BioPharma Credit*	14,482	2.47
2,079,703	Blackstone Loan Financing	1,174	0.20
4,032,046	Bluefield Solar Income Fund	4,435	0.76
7,850,522	Cordiant Digital Infrastructure	6,092	1.04



# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
3,366,738	Fair Oaks Income	1,429	0.24
3,237,786	Foresight Solar Fund	2,920	0.50
3,721,351	GCP Infrastructure Investments	3,130	0.53
8,509,103	Greencoat UK Wind	12,389	2.11
4,064,616	Gresham House Energy Storage Fund	2,654	0.45
61,314	HarbourVest Global Private Equity	1,597	0.27
144,405	HgCapital Trust	777	0.13
9,140,161	Hicl Infrastructure	11,590	1.98
46,486	HSBC	327	0.06
56,993	ICG Enterprise Trust	763	0.13
75,858	Intermediate Capital	1,664	0.28
6,888,078	International Public Partnerships	8,996	1.53
1,650,599	JLEN Environmental Assets	1,590	0.27
8,737	Legal & General	20	-
131,610	Lloyds Banking	78	0.01
1,618	London Stock Exchange	153	0.03
34,532	Molten Ventures	129	0.02
1,936,108	NextEnergy Solar Fund	1,634	0.28
5,611,176	Pantheon Infrastructure	4,691	0.80
607,781	Pantheon International	1,969	0.34
7,385,156	Renewables Infrastructure	7,681	1.31
9,067,850	SDCL Energy Efficiency Income Trust	6,003	1.02
7,530,724	Sequoia Economic Infrastructure Income Fund	6,190	1.06
13,022	SME Credit Realisation Fund+++	-	-
3,054,882	Tufton Oceanic Assets	3,044	0.52
12,831,960	TwentyFour Income Fund	13,474	2.30
655	Willis Towers Watson	144	0.03
<b>Health Care (0.05%)</b>		<b>339</b>	<b>0.06</b>
1,973	AstraZeneca	244	0.04
6,315	GSK	95	0.02
<b>Industrials (0.02%)</b>		<b>520</b>	<b>0.09</b>
2,506	Bunzl	82	0.02
1,467	Ferguson	254	0.04

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,480	Intertek	75	0.01
23,056	Rentokil Initial	109	0.02
<b>Real Estate (1.71%)</b>		<b>2,756</b>	<b>0.47</b>
290,446	Grainger	698	0.12
7,433	Land Securities REIT	47	0.01
138,145	Segro REIT	1,265	0.21
78,285	Unite REIT	746	0.13
<b>Telecommunications (0.03%)</b>		<b>59</b>	<b>0.01</b>
81,449	Vodafone	59	0.01
<b>Utilities (0.02%)</b>		<b>124</b>	<b>0.02</b>
2,305	Severn Trent	59	0.01
6,254	United Utilities	65	0.01
<b>Collective Investment Schemes (8.76%)</b>		<b>45,674</b>	<b>7.79</b>
21,001	Alpha UCITS SICAV – Fair Oaks Dynamic Credit Fund L2 GBP	20,984	3.58
16,497,523	MI TwentyFour Asset Backed Opportunities Fund I Inc	16,370	2.79
5,400,182	MI TwentyFour Monument Bond Fund L Gross Income	5,706	0.97
44,148	NB Private Equity Partners	750	0.13
357,147	Oakley Capital Investments	1,864	0.32
<b>Derivatives (0.52%)</b>		<b>6,414</b>	<b>1.09</b>
<b>Forward Currency Contracts (0.51%)</b>		<b>6,419</b>	<b>1.09</b>
Buy AUD 842,000 Sell GBP 442,912 05/09/2024		(16)	-
Buy AUD 3,040,000 Sell GBP 1,602,647 05/09/2024		(63)	(0.01)
Buy CAD 453,000 Sell GBP 261,835 05/09/2024		(7)	-
Buy CAD 2,060,000 Sell GBP 1,189,242 05/09/2024		(29)	(0.01)
Buy CHF 891,221 Sell GBP 785,807 05/09/2024		5	-
Buy CHF 893,617 Sell GBP 784,214 05/09/2024		9	-
Buy EUR 388,207 Sell GBP 327,427 05/09/2024		1	-

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
	Buy EUR 824,593 Sell GBP 700,543 05/09/2024	(4)	-
	Buy GBP 1,109,956 Sell AUD 2,140,000 05/09/2024	26	-
	Buy GBP 2,468,227 Sell AUD 4,688,074 05/09/2024	94	0.02
	Buy GBP 2,734,303 Sell AUD 5,224,025 05/09/2024	88	0.02
	Buy GBP 7,447,068 Sell AUD 14,228,000 05/09/2024	241	0.04
	Buy GBP 17,717,407 Sell AUD 33,850,000 05/09/2024	573	0.10
	Buy GBP 453,085 Sell CAD 802,000 05/09/2024	1	-
	Buy GBP 1,219,241 Sell CAD 2,160,000 05/09/2024	3	-
	Buy GBP 5,494,130 Sell CAD 9,529,262 05/09/2024	128	0.02
	Buy GBP 7,285,908 Sell CAD 12,637,000 05/09/2024	170	0.03
	Buy GBP 17,400,388 Sell CAD 30,180,000 05/09/2024	405	0.07
	Buy GBP 4,783,427 Sell CHF 5,460,632 05/09/2024	(64)	(0.01)
	Buy GBP 1,468,826 Sell DKK 12,793,390 05/09/2024	20	-
	Buy GBP 299,783 Sell EUR 355,238 05/09/2024	-	-
	Buy GBP 34,451,932 Sell EUR 40,259,380 05/09/2024	440	0.08
	Buy GBP 1,693,392 Sell HKD 16,814,104 05/09/2024	16	-
	Buy GBP 313,157 Sell JPY 63,860,197 05/09/2024	(19)	-
	Buy GBP 1,774,696 Sell JPY 361,405,549 05/09/2024	(104)	(0.02)
	Buy GBP 12,052,986 Sell JPY 2,380,639,910 05/09/2024	(327)	(0.06)
	Buy GBP 339,843 Sell NOK 4,620,000 05/09/2024	10	-
	Buy GBP 1,456,143 Sell NOK 20,400,000 05/09/2024	(1)	-
	Buy GBP 7,417,879 Sell NOK 99,000,000 05/09/2024	348	0.06
	Buy GBP 17,525,675 Sell NOK 233,900,000 05/09/2024	822	0.14
	Buy GBP 492,765 Sell NZD 1,050,000 05/09/2024	9	-
	Buy GBP 1,297,267 Sell NZD 2,780,000 05/09/2024	16	-
	Buy GBP 7,383,219 Sell NZD 15,331,000 05/09/2024	321	0.05
	Buy GBP 17,500,894 Sell NZD 36,340,000 05/09/2024	760	0.13
	Buy GBP 358,346 Sell SEK 4,840,000 05/09/2024	6	-
	Buy GBP 1,215,935 Sell SEK 16,700,000 05/09/2024	-	-
	Buy GBP 7,268,406 Sell SEK 96,810,000 05/09/2024	222	0.04
	Buy GBP 17,200,619 Sell SEK 229,100,000 05/09/2024	524	0.09
	Buy GBP 380,999 Sell USD 484,306 05/09/2024	4	-
	Buy GBP 386,162 Sell USD 497,732 05/09/2024	(1)	-
	Buy GBP 389,283 Sell USD 493,810 05/09/2024	5	-
	Buy GBP 410,391 Sell USD 520,000 05/09/2024	6	-
	Buy GBP 437,953 Sell USD 570,817 05/09/2024	(6)	-
	Buy GBP 445,443 Sell USD 567,011 05/09/2024	4	-

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
	Buy GBP 448,766 Sell USD 567,497 05/09/2024	7	-
	Buy GBP 459,077 Sell USD 581,688 05/09/2024	6	-
	Buy GBP 488,474 Sell USD 627,435 05/09/2024	-	-
	Buy GBP 644,006 Sell USD 834,254 05/09/2024	(5)	-
	Buy GBP 648,390 Sell USD 842,337 05/09/2024	(7)	-
	Buy GBP 679,480 Sell USD 868,440 05/09/2024	3	-
	Buy GBP 729,051 Sell USD 928,464 05/09/2024	6	-
	Buy GBP 842,790 Sell USD 1,070,208 05/09/2024	10	-
	Buy GBP 1,227,559 Sell USD 1,568,222 05/09/2024	7	-
	Buy GBP 1,393,999 Sell USD 1,770,000 05/09/2024	16	-
	Buy GBP 1,547,890 Sell USD 2,000,000 05/09/2024	(9)	-
	Buy GBP 1,631,326 Sell USD 2,083,740 05/09/2024	9	-
	Buy GBP 1,657,595 Sell USD 2,128,198 05/09/2024	1	-
	Buy GBP 1,795,870 Sell USD 2,306,227 05/09/2024	1	-
	Buy GBP 1,859,013 Sell USD 2,378,568 05/09/2024	7	-
	Buy GBP 1,934,602 Sell USD 2,510,178 05/09/2024	(20)	-
	Buy GBP 2,130,112 Sell USD 2,691,771 05/09/2024	35	0.01
	Buy GBP 19,951,301 Sell USD 25,400,000 05/09/2024	178	0.03
	Buy GBP 191,011,183 Sell USD 243,176,319 05/09/2024	1,709	0.29
	Buy JPY 2,787,000,000 Sell GBP 14,110,354 05/09/2024	385	0.06
	Buy NOK 5,070,000 Sell GBP 379,595 05/09/2024	(18)	-
	Buy NOK 14,900,000 Sell GBP 1,104,781 05/09/2024	(41)	(0.01)
	Buy NZD 760,000 Sell GBP 366,671 05/09/2024	(17)	-
	Buy NZD 2,520,000 Sell GBP 1,208,110 05/09/2024	(47)	(0.01)
	Buy SEK 3,450,000 Sell GBP 260,538 05/09/2024	(9)	-
	Buy SEK 11,000,000 Sell GBP 819,875 05/09/2024	(19)	-
	Buy USD 497,732 Sell GBP 386,265 05/08/2024	1	-
	Buy USD 411,701 Sell GBP 320,086 05/09/2024	-	-
	Buy USD 413,178 Sell GBP 325,687 05/09/2024	(4)	-
	Buy USD 486,127 Sell GBP 384,310 05/09/2024	(6)	-
	Buy USD 492,132 Sell GBP 388,397 05/09/2024	(5)	-
	Buy USD 570,631 Sell GBP 451,244 05/09/2024	(7)	-
	Buy USD 590,481 Sell GBP 453,811 05/09/2024	6	-
	Buy USD 592,015 Sell GBP 463,700 05/09/2024	(3)	-
	Buy USD 743,602 Sell GBP 583,825 05/09/2024	(5)	-
	Buy USD 885,685 Sell GBP 689,987 05/09/2024	(1)	-
	Buy USD 913,504 Sell GBP 712,610 05/09/2024	(2)	-

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
	Buy USD 1,135,741 Sell GBP 898,250 05/09/2024	(14)	-
	Buy USD 1,443,570 Sell GBP 1,117,624 05/09/2024	6	-
	Buy USD 1,773,928 Sell GBP 1,396,847 05/09/2024	(16)	-
	Buy USD 1,900,000 Sell GBP 1,491,164 05/09/2024	(12)	-
	Buy USD 1,900,000 Sell GBP 1,502,803 05/09/2024	(24)	-
	Buy USD 2,330,000 Sell GBP 1,793,707 05/09/2024	20	-
	Buy USD 2,450,257 Sell GBP 1,926,034 05/09/2024	(19)	-
	Buy USD 3,297,445 Sell GBP 2,562,223 05/09/2024	5	-
	Buy USD 9,183,379 Sell GBP 7,210,766 05/09/2024	(62)	(0.01)
	Buy USD 37,470,000 Sell GBP 29,432,097 05/09/2024	(263)	(0.05)
<b>Futures (0.01%)</b>		<b>(5)</b>	<b>-</b>
42	Long S&P 500 Micro E-mini Future 20/09/2024	2	-
213	Short Euro Stoxx 50 Index Dividend Future 18/12/2026	(7)	-
Total investment assets and liabilities		565,059	96.38
Net other assets		21,232	3.62
<b>Total Net Assets</b>		<b>586,291</b>	<b>100.00</b>

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

The percentage figures in brackets show the comparative holding as at 31 July 2023.

++ AIM listed.

+++ Priced per abrdn VPC.

\* A portion of this security is on loan at the year end.

\*\* Suspended.

# Financial Statements

## Statement of Total Return

For the year ended 31 July 2024

	Notes	2024		2023	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains/(losses)	1		41,603		(5,247)
Revenue	2	26,124		6,547	
Expenses	3	(2,258)		(819)	
Interest payable and similar charges		(5)		(3)	
Net revenue before taxation		23,861		5,725	
Taxation	4	(3,857)		(766)	
Net revenue after taxation			20,004		4,959
<b>Total return before distributions</b>			<b>61,607</b>		<b>(288)</b>
Distributions	5		(20,566)		(5,764)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>41,041</b>		<b>(6,052)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2024

	2024		2023	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>102,656</b>		<b>171,581</b>
Amounts receivable on the issue of shares	49,920		10,983	
Amounts payable on the cancellation of shares	(152,029)		(76,094)	
Amounts receivable on inspecie transfers*	526,481		-	
		424,372		(65,111)
Dilution adjustment		57		205
Change in net assets attributable to shareholders from investment activities (see above)		41,041		(6,052)
Retained distribution on accumulation shares		18,164		2,033
Unclaimed distributions		1		-
<b>Closing net assets attributable to shareholders</b>		<b>586,291</b>		<b>102,656</b>

\* Relating to inspecie transfers from abrdn Diversified Growth Fund on 27 October 2023 and abrdn Global Absolute Return Strategies Fund on 1 December 2023.

# Financial Statements

## Continued

### Balance Sheet

As at 31 July 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			566,342		99,152
<b>Current assets:</b>					
Debtors	6	12,326		1,306	
Cash and bank balances	7	12,545		5,194	
			24,871		6,500
<b>Total assets</b>			<b>591,213</b>		<b>105,652</b>
<b>Liabilities:</b>					
Investment liabilities			(1,283)		(411)
Provisions for liabilities	8		(17)		-
Bank overdrafts	7	-		(2)	
Creditors	9	(3,325)		(2,335)	
Distribution payable		(297)		(248)	
			(3,622)		(2,585)
<b>Total liabilities</b>			<b>(4,922)</b>		<b>(2,996)</b>
<b>Net assets attributable to shareholders</b>			<b>586,291</b>		<b>102,656</b>

# Notes to the Financial Statements

## 1 Net Capital Gains/(Losses)

	2024 £'000	2023 £'000
Non-derivative securities	29,041	(8,254)
Derivative contracts	642	623
Forward currency contracts	12,229	3,122
Other losses	(208)	(660)
Transaction charges	(101)	(78)
<b>Net capital gains/(losses)</b>	<b>41,603</b>	<b>(5,247)</b>

## 2 Revenue

	2024 £'000	2023 £'000
ACD fee rebates on collective investment scheme holdings	-	3
Bank and margin interest	1,097	-
Derivative revenue	3	-
<b>Income from Overseas Collective Investment Schemes</b>		
Unfranked income	2,381	440
<b>Income from UK Collective Investment Schemes</b>		
Interest income	1,179	533
Interest on debt securities	13,782	2,996
Overseas dividends	2,167	543
Overseas REIT	370	16
Stocklending revenue	3	-
UK dividends	5,079	1,740
UK REIT	63	276
<b>Total revenue</b>	<b>26,124</b>	<b>6,547</b>

## 3 Expenses

	2024 £'000	2023 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	1,980	760
Dealing charge	32	1
General administration charge	197	46
	<b>2,209</b>	<b>807</b>



# Notes to the Financial Statements

## Continued

	2024 £'000	2023 £'000
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	50	12
	50	12
<b>Other:</b>		
Subsidised fees*	(1)	-
	(1)	-
<b>Total expenses</b>	<b>2,258</b>	<b>819</b>

Irrecoverable VAT is included in the above expenses, where applicable.

The audit fee for the year, including VAT, was £9,900 (2023: £9,120).

\* Subsidised fees are paid by the ACD.

## 4 Taxation

	2024 £'000	2023 £'000
<b>(a) Analysis of charge in year</b>		
Corporation tax	3,319	705
Double taxation relief	(123)	(22)
Adjustments in respect of prior periods	137	(2)
Overseas taxes	504	86
Overseas capital gains tax	3	8
Total current tax	3,840	775
Deferred tax (note 4c)	17	(9)
<b>Total taxation (note 4b)</b>	<b>3,857</b>	<b>766</b>

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

The tax assessed for the year is less than (2023: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

<b>Net revenue before taxation</b>	<b>23,861</b>	<b>5,725</b>
Corporation tax at 20% (2023: 20%)	4,773	1,145
Effects of:		
Revenue not subject to taxation	(1,449)	(441)
Overseas taxes	504	86
Double taxation relief	(123)	(22)
Adjustments in respect of prior periods	137	(2)
Revenue taxable in other periods	(5)	1
Overseas capital gains tax	3	8
Deferred tax charge in statement of total return for year	17	(9)
<b>Total tax charge for year (note 4a)</b>	<b>3,857</b>	<b>766</b>

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

# Notes to the Financial Statements

## Continued

	2024 £'000	2023 £'000
<b>(c) Deferred tax</b>		
Deferred tax charge at the start of the year	-	9
Deferred tax charge in statement of total return for year (note 4a)	17	(9)
<b>Provision at the end of the year</b>	<b>17</b>	<b>-</b>

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

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

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

	2024 £'000	2023 £'000
First interim distribution	413	736
Second interim distribution	322	392
Third interim distribution	1,377	563
Fourth interim distribution	1,479	487
Fifth interim distribution	2,246	348
Sixth interim distribution	2,129	415
Seventh interim distribution	2,583	370
Eighth interim distribution	1,841	472
Ninth interim distribution	2,906	590
Tenth interim distribution	2,148	422
Eleventh interim distribution	1,891	400
Final distribution	2,069	404
	21,404	5,599
Add: Income deducted on cancellation of shares	303	192
Deduct: Income received on issue of shares	(1,141)	(27)
<b>Total distributions for the year</b>	<b>20,566</b>	<b>5,764</b>
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	20,004	4,959
Expenses charged to capital	544	806
Overseas capital gains tax on realised gains	3	8
Overseas deferred capital gains tax on unrealised gains	15	(9)
<b>Total distributions for the year</b>	<b>20,566</b>	<b>5,764</b>

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

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

	2024 £'000	2023 £'000
Accrued revenue	4,843	882
Amounts receivable from the ACD for the issue of shares	108	35
Amounts receivable from merger	3,150	-
Expenses reimbursement receivable from the ACD	1	-
Overseas withholding tax recoverable	89	78
Sales awaiting settlement	4,135	311
<b>Total debtors</b>	<b>12,326</b>	<b>1,306</b>

## 7 Liquidity

	2024 £'000	2023 £'000
<b>Cash and bank balances</b>		
Cash at bank	1,509	5,194
Cash at broker	308	-
Deposits with original maturity of less than 3 months	10,728	-
	<b>12,545</b>	<b>5,194</b>
<b>Bank overdrafts</b>		
Overdraft at bank	-	(2)
	<b>-</b>	<b>(2)</b>
<b>Net liquidity</b>	<b>12,545</b>	<b>5,192</b>

## 8 Provisions for Liabilities

	2024 £'000	2023 £'000
The provisions for liabilities comprise:		
Overseas capital gains tax	15	-
Deferred tax payable	2	-
<b>Total provisions for liabilities</b>	<b>17</b>	<b>-</b>

# Notes to the Financial Statements

## Continued

### 9 Creditors

	2024 £'000	2023 £'000
Accrued expenses payable to ACD	239	61
Accrued expenses payable to the Depositary or associates of the Depositary	15	7
Amounts payable to the ACD for cancellation of shares	971	177
Corporation tax payable	264	328
Purchases awaiting settlement	1,836	1,762
<b>Total creditors</b>	<b>3,325</b>	<b>2,335</b>

### 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.

Amounts receivable from abrtn 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 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.

# Notes to the Financial Statements

## Continued

	Purchases		Sales	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
<b>Trades in the year</b>				
Bonds	139,506	41,883	153,272	45,028
Equities	82,897	17,633	93,029	59,427
Collective investment schemes	85	1,288	5,229	7,029
Inspecie transactions	460,477	-	-	-
Corporate actions	3	259	1,075	239
<b>Trades in the year before transaction costs</b>	<b>682,968</b>	<b>61,063</b>	<b>252,605</b>	<b>111,723</b>
<b>Commissions</b>				
Equities	34	9	(47)	(45)
<b>Total commissions</b>	<b>34</b>	<b>9</b>	<b>(47)</b>	<b>(45)</b>
<b>Taxes</b>				
Equities	63	22	(5)	(2)
<b>Total taxes</b>	<b>63</b>	<b>22</b>	<b>(5)</b>	<b>(2)</b>
<b>Total transaction costs</b>	<b>97</b>	<b>31</b>	<b>(52)</b>	<b>(47)</b>
<b>Total net trades in the year after transaction costs</b>	<b>683,065</b>	<b>61,094</b>	<b>252,553</b>	<b>111,676</b>

  

	Purchases		Sales	
	2024	2023	2024	2023
	%	%	%	%
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.04	0.05	0.05	0.08
Collective investment schemes	0.03	0.01	-	-
<b>Taxes</b>				
Equities	0.08	0.12	0.01	-
Collective investment schemes	-	0.01	-	-

  

	2024	2023
	%	%
<b>Total transaction costs expressed as a percentage of net asset value</b>		
Commissions	0.02	0.05
Taxes	0.01	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 0.42% (2023: 0.50%), 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 2023	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2024
A Accumulation	5,553,282	15,573,432	(2,131,815)	(553,944)	18,440,955
A Income	798,505	2,527,407	(252,731)	(62,549)	3,010,632
I Accumulation	16,971,205	157,151,507	(46,226,992)	933,769	128,829,489
I Income	64,155,511	11,684,630	(3,134,068)	99,348	72,805,421
K Accumulation	-	74,784,979	(13,794,547)	-	60,990,432
M Accumulation	273,190	91,317,844	(16,782,044)	(127,617)	74,681,373
M Income	186,202	12,164	(9,363)	-	189,003
Z Accumulation	89,277	57,011,483	(14,338,774)	-	42,761,986
ZA accumulation	-	5,968,512	(5,968,512)	-	-
ZC accumulation	-	6,048,874	(975,678)	-	5,073,196

### 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).

	2024 £'000	2024 £'000	2024 £'000	2023 £'000	2023 £'000	2023 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Bonds	36,755	178,277	-	5,585	34,821	-
Equities	297,939	-	-	48,817	-	-
Collective Investment Schemes	-	45,674	-	-	8,991	-
Derivatives	2	7,695	-	8	930	-
<b>Total investment assets</b>	<b>334,696</b>	<b>231,646</b>	<b>-</b>	<b>54,410</b>	<b>44,742</b>	<b>-</b>
<b>Fair value of investment liabilities</b>						
Derivatives	(7)	(1,276)	-	-	(411)	-
<b>Total investment liabilities</b>	<b>(7)</b>	<b>(1,276)</b>	<b>-</b>	<b>-</b>	<b>(411)</b>	<b>-</b>

# Notes to the Financial Statements

## Continued

### 14 Risk Management Policies and Disclosures

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

#### Foreign currency risk

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

#### Interest rate risk

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/ (liabilities) not carrying interest £'000	Total £'000
<b>2024</b>				
<b>Currency</b>				
UK Sterling	11,972	2,444	542,214	556,630
Australian Dollar	-	610	(24,012)	(23,402)
Brazilian Real	-	12,727	129	12,856
Canadian Dollar	-	816	(15,057)	(14,241)
Chilean Peso	-	2,529	10	2,539
China Renminbi	2	-	48	50
Colombian Peso	-	6,460	218	6,678
Czech Koruna	-	5,783	56	5,839
Danish Krone	-	100	(193)	(93)
Dominican Republic Peso	-	2,472	114	2,586
Euro	22	9,397	(10,063)	(644)
Hong Kong Dollar	-	-	155	155
Hungarian Forint	-	3,917	345	4,262
Indian Rupee	-	3,571	1,236	4,807
Indonesian Rupiah	3	10,735	177	10,915
Israeli Shekel	-	-	47	47
Japanese Yen	-	6,740	7,275	14,015
Kazakhstan Tenge	-	963	63	1,026
Kenyan Shilling	-	1,268	91	1,359
Malaysian Ringgit	-	6,961	127	7,088
Mexican Peso	238	10,430	281	10,949

# Notes to the Financial Statements

## Continued

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>2024</b>				
New Zealand Dollar	-	-	(24,057)	(24,057)
Norwegian Krone	1	-	(23,896)	(23,895)
Peruvian New Sol	-	6,177	202	6,379
Philippines Peso	30	2,291	20	2,341
Polish Zloty	-	4,545	137	4,682
Romanian Leu	15	3,089	(144)	2,960
Singapore Dollar	-	-	398	398
South Africa Rand	136	10,804	402	11,342
South Korean Won	-	-	1,107	1,107
Swedish Krona	-	67	(23,146)	(23,079)
Swiss Franc	-	-	107	107
Taiwan Dollar	-	-	1,216	1,216
Thai Baht	-	4,405	12	4,417
Turkish Lira	3,093	578	322	3,993
Ukraine Hryvna	-	-	67	67
Uruguay Peso	2	1,995	34	2,031
US Dollar	364	89,825	(77,328)	12,861
<b>Total</b>	<b>15,878</b>	<b>211,699</b>	<b>358,714</b>	<b>586,291</b>

	Floating rate financial assets/ (liabilities) £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>2023</b>				
<b>Currency</b>				
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



# 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
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
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
<b>Total</b>	<b>5,422</b>	<b>40,177</b>	<b>57,057</b>	<b>102,656</b>

### Other price risk

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

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

# Notes to the Financial Statements

## Continued

### VaR

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

2024	Minimum	Maximum	Average
VaR 99% 1 Month	4.70%	5.01%	4.85%

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2023	Minimum	Maximum	Average
VaR 99% 1 Month	4.58%	5.52%	4.91%

### Counterparty risk

#### Credit quality of debt security investment assets

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

	Market value £'000	Percentage of total net assets %
<b>2024</b>		
Investment grade securities	144,664	24.73
Below investment grade securities	43,548	7.41
Unrated securities	26,820	4.57
<b>Total value of securities</b>	<b>215,032</b>	<b>36.71</b>

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	Market value £'000	Percentage of total net assets %
<b>2023</b>		
Investment grade securities	28,690	27.95
Below investment grade securities	8,364	8.15
Unrated securities	3,352	3.26
<b>Total value of securities</b>	<b>40,406</b>	<b>39.36</b>

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

#### Financial derivatives instrument risk

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

# Notes to the Financial Statements

## Continued

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

	2024		2023	
	Market exposure £'000	Market value £'000	Market exposure £'000	Market value £'000
<b>Leveraged instruments</b>				
Forward currency contracts	505,120	6,419	62,772	519
Futures	3,719	(5)	161	8
<b>Total market exposure</b>	<b>508,839</b>	<b>6,414</b>	<b>62,933</b>	<b>527</b>

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

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

### Counterparty risk

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

2024	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
<b>Broker or exchange exposure</b>					
Bank of America Merrill Lynch	(5)	308	-	303	0.05
	(5)	308	-	303	0.05

  

2023	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
<b>Broker or exchange exposure</b>					
Bank of America Merrill Lynch	8	-	-	8	0.01
	8	-	-	8	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.

# Notes to the Financial Statements

## Continued

2024 Counterparties	Forwards £'000	Stock on loan* £'000	Collateral (held)/pledged		Net exposure £'000
			Cash £'000	Stock* £'000	
Bank of America Merrill Lynch	36	49	-	(53)	32
Barclays	1,855	-	-	-	1,855
BNP Paribas	1,602	-	-	-	1,602
Citigroup	95	-	-	-	95
Deutsche Bank	1,143	-	-	-	1,143
Goldman Sachs	(193)	-	-	-	(193)
HSBC	56	3	-	(3)	56
JP Morgan	(80)	-	-	-	(80)
Morgan Stanley	27	-	-	-	27
Natwest Markets	649	-	-	-	649
Royal Bank of Canada	1,220	-	-	-	1,220
Standard Chartered	4	-	-	-	4
UBS	5	542	-	(609)	(62)
<b>Total</b>	<b>6,419</b>	<b>594</b>	<b>-</b>	<b>(665)</b>	<b>6,348</b>

\* 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 £4,000 (2023: £Nil) and expenses paid to the lending agent, Citibank, are £1,000 (2023: £Nil).

Top 10 SFTR Issuers 2024	Type	Collateral Stock £'000
DuPont de Nemours	Equity	(61)
PPG Industries	Equity	(61)
ENEOS	Equity	(61)
Kyowa Kirin	Equity	(61)
Toppan	Equity	(61)
LY	Equity	(61)
Fuji Electric	Equity	(61)
Honda Motor	Equity	(60)
Trend Micro	Equity	(59)
Kao	Equity	(58)
Other equity	Equity	(61)
		<b>(665)</b>

# Notes to the Financial Statements

## Continued

2023 Counterparties	Forwards £'000	Stock on loan* £'000	Collateral (held)/pledged		Net exposure £'000
			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)
<b>Total</b>	<b>519</b>	<b>11</b>	<b>-</b>	<b>(93)</b>	<b>437</b>

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

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

Top 10 SFTR Issuers 2023	Type	Collateral Stock £'000
Deutsche Telekom	Equity	(9)
AT&T	Equity	(9)
Apple	Equity	(9)
Alphabet	Equity	(9)
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)
		<b>(93)</b>

# 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.

	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
<b>2024</b>					
<b>Derivatives</b>					
Investment liabilities	-	1,276	7	-	1,283
<b>Non-derivatives</b>					
Other creditors	-	3,342	-	-	3,342
Bank overdrafts	-	-	-	-	-
Distribution payable	-	297	-	-	297
<b>Total financial liabilities</b>	<b>-</b>	<b>4,915</b>	<b>7</b>	<b>-</b>	<b>4,922</b>
	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
<b>2023</b>					
<b>Derivatives</b>					
Investment liabilities	-	411	-	-	411
<b>Non-derivatives</b>					
Other creditors	-	2,335	-	-	2,335
Bank overdrafts	2	-	-	-	2
Distribution payable	-	248	-	-	248
<b>Total financial liabilities</b>	<b>2</b>	<b>2,994</b>	<b>-</b>	<b>-</b>	<b>2,996</b>

# Distribution Tables

For the year ended 31 July 2024 (in pence per share)

## First interim dividend distribution

Group 1 – shares purchased prior to 1 August 2023

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

	Revenue	Equalisation	Distribution paid 29/09/23	Distribution paid 30/09/22
<b>A Accumulation</b>				
Group 1	0.9127	-	0.9127	1.0280
Group 2	0.2938	0.6189	0.9127	1.0280
<b>A Income</b>				
Group 1	0.4495	-	0.4495	0.4916
Group 2	0.3997	0.0498	0.4495	0.4916
<b>I Accumulation</b>				
Group 1	0.5988	-	0.5988	0.6484
Group 2	0.2085	0.3903	0.5988	0.6484
<b>I Income</b>				
Group 1	0.3969	-	0.3969	0.4325
Group 2	0.2269	0.1700	0.3969	0.4325
<b>M Accumulation</b>				
Group 1	0.4408	-	0.4408	0.4792
Group 2	0.4408	-	0.4408	0.4792
<b>M Income</b>				
Group 1	0.3743	-	0.3743	0.4077
Group 2	0.3743	-	0.3743	0.4077
<b>Z Accumulation</b>				
Group 1	1.0346	-	1.0346	1.0908
Group 2	1.0162	0.0184	1.0346	1.0908

# Distribution Tables

For the year ended 31 July 2024 (in pence per share) continued

## Second interim dividend distribution

Group 1 – shares purchased prior to 1 September 2023

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

	Revenue	Equalisation	Distribution paid 31/10/23	Distribution paid 31/10/22
<b>A Accumulation</b>				
Group 1	0.6518	-	0.6518	0.7200
Group 2	0.3983	0.2535	0.6518	0.7200
<b>A Income</b>				
Group 1	0.3679	-	0.3679	0.3432
Group 2	0.3065	0.0614	0.3679	0.3432
<b>I Accumulation</b>				
Group 1	0.4427	-	0.4427	0.4516
Group 2	0.2397	0.2030	0.4427	0.4516
<b>I Income</b>				
Group 1	0.3241	-	0.3241	0.3044
Group 2	0.1912	0.1329	0.3241	0.3044
<b>M Accumulation</b>				
Group 1	0.3241	-	0.3241	0.3339
Group 2	0.3241	-	0.3241	0.3339
<b>M Income</b>				
Group 1	0.3070	-	0.3070	0.2828
Group 2	0.3070	-	0.3070	0.2828
<b>Z Accumulation</b>				
Group 1	0.8466	-	0.8466	0.7360
Group 2	0.8336	0.0130	0.8466	0.7360



# Distribution Tables

For the year ended 31 July 2024 (in pence per share) continued

## Third interim dividend distribution

Group 1 – shares purchased prior to 1 October 2023

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

	Revenue	Equalisation	Distribution paid 30/11/23	Distribution paid 30/11/22
<b>A Accumulation</b>				
Group 1	0.7148	–	0.7148	1.2423
Group 2	–	0.7148	0.7148	1.2423
<b>A Income</b>				
Group 1	0.4227	–	0.4227	0.5896
Group 2	0.0091	0.4136	0.4227	0.5896
<b>I Accumulation</b>				
Group 1	0.5236	–	0.5236	0.7878
Group 2	0.0035	0.5201	0.5236	0.7878
<b>I Income</b>				
Group 1	0.3729	–	0.3729	0.5239
Group 2	0.0173	0.3556	0.3729	0.5239
<b>M Accumulation</b>				
Group 1	0.3829	–	0.3829	0.5819
Group 2	0.0016	0.3813	0.3829	0.5819
<b>M Income</b>				
Group 1	0.3523	–	0.3523	0.4909
Group 2	0.1252	0.2271	0.3523	0.4909
<b>Z Accumulation</b>				
Group 1	0.9831	–	0.9831	1.3017
Group 2	0.0172	0.9659	0.9831	1.3017

# Distribution Tables

For the year ended 31 July 2024 (in pence per share) continued

## Fourth interim dividend distribution

Group 1 – shares purchased prior to 1 November 2023

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

	Revenue	Equalisation	Distribution paid 29/12/23	Distribution paid 30/12/22
<b>A Accumulation</b>				
Group 1	0.7799	–	0.7799	1.0813
Group 2	0.3563	0.4236	0.7799	1.0813
<b>A Income</b>				
Group 1	0.4358	–	0.4358	0.5107
Group 2	0.0345	0.4013	0.4358	0.5107
<b>I Accumulation</b>				
Group 1	0.5474	–	0.5474	0.6842
Group 2	0.0365	0.5109	0.5474	0.6842
<b>I Income</b>				
Group 1	0.3846	–	0.3846	0.4504
Group 2	0.2462	0.1384	0.3846	0.4504
<b>M Accumulation</b>				
Group 1	0.4008	–	0.4008	0.5057
Group 2	0.0382	0.3626	0.4008	0.5057
<b>M Income</b>				
Group 1	0.3633	–	0.3633	0.4240
Group 2	0.1521	0.2112	0.3633	0.4240
<b>Z Accumulation</b>				
Group 1	1.0199	–	1.0199	1.1288
Group 2	0.8916	0.1283	1.0199	1.1288

# Distribution Tables

For the year ended 31 July 2024 (in pence per share) continued

## Fifth interim dividend distribution

Group 1 – shares purchased prior to 1 December 2023

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

	Revenue	Equalisation	Distribution paid 31/01/24	Distribution paid 31/01/23
<b>A Accumulation</b>				
Group 1	0.7414	–	0.7414	0.7750
Group 2	0.7025	0.0389	0.7414	0.7750
<b>A Income</b>				
Group 1	0.4243	–	0.4243	0.3639
Group 2	0.0827	0.3416	0.4243	0.3639
<b>I Accumulation</b>				
Group 1	0.5244	–	0.5244	0.4875
Group 2	0.5077	0.0167	0.5244	0.4875
<b>I Income</b>				
Group 1	0.3776	–	0.3776	0.3195
Group 2	0.1444	0.2332	0.3776	0.3195
<b>K Accumulation</b>				
Group 1	0.1802	–	0.1802	–
Group 2	0.0318	0.1484	0.1802	–
<b>M Accumulation</b>				
Group 1	0.3790	–	0.3790	0.3603
Group 2	0.3705	0.0085	0.3790	0.3603
<b>M Income</b>				
Group 1	0.3568	–	0.3568	0.3010
Group 2	0.3568	–	0.3568	0.3010
<b>Z Accumulation</b>				
Group 1	0.9929	–	0.9929	0.7974
Group 2	0.9407	0.0522	0.9929	0.7974
<b>ZA accumulation</b>				
Group 1	0.2877	–	0.2877	–
Group 2	0.0417	0.2460	0.2877	–
<b>ZC accumulation</b>				
Group 1	0.2906	–	0.2906	–
Group 2	0.2814	0.0092	0.2906	–

# Distribution Tables

For the year ended 31 July 2024 (in pence per share) continued

## Sixth interim dividend distribution

Group 1 – shares purchased prior to 1 January 2024

Group 2 – shares purchased between 1 January 2024 and 31 January 2024

	Revenue	Equalisation	Distribution paid 29/02/24	Distribution paid 28/02/23
<b>A Accumulation</b>				
Group 1	0.7092	-	0.7092	0.9252
Group 2	0.2022	0.5070	0.7092	0.9252
<b>A Income</b>				
Group 1	0.4072	-	0.4072	0.4333
Group 2	0.0260	0.3812	0.4072	0.4333
<b>I Accumulation</b>				
Group 1	0.5069	-	0.5069	0.5832
Group 2	0.1245	0.3824	0.5069	0.5832
<b>I Income</b>				
Group 1	0.3572	-	0.3572	0.3809
Group 2	0.0688	0.2884	0.3572	0.3809
<b>K Accumulation</b>				
Group 1	0.1820	-	0.1820	-
Group 2	0.0631	0.1189	0.1820	-
<b>M Accumulation</b>				
Group 1	0.3715	-	0.3715	0.4368
Group 2	0.1257	0.2458	0.3715	0.4368
<b>M Income</b>				
Group 1	0.3374	-	0.3374	0.3909
Group 2	0.3374	-	0.3374	0.3909
<b>Z Accumulation</b>				
Group 1	0.9560	-	0.9560	0.9573
Group 2	-	0.9560	0.9560	0.9573
<b>ZA accumulation</b>				
Group 1	0.2948	-	0.2948	-
Group 2	0.2948	-	0.2948	-
<b>ZC accumulation</b>				
Group 1	0.2931	-	0.2931	-
Group 2	0.2748	0.0183	0.2931	-

# Distribution Tables

For the year ended 31 July 2024 (in pence per share) continued

## Seventh interim dividend distribution

Group 1 – shares purchased prior to 1 February 2024

Group 2 – shares purchased between 1 February 2024 and 29 February 2024

	Revenue	Equalisation	Distribution paid 28/03/24	Distribution paid 31/03/23
<b>A Accumulation</b>				
Group 1	0.9271	-	0.9271	0.8161
Group 2	0.2139	0.7132	0.9271	0.8161
<b>A Income</b>				
Group 1	0.4968	-	0.4968	0.3797
Group 2	0.1064	0.3904	0.4968	0.3797
<b>I Accumulation</b>				
Group 1	0.6407	-	0.6407	0.5141
Group 2	0.2390	0.4017	0.6407	0.5141
<b>I Income</b>				
Group 1	0.4408	-	0.4408	0.3345
Group 2	0.1825	0.2583	0.4408	0.3345
<b>K Accumulation</b>				
Group 1	0.2233	-	0.2233	-
Group 2	0.1152	0.1081	0.2233	-
<b>M Accumulation</b>				
Group 1	0.4721	-	0.4721	0.3743
Group 2	0.2056	0.2665	0.4721	0.3743
<b>M Income</b>				
Group 1	0.4118	-	0.4118	0.2952
Group 2	0.1378	0.2740	0.4118	0.2952
<b>Z Accumulation</b>				
Group 1	1.1836	-	1.1836	0.8442
Group 2	0.2124	0.9712	1.1836	0.8442
<b>ZA accumulation</b>				
Group 1	0.3634	-	0.3634	-
Group 2	0.3634	-	0.3634	-
<b>ZC accumulation</b>				
Group 1	0.3610	-	0.3610	-
Group 2	0.2947	0.0663	0.3610	-

# Distribution Tables

For the year ended 31 July 2024 (in pence per share) continued

## Eighth interim dividend distribution

Group 1 – shares purchased prior to 1 March 2024

Group 2 – shares purchased between 1 March 2024 and 31 March 2024

	Revenue	Equalisation	Distribution paid 30/04/24	Distribution paid 28/04/23
<b>A Accumulation</b>				
Group 1	0.6601	-	0.6601	1.0358
Group 2	0.3770	0.2831	0.6601	1.0358
<b>A Income</b>				
Group 1	0.3832	-	0.3832	0.4802
Group 2	0.0589	0.3243	0.3832	0.4802
<b>I Accumulation</b>				
Group 1	0.4739	-	0.4739	0.6555
Group 2	0.2284	0.2455	0.4739	0.6555
<b>I Income</b>				
Group 1	0.3397	-	0.3397	0.4250
Group 2	0.2212	0.1185	0.3397	0.4250
<b>K Accumulation</b>				
Group 1	0.1711	-	0.1711	-
Group 2	0.0796	0.0915	0.1711	-
<b>M Accumulation</b>				
Group 1	0.3453	-	0.3453	0.4845
Group 2	0.1846	0.1607	0.3453	0.4845
<b>M Income</b>				
Group 1	0.3256	-	0.3256	0.4008
Group 2	0.1842	0.1414	0.3256	0.4008
<b>Z Accumulation</b>				
Group 1	0.9045	-	0.9045	1.0808
Group 2	0.2998	0.6047	0.9045	1.0808
<b>ZA accumulation</b>				
Group 1	0.2770	-	0.2770	-
Group 2	0.2770	-	0.2770	-
<b>ZC accumulation</b>				
Group 1	0.2750	-	0.2750	-
Group 2	0.0987	0.1763	0.2750	-

# Distribution Tables

For the year ended 31 July 2024 (in pence per share) continued

## Ninth interim dividend distribution

Group 1 – shares purchased prior to 1 April 2024

Group 2 – shares purchased between 1 April 2024 and 30 April 2024

	Revenue	Equalisation	Distribution paid 31/05/24	Distribution paid 31/05/23
<b>A Accumulation</b>				
Group 1	1.1168	-	1.1168	1.3003
Group 2	0.2082	0.9086	1.1168	1.3003
<b>A Income</b>				
Group 1	0.5797	-	0.5797	0.6011
Group 2	0.0818	0.4979	0.5797	0.6011
<b>I Accumulation</b>				
Group 1	0.7684	-	0.7684	0.8264
Group 2	0.3454	0.4230	0.7684	0.8264
<b>I Income</b>				
Group 1	0.5150	-	0.5150	0.5337
Group 2	0.2343	0.2807	0.5150	0.5337
<b>K Accumulation</b>				
Group 1	0.2634	-	0.2634	-
Group 2	0.1087	0.1547	0.2634	-
<b>M Accumulation</b>				
Group 1	0.5643	-	0.5643	0.6109
Group 2	0.2976	0.2667	0.5643	0.6109
<b>M Income</b>				
Group 1	0.4864	-	0.4864	0.5035
Group 2	0.1746	0.3118	0.4864	0.5035
<b>Z Accumulation</b>				
Group 1	1.3996	-	1.3996	1.3712
Group 2	1.1452	0.2544	1.3996	1.3712
<b>ZA accumulation</b>				
Group 1	0.4293	-	0.4293	-
Group 2	0.4293	-	0.4293	-
<b>ZC accumulation</b>				
Group 1	0.4262	-	0.4262	-
Group 2	0.4057	0.0205	0.4262	-

# Distribution Tables

For the year ended 31 July 2024 (in pence per share) continued

## Tenth interim dividend distribution

Group 1 – shares purchased prior to 1 May 2024

Group 2 – shares purchased between 1 May 2024 and 31 May 2024

	Revenue	Equalisation	Distribution paid 28/06/24	Distribution paid 30/06/23
<b>A Accumulation</b>				
Group 1	0.7944	-	0.7944	0.9740
Group 2	0.2797	0.5147	0.7944	0.9740
<b>A Income</b>				
Group 1	0.4396	-	0.4396	0.4482
Group 2	0.0257	0.4139	0.4396	0.4482
<b>I Accumulation</b>				
Group 1	0.5624	-	0.5624	0.6147
Group 2	0.0575	0.5049	0.5624	0.6147
<b>I Income</b>				
Group 1	0.3893	-	0.3893	0.3951
Group 2	0.3514	0.0379	0.3893	0.3951
<b>K Accumulation</b>				
Group 1	0.1997	-	0.1997	-
Group 2	0.1330	0.0667	0.1997	-
<b>M Accumulation</b>				
Group 1	0.4116	-	0.4116	0.4543
Group 2	0.2210	0.1906	0.4116	0.4543
<b>M Income</b>				
Group 1	0.3674	-	0.3674	0.3722
Group 2	0.1475	0.2199	0.3674	0.3722
<b>Z Accumulation</b>				
Group 1	1.0558	-	1.0558	1.0106
Group 2	0.9026	0.1532	1.0558	1.0106
<b>ZA accumulation</b>				
Group 1	0.2880	-	0.2880	-
Group 2	0.2880	-	0.2880	-
<b>ZC accumulation</b>				
Group 1	0.3220	-	0.3220	-
Group 2	0.3160	0.0060	0.3220	-



# Distribution Tables

For the year ended 31 July 2024 (in pence per share) continued

## Eleventh interim dividend distribution

Group 1 – shares purchased prior to 1 June 2024

Group 2 – shares purchased between 1 June 2024 and 30 June 2024

	Revenue	Equalisation	Distribution paid 31/07/24	Distribution paid 31/07/23
<b>A Accumulation</b>				
Group 1	0.7050	-	0.7050	0.9275
Group 2	0.2659	0.4391	0.7050	0.9275
<b>A Income</b>				
Group 1	0.3957	-	0.3957	0.4248
Group 2	0.1035	0.2922	0.3957	0.4248
<b>I Accumulation</b>				
Group 1	0.5035	-	0.5035	0.5861
Group 2	0.3052	0.1983	0.5035	0.5861
<b>I Income</b>				
Group 1	0.3507	-	0.3507	0.3747
Group 2	0.2483	0.1024	0.3507	0.3747
<b>K Accumulation</b>				
Group 1	0.1800	-	0.1800	-
Group 2	0.0986	0.0814	0.1800	-
<b>M Accumulation</b>				
Group 1	0.3674	-	0.3674	0.4331
Group 2	0.2426	0.1248	0.3674	0.4331
<b>M Income</b>				
Group 1	0.3315	-	0.3315	0.3537
Group 2	0.1242	0.2073	0.3315	0.3537
<b>Z Accumulation</b>				
Group 1	0.9526	-	0.9526	0.9649
Group 2	0.5078	0.4448	0.9526	0.9649
<b>ZA accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>ZC accumulation</b>				
Group 1	0.2900	-	0.2900	-
Group 2	0.2737	0.0163	0.2900	-

# Distribution Tables

For the year ended 31 July 2024 (in pence per share) continued

## Final dividend distribution

Group 1 – shares purchased prior to 1 July 2024

Group 2 – shares purchased between 1 July 2024 and 31 July 2024

	Revenue	Equalisation	Distribution paid 30/08/24	Distribution paid 31/08/23
<b>A Accumulation</b>				
Group 1	0.7951	-	0.7951	0.9450
Group 2	0.0696	0.7255	0.7951	0.9450
<b>A Income</b>				
Group 1	0.4375	-	0.4375	0.4320
Group 2	0.0498	0.3877	0.4375	0.4320
<b>I Accumulation</b>				
Group 1	0.5630	-	0.5630	0.5974
Group 2	0.1548	0.4082	0.5630	0.5974
<b>I Income</b>				
Group 1	0.3880	-	0.3880	0.3806
Group 2	0.2901	0.0979	0.3880	0.3806
<b>K Accumulation</b>				
Group 1	0.2007	-	0.2007	-
Group 2	0.0768	0.1239	0.2007	-
<b>M Accumulation</b>				
Group 1	0.4132	-	0.4132	0.4446
Group 2	0.1624	0.2508	0.4132	0.4446
<b>M Income</b>				
Group 1	0.3652	-	0.3652	0.3612
Group 2	0.1929	0.1723	0.3652	0.3612
<b>Z Accumulation</b>				
Group 1	1.0598	-	1.0598	0.9863
Group 2	0.5740	0.4858	1.0598	0.9863
<b>ZC accumulation</b>				
Group 1	0.3238	-	0.3238	-
Group 2	0.3022	0.0216	0.3238	-

## 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 2024

## 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 2024, the value of the abrdn Emerging Markets Equity Fund – I Accumulation Shares increased by 3.68%, compared with an increase of 6.86% in the performance comparator, the MSCI Emerging Markets Index.

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

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

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 Emerging Markets Equity Fund

## Continued

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

### Market Review

Emerging market equities rose over the volatile 12 months under review, but they underperformed developed markets. Risk appetite was initially suppressed by the US interest rate cycle and China's relatively slow pace of recovery. However, markets subsequently rebounded amid hopes of a US Federal Reserve (Fed) rate cut given easing inflation, alongside a global artificial intelligence (AI)-led tech rally. Polls across large emerging economies also drove investor sentiment.

Across regions, emerging Asia outperformed, thanks largely to solid gains in India, where cabinet appointments for Prime Minister Narendra Modi's new coalition government following the election pointed to political continuity. Technology-heavy markets in South Korea and Taiwan closed mixed, as the AI rally paused towards the period-end. Chinese equities fell on the back of ongoing growth concerns and trade tensions with the US, even as policymakers intervened to support the economy and the equity market.

Latin America was a laggard. In Mexico, the leftwing ruling party's landslide election victory sparked concerns over fiscal policy and constitutional change. Brazilian equities slumped on fears over the country's public finances. Elsewhere, Gulf bourses also trailed amid choppy oil prices and regional geopolitical tensions. South Africa unveiled a new coalition government after the governing party lost its parliamentary majority in polls.

### Portfolio Activity and Review

The fund rose over the year, but it underperformed the benchmark.

Stock selection in domestic China was negative, though this was mitigated by the fund's underweight positioning. What hurt relative performance more was the off-benchmark position in Hong Kong as insurer AIA Group and brewer Budweiser APAC suffered from dampened market sentiment despite reporting decent results with solid underlying fundamentals.

Several of our Chinese consumer-related stocks underperformed, most notably China Tourism Group Duty Free and electric vehicle maker Li Auto. WuXi Biologics fell on worries about US restrictions on Chinese biotechnology companies. We exited all three companies during the year in view of more attractive investment opportunities elsewhere.

In South Korea, LG Chem, which we also divested, detracted on weak results. In addition, the below-benchmark position in SK Hynix, which we introduced towards the period-end, held back relative returns as the stock registered steep gains. The company is developing energy-efficient chips to offset the power consumption characteristics of memory chips. It is also investing in greenhouse gas reduction technologies and transitioning to renewable energy. HD Korea Shipbuilding & Offshore Engineering outperformed on improving order flows, including large containers, and favourable new vessel pricing.

Also working in the fund's favour were our tech and semiconductor positions, many of which benefitted from the tech rally and from structural and cyclical tailwinds, including a recovery in the memory cycle. Among the top stock contributors were several of our Taiwanese holdings, such as chip makers Taiwan Semiconductor Manufacturing Co and MediaTek. Similarly, Netherlands-listed ASM International and ASML Holding added value.

Furthermore, we saw some strong performances from our Indian holdings, notably Power Grid Corporation of India, which rose on solid fundamentals, earnings visibility and a robust project pipeline, and SBI Life Insurance, which was among the top 10 single stock contributors. UltraTech Cement was buoyed by a rebound in real estate which, coupled with an uptick in domestic infrastructure development, drove strong volume growth.

Finally, the off-benchmark exposure to Kaspi.kz proved favourable as the Kazakh e-commerce platform climbed on strong results.

Turning to portfolio activity, there were several key trades over the period, in addition to those mentioned in the interim review. We initiated four holdings in India. Electrical goods maker Havells India is well positioned to capture growing domestic demand, while ICICI Bank has an impressive track record of managing credit risk. Indian Hotels is the country's largest hospitality firm, having evolved from a single brand luxury hotel to a host of brands across the hospitality ecosystem. Automobile and farm equipment maker Mahindra & Mahindra has set an 18% return on equity target in fiscal year 2025, with 15-20% earnings per share growth per year.

In China, we added battery maker Contemporary Amperex Technology, given its strong cash flow generation and cost controls. We also bought insurers Ping An Insurance and PICC Property and Casualty. The sector remains an oligopoly, with the top three players accounting for 65% aggregated market share among 80 non-life insurers.

# abrdn Emerging Markets Equity Fund

## Continued

Apart from SK Hynix, there were two other introductions in South Korea. Conglomerate Samsung C&T and lender Shinhan Financial Group are beneficiaries of the government's Corporate Value-up programme, which is aimed at improving shareholder returns and stock valuations.

Elsewhere in emerging Asia, we bought Taiwanese electronic test equipment maker Chroma ATE, in view of its attractive long-term growth trajectory, and Yageo, a passive component maker that is moving to higher value-added products.

In Latin America, we reinitiated Grupo Mexico, which owns some of the best copper mining assets globally, mainly through its controlling stake in Southern Copper, which we also hold. Another purchase was Nu Holdings, the region's largest fintech bank with a rapidly growing customer base across Brazil, Mexico and Colombia.

In addition, we established a new position in Abu Dhabi-based Aldar Properties, which has an attractive balance sheet and order backlog, and is set to benefit from regional structural dynamics.

Aside from the sales mentioned above, we also exited Anglo American Platinum, B3, Bank Rakyat Indonesia, Hong Kong Exchanges and Clearing, Kotak Mahindra Bank, Mondi, Sociedad Quimica y Minera de Chile, TotalEnergies and Zhongsheng Group to fund better opportunities elsewhere.

## Portfolio Outlook and Strategy

The outlook for emerging markets remains constructive. Once the Fed begins to cut rates, we would expect many emerging market central banks to follow suit in light of the ongoing disinflation trends seen across various countries. This, alongside structural tailwinds around the technology cycle, green transition and nearshoring, will provide support for emerging market countries and companies.

China's recovery remains uneven, with continued weakness in the property market despite incremental stimulus. However, recent corporate results have underscored the strength of some business franchises, while share buybacks, especially in the private sector, have been an encouraging indicator of corporate health. Meanwhile, India's long-term prospects are still bright – it remains one of the world's fastest-growing major economies, backed by a significant transformation in physical and digital infrastructure, a resilient macro backdrop and positive demographics.

Broadly, emerging market valuations remain undemanding, both relative to history and versus the US. Our portfolio companies are, on the whole, delivering results, which we believe will be rewarded by the market. They are businesses with discernible quality characteristics such as sustainable free cash flow generation and earnings growth, pricing power and low debt levels. We continue to have conviction in our holdings and their ability to navigate the various crosswinds buffeting markets.

## Global Emerging Markets Equity Team

August 2024

# 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 2024.

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

- **Equity Risk** – 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.
- **Emerging Markets Risk** – The fund may invest in emerging markets, where political, economic, legal and regulatory systems are less developed. As a result, investing in emerging markets may involve higher volatility and a greater risk of loss than investing in developed markets. In particular, where the fund invests in Variable Interest Entity (VIE) structures to gain exposure to industries with foreign ownership restrictions or invests in Chinese assets via Stock Connect/Bond Connect, there are additional operational risks, which are outlined in the prospectus.
- **Derivatives Risk** – The use of derivatives may involve additional liquidity, credit and counterparty risks. In some cases the risk of loss from derivatives may be increased where a small change in the value of the underlying investment may have a larger impact on the value of the derivative.

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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	737.42	733.58	894.47
Return before operating charges*	34.42	13.48	(149.93)
Operating charges	(9.58)	(9.64)	(10.96)
Return after operating charges*	24.84	3.84	(160.89)
Distributions	(9.01)	(6.64)	(5.90)
Retained distributions on accumulation shares	9.01	6.64	5.90
Closing net asset value per share	762.26	737.42	733.58
* after direct transaction costs of:	0.85	0.98	1.00
<b>Performance</b>			
Return after charges	3.37%	0.52%	(17.99%)
<b>Other information</b>			
Closing net asset value (£'000)	86,048	109,429	229,720
Closing number of shares	11,288,465	14,839,346	31,314,860
Operating charges	1.32%	1.32%	1.32%
Direct transaction costs	0.12%	0.14%	0.12%
<b>Prices</b>			
Highest share price	784.5	792.3	940.6
Lowest share price	678.6	669.9	709.2

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

G Accumulation <sup>A</sup>	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	106.21	110.81	134.50
Return before operating charges*	(0.06)	(3.62)	(22.61)
Operating charges	(0.11)	(0.98)	(1.08)
Return after operating charges*	(0.17)	(4.60)	(23.69)
Distributions	-	(107.01)	(1.45)
Retained distributions on accumulation shares	-	107.01	1.45
Redemption value as at 13 September 2023	(106.04)	-	-
Closing net asset value per share	-	106.21	110.81
* after direct transaction costs of:	0.13	0.15	0.15
<b>Performance</b>			
Return after charges	(0.16%)	(4.15%)	(17.61%)
<b>Other information</b>			
Closing net asset value (£'000)	-	-	12,011
Closing number of shares	-	189	10,839,312
Operating charges	0.88%	0.87%	0.87%
Direct transaction costs	0.12%	0.14%	0.12%
<b>Prices</b>			
Highest share price	110.3	120.1	141.5
Lowest share price	102.5	101.3	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.

<sup>A</sup> G Accumulation share class was closed on 13 September 2023.



# Comparative Tables

## Continued

I Accumulation	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	831.47	823.43	999.50
Return before operating charges*	39.01	15.21	(168.00)
Operating charges	(7.15)	(7.17)	(8.07)
Return after operating charges*	31.86	8.04	(176.07)
Distributions	(13.88)	(11.35)	(10.80)
Retained distributions on accumulation shares	13.88	11.35	10.80
Closing net asset value per share	863.33	831.47	823.43
* after direct transaction costs of:	0.97	1.11	1.12
<b>Performance</b>			
Return after charges	3.83%	0.98%	(17.62%)
<b>Other information</b>			
Closing net asset value (£'000)	365,905	402,817	357,391
Closing number of shares	42,382,770	48,446,461	43,402,802
Operating charges	0.87%	0.87%	0.87%
Direct transaction costs	0.12%	0.14%	0.12%
<b>Prices</b>			
Highest share price	888.3	891.4	1,051
Lowest share price	766.7	752.8	795.3

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

I Income	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	749.47	752.49	925.53
Return before operating charges*	35.15	13.91	(155.58)
Operating charges	(6.44)	(6.55)	(7.46)
Return after operating charges*	28.71	7.36	(163.04)
Distributions	(12.51)	(10.38)	(10.00)
Closing net asset value per share	765.67	749.47	752.49
* after direct transaction costs of:	0.87	1.01	1.04
<b>Performance</b>			
Return after charges	3.83%	0.98%	(17.62%)
<b>Other information</b>			
Closing net asset value (£'000)	2,098	2,480	2,128
Closing number of shares	274,058	330,908	282,745
Operating charges	0.87%	0.87%	0.87%
Direct transaction costs	0.12%	0.14%	0.12%
<b>Prices</b>			
Highest share price	800.7	814.6	973.7
Lowest share price	691.1	687.9	736.5

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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	102.94	101.79	123.37
Return before operating charges*	4.84	1.88	(20.76)
Operating charges	(0.73)	(0.73)	(0.82)
Return after operating charges*	4.11	1.15	(21.58)
Distributions	(1.87)	(1.56)	(1.51)
Retained distributions on accumulation shares	1.87	1.56	1.51
Closing net asset value per share	107.05	102.94	101.79
* after direct transaction costs of:	0.12	0.14	0.14
<b>Performance</b>			
Return after charges	3.99%	1.13%	(17.49%)
<b>Other information</b>			
Closing net asset value (£'000)	86,331	118,507	107,094
Closing number of shares	80,649,234	115,123,601	105,210,333
Operating charges	0.72%	0.72%	0.72%
Direct transaction costs	0.12%	0.14%	0.12%
<b>Prices</b>			
Highest share price	110.1	110.3	129.8
Lowest share price	94.99	93.09	98.28

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

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

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

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

# Comparative Tables

## Continued

M Accumulation	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	115.90	114.84	139.46
Return before operating charges*	5.43	2.11	(23.43)
Operating charges	(1.05)	(1.05)	(1.19)
Return after operating charges*	4.38	1.06	(24.62)
Distributions	(1.88)	(1.53)	(1.44)
Retained distributions on accumulation shares	1.88	1.53	1.44
Closing net asset value per share	120.28	115.90	114.84
* after direct transaction costs of:	0.13	0.15	0.16
<b>Performance</b>			
Return after charges	3.78%	0.92%	(17.65%)
<b>Other information</b>			
Closing net asset value (£'000)	888	1,316	181
Closing number of shares	737,911	1,135,052	157,258
Operating charges	0.92%	0.92%	0.92%
Direct transaction costs	0.12%	0.14%	0.12%
<b>Prices</b>			
Highest share price	123.8	124.3	146.7
Lowest share price	106.9	105.0	110.9

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 Income	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	110.48	110.89	136.44
Return before operating charges*	5.27	2.17	(22.89)
Operating charges	(1.00)	(1.02)	(1.16)
Return after operating charges*	4.27	1.15	(24.05)
Distributions	(1.86)	(1.56)	(1.50)
Closing net asset value per share	112.89	110.48	110.89
* after direct transaction costs of:	0.13	0.15	0.15
<b>Performance</b>			
Return after charges	3.86%	1.04%	(17.63%)
<b>Other information</b>			
Closing net asset value (£'000)	1	1	1
Closing number of shares	908	908	908
Operating charges	0.92%	0.92%	0.92%
Direct transaction costs	0.12%	0.14%	0.12%
<b>Prices</b>			
Highest share price	118.1	120.1	143.5
Lowest share price	101.9	101.4	108.5

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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	970.37	953.81	1,148.12
Return before operating charges*	45.97	17.69	(193.02)
Operating charges	(1.19)	(1.13)	(1.29)
Return after operating charges*	44.78	16.56	(194.31)
Distributions	(24.38)	(20.40)	(20.52)
Retained distributions on accumulation shares	24.38	20.40	20.52
Closing net asset value per share	1,015.15	970.37	953.81
* after direct transaction costs of:	1.14	1.29	1.35
<b>Performance</b>			
Return after charges	4.61%	1.74%	(16.92%)
<b>Other information</b>			
Closing net asset value (£'000)	24,351	16,866	21,546
Closing number of shares	2,398,743	1,738,076	2,258,988
Operating charges	0.12%	0.12%	0.12%
Direct transaction costs	0.12%	0.14%	0.12%
<b>Prices</b>			
Highest share price	1,044	1,036	1,209
Lowest share price	898.0	873.6	919.7

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

ZB accumulation <sup>A</sup>	2024 pence per share	2023 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	109.68	105.16 <sup>B</sup>
Return before operating charges*	5.19	4.55
Operating charges	(0.13)	(0.03)
Return after operating charges*	5.06	4.52
Distributions	(2.65)	(0.99)
Retained distributions on accumulation shares	2.65	0.99
Closing net asset value per share	114.74	109.68
* after direct transaction costs of:	0.13	0.03
<b>Performance</b>		
Return after charges	4.61%	4.30%
<b>Other information</b>		
Closing net asset value (£'000)	26,965	57,014
Closing number of shares	23,501,506	51,983,669
Operating charges	0.12%	0.12%
Direct transaction costs	0.12%	0.14%
<b>Prices</b>		
Highest share price	118.0	109.9
Lowest share price	101.5	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.

<sup>A</sup> ZB Accumulation share class was launched on 12 May 2023.

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

# Comparative Tables

## Continued

ZC accumulation <sup>A</sup>	2024 pence per share	2023 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	92.23	88.43 <sup>B</sup>
Return before operating charges*	4.36	3.82
Operating charges	(0.11)	(0.02)
Return after operating charges*	4.25	3.80
Distributions	(2.23)	(0.83)
Retained distributions on accumulation shares	2.23	0.83
Closing net asset value per share	96.48	92.23
* after direct transaction costs of:	0.11	0.03
<b>Performance</b>		
Return after charges	4.61%	4.30%
<b>Other information</b>		
Closing net asset value (£'000)	869	1,277
Closing number of shares	901,036	1,384,569
Operating charges	0.12%	0.12%
Direct transaction costs	0.12%	0.14%
<b>Prices</b>		
Highest share price	99.23	92.43
Lowest share price	85.34	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.

<sup>A</sup> ZC Accumulation share class was launched on 12 May 2023.

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



# Portfolio Statement

As at 31 July 2024

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (97.86%)</b>		<b>591,723</b>	<b>99.71</b>
<b>Europe, Middle East &amp; Africa Equities (10.40%)</b>		<b>46,434</b>	<b>7.82</b>
<b>France (1.96%)</b>		-	-
<b>Netherlands (2.07%)</b>		<b>17,726</b>	<b>2.99</b>
19,173	ASM International	10,234	1.73
10,457	ASML	7,492	1.26
<b>Russia (0.00%)</b>		-	-
1,062,488	Novatek+++	-	-
1,812,963	Sberbank of Russia+++	-	-
<b>Saudi Arabia (2.13%)</b>		<b>13,199</b>	<b>2.22</b>
469,898	Al Rajhi Bank	8,337	1.40
848,926	Saudi Arabian Oil	4,862	0.82
<b>South Africa (2.23%)</b>		<b>5,368</b>	<b>0.90</b>
1,538,141	Sanlam	5,368	0.90
<b>United Arab Emirates (1.06%)</b>		<b>10,141</b>	<b>1.71</b>
743,028	Abu Dhabi Islamic Bank	1,922	0.32
3,351,681	Aldar Properties	5,186	0.88
4,715,220	Americana Restaurants International	3,033	0.51
<b>United Kingdom (0.95%)</b>		-	-
<b>Latin American Equities (14.23%)</b>		<b>62,349</b>	<b>10.51</b>
<b>Argentina (1.98%)</b>		<b>10,144</b>	<b>1.71</b>
28,006	Globant	4,243	0.71
4,542	MercadoLibre	5,901	1.00

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Brazil (6.20%)</b>		<b>22,471</b>	<b>3.79</b>
4,246,344	Itaúsa (Preference)	5,930	1.00
459,405	NU 'A'	4,335	0.73
736,134	PRIO	4,870	0.82
1,929,793	Raia Drogasil	7,336	1.24
<b>Chile (0.59%)</b>		<b>-</b>	<b>-</b>
<b>Mexico (4.81%)</b>		<b>26,829</b>	<b>4.52</b>
78,784	Fomento Economico Mexicano ADR	6,760	1.14
286,373	Grupo Aeroportuario del Sureste 'B'	6,696	1.13
1,140,334	Grupo Financiero Banorte 'O'	6,631	1.12
1,540,484	Grupo México 'B'	6,742	1.13
<b>Peru (0.65%)</b>		<b>2,905</b>	<b>0.49</b>
21,876	Credicorp	2,905	0.49
<b>North American Equities (1.68%)</b>		<b>11,708</b>	<b>1.97</b>
<b>United States (1.68%)</b>		<b>11,708</b>	<b>1.97</b>
141,018	Southern Copper	11,708	1.97
<b>Pacific Basin Equities (71.55%)</b>		<b>471,232</b>	<b>79.41</b>
<b>China (23.49%)</b>		<b>128,280</b>	<b>21.62</b>
3,114,164	Alibaba	23,990	4.04
964,000	ANTA Sports Products	6,735	1.14
382,236	Contemporary Amperex Technology 'A'	7,671	1.29
41,858	Kweichow Moutai 'A'	6,408	1.08
1,323,975	Midea 'A'	9,093	1.53
3,055,542	NARI Technology 'A'	7,906	1.33
6,634,000	PICC Property & Casualty 'H'	6,757	1.14
1,295,500	Ping An Insurance Company of China 'H'	4,409	0.74
303,000	Shenzhen Mindray Bio-Medical Electronics 'A'	8,392	1.42

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
888,720	Sungrow Power Supply 'A'	6,589	1.11
1,117,266	Tencent	40,330	6.80
6,850,000	Tianhe Chemicals+++	-	-
<b>Hong Kong (5.33%)</b>		<b>17,248</b>	<b>2.91</b>
1,610,400	AIA	8,426	1.42
3,271,213	Budweiser Brewing**	3,097	0.52
649,777	China Metal Recycling*	-	-
2,450,000	China Resources Land	5,725	0.97
<b>India (15.24%)</b>		<b>124,781</b>	<b>21.03</b>
490,882	Bharti Airtel	6,806	1.15
379,406	Cholamandalam Investment and Finance	5,004	0.84
136,874	Godrej Properties	4,098	0.69
357,442	Havells India	6,125	1.03
1,117,830	HDFC Bank	16,813	2.83
333,400	Hindustan Unilever	8,392	1.42
1,001,704	ICICI Bank	11,330	1.91
543,478	Indian Hotels	3,243	0.55
258,905	Mahindra & Mahindra	7,003	1.18
40,700	Maruti Suzuki India	5,056	0.85
5,315,879	Power Grid Corporation of India	17,231	2.90
818,423	SBI Life Insurance	13,317	2.25
244,004	Tata Consultancy Services	9,964	1.68
94,050	UltraTech Cement	10,399	1.75
<b>Indonesia (3.86%)</b>		<b>11,145</b>	<b>1.88</b>
21,720,800	Bank Negara Indonesia	5,158	0.87
43,565,600	Telkom Indonesia	5,987	1.01
<b>Kazakhstan (1.07%)</b>		<b>11,599</b>	<b>1.95</b>
114,659	Kaspi.KZ ADR	11,599	1.95

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>South Korea (10.22%)</b>		<b>87,154</b>	<b>14.68</b>
89,081	HD Korea Shipbuilding & offshore Engineering	10,402	1.75
62,121	Samsung C&T	5,456	0.92
512,297	Samsung E&A	8,257	1.39
1,144,100	Samsung Electronics (Preference)	41,924	7.06
334,515	Shinhan Financial	11,312	1.91
89,081	SK Hynix	9,803	1.65
<b>Taiwan (12.02%)</b>		<b>91,025</b>	<b>15.34</b>
645,000	Accton Technology	7,715	1.30
568,000	Chroma ATE	4,050	0.68
900,000	Delta Electronics	8,825	1.49
399,000	MediaTek	11,482	1.94
2,459,718	Taiwan Semiconductor Manufacturing	54,357	9.16
245,000	Yageo	4,596	0.77
<b>Thailand (0.32%)</b>		<b>-</b>	<b>-</b>
<b>Collective Investment Schemes (0.42%)</b>		<b>676</b>	<b>0.11</b>
676	abrln Liquidity Fund (Lux) - Sterling Fund Z1 Inc+	676	0.11
Total investment assets		592,399	99.82
Net other assets		1,057	0.18
<b>Total Net Assets</b>		<b>593,456</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities, or are regulated collective investment schemes within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2023.

+ Managed by subsidiaries of abrln plc.

+++ Priced per abrln VPC.

\* Suspended

\*\* A portion of this security is on loan at the year end.

# Financial Statements

## Statement of Total Return

For the year ended 31 July 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
Income:					
Net capital gains	1		12,571		1,909
Revenue	2	16,232		17,253	
Expenses	3	(5,180)		(6,000)	
Interest payable and similar charges		(6)		-	
Net revenue before taxation		11,046		11,253	
Taxation	4	(4,478)		(2,548)	
Net revenue after taxation			6,568		8,705
<b>Total return before distributions</b>			<b>19,139</b>		<b>10,614</b>
Distributions	5		(10,333)		(9,528)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>8,806</b>		<b>1,086</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2024

	2024		2023	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>709,707</b>		<b>730,072</b>
Amounts receivable on the issue of shares	16,955		18,217	
Amounts payable on the cancellation of shares	(151,674)		(194,630)	
Amounts receivable on inspecie transfers*	-		145,679	
		(134,719)		(30,734)
Dilution adjustment		-		106
Change in net assets attributable to shareholders from investment activities (see above)		8,806		1,086
Retained distribution on accumulation shares		9,631		9,177
Movement in amount payable on termination		31		-
<b>Closing net assets attributable to shareholders</b>		<b>593,456</b>		<b>709,707</b>

\* 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 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			592,399		697,527
<b>Current assets:</b>					
Debtors	6	2,179		6,717	
Cash and bank balances	7	5,923		11,259	
			8,102		17,976
<b>Total assets</b>			<b>600,501</b>		<b>715,503</b>
<b>Liabilities:</b>					
Provisions for liabilities	8		(4,900)		(2,888)
Creditors	9	(2,111)		(2,874)	
Distribution payable		(34)		(34)	
			(2,145)		(2,908)
<b>Total liabilities</b>			<b>(7,045)</b>		<b>(5,796)</b>
<b>Net assets attributable to shareholders</b>			<b>593,456</b>		<b>709,707</b>

# Notes to the Financial Statements

## 1 Net Capital Gains

	2024 £'000	2023 £'000
Non-derivative securities	13,173	2,934
Other losses	(539)	(976)
Transaction charges	(63)	(49)
<b>Net capital gains</b>	<b>12,571</b>	<b>1,909</b>

## 2 Revenue

	2024 £'000	2023 £'000
Bank and margin interest	125	205
Overseas dividends	16,107	17,042
UK dividends	-	6
<b>Total revenue</b>	<b>16,232</b>	<b>17,253</b>

## 3 Expenses

	2024 £'000	2023 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	4,479	5,236
General administration charge	496	538
	4,975	5,774
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Revenue collection expenses	9	65
Safe custody fee	196	161
	205	226
<b>Total expenses</b>	<b>5,180</b>	<b>6,000</b>

Irrecoverable VAT is included in the above expenses, where applicable.  
The audit fee for the year, including VAT, was £9,900 (2023: £9,120).

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2024 £'000	2023 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	713	1,725
Overseas capital gains tax	1,753	779
<b>Total current tax</b>	<b>2,466</b>	<b>2,504</b>
Deferred tax (note 4c)	2,012	44
<b>Total taxation (note 4b)</b>	<b>4,478</b>	<b>2,548</b>

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

The tax assessed for the year is greater than (2023: 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:

<b>Net revenue before taxation</b>	<b>11,046</b>	<b>11,253</b>
Corporation tax at 20% (2023: 20%)	2,209	2,251
Effects of:		
Revenue not subject to taxation	(3,097)	(3,245)
Overseas taxes	713	1,725
Overseas tax expensed	(19)	(25)
Excess allowable expenses	907	1,019
Overseas capital gains tax	1,753	779
Deferred tax	2,012	44
<b>Total tax charge for year (note 4a)</b>	<b>4,478</b>	<b>2,548</b>

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

#### (c) Deferred tax

Deferred tax charge at the start of the year	2,888	2,844
Deferred tax charge in statement of total return for year (note 4a)	2,012	44
<b>Provision at the end of the year</b>	<b>4,900</b>	<b>2,888</b>

#### (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 £53,281,000 (2023: £52,394,000) 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)

	2024 £'000	2023 £'000
Distribution	9,665	9,211
Add: Income deducted on cancellation of shares	757	818
Deduct: Income received on issue of shares	(89)	(501)
<b>Total distributions for the year</b>	<b>10,333</b>	<b>9,528</b>
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	6,568	8,705
Overseas capital gains tax on realised gains	1,753	779
Overseas deferred capital gains tax on unrealised gains	2,012	44
<b>Total distributions for the year</b>	<b>10,333</b>	<b>9,528</b>

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

### 6 Debtors

	2024 £'000	2023 £'000
Accrued revenue	1,161	986
Amounts receivable from the ACD for the issue of shares	6	4
Amounts receivable from merger	124	1,023
Overseas withholding tax recoverable	888	858
Sales awaiting settlement	-	3,846
<b>Total debtors</b>	<b>2,179</b>	<b>6,717</b>

### 7 Liquidity

	2024 £'000	2023 £'000
<b>Cash and bank balances</b>		
Cash at bank	5,923	11,259
	<b>5,923</b>	<b>11,259</b>
abrdn Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	676	2,998
<b>Net liquidity</b>	<b>6,599</b>	<b>14,257</b>

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

# Notes to the Financial Statements

## Continued

### 8 Provisions for Liabilities

	2024 £'000	2023 £'000
The provisions for liabilities comprise:		
Overseas capital gains tax	4,900	2,888
<b>Total provisions for liabilities</b>	<b>4,900</b>	<b>2,888</b>

### 9 Creditors

	2024 £'000	2023 £'000
Accrued expenses payable to ACD	408	467
Accrued expenses payable to the Depositary or associates of the Depositary	20	17
Accrued other expenses	822	828
Amounts payable to the ACD for cancellation of shares	649	457
Capital gains tax payable	7	-
Purchases awaiting settlement	205	1,105
<b>Total creditors</b>	<b>2,111</b>	<b>2,874</b>

### 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 6 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.

# Notes to the Financial Statements

## Continued

### 11 Portfolio Transaction Costs

	Purchases		Sales	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
<b>Trades in the year</b>				
Equities	190,935	240,920	305,881	337,174
Inspecie transactions	-	67,003	-	-
Corporate actions	72	24,891	926	24,891
<b>Trades in the year before transaction costs</b>	<b>191,007</b>	<b>332,814</b>	<b>306,807</b>	<b>362,065</b>
<b>Commissions</b>				
Equities	132	192	(179)	(198)
<b>Total commissions</b>	<b>132</b>	<b>192</b>	<b>(179)</b>	<b>(198)</b>
<b>Taxes</b>				
Equities	88	152	(330)	(357)
<b>Total taxes</b>	<b>88</b>	<b>152</b>	<b>(330)</b>	<b>(357)</b>
<b>Total transaction costs</b>	<b>220</b>	<b>344</b>	<b>(509)</b>	<b>(555)</b>
<b>Total net trades in the year after transaction costs</b>	<b>191,227</b>	<b>333,158</b>	<b>306,298</b>	<b>361,510</b>
	Purchases		Sales	
	2024	2023	2024	2023
	%	%	%	%
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.07	0.08	0.06	0.06
<b>Taxes</b>				
Equities	0.05	0.06	0.11	0.11
			2024	2023
			%	%
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Commissions			0.05	0.06
Taxes			0.07	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 0.17% (2023: 0.14%), 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 2023	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2024
A Accumulation	14,839,346	328,497	(2,898,645)	(980,733)	11,288,465
G Accumulation	189	-	(189)	-	-
I Accumulation	48,446,461	885,382	(6,946,101)	(2,972)	42,382,770
I Income	330,908	35,532	(92,382)	-	274,058
K Accumulation	115,123,601	-	(34,474,367)	-	80,649,234
M Accumulation	1,135,052	17,638	(327,040)	(87,739)	737,911
M Income	908	-	-	-	908
Z Accumulation	1,738,076	1,511,836	(851,169)	-	2,398,743
ZB accumulation	51,983,669	-	(28,482,163)	-	23,501,506
ZC accumulation	1,384,569	2,854	(468,284)	(18,103)	901,036

### 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).

	2024 £'000	2024 £'000	2024 £'000	2023 £'000	2023 £'000	2023 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	591,723	-	-	694,529	-	-
Collective Investment Schemes	-	676	-	-	2,998	-
<b>Total investment assets</b>	<b>591,723</b>	<b>676</b>	<b>-</b>	<b>694,529</b>	<b>2,998</b>	<b>-</b>

### 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.

# Notes to the Financial Statements

## Continued

Currency	Net foreign currency exposure 2024 £'000	Net foreign currency exposure 2023 £'000
Brazilian Real	18,256	36,784
China Renminbi	46,287	48,002
Euro	18,027	28,754
Hong Kong Dollar	99,788	158,915
Indian Rupee	120,538	110,503
Indonesian Rupiah	11,144	27,415
Mexican Peso	20,069	20,502
Polish Zloty	1	-
Saudi Riyal	16,232	22,666
South Africa Rand	5,368	22,532
South Korean Won	87,446	72,269
Taiwan Dollar	91,602	86,060
Thai Baht	-	4,715
UAE Dirham	6,903	-
US Dollar	46,472	62,220
<b>Total</b>	<b>588,133</b>	<b>701,337</b>

At 31 July 2024, 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 £29,407,000 (2023: £35,067,000).

### 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 2024, 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 £29,620,000 (2023: £34,876,000).

### Financial derivatives instrument risk

The fund had no exposure to derivatives as at 31 July 2024 (2023: £Nil).

### Bilateral agreements

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

# Notes to the Financial Statements

## Continued

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:

2024 Counterparties	Collateral (held)/pledged				
	Stock on Loan* £'000	Repo £'000	Cash £'000	Stock* £'000	Net exposure £'000
Morgan Stanley	2,793	-	-	(3,062)	(269)
<b>Total</b>	<b>2,793</b>	<b>-</b>	<b>-</b>	<b>(3,062)</b>	<b>(269)</b>

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

### Top Ten SFTR Issuers

2024	Type	Collateral Stock
Novartis	Equity	(305)
Becton Dickinson	Equity	(304)
Amphenol	Equity	(304)
CSX	Equity	(294)
Allstate	Equity	(294)
Bristol-Myers Squibb	Equity	(294)
Merck	Equity	(265)
ASML	Equity	(155)
EssilorLuxottica	Equity	(146)
Mitsubishi UFJ Financial	Equity	(138)
Combined issuers outside top 10	Equity	(563)
		<b>(3,062)</b>

### 2023

There was no counterparty exposure as at 31 July 2023.

### Liquidity risk

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

2024	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
<b>Derivatives</b>					
Investment liabilities	-	4,900	-	-	4,900
<b>Non-derivatives</b>					
Other creditors	-	2,111	-	-	2,111
Bank overdrafts	-	-	-	-	-
Distribution payable	-	34	-	-	34
<b>Total financial liabilities</b>	<b>-</b>	<b>7,045</b>	<b>-</b>	<b>-</b>	<b>7,045</b>

# 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
<b>Derivatives</b>					
Investment liabilities	-	2,888	-	-	2,888
<b>Non-derivatives</b>					
Other creditors	-	2,874	-	-	2,874
Bank overdrafts	-	-	-	-	-
Distribution payable	-	34	-	-	34
<b>Total financial liabilities</b>	<b>-</b>	<b>5,796</b>	<b>-</b>	<b>-</b>	<b>5,796</b>

# Distribution Table

For the year ended 31 July 2024 (in pence per share)

## Final dividend distribution

Group 1 – shares purchased prior to 1 August 2023

Group 2 – shares purchased between 1 August 2023 and 31 July 2024

	Revenue	Equalisation	Distribution paid 31/10/24	Distribution paid 31/10/23
<b>A Accumulation</b>				
Group 1	9.0092	-	9.0092	6.6362
Group 2	6.4403	2.5689	9.0092	6.6362
<b>G Accumulation</b>				
Group 1	-	-	-	107.0129
Group 2	-	-	-	107.0129
<b>I Accumulation</b>				
Group 1	13.8796	-	13.8796	11.3530
Group 2	9.4562	4.4234	13.8796	11.3530
<b>I Income</b>				
Group 1	12.5060	-	12.5060	10.3754
Group 2	9.2927	3.2133	12.5060	10.3754
<b>K Accumulation</b>				
Group 1	1.8724	-	1.8724	1.5577
Group 2	1.8724	-	1.8724	1.5577
<b>M Accumulation</b>				
Group 1	1.8778	-	1.8778	1.5281
Group 2	0.5332	1.3456	1.8778	1.5281
<b>M Income</b>				
Group 1	1.8582	-	1.8582	1.5586
Group 2	1.8582	-	1.8582	1.5586
<b>Z Accumulation</b>				
Group 1	23.4816	-	23.4816	20.4040
Group 2	18.3138	5.1678	23.4816	20.4040
<b>ZB accumulation</b>				
Group 1	2.6539	-	2.6539	0.9904
Group 2	2.2767	0.3772	2.6539	0.9904
<b>ZC accumulation</b>				
Group 1	2.2317	-	2.2317	0.8327
Group 2	1.7591	0.4726	2.2317	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 2024

## 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 2024, the value of abrdn Europe ex UK Equity Fund – Institutional Accumulation Shares increased by 5.12%, compared with an increase of 11.30% in the benchmark, the FTSE World Europe ex UK Index.

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

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

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

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

## Market Review

European equities (excluding the UK) performed well over the review period as inflation, although stubbornly above 2%, showed signs of stabilising. This triggered hopes that central banks would start to reduce interest rates, though significant uncertainty remained over the timing of rate cuts.

# abrdn Europe ex UK Equity Fund

## Continued

Markets made solid progress in the second half of 2023 despite ongoing economic concerns. Share prices were lifted by investor optimism that the global economy could achieve a 'soft landing'. However, rising tensions and conflict in the Middle East led to increases in commodity prices, while lacklustre economic data from China and concerns about the country's real estate and financial sectors proved problematic. Advances in artificial intelligence (AI) and optimism about the potential of its application boosted shares prices across the technology sector, while gains in European markets were also supported by strength in financial stocks as a result of higher interest rates.

2024 began with investors continuing to focus on the AI theme, which prompted share-price spikes among US technology giants. Consequently, we saw buoyancy across the broader semiconductor and software market. European stocks then lost some momentum as persistent inflation took some shine off the rally, as did uneven economic newsflow across the region. Furthermore, snap elections in France prompted sharp declines in local stock prices amid concerns that a victory for the far-right could lead to looser fiscal policies.

Share prices managed to nudge higher as the period ended despite a mixed bag of quarterly earnings, ongoing concerns about the global economy's health, and political developments in France. The European Central Bank (ECB) also asserted that the fight against inflation was ongoing.

Regarding economic newsflow, June saw the ECB trim interest rates for the first time since 2019. It was also the first of the three major Western central banks to pivot to a rate-cutting cycle. Annual inflation for the eurozone registered at 2.6% year on year in July, slightly higher than the 2.5% reported in June. Meanwhile euro-area GDP growth for the second quarter of 2024 came in at 0.6% compared with the same period in 2023.

### Portfolio Activity and Review

The fund underperformed its benchmark largely as a result of stock selection in both the industrials and financial sector. The underperformance of financials was primarily due to the absence of banks within the portfolio, which performed strongly due to higher for longer interest rates over this period. More positively, the fund's overweight exposure to and stock picks in technology added value, as did our choice on holdings in healthcare.

On a stock-specific basis, the largest detractor over the period was Pernod Ricard. The company's shares lagged the market after the company said it expected a more challenging trading environment in the US, where retailers had been destocking, as well as in China as a result of

weakening consumer spending. The stock declined further after a subsequent profit warning from peer Diageo, with investors concerned that near-term estimates were overly optimistic as a result. Edenred shares fell due to ongoing adverse regulatory developments and the wider June sell-off in French equities due to elections. Meanwhile, our holding in Straumann detracted on signs of soft demand in both the EMEA and North America regions, although this was partially offset by strong APAC results. Adyen's share price was highly volatile over this period, declining amid concerns about the compression in customer take rates highlighted in the firm's first-quarter results.

The most significant contributor to returns was Novo Nordisk. The company's share price continued to rise in response to excitement around the potential size of the obesity market, as well as approval from Chinese regulators for the weight-loss drug Wegovy. Schibsted also performed strongly, boosted by market anticipation of a large shareholder dividend following the partial sale of Adevin last year. Lastly, ASML advanced on growing market confidence in the strength of the company's order book, and recognition that the company will be a significant beneficiary of AI.

In terms of activity, we bought a new position in DSM-Firmenich, a global leader in the ingredients industry. The company is on an improving quality trajectory following the acquisition of Firmenich, one of the world's top fine fragrance franchises. We also introduced a new holding in French luxury company Hermes, a business we had followed for many years. Recent in-depth research from our consumer analyst highlighted the company's formidable pricing power due to the strength of Hermes' brand, as well as a potentially long runway for future demand growth. Elsewhere, we introduced a new holding in BE Semiconductor Industries, which operates within advanced packaging for the semiconductor sector. This is an area that is increasingly critical in enabling greater levels of processing power for AI. We are excited about the potential for significantly higher demand for the company's new generation of machines than is expected by the market, due to the firm's expertise in hybrid bonding.

We exited the residual position in Prosus, where the investment case had run its course. We also removed the holding in Ubisoft Entertainment, the French computer games designer. The business had been a longstanding holding but had recently experienced a series of significant governance and execution challenges that led the company's quality to deteriorate below the level we expect. Proceeds were reinvested into both new ideas and top ups of higher conviction holdings where short-term share price weakness presented a buying opportunity. These include Adyen, Orsted and Amplifon,

# abrdn Europe ex UK Equity Fund

## Continued

### Portfolio Outlook and Strategy

The outlook for European equities is particularly positive, especially for our highly selective quality-first approach. Europe benefits from attractive valuations, most acutely relative to the US, and low levels of exposure among global investors. With the ECB having been the first major central bank to relax monetary policy, interest-rate differentials are widening, and European growth is improving while the global economy cools: a stable economic backdrop alongside lower discount rates is a favourable combination for high-quality companies based in Europe, following several years of style headwinds. Dispersion is rising across markets and within sectors, therefore a selective approach at the company level is increasingly important, and earnings delivery is key. Meanwhile, volatility is set to remain a feature of markets given elevated geopolitical risk and data-dependent central banks, and this is likely to provide opportunities for active investors. If inflation proves to be more persistent, then companies with true pricing power will be best placed to deliver sustained margin expansion. Sustainability is also coming back into focus as one of the most compelling enablers of long-term growth for economies and companies. Overall, we see a very attractive environment in which to hold companies with superior earnings growth and strong sustainability credentials in a concentrated portfolio.

### DM Sustainable & Thematic Equity Team

August 2024

# 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 2024.

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

- Equity Risk – 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.
- Derivatives Risk – The use of derivatives may involve additional liquidity, credit and counterparty risks. In some cases the risk of loss from derivatives may be increased where a small change in the value of the underlying investment may have a larger impact on the value of the derivative.

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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	277.72	259.85	292.12
Return before operating charges*	16.43	21.24	(28.68)
Operating charges	(3.66)	(3.37)	(3.59)
Return after operating charges*	12.77	17.87	(32.27)
Distributions	(0.15)	(0.28)	-
Retained distributions on accumulation shares	0.15	0.28	-
Closing net asset value per share	290.49	277.72	259.85
* after direct transaction costs of:	0.11	0.07	0.12
<b>Performance</b>			
Return after charges	4.60%	6.88%	(11.05%)
<b>Other information</b>			
Closing net asset value (£'000)	165,291	175,954	145,969
Closing number of shares	56,901,632	63,356,618	56,173,158
Operating charges	1.29%	1.29%	1.29%
Direct transaction costs	0.04%	0.03%	0.04%
<b>Prices</b>			
Highest share price	312.1	283.0	317.9
Lowest share price	243.4	225.5	228.4

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 <sup>A</sup>	2024 pence per share	2023 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	87.03	85.13 <sup>B</sup>
Return before operating charges*	5.15	2.74
Operating charges	(1.15)	(0.44)
Return after operating charges*	4.00	2.30
Distributions	(0.07)	(0.40)
Closing net asset value per share	90.96	87.03
* after direct transaction costs of:	0.03	0.01
<b>Performance</b>		
Return after charges	4.60%	2.70%
<b>Other information</b>		
Closing net asset value (£'000)	1,059	1,005
Closing number of shares	1,164,527	1,154,517
Operating charges	1.29%	1.24%
Direct transaction costs	0.04%	0.03%
<b>Prices</b>		
Highest share price	97.79	89.08
Lowest share price	76.29	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.

<sup>A</sup> A Income share class was launched on 3 March 2023.

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

# Comparative Tables

## Continued

I Accumulation	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	280.97	261.72	292.89
Return before operating charges*	16.66	21.44	(28.82)
Operating charges	(2.42)	(2.19)	(2.35)
Return after operating charges*	14.24	19.25	(31.17)
Distributions	(1.50)	(1.14)	(0.74)
Retained distributions on accumulation shares	1.50	1.14	0.74
Closing net asset value per share	295.21	280.97	261.72
* after direct transaction costs of:	0.11	0.07	0.12
<b>Performance</b>			
Return after charges	5.07%	7.36%	(10.64%)
<b>Other information</b>			
Closing net asset value (£'000)	156,920	175,314	319,113
Closing number of shares	53,155,239	62,395,014	121,928,199
Operating charges	0.84%	0.84%	0.84%
Direct transaction costs	0.04%	0.03%	0.04%
<b>Prices</b>			
Highest share price	316.6	286.0	319.2
Lowest share price	246.6	227.3	229.9

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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	148.11	138.03	154.54
Return before operating charges*	8.78	11.39	(15.20)
Operating charges	(1.35)	(1.31)	(1.31)
Return after operating charges*	7.43	10.08	(16.51)
Distributions	(0.71)	(0.90)	(0.28)
Retained distributions on accumulation shares	0.71	0.90	0.28
Closing net asset value per share	155.54	148.11	138.03
* after direct transaction costs of:	0.06	0.04	0.06
<b>Performance</b>			
Return after charges	5.02%	7.30%	(10.68%)
<b>Other information</b>			
Closing net asset value (£'000)	8,881	10,530	332
Closing number of shares	5,709,688	7,109,355	240,406
Operating charges	0.89%	0.90%	0.89%
Direct transaction costs	0.04%	0.03%	0.04%
<b>Prices</b>			
Highest share price	166.9	150.8	168.4
Lowest share price	130.0	119.9	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

Z Accumulation	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	349.38	323.00	358.84
Return before operating charges*	20.80	26.68	(35.52)
Operating charges	(0.33)	(0.30)	(0.32)
Return after operating charges*	20.47	26.38	(35.84)
Distributions	(4.59)	(4.05)	(3.49)
Retained distributions on accumulation shares	4.59	4.05	3.49
Closing net asset value per share	369.85	349.38	323.00
* after direct transaction costs of:	0.14	0.08	0.15
<b>Performance</b>			
Return after charges	5.86%	8.17%	(9.99%)
<b>Other information</b>			
Closing net asset value (£'000)	7,816	4,802	2,918
Closing number of shares	2,113,340	1,374,350	903,536
Operating charges	0.09%	0.09%	0.09%
Direct transaction costs	0.04%	0.03%	0.04%
<b>Prices</b>			
Highest share price	395.7	355.2	391.9
Lowest share price	307.1	280.9	283.5

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

ZC Accumulation <sup>A</sup>	2024 pence per share	2023 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	245.37	237.75 <sup>B</sup>
Return before operating charges*	14.61	7.66
Operating charges	(0.23)	(0.04)
Return after operating charges*	14.38	7.62
Distributions	(3.22)	(2.30)
Retained distributions on accumulation shares	3.22	2.30
Closing net asset value per share	259.75	245.37
* after direct transaction costs of:	0.10	0.03
<b>Performance</b>		
Return after charges	5.86%	3.21%
<b>Other information</b>		
Closing net asset value (£'000)	929	1,038
Closing number of shares	357,559	423,253
Operating charges	0.09%	0.04%
Direct transaction costs	0.04%	0.03%
<b>Prices</b>		
Highest share price	277.9	249.4
Lowest share price	215.7	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.

<sup>A</sup> ZC Accumulation share class was launched on 3 March 2023.

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

# Portfolio Statement

As at 31 July 2024

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (98.67%)</b>		<b>339,077</b>	<b>99.47</b>
<b>European Equities (96.55%)</b>		<b>332,709</b>	<b>97.60</b>
<b>Belgium (2.78%)</b>		<b>6,592</b>	<b>1.93</b>
447,155	Azelis	6,592	1.93
<b>Denmark (9.60%)</b>		<b>38,458</b>	<b>11.28</b>
301,286	Novo Nordisk 'B'	31,022	9.10
160,841	Ørsted	7,436	2.18
<b>France (28.74%)</b>		<b>85,487</b>	<b>25.08</b>
275,885	Dassault Systemes	8,144	2.39
288,602	Edenred	9,363	2.75
5,594	Hermes International	9,534	2.80
40,672	L'Oreal	13,720	4.03
27,109	LVMH	14,911	4.37
104,878	Pernod Ricard	10,956	3.21
100,451	Schneider Electric	18,859	5.53
<b>Germany (13.52%)</b>		<b>49,664</b>	<b>14.57</b>
94,149	Deutsche Boerse	14,983	4.40
77,279	Hannover Rueck	14,981	4.39
129,280	Knorr-Bremse	8,141	2.39
155,564	Nemetschek	11,559	3.39
<b>Italy (1.88%)</b>		<b>9,360</b>	<b>2.75</b>
379,828	Amplifon	9,360	2.75
<b>Netherlands (20.99%)</b>		<b>68,358</b>	<b>20.05</b>
11,221	Adyen	10,688	3.14
41,024	ASML	29,391	8.62
59,458	BE Semiconductor Industries	5,968	1.75

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
120,078	Heineken	8,297	2.43
107,282	Wolters Kluwer	14,014	4.11
<b>Norway (2.64%)</b>		<b>8,709</b>	<b>2.55</b>
412,688	Schibsted 'B'	8,709	2.55
<b>Sweden (3.02%)</b>		<b>12,324</b>	<b>3.62</b>
1,011,947	Atlas Copco 'B'	12,324	3.62
<b>Switzerland (13.38%)</b>		<b>53,757</b>	<b>15.77</b>
111,909	DSM-Firmenich	11,125	3.26
23,694	Lonza	12,305	3.61
11,380	Partners	11,922	3.50
37,504	Sika	8,850	2.60
95,265	Straumann	9,555	2.80
<b>UK Equities (2.12%)</b>		<b>6,368</b>	<b>1.87</b>
<b>Financials (2.12%)</b>		<b>6,368</b>	<b>1.87</b>
1,360,658	Allfunds	6,368	1.87
Total investment assets		339,077	99.47
Net other assets		1,819	0.53
<b>Total Net Assets</b>		<b>340,896</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2023.

# Financial Statements

## Statement of Total Return

For the year ended 31 July 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
Income:					
Net capital gains	1		15,672		9,483
Revenue	2	5,423		5,276	
Expenses	3	(3,684)		(3,661)	
Interest payable and similar charges		-		(3)	
Net revenue before taxation		1,739		1,612	
Taxation	4	(642)		(581)	
Net revenue after taxation			1,097		1,031
<b>Total return before distributions</b>			<b>16,769</b>		<b>10,514</b>
Distributions	5		(1,097)		(1,031)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>15,672</b>		<b>9,483</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2024

	2024		2023	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>368,643</b>		<b>468,332</b>
Amounts receivable on the issue of shares	33,166		8,082	
Amounts payable on the cancellation of shares	(77,651)		(169,157)	
Amounts receivable on inspecie transfers*	-		50,810	
		(44,485)		(110,265)
Dilution adjustment		34		76
Change in net assets attributable to shareholders from investment activities (see above)		15,672		9,483
Retained distribution on accumulation shares		1,034		1,017
Movement in amount receivable on inspecie transfer*		(2)		-
<b>Closing net assets attributable to shareholders</b>		<b>340,896</b>		<b>368,643</b>

\* 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 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			339,077		363,752
<b>Current assets:</b>					
Debtors	6	1,550		1,752	
Cash and bank balances	7	1,304		3,909	
			2,854		5,661
<b>Total assets</b>			<b>341,931</b>		<b>369,413</b>
<b>Liabilities:</b>					
Creditors	8	(1,034)		(765)	
Distribution payable		(1)		(5)	
			(1,035)		(770)
<b>Total liabilities</b>			<b>(1,035)</b>		<b>(770)</b>
<b>Net assets attributable to shareholders</b>			<b>340,896</b>		<b>368,643</b>

# Notes to the Financial Statements

## 1 Net Capital Gains

	2024 £'000	2023 £'000
Non-derivative securities	15,629	9,758
Other gains/(losses)	53	(265)
Transaction charges	(10)	(10)
<b>Net capital gains</b>	<b>15,672</b>	<b>9,483</b>

## 2 Revenue

	2024 £'000	2023 £'000
Bank and margin interest	24	11
Overseas dividends	5,399	5,265
<b>Total revenue</b>	<b>5,423</b>	<b>5,276</b>

## 3 Expenses

	2024 £'000	2023 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	3,362	3,341
Dealing charge	5	2
General administration charge	284	287
	3,651	3,630
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	33	31
	33	31
<b>Total expenses</b>	<b>3,684</b>	<b>3,661</b>

Irrecoverable VAT is included in the above expenses, where applicable.  
The audit fee for the year, including VAT, was £9,900 (2023: £9,120).

## 4 Taxation

	2024 £'000	2023 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	642	581
<b>Total taxation (note 4b)</b>	<b>642</b>	<b>581</b>

# Notes to the Financial Statements

## Continued

	2024 £'000	2023 £'000
<b>(b) Factors affecting total tax charge for the year</b>		
The tax assessed for the year is greater than (2023: 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:		
<b>Net revenue before taxation</b>	<b>1,739</b>	<b>1,612</b>
Corporation tax at 20% (2023: 20%)	348	322
Effects of:		
Revenue not subject to taxation	(1,080)	(1,053)
Overseas taxes	642	581
Excess allowable expenses	732	731
<b>Total tax charge for year (note 4a)</b>	<b>642</b>	<b>581</b>
Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.		
<b>(c) Factors that may affect future tax charge</b>		
At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £10,371,000 (2023: £9,639,000) 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

	2024 £'000	2023 £'000
Distribution	1,035	1,022
Add: Income deducted on cancellation of shares	68	35
Deduct: Income received on issue of shares	(6)	(26)
<b>Total distributions for the year</b>	<b>1,097</b>	<b>1,031</b>

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

## 6 Debtors

	2024 £'000	2023 £'000
Accrued revenue	104	2
Amounts receivable from the ACD for the issue of shares	-	212
Amounts receivable from merger	360	442
Overseas withholding tax recoverable	1,086	1,096
<b>Total debtors</b>	<b>1,550</b>	<b>1,752</b>



# Notes to the Financial Statements

## Continued

### 7 Liquidity

	2024 £'000	2023 £'000
<b>Cash and bank balances</b>		
Cash at bank	1,304	3,909
	<b>1,304</b>	<b>3,909</b>
abrdn Liquidity Fund (Lux) – Sterling Fund Z1 Inc*	–	5
<b>Net liquidity</b>	<b>1,304</b>	<b>3,914</b>

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

### 8 Creditors

	2024 £'000	2023 £'000
Accrued expenses payable to ACD	305	319
Accrued expenses payable to the Depositary or associates of the Depositary	4	4
Amounts payable to the ACD for cancellation of shares	725	442
<b>Total creditors</b>	<b>1,034</b>	<b>765</b>

### 9 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 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.

# Notes to the Financial Statements

## Continued

### 10 Portfolio Transaction Costs

	Purchases		Sales	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Trades in the year</b>				
Equities	62,372	19,143	100,328	178,436
Inspecie transactions	-	49,658	-	-
Corporate actions	-	-	2,460	22
<b>Trades in the year before transaction costs</b>	<b>62,372</b>	<b>68,801</b>	<b>102,788</b>	<b>178,458</b>
<b>Commissions</b>				
Equities	32	11	(36)	(49)
<b>Total commissions</b>	<b>32</b>	<b>11</b>	<b>(36)</b>	<b>(49)</b>
<b>Taxes</b>				
Equities	67	31	-	-
<b>Total taxes</b>	<b>67</b>	<b>31</b>	<b>-</b>	<b>-</b>
<b>Total transaction costs</b>	<b>99</b>	<b>42</b>	<b>(36)</b>	<b>(49)</b>
<b>Total net trades in the year after transaction costs</b>	<b>62,471</b>	<b>68,843</b>	<b>102,752</b>	<b>178,409</b>
	Purchases		Sales	
	2024 %	2023 %	2024 %	2023 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.05	0.06	0.04	0.03
<b>Taxes</b>				
Equities	0.11	0.16	-	-
			2024 %	2023 %
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Commissions			0.02	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% (2023: 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 2023	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2024
A Accumulation	63,356,618	171,022	(5,991,860)	(634,148)	56,901,632
A Income	1,154,517	162,457	(152,447)	-	1,164,527
I Accumulation	62,395,014	7,917,213	(17,927,108)	770,120	53,155,239
M Accumulation	7,109,355	91,930	(1,217,006)	(274,591)	5,709,688
Z Accumulation	1,374,350	2,572,332	(1,833,342)	-	2,113,340
ZC Accumulation	423,253	8,339	(74,033)	-	357,559

### 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).

	2024 £'000	2024 £'000	2024 £'000	2023 £'000	2023 £'000	2023 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	339,077	-	-	363,747	-	-
Collective Investment Schemes	-	-	-	-	5	-
<b>Total investment assets</b>	<b>339,077</b>	<b>-</b>	<b>-</b>	<b>363,747</b>	<b>5</b>	<b>-</b>

### 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 2024 £'000	Net foreign currency exposure 2023 £'000
<b>Currency</b>		
Danish Krone	38,763	35,674
Euro	237,795	258,928
Norwegian Krone	8,739	9,775

# Notes to the Financial Statements

## Continued

	Net foreign currency exposure 2024 £'000	Net foreign currency exposure 2023 £'000
<b>Currency</b>		
Swedish Krona	12,324	11,134
Swiss Franc	42,632	49,333
US Dollar	-	2
<b>Total</b>	<b>340,253</b>	<b>364,846</b>

At 31 July 2024, 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 £17,013,000 (2023: £18,242,000).

### 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 2024, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £16,954,000 (2023: £18,188,000).

### Financial derivatives instrument risk

The fund had no exposure to derivatives as at 31 July 2024 (2023: £Nil).

### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2024 £1,035,000 (2023: £770,000).

# Distribution Table

For the year ended 31 July 2024 (in pence per share)

## Final dividend distribution

Group 1 – shares purchased prior to 1 August 2023

Group 2 – shares purchased between 1 August 2023 and 31 July 2024

	Revenue	Equalisation	Distribution paid 31/10/24	Distribution paid 31/10/23
<b>A Accumulation</b>				
Group 1	0.1540	-	0.1540	0.2760
Group 2	0.1162	0.0378	0.1540	0.2760
<b>A Income</b>				
Group 1	0.0717	-	0.0717	0.3965
Group 2	0.0437	0.0280	0.0717	0.3965
<b>I Accumulation</b>				
Group 1	1.5008	-	1.5008	1.1424
Group 2	1.4675	0.0333	1.5008	1.1424
<b>M Accumulation</b>				
Group 1	0.7050	-	0.7050	0.9013
Group 2	0.6381	0.0669	0.7050	0.9013
<b>Z Accumulation</b>				
Group 1	4.5867	-	4.5867	4.0482
Group 2	4.3422	0.2445	4.5867	4.0482
<b>ZC Accumulation</b>				
Group 1	3.2211	-	3.2211	2.2974
Group 2	2.3805	0.8406	3.2211	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 2024

## 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 2024, the value of the abrdn European Real Estate Share Fund – Institutional Accumulation Shares increased by 13.61% compared with an increase of 18.14% in the performance target, the FTSE EPRA Nareit Europe (UK Restricted) 10% Capped Net Total Return Index +3.00%.

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

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

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

# abrdn European Real Estate Share Fund

## Continued

### Market Review

European listed real estate delivered a healthy gain of over 15% over the 12 months to July 2024 (according to the fund's benchmark). However, underlying commercial property values continued to fall, with MSCI Indices now showing a decline from the mid-2022 peak of approximately 18% for European values (MSCI PEPFI to June 2024) and 25% for UK values (MSCI UK Monthly to July 2024).

The direct market lagged due to the ongoing effect of higher interest rates, which caused a degree of illiquidity as sellers and buyers struggled to establish new clearing prices. As with previous downturns, values in the UK fell faster but have stabilised in recent months, suggesting that the UK market may return to growth ahead of Europe. The listed market fell more sharply, initially in 2022 and into early 2023 before it began to rebound during the period. The listed market performed particularly well in October and November 2023, when markets started to gain greater confidence that inflation levels were coming under control.

Interest rates peaked and began to fall during the period. The European Central Bank (ECB) initially raised by 25 basis points (bps) to 4.00% in September 2023 before cutting back to 3.75% in June 2024. The Swiss National Bank cut its policy rate twice to just 1.25% and the Swedish Central Bank similarly to 3.50% (having hiked to a high of 4.00% early in the year). The Bank of England (BoE) also raised by 25 bps to 5.25% in August 2023 before cutting back to 5.00% in August 2024, just after the end of the period. These cuts were made possible by evidence of slowing inflation, with the latest consumer price index for July at 2.6% in the eurozone and 2.2% in the UK.

Company results showed steady or improving fundamentals for almost all names, illustrating the rental growth benefits for those that enjoyed good supply-demand or favourable lease-indexation terms. However, net asset values (NAVs) were typically down, with improved rental growth momentum more than offset by the need for higher yields demanded by buyers of real estate. The stronger performers included self-storage specialists such as Shurgard and Safestore, and selective logistics specialists such as Catena and CTP NV, which were helped by healthy development gains. Values for standing logistics assets typically slid. Similarly, values in the large German residential market also fell, which resulted in several players having to dispose of assets to control increased financial leverage. The laggards were typically in the office market. Office rental growth remained modest, particularly in the UK, where indexation to inflation is less prevalent and yields expanded sharply to compensate investors for perceived vacancy and obsolescence risk.

In corporate activity, several stocks raised equity, with some raising to pay down debt, but most to fund acquisitions and development expenditure at improved terms. Logistics specialists SEGRO, Argan and Catena and student landlord Unite Group raised to fund expansion. Student landlord Xior and healthcare landlord Cofinimmo also raised but more to reduce indebtedness than fund expansion. Self-storage specialists Big Yellow and Shurgard both raised to fund further expansion at attractive incremental returns. Towards the end of the period, Spanish diversified landlord Merlin Properties raised a large amount of over €900 million to fund its expansion into the fast-growing data centres segment.

There was limited initial public offering activity, with an attempt by Special Opportunities REIT in the UK floundering as investors declined to support a raise for a new venture at NAV when established REITs were commonly trading at a discount. Instead, equity raised was largely the preserve of well-established existing corporates, often with lucrative acquisition or development opportunities. There was, however, a flurry of mergers and acquisition activity. In the UK, LondonMetric and LXi REIT combined to create a new FTSE-100-sized diversified long-income REIT. Logistics-focused Tritax Big Box and UK Commercial also merged. Overseas, Shurgard Self-Storage moved quickly to deploy its equity raise, with the acquisition of Top Box in Germany and smaller listed peer Lok'nStore in the UK.

In the debt markets, issuance remained muted. Debt raises by Vonovia, SEGRO and Unite Group at acceptable margins were a welcome sign of financial conditions easing.

### Portfolio Activity and Review

The fund's performance lagged the rise in its performance target (which is the fund's benchmark plus 3.00%).

There were several sources of positive performance. Our use of the fund's ability to invest in real estate adjacencies, such as housebuilding and property services, was net positive, with strong performances by agency business Savills and housebuilders Instone and Bellway, as investors looked ahead to anticipated cyclical upturns. These gains more than offset the weakness of mobile tower landlord Cellnex and agency business Patrizia.

Although the UK market as a whole lagged in the period, our overweights included exposure to several winning stocks. This included our overweight to logistics, with a strong performance by UK companies SEGRO and Sirius Real Estate, as well as CTP NV and Catena on the continent. The industrial and logistics sector was hit hard early in this cycle and looks set to be the first to recover.

# abrdn European Real Estate Share Fund

## Continued

Our continued caution on offices also aided, with rents and occupancy continuing to lag other sectors.

Less positively, the fund struggled to keep up with a broadly risk-on environment over the period. In particular, our caution towards the typically highly financially levered Swedish property stocks, such as Wihlborgs, Nyfosa and Balder, hindered our relative performance as they rallied in anticipation of easing financial pressure as interest rates were cut. Our long-held caution on retail also hindered, with non-held company Unibail-Rodamco-Westfield outperforming due to better footfall and turnover data from its centres combined with a depressed valuation at the start of the period. Lastly, we have a large overweight to self-storage, which is a sector that has reaped significant gains for the fund historically and where we remain very positive on the medium-term outlook. Near-term, however, the sector suffered due to subdued trading data in the UK by Safestore and share price weakness at the end of the period by Shurgard in anticipation from investors of a potential equity raise post its acquisition of Lok'nStore.

In portfolio activity, key changes for existing holdings included supporting equity raises by Sirius Real Estate, primarily to fund the acquisition of high-yielding assets in the UK; Unite Group, to fund the development of further student buildings at attractive returns; and Merlin Properties, to fund its expansion into the fast-growing data centre market. We also built the position in high-yielding and defensively positioned GP landlord Assura and took significant profits from strong performing logistics holdings Catena and CTP NV.

We also made several name changes. We exited the position in central European office owner and developer CA Immobilien after share price strength and changes by its new majority owner Starwood left us less excited by the outlook. We exited German housebuilder Instone after a partial recovery in its share price and used the proceeds to fund the introduction of the newly enlarged long-income REIT LondonMetric Property. We also exited the position in the property portal Scout24 to open a position in Swedish leader Hemnet and exited the position in the Swiss airport Flughafen Zurich for the better-positioned Spanish airport owner Aena.

Fund positioning reflects similar sector and geographic preferences to the start of the period. By sector, we remain very underweight to the office and retail markets, where we see the medium-term outlook as underwhelming, and overweight to the logistics, healthcare, student, mobile towers and self-storage sectors. 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 to Germany, but this disguises an underweight to the large residential market and overweight via other positions.

## Portfolio Outlook and Strategy

Inflation is moderating both at home and globally and we have now seen the first rate cuts by central banks including the BoE, ECB and Swiss National Bank. The abrdn forecast is for further cuts this year. Given the scale of value declines so far and the backdrop of positive rental momentum for most segments of the market, we anticipate that we are now at or close to the trough of the cycle for direct commercial property values with growth to resume later this year. Nonetheless, the listed sector continues to trade at a discount to net asset value.

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.

## DM Income & Real Assets Equity Team

August 2024



# 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 2024.

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

- Equity Risk – 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.
- Concentration Risk – A concentrated portfolio (whether by number of holdings, geographic location or sector) may be more volatile and less liquid than a diversified one.
- Real Estate Investment Trust (REIT) Risk – Dividend payment policies of the REITs in which the fund invests are not representative of the dividend payment policy of the fund.
- Derivatives Risk – The use of derivatives may involve additional liquidity, credit and counterparty risks. In some cases the risk of loss from derivatives may be increased where a small change in the value of the underlying investment may have a larger impact on the value of the derivative.

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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	205.20	242.54	293.26
Return before operating charges*	26.39	(34.65)	(47.15)
Operating charges	(2.82)	(2.69)	(3.57)
Return after operating charges*	23.57	(37.34)	(50.72)
Distributions	(5.72)	(6.21)	(7.11)
Retained distributions on accumulation shares	5.72	6.21	7.11
Closing net asset value per share	228.77	205.20	242.54
* after direct transaction costs of:	0.07	0.07	0.16
<b>Performance</b>			
Return after charges	11.49%	(15.40%)	(17.30%)
<b>Other information</b>			
Closing net asset value (£'000)	2,120	2,531	3,861
Closing number of shares	926,640	1,233,318	1,591,771
Operating charges	1.31%	1.31%	1.30%
Direct transaction costs	0.03%	0.03%	0.05%
<b>Prices</b>			
Highest share price	238.3	249.8	307.8
Lowest share price	182.2	175.4	217.2

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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	107.89	131.39	163.45
Return before operating charges*	13.99	(18.70)	(26.12)
Operating charges	(1.48)	(1.45)	(2.00)
Return after operating charges*	12.51	(20.15)	(28.12)
Distributions	(2.99)	(3.35)	(3.94)
Closing net asset value per share	117.41	107.89	131.39
* after direct transaction costs of:	0.04	0.04	0.09
<b>Performance</b>			
Return after charges	11.60%	(15.34%)	(17.20%)
<b>Other information</b>			
Closing net asset value (£'000)	113	143	249
Closing number of shares	96,284	132,621	189,195
Operating charges	1.31%	1.31%	1.30%
Direct transaction costs	0.03%	0.03%	0.05%
<b>Prices</b>			
Highest share price	124.5	135.3	171.6
Lowest share price	95.84	95.03	120.3

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

I Accumulation	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	165.55	194.93	234.74
Return before operating charges*	21.09	(27.96)	(37.94)
Operating charges	(1.50)	(1.42)	(1.87)
Return after operating charges*	19.59	(29.38)	(39.81)
Distributions	(4.62)	(5.00)	(5.70)
Retained distributions on accumulation shares	4.62	5.00	5.70
Closing net asset value per share	185.14	165.55	194.93
* after direct transaction costs of:	0.06	0.06	0.13
<b>Performance</b>			
Return after charges	11.83%	(15.07%)	(16.96%)
<b>Other information</b>			
Closing net asset value (£'000)	22,179	26,973	44,271
Closing number of shares	11,979,581	16,293,441	22,711,257
Operating charges	0.86%	0.86%	0.85%
Direct transaction costs	0.03%	0.03%	0.05%
<b>Prices</b>			
Highest share price	192.7	200.8	246.5
Lowest share price	147.1	141.1	174.5

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

I Income	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	97.36	118.14	146.46
Return before operating charges*	12.41	(16.91)	(23.63)
Operating charges	(0.88)	(0.86)	(1.15)
Return after operating charges*	11.53	(17.77)	(24.78)
Distributions	(2.70)	(3.01)	(3.54)
Closing net asset value per share	106.19	97.36	118.14
* after direct transaction costs of:	0.03	0.03	0.08
<b>Performance</b>			
Return after charges	11.84%	(15.04%)	(16.92%)
<b>Other information</b>			
Closing net asset value (£'000)	4,077	4,673	9,989
Closing number of shares	3,838,911	4,799,479	8,454,830
Operating charges	0.86%	0.86%	0.85%
Direct transaction costs	0.03%	0.03%	0.05%
<b>Prices</b>			
Highest share price	112.5	121.7	153.8
Lowest share price	86.51	85.52	108.2

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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	99.41	117.05	140.99
Return before operating charges*	12.68	(16.74)	(22.75)
Operating charges	(0.95)	(0.90)	(1.19)
Return after operating charges*	11.73	(17.64)	(23.94)
Distributions	(2.78)	(3.01)	(3.42)
Retained distributions on accumulation shares	2.78	3.01	3.42
Closing net asset value per share	111.14	99.41	117.05
* after direct transaction costs of:	0.03	0.03	0.08
<b>Performance</b>			
Return after charges	11.80%	(15.07%)	(16.98%)
<b>Other information</b>			
Closing net asset value (£'000)	16	15	17
Closing number of shares	14,927	14,977	15,024
Operating charges	0.91%	0.91%	0.90%
Direct transaction costs	0.03%	0.03%	0.05%
<b>Prices</b>			
Highest share price	115.7	120.6	148.1
Lowest share price	88.29	84.74	104.8

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 <sup>A</sup>	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	105.45	130.73
Return before operating charges*	(9.31)	(21.01)
Operating charges	(0.38)	(1.10)
Return after operating charges*	(9.69)	(22.11)
Distributions	-	(3.17)
Redemption value as at 17 January 2023	(95.76)	-
Closing net asset value per share	-	105.45
* after direct transaction costs of:	0.03	0.07
<b>Performance</b>		
Return after charges	(9.19%)	(16.91%)
<b>Other information</b>		
Closing net asset value (£'000)	-	1
Closing number of shares	-	888
Operating charges	0.90%	0.90%
Direct transaction costs	0.03%	0.05%
<b>Prices</b>		
Highest share price	108.6	137.3
Lowest share price	76.33	96.58

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.

<sup>A</sup>M Income share class was closed on 17 January 2023.

# Comparative Tables

## Continued

Z Accumulation	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	252.34	295.30	353.46
Return before operating charges*	31.64	(42.69)	(57.84)
Operating charges	(0.30)	(0.27)	(0.32)
Return after operating charges*	31.34	(42.96)	(58.16)
Distributions	(7.07)	(7.60)	(8.62)
Retained distributions on accumulation shares	7.07	7.60	8.62
Closing net asset value per share	283.68	252.34	295.30
* after direct transaction costs of:	0.09	0.08	0.19
<b>Performance</b>			
Return after charges	12.42%	(14.55%)	(16.45%)
<b>Other information</b>			
Closing net asset value (£'000)	21,844	25,756	33,836
Closing number of shares	7,700,339	10,206,649	11,458,107
Operating charges	0.11%	0.11%	0.10%
Direct transaction costs	0.03%	0.03%	0.05%
<b>Prices</b>			
Highest share price	294.9	304.4	371.4
Lowest share price	224.4	214.1	264.4

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 2024

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (98.86%)</b>		<b>49,866</b>	<b>99.04</b>
<b>European Equities (71.82%)</b>		<b>34,646</b>	<b>68.81</b>
<b>Austria (1.87%)</b>		-	-
<b>Belgium (13.12%)</b>		<b>6,176</b>	<b>12.27</b>
24,000	Aedifica REIT	1,189	2.36
98,000	Shurgard Self Storage REIT	2,976	5.91
95,166	Warehouses De Pauw REIT	2,011	4.00
<b>Finland (1.95%)</b>		<b>929</b>	<b>1.85</b>
120,000	Kojamo	929	1.85
<b>France (3.18%)</b>		<b>1,313</b>	<b>2.61</b>
17,000	Gecina REIT	1,313	2.61
<b>Germany (22.71%)</b>		<b>11,467</b>	<b>22.77</b>
29,903	LEG Immobilien	2,046	4.06
81,000	PATRIZIA	498	0.99
3,676,000	Sirius Real Estate	3,461	6.87
171,000	TAG Immobilien	2,017	4.01
143,657	Vonovia	3,445	6.84
<b>Netherlands (5.02%)</b>		<b>2,130</b>	<b>4.23</b>
156,628	CTP	2,130	4.23
<b>Spain (8.28%)</b>		<b>5,251</b>	<b>10.43</b>
5,600	Aena	826	1.64
55,000	Cellnex Telecom	1,491	2.96
190,500	Inmobiliaria Colonial REIT	861	1.71
233,000	Merlin Properties REIT	2,073	4.12

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Sweden (9.82%)</b>		<b>5,978</b>	<b>11.87</b>
147,000	Castellum	1,434	2.85
62,000	Catena	2,459	4.87
133,000	Fabege	869	1.73
42,000	Hemnet	1,216	2.42
<b>Switzerland (5.87%)</b>		<b>1,402</b>	<b>2.78</b>
13,500	PSP Swiss Property	1,402	2.78
<b>UK Equities (27.04%)</b>		<b>15,220</b>	<b>30.23</b>
<b>Consumer Discretionary (2.06%)</b>		<b>1,002</b>	<b>1.99</b>
35,000	Bellway	1,002	1.99
<b>Real Estate (24.98%)</b>		<b>14,218</b>	<b>28.24</b>
4,867,000	Assura REIT	1,980	3.93
587,950	LondonMetric Property REIT	1,183	2.35
184,000	Rightmove	1,060	2.10
259,000	Safestore REIT	2,088	4.15
122,000	Savills	1,554	3.09
410,000	Segro REIT	3,754	7.46
272,900	Unite REIT	2,599	5.16
<b>Collective Investment Schemes (0.01%)</b>		<b>-</b>	<b>-</b>
Total investment assets		49,866	99.04
Net other assets		483	0.96
<b>Total Net Assets</b>		<b>50,349</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2023.

# Financial Statements

## Statement of Total Return

For the year ended 31 July 2024

	Notes	2024		2023	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains/(losses)	1		5,125		(15,694)
Revenue	2	1,717		2,270	
Expenses	3	(301)		(388)	
Interest payable and similar charges		-		(1)	
Net revenue before taxation		1,416		1,881	
Taxation	4	(205)		(186)	
Net revenue after taxation			1,211		1,695
<b>Total return before distributions</b>			<b>6,336</b>		<b>(13,999)</b>
Distributions	5		(1,420)		(2,007)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>4,916</b>		<b>(16,006)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2024

	2024		2023	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>60,091</b>		<b>92,224</b>
Amounts receivable on the issue of shares	3,430		4,351	
Amounts payable on the cancellation of shares	(19,316)		(22,218)	
		(15,886)		(17,867)
Change in net assets attributable to shareholders from investment activities (see above)		4,916		(16,006)
Retained distribution on accumulation shares		1,228		1,740
<b>Closing net assets attributable to shareholders</b>		<b>50,349</b>		<b>60,091</b>

# Financial Statements

## Continued

### Balance Sheet

As at 31 July 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			49,866		59,413
<b>Current assets:</b>					
Debtors	6	300		702	
Cash and bank balances	7	301		245	
			601		947
<b>Total assets</b>			<b>50,467</b>		<b>60,360</b>
<b>Liabilities:</b>					
Creditors	8	(44)		(161)	
Distribution payable		(74)		(108)	
			(118)		(269)
<b>Total liabilities</b>			<b>(118)</b>		<b>(269)</b>
<b>Net assets attributable to shareholders</b>			<b>50,349</b>		<b>60,091</b>

# Notes to the Financial Statements

## 1 Net Capital Gains/(Losses)

	2024 £'000	2023 £'000
Non-derivative securities	5,143	(15,675)
Other losses	(6)	(6)
Transaction charges	(12)	(13)
<b>Net capital gains/(losses)</b>	<b>5,125</b>	<b>(15,694)</b>

## 2 Revenue

	2024 £'000	2023 £'000
Bank and margin interest	15	15
Overseas dividends	793	1,246
Stocklending revenue	1	-
UK dividends	484	666
UK REIT	424	343
<b>Total revenue</b>	<b>1,717</b>	<b>2,270</b>

## 3 Expenses

	2024 £'000	2023 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	251	327
General administration charge	45	55
	296	382
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	5	6
	5	6
<b>Total expenses</b>	<b>301</b>	<b>388</b>

Irrecoverable VAT is included in the above expenses, where applicable.  
The audit fee for the year, including VAT, was £9,900 (2023: £9,120).

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2024 £'000	2023 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	205	186
<b>Total taxation (note 4b)</b>	<b>205</b>	<b>186</b>

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

The tax assessed for the year is less than (2023: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

<b>Net revenue before taxation</b>	<b>1,416</b>	<b>1,881</b>
Corporation tax at 20% (2023: 20%)	283	376
Effects of:		
Revenue not subject to taxation	(255)	(382)
Overseas taxes	205	186
Excess allowable expenses	(28)	6
<b>Total tax charge for year (note 4a)</b>	<b>205</b>	<b>186</b>

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

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

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £96,000 (2023: £124,000) 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)

	2024 £'000	2023 £'000
Interim distribution	461	572
Final distribution	876	1,323
	1,337	1,895
Add: Income deducted on cancellation of shares	109	133
Deduct: Income received on issue of shares	(26)	(21)
<b>Total distributions for the year</b>	<b>1,420</b>	<b>2,007</b>

# Notes to the Financial Statements

## Continued

	2024 £'000	2023 £'000
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	1,211	1,695
Expenses charged to capital	296	382
Tax relief on expenses charged to capital	(87)	(70)
<b>Total distributions for the year</b>	<b>1,420</b>	<b>2,007</b>

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

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

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

## 6 Debtors

	2024 £'000	2023 £'000
Accrued revenue	28	173
Amounts receivable from the ACD for the issue of shares	118	21
Overseas withholding tax recoverable	142	256
Sales awaiting settlement	-	252
United Kingdom income tax recoverable	12	-
<b>Total debtors</b>	<b>300</b>	<b>702</b>

## 7 Liquidity

	2024 £'000	2023 £'000
<b>Cash and bank balances</b>		
Cash at bank	301	245
	<b>301</b>	<b>245</b>
abrdn Liquidity Fund (Lux) – Sterling Fund Z1 Inc*	-	5
<b>Net liquidity</b>	<b>301</b>	<b>250</b>

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

# Notes to the Financial Statements

## Continued

### 8 Creditors

	2024 £'000	2023 £'000
Accrued expenses payable to ACD	23	26
Accrued expenses payable to the Depositary or associates of the Depositary	2	2
Amounts payable to the ACD for cancellation of shares	19	133
<b>Total creditors</b>	<b>44</b>	<b>161</b>

### 9 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 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	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Trades in the year</b>				
Equities	5,015	4,175	19,586	21,284
Corporate actions	-	579	132	189
<b>Trades in the year before transaction costs</b>	<b>5,015</b>	<b>4,754</b>	<b>19,718</b>	<b>21,473</b>
<b>Commissions</b>				
Equities	2	2	(7)	(11)
<b>Total commissions</b>	<b>2</b>	<b>2</b>	<b>(7)</b>	<b>(11)</b>
<b>Taxes</b>				
Equities	8	10	-	-
<b>Total taxes</b>	<b>8</b>	<b>10</b>	<b>-</b>	<b>-</b>
<b>Total transaction costs</b>	<b>10</b>	<b>12</b>	<b>(7)</b>	<b>(11)</b>
<b>Total net trades in the year after transaction costs</b>	<b>5,025</b>	<b>4,766</b>	<b>19,711</b>	<b>21,462</b>



# Notes to the Financial Statements

## Continued

	Purchases		Sales	
	2024 %	2023 %	2024 %	2023 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.05	0.05	0.04	0.05
<b>Taxes</b>				
Equities	0.17	0.24	-	-
			2024 %	2023 %
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Commissions			0.02	0.02
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 0.17% (2023: 0.17%), this is representative of the average spread on the assets held during the year.

## 11 Shares in Issue Reconciliation

	Opening shares 2023	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2024
A Accumulation	1,233,318	18,685	(151,637)	(173,726)	926,640
A Income	132,621	12,737	(6,903)	(42,171)	96,284
I Accumulation	16,293,441	1,435,090	(5,963,836)	214,886	11,979,581
I Income	4,799,479	200,972	(1,208,183)	46,643	3,838,911
M Accumulation	14,977	-	(50)	-	14,927
Z Accumulation	10,206,649	276,213	(2,782,523)	-	7,700,339

## 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

	2024 £'000	2024 £'000	2024 £'000	2023 £'000	2023 £'000	2023 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	49,866	-	-	59,408	-	-
Collective Investment Schemes	-	-	-	-	5	-
<b>Total investment assets</b>	<b>49,866</b>	<b>-</b>	<b>-</b>	<b>59,408</b>	<b>5</b>	<b>-</b>

## 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 2024 £'000	Net foreign currency exposure 2023 £'000
<b>Currency</b>		
Euro	23,947	30,624
Swedish Krona	5,978	6,025
Swiss Franc	1,402	3,528
<b>Total</b>	<b>31,327</b>	<b>40,177</b>

At 31 July 2024, 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 £1,566,000 (2023: £2,009,000).

### 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 2024, 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 £2,493,000 (2023: £2,971,000).

# Notes to the Financial Statements

## Continued

### **Financial derivatives instrument risk**

The fund had no exposure to derivatives as at 31 July 2024 (2023: £Nil).

### **Bilateral agreements**

The fund receives 85% of the revenue returns from stock lending. The gross earnings for the year are £1,600 (2023: £Nil) and expenses paid to the lending agent, Citibank, are £200 (2023: £Nil).

### **Liquidity risk**

All of the fund's financial liabilities are payable on demand or in less than one year, 2024 £118,000 (2023: £269,000).

# Distribution Tables

For the year ended 31 July 2024 (in pence per share)

## Interim dividend distribution

Group 1 – shares purchased prior to 1 August 2023

Group 2 – shares purchased between 1 August 2023 and 31 January 2024

	Revenue	Equalisation	Distribution paid 30/04/24	Distribution paid 28/04/23
<b>A Accumulation</b>				
Group 1	1.7360	-	1.7360	1.6891
Group 2	0.8501	0.8859	1.7360	1.6891
<b>A Income</b>				
Group 1	0.9128	-	0.9128	0.9150
Group 2	0.0281	0.8847	0.9128	0.9150
<b>I Accumulation</b>				
Group 1	1.4015	-	1.4015	1.3590
Group 2	0.6381	0.7634	1.4015	1.3590
<b>I Income</b>				
Group 1	0.8244	-	0.8244	0.8237
Group 2	0.3181	0.5063	0.8244	0.8237
<b>M Accumulation</b>				
Group 1	0.8430	-	0.8430	0.8186
Group 2	0.8430	-	0.8430	0.8186
<b>Z Accumulation</b>				
Group 1	2.1386	-	2.1386	2.0626
Group 2	0.3959	1.7427	2.1386	2.0626

# Distribution Tables

For the year ended 31 July 2024 (in pence per share) continued

## Final dividend distribution

Group 1 – shares purchased prior to 1 February 2024

Group 2 – shares purchased between 1 February 2024 and 31 July 2024

	Revenue	Equalisation	Distribution paid 31/10/24	Distribution paid 31/10/23
<b>A Accumulation</b>				
Group 1	3.9801	-	3.9801	4.5196
Group 2	2.1331	1.8470	3.9801	4.5196
<b>A Income</b>				
Group 1	2.0784	-	2.0784	2.4300
Group 2	0.6617	1.4167	2.0784	2.4300
<b>I Accumulation</b>				
Group 1	3.2188	-	3.2188	3.6421
Group 2	1.3689	1.8499	3.2188	3.6421
<b>I Income</b>				
Group 1	1.8786	-	1.8786	2.1902
Group 2	0.9998	0.8788	1.8786	2.1902
<b>M Accumulation</b>				
Group 1	1.9350	-	1.9350	2.1891
Group 2	1.9350	-	1.9350	2.1891
<b>Z Accumulation</b>				
Group 1	4.9272	-	4.9272	5.5420
Group 2	2.6507	2.2765	4.9272	5.5420

## 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 2024

## 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 2024, the value of abrdn European Smaller Companies Fund – Institutional Accumulation Shares increased by 12.48% compared with a return of 11.10% for its performance comparator, the FTSE Small Cap Developed Europe Index (from 31 July 2023, and prior to that, the EMIX Smaller Europe Index).

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

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

# abrdn European Smaller Companies Fund

## Continued

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

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

### Market Review

European equities performed well over the review period as inflation, although stubbornly above 2%, showed signs of stabilising. This triggered hopes that central banks would start to reduce interest rates.

Markets made solid progress in the second half of 2023 despite ongoing economic concerns. Share prices were lifted by investor optimism that the global economy could achieve a 'soft landing'. However, the conflict in the Middle East which started in October led to increases in commodity prices while lacklustre economic data from China and concerns about the country's real estate and financial sectors proved problematic. The prospect of looser monetary policy in 2024 as well as advances in artificial intelligence (AI) boosted shares prices across the technology sector, while gains in European markets were also supported by strength in financial stocks as a result of rising rates.

2024 began with investors continuing to focus on the AI theme, which prompted share-price spikes among US technology giants. Consequently, we saw buoyancy across the broader semiconductor and software market. European stocks then lost some momentum as persistent inflation took some shine off the rally, as did uneven economic newsflow across the region. Furthermore, snap elections in France prompted sharp declines in local stock prices amid concerns that a victory for the far-right could lead to looser fiscal policies.

Share prices managed to nudge higher as the period ended despite a mixed bag of quarterly earnings, ongoing concerns about the global economy's health, and political developments in France. The European Central Bank (ECB) also asserted that the fight against inflation was ongoing.

Regarding economic newsflow, June saw the ECB trim interest rates for the first time since 2019. It was also the first of the three major Western central banks to pivot to a rate-cutting cycle. Annual inflation for the eurozone registered at 2.6% year on year in July, slightly higher than the 2.5% reported in June. Meanwhile euro-area GDP growth for the second quarter of 2024 came in at 0.6% compared with the same period in 2023.

Small and mid-cap stocks in the UK advanced over the 12 months due to faster-than-expected falls in inflation and hopes the Bank of England (BoE) would start to cut interest rates in 2024. Gains were also supported by an increased level of takeover activity during the period.

### Portfolio Activity and Review

The fund outperformed its benchmark over the review period. Sweden-listed industrial value-add distributor, Addtech, was the top contributor over the period. The company announced a solid set of results that highlighted continued robust margin performance and indicated the strength of the decentralised operating structure. In the same sector, value-add distribution group Diploma performed well following a positive set of results that highlighted strong trading conditions as well as a full acquisition pipeline. Elsewhere, shares in UK-listed private markets business Intermediate Capital advanced after a trading update highlighted better-than-expected fundraising by the company and improving conditions for deployment. In addition, the margins within the business continued to improve given the relatively fixed costs of the business. Swedish quoted serial compounder Lagercrantz also performed well over the period. The company's decentralised management structure allows local management teams to react quickly and effectively to changes in market conditions, which resulted in continued good growth and margin performance. The steady stream of bolt on acquisitions also resulted in a good overall growth profile.

Conversely, the holding in Interparfums weighed on returns in the wake of negative news from the wider luxury goods sector, while Komax stock declined following a broker downgrade. However, we believe the latter business has strong long-term growth prospects based on the continued automation of the wire manufacturing process in the automotive sector. UK-listed brand management business, Yougov, was another detractor. Its shares weakened after a disappointing update that highlighted that turnover and profit would be below expectations following a slowing in growth in its product business. Lastly, the holding in Italian industrial business Interpump detracted over the period as certain end markets went through a period weaker demand. We believe this is temporary and we remain positive on the ability of the business to return to organic growth with the potential for further acquisitions.

In terms of activity, we started a position in French logistics business, ID logistics. The company, which is founder managed, has a strong long-term track record of growth as clients increasing outsource warehouse management to third party specialists such as ID. The company is

# abrdn European Smaller Companies Fund

## Continued

increasingly growing outside France with the US providing an exciting growth opportunity. We also started a holding in UK quoted pension service provider, XPS Pensions group. The business continued to benefit from increased regulation of the pensions industry and increasing demand from clients for technical advice. Another addition was Irish quoted housebuilder, Cairn homes. The business has a strong landbank with an increasing supply and demand imbalance in the greater Dublin market providing a strong backdrop for volume and pricing growth.

Finally, we exited positions in Addlife, Brembo Spa, Burckhardt Compression, Close Brothers Group, New Work, Oxford Instruments and Victrex, and we sold out of Dechra Pharmaceuticals following its acceptance of a takeover offer.

### Portfolio Outlook and Strategy

The outlook for European equities is particularly positive due to attractive valuations, most acutely relative to the US, and low levels of exposure among global investors. With the ECB now confirmed to be the first major central bank to relax monetary policy, interest-rate differentials are widening, and European growth is improving while the global economy cools: a stable economic backdrop alongside lower discount rates is a favourable combination for high-quality companies based in Europe following several years of style headwinds. Dispersion is rising across markets and within sectors, therefore a selective approach at the company level is increasingly important, and earnings delivery is key. Meanwhile, volatility is set to remain a feature of markets given elevated geopolitical risk and data-dependent central banks, and this is likely to provide opportunities for active investors. If inflation proves to be more persistent, then companies with true pricing power will be best placed to deliver sustained margin expansion. Sustainability is also coming back into focus as one of the most compelling enablers of long-term growth for economies and companies.

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.

### DM Smaller Companies Equity Team

August 2024



# 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 2024.

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.
- Derivatives Risk – The use of derivatives may involve additional liquidity, credit and counterparty risks. In some cases the risk of loss from derivatives may be increased where a small change in the value of the underlying investment may have a larger impact on the value of the derivative.

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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	2,238.50	2,137.11	2,625.85
Return before operating charges*	298.99	129.14	(457.20)
Operating charges	(29.70)	(27.75)	(31.54)
Return after operating charges*	269.29	101.39	(488.74)
Distributions	(20.06)	(15.98)	(8.21)
Retained distributions on accumulation shares	20.06	15.98	8.21
Closing net asset value per share	2,507.79	2,238.50	2,137.11
* after direct transaction costs of:	0.90	0.88	2.09
<b>Performance</b>			
Return after charges	12.03%	4.74%	(18.61%)
<b>Other information</b>			
Closing net asset value (£'000)	31,449	31,715	36,364
Closing number of shares	1,254,047	1,416,795	1,701,572
Operating charges	1.30%	1.30%	1.30%
Direct transaction costs	0.04%	0.04%	0.09%
<b>Prices</b>			
Highest share price	2,527	2,335	2,839
Lowest share price	1,958	1,780	1,902

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

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

Operating charges are expenses associated with the maintenance and administration of the fund on 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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	281.32	267.37	327.04
Return before operating charges*	37.71	16.24	(57.10)
Operating charges	(2.45)	(2.29)	(2.57)
Return after operating charges*	35.26	13.95	(59.67)
Distributions	(3.84)	(3.25)	(2.44)
Retained distributions on accumulation shares	3.84	3.25	2.44
Closing net asset value per share	316.58	281.32	267.37
* after direct transaction costs of:	0.11	0.11	0.26
<b>Performance</b>			
Return after charges	12.53%	5.22%	(18.25%)
<b>Other information</b>			
Closing net asset value (£'000)	49,123	48,137	48,207
Closing number of shares	15,516,780	17,111,097	18,030,045
Operating charges	0.85%	0.85%	0.85%
Direct transaction costs	0.04%	0.04%	0.09%
<b>Prices</b>			
Highest share price	318.7	292.8	354.0
Lowest share price	246.3	222.9	237.9

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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	222.42	211.23	258.18
Return before operating charges*	29.83	12.84	(45.10)
Operating charges	(1.76)	(1.65)	(1.85)
Return after operating charges*	28.07	11.19	(46.95)
Distributions	(3.21)	(2.73)	(2.08)
Retained distributions on accumulation shares	3.21	2.73	2.08
Closing net asset value per share	250.49	222.42	211.23
* after direct transaction costs of:	0.09	0.09	0.21
<b>Performance</b>			
Return after charges	12.62%	5.30%	(18.18%)
<b>Other information</b>			
Closing net asset value (£'000)	175	238	242
Closing number of shares	69,832	107,232	114,331
Operating charges	0.78%	0.78%	0.78%
Direct transaction costs	0.04%	0.04%	0.09%
<b>Prices</b>			
Highest share price	252.2	231.4	279.6
Lowest share price	194.8	176.1	187.9

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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	153.14	145.62	178.21
Return before operating charges*	20.51	8.84	(31.11)
Operating charges	(1.40)	(1.32)	(1.48)
Return after operating charges*	19.11	7.52	(32.59)
Distributions	(2.01)	(1.70)	(1.25)
Retained distributions on accumulation shares	2.01	1.70	1.25
Closing net asset value per share	172.25	153.14	145.62
* after direct transaction costs of:	0.06	0.06	0.14
<b>Performance</b>			
Return after charges	12.48%	5.16%	(18.29%)
<b>Other information</b>			
Closing net asset value (£'000)	169	207	194
Closing number of shares	97,736	135,101	133,493
Operating charges	0.90%	0.90%	0.90%
Direct transaction costs	0.04%	0.04%	0.09%
<b>Prices</b>			
Highest share price	173.4	159.4	192.9
Lowest share price	134.1	121.4	129.6

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 2024

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (97.12%)</b>		<b>80,171</b>	<b>99.08</b>
<b>European Equities (72.96%)</b>		<b>63,513</b>	<b>78.49</b>
<b>Austria (3.85%)</b>		<b>3,789</b>	<b>4.68</b>
28,945	DO & CO	3,789	4.68
<b>Belgium (0.58%)</b>		<b>935</b>	<b>1.16</b>
58,378	Fagron	935	1.16
<b>Finland (0.85%)</b>		<b>614</b>	<b>0.76</b>
43,616	Kesko 'B'	614	0.76
<b>France (7.84%)</b>		<b>7,316</b>	<b>9.04</b>
30,328	Gaztransport Et Technigaz	3,485	4.31
2,451	ID Logistics	922	1.14
73,387	Interparfums	2,909	3.59
<b>Germany (12.63%)</b>		<b>12,100</b>	<b>14.95</b>
9,336	Amadeus Fire	748	0.92
45,492	CTS Eventim	3,141	3.88
21,270	Dermapharm	632	0.78
57,554	Jungheinrich (Preference)	1,429	1.77
33,681	Nemetschek	2,503	3.09
97,491	PATRIZIA	599	0.74
4,472	Rational	3,048	3.77
<b>Ireland (0.93%)</b>		<b>1,848</b>	<b>2.28</b>
590,283	Cairn Homes	940	1.16
84,102	Grafton	908	1.12

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Italy (17.22%)		12,960	16.02
29,894	Amplifon	737	0.91
115,617	Azimut	2,253	2.79
98,200	Brembo	858	1.06
41,390	Brunello Cucinelli	3,011	3.72
154,672	FinecoBank	2,046	2.53
57,797	Intercos	803	0.99
42,648	Interpump	1,439	1.78
16,416	Reply	1,813	2.24
Netherlands (0.93%)		1,343	1.66
34,379	ASR Nederland	1,343	1.66
Norway (1.67%)		1,391	1.72
104,458	Borregaard	1,391	1.72
Spain (3.53%)		3,138	3.88
82,207	CIE Automotive	1,870	2.31
15,694	Vidrala	1,268	1.57
Sweden (11.25%)		10,730	13.26
176,116	AddTech 'B'	4,419	5.46
261,216	Lagercrantz 'B'	3,440	4.25
89,666	Thule	1,934	2.39
52,973	Troax	937	1.16
Switzerland (11.68%)		7,349	9.08
12,978	Bachem	907	1.12
658	Interroll	1,653	2.04
4,209	Komax	498	0.62

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
8,088	Tecan	2,341	2.89
18,586	VZ	1,950	2.41
<b>North American Equities (0.00%)</b>		-	-
<b>United States (0.00%)</b>		-	-
3,184,500	Ashurst Technology <sup>4</sup>	-	-
<b>UK Equities (24.16%)</b>		<b>16,658</b>	<b>20.59</b>
<b>Basic Materials (3.26%)</b>		<b>2,325</b>	<b>2.87</b>
101,322	Hill & Smith	2,325	2.87
<b>Consumer Discretionary (3.51%)</b>		<b>2,116</b>	<b>2.62</b>
16,544	Games Workshop	1,702	2.11
89,831	YouGov++	414	0.51
<b>Financials (2.82%)</b>		<b>3,618</b>	<b>4.47</b>
64,759	Impax Asset Management++	263	0.32
134,505	Intermediate Capital	2,951	3.65
125,372	XPS Pensions	404	0.50
<b>Health Care (4.08%)</b>		<b>459</b>	<b>0.57</b>
25,132	Genus	459	0.57
<b>Industrials (9.92%)</b>		<b>7,620</b>	<b>9.42</b>
92,945	Diploma	4,132	5.11
205,160	Marshalls	713	0.88
64,620	Morgan Sindall	1,845	2.28
257,065	Rotork	930	1.15



# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Telecommunications (0.57%)</b>		<b>520</b>	<b>0.64</b>
27,403	Telecom Plus	520	0.64
<b>Collective Investment Schemes (1.97%)</b>		<b>401</b>	<b>0.49</b>
401	abrdn Liquidity Fund (Lux) – Sterling Fund Z1 Inc <sup>+</sup>	401	0.49
Total investment assets		80,572	99.57
Net other assets		344	0.43
<b>Total Net Assets</b>		<b>80,916</b>	<b>100.00</b>

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

The percentage figures in brackets show the comparative holding as at 31 July 2023.

<sup>+</sup> Managed by subsidiaries of abrdn plc.

<sup>++</sup> AIM listed.

<sup>Ω</sup> Unapproved/unquoted security.

# Financial Statements

## Statement of Total Return

For the year ended 31 July 2024

	Notes	2024		2023	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains	1		8,227		2,742
Revenue	2	1,833		1,772	
Expenses	3	(794)		(818)	
Net revenue before taxation		1,039		954	
Taxation	4	(129)		(163)	
Net revenue after taxation			910		791
<b>Total return before distributions</b>			<b>9,137</b>		<b>3,533</b>
Distributions	5		(910)		(791)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>8,227</b>		<b>2,742</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2024

	2024		2023	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>80,297</b>		<b>85,007</b>
Amounts receivable on the issue of shares	7,510		7,121	
Amounts payable on the cancellation of shares	(15,969)		(15,361)	
		(8,459)		(8,240)
Change in net assets attributable to shareholders from investment activities (see above)		8,227		2,742
Retained distribution on accumulation shares		851		788
<b>Closing net assets attributable to shareholders</b>		<b>80,916</b>		<b>80,297</b>

# Financial Statements

## Continued

### Balance Sheet

As at 31 July 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			80,572		79,563
<b>Current assets:</b>					
Debtors	6	226		349	
Cash and bank balances	7	475		479	
			701		828
<b>Total assets</b>			<b>81,273</b>		<b>80,391</b>
<b>Liabilities:</b>					
Creditors	8	(357)		(94)	
			(357)		(94)
<b>Total liabilities</b>			<b>(357)</b>		<b>(94)</b>
<b>Net assets attributable to shareholders</b>			<b>80,916</b>		<b>80,297</b>

# Notes to the Financial Statements

## 1 Net Capital Gains

	2024 £'000	2023 £'000
Non-derivative securities	8,239	2,755
Other losses	(3)	-
Transaction charges	(9)	(13)
<b>Net capital gains</b>	<b>8,227</b>	<b>2,742</b>

## 2 Revenue

	2024 £'000	2023 £'000
Bank and margin interest	106	47
Overseas dividends	1,258	1,206
UK dividends	469	519
<b>Total revenue</b>	<b>1,833</b>	<b>1,772</b>

## 3 Expenses

	2024 £'000	2023 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	724	747
General administration charge	63	64
	<b>787</b>	<b>811</b>
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	7	7
	<b>7</b>	<b>7</b>
<b>Total expenses</b>	<b>794</b>	<b>818</b>

Irrecoverable VAT is included in the above expenses, where applicable.  
The audit fee for the year, including VAT, was £9,900 (2023: £9,120).

## 4 Taxation

	2024 £'000	2023 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	129	163
<b>Total taxation (note 4b)</b>	<b>129</b>	<b>163</b>

# Notes to the Financial Statements

## Continued

	2024 £'000	2023 £'000
<b>(b) Factors affecting total tax charge for the year</b>		
The tax assessed for the year is less than (2023: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
<b>Net revenue before taxation</b>	<b>1,039</b>	<b>954</b>
Corporation tax at 20% (2023: 20%)	208	191
Effects of:		
Revenue not subject to taxation	(346)	(345)
Overseas taxes	129	163
Excess allowable expenses	138	154
<b>Total tax charge for year (note 4a)</b>	<b>129</b>	<b>163</b>
Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.		
<b>(c) Factors that may affect future tax charge</b>		
At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £2,782,000 (2023: £2,644,000) 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

	2024 £'000	2023 £'000
Distribution	851	788
Add: Income deducted on cancellation of shares	78	44
Deduct: Income received on issue of shares	(19)	(41)
<b>Total distributions for the year</b>	<b>910</b>	<b>791</b>

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

## 6 Debtors

	2024 £'000	2023 £'000
Accrued revenue	81	79
Amounts receivable from the ACD for the issue of shares	-	99
Overseas withholding tax recoverable	145	171
<b>Total debtors</b>	<b>226</b>	<b>349</b>

# Notes to the Financial Statements

## Continued

### 7 Liquidity

	2024 £'000	2023 £'000
<b>Cash and bank balances</b>		
Cash at bank	475	479
	<b>475</b>	<b>479</b>
abrdr Liquidity Fund (Lux) – Sterling Fund Z1 Inc*	401	1,581
<b>Net liquidity</b>	<b>876</b>	<b>2,060</b>

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

### 8 Creditors

	2024 £'000	2023 £'000
Accrued expenses payable to ACD	68	68
Accrued expenses payable to the Depositary or associates of the Depositary	1	2
Amounts payable to the ACD for cancellation of shares	288	24
<b>Total creditors</b>	<b>357</b>	<b>94</b>

### 9 Related Party Transactions

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

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

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

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

### 10 Portfolio Transaction Costs

	Purchases		Sales	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Trades in the year</b>				
Equities	8,144	8,046	11,454	11,860
Corporate actions	-	-	2,771	5,588
<b>Trades in the year before transaction costs</b>	<b>8,144</b>	<b>8,046</b>	<b>14,225</b>	<b>17,448</b>
<b>Commissions</b>				
Equities	6	8	(7)	(12)
<b>Total commissions</b>	<b>6</b>	<b>8</b>	<b>(7)</b>	<b>(12)</b>

# Notes to the Financial Statements

## Continued

Trades in the year	Purchases		Sales	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Taxes</b>				
Equities	18	14	-	-
<b>Total taxes</b>	<b>18</b>	<b>14</b>	<b>-</b>	<b>-</b>
<b>Total transaction costs</b>	<b>24</b>	<b>22</b>	<b>(7)</b>	<b>(12)</b>
<b>Total net trades in the year after transaction costs</b>	<b>8,168</b>	<b>8,068</b>	<b>14,218</b>	<b>17,436</b>

	Purchases		Sales	
	2024 %	2023 %	2024 %	2023 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.07	0.10	0.06	0.10
<b>Taxes</b>				
Equities	0.22	0.17	-	-

	2024 %	2023 %
<b>Total transaction costs expressed as a percentage of net asset value</b>		
Commissions	0.02	0.02
Taxes	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% (2023: 0.26%), this is representative of the average spread on the assets held during the year.

## 11 Shares in Issue Reconciliation

	Opening shares 2023	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2024
A Accumulation	1,416,795	5,065	(144,914)	(22,899)	1,254,047
I Accumulation	17,111,097	2,531,820	(4,321,065)	194,928	15,516,780
K Accumulation	107,232	-	(37,400)	-	69,832
M Accumulation	135,101	12,229	(25,399)	(24,195)	97,736

# 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).

	2024 £'000	2024 £'000	2024 £'000	2023 £'000	2023 £'000	2023 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	80,171	-	-	77,982	-	-
Collective Investment Schemes	-	401	-	-	1,581	-
<b>Total investment assets</b>	<b>80,171</b>	<b>401</b>	<b>-</b>	<b>77,982</b>	<b>1,581</b>	<b>-</b>

### 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 2024 £'000	Net foreign currency exposure 2023 £'000
<b>Currency</b>		
Danish Krone	30	43
Euro	43,249	38,204
Norwegian Krone	1,397	1,350
Swedish Krona	10,730	9,029
Swiss Franc	7,349	9,389
<b>Total</b>	<b>62,755</b>	<b>58,015</b>

At 31 July 2024, 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 £3,138,000 (2023: £2,901,000).

#### 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 2024, 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 £4,029,000 (2023: £3,978,000).

### **Financial derivatives instrument risk**

The fund had no exposure to derivatives as at 31 July 2024 (2023: £Nil).

### **Liquidity risk**

All of the fund's financial liabilities are payable on demand or in less than one year, 2024 £357,000 (2023: £94,000).

# Distribution Table

For the year ended 31 July 2024 (in pence per share)

## Final dividend distribution

Group 1 – shares purchased prior to 1 August 2023

Group 2 – shares purchased between 1 August 2023 and 31 July 2024

	Revenue	Equalisation	Distribution paid 31/10/24	Distribution paid 31/10/23
<b>A Accumulation</b>				
Group 1	20.0571	-	20.0571	15.9828
Group 2	16.6861	3.3710	20.0571	15.9828
<b>I Accumulation</b>				
Group 1	3.8362	-	3.8362	3.2529
Group 2	2.9379	0.8983	3.8362	3.2529
<b>K Accumulation</b>				
Group 1	3.2057	-	3.2057	2.7306
Group 2	3.2057	-	3.2057	2.7306
<b>M Accumulation</b>				
Group 1	2.0090	-	2.0090	1.6984
Group 2	1.8031	0.2059	2.0090	1.6984

## 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 Equity Fund

For the year ended 31 July 2024

## 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 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 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 2024, the value of the abrdn Global Equity Fund – Institutional Acc. Shares rose by 11.13% in sterling terms, lagging the gain of 17.75% for its performance comparator, the MSCI AC World Index.

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

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

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

## Market Review

Global stock markets rose strongly over the 12 months. After central banks in Western economies raised interest rates faster and further than previously anticipated to counter multi-decade-high inflation, inflationary pressures eased in many countries over the course of the period. Additionally, global economic growth held up better than investors expected, defying fears of a recession triggered

# abrdn Global Equity Fund

## Continued

by higher rates. Equities generated negative returns in August, September and October amid concerns that interest rates would remain higher for longer. Nevertheless, equities recovered towards the end of 2023 as reassuring inflation trends led investors to anticipate potential rate cuts in 2024. Equities continued to perform well in the first quarter of 2024, supported by strong economic data. However, they weakened in April as fears resurfaced that interest rates might remain higher for longer due to stubborn inflation. Equities then had a stronger May, June and July, supported by renewed hopes of future rate cuts and reassuring corporate earnings.

### Portfolio Activity and Review

In terms of individual stock detractors, not holding NVIDIA cost the fund in relative terms as the shares performed strongly over the period. Ongoing artificial intelligence (AI)-related excitement continued to send the share price higher. AIA Group shares fell over the period. Sentiment worsened after the company did not initially set out an extension to its current share buyback plan, which is due to finish in November 2024. However, the fundamentals of the business remain solid, with both agent headcount and productivity expanding. Diageo shares fell as the company issued a profit warning after a steep slowdown in its Latin America & Caribbean division. LVMH reported weaker first-half results as the luxury sector continued to face margin pressure, foreign-currency headwinds, and weakness in China.

In terms of individual stock contributors, Novo Nordisk's fourth-quarter results exceeded expectations, leading the company to raise its guidance for fiscal year 2024 as its GLP-1 treatments for diabetes and obesity progressed at a steady pace. TSMC released results at the high end of its guidance range and issued capex guidance for 2024 ahead of expectations, with optimism around AI-related demand also supporting the shares. Boston Scientific started the year with a strong first-quarter performance, surpassing expectations and raising its guidance for 2024 adjusted earnings per share by about 3% at the midpoint. The company now expects robust organic growth of 10–12% for the year, an increase from the previously forecast 8–9%. Its leadership in several categories is likely to have contributed to these market-share gains. TJX Companies, the US-based discount apparel retailer, reported solid second-quarter results, driven by increased traffic across its store brands and improved gross margins due to lower freight expenses.

We introduced the following holdings:

- L'Oréal, which is a very well-run, innovative business, with a strong portfolio of brands and promising long-term growth opportunities.
- Hong Kong Exchanges and Clearing, the key conduit of capital flows into and out of China after the successful launch of Connect.
- Walmart de México, the leading Mexican retailer, which has no debt and strong free cash flow. This financial health is translating into rising dividends. Sales growth is on track, as purchasing power returns to Mexican consumers on the back of falling inflation and the potential for interest-rate cuts.
- UnitedHealth Group, a well-diversified, best-in-class US managed-healthcare company. While there could be some volatility in the stock price leading up to the US election and increased scrutiny over medical utilisation rates, we are confident in the company's long-term growth profile.

Against these, we sold the following positions:

- Bristol-Myers Squibb, as we looked to consolidate the portfolio's healthcare exposures after a full sector review.
- Estee Lauder Companies, which had issued a series of profit warnings.
- Genus, the cattle breeding consultant, which was a lower-conviction holding within the portfolio.
- Las Vegas Sands, as we were mindful of our overall exposure to China.
- Tencent Holdings, which was a low-conviction holding given the extent of government influence in the sector.
- Croda International, the UK speciality chemicals group, which was a lower-conviction holding within the portfolio.
- Genmab, as the Danish biotechnology firm is facing a binary outcome dependent on a decision by partner Johnson & Johnson regarding whether or not to opt in for development rights to Hexabody CD38 in late 2024 or early 2025.

# abrdn Global Equity Fund

## Continued

### Portfolio Outlook and Strategy

Macroeconomic factors remain as unpredictable as ever, with investors scrutinising the latest data and trying to predict when a pivot in the direction of interest rates might occur. We now have central banks on different paths with regard to rates, with the European Central Bank cutting them in June, the Bank of Japan raising them again in July and the US Federal Reserve, for now, still on hold. Geopolitical pressures remain elevated throughout the world and, with the early start to presidential proceedings in the US, this is likely to remain the case. Recessionary concerns appear to have abated, given that economic data has so far been more positive than many expected. However, one or two weak data points could alter that picture very quickly. Our focus remains at the stock level, ensuring the portfolio is well diversified on both a regional and sectoral basis, and robust enough to preserve capital in periods of market weakness.

#### DM Income & Real Assets Equity Team

August 2024

# 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 2024.

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

- Equity Risk – 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.
- Emerging Markets Risk – The fund may invest in emerging markets, where political, economic, legal and regulatory systems are less developed. As a result, investing in emerging markets may involve higher volatility and a greater risk of loss than investing in developed markets. In particular, where the fund invests in Variable Interest Entity (VIE) structures to gain exposure to industries with foreign ownership restrictions or invests in Chinese assets via Stock Connect/Bond Connect, there are additional operational risks, which are outlined in the prospectus.
- Derivatives Risk – The use of derivatives may involve additional liquidity, credit and counterparty risks. In some cases the risk of loss from derivatives may be increased where a small change in the value of the underlying investment may have a larger impact on the value of the derivative.

- 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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	366.54	345.44	343.48
Return before operating charges*	43.85	25.62	6.42
Operating charges	(4.95)	(4.52)	(4.46)
Return after operating charges*	38.90	21.10	1.96
Distributions	(1.57)	(0.54)	-
Retained distributions on accumulation shares	1.57	0.54	-
Closing net asset value per share	405.44	366.54	345.44
* after direct transaction costs of:	0.18	0.14	0.12
<b>Performance</b>			
Return after charges	10.61%	6.11%	0.57%
<b>Other information</b>			
Closing net asset value (£'000)	88,010	100,860	116,694
Closing number of shares	21,707,394	27,516,872	33,781,599
Operating charges	1.29%	1.29%	1.29%
Direct transaction costs	0.05%	0.03%	0.03%
<b>Prices</b>			
Highest share price	419.0	371.1	373.2
Lowest share price	347.2	318.2	308.3

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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	310.55	293.12	291.46
Return before operating charges*	37.17	21.75	5.44
Operating charges	(4.21)	(3.85)	(3.78)
Return after operating charges*	32.96	17.90	1.66
Distributions	(1.34)	(0.47)	-
Closing net asset value per share	342.17	310.55	293.12
* after direct transaction costs of:	0.15	0.12	0.10
<b>Performance</b>			
Return after charges	10.61%	6.11%	0.57%
<b>Other information</b>			
Closing net asset value (£'000)	36,511	34,555	34,281
Closing number of shares	10,670,456	11,126,894	11,695,365
Operating charges	1.29%	1.29%	1.29%
Direct transaction costs	0.05%	0.03%	0.03%
<b>Prices</b>			
Highest share price	354.9	314.9	316.6
Lowest share price	294.2	270.0	261.6

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

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Operating charges are expenses associated with the maintenance and administration of the fund on 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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	394.33	369.95	366.20
Return before operating charges*	47.30	27.56	6.85
Operating charges	(3.49)	(3.18)	(3.10)
Return after operating charges*	43.81	24.38	3.75
Distributions	(3.57)	(2.31)	(1.62)
Retained distributions on accumulation shares	3.57	2.31	1.62
Closing net asset value per share	438.14	394.33	369.95
* after direct transaction costs of:	0.19	0.15	0.12
<b>Performance</b>			
Return after charges	11.11%	6.59%	1.02%
<b>Other information</b>			
Closing net asset value (£'000)	84,922	104,035	82,285
Closing number of shares	19,382,476	26,382,778	22,241,994
Operating charges	0.84%	0.84%	0.84%
Direct transaction costs	0.05%	0.03%	0.03%
<b>Prices</b>			
Highest share price	452.6	398.9	398.5
Lowest share price	373.9	341.1	330.0

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

I Income	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	219.29	206.95	205.75
Return before operating charges*	26.27	15.40	3.85
Operating charges	(1.94)	(1.77)	(1.74)
Return after operating charges*	24.33	13.63	2.11
Distributions	(1.98)	(1.29)	(0.91)
Closing net asset value per share	241.64	219.29	206.95
* after direct transaction costs of:	0.11	0.08	0.07
<b>Performance</b>			
Return after charges	11.09%	6.59%	1.03%
<b>Other information</b>			
Closing net asset value (£'000)	8,877	8,873	8,021
Closing number of shares	3,673,705	4,046,512	3,875,681
Operating charges	0.84%	0.84%	0.84%
Direct transaction costs	0.05%	0.03%	0.03%
<b>Prices</b>			
Highest share price	251.1	223.0	223.9
Lowest share price	207.9	190.8	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.

# Comparative Tables

## Continued

L Accumulation	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	179.45	167.94	165.83
Return before operating charges*	21.56	12.52	3.10
Operating charges	(1.12)	(1.01)	(0.99)
Return after operating charges*	20.44	11.51	2.11
Distributions	(2.10)	(1.47)	(1.15)
Retained distributions on accumulation shares	2.10	1.47	1.15
Closing net asset value per share	199.89	179.45	167.94
* after direct transaction costs of:	0.09	0.07	0.06
<b>Performance</b>			
Return after charges	11.39%	6.85%	1.27%
<b>Other information</b>			
Closing net asset value (£'000)	35	31	29
Closing number of shares	17,318	17,318	17,318
Operating charges	0.59%	0.59%	0.59%
Direct transaction costs	0.05%	0.03%	0.03%
<b>Prices</b>			
Highest share price	206.4	181.4	180.6
Lowest share price	170.3	154.9	149.7

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

L Income	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	169.67	160.11	159.19
Return before operating charges*	20.34	11.93	2.98
Operating charges	(1.06)	(0.96)	(0.95)
Return after operating charges*	19.28	10.97	2.03
Distributions	(1.98)	(1.41)	(1.11)
Closing net asset value per share	186.97	169.67	160.11
* after direct transaction costs of:	0.08	0.06	0.05
<b>Performance</b>			
Return after charges	11.36%	6.85%	1.28%
<b>Other information</b>			
Closing net asset value (£'000)	1,726	1,578	1,528
Closing number of shares	922,908	930,375	954,547
Operating charges	0.59%	0.59%	0.59%
Direct transaction costs	0.05%	0.03%	0.03%
<b>Prices</b>			
Highest share price	194.5	172.7	173.4
Lowest share price	161.0	147.7	143.5

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

M Accumulation	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	153.92	144.48	143.09
Return before operating charges*	18.46	10.75	2.67
Operating charges	(1.44)	(1.31)	(1.28)
Return after operating charges*	17.02	9.44	1.39
Distributions	(1.31)	(0.83)	(0.56)
Retained distributions on accumulation shares	1.31	0.83	0.56
Closing net asset value per share	170.94	153.92	144.48
* after direct transaction costs of:	0.07	0.06	0.05
<b>Performance</b>			
Return after charges	11.06%	6.53%	0.97%
<b>Other information</b>			
Closing net asset value (£'000)	277	291	317
Closing number of shares	162,264	188,877	219,283
Operating charges	0.89%	0.89%	0.89%
Direct transaction costs	0.05%	0.03%	0.03%
<b>Prices</b>			
Highest share price	176.6	155.7	155.7
Lowest share price	145.9	133.2	128.9

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 Income	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	148.07	139.74	138.93
Return before operating charges*	17.74	10.40	2.61
Operating charges	(1.39)	(1.27)	(1.25)
Return after operating charges*	16.35	9.13	1.36
Distributions	(1.26)	(0.80)	(0.55)
Closing net asset value per share	163.16	148.07	139.74
* after direct transaction costs of:	0.07	0.06	0.05
<b>Performance</b>			
Return after charges	11.04%	6.53%	0.98%
<b>Other information</b>			
Closing net asset value (£'000)	50	54	51
Closing number of shares	30,575	36,286	36,262
Operating charges	0.89%	0.89%	0.89%
Direct transaction costs	0.05%	0.03%	0.03%
<b>Prices</b>			
Highest share price	169.5	150.6	151.2
Lowest share price	140.4	128.8	125.1

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 2024

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (99.39%)</b>		<b>218,281</b>	<b>99.04</b>
<b>Emerging Market Equities (1.35%)</b>		<b>3,521</b>	<b>1.60</b>
<b>Brazil (1.35%)</b>		<b>3,521</b>	<b>1.60</b>
926,324	Raia Drogasil	3,521	1.60
<b>European Equities (32.21%)</b>		<b>73,567</b>	<b>33.38</b>
<b>Denmark (4.46%)</b>		<b>5,284</b>	<b>2.40</b>
51,317	Novo Nordisk 'B'	5,284	2.40
<b>France (9.40%)</b>		<b>25,685</b>	<b>11.65</b>
89,896	Danone	4,555	2.07
12,023	L'Oreal	4,056	1.84
10,808	LVMH	5,945	2.70
34,443	Schneider Electric	6,466	2.93
88,593	TotalEnergies	4,663	2.11
<b>Ireland (2.98%)</b>		<b>9,282</b>	<b>4.21</b>
23,244	Accenture 'A'	5,985	2.71
12,904	ICON	3,297	1.50
<b>Netherlands (6.85%)</b>		<b>16,380</b>	<b>7.43</b>
5,787	Adyen	5,512	2.50
7,612	ASML	5,453	2.47
78,362	Heineken	5,415	2.46
<b>Sweden (1.94%)</b>		<b>4,177</b>	<b>1.90</b>
300,818	Atlas Copco 'A'	4,177	1.90

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Switzerland (6.58%)</b>		<b>12,759</b>	<b>5.79</b>
68,176	Nestle	5,374	2.44
11,373	Roche (Participating certificate)	2,875	1.30
10,554	Zurich Insurance	4,510	2.05
<b>Japanese Equities (3.44%)</b>		<b>7,519</b>	<b>3.41</b>
15,400	Keyence	5,247	2.38
65,250	Shin-Etsu Chemical	2,272	1.03
<b>North American Equities (40.54%)</b>		<b>90,438</b>	<b>41.03</b>
<b>Mexico (0.00%)</b>		<b>3,148</b>	<b>1.43</b>
1,215,553	Wal-Mart de Mexico	3,148	1.43
<b>United States (40.54%)</b>		<b>87,290</b>	<b>39.60</b>
24,425	AbbVie	3,523	1.60
40,644	Alphabet 'A'	5,425	2.46
49,764	Amazon.com	7,243	3.28
116,783	Boston Scientific	6,714	3.05
5,115	Costco Wholesale	3,271	1.48
39,810	Emerson Electric	3,630	1.65
49,565	Intercontinental Exchange	5,846	2.65
15,417	Linde	5,441	2.47
15,394	Mastercard 'A'	5,554	2.52
47,949	Merck	4,223	1.92
28,249	Microsoft	9,198	4.17
57,777	NIKE 'B'	3,367	1.53
36,287	Procter & Gamble	4,542	2.06
10,061	S&P Global	3,794	1.72
35,920	Tetra Tech	5,986	2.71
78,849	TJX	6,939	3.15
5,784	UnitedHealth	2,594	1.18



# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Pacific Basin Equities (12.95%)		31,200	14.16
Australia (1.05%)		2,554	1.16
143,340	Goodman REIT	2,554	1.16
China (1.23%)		-	-
Hong Kong (2.88%)		10,204	4.63
1,311,900	AIA	6,864	3.11
144,600	Hong Kong Exchanges & Clearing	3,340	1.52
India (1.96%)		3,749	1.70
249,245	HDFC Bank	3,749	1.70
Singapore (2.60%)		6,368	2.89
737,267	Oversea-Chinese Banking	6,368	2.89
Taiwan (3.23%)		8,325	3.78
376,705	Taiwan Semiconductor Manufacturing	8,325	3.78
UK Equities (8.90%)		12,036	5.46
Basic Materials (1.99%)		-	-
Consumer Staples (2.96%)		5,164	2.34
213,513	Diageo	5,164	2.34
Health Care (3.95%)		6,872	3.12
55,571	AstraZeneca	6,872	3.12

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Collective Investment Schemes (0.31%)		1,334	0.60
1,334	abrdn Liquidity Fund (Lux) – Sterling Fund Z1 Inc <sup>+</sup>	1,334	0.60
Total investment assets		219,615	99.64
Net other assets		793	0.36
<b>Total Net Assets</b>		<b>220,408</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules.  
The percentage figures in brackets show the comparative holding as at 31 July 2023.

<sup>+</sup> Managed by subsidiaries of abrdn plc.

# Financial Statements

## Statement of Total Return

For the year ended 31 July 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
Income:					
Net capital gains	1		22,296		13,698
Revenue	2	4,219		3,893	
Expenses	3	(2,495)		(2,615)	
Interest payable and similar charges		(1)		-	
Net revenue before taxation		1,723		1,278	
Taxation	4	(387)		(589)	
Net revenue after taxation			1,336		689
<b>Total return before distributions</b>			<b>23,632</b>		<b>14,387</b>
Distributions	5		(1,340)		(800)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>22,292</b>		<b>13,587</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2024

	2024		2023	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>250,277</b>		<b>243,206</b>
Amounts receivable on the issue of shares	3,041		36,791	
Amounts payable on the cancellation of shares	(56,263)		(44,062)	
		(53,222)		(7,271)
Dilution adjustment		9		-
Change in net assets attributable to shareholders from investment activities (see above)		22,292		13,587
Retained distribution on accumulation shares		1,051		753
Unclaimed distributions		1		2
<b>Closing net assets attributable to shareholders</b>		<b>220,408</b>		<b>250,277</b>

# Financial Statements

## Continued

### Balance Sheet

As at 31 July 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			219,615		249,536
<b>Current assets:</b>					
Debtors	6	299		269	
Cash and bank balances	7	1,243		1,225	
			1,542		1,494
<b>Total assets</b>			<b>221,157</b>		<b>251,030</b>
<b>Liabilities:</b>					
Provisions for liabilities	8		(120)		(116)
Creditors	9	(434)		(527)	
Distribution payable		(195)		(110)	
			(629)		(637)
<b>Total liabilities</b>			<b>(749)</b>		<b>(753)</b>
<b>Net assets attributable to shareholders</b>			<b>220,408</b>		<b>250,277</b>

# Notes to the Financial Statements

## 1 Net Capital Gains

	2024 £'000	2023 £'000
Non-derivative securities	22,284	13,717
Other gains/(losses)	22	(12)
Transaction charges	(10)	(7)
<b>Net capital gains</b>	<b>22,296</b>	<b>13,698</b>

## 2 Revenue

	2024 £'000	2023 £'000
Bank and margin interest	72	130
Overseas dividends	3,745	3,293
Overseas REIT	30	35
UK dividends	372	435
<b>Total revenue</b>	<b>4,219</b>	<b>3,893</b>

## 3 Expenses

	2024 £'000	2023 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	2,295	2,407
General administration charge	182	191
	2,477	2,598
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	18	17
	18	17
<b>Total expenses</b>	<b>2,495</b>	<b>2,615</b>

Irrecoverable VAT is included in the above expenses, where applicable.  
The audit fee for the year, including VAT, was £9,900 (2023: £9,120).

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2024 £'000	2023 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	383	478
Overseas capital gains tax	-	(5)
<b>Total current tax</b>	<b>383</b>	<b>473</b>
Deferred tax (note 4c)	4	116
<b>Total taxation (note 4b)</b>	<b>387</b>	<b>589</b>

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

The tax assessed for the year is greater than (2023: 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:

<b>Net revenue before taxation</b>	<b>1,723</b>	<b>1,278</b>
Corporation tax at 20% (2023: 20%)	344	256
Effects of:		
Revenue not subject to taxation	(819)	(741)
Overseas taxes	383	478
Overseas tax expensed	(1)	(2)
Excess allowable expenses	476	487
Overseas capital gains tax	-	(5)
Deferred tax	4	116
<b>Total tax charge for year (note 4a)</b>	<b>387</b>	<b>589</b>

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

#### (c) Deferred tax

Deferred tax charge at the start of the year	116	-
Deferred tax charge in statement of total return for year (note 4a)	4	116
<b>Provision at the end of the year</b>	<b>120</b>	<b>116</b>

#### (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 £13,586,000 (2023: £13,110,000) 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)

	2024 £'000	2023 £'000
Interim distribution	284	65
Final distribution	1,003	807
	1,287	872
Add: Income deducted on cancellation of shares	58	68
Deduct: Income received on issue of shares	(5)	(140)
<b>Total distributions for the year</b>	<b>1,340</b>	<b>800</b>
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	1,336	689
Overseas capital gains tax on realised gains	-	(5)
Overseas deferred capital gains tax on unrealised gains	4	116
<b>Total distributions for the year</b>	<b>1,340</b>	<b>800</b>

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

### 6 Debtors

	2024 £'000	2023 £'000
Accrued revenue	191	152
Amounts receivable from the ACD for the issue of shares	16	47
Overseas withholding tax recoverable	92	70
<b>Total debtors</b>	<b>299</b>	<b>269</b>

### 7 Liquidity

	2024 £'000	2023 £'000
<b>Cash and bank balances</b>		
Cash at bank	1,243	1,225
	<b>1,243</b>	<b>1,225</b>
abrdn Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	1,334	781
<b>Net liquidity</b>	<b>2,577</b>	<b>2,006</b>

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

# Notes to the Financial Statements

## Continued

### 8 Provisions for Liabilities

	2024 £'000	2023 £'000
The provisions for liabilities comprise:		
Overseas capital gains tax	120	116
<b>Total provisions for liabilities</b>	<b>120</b>	<b>116</b>

### 9 Creditors

	2024 £'000	2023 £'000
Accrued expenses payable to ACD	205	227
Accrued expenses payable to the Depositary or associates of the Depositary	3	2
Amounts payable to the ACD for cancellation of shares	226	298
<b>Total creditors</b>	<b>434</b>	<b>527</b>

### 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 6 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

	Purchases		Sales	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Trades in the year</b>				
Equities	33,515	43,480	86,378	44,800
<b>Trades in the year before transaction costs</b>	<b>33,515</b>	<b>43,480</b>	<b>86,378</b>	<b>44,800</b>
<b>Commissions</b>				
Equities	18	15	(30)	(20)
<b>Total commissions</b>	<b>18</b>	<b>15</b>	<b>(30)</b>	<b>(20)</b>



# Notes to the Financial Statements

## Continued

Trades in the year	Purchases		Sales	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Taxes</b>				
Equities	39	47	(16)	(9)
<b>Total taxes</b>	<b>39</b>	<b>47</b>	<b>(16)</b>	<b>(9)</b>
<b>Total transaction costs</b>	<b>57</b>	<b>62</b>	<b>(46)</b>	<b>(29)</b>
<b>Total net trades in the year after transaction costs</b>	<b>33,572</b>	<b>43,542</b>	<b>86,332</b>	<b>44,771</b>

Total transaction costs expressed as a percentage of asset type cost	Purchases		Sales	
	2024 %	2023 %	2024 %	2023 %
<b>Commissions</b>				
Equities	0.05	0.03	0.03	0.05
<b>Taxes</b>				
Equities	0.12	0.11	0.02	0.02

Total transaction costs expressed as a percentage of net asset value	2024 %	2023 %
Commissions	0.02	0.01
Taxes	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 0.07% (2023: 0.06%), this is representative of the average spread on the assets held during the year.

## 12 Shares in Issue Reconciliation

	Opening shares 2023	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2024
A Accumulation	27,516,872	496,286	(5,861,020)	(444,744)	21,707,394
A Income	11,126,894	16,428	(411,756)	(61,110)	10,670,456
I Accumulation	26,382,778	162,848	(7,577,688)	414,538	19,382,476
I Income	4,046,512	210,923	(670,246)	86,516	3,673,705
L Accumulation	17,318	-	-	-	17,318
L Income	930,375	-	(7,467)	-	922,908
M Accumulation	188,877	2,294	(23,713)	(5,194)	162,264
M Income	36,286	188	(5,899)	-	30,575

# 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).

	2024 £'000	2024 £'000	2024 £'000	2023 £'000	2023 £'000	2023 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	218,281	-	-	248,755	-	-
Collective Investment Schemes	-	1,334	-	-	781	-
<b>Total investment assets</b>	<b>218,281</b>	<b>1,334</b>	<b>-</b>	<b>248,755</b>	<b>781</b>	<b>-</b>

### 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 currency exposure 2024 £'000	Net foreign currency exposure 2023 £'000
Australian Dollar	2,563	2,636
Brazilian Real	3,530	3,394
Danish Krone	5,317	11,198
Euro	42,144	40,710
Hong Kong Dollar	10,204	10,294
Indian Rupee	3,812	4,819
Japanese Yen	7,519	8,596
Mexican Peso	3,148	-
Singapore Dollar	6,368	6,516
Swedish Krona	4,177	4,863
Swiss Franc	12,759	16,461
Taiwan Dollar	8,325	8,072
US Dollar	96,655	109,039
<b>Total</b>	<b>206,521</b>	<b>226,598</b>

# Notes to the Financial Statements

## Continued

At 31 July 2024, 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 £10,326,000 (2023: £11,330,000).

### **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 2024, 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 £10,981,000 (2023: £12,477,000).

### **Financial derivatives instrument risk**

The fund had no exposure to derivatives as at 31 July 2024 (2023: £Nil).

### **Liquidity risk**

All of the fund's financial liabilities are payable on demand or in less than one year, 2024 £749,000 (2023: £753,000).

# Distribution Tables

For the year ended 31 July 2024 (in pence per share)

## Interim dividend distribution

Group 1 – shares purchased prior to 1 August 2023

Group 2 – shares purchased between 1 August 2023 and 31 January 2024

	Revenue	Equalisation	Distribution paid 30/04/24	Distribution paid 28/04/23
<b>A Accumulation</b>				
Group 1	0.1306	-	0.1306	-
Group 2	-	0.1306	0.1306	-
<b>A Income</b>				
Group 1	0.1106	-	0.1106	-
Group 2	-	0.1106	0.1106	-
<b>I Accumulation</b>				
Group 1	1.0270	-	1.0270	0.2383
Group 2	0.2605	0.7665	1.0270	0.2383
<b>I Income</b>				
Group 1	0.5711	-	0.5711	0.1333
Group 2	0.1229	0.4482	0.5711	0.1333
<b>L Accumulation</b>				
Group 1	0.6902	-	0.6902	0.3153
Group 2	0.6902	-	0.6902	0.3153
<b>L Income</b>				
Group 1	0.6543	-	0.6543	0.3030
Group 2	0.6543	-	0.6543	0.3030
<b>M Accumulation</b>				
Group 1	0.3624	-	0.3624	0.0571
Group 2	0.1057	0.2567	0.3624	0.0571
<b>M Income</b>				
Group 1	0.3494	-	0.3494	0.0553
Group 2	0.0917	0.2577	0.3494	0.0553

# Distribution Tables

For the year ended 31 July 2024 (in pence per share) continued

## Final dividend distribution

Group 1 – shares purchased prior to 1 February 2024

Group 2 – shares purchased between 1 February 2024 and 31 July 2024

	Revenue	Equalisation	Distribution paid 31/10/24	Distribution paid 31/10/23
<b>A Accumulation</b>				
Group 1	1.4414	-	1.4414	0.5434
Group 2	0.7607	0.6807	1.4414	0.5434
<b>A Income</b>				
Group 1	1.2252	-	1.2252	0.4743
Group 2	0.0554	1.1698	1.2252	0.4743
<b>I Accumulation</b>				
Group 1	2.5440	-	2.5440	2.0686
Group 2	1.3848	1.1592	2.5440	2.0686
<b>I Income</b>				
Group 1	1.4113	-	1.4113	1.1559
Group 2	0.8075	0.6038	1.4113	1.1559
<b>L Accumulation</b>				
Group 1	1.4073	-	1.4073	1.1556
Group 2	1.4073	-	1.4073	1.1556
<b>L Income</b>				
Group 1	1.3271	-	1.3271	1.1031
Group 2	1.3271	-	1.3271	1.1031
<b>M Accumulation</b>				
Group 1	0.9502	-	0.9502	0.7695
Group 2	0.7687	0.1815	0.9502	0.7695
<b>M Income</b>				
Group 1	0.9134	-	0.9134	0.7439
Group 2	0.1343	0.7791	0.9134	0.7439

## 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 2024

## 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](http://www.abrdn.com) under "Fund Centre".
- 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 2024, the value of the abrdn Global Sustainable and Responsible Investment Equity Fund – Institutional Accumulation Shares rose by 7.11% in sterling terms, lagging the gain of 17.75% in the performance comparator, the MSCI AC World Index.

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

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# abrdn Global Sustainable and Responsible Investment Equity Fund

## Continued

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

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

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

## Market Review

Global stock markets rose strongly over the 12 months. After central banks in Western economies raised interest rates faster and further than previously anticipated to counter multi-decade-high inflation, inflationary pressures eased in many countries over the course of the period. Additionally, global economic growth held up better than investors expected, defying fears of a recession triggered by higher rates. Equities generated negative returns in August, September, and October amid concerns that interest rates would remain higher for longer. Nevertheless, equities recovered towards the end of 2023 as reassuring inflation trends led investors to anticipate potential rate cuts in 2024. Equities continued to perform well in the first quarter of 2024, supported by strong economic data. However, they weakened in April as fears resurfaced that interest rates might remain higher for longer due to stubborn inflation. Equities then had a stronger May, June and July, supported by renewed hopes of future rate cuts and reassuring corporate earnings.

## Portfolio Activity and Review

In terms of the main detractors at the stock level, an underweight exposure to NVIDIA cost the fund in relative terms as the shares performed strongly over the period. Ongoing artificial intelligence (AI)-related excitement continued to send the share price notably higher. Lululemon Athletica investors became increasingly concerned that rising competition and product saturation would impede future growth in the US. However, we believe that the present slowdown in sales is temporary and more related to current consumer weakness. The share price of AIA Group was weak, along with China and Hong Kong markets in general. However, it remains a well-run business, with good growth prospects over the long term. Dino Polska was another weak performer. A period of price competition in Polish retail continued to weigh on the shares. However, we expect this effect to be temporary and ease as inflation in Poland moderates.

Among the main contributors at the stock level, Eli Lilly performed well due to the company's strong results and bullish outlook, driven by its exposure to GLP-1 drugs that were originally developed for diabetes and have since shown promise in tackling obesity and sleep apnea. American Express Company continued to deliver above expectations on earnings. Positive industry commentary around both AI and a recovery in broad-based semiconductor markets were positive for many semiconductor companies, including TSMC. Cochlear reported strong results after a new product launch within its implant business led to a beat for the fourth quarter of its fiscal year and a meaningful increase in the company's full-year guidance.

We introduced the following holdings:

- Cadence Design Systems, the semiconductor design company, which is benefiting from powerful structural tailwinds, including the acceleration in semiconductor design outsourcing, artificial intelligence and the green transition.
- Eli Lilly and Company, given its high-quality pipeline and strong market share in areas of strong growth, notably obesity.
- Keyence, which is a leading supplier of sensors for automation equipment, machine vision technology and other tools. We consider it one of the highest-quality companies in the global industrial sector due to its superior growth, higher margins and lower cyclicality over the past 40 years or so.
- MSCI, which is benefiting from the growing adoption of ESG-based indices. Meanwhile, its core business is extremely robust, delivering high returns and is in a position, we believe, to deliver double-digit revenue growth and higher margins.

# abrdn Global Sustainable and Responsible Investment Equity Fund

## Continued

- Hubbell, which is a high-quality and defensive industrial company. Hubbell is levered to one of the highest-growth markets to benefit from electrification, with its core utility customers driving capex that benefits from the emergence of renewable energy and electric vehicles.
- NVIDIA, given the company's dominant market position in a data-centre upgrade cycle.
- Tokyo Electron, which we see as benefiting from a coming upcycle in the wafer fabrication equipment market and, in particular, rising investment by memory companies.
- Raia Drogasil, Brazil's leading player in drug retail, which has a long and high-return growth runway ahead of it.

Against these, we sold the following positions:

- Crown Holdings, given increased competition in the packaging industry.
- Prologis, given a more bearish outlook from our research team.
- Darling Ingredients, as we reviewed the investment case and concluded that there was very limited visibility over any earnings recovery.
- Steadfast Group, where we viewed the risk of a capital allocation misstep as high.
- Spirax Group, as we looked to upgrade our industrials exposure.
- Orsted, given our concerns about cost overruns in its US projects and overly optimistic growth expectations for its European business.
- Johnson Controls International, as we looked to upgrade our industrials exposure.
- Croda International, due to continued pressure on earnings forecasts and falling returns.
- NextEra Energy, as we reallocated capital into global opportunities with higher implied returns.
- Sony Group, as the company is experiencing a deteriorating return on invested capital.
- Bank Rakyat Indonesia, as the company's communications around its disappointing small business lending in Indonesia have become increasingly inconsistent, coupled with the rising risk of further interest-rate increases in the country.
- CI Financial, as we became less comfortable with the company's debt level.
- Tryg, as we reallocated capital into global opportunities with higher implied returns.

## Portfolio Outlook and Strategy

Macroeconomic factors remain as unpredictable as ever, with investors scrutinising the latest data and trying to predict when a pivot in the direction of interest rates might occur. We now have central banks on different paths with regard to rates, with the European Central Bank cutting them in June, the Bank of Japan raising them again in July and the US Federal Reserve, for now, still on hold. Geopolitical pressures remain elevated throughout the world and, with the early start to presidential proceedings in the US, this is likely to remain the case. Recessionary concerns appear to have abated, given that economic data has so far been more positive than many expected. However, one or two weak data points could alter that picture very quickly. Our focus remains at the stock level, ensuring the portfolio is well diversified on both a regional and sectoral basis, and robust enough to preserve capital in periods of market weakness.

## DM Sustainable & Thematic Equity Team

August 2024



# 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.

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 2024.

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

- Equity Risk – 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.
- ESG Investment Risk – 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 assets which similar funds do not (and thus perform differently) and which may not align with the personal views of any individual investor.
- Emerging Markets Risk – The fund may invest in emerging markets, where political, economic, legal and regulatory systems are less developed. As a result, investing in emerging markets may involve higher volatility and a greater risk of loss than investing in developed markets. In particular, where the fund invests in Variable Interest Entity (VIE) structures to gain exposure to industries with foreign ownership restrictions or invests in Chinese assets via Stock Connect/Bond Connect, there are additional operational risks, which are outlined in the prospectus.
- Derivatives Risk – The use of derivatives may involve additional liquidity, credit and counterparty risks. In some cases the risk of loss from derivatives may be increased where a small change in the value of the underlying investment may have a larger impact on the value of the derivative.

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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	334.91	321.88	352.07
Return before operating charges*	31.46	17.16	(25.79)
Operating charges	(4.51)	(4.13)	(4.40)
Return after operating charges*	26.95	13.03	(30.19)
Distributions	-	(1.27)	-
Retained distributions on accumulation shares	-	1.27	-
Closing net asset value per share	361.86	334.91	321.88
* after direct transaction costs of:	0.10	0.18	0.19
<b>Performance</b>			
Return after charges	8.05%	4.05%	(8.57%)
<b>Other information</b>			
Closing net asset value (£'000)	36,353	36,676	39,607
Closing number of shares	10,046,155	10,951,032	12,304,975
Operating charges	1.29%	1.29%	1.29%
Direct transaction costs	0.03%	0.05%	0.06%
<b>Prices</b>			
Highest share price	378.4	336.0	391.2
Lowest share price	312.7	293.5	284.2

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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	248.32	239.56	262.03
Return before operating charges*	23.32	12.78	(19.16)
Operating charges	(3.33)	(3.08)	(3.31)
Return after operating charges*	19.99	9.70	(22.47)
Distributions	-	(0.94)	-
Closing net asset value per share	268.31	248.32	239.56
* after direct transaction costs of:	0.08	0.13	0.14
<b>Performance</b>			
Return after charges	8.05%	4.05%	(8.58%)
<b>Other information</b>			
Closing net asset value (£'000)	3,940	4,964	5,932
Closing number of shares	1,468,409	1,999,213	2,476,176
Operating charges	1.29%	1.29%	1.29%
Direct transaction costs	0.03%	0.05%	0.06%
<b>Prices</b>			
Highest share price	280.6	250.1	291.2
Lowest share price	231.9	218.4	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.

# Comparative Tables

## Continued

I Accumulation	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	393.00	376.01	409.41
Return before operating charges*	37.01	20.15	(30.05)
Operating charges	(3.47)	(3.16)	(3.35)
Return after operating charges*	33.54	16.99	(33.40)
Distributions	(1.39)	(3.17)	(1.52)
Retained distributions on accumulation shares	1.39	3.17	1.52
Closing net asset value per share	426.54	393.00	376.01
* after direct transaction costs of:	0.12	0.21	0.22
<b>Performance</b>			
Return after charges	8.53%	4.52%	(8.16%)
<b>Other information</b>			
Closing net asset value (£'000)	76,554	73,910	85,560
Closing number of shares	17,947,434	18,806,334	22,754,608
Operating charges	0.84%	0.84%	0.84%
Direct transaction costs	0.03%	0.05%	0.06%
<b>Prices</b>			
Highest share price	445.3	394.3	455.6
Lowest share price	367.4	343.2	331.9

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

	2024	2023	2022
I Income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	271.12	261.53	285.96
Return before operating charges*	25.52	13.98	(21.01)
Operating charges	(2.39)	(2.19)	(2.34)
Return after operating charges*	23.13	11.79	(23.35)
Distributions	(0.96)	(2.20)	(1.08)
Closing net asset value per share	293.29	271.12	261.53
* after direct transaction costs of:	0.08	0.14	0.15
<b>Performance</b>			
Return after charges	8.53%	4.51%	(8.17%)
<b>Other information</b>			
Closing net asset value (£'000)	30,746	30,685	31,490
Closing number of shares	10,483,173	11,317,690	12,040,652
Operating charges	0.84%	0.84%	0.84%
Direct transaction costs	0.03%	0.05%	0.06%
<b>Prices</b>			
Highest share price	307.0	273.6	318.2
Lowest share price	253.4	238.7	231.8

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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	144.82	138.62	151.02
Return before operating charges*	13.60	7.43	(11.09)
Operating charges	(1.31)	(1.23)	(1.31)
Return after operating charges*	12.29	6.20	(12.40)
Distributions	(0.42)	(1.10)	(0.48)
Retained distributions on accumulation shares	0.42	1.10	0.48
Closing net asset value per share	157.11	144.82	138.62
* after direct transaction costs of:	0.04	0.08	0.08
<b>Performance</b>			
Return after charges	8.49%	4.47%	(8.21%)
<b>Other information</b>			
Closing net asset value (£'000)	16	962	1,109
Closing number of shares	10,092	664,462	800,116
Operating charges	0.89%	0.89%	0.89%
Direct transaction costs	0.03%	0.05%	0.06%
<b>Prices</b>			
Highest share price	164.1	145.3	168.0
Lowest share price	135.4	126.5	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.

# Comparative Tables

## Continued

M Income	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	141.40	136.41	149.13
Return before operating charges*	13.32	7.28	(10.94)
Operating charges	(1.32)	(1.21)	(1.29)
Return after operating charges*	12.00	6.07	(12.23)
Distributions	(0.43)	(1.08)	(0.49)
Closing net asset value per share	152.97	141.40	136.41
* after direct transaction costs of:	0.04	0.08	0.08
<b>Performance</b>			
Return after charges	8.49%	4.45%	(8.20%)
<b>Other information</b>			
Closing net asset value (£'000)	24	22	21
Closing number of shares	15,863	15,808	15,792
Operating charges	0.89%	0.89%	0.89%
Direct transaction costs	0.03%	0.05%	0.06%
<b>Prices</b>			
Highest share price	160.1	142.7	165.9
Lowest share price	132.2	124.5	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.

# Portfolio Statement

As at 31 July 2024

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (99.39%)</b>		<b>145,786</b>	<b>98.75</b>
<b>Africa Equities (1.61%)</b>		<b>3,756</b>	<b>2.54</b>
<b>South Africa (1.61%)</b>		<b>3,756</b>	<b>2.54</b>
249,450	Clicks	3,756	2.54
<b>Emerging Market Equities (0.00%)</b>		<b>3,573</b>	<b>2.42</b>
<b>Brazil (0.00%)</b>		<b>3,573</b>	<b>2.42</b>
940,000	Raia Drogasil	3,573	2.42
<b>European Equities (20.50%)</b>		<b>27,231</b>	<b>18.45</b>
<b>Denmark (2.68%)</b>		<b>-</b>	<b>-</b>
<b>France (7.89%)</b>		<b>10,160</b>	<b>6.88</b>
12,624	L'Oreal	4,258	2.88
3,471	LVMH	1,909	1.29
21,266	Schneider Electric	3,993	2.71
<b>Ireland (2.08%)</b>		<b>3,128</b>	<b>2.12</b>
12,151	Accenture 'A'	3,128	2.12
<b>Netherlands (2.32%)</b>		<b>4,263</b>	<b>2.89</b>
5,950	ASML	4,263	2.89
<b>Poland (2.10%)</b>		<b>2,721</b>	<b>1.85</b>
39,455	Dino Polska	2,721	1.85
<b>Sweden (2.10%)</b>		<b>3,280</b>	<b>2.22</b>
236,247	Atlas Copco 'A'	3,280	2.22
<b>Switzerland (1.33%)</b>		<b>3,679</b>	<b>2.49</b>
37,010	DSM-Firmenich	3,679	2.49



# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Japanese Equities (2.04%)</b>		<b>5,167</b>	<b>3.50</b>
7,300	Keyence	2,487	1.68
16,700	Tokyo Electron	2,680	1.82
<b>North American Equities (58.10%)</b>		<b>92,550</b>	<b>62.69</b>
<b>Canada (6.40%)</b>		<b>6,652</b>	<b>4.51</b>
56,590	Canadian Pacific Kansas City	3,692	2.50
14,707	Lululemon Athletica	2,960	2.01
<b>United States (51.70%)</b>		<b>85,898</b>	<b>58.18</b>
19,799	Advanced Drainage Systems	2,732	1.85
28,870	Amdocs	1,965	1.33
26,432	American Express	5,204	3.53
28,967	Atkore	3,045	2.06
16,320	Cadence Design Systems	3,399	2.30
15,296	Danaher	3,300	2.24
9,295	Eli Lilly	5,812	3.94
11,273	Hubbell	3,469	2.35
8,440	Linde	3,002	2.03
18,727	LPL Financial	3,225	2.18
58,593	Marvell Technology	3,057	2.07
14,086	Mastercard 'A'	5,082	3.44
23,603	Merck	2,079	1.41
28,948	Microsoft	9,426	6.39
5,090	MSCI	2,141	1.45
45,170	NVIDIA	4,121	2.79
35,283	Procter & Gamble	4,417	2.99
21,306	ResMed	3,535	2.40
24,756	Tetra Tech	4,125	2.79
56,092	TJX	4,936	3.34
10,068	UnitedHealth	4,516	3.06
20,985	Waste Management	3,310	2.24

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Pacific Basin Equities (13.19%)		13,509	9.15
Australia (3.85%)		3,508	2.37
20,118	Cochlear	3,508	2.37
Hong Kong (2.50%)		2,433	1.65
465,000	AIA	2,433	1.65
India (2.75%)		3,350	2.27
222,730	HDFC Bank	3,350	2.27
Indonesia (2.34%)		-	-
Taiwan (1.75%)		4,218	2.86
32,674	Taiwan Semiconductor Manufacturing ADR	4,218	2.86
UK Equities (3.95%)		-	-
Basic Materials (2.15%)		-	-
Industrials (1.80%)		-	-
Total investment assets		145,786	98.75
Net other assets		1,847	1.25
<b>Total Net Assets</b>		<b>147,633</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2023.

# Financial Statements

## Statement of Total Return

For the year ended 31 July 2024

	Notes	2024		2023	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains	1		11,537		5,315
Revenue	2	1,982		2,764	
Expenses	3	(1,424)		(1,426)	
Interest payable and similar charges		-		(4)	
Net revenue before taxation		558		1,334	
Taxation	4	(254)		(353)	
Net revenue after taxation			304		981
<b>Total return before distributions</b>			<b>11,841</b>		<b>6,296</b>
Distributions	5		(362)		(1,045)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>11,479</b>		<b>5,251</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2024

	2024		2023	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>147,219</b>		<b>163,719</b>
Amounts receivable on the issue of shares	8,854		5,268	
Amounts payable on the cancellation of shares	(20,170)		(27,785)	
		(11,316)		(22,517)
Dilution adjustment		-		14
Change in net assets attributable to shareholders from investment activities (see above)		11,479		5,251
Retained distribution on accumulation shares		251		752
<b>Closing net assets attributable to shareholders</b>		<b>147,633</b>		<b>147,219</b>

# Financial Statements

## Continued

### Balance Sheet

As at 31 July 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			145,786		146,321
<b>Current assets:</b>					
Debtors	6	225		179	
Cash and bank balances		2,855		1,927	
			3,080		2,106
<b>Total assets</b>			<b>148,866</b>		<b>148,427</b>
<b>Liabilities:</b>					
Provisions for liabilities	7		(123)		(136)
Creditors	8	(1,037)		(872)	
Distribution payable		(73)		(200)	
			(1,110)		(1,072)
<b>Total liabilities</b>			<b>(1,233)</b>		<b>(1,208)</b>
<b>Net assets attributable to shareholders</b>			<b>147,633</b>		<b>147,219</b>

# Notes to the Financial Statements

## 1 Net Capital Gains

	2024 £'000	2023 £'000
Non-derivative securities	11,533	5,194
Other gains	9	127
Transaction charges	(5)	(6)
<b>Net capital gains</b>	<b>11,537</b>	<b>5,315</b>

## 2 Revenue

	2024 £'000	2023 £'000
Bank and margin interest	3	-
Overseas dividends	1,949	2,557
Overseas REIT	26	75
UK dividends	4	132
<b>Total revenue</b>	<b>1,982</b>	<b>2,764</b>

## 3 Expenses

	2024 £'000	2023 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	1,290	1,293
General administration charge	118	118
	1,408	1,411
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	16	15
	16	15
<b>Total expenses</b>	<b>1,424</b>	<b>1,426</b>

Irrecoverable VAT is included in the above expenses, where applicable.  
The audit fee for the year, including VAT, was £9,900 (2023: £9,120).

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2024 £'000	2023 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	244	289
Overseas Capital gains tax	22	-
Total current tax	266	289
Deferred tax (note 4c)	(12)	64
<b>Total taxation (note 4b)</b>	<b>254</b>	<b>353</b>

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

The tax assessed for the year is greater than (2023: 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:

<b>Net revenue before taxation</b>	<b>558</b>	<b>1,334</b>
Corporation tax at 20% (2023: 20%)	112	267
Effects of:		
Revenue not subject to taxation	(389)	(532)
Overseas taxes	243	289
Overseas tax expensed	(1)	(2)
Excess allowable expenses	279	267
Overseas capital gains tax	22	-
Deferred tax	(12)	64
<b>Total tax charge for year (note 4a)</b>	<b>254</b>	<b>353</b>

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

#### (c) Deferred tax

Deferred tax charge at the start of the year	135	71
Deferred tax charge in statement of total return for year (note 4a)	(12)	64
<b>Provision at the end of the year</b>	<b>123</b>	<b>135</b>

#### (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 £6,693,000 (2023: £6,414,000) 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)

	2024 £'000	2023 £'000
Interim distribution	97	245
Final distribution	254	776
	351	1,021
Add: Income deducted on cancellation of shares	15	39
Deduct: Income received on issue of shares	(4)	(15)
<b>Total distributions for the year</b>	<b>362</b>	<b>1,045</b>
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	304	981
Overseas capital gains tax on realised gains	22	-
Overseas deferred capital gains tax on unrealised gains	(12)	64
Shortfall transfer from capital to revenue	48	-
<b>Total distributions for the year</b>	<b>362</b>	<b>1,045</b>

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

### 6 Debtors

	2024 £'000	2023 £'000
Accrued revenue	102	89
Amounts receivable from the ACD for the issue of shares	38	7
Overseas withholding tax recoverable	85	83
<b>Total debtors</b>	<b>225</b>	<b>179</b>

### 7 Provisions for Liabilities

	2024 £'000	2023 £'000
<b>The provisions for liabilities comprise:</b>		
Overseas capital gains tax	123	136
<b>Total provisions for liabilities</b>	<b>123</b>	<b>136</b>

# Notes to the Financial Statements

## Continued

### 8 Creditors

	2024 £'000	2023 £'000
Accrued expenses payable to ACD	121	119
Accrued expenses payable to the Depositary or associates of the Depositary	2	2
Amounts payable to the ACD for cancellation of shares	249	107
Capital gains tax payable	1	-
Other accrued expenses	664	644
<b>Total creditors</b>	<b>1,037</b>	<b>872</b>

### 9 Related Party Transactions

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

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

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

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

### 10 Portfolio Transaction Costs

	Purchases		Sales	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Trades in the year</b>				
Equities	31,197	52,818	43,313	69,634
<b>Trades in the year before transaction costs</b>	<b>31,197</b>	<b>52,818</b>	<b>43,313</b>	<b>69,634</b>
<b>Commissions</b>				
Equities	16	27	(19)	(34)
<b>Total commissions</b>	<b>16</b>	<b>27</b>	<b>(19)</b>	<b>(34)</b>
<b>Taxes</b>				
Equities	3	15	(4)	(6)
<b>Total taxes</b>	<b>3</b>	<b>15</b>	<b>(4)</b>	<b>(6)</b>
<b>Total transaction costs</b>	<b>19</b>	<b>42</b>	<b>(23)</b>	<b>(40)</b>
<b>Total net trades in the year after transaction costs</b>	<b>31,216</b>	<b>52,860</b>	<b>43,290</b>	<b>69,594</b>



# Notes to the Financial Statements

## Continued

	Purchases		Sales	
	2024 %	2023 %	2024 %	2023 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.05	0.05	0.04	0.05
<b>Taxes</b>				
Equities	0.01	0.03	0.01	0.01
			2024 %	2023 %
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Commissions			0.02	0.04
Taxes			-	0.01

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.07% (2023: 0.11%), this is representative of the average spread on the assets held during the year.

## 11 Shares in Issue Reconciliation

	Opening shares 2023	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2024
A Accumulation	10,951,032	993,663	(1,202,036)	(696,504)	10,046,155
A Income	1,999,213	15,244	(181,635)	(364,413)	1,468,409
I Accumulation	18,806,334	678,480	(2,134,782)	597,402	17,947,434
I Income	11,317,690	876,381	(2,036,879)	325,981	10,483,173
M Accumulation	664,462	74	(654,444)	-	10,092
M Income	15,808	74	(19)	-	15,863

## 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

	2024	2024	2024	2023	2023	2023
	£'000	£'000	£'000	£'000	£'000	£'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	145,786	-	-	146,321	-	-
<b>Total investment assets</b>	<b>145,786</b>	<b>-</b>	<b>-</b>	<b>146,321</b>	<b>-</b>	<b>-</b>

## 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 2024 £'000	Net foreign currency exposure 2023 £'000
<b>Currency</b>		
Australian Dollar	3,508	5,665
Brazilian Real	3,578	-
Canadian Dollar	-	2,107
Danish Krone	37	3,972
Euro	21,139	19,617
Hong Kong Dollar	2,433	3,676
Indian Rupee	3,402	3,931
Indonesian Rupiah	-	3,442
Japanese Yen	5,172	3,017
Polish Zloty	2,721	3,099
South Africa Rand	3,756	2,374
Swedish Krona	3,281	3,087
US Dollar	96,296	85,906
<b>Total</b>	<b>145,323</b>	<b>139,893</b>

At 31 July 2024, 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 £7,266,000 (2023: £6,995,000).

### 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 2024, 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 £7,289,000 (2023: £7,316,000).

### Financial derivatives instrument risk

The fund had no exposure to derivatives as at 31 July 2024 (2023: £Nil).

### Liquidity risk

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

	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
<b>2024</b>					
<b>Non-derivatives</b>					
Other creditors	-	1,160	-	-	1,160
Bank overdrafts	-	-	-	-	-
Distribution payable	-	73	-	-	73
<b>Total financial liabilities</b>	-	1,233	-	-	1,233
	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
<b>2023</b>					
<b>Non-derivatives</b>					
Other creditors	-	1,008	-	-	1,008
Bank overdrafts	-	-	-	-	-
Distribution payable	-	200	-	-	200
<b>Total financial liabilities</b>	-	1,208	-	-	1,208

# Distribution Tables

For the year ended 31 July 2024 (in pence per share)

## Interim dividend distribution

Group 1 – shares purchased prior to 1 August 2023

Group 2 – shares purchased between 1 August 2023 and 31 January 2024

	Revenue	Equalisation	Distribution paid 30/04/24	Distribution paid 28/04/23
<b>A Accumulation</b>				
Group 1	-	-	-	0.0215
Group 2	-	-	-	0.0215
<b>A Income</b>				
Group 1	-	-	-	0.0143
Group 2	-	-	-	0.0143
<b>I Accumulation</b>				
Group 1	0.3812	-	0.3812	0.8625
Group 2	0.2007	0.1805	0.3812	0.8625
<b>I Income</b>				
Group 1	0.2626	-	0.2626	0.5999
Group 2	0.1203	0.1423	0.2626	0.5999
<b>M Accumulation</b>				
Group 1	0.1045	-	0.1045	0.2837
Group 2	0.1045	-	0.1045	0.2837
<b>M Income</b>				
Group 1	0.1003	-	0.1003	0.2803
Group 2	0.0212	0.0791	0.1003	0.2803

# Distribution Tables

For the year ended 31 July 2024 (in pence per share) continued

## Final dividend distribution

Group 1 – shares purchased prior to 1 February 2024

Group 2 – shares purchased between 1 February 2024 and 31 July 2024

	Revenue	Equalisation	Distribution paid 31/10/24	Distribution paid 31/10/23
<b>A Accumulation</b>				
Group 1	-	-	-	1.2464
Group 2	-	-	-	1.2464
<b>A Income</b>				
Group 1	-	-	-	0.9285
Group 2	-	-	-	0.9285
<b>I Accumulation</b>				
Group 1	1.0068	-	1.0068	2.3095
Group 2	0.4858	0.5210	1.0068	2.3095
<b>I Income</b>				
Group 1	0.6957	-	0.6957	1.6028
Group 2	0.5151	0.1806	0.6957	1.6028
<b>M Accumulation</b>				
Group 1	0.3151	-	0.3151	0.8163
Group 2	0.0483	0.2668	0.3151	0.8163
<b>M Income</b>				
Group 1	0.3267	-	0.3267	0.8005
Group 2	0.3267	-	0.3267	0.8005

## 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 Japanese Equity Fund

For the year ended 31 July 2024

## 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 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 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 2024, the value of the abrdn Japanese Equity Fund – Institutional Accumulation Shares rose by 13.74% over the period. In the same period, the MSCI Japan index returned 16.80%.

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

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

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

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

# abrdn Japanese Equity Fund

## Continued

### Market Review

The Japanese stock market produced strong returns over the 12-month period, as positive corporate earnings, increased focus by Japanese companies on shareholder returns, and growing evidence that Japan was emerging from its decades-long period of deflation boosted the stock market. Returns in yen terms were notably higher than they were in US dollar and sterling terms owing to the pronounced weakness in the yen for much of the period. The currency hit a multi-decade low of almost 162 in early July before strengthening to 150 at the end of that month on speculation that the Bank of Japan (BoJ) would continue to tighten its policy.

In February, the bellwether Nikkei 225 Index broke through its high of 38,900 – which had stood for 34 years – and quickly rose above 40,000 for the first time in its history, reaching a new peak of over 42,000 in mid-July. The rally was largely driven by exporters, which have benefited from the weak yen, and in particular the technology sector, where artificial intelligence (AI)-related companies have done especially well. However, the Nikkei fell back below 40,000 in late July on worries about the economic outlook both in Japan and overseas.

One of the key events during the period was the first increase in interest rates for 17 years by the BoJ in March. This was followed by a second hike in late July, which took the BoJ's benchmark rate to 0.25%. The monetary authorities justified the tighter monetary stance on the need to support the persistently weak yen and combat inflation. Annual headline inflation remained above the BoJ's 2.0% target level for the entire period and was at 2.8% in both May and June. The central bank also remained concerned that the sizeable spring pay awards, the highest in decades, would feed into greater inflationary pressure further down the line.

Economic data in Japan was mixed. The economy grew by 1.9% year on year in 2023, which marked an improvement from the previous year's 1.0% growth. However, first-quarter 2024 GDP missed expectations, falling by 2.3% on an annualised basis, as consumer spending remained depressed. The Japanese government recently cut its forecast for economic expansion from 1.3% to 0.9% for the fiscal year ended March 2025, although this is still above most private sector economists' forecasts. However, the quarterly Tankan Report indicated improved sentiment among large manufacturers, with July's index reaching a two-year high of plus 13, up from plus 5 a year ago.

### Portfolio review

The fund underperformed the benchmark index over the period, with stock selection and, in particular, sector allocation weighing on returns. The overweighting of, and stock selection in, consumer staples was a key negative. Selection was also weak in information technology, although on the positive side, it was notably strong in industrials.

In terms of individual holdings, Nippon Paint was one of the fund's weakest-performing positions, falling on investor concerns that higher raw material costs and slower economic growth in China might affect the company's earnings. Ibiden was also a drag on performance owing to concerns of a slowing recovery in demand for general servers. We believe that structural growth opportunities for Ibiden's packaging technology used in advanced semiconductors, including those for AI applications, can offset some of the macroeconomic headwinds. Asahi Group also underperformed, as several Japanese financial institutions offered 6.6% of its outstanding shares for sale as part of the unwinding of these institutions' equity holdings – a trend that we are likely to see more of as part of Japan's governance reforms. The stock was also weighed down by some uncertainty surrounding the company's mention of a potential acquisition in the US.

On the positive side, Hitachi was the strongest contributor to returns. The stock benefited from better-than-expected earnings results and guidance on digital and green transformation needs. Investors have become optimistic about how the company intends to take advantage of opportunities such as generative AI and digitisation which were explained at its Investor Day during the period. Tokio Marine Holdings performed strongly on higher-than-forecast results and guidance, as well greater-than-expected gains from the reduction of its cross-shareholdings which should help further improve its capital efficiency. Rising digitisation demand and an improving outlook for IT services benefited NEC Corporation.

### Activity

Among our many new additions to the fund during the period, one of the more recent ones was DMG Mori, a global leader in five-axis machining centres and mill turns. Its direct-sales model helps the company better address customer needs and provide the maintenance service needed. This has enabled the company to capture the rising demand related to supply-chain diversification and labour shortages in Europe and other developed markets. We also recently bought shares in Mitsubishi Gas Chemical. The company has a good track record of

# abrdn Japanese Equity Fund

## Continued

understanding customer needs to develop new products by leveraging on its core technologies, such as catalysts, synthesis, polymer science and biotechnology. As a result, 40% of the company's products have the largest market share globally, and 90% of its products were developed in-house.

A further purchase earlier in the period was electric-wire maker Sumitomo Electric Industries. For the mainstay automotive wiring-harness business, the company has become the top player globally and now accounts for a quarter of the global market share. The company is equally competitive in high-voltage, direct-current power cables that are expected to become increasingly important in reducing losses during electricity transmission. We also added tyre manufacturer Bridgestone to the fund. The company has undergone a restructuring and is now more focused on raising profitability through improving its mix and premium offerings. It has strong brand appeal, and this has acted as a good buffer against rising competition in the US. Bridgestone's brand is a strong competitive advantage, in our view, and we expect its business to prosper as conditions improve in its key market of North America. We initiated a position in toiletries and cosmetics maker Kao, the leading maker of personal care, laundry and cleaning products as we sense the management's willingness to conduct drastic restructuring to improve profitability. We added pneumatic equipment maker SMC which is the world's largest pneumatic equipment maker. It has continued to gain share by leveraging on its stable supply, short lead time and 500 local sales and service locations in over 80 countries to meet customer demand in a timely manner.

We bought into industrial gas and liquified petroleum gas (LPG) supplier Iwatani. As the sole provider of liquid hydrogen in Japan, Iwatani is well positioned to benefit from volume growth opportunities as corporates look to expand the use of hydrogen to meet decarbonisation targets. We also believe that there are margin expansion opportunities, given that the company continues to acquire smaller players within the LPG retail market, which remains fragmented. Airline company ANA, which was another addition, has become the largest airline in Japan by adroitly navigating the economic cycles and investing in brand building and route network over the years. We bought shares in Nintendo as we believe the market is undervaluing Nintendo's intellectual property opportunities, such as through film and theme parks, as well as a new game console that could launch in 12 to 18 months. We also introduced Yokogawa Electric into the fund. It is one of the leading global players in the process automation market, which has consolidated substantially over the last few decades. The company recently

completed the restructuring of its operations to focus on key segments including energy and sustainability, which we believe will enable the company to capture the rising demand for projects related to energy security and energy transition.

To fund the new stocks, we sold several positions. Among them was Kansai Paint which we divested from on governance concerns. Kansai issued ¥100 billion of zero-coupon convertible bonds (CBs), resulting in a potential net dilution of 7%. This was despite the company's strong cash flows and its ability to borrow from financial institutions. This is the second time that the company had issued CBs, raising concerns yet again about the quality of its management and the board's governance. We exited our position in online distributor of business supplies MonotaRO, on concerns that the end market growth is slowing while it is increasingly becoming difficult for the company to differentiate its offering from its competitors. We sold Astellas Pharma due to concerns over the drugmaker's recent acquisitions, made to offset the patent cliff. We also sold our positions in musical instrument maker Yamaha, laboratory consumables supplier As One, industrial parts company Nabtesco, mortgage guarantor Zenkoku Hoshu, cosmetics producer Shiseido and robot maker Fanuc as, in each case, we see better opportunities elsewhere.

## Portfolio Outlook and Strategy

We remain optimistic on the market, due to several positive structural changes currently under way in Japan. Most notably, as inflation has continued to set in, we believe that the deflationary mindset is gradually changing. Higher prices are becoming more entrenched, resulting in a firmer domestic outlook for companies. This contrasts with the recent past, when rising costs could not be fully offset by passing on higher prices to end-customers. Meanwhile, a shortage of labour is putting upward pressure on wages, raising the possibility of the economy entering a virtuous cycle of growth. Geopolitics is also putting Japan in the spotlight; 'friend-shoring' has led to rising investment from global semiconductor companies in the country. These all bode well for the prospects of Japan's companies and its economy.

It is also encouraging that Japanese corporates continue to place a strong emphasis on profitability, alongside the return of excess capital to shareholders. This has been accelerated by the TSE's proposals for reforms. Increasingly, companies have embraced measures such as return on invested capital and return on equity, and they have been divesting assets that do not meet their hurdle rates. Companies are also setting targets on reducing cross shareholdings and using these proceeds to reinvest



# abrdn Japanese Equity Fund

## Continued

in their businesses or to reward shareholders. Alongside a backdrop of weaker growth, we believe that it is important to focus on companies with firm fundamentals that are also embracing these changes, which will allow them to better tackle this challenging period and, over time, outperform their peers.

During this period of uncertainty, better-run companies with sustainable cash flows, stronger balance sheets and business flexibility are likely to fare better. This is the case for most of the holdings in our funds. We will work to identify stocks with structural tailwinds, but which may have been indiscriminately sold off along with the market. We believe that the fundamentals of our holdings are sound, even amid macroeconomic uncertainty, and we remain optimistic on their prospects.

### Asia Pacific Equity Team

August 2024

# 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 2024.

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

- Equity Risk – 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.
- Concentration Risk – A concentrated portfolio (whether by number of holdings, geographic location or sector) may be more volatile and less liquid than a diversified one.
- Derivatives Risk – The use of derivatives may involve additional liquidity, credit and counterparty risks. In some cases the risk of loss from derivatives may be increased where a small change in the value of the underlying investment may have a larger impact on the value of the derivative.

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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	247.34	242.27	270.83
Return before operating charges*	35.53	8.24	(25.08)
Operating charges	(3.39)	(3.17)	(3.48)
Return after operating charges*	32.14	5.07	(28.56)
Distributions	(0.73)	(0.79)	(0.79)
Retained distributions on accumulation shares	0.73	0.79	0.79
Closing net asset value per share	279.48	247.34	242.27
* after direct transaction costs of:	0.05	0.06	0.06
<b>Performance</b>			
Return after charges	12.99%	2.09%	(10.55%)
<b>Other information</b>			
Closing net asset value (£'000)	7,786	7,504	9,464
Closing number of shares	2,785,999	3,033,764	3,906,248
Operating charges	1.32%	1.32%	1.31%
Direct transaction costs	0.02%	0.02%	0.02%
<b>Prices</b>			
Highest share price	284.0	260.3	314.2
Lowest share price	231.5	226.6	218.8

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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	274.21	267.38	297.56
Return before operating charges*	39.62	9.13	(27.66)
Operating charges	(2.52)	(2.30)	(2.52)
Return after operating charges*	37.10	6.83	(30.18)
Distributions	(2.14)	(2.11)	(2.21)
Retained distributions on accumulation shares	2.14	2.11	2.21
Closing net asset value per share	311.31	274.21	267.38
* after direct transaction costs of:	0.06	0.06	0.07
<b>Performance</b>			
Return after charges	13.53%	2.55%	(10.14%)
<b>Other information</b>			
Closing net asset value (£'000)	103,435	31,776	39,698
Closing number of shares	33,225,319	11,588,067	14,847,105
Operating charges	0.87%	0.87%	0.86%
Direct transaction costs	0.02%	0.02%	0.02%
<b>Prices</b>			
Highest share price	315.8	288.3	345.4
Lowest share price	256.9	250.3	241.3

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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	116.50	113.65	126.54
Return before operating charges*	16.80	3.88	(11.76)
Operating charges	(1.11)	(1.03)	(1.13)
Return after operating charges*	15.69	2.85	(12.89)
Distributions	(0.85)	(0.84)	(0.87)
Retained distributions on accumulation shares	0.85	0.84	0.87
Closing net asset value per share	132.19	116.50	113.65
* after direct transaction costs of:	0.02	0.03	0.03
<b>Performance</b>			
Return after charges	13.47%	2.51%	(10.19%)
<b>Other information</b>			
Closing net asset value (£'000)	43	56	61
Closing number of shares	32,709	48,154	53,497
Operating charges	0.92%	0.92%	0.91%
Direct transaction costs	0.02%	0.02%	0.02%
<b>Prices</b>			
Highest share price	134.1	122.5	146.9
Lowest share price	109.1	106.4	102.6

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 <sup>A</sup>	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	88.31	85.47	100.00 <sup>B</sup>
Return before operating charges*	12.82	2.94	(14.45)
Operating charges	(0.11)	(0.10)	(0.08)
Return after operating charges*	12.71	2.84	(14.53)
Distributions	(1.39)	(1.32)	(0.89)
Retained distributions on accumulation shares	1.39	1.32	0.89
Closing net asset value per share	101.02	88.31	85.47
* after direct transaction costs of:	0.02	0.02	0.02
<b>Performance</b>			
Return after charges	14.39%	3.32%	(14.53%)
<b>Other information</b>			
Closing net asset value (£'000)	11,278	12,571	13,885
Closing number of shares	11,164,164	14,234,951	16,245,681
Operating charges	0.12%	0.12%	0.11%
Direct transaction costs	0.02%	0.02%	0.02%
<b>Prices</b>			
Highest share price	102.2	92.76	105.1
Lowest share price	82.90	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.

<sup>A</sup> Z Accumulation share class was launched on 07 October 2021.

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

# Portfolio Statement

As at 31 July 2024

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (99.82%)</b>		<b>121,870</b>	<b>99.45</b>
<b>Japanese Equities (99.82%)</b>		<b>121,870</b>	<b>99.45</b>
<b>Communication Services (1.21%)</b>		<b>3,977</b>	<b>3.24</b>
91,000	KDDI	2,128	1.73
42,600	Nintendo	1,849	1.51
<b>Consumer Discretionary (16.40%)</b>		<b>22,107</b>	<b>18.04</b>
28,200	Bridgestone	902	0.73
229,800	Denso	2,977	2.43
69,700	Koito Manufacturing	808	0.66
9,600	Nitori	887	0.72
48,000	Open House	1,331	1.09
180,200	Pan Pacific International	3,664	2.99
58,000	Sony	4,059	3.31
230,400	Sumitomo Electric Industries	2,753	2.25
310,100	Toyota Motor	4,726	3.86
<b>Consumer Staples (11.87%)</b>		<b>8,609</b>	<b>7.02</b>
52,200	Ajinomoto	1,679	1.37
77,200	Asahi	2,218	1.81
42,800	Kao	1,462	1.19
129,000	Seven & i	1,207	0.99
60,100	Suntory Beverage & Food*	1,683	1.37
4,000	Unicharm	104	0.08
24,600	Welcia	256	0.21
<b>Energy (0.00%)</b>		<b>1,088</b>	<b>0.89</b>
22,000	Iwatani	1,088	0.89
<b>Financials (11.24%)</b>		<b>18,316</b>	<b>14.95</b>
43,900	Japan Exchange	804	0.66
920,200	Mitsubishi UFJ Financial	8,333	6.80

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
217,600	Tokio Marine	6,779	5.53
287,600	Tokyo Century	2,400	1.96
<b>Health Care (11.38%)</b>		<b>9,816</b>	<b>8.01</b>
15,500	Asahi Intecc	191	0.16
83,600	Chugai Pharmaceutical	2,853	2.33
89,900	Daiichi Sankyo	2,859	2.33
30,900	Hoya	3,019	2.46
66,400	Olympus	894	0.73
<b>Industrials (19.62%)</b>		<b>26,148</b>	<b>21.34</b>
55,500	AGC	1,545	1.26
247,100	Amada	2,285	1.86
87,000	ANA*	1,295	1.06
9,620	Daikin Industries	1,089	0.89
57,500	DMG Mori*	1,151	0.94
76,000	Fuji Electric	3,345	2.73
349,900	Hitachi	5,938	4.85
63,700	Makita	1,625	1.33
179,700	MISUMI	2,587	2.11
90,900	Recruit	4,061	3.31
3,200	SMC	1,227	1.00
<b>Information Technology (16.99%)</b>		<b>20,522</b>	<b>16.75</b>
58,700	Advantest	1,826	1.49
47,800	Ibiden	1,443	1.18
11,028	Keyence	3,757	3.07
57,600	NEC	3,873	3.16
72,100	Nomura Research Institute	1,737	1.42
77,900	Otsuka	1,338	1.09
37,000	Socionext*	589	0.48
22,400	Tokyo Electron	3,594	2.93
119,700	Yokogawa Electric	2,365	1.93



# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Materials (7.17%)</b>		<b>6,648</b>	<b>5.42</b>
107,400	Mitsubishi Gas Chemical	1,586	1.29
149,300	Nippon Paint	740	0.60
124,100	Shin-Etsu Chemical	4,322	3.53
<b>Real Estate (3.94%)</b>		<b>4,639</b>	<b>3.79</b>
276,200	Mitsui Fudosan	2,245	1.83
423,900	Tokyu Fudosan	2,394	1.96
Total investment assets		121,870	99.45
Net other assets		672	0.55
<b>Total Net Assets</b>		<b>122,542</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities within the meaning of the FCA rules.  
The percentage figures in brackets show the comparative holding as at 31 July 2023.

\* A portion of this security is on loan at the year end.

# Financial Statements

## Statement of Total Return

For the year ended 31 July 2024

	Notes	2024		2023	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains	1		9,223		589
Revenue	2	946		1,032	
Expenses	3	(482)		(402)	
Net revenue before taxation		464		630	
Taxation	4	(96)		(108)	
Net revenue after taxation			368		522
<b>Total return before distributions</b>			<b>9,591</b>		<b>1,111</b>
Distributions	5		(368)		(522)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>9,223</b>		<b>589</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2024

	2024		2023	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>51,907</b>		<b>63,108</b>
Amounts receivable on the issue of shares	20,945		21,465	
Amounts payable on the cancellation of shares	(22,873)		(33,712)	
Amounts receivable on inspecie transfers*	62,438		-	
		60,510		(12,247)
Dilution adjustment		15		-
Change in net assets attributable to shareholders from investment activities (see above)		9,223		589
Retained distribution on accumulation shares		887		457
<b>Closing net assets attributable to shareholders</b>		<b>122,542</b>		<b>51,907</b>

\* Relating to an inspecie transfer from abrdn MT Japan Fund on 01 May 2024.

# Financial Statements

## Continued

### Balance Sheet

As at 31 July 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			121,870		51,812
<b>Current assets:</b>					
Debtors	6	1,088		381	
Cash and bank balances	7	114		178	
			1,202		559
<b>Total assets</b>			<b>123,072</b>		<b>52,371</b>
<b>Liabilities:</b>					
Creditors	8	(530)		(464)	
			(530)		(464)
<b>Total liabilities</b>			<b>(530)</b>		<b>(464)</b>
<b>Net assets attributable to shareholders</b>			<b>122,542</b>		<b>51,907</b>

# Notes to the Financial Statements

## 1 Net Capital Gains

	2024 £'000	2023 £'000
Non-derivative securities	9,176	591
Other gains	70	18
Transaction charges	(23)	(20)
<b>Net capital gains</b>	<b>9,223</b>	<b>589</b>

## 2 Revenue

	2024 £'000	2023 £'000
Overseas dividends	942	1,032
Stocklending revenue	4	-
<b>Total revenue</b>	<b>946</b>	<b>1,032</b>

## 3 Expenses

	2024 £'000	2023 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	430	356
General administration charge	45	40
	475	396
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	7	6
	7	6
<b>Total expenses</b>	<b>482</b>	<b>402</b>

Irrecoverable VAT is included in the above expenses, where applicable.  
The audit fee for the year, including VAT, was £9,900 (2023: £9,120).

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2024 £'000	2023 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	96	108
<b>Total taxation (note 4b)</b>	<b>96</b>	<b>108</b>

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

The tax assessed for the year is greater than (2023: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

<b>Net revenue before taxation</b>	<b>464</b>	<b>630</b>
Corporation tax at 20% (2023: 20%)	93	126
Effects of:		
Revenue not subject to taxation	(189)	(206)
Overseas taxes	96	108
Excess allowable expenses	96	80
<b>Total tax charge for year (note 4a)</b>	<b>96</b>	<b>108</b>

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

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

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £9,957,000 (2023: £9,861,000) 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

	2024 £'000	2023 £'000
Distribution	887	457
Add: Income deducted on cancellation of shares	95	149
Deduct: Income received on issue of shares	(614)	(84)
<b>Total distributions for the year</b>	<b>368</b>	<b>522</b>

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

# Notes to the Financial Statements

## Continued

### 6 Debtors

	2024 £'000	2023 £'000
Accrued revenue	141	73
Amounts receivable from the ACD for the issue of shares	-	12
Sales awaiting settlement	947	296
<b>Total debtors</b>	<b>1,088</b>	<b>381</b>

### 7 Creditors

	2024 £'000	2023 £'000
Accrued expenses payable to ACD	79	32
Accrued expenses payable to the Depositary or associates of the Depositary	3	2
Amounts payable to the ACD for cancellation of shares	131	73
Purchases awaiting settlement	317	357
<b>Total creditors</b>	<b>530</b>	<b>464</b>

### 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.

### 9 Portfolio Transaction Costs

	Purchases		Sales	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Trades in the year</b>				
Equities	30,515	27,560	32,177	38,700
Inspecie transactions	62,532	-	-	-
<b>Trades in the year before transaction costs</b>	<b>93,047</b>	<b>27,560</b>	<b>32,177</b>	<b>38,700</b>

# Notes to the Financial Statements

## Continued

	Purchases		Sales	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Trades in the year</b>				
<b>Commissions</b>				
Equities	6	6	(7)	(8)
<b>Total commissions</b>	<b>6</b>	<b>6</b>	<b>(7)</b>	<b>(8)</b>
<b>Total transaction costs</b>	<b>6</b>	<b>6</b>	<b>(7)</b>	<b>(8)</b>
<b>Total net trades in the year after transaction costs</b>	<b>93,053</b>	<b>27,566</b>	<b>32,170</b>	<b>38,692</b>

	Purchases		Sales	
	2024 %	2023 %	2024 %	2023 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.02	0.02	0.02	0.02

	2024 %	2023 %
<b>Total transaction costs expressed as a percentage of net asset value</b>		
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 0.41% (2023: 0.22%), this is representative of the average spread on the assets held during the year.

## 10 Shares in Issue Reconciliation

	Opening shares 2023	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2024
A Accumulation	3,033,764	2,845,194	(3,013,767)	(79,192)	2,785,999
I Accumulation	11,588,067	25,875,873	(4,315,504)	76,883	33,225,319
M Accumulation	48,154	-	(2,196)	(13,249)	32,709
Z Accumulation	14,234,951	-	(3,070,787)	-	11,164,164

## 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).

# Notes to the Financial Statements

## Continued

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

	2024 £'000	2024 £'000	2024 £'000	2023 £'000	2023 £'000	2023 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	121,870	-	-	51,812	-	-
<b>Total investment assets</b>	<b>121,870</b>	<b>-</b>	<b>-</b>	<b>51,812</b>	<b>-</b>	<b>-</b>

## 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.

	Net foreign currency exposure 2024 £'000	Net foreign currency exposure 2023 £'000
<b>Currency</b>		
Japanese Yen	122,641	51,824
<b>Total</b>	<b>122,641</b>	<b>51,824</b>

At 31 July 2024, 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 £6,132,000 (2023: £2,591,000).

### 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 2024, 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 £6,094,000 (2023: £2,591,000).

### Financial derivatives instrument risk

The fund had no exposure to derivatives as at 31 July 2024 (2023: £Nil).



# 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.

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

2024 Counterparties	Stock on Loan* £'000	Repo £'000	Collateral (held)/pledged		Net exposure £'000
			Cash £'000	Stock* £'000	
BNP Paribas	2,431	-	-	(2,714)	(283)
UBS	457	-	-	(514)	(57)
<b>Total</b>	<b>2,888</b>	<b>-</b>	<b>-</b>	<b>(3,228)</b>	<b>(340)</b>

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

### Top Ten SFTR Issuers

2024	Type	Collateral Stock
PayPal	Equity	(272)
Amazon.com	Equity	(272)
Bank of America	Equity	(272)
Berkshire Hathaway	Equity	(271)
MetLife	Equity	(271)
Willis Towers Watson	Equity	(271)
Wells Fargo	Equity	(271)
Morgan Stanley	Equity	(271)
Goldman Sachs	Equity	(271)
AP Moller – Maersk	Equity	(184)
Combined issuers outside top 10	Equity	(602)
		<b>(3,228)</b>

### 2023

There was no counterparty exposure as at 31 July 2023.

### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2024 £530,000 (2023: £464,000).

# Distribution Table

For the year ended 31 July 2024 (in pence per share)

## Final dividend distribution

Group 1 – shares purchased prior to 1 August 2023

Group 2 – shares purchased between 1 August 2023 and 31 July 2024

	Revenue	Equalisation	Distribution paid 31/10/24	Distribution paid 31/10/23
<b>A Accumulation</b>				
Group 1	0.7294	–	0.7294	0.7940
Group 2	0.0045	0.7249	0.7294	0.7940
<b>I Accumulation</b>				
Group 1	2.1430	–	2.1430	2.1106
Group 2	–	2.1430	2.1430	2.1106
<b>M Accumulation</b>				
Group 1	0.8502	–	0.8502	0.8389
Group 2	0.8502	–	0.8502	0.8389
<b>Z Accumulation</b>				
Group 1	1.3870	–	1.3870	1.3170
Group 2	1.3870	–	1.3870	1.3170

## 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 Latin American Equity Fund

For the year ended 31 July 2024

## 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 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 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 2024, the value of abrdn Latin American Equity Fund – Institutional Accumulation Shares decreased by 12.96% compared with a decrease of 6.56% in the performance target, the MSCI EM Latin America 10/40 Net Total Return Index + 3.00%.

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

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# abrdn Latin American Equity Fund

## Continued

### Market Review

Latin American equities fell over the twelve-month period.

While high interest rates and concerns over the Chinese economic recovery weighed on sentiment early in the review period, a more conducive external backdrop with hopes of falling US interest rates helped Latin American equities later in 2023. However, the region recorded losses year-to-date in 2024 amid ongoing uncertainty around the external backdrop, including US elections, global geopolitics and the pace of monetary easing across developed economies. Domestically, the Mexican presidential elections and the ongoing political overhang within Brazil explain the increase in risk premia across asset classes and the underperformance observed in equities and currencies.

Brazil saw progress on the fiscal front with the approval of the tax reform which should simplify the country's tax system in the long term. Meanwhile, a downward trend in inflation paved the way for the central bank to continue the easing cycle before holding the interest rate at 10.5%. However, the less ambitious fiscal consolidation and expectations of a more timid and slower pace of rate cuts weighed on sentiment, with political noise being a known driver behind its elevated risk-premia. Meanwhile, Mexican equities ended the review period lower despite sustained economic growth, strong consumption and nearshoring tailwinds. Claudia Sheinbaum was voted in as the president elect, and the ruling party obtained a qualified majority in the congress and strong support in the senate. As such, investors were concerned about the possible implementation of controversial reforms and a possible weakening of Mexican institutions. Elsewhere, in Chile, the population rejected the proposed new constitution in late 2023 closing a longstanding chapter.

### Portfolio Activity and Review

Our stock selection in Brazil, Chile and Peru weighed on the fund's performance, although this was partially mitigated by our stock picks in Mexico. Stock selection in Brazil was weak mostly due to a poor performance of domestically orientated names such as Localiza, Azzas and CCR while our underweight to oil & gas company Petrobras also detracted.

At the stock level, Localiza detracted from performance as concerns around the weak used-car market and a higher interest-rate environment continued to pressure the company's profitability and led to a downward earnings revision. Azzas' shares also declined along with other domestically oriented retail names amid the worsening fiscal outlook and the steepening of the yield curve. We continued to hold the name as we understand

that investors are not fully appreciating the potential benefits from the recently concluded merger with apparel retailer SOMA. Meanwhile, our underweight to Petrobras detracted as its shares rose following the shareholders' approval of the extraordinary dividends making it one of the top-performing Latin American companies during the period.

Conversely, not owning Banco Bradesco contributed to performance as its shares continued to de-rate on ongoing concerns around the turnaround process and the pace at which the management will be able to deliver its profitability targets. Mercado Libre was favourable as the company's strong execution continued with the release of its first-quarter results which showed a manageable impact from the depreciation of the Argentine Peso. Meanwhile, our lack of exposure to Ambev contributed as investors remained sceptical with the prospects of margin improvement and tax liability overhang.

The high volatility observed during the period represented an opportunity for us to implement changes in the portfolio with a view of taking advantages of valuation dislocations, enhance portfolio quality characteristics and improve diversification of business models within the fund. In key portfolio activity, we initiated SLC Agricola, one of Brazil's largest agricultural producers, on increased conviction of the inflection point for sector profitability being near and the company appearing well positioned to benefit given its high standard of operations. We also initiated Cyrela, a high quality mid to high income Brazilian homebuilder with proven resilience and a beneficiary of the monetary easing cycle. We introduced Orizon a Brazilian landfill operator with a modular business model, and with potential growth opportunities and value to be unlocked due to the ramp-up of existing projects and monetisation of its biomethane assets. Meanwhile, we initiated a position in Brazil's largest toll road operator CCR in light of its improving fundamentals and on the back of governance improvements and a renewed focus on capital allocation discipline. We also re-introduced Mexican airport operator ASUR on reassurance from its master development plan's outcome and milestones.

We bought Ero Copper, a low-cost copper mining company that is expanding production through the development of a new copper mine. Ero also has growth options in nickel and gold. We also initiated Capstone, a mid-sized copper mining company with several growth drivers from the ramp-up of its existing capacity to the development of new growth projects. Both these companies could benefit from a positive outlook for copper prices, which is underpinned by tight supply-demand dynamics and rising demand from electrification trends. Elsewhere, we initiated Rede D'Or, a leading

# abrdn Latin American Equity Fund

## Continued

hospital and healthcare operator in Brazil offering an attractive risk-reward profile. We bought America Movil due to improving conviction on the investment case. We introduced the Latin American Fintech company Nubank, following reassuring evidence of its monetisation journey. Lastly, we initiated Sabesp during its privatisation offer given the attractive self-help story towards a more efficient private company backed by a solid asset base.

Conversely, we disposed of Geopark due to continued disappointment in production ramp-up and overall falling conviction, and we reinvested the proceeds by initiating PRIO, with a strong execution track record. We also sold Bradespar, reinvesting the proceeds into Vale as we preferred to maintain direct exposure. We disposed of Southern Copper as well, while keeping copper exposure via Grupo Mexico on better risk reward dynamics. We sold 3R due to reduced visibility and falling conviction on the management's ability to deliver meaningful improvements in the short term as well as potentially higher long-term execution risk. We disposed of WEG in light of slowing industry dynamics, margin pressures and worsening tax landscape in the domestic market.

Elsewhere, we sold Walmex on weaker operational momentum and due to lower conviction in the Mexican consumer staples universe. We offloaded Rumo given its relative performance, and sold Bradesco, Assai, Odontoprev, Wilson Sons Holdings and B3 on falling conviction, and in favour of better opportunities elsewhere. Lastly, we sold Globant on concerns over a slowdown in the US and falling conviction.

## Portfolio Outlook and Strategy

We believe Latin America offers several opportunities in underpenetrated sectors in the long term. The region has remained resilient in recent years in terms of economic growth and amid expanding trade relations worldwide. A conducive external backdrop has also yielded stability for Latin American currencies. The region could also benefit from the energy transition push, given its leading position as a renewable energy and green commodity resource base. Furthermore, Latin America could benefit from the restructuring of global supply chains away from Asia, especially in manufacturing. These positives, however, have been overlooked by investors, with Latin American equities and currencies suffering during 2024 and screening as one of the laggards among emerging markets.

We made changes to our portfolio during the period, which in our view positions the fund to perform well on a broader range of scenarios, with a highlight to the increase in idiosyncratic thesis and an improvement in the overall

quality characteristics within the portfolio. Our holdings in Latin America have continued to maintain solid balance sheets and strengthen their positions, which bodes well for earnings power, particularly once visibility around the easing cycle increases. Latin American equities are not immune to the global environment, including uncertainty around monetary policies, as evident by the weak performance in the first half of 2024. However, the region trades at low valuation levels and a significant discount to other emerging markets, which suggests the risks are largely discounted, making the asset class an interesting risk-reward proposition.

## Global Emerging Markets Equity Team

August 2024

# abrdn Latin 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 2024.

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.
- Emerging markets are countries generally considered to be relatively less developed or industrialized, and investments in emerging markets countries are subject to a magnification of the risks that apply to foreign investments. These risks are greater for securities of companies in emerging market countries because the countries may have less stable governments, more volatile currencies and less established markets.
- Derivatives Risk – The use of derivatives may involve additional liquidity, credit and counterparty risks. In some cases the risk of loss from derivatives may be increased where a small change in the value of the underlying investment may have a larger impact on the value of the derivative.

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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	111.40	91.10	97.90
Return before operating charges*	(12.61)	21.91	(5.34)
Operating charges	(1.70)	(1.61)	(1.46)
Return after operating charges*	(14.31)	20.30	(6.80)
Distributions	(3.92)	(5.08)	(3.89)
Retained distributions on accumulation shares	3.92	5.08	3.89
Closing net asset value per share	97.09	111.40	91.10
* after direct transaction costs of:	0.17	0.18	0.11
<b>Performance</b>			
Return after charges	(12.85%)	22.28%	(6.95%)
<b>Other information</b>			
Closing net asset value (£'000)	1,282	4,345	16,467
Closing number of shares	1,320,783	3,900,406	18,076,353
Operating charges	1.58%	1.57%	1.59%
Direct transaction costs	0.16%	0.17%	0.12%
<b>Prices</b>			
Highest share price	118.3	116.6	110.7
Lowest share price	95.36	89.15	78.40

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

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

Operating charges are expenses associated with the maintenance and administration of the fund on 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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	121.48	98.89	105.78
Return before operating charges*	(13.80)	23.84	(5.76)
Operating charges	(1.33)	(1.25)	(1.13)
Return after operating charges*	(15.13)	22.59	(6.89)
Distributions	(4.81)	(6.02)	(4.66)
Retained distributions on accumulation shares	4.81	6.02	4.66
Closing net asset value per share	106.35	121.48	98.89
* after direct transaction costs of:	0.19	0.19	0.11
<b>Performance</b>			
Return after charges	(12.45%)	22.84%	(6.51%)
<b>Other information</b>			
Closing net asset value (£'000)	65,662	91,461	65,870
Closing number of shares	61,740,691	75,287,359	66,609,994
Operating charges	1.13%	1.13%	1.14%
Direct transaction costs	0.16%	0.17%	0.12%
<b>Prices</b>			
Highest share price	129.2	126.7	120.0
Lowest share price	104.4	96.78	84.83

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.



# Comparative Tables

## Continued

M Accumulation	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	116.81	95.12	101.80
Return before operating charges*	(13.25)	22.95	(5.54)
Operating charges	(1.34)	(1.26)	(1.14)
Return after operating charges*	(14.59)	21.69	(6.68)
Distributions	(4.58)	(5.74)	(4.44)
Retained distributions on accumulation shares	4.58	5.74	4.44
Closing net asset value per share	102.22	116.81	95.12
* after direct transaction costs of:	0.18	0.19	0.11
<b>Performance</b>			
Return after charges	(12.49%)	22.80%	(6.56%)
<b>Other information</b>			
Closing net asset value (£'000)	5	6	5
Closing number of shares	4,949	4,964	4,978
Operating charges	1.18%	1.18%	1.19%
Direct transaction costs	0.16%	0.17%	0.12%
<b>Prices</b>			
Highest share price	124.3	121.9	115.5
Lowest share price	100.4	93.08	81.64

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

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

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

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

# Portfolio Statement

As at 31 July 2024

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (98.36%)</b>		<b>65,971</b>	<b>98.54</b>
<b>Emerging Market Equities (68.90%)</b>		<b>41,601</b>	<b>62.14</b>
<b>Argentina (2.48%)</b>		<b>1,133</b>	<b>1.69</b>
872	MercadoLibre	1,133	1.69
<b>Brazil (57.98%)</b>		<b>35,262</b>	<b>52.67</b>
401,448	Alupar Investimento	1,703	2.54
91,835	Arezzo Industria e Comercio	615	0.92
1,137,223	CCR	1,939	2.89
14,351	Cia de Saneamento Basico do Estado de Sao Paulo	174	0.26
305,367	Cyrela Brazil Realty	820	1.22
569,243	Equatorial Energia	2,557	3.82
67,083	Itaú Unibanco (Preference)	313	0.47
4,135,716	Itaúsa (Preference)	5,776	8.63
1	Klabin	-	-
2	Klabin (Preference)	-	-
335,353	Klabin (Unit)	1,015	1.51
326,249	Localiza Rent a Car	1,966	2.94
3,296	Localiza Rent a Car (Rights)	5	0.01
389,842	Multiplan Empreendimentos Imobiliarios	1,286	1.92
113,305	NU 'A'	1,069	1.60
192,710	Orizon Valorizacao de Residuos	1,134	1.69
778,806	Petrobras (Preference)	4,003	5.98
223,515	PRIIO	1,479	2.21
659,914	Raia Drogasil	2,509	3.75
515,708	Rede D'Or Sao Luiz	1,960	2.93
682,613	SLC Agricola	1,689	2.52
283,535	TOTVS	1,082	1.62
255,749	Vale	2,168	3.24
<b>Chile (4.36%)</b>		<b>2,223</b>	<b>3.32</b>
84,725	Banco Santander Chile ADR	1,324	1.98
30,344	Sociedad Quimica y Minera de Chile ADR	899	1.34

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Colombia (1.15%)		-	-
Peru (2.93%)		2,983	4.46
22,466	Credicorp	2,983	4.46
North American Equities (29.46%)		24,370	36.40
Canada (0.00%)		1,439	2.15
140,256	Capstone Copper*	731	1.09
46,777	ERO Copper*	708	1.06
Mexico (29.46%)		22,931	34.25
4,725,167	America Movil	3,067	4.58
351,817	Arca Continental	2,699	4.03
830,012	Corporacion Inmobiliaria Vesta	1,893	2.83
41,965	Fomento Economico Mexicano ADR	3,601	5.38
27,714	Grupo Aeroportuario del Centro Norte ADR	1,486	2.22
84,636	Grupo Aeroportuario del Sureste 'B'	1,979	2.96
729,492	Grupo Financiero Banorte 'O'	4,242	6.33
905,671	Grupo México 'B'	3,964	5.92
Total investment assets		65,971	98.54
Net other assets		978	1.46
Total Net Assets		66,949	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 2023.

\* A portion of this security is on loan at the year end.

# Financial Statements

## Statement of Total Return

For the year ended 31 July 2024

	Notes	2024		2023	
		£'000	£'000	£'000	£'000
Income:					
Net capital (losses)/gains	1		(13,197)		13,808
Revenue	2	4,465		6,137	
Expenses	3	(960)		(1,018)	
Interest payable and similar charges		(4)		(3)	
Net revenue before taxation		3,501		5,116	
Taxation	4	(125)		(294)	
Net revenue after taxation			3,376		4,822
<b>Total return before distributions</b>			<b>(9,821)</b>		<b>18,630</b>
Distributions	5		(3,376)		(4,822)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(13,197)</b>		<b>13,808</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2024

	2024		2023	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>95,812</b>		<b>82,342</b>
Amounts receivable on the issue of shares	14,631		21,754	
Amounts payable on the cancellation of shares	(33,329)		(26,822)	
		(18,698)		(5,068)
Dilution adjustment		9		-
Change in net assets attributable to shareholders from investment activities (see above)		(13,197)		13,808
Retained distribution on accumulation shares		3,023		4,730
<b>Closing net assets attributable to shareholders</b>		<b>66,949</b>		<b>95,812</b>

# Financial Statements

## Continued

### Balance Sheet

As at 31 July 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			65,971		94,238
<b>Current assets:</b>					
Debtors	6	447		837	
Cash and bank balances		694		863	
			1,141		1,700
<b>Total assets</b>			<b>67,112</b>		<b>95,938</b>
<b>Liabilities:</b>					
Creditors	7	(163)		(126)	
			(163)		(126)
<b>Total liabilities</b>			<b>(163)</b>		<b>(126)</b>
<b>Net assets attributable to shareholders</b>			<b>66,949</b>		<b>95,812</b>

# Notes to the Financial Statements

## 1 Net Capital (Losses)/Gains

	2024 £'000	2023 £'000
Non-derivative securities	(12,898)	13,889
Other losses	(279)	(60)
Transaction charges	(20)	(21)
<b>Net capital (losses)/gains</b>	<b>(13,197)</b>	<b>13,808</b>

## 2 Revenue

	2024 £'000	2023 £'000
Overseas dividends	4,462	6,137
Stocklending revenue	3	-
<b>Total revenue</b>	<b>4,465</b>	<b>6,137</b>

## 3 Expenses

	2024 £'000	2023 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	869	923
General administration charge	69	71
	938	994
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Revenue collection expenses	5	8
Safe custody fee	17	16
	22	24
<b>Total expenses</b>	<b>960</b>	<b>1,018</b>

Irrecoverable VAT is included in the above expenses, where applicable.  
The audit fee for the year, including VAT, was £9,900 (2023: £9,120).

## 4 Taxation

	2024 £'000	2023 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	125	294
<b>Total taxation (note 4b)</b>	<b>125</b>	<b>294</b>

# Notes to the Financial Statements

## Continued

	2024 £'000	2023 £'000
<b>(b) Factors affecting total tax charge for the year</b>		
The tax assessed for the year is less than (2023: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
<b>Net revenue before taxation</b>	<b>3,501</b>	<b>5,116</b>
Corporation tax at 20% (2023: 20%)	700	1,023
Effects of:		
Revenue not subject to taxation	(665)	(944)
Overseas taxes	125	294
Overseas tax expensed	(35)	(42)
Excess allowable expenses	-	(37)
<b>Total tax charge for year (note 4a)</b>	<b>125</b>	<b>294</b>
Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.		
<b>(c) Factors that may affect future tax charge</b>		
At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £1,723,000 (2023: £1,723,000) 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

	2024 £'000	2023 £'000
Distribution	3,023	4,730
Add: Income deducted on cancellation of shares	557	735
Deduct: Income received on issue of shares	(204)	(643)
<b>Total distributions for the year</b>	<b>3,376</b>	<b>4,822</b>

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

## 6 Debtors

	2024 £'000	2023 £'000
Accrued revenue	358	725
Amounts receivable from the ACD for the issue of shares	36	112
Overseas withholding tax recoverable	53	-
<b>Total debtors</b>	<b>447</b>	<b>837</b>

# Notes to the Financial Statements

## Continued

### 7 Creditors

	2024 £'000	2023 £'000
Accrued expenses payable to ACD	64	84
Accrued expenses payable to the Depositary or associates of the Depositary	4	3
Amounts payable to the ACD for cancellation of shares	95	29
Purchases awaiting settlement	-	10
<b>Total creditors</b>	<b>163</b>	<b>126</b>

### 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.

### 9 Portfolio Transaction Costs

	Purchases		Sales	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Trades in the year</b>				
Equities	58,092	73,793	73,702	75,436
Corporate actions	146	202	40	-
<b>Trades in the year before transaction costs</b>	<b>58,238</b>	<b>73,995</b>	<b>73,742</b>	<b>75,436</b>
<b>Commissions</b>				
Equities	52	60	(59)	(65)
<b>Total commissions</b>	<b>52</b>	<b>60</b>	<b>(59)</b>	<b>(65)</b>
<b>Taxes</b>				
Equities	10	14	(14)	(14)
<b>Total taxes</b>	<b>10</b>	<b>14</b>	<b>(14)</b>	<b>(14)</b>
<b>Total transaction costs</b>	<b>62</b>	<b>74</b>	<b>(73)</b>	<b>(79)</b>
<b>Total net trades in the year after transaction costs</b>	<b>58,300</b>	<b>74,069</b>	<b>73,669</b>	<b>75,357</b>



# Notes to the Financial Statements

## Continued

	Purchases		Sales	
	2024 %	2023 %	2024 %	2023 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.09	0.08	0.08	0.09
<b>Taxes</b>				
Equities	0.02	0.02	0.02	0.02
			2024 %	2023 %
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Commissions			0.13	0.14
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 0.30% (2023: 0.16%), this is representative of the average spread on the assets held during the year.

## 10 Shares in Issue Reconciliation

	Opening shares 2023	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2024
A Accumulation	3,900,406	9,653,803	(12,126,333)	(107,093)	1,320,783
I Accumulation	75,287,359	3,827,320	(17,472,131)	98,143	61,740,691
M Accumulation	4,964	-	(15)	-	4,949

## 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).

	2024 £'000	2024 £'000	2024 £'000	2023 £'000	2023 £'000	2023 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	65,971	-	-	94,238	-	-
<b>Total investment assets</b>	<b>65,971</b>	<b>-</b>	<b>-</b>	<b>94,238</b>	<b>-</b>	<b>-</b>

# Notes to the Financial Statements

## Continued

### 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 2024 £'000	Net foreign currency exposure 2023 £'000
Brazilian Real	34,586	55,484
Canadian Dollar	1,439	-
Chilean Peso	-	1
Mexican Peso	17,844	18,332
US Dollar	12,581	21,155
<b>Total</b>	<b>66,450</b>	<b>94,972</b>

At 31 July 2024, 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 £3,322,000 (2023: £4,749,000).

#### 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 2024, 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 £3,299,000 (2023: £4,712,000).

#### Financial derivatives instrument risk

The fund had no exposure to derivatives as at 31 July 2024 (2023: £Nil).

# 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.

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

2024 Counterparties	Stock on Loan* £'000	Repo £'000	Collateral (held)/pledged		Net exposure £'000
			Cash £'000	Stock* £'000	
Bank of America Merrill Lynch	1,369	-	-	(1,455)	(86)
<b>Total</b>	<b>1,369</b>	<b>-</b>	<b>-</b>	<b>(1,455)</b>	<b>(86)</b>

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

### Top SFTR Issuers

2024	Type	Collateral Stock
Canada (Govt of)	Equity	(1,455)
		<b>(1,455)</b>

### 2023

There was no counterparty exposure as at 31 July 2023.

### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2024 £163,000 (2023: £126,000).

# Distribution Table

For the year ended 31 July 2024 (in pence per share)

## Final dividend distribution

Group 1 – shares purchased prior to 1 August 2023

Group 2 – shares purchased between 1 August 2023 and 31 July 2024

	Revenue	Equalisation	Distribution paid 31/10/24	Distribution paid 31/10/23
<b>A Accumulation</b>				
Group 1	3.9212	–	3.9212	5.0784
Group 2	2.4388	1.4824	3.9212	5.0784
<b>I Accumulation</b>				
Group 1	4.8120	–	4.8120	6.0196
Group 2	2.9461	1.8659	4.8120	6.0196
<b>M Accumulation</b>				
Group 1	4.5767	–	4.5767	5.7425
Group 2	4.5767	–	4.5767	5.7425

## 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 2024

## 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 Markit 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 Markit 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 2024, the value of abrdn Sterling Bond Fund – I Accumulation Shares increased by 7.98% compared with an increase of 6.68% in the performance comparator, the iBoxx Sterling Overall Index.

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

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

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

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 12-month review period saw volatility as well as declining yields and improving bond prices overall. Initially in August and September 2023, bond yields were volatile as the prospect of higher policy rates for a longer period of time were priced into markets. In August, the Bank of England (BoE) Monetary Policy Committee (MPC) increased rates by 25 basis points (bps), taking base rates to 5.25%. Despite strong falls in headline inflation figures,

# abrdn Sterling Bond Fund

## Continued

core inflation (excluding food and energy) remained relatively resilient. Sovereign bonds were weak at a headline level. Meanwhile, 10-year bond yields in the US rose by 74 bps, Germany rose by 45 bps and the UK by a mere 5 bps.

The onset of hostilities in the Middle East led to significant market uncertainty at the beginning of October 2024. Fears of escalation and rising oil prices plagued the economic landscape. Fuel prices kept UK inflation elevated above consensus at 6.7% year on year, while the core figure fell to 6.1%. BoE communications in October and November reiterated that interest rates would stay higher for longer. In November, as widely anticipated, the BoE held rates at 5.25%. The final quarter of 2023 delivered some extremely strong returns in fixed income markets. In the UK, the 10-year gilt yield fell almost 60 bps and credit spreads tightened materially across all rating categories. Quarterly performance more than reversed the negative returns of previous quarters as a faster and deeper rate-cutting profile was priced in for the year ahead. Elsewhere, the sterling investment-grade market delivered a return of almost 5% in December and nearly 10% for the whole year as government bond yields fell and credit spreads tightened.

While December 2023 ended strongly for government bonds, January 2024 brought an inevitable retracement. A combination of heavy bond supply, and economic data both in the UK and US which did not fit the narrative of aggressive rate cuts early in 2024, resulted in gilt yields moving upwards throughout the month. In the UK, inflation edged slightly higher. January's data demonstrated that, although inflation was coming down, the journey would not necessarily be a smooth one.

During the first quarter of 2024, UK 10-year gilt yields rose by 39 bps to 3.93%. Investors reduced the number of interest-rate cuts they expect in 2024 from four or five to three from the BoE, and possibly fewer from the US Federal Reserve (Fed). This reflected in a stronger-than-expected US economy, helped by a consistently robust labour market and services sector. The UK experience was a little different, having gone through a technical recession in the fourth quarter of 2023. However, this was not as bad as expected. Unemployment remained low and wage growth was high. While inflation has been falling, there remained questions as to where it would settle.

As the second quarter began, in April 2024, expectations of interest-rate cuts were priced further into the future in the major developed markets. Although credit spreads moved tighter in sterling and euros, both markets delivered negative monthly returns, and the UK market fell by more than 2%. Credit spreads continued their squeeze tighter in May in all major currencies as flows continued into yield-generating asset classes. UK government bond yields fell

while European yields were static, meaning investment-grade credit generated positive returns in both markets. UK inflation exceeded expectations, and the MPC voted to hold interest rates at 5.25% throughout the quarter. However, at the June meeting, multiple MPC members commented that the "policy decision was finely balanced". Finally, in July, investors bought Gilts in anticipation of the UK's first rate cut in over four years, which was announced at the beginning of August.

## Portfolio Activity and Review

Given the volatility over the 12-month review period, the fund adopted a flexible approach to duration management. In August and September 2023, yield curves steepened with falling yields at the shorter end. Credit performed reasonably well once again with sterling all maturity spreads tightening over 15 bps with lower quality credit outperforming. The fund performed well benefiting from both curve steepening and credit spread tightening. A modestly long allocation to credit relative to government bonds was also beneficial.

The fund's long positions relative to the benchmark in sectors such as banking and real estate added value while consumer facing exposures detracted from performance over the period. A modestly long duration position was maintained along with curve steepening trades. Given the risk of a slowdown in economic activity, these positions are likely favoured for the time being. Top performing bonds in the fund include financials such as Barclays and Aviva, along with UK real estate operator Hammerson which recovered strongly over recent months and is performing strongly in its sector. Troubled UK water company Thames continued to underperform and was a drag on performance.

There were significant trades over the third quarter of 2023 across both credit and government bonds. The fund's exposure to Australian government bonds was sold and reinvested in the US market. We took profits on supranational holdings and recycled exposure back into government bonds. The fund exited its remaining position in UK funeral home operator Dignity Finance.

In the fourth quarter of 2023, fund performance was strong relative to its index benchmark, outperforming materially. A long duration position was a significant positive contributor. So, too, was curve positioning, especially in the earlier part of the review period. The fund's credit positioning (long versus benchmark) was also beneficial. Long allocations to banks and insurers and a short allocation to government-related issues were key contributors to returns. Stock selection was positive, with overweight positions in AT&T, Barclays and NatWest Group all positive.

# abrdn Sterling Bond Fund

## Continued

While the fund remained modestly long of credit relative to government bonds, this was reduced during December. Risk was also reduced within the credit allocation, via sales of bonds issued by BT Group, Saint-Gobain and Deutsche Bank. Duration was also reduced, reflecting the view that yields have fallen very significantly in a short period of time.

In the first quarter of 2024, the fund strongly outperformed its benchmark. In January while yields rose credit spreads continued to tighten. With spreads tightening, the fund's overweight position in higher beta areas such as BBB-rated and high-yield bonds was beneficial. Curve effects contributed positively as the 5-15-year maturity bucket, where the fund is overweight, outperformed. We added duration as yields sold off. An overweight in financials boosted returns. Real estate bonds were also strong, notably Metrocentre. Underweight positioning in government-related issuers such as World Bank and KfW aided performance as higher-quality sectors underperformed. This was partially offset by an overweight in gilts. We added real estate exposure, purchasing Meadowhall Finance bonds and adding to Workspace Group. We sold Rabobank 2029s, Tesco 2030 and Mizuho Financial. We participated in several new issues including MetLife, Ford Motor Credit and SSE.

During the second quarter and in July, an overweight position in BBB-rated and high yield bonds versus higher quality single A areas made a positive contribution as credit spreads compressed. Stock selection was positive. The UK water sector was weak due to concerns on funding and regulatory allowances. However, our positioning in Thames Water bonds was beneficial, as our exposure was focused on low cash-price bonds rather than high cash-price bonds, which are more vulnerable in the event of a state/regulatory intervention. Bonds from financial issuers outperformed corporate issuers and overweight positions in subordinated bonds from NatWest, Deutsche Bank and Barclays were among the top performers. We added exposure to the breakdown and motor insurance provider AA, due to a more positive view of the company's fundamentals. Senior JP Morgan bonds were added via a switch out from Banco Santander.

## Portfolio Outlook and Strategy

The fund closed on 8 August 2024.

### Sterling IG and Aggregate Team

August 2024

# 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 2024.

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

- Credit Risk – The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- Interest Rate Risk – The fund invests in securities which can be subject to price fluctuation for a variety of reasons including changes in interest rates or inflation expectations.
- High Yield Credit Risk – The fund invests in high yield bonds which typically carry a greater risk of default than those with lower yields.
- ABS/MBS Risk – Asset and mortgage backed securities are subject to prepayment and extension risk and additional liquidity and default risk compared to other credit securities.
- Convertible Securities Risk – These investments can be changed into another form upon certain triggers as such they can exhibit risks typically associated with both bonds and equities. 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.
- Derivatives Risk – The use of derivatives may involve additional liquidity, credit and counterparty risks and may lead to substantial loss and increased volatility in adverse market conditions. 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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	127.28	148.73	175.18
Return before operating charges*	10.87	(20.06)	(24.76)
Operating charges	(1.37)	(1.39)	(1.69)
Return after operating charges*	9.50	(21.45)	(26.45)
Distributions	(4.18)	(2.43)	(0.63)
Retained distributions on accumulation shares	4.18	2.43	0.63
Closing net asset value per share	136.78	127.28	148.73
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	7.46%	(14.42%)	(15.10%)
<b>Other information</b>			
Closing net asset value (£'000)	1,744	2,311	4,363
Closing number of shares	1,274,731	1,815,669	2,933,623
Operating charges	1.05%	1.04%	1.04%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	137.9	151.5	176.7
Lowest share price	123.2	118.9	141.0

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

A Income	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	93.77	111.66	132.07
Return before operating charges*	7.97	(15.04)	(18.65)
Operating charges	(1.00)	(1.03)	(1.28)
Return after operating charges*	6.97	(16.07)	(19.93)
Distributions	(3.05)	(1.82)	(0.48)
Closing net asset value per share	97.69	93.77	111.66
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	7.43%	(14.39%)	(15.09%)
<b>Other information</b>			
Closing net asset value (£'000)	988	1,123	1,403
Closing number of shares	1,011,507	1,197,418	1,256,220
Operating charges	1.05%	1.04%	1.04%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	101.6	113.7	133.2
Lowest share price	90.74	89.29	106.2

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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	102.53	119.27	139.85
Return before operating charges*	8.79	(16.11)	(19.80)
Operating charges	(0.63)	(0.63)	(0.78)
Return after operating charges*	8.16	(16.74)	(20.58)
Distributions	(3.85)	(2.43)	(1.09)
Retained distributions on accumulation shares	3.85	2.43	1.09
Closing net asset value per share	110.69	102.53	119.27
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	7.96%	(14.04%)	(14.72%)
<b>Other information</b>			
Closing net asset value (£'000)	951	1,130	1,739
Closing number of shares	859,316	1,102,172	1,458,233
Operating charges	0.60%	0.59%	0.59%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	111.3	121.5	141.1
Lowest share price	99.32	95.45	113.0

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

I Income	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	89.83	106.97	126.55
Return before operating charges*	7.66	(14.41)	(17.90)
Operating charges	(0.55)	(0.56)	(0.69)
Return after operating charges*	7.11	(14.97)	(18.59)
Distributions	(3.35)	(2.17)	(0.99)
Closing net asset value per share	93.59	89.83	106.97
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	7.91%	(13.99%)	(14.69%)
<b>Other information</b>			
Closing net asset value (£'000)	25	42	46
Closing number of shares	27,210	47,030	43,239
Operating charges	0.60%	0.59%	0.59%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	97.48	109.0	127.6
Lowest share price	87.01	85.62	101.9

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

L Accumulation	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	82.12	95.42	111.77
Return before operating charges*	7.02	(12.88)	(15.84)
Operating charges	(0.42)	(0.42)	(0.51)
Return after operating charges*	6.60	(13.30)	(16.35)
Distributions	(3.16)	(2.03)	(0.98)
Retained distributions on accumulation shares	3.16	2.03	0.98
Closing net asset value per share	88.72	82.12	95.42
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	8.04%	(13.94%)	(14.63%)
<b>Other information</b>			
Closing net asset value (£'000)	17	16	18
Closing number of shares	18,937	18,937	18,937
Operating charges	0.50%	0.49%	0.49%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	89.14	97.18	112.7
Lowest share price	79.56	76.38	90.40

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

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

Operating charges are expenses associated with the maintenance and administration of the fund on 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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	74.79	89.05	105.35
Return before operating charges*	6.35	(11.99)	(14.90)
Operating charges	(0.38)	(0.39)	(0.48)
Return after operating charges*	5.97	(12.38)	(15.38)
Distributions	(2.82)	(1.88)	(0.92)
Closing net asset value per share	77.94	74.79	89.05
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	7.98%	(13.90%)	(14.60%)
<b>Other information</b>			
Closing net asset value (£'000)	2	8	10
Closing number of shares	3,134	10,832	10,832
Operating charges	0.50%	0.50%	0.49%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	81.18	90.70	106.3
Lowest share price	72.45	71.29	84.87

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

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

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

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

# Comparative Tables

## Continued

M Accumulation <sup>A</sup>	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	100.00	117.21
Return before operating charges*	(9.48)	(16.51)
Operating charges	(0.27)	(0.70)
Return after operating charges*	(9.75)	(17.21)
Distributions	-	(0.96)
Retained distributions on accumulation shares	-	0.96
Redemption value as at 17 January 2023	(90.25)	-
Closing net asset value per share	-	100.00
* after direct transaction costs of:	-	-
<b>Performance</b>		
Return after charges	(9.75%)	(14.68%)
<b>Other information</b>		
Closing net asset value (£'000)	-	1
Closing number of shares	-	902
Operating charges	0.64%	0.64%
Direct transaction costs	-	-
<b>Prices</b>		
Highest share price	101.8	118.2
Lowest share price	80.03	94.81

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

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

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

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

<sup>A</sup> M Accumulation share class was closed on 17 January 2023.

# Comparative Tables

## Continued

M Income <sup>A</sup>	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	95.70	113.24
Return before operating charges*	(9.08)	(15.96)
Operating charges	(0.26)	(0.67)
Return after operating charges*	(9.34)	(16.63)
Distributions	-	(0.91)
Redemption value as at 17 January 2023	(86.36)	-
Closing net asset value per share	-	95.70
* after direct transaction costs of:	-	-
<b>Performance</b>		
Return after charges	(9.76%)	(14.69%)
<b>Other information</b>		
Closing net asset value (£'000)	-	1
Closing number of shares	-	915
Operating charges	0.64%	0.64%
Direct transaction costs	-	-
<b>Prices</b>		
Highest share price	97.47	114.2
Lowest share price	76.60	91.20

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

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

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

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

<sup>A</sup> M Income share class was closed on 17 January 2023.



# Comparative Tables

## Continued

Z Accumulation	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	150.31	173.97	202.97
Return before operating charges*	12.91	(23.51)	(28.83)
Operating charges	(0.15)	(0.15)	(0.17)
Return after operating charges*	12.76	(23.66)	(29.00)
Distributions	(6.43)	(4.34)	(2.54)
Retained distributions on accumulation shares	6.43	4.34	2.54
Closing net asset value per share	163.07	150.31	173.97
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	8.49%	(13.60%)	(14.29%)
<b>Other information</b>			
Closing net asset value (£'000)	5	101,186	143,443
Closing number of shares	2,768	67,320,311	82,451,273
Operating charges	0.10%	0.09%	0.09%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	163.4	177.2	204.8
Lowest share price	145.8	139.4	164.7

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 2024

Holding	Investment	Market value £'000	Percentage of total net assets
Bonds (97.60%)		3,552	95.17
Euro Denominated Bonds (1.08%)		-	-
Corporate Bonds (1.08%)		-	-
Sterling Denominated Bonds (95.90%)		3,537	94.77
Corporate Bonds (27.35%)		895	23.98
less than 5 years to maturity			
100,000	Danske Bank 2.25% fixed to floating 2028	93	2.50
100,000	Deutsche Bank 1.875% fixed to floating 2028	90	2.40
2,000	Hammerson REIT 6% 2026	2	0.06
3,000	Hammerson REIT 7.25% 2028	3	0.08
3,000	National Grid Electricity Distribution South West 5.875% 2027	3	0.08
20,000	TotalEnergies Capital International 1.25% 2024	20	0.53
between 5 and 10 years to maturity			
60,000	America Movil 5.75% 2030	63	1.69
5,000	Broadgate Financing 5.098% 2033	4	0.11
71,000	Comcast 5.5% 2029	74	1.99
50,000	EDF 6.125% 2034	52	1.40
7,000	Goldman Sachs 3.625% fixed to floating 2029	7	0.18
10,000	Premiertel 6.175% 2032	7	0.18
50,000	Time Warner Cable 5.75% 2031	49	1.30
between 10 and 15 years to maturity			
50,000	Eastern Power Networks 6.25% 2036	55	1.48
50,000	Enel 5.75% 2037	51	1.38
50,000	Northern Electric Finance 5.125% 2035	50	1.34
50,000	Southern Electric Power Distribution 4.625% 2037	47	1.27
50,000	Wells Fargo 4.875% 2035	47	1.26
between 15 and 25 years to maturity			
50,000	Aspire Defence Finance 4.674% 2040 'A'	38	1.01
50,000	HSBC 6% 2040	50	1.33
50,000	Tesco Property Finance 3 5.744% 2040	45	1.20

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
greater than 25 years to maturity			
50,000	Engie 5% 2060	45	1.21
<b>Government Bonds (68.55%)</b>			
<b>2,642</b>			
<b>70.79</b>			
less than 5 years to maturity			
148,600	UK (Govt of) 0.5% 2029	129	3.44
42,000	UK (Govt of) 1.25% 2027	39	1.04
72,000	UK (Govt of) 2% 2025	70	1.87
64,100	UK (Govt of) 3.5% 2025	63	1.70
238,200	UK (Govt of) 4.125% 2027	238	6.38
161,400	UK (Govt of) 4.5% 2028	165	4.41
36,500	UK (Govt of) 6% 2028	40	1.07
between 5 and 10 years to maturity			
7,000	Inter-American Development Bank 4% 2029	7	0.19
7,000	KFW 4.875% 2031	7	0.20
73,200	UK (Govt of) 0.25% 2031	57	1.54
280,200	UK (Govt of) 0.375% 2030	228	6.12
167,900	UK (Govt of) 0.875% 2033	129	3.46
61,100	UK (Govt of) 3.25% 2033	58	1.56
77,000	UK (Govt of) 4.75% 2030	81	2.17
between 10 and 15 years to maturity			
96,100	UK (Govt of) 0.625% 2035	67	1.80
175,900	UK (Govt of) 1.75% 2037	133	3.57
199,700	UK (Govt of) 4.5% 2034	208	5.57
between 15 and 25 years to maturity			
41,700	UK (Govt of) 0.875% 2046	21	0.57
46,912	UK (Govt of) 1.5% 2047	27	0.72
55,100	UK (Govt of) 1.75% 2049	33	0.88
54,000	UK (Govt of) 3.5% 2045	47	1.26
73,700	UK (Govt of) 4.25% 2040	73	1.94
45,200	UK (Govt of) 4.25% 2046	44	1.17
159,424	UK (Govt of) 4.5% 2042	161	4.31
32,200	UK (Govt of) 4.75% 2043	33	0.89

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
greater than 25 years to maturity			
4,000	European Investment Bank 4.625% 2054	4	0.11
4,000	LCR Finance 5.1% 2051	4	0.11
46,500	UK (Govt of) 0.5% 2061	14	0.39
57,400	UK (Govt of) 0.625% 2050	24	0.64
52,500	UK (Govt of) 1.25% 2051	26	0.70
178,600	UK (Govt of) 1.5% 2053	93	2.48
44,200	UK (Govt of) 1.625% 2054	24	0.63
89,559	UK (Govt of) 2.5% 2065	57	1.54
38,112	UK (Govt of) 3.5% 2068	32	0.84
84,400	UK (Govt of) 3.75% 2052	74	1.99
49,674	UK (Govt of) 3.75% 2053	43	1.16
46,200	UK (Govt of) 4% 2060	42	1.12
26,300	UK (Govt of) 4% 2063	24	0.64
23,500	UK (Govt of) 4.375% 2054	23	0.61
<b>US Dollar Denominated Bonds (0.62%)</b>		<b>15</b>	<b>0.40</b>
<b>Corporate Bonds (0.62%)</b>		<b>15</b>	<b>0.40</b>
between 5 and 10 years to maturity			
16,000	AT&T 2.75% 2031	11	0.29
greater than 25 years to maturity			
7,000	Verizon Communications 3.55% 2051	4	0.11
<b>Derivatives (-0.08%)</b>		<b>4</b>	<b>0.11</b>
<b>Forward Currency Contracts (0.01%)</b>		<b>4</b>	<b>0.11</b>
Buy AUD 1,149 Sell GBP 589 08/08/2024		-	-
Buy AUD 1,658 Sell GBP 874 08/08/2024		-	-
Buy AUD 1,677 Sell GBP 872 08/08/2024		-	-
Buy AUD 1,917 Sell GBP 987 08/08/2024		-	-
Buy AUD 10,002 Sell GBP 5,189 08/08/2024		-	-
Buy AUD 13,865 Sell GBP 7,264 08/08/2024		-	-
Buy AUD 16,583 Sell GBP 8,728 08/08/2024		(1)	(0.01)
Buy AUD 17,174 Sell GBP 9,028 08/08/2024		-	-
Buy AUD 19,848 Sell GBP 10,485 08/08/2024		(1)	(0.01)

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
	Buy AUD 2,426 Sell GBP 1,272 08/08/2024	-	-
	Buy AUD 32,163 Sell GBP 16,668 08/08/2024	(1)	(0.01)
	Buy AUD 39,866 Sell GBP 20,809 08/08/2024	(1)	(0.02)
	Buy AUD 605 Sell GBP 313 08/08/2024	-	-
	Buy AUD 8,198 Sell GBP 4,304 08/08/2024	-	-
	Buy AUD 88,858 Sell GBP 46,618 08/08/2024	(2)	(0.04)
	Buy EUR 1,040 Sell GBP 879 08/08/2024	-	-
	Buy EUR 1,080 Sell GBP 913 08/08/2024	-	-
	Buy EUR 1,244,102 Sell GBP 1,055,907 08/08/2024	(6)	(0.16)
	Buy EUR 1,624 Sell GBP 1,376 08/08/2024	-	-
	Buy EUR 1,880 Sell GBP 1,579 08/08/2024	-	-
	Buy EUR 10,630 Sell GBP 8,991 08/08/2024	-	-
	Buy EUR 12,450 Sell GBP 10,629 08/08/2024	-	-
	Buy EUR 14,340 Sell GBP 12,231 08/08/2024	-	-
	Buy EUR 17,047 Sell GBP 14,411 08/08/2024	-	-
	Buy EUR 2,000 Sell GBP 1,687 08/08/2024	-	-
	Buy EUR 2,520 Sell GBP 2,119 08/08/2024	-	-
	Buy EUR 3,160 Sell GBP 2,678 08/08/2024	-	-
	Buy EUR 3,192 Sell GBP 2,701 08/08/2024	-	-
	Buy EUR 3,320 Sell GBP 2,814 08/08/2024	-	-
	Buy EUR 40,830 Sell GBP 34,562 08/08/2024	-	-
	Buy EUR 499 Sell GBP 419 08/08/2024	-	-
	Buy EUR 65,880 Sell GBP 55,825 08/08/2024	-	-
	Buy EUR 69,136 Sell GBP 58,995 08/08/2024	(1)	(0.02)
	Buy EUR 715 Sell GBP 600 08/08/2024	-	-
	Buy EUR 9,961 Sell GBP 8,508 08/08/2024	-	-
	Buy EUR 960 Sell GBP 808 08/08/2024	-	-
	Buy GBP 1,047 Sell AUD 2,017 08/08/2024	-	-
	Buy GBP 1,053 Sell AUD 2,003 08/08/2024	-	-
	Buy GBP 1,061,661 Sell EUR 1,244,601 08/08/2024	12	0.31
	Buy GBP 1,104 Sell USD 1,415 08/08/2024	-	-
	Buy GBP 1,130 Sell USD 1,442 08/08/2024	-	-
	Buy GBP 1,186 Sell USD 1,500 08/08/2024	-	-
	Buy GBP 1,249 Sell AUD 2,413 08/08/2024	-	-
	Buy GBP 1,294 Sell USD 1,673 08/08/2024	-	-
	Buy GBP 1,524 Sell USD 1,975 08/08/2024	-	-
	Buy GBP 1,688 Sell EUR 2,000 08/08/2024	-	-
	Buy GBP 1,794 Sell AUD 3,408 08/08/2024	-	-

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
	Buy GBP 1,827 Sell EUR 2,160 08/08/2024	-	-
	Buy GBP 10,856 Sell EUR 12,820 08/08/2024	-	-
	Buy GBP 11,610 Sell USD 14,688 08/08/2024	-	-
	Buy GBP 12,092 Sell USD 15,312 08/08/2024	-	-
	Buy GBP 12,537 Sell AUD 24,088 08/08/2024	-	-
	Buy GBP 13,505 Sell AUD 25,943 08/08/2024	1	0.01
	Buy GBP 14,314 Sell USD 18,160 08/08/2024	-	-
	Buy GBP 14,620 Sell AUD 28,029 08/08/2024	1	0.01
	Buy GBP 14,823 Sell AUD 28,437 08/08/2024	1	0.01
	Buy GBP 17,918 Sell EUR 21,160 08/08/2024	-	-
	Buy GBP 19,342 Sell AUD 37,092 08/08/2024	1	0.03
	Buy GBP 19,758 Sell EUR 23,340 08/08/2024	-	-
	Buy GBP 19,936 Sell EUR 23,460 08/08/2024	-	-
	Buy GBP 2,580 Sell USD 3,313 08/08/2024	-	-
	Buy GBP 2,595 Sell EUR 3,080 08/08/2024	-	-
	Buy GBP 2,768 Sell AUD 5,302 08/08/2024	-	-
	Buy GBP 20,879 Sell EUR 24,620 08/08/2024	-	-
	Buy GBP 21,703 Sell EUR 25,573 08/08/2024	-	-
	Buy GBP 21,739 Sell USD 27,687 08/08/2024	-	-
	Buy GBP 226 Sell AUD 444 08/08/2024	-	-
	Buy GBP 24,710 Sell AUD 46,890 08/08/2024	1	0.03
	Buy GBP 267 Sell USD 344 08/08/2024	-	-
	Buy GBP 27,658 Sell EUR 32,760 08/08/2024	-	-
	Buy GBP 3,253 Sell USD 4,219 08/08/2024	-	-
	Buy GBP 3,389 Sell AUD 6,441 08/08/2024	-	-
	Buy GBP 3,785 Sell USD 4,906 08/08/2024	-	-
	Buy GBP 332 Sell AUD 632 08/08/2024	-	-
	Buy GBP 4,202 Sell AUD 8,060 08/08/2024	-	-
	Buy GBP 4,664 Sell AUD 8,889 08/08/2024	-	-
	Buy GBP 466,410 Sell USD 593,415 08/08/2024	5	0.13
	Buy GBP 49,629 Sell EUR 58,177 08/08/2024	1	0.01
	Buy GBP 5,010 Sell EUR 5,955 08/08/2024	-	-
	Buy GBP 5,190 Sell AUD 9,899 08/08/2024	-	-
	Buy GBP 58 Sell AUD 115 08/08/2024	-	-
	Buy GBP 7,090 Sell EUR 8,380 08/08/2024	-	-
	Buy GBP 7,428 Sell EUR 8,770 08/08/2024	-	-
	Buy GBP 8,113 Sell EUR 9,510 08/08/2024	-	-

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
	Buy GBP 8,128 Sell USD 10,312 08/08/2024	-	-
	Buy GBP 8,281 Sell AUD 15,887 08/08/2024	-	-
	Buy GBP 821 Sell USD 1,047 08/08/2024	-	-
	Buy USD 1,313 Sell GBP 1,019 08/08/2024	-	-
	Buy USD 1,594 Sell GBP 1,245 08/08/2024	-	-
	Buy USD 1,875 Sell GBP 1,450 08/08/2024	-	-
	Buy USD 1,904 Sell GBP 1,473 08/08/2024	-	-
	Buy USD 10,849 Sell GBP 8,557 08/08/2024	-	-
	Buy USD 10,968 Sell GBP 8,646 08/08/2024	-	-
	Buy USD 11,105 Sell GBP 8,781 08/08/2024	-	-
	Buy USD 16,225 Sell GBP 12,808 08/08/2024	-	-
	Buy USD 18,969 Sell GBP 14,981 08/08/2024	-	-
	Buy USD 2,512 Sell GBP 1,982 08/08/2024	-	-
	Buy USD 3,736 Sell GBP 2,878 08/08/2024	-	-
	Buy USD 4,178 Sell GBP 3,234 08/08/2024	-	-
	Buy USD 5,219 Sell GBP 4,121 08/08/2024	-	-
	Buy USD 5,625 Sell GBP 4,397 08/08/2024	-	-
	Buy USD 5,965 Sell GBP 4,711 08/08/2024	-	-
	Buy USD 508,495 Sell GBP 401,956 08/08/2024	(6)	(0.16)
	Buy USD 6,584 Sell GBP 5,054 08/08/2024	-	-
	Buy USD 64,187 Sell GBP 49,725 08/08/2024	-	-
	Buy USD 893 Sell GBP 704 08/08/2024	-	-
<b>Futures (0.01%)</b>		-	-
<b>Interest Rate Swaps (-0.10%)</b>		-	-
Total investment assets and liabilities		3,556	95.28
Net other assets		176	4.72
<b>Total Net Assets</b>		<b>3,732</b>	<b>100.00</b>

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities, or are approved derivatives within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2023. Prior year classifications for some sectors have been updated to reflect current year classifications.

# Financial Statements

## Statement of Total Return

For the year ended 31 July 2024

	Notes	2024		2023	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains/(losses)	1		2,025		(22,420)
Revenue	2	3,774		3,525	
Expenses	3	(113)		(154)	
Interest payable and similar charges	4	(74)		(13)	
Net revenue before taxation		3,587		3,358	
Taxation	5	-		-	
Net revenue after taxation			3,587		3,358
<b>Total return before distributions</b>			<b>5,612</b>		<b>(19,062)</b>
Distributions	6		(3,587)		(3,358)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>2,025</b>		<b>(22,420)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2024

	2024		2023	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>105,816</b>		<b>151,024</b>
Amounts receivable on the issue of shares	3,440		13,458	
Amounts payable on the cancellation of shares	(109,459)		(39,478)	
		(106,019)		(26,020)
Dilution adjustment		88		34
Change in net assets attributable to shareholders from investment activities (see above)		2,025		(22,420)
Retained distribution on accumulation shares		1,822		3,198
<b>Closing net assets attributable to shareholders</b>		<b>3,732</b>		<b>105,816</b>



# Financial Statements

## Continued

### Balance Sheet

As at 31 July 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			3,575		103,525
<b>Current assets:</b>					
Debtors	7	47		2,043	
Cash and bank balances	8	173		2,940	
			220		4,983
<b>Total assets</b>			<b>3,795</b>		<b>108,508</b>
<b>Liabilities:</b>					
Investment liabilities			(19)		(328)
Creditors	9	(26)		(2,350)	
Distribution payable		(18)		(14)	
			(44)		(2,364)
<b>Total liabilities</b>			<b>(63)</b>		<b>(2,692)</b>
<b>Net assets attributable to shareholders</b>			<b>3,732</b>		<b>105,816</b>

# Notes to the Financial Statements

## 1 Net Capital Gains/(Losses)

	2024 £'000	2023 £'000
Non-derivative securities	1,578	(22,153)
Derivative contracts	451	(140)
Forward currency contracts	4	(115)
Other gains	2	-
Transaction charges	(10)	(12)
<b>Net capital gains/(losses)</b>	<b>2,025</b>	<b>(22,420)</b>

## 2 Revenue

	2024 £'000	2023 £'000
Bank and margin interest	2	50
Interest on debt securities	3,772	3,475
<b>Total revenue</b>	<b>3,774</b>	<b>3,525</b>

## 3 Expenses

	2024 £'000	2023 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	35	50
General administration charge	74	99
	109	149
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	4	5
	4	5
<b>Total expenses</b>	<b>113</b>	<b>154</b>

Irrecoverable VAT is included in the above expenses, where applicable.  
The audit fee for the year, including VAT, was £12,720 (2023: £11,700).

## 4 Interest Payable and Similar Charges

	2024 £'000	2023 £'000
Derivative expense	68	8
Interest payable	6	5
<b>Total interest payable &amp; similar charges</b>	<b>74</b>	<b>13</b>

# Notes to the Financial Statements

## Continued

### 5 Taxation

	2024 £'000	2023 £'000
<b>(a) Analysis of charge in year</b>		
Total taxation (note 5b)	-	-
<b>(b) Factors affecting total tax charge for the year</b>		
The tax assessed for the year is less than (2023: 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	3,587	3,358
Corporation tax at 20% (2023: 20%)	717	672
Effects of:		
Distributions treated as tax deductible	(717)	(672)
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.		
<b>(c) Factors that may affect future tax charge</b>		
At the year end there are no surplus expenses and therefore no deferred tax asset in the current or prior year.		

### 6 Distributions

	2024 £'000	2023 £'000
Interim distribution	1,789	1,478
Final distribution	67	1,743
	1,856	3,221
Add: Income deducted on cancellation of shares	1,751	239
Deduct: Income received on issue of shares	(20)	(102)
Total distributions for the year	3,587	3,358

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

### 7 Debtors

	2024 £'000	2023 £'000
Accrued revenue	26	869
Amounts receivable from the ACD for the issue of shares	-	1
Sales awaiting settlement	21	1,173
Total debtors	47	2,043

# Notes to the Financial Statements

## Continued

### 8 Liquidity

	2024 £'000	2023 £'000
<b>Cash and bank balances</b>		
Cash at bank	173	2,147
Cash at broker	-	643
Collateral cash pledged to counterparties~	-	150
	<b>173</b>	<b>2,940</b>
<b>Net liquidity</b>	<b>173</b>	<b>2,940</b>

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

### 9 Creditors

	2024 £'000	2023 £'000
Accrued expenses payable to ACD	4	10
Accrued expenses payable to the Depositary or associates of the Depositary	1	2
Amounts payable to the ACD for cancellation of shares	21	677
Purchases awaiting settlement	-	1,661
<b>Total creditors</b>	<b>26</b>	<b>2,350</b>

### 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 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.

# Notes to the Financial Statements

## Continued

	Purchases		Sales	
Trades in the year	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Bonds	80,741	105,457	182,462	119,000
<b>Trades in the year before transaction costs</b>	<b>80,741</b>	<b>105,457</b>	<b>182,462</b>	<b>119,000</b>
<b>Total net trades in the year after transaction costs</b>	<b>80,741</b>	<b>105,457</b>	<b>182,462</b>	<b>119,000</b>

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.17% (2023: 0.30%), this is representative of the average spread on the assets held during the year.

## 12 Shares in Issue Reconciliation

	Opening shares 2023	Creations during the year	Cancellations during the year	Closing shares 2024
A Accumulation	1,815,669	3,092	(544,030)	1,274,731
A Income	1,197,418	130	(186,041)	1,011,507
I Accumulation	1,102,172	265,829	(508,685)	859,316
I Income	47,030	15,280	(35,100)	27,210
L Accumulation	18,937	-	-	18,937
L Income	10,832	(1)	(7,697)	3,134
Z Accumulation	67,320,311	1,992,112	(69,309,655)	2,768

## 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).

	2024 £'000 Level 1	2024 £'000 Level 2	2024 £'000 Level 3	2023 £'000 Level 1	2023 £'000 Level 2	2023 £'000 Level 3
<b>Fair value of investment assets</b>						
Bonds	2,631	921	-	70,198	33,078	-
Derivatives	-	23	-	123	126	-
<b>Total investment assets</b>	<b>2,631</b>	<b>944</b>	<b>-</b>	<b>70,321</b>	<b>33,204</b>	<b>-</b>
<b>Fair value of investment liabilities</b>						
Derivatives	-	(19)	-	(113)	(215)	-
<b>Total investment liabilities</b>	<b>-</b>	<b>(19)</b>	<b>-</b>	<b>(113)</b>	<b>(215)</b>	<b>-</b>

# Notes to the Financial Statements

## Continued

### 14 Risk Management Policies and Disclosures

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

#### Foreign currency risk

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

#### Interest rate risk

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/ (liabilities) not carrying interest £'000	Total £'000
<b>2024</b>				
<b>Currency</b>				
UK Sterling	171	3,537	21	3,729
Euro	3	-	-	3
US Dollar	-	15	(15)	-
<b>Total</b>	<b>174</b>	<b>3,552</b>	<b>6</b>	<b>3,732</b>

	Floating rate financial assets/ (liabilities) £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>2023</b>				
<b>Currency</b>				
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
<b>Total</b>	<b>3,037</b>	<b>103,070</b>	<b>(291)</b>	<b>105,816</b>

#### Other price risk

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

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

# Notes to the Financial Statements

## Continued

### VaR

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

2024	Minimum	Maximum	Average
VaR 99% 1 Month	6.21%	7.52%	6.82%

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2023	Minimum	Maximum	Average
VaR 99% 1 Month	4.95%	9.06%	7.64%

### Counterparty risk

#### Credit quality of debt security investment assets

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

	Market value £'000	Percentage of total net assets %
<b>2024</b>		
Investment grade securities	3,496	93.69
Below investment grade securities	56	1.48
Unrated securities	-	-
<b>Total value of securities</b>	<b>3,552</b>	<b>95.17</b>

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	Market value £'000	Percentage of total net assets %
<b>2023</b>		
Investment grade securities	101,123	95.58
Below investment grade securities	2,097	1.97
Unrated securities	56	0.05
<b>Total value of securities</b>	<b>103,276</b>	<b>97.60</b>

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

#### Financial derivatives instrument risk

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

# Notes to the Financial Statements

## Continued

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

	2024		2023	
	Market exposure £'000	Market value £'000	Market exposure £'000	Market value £'000
<b>Leveraged instruments</b>				
Forward currency contracts	3,876	4	3,935	19
Futures	-	-	43,570	10
Swaps	-	-	28,691	(108)
<b>Total market exposure</b>	<b>3,876</b>	<b>4</b>	<b>76,196</b>	<b>(79)</b>

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

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

### Counterparty risk

Where the fund enters market transactions this creates concentration risk where a clearing broker operates on an exchange. Where the clearing broker is not solvent the market exposure can be transferred. Exposure is reduced by the daily exchange of margin by both parties held in the name of the depositary. At the year end the fund had no exposure.

2023 Broker or exchange exposure	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
Bank of America Merrill Lynch	10	643	-	653	0.62
	<b>10</b>	<b>643</b>	<b>-</b>	<b>653</b>	<b>0.62</b>

### Bilateral agreements

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

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.

2024 Counterparties	Collateral (held)/pledged			
	Forwards £'000	Cash £'000	Stock £'000	Net exposure £'000
Barclays	(5)	-	-	(5)
BNP Paribas	1	-	-	1
Citigroup	5	-	-	5
Morgan Stanley	1	-	-	1
Royal Bank of Canada	14	-	-	14
UBS	(12)	-	-	(12)
<b>Total</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>4</b>

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

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



# Notes to the Financial Statements

## Continued

2023 Counterparties	Collateral (held)/pledged				
	Swaps £'000	Forwards £'000	Cash £'000	Stock £'000	Net exposure £'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)
<b>Total</b>	<b>(108)</b>	<b>19</b>	<b>150</b>	<b>-</b>	<b>61</b>

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.

2024 Derivatives	Collateral (held)/pledged				
	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
Investment liabilities	-	19	-	-	19
<b>Non-derivatives</b>					
Other creditors	-	26	-	-	26
Distribution payable	-	18	-	-	18
<b>Total financial liabilities</b>	<b>-</b>	<b>63</b>	<b>-</b>	<b>-</b>	<b>63</b>

2023 Derivatives	Collateral (held)/pledged				
	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
Investment liabilities	-	127	-	201	328
<b>Non-derivatives</b>					
Other creditors	-	2,350	-	-	2,350
Distribution payable	-	14	-	-	14
<b>Total financial liabilities</b>	<b>-</b>	<b>2,491</b>	<b>-</b>	<b>201</b>	<b>2,692</b>

## 15 Subsequent Events

The fund was closed on 08 August 2024.

# Distribution Tables

For the year ended 31 July 2024 (in pence per share)

## Interim interest distribution

Group 1 – shares purchased prior to 1 August 2023

Group 2 – shares purchased between 1 August 2023 and 31 January 2024

	Revenue	Equalisation	Distribution paid 30/04/24	Distribution paid 28/04/23
<b>A Accumulation</b>				
Group 1	1.8184	-	1.8184	0.9213
Group 2	1.5616	0.2568	1.8184	0.9213
<b>A Income</b>				
Group 1	1.3396	-	1.3396	0.6916
Group 2	0.6922	0.6474	1.3396	0.6916
<b>I Accumulation</b>				
Group 1	1.7015	-	1.7015	0.9840
Group 2	1.0232	0.6783	1.7015	0.9840
<b>I Income</b>				
Group 1	1.4918	-	1.4918	0.8840
Group 2	0.4219	1.0699	1.4918	0.8840
<b>L Accumulation</b>				
Group 1	1.4018	-	1.4018	0.8288
Group 2	1.4018	-	1.4018	0.8288
<b>L Income</b>				
Group 1	1.2644	-	1.2644	0.7735
Group 2	1.2644	-	1.2644	0.7735
<b>Z Accumulation</b>				
Group 1	2.8811	-	2.8811	1.8338
Group 2	2.0948	0.7863	2.8811	1.8338

# Distribution Tables

For the year ended 31 July 2024 (in pence per share) continued

## Final interest distribution

Group 1 – shares purchased prior to 1 February 2024

Group 2 – shares purchased between 1 February 2024 and 31 July 2024

	Revenue	Equalisation	Distribution paid 31/10/24	Distribution paid 31/10/23
<b>A Accumulation</b>				
Group 1	2.3602	-	2.3602	1.5097
Group 2	1.6774	0.6828	2.3602	1.5097
<b>A Income</b>				
Group 1	1.7152	-	1.7152	1.1266
Group 2	0.9726	0.7426	1.7152	1.1266
<b>I Accumulation</b>				
Group 1	2.1494	-	2.1494	1.4500
Group 2	1.0949	1.0545	2.1494	1.4500
<b>I Income</b>				
Group 1	1.8548	-	1.8548	1.2885
Group 2	1.0639	0.7909	1.8548	1.2885
<b>L Accumulation</b>				
Group 1	1.7605	-	1.7605	1.2028
Group 2	1.7605	-	1.7605	1.2028
<b>L Income</b>				
Group 1	1.5519	-	1.5519	1.1099
Group 2	1.5519	-	1.5519	1.1099
<b>Z Accumulation</b>				
Group 1	3.5453	-	3.5453	2.5038
Group 2	2.6138	0.9315	3.5453	2.5038

## 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 Inflation-Linked Bond Fund

For the year ended 31 July 2024

## 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 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 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 2024, the value of the abrdn Sterling Inflation-Linked Bond Fund – Institutional Accumulation Shares increased by 1.39% compared with an increase of 1.53% in the performance target, the FTSE Actuaries UK Index Linked Gilts (Over 5 Years) Index +0.50%.

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

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

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

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

# abrdn Sterling Inflation-Linked Bond Fund

## Continued

### Market Review

During the first half of the review period, competing narratives fought for bond markets' attention. Initially, mixed economic data and messages from central banks, which were looking to pause their rate hiking cycles while advocating higher-for-longer interest rates, drove government bonds lower. However, November 2023 marked a stark reversal in global fixed income markets, as investors pulled forward the expected timing and magnitude of policy rate cuts for the US Federal Reserve (Fed). Economic data also reflected a softening in activity, a loosening in labour markets and a decline in inflation measures, thereby reinforcing an end-of-cycle narrative. Index-linked bonds then fell during the first quarter of 2024. Developed market government bond yields rose across the board, as strong US economic data and slightly increasing inflation left investors in a state of uncertainty as to the onset and extent of future rate cuts. In the UK, inflation continued to moderate as the labour market loosened. Interest rate cuts were still the focus in the second quarter, as the European Central Bank (ECB) delivered its first rate cut since the Covid-19 pandemic, dropping rates by 25 basis points at its June meeting. Investors expect the Bank of England to cut rates in early August. Europe and UK inflation were less volatile, as rising gas prices offset falling oil prices. Global inflation has persisted in 2024: supply-led inflation has dissipated with food prices falling, while demand-led inflation has been stoked by the lagged effects of higher wages propping up services and housing inflation. Political turbulence rose at the end of the second quarter, as French President Macron announced a snap election, causing French and German bond spreads to widen.

### Portfolio Activity and Review

During the third quarter of 2023, our short position in US 10-year bond futures contributed positively to fund performance, as broadly resilient US economic data allowed yields to move higher. Our US 30-year consumer price inflation (CPI) swaps position also contributed positively. Our long New Zealand real yields and overweight US Treasury inflation-protected securities (TIPS) positions were negative for performance, however. We added a UK real yield steepening position, as we sought to oppose the marked flattening seen in June 2023 in the 5-year/30-year curve. We increased the size of our long position in 10-year US futures, as we believed they offered increasingly good value. We opened a US 10-year Treasury versus 10-year German Bund position on the expectation that the US would continue to outperform European data. We reduced US inflation exposure by selling US TIPS and covering part of the US futures short

at the 10-year point of the curve. We also switched out of 2068 UK index-linked bonds and into 2058s to open a steepening bias. We cut the 0.2-year duration position in German 10-year Bunds in half. We left the US Treasury 10-year exposure at 0.2-year duration, thereby reducing fund duration overall by 0.1 year.

In the fourth quarter of 2023, our long positions in New Zealand real yields and US 30-year TIPS both contributed positively to fund performance. As global duration rallied in the fourth quarter of 2023, our overweight duration positioning performed well. However, our short position in US bond futures detracted as duration rallied. This trade was removed in December. A short position in Italian bond futures versus Germany also detracted as the spread narrowed slightly. We reduced portfolio duration, selling 2034 UK index-linked bonds as we anticipated UK underperformance. We removed our overweight of German Bund futures, leaving the portfolio outright underweight US bond futures. In the middle of October, we reduced our US 10-year futures short position, taking profits after a surge higher in yields. We removed the remainder of this position near the end of the quarter on concerns that duration could remain supported into year-end. In mid-October, we added 30-year US TIPS, taking profits in mid-December. We took profit on our long 30-year US CPI position. Finally, we sold Italian bond futures versus German Bund futures in late November, anticipating spread widening over the subsequent six to eight weeks.

In the first quarter of 2024, the sell-off in global government bond markets was positive for short positions in UK and US 10-year bond futures. Exposure to New Zealand real yields and a short position in Italian versus German bond futures detracted from performance. In January, we bought 10-year US CPI swaps. We sold 10-year UK Gilt futures to reduce portfolio duration and UKTI 29s versus 27s and 31s in anticipation of 29s underperforming. We removed the Italian versus German Bund spread widener and took profit from a tactical Gilt short, recycling this into a short position in US Treasury futures. In February, we sold US five-year bond futures versus Germany, as we expected continued economic divergence. In March, we added a 2s20s UK yield curve steepener. We expect the prospect of interest rate cuts and continued Gilt supply to move the curve away from historically dis-inverted levels.

In the second quarter of 2024, persistent US inflation boded well for our 10-year US CPI position and our Germany versus US five-year bond futures position. We closed both of these positions in April to take profits and remain neutral in duration. Our short exposure to US 10-year bond futures detracted from performance, as the first cracks in the

# abrdn Sterling Inflation-Linked Bond Fund

## Continued

labour market appeared. We closed the position in early May, taking profits despite the short-term adverse move. We reopened it later in May to tactically reduce exposure to global duration, as sovereign bonds had outperformed more than expected. The UK 10-year Gilts position we opened at the start of the quarter lost ground, as global sovereign bond markets sold off. As the quarter neared a close, we opened a position in Italy versus Germany 10-year bonds but closed this 10 days later as the French general election approached and we sought to reduce European risk.

## Portfolio Outlook and Strategy

While inflation is expected to be lower in the medium term, it is likely to be a volatile journey. Geopolitical risks remain high, and we remain vigilant to material disruptions to global supply chains as well as commodity price movements when assessing the outlook for inflation. Developed market central banks are generally moving towards cutting rates if they haven't already begun, and we anticipate a continuation of this rhetoric over the remainder of the year and into 2025.

The portfolio has moved to an overweight duration stance, expressed in both UK and New Zealand real yields. It retains curve positions in the UK inflation market that will benefit from the long-term normalisation of dislocations. Having taken profit on longs in US inflation, the market has repriced lower and we anticipate opportunities to re-enter positive inflation trades in the coming weeks.

### Inflation Team

August 2024

# abrdn 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.

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 2024.

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

- Credit Risk – The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- Interest Rate Risk – The fund invests in securities which can be subject to price fluctuation for a variety of reasons including changes in interest rates or inflation expectations.
- Derivatives Risk – The use of derivatives may involve additional liquidity, credit and counterparty risks and may lead to substantial loss and increased volatility in adverse market conditions. 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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	173.67	232.66	294.53
Return before operating charges*	2.14	(57.47)	(59.69)
Operating charges	(1.35)	(1.52)	(2.18)
Return after operating charges*	0.79	(58.99)	(61.87)
Distributions	(11.42)	(9.88)	(4.04)
Retained distributions on accumulation shares	11.42	9.88	4.04
Closing net asset value per share	174.46	173.67	232.66
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	0.45%	(25.35%)	(21.01%)
<b>Other information</b>			
Closing net asset value (£'000)	144	178	1,020
Closing number of shares	82,606	102,396	438,498
Operating charges	0.80%	0.79%	0.79%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	184.2	242.2	317.3
Lowest share price	155.3	145.2	210.7

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

A Income	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	129.86	183.99	236.80
Return before operating charges*	1.42	(45.26)	(47.82)
Operating charges	(0.99)	(1.16)	(1.75)
Return after operating charges*	0.43	(46.42)	(49.57)
Distributions	(8.40)	(7.71)	(3.24)
Closing net asset value per share	121.89	129.86	183.99
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	0.33%	(25.23%)	(20.93%)
<b>Other information</b>			
Closing net asset value (£'000)	152	180	271
Closing number of shares	124,726	138,736	147,092
Operating charges	0.80%	0.79%	0.79%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	137.7	191.6	255.1
Lowest share price	116.1	114.9	168.6

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

I Accumulation	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	154.85	206.42	260.12
Return before operating charges*	1.95	(51.08)	(53.01)
Operating charges	(0.45)	(0.49)	(0.69)
Return after operating charges*	1.50	(51.57)	(53.70)
Distributions	(10.97)	(9.62)	(4.80)
Retained distributions on accumulation shares	10.97	9.62	4.80
Closing net asset value per share	156.35	154.85	206.42
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	0.97%	(24.98%)	(20.64%)
<b>Other information</b>			
Closing net asset value (£'000)	2,484	5,574	11,838
Closing number of shares	1,589,007	3,599,379	5,735,267
Operating charges	0.30%	0.29%	0.29%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	164.6	214.9	280.7
Lowest share price	138.6	129.0	186.9

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 Income	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	93.50	132.51	170.64
Return before operating charges*	1.03	(32.63)	(34.54)
Operating charges	(0.27)	(0.29)	(0.46)
Return after operating charges*	0.76	(32.92)	(35.00)
Distributions	(6.50)	(6.09)	(3.13)
Closing net asset value per share	87.76	93.50	132.51
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	0.81%	(24.84%)	(20.51%)
<b>Other information</b>			
Closing net asset value (£'000)	33,772	3,376	812
Closing number of shares	38,482,189	3,610,803	613,022
Operating charges	0.30%	0.29%	0.29%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	99.37	138.0	184.1
Lowest share price	83.70	82.79	121.7

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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	90.78	120.95	152.23
Return before operating charges*	1.18	(29.94)	(30.94)
Operating charges	(0.23)	(0.23)	(0.34)
Return after operating charges*	0.95	(30.17)	(31.28)
Distributions	(6.49)	(5.67)	(2.89)
Retained distributions on accumulation shares	6.49	5.67	2.89
Closing net asset value per share	91.73	90.78	120.95
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	1.05%	(24.94%)	(20.55%)
<b>Other information</b>			
Closing net asset value (£'000)	4	4	5
Closing number of shares	4,056	4,056	4,056
Operating charges	0.25%	0.24%	0.24%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	96.49	125.9	164.3
Lowest share price	81.27	75.57	109.5

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

M Accumulation <sup>A</sup>	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	100.19	126.12
Return before operating charges*	(20.98)	(25.53)
Operating charges	(0.13)	(0.40)
Return after operating charges*	(21.11)	(25.93)
Distributions	-	(2.32)
Retained distributions on accumulation shares	-	2.32
Redemption value as at 17 January 2023	(79.08)	-
Closing net asset value per share	-	100.19
* after direct transaction costs of:	-	-
<b>Performance</b>		
Return after charges	(21.07%)	(20.56%)
<b>Other information</b>		
Closing net asset value (£'000)	-	1
Closing number of shares	-	906
Operating charges	0.34%	0.34%
Direct transaction costs	-	-
<b>Prices</b>		
Highest share price	104.3	136.1
Lowest share price	62.61	90.61

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

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

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

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

<sup>A</sup> M Accumulation share class was closed on 17 January 2023.

# Comparative Tables

## Continued

M Income <sup>A</sup>	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	96.37	124.03
Return before operating charges*	(20.17)	(24.97)
Operating charges	(0.13)	(0.39)
Return after operating charges*	(20.30)	(25.36)
Distributions	-	(2.30)
Redemption value as at 17 January 2023	(76.07)	
Closing net asset value per share	-	96.37
* after direct transaction costs of:	-	-
<b>Performance</b>		
Return after charges	(21.06%)	(20.45%)
<b>Other information</b>		
Closing net asset value (£'000)	-	1
Closing number of shares	-	909
Operating charges	0.34%	0.34%
Direct transaction costs	-	-
<b>Prices</b>		
Highest share price	100.3	133.8
Lowest share price	60.23	88.46

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

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

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

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

<sup>A</sup> M Income share class was closed on 17 January 2023.

# Comparative Tables

## Continued

Z Accumulation <sup>A</sup>	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	203.86	271.21	340.94
Return before operating charges*	(0.46)	(67.15)	(69.45)
Operating charges	(0.11)	(0.20)	(0.28)
Return after operating charges*	(0.57)	(67.35)	(69.73)
Distributions	(6.76)	(13.09)	(6.94)
Retained distributions on accumulation shares	6.76	13.09	6.94
Redemption value as at 6 March 2024	(203.29)	-	-
Closing net asset value per share	-	203.86	271.21
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(0.28%)	(24.83%)	(20.45%)
<b>Other information</b>			
Closing net asset value (£'000)	-	29,936	33,353
Closing number of shares	-	14,684,848	12,297,873
Operating charges	0.09%	0.09%	0.09%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	216.9	282.4	368.2
Lowest share price	182.6	169.5	245.4

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

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

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

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

<sup>A</sup> Z Accumulation share class closed on 6 March 2024.

# Portfolio Statement

As at 31 July 2024

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Bonds (99.80%)</b>		<b>37,130</b>	<b>101.57</b>
<b>New Zealand Dollar Denominated Bonds (2.46%)</b>		<b>725</b>	<b>1.98</b>
<b>Government Bonds (2.46%)</b>		<b>725</b>	<b>1.98</b>
between 10 and 15 years to maturity			
1,206,000	New Zealand (Govt of) 2.5% Index-Linked 2035	725	1.98
<b>Sterling Denominated Bonds (96.55%)</b>		<b>36,405</b>	<b>99.59</b>
<b>Corporate Bonds (2.16%)</b>		<b>860</b>	<b>2.35</b>
between 5 and 10 years to maturity			
125,000	Southern Water Services Finance 3.706% Index-Linked 2034	292	0.80
between 15 and 25 years to maturity			
322,000	Network Rail Infrastructure Finance 1.125% Index-Linked 2047	568	1.55
<b>Government Bonds (94.39%)</b>		<b>35,545</b>	<b>97.24</b>
less than 5 years to maturity			
470,700	UK (Govt of) 0.125% Index-Linked 2029	763	2.09
between 5 and 10 years to maturity			
1,697,200	UK (Govt of) 0.125% Index-Linked 2031	2,220	6.07
434,233	UK (Govt of) 0.75% Index-Linked 2034	738	2.02
1,199,900	UK (Govt of) 1.25% Index-Linked 2032	2,293	6.27
9,000	UK (Govt of) 4.125% Index-Linked 2030	31	0.10
between 10 and 15 years to maturity			
2,986,300	UK (Govt of) 0.125% Index-Linked 2036	4,151	11.36
350,400	UK (Govt of) 0.125% Index-Linked 2039	406	1.11
1,029,152	UK (Govt of) 1.125% Index-Linked 2037	2,058	5.63
between 15 and 25 years to maturity			
397,300	UK (Govt of) 0.125% Index-Linked 2041	473	1.29
1,079,400	UK (Govt of) 0.125% Index-Linked 2044	1,406	3.85
1,567,300	UK (Govt of) 0.125% Index-Linked 2046	1,855	5.07
1,488,443	UK (Govt of) 0.125% Index-Linked 2048	1,597	4.37



# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,389,757	UK (Govt of) 0.625% Index-Linked 2040	2,359	6.45
1,029,540	UK (Govt of) 0.625% Index-Linked 2042	1,741	4.76
502,900	UK (Govt of) 0.625% Index-Linked 2045	477	1.31
457,400	UK (Govt of) 0.75% Index-Linked 2047	769	2.10
greater than 25 years to maturity			
2,021,500	UK (Govt of) 0.125% Index-Linked 2051	1,950	5.33
159,900	UK (Govt of) 0.125% Index-Linked 2056	164	0.45
1,506,000	UK (Govt of) 0.125% Index-Linked 2058	1,575	4.31
673,800	UK (Govt of) 0.125% Index-Linked 2065	654	1.79
883,991	UK (Govt of) 0.125% Index-Linked 2068	882	2.41
1,013,731	UK (Govt of) 0.25% Index-Linked 2052	1,225	3.35
1,033,531	UK (Govt of) 0.375% Index-Linked 2062	1,263	3.45
1,637,600	UK (Govt of) 0.5% Index-Linked 2050	2,450	6.70
859,400	UK (Govt of) 1.25% Index-Linked 2054	866	2.37
591,145	UK (Govt of) 1.25% Index-Linked 2055	1,179	3.23
US Dollar Denominated Bonds (0.79%)		-	-
Government Bonds (0.79%)		-	-
Derivatives (0.17%)		17	0.05
Forward Currency Contracts (0.03%)		30	0.09
Buy EUR 1,180 Sell GBP 1,002 05/09/2024		-	-
Buy EUR 1,240 Sell GBP 1,050 05/09/2024		-	-
Buy EUR 1,380 Sell GBP 1,171 05/09/2024		-	-
Buy EUR 1,840 Sell GBP 1,562 05/09/2024		-	-
Buy EUR 2,680 Sell GBP 2,273 05/09/2024		-	-
Buy EUR 2,720 Sell GBP 2,291 05/09/2024		-	-
Buy EUR 3,230 Sell GBP 2,720 05/09/2024		-	-
Buy EUR 3,230 Sell GBP 2,735 05/09/2024		-	-
Buy EUR 3,300 Sell GBP 2,798 05/09/2024		-	-
Buy EUR 3,910 Sell GBP 3,298 05/09/2024		-	-
Buy GBP 431 Sell EUR 510 05/09/2024		-	-
Buy GBP 573 Sell EUR 680 05/09/2024		-	-
Buy GBP 814 Sell EUR 960 05/09/2024		-	-
Buy GBP 863 Sell EUR 1,020 05/09/2024		-	-

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
	Buy GBP 1,509 Sell EUR 1,780 05/09/2024	-	-
	Buy GBP 1,694 Sell EUR 2,000 05/09/2024	-	-
	Buy GBP 1,865 Sell EUR 2,210 05/09/2024	-	-
	Buy GBP 2,004 Sell EUR 2,380 05/09/2024	-	-
	Buy GBP 2,152 Sell EUR 2,550 05/09/2024	-	-
	Buy GBP 2,441 Sell EUR 2,890 05/09/2024	-	-
	Buy GBP 2,442 Sell EUR 2,890 05/09/2024	-	-
	Buy GBP 2,574 Sell EUR 3,060 05/09/2024	-	-
	Buy GBP 2,736 Sell EUR 3,233 05/09/2024	-	-
	Buy GBP 3,575 Sell EUR 4,250 05/09/2024	-	-
	Buy GBP 4,236 Sell EUR 4,980 05/09/2024	-	-
	Buy GBP 4,739 Sell EUR 5,609 05/09/2024	-	-
	Buy GBP 6,297 Sell EUR 7,480 05/09/2024	-	-
	Buy GBP 9,502 Sell NZD 19,650 05/09/2024	1	0.01
	Buy GBP 9,696 Sell NZD 20,255 05/09/2024	-	-
	Buy GBP 9,803 Sell NZD 21,002 05/09/2024	-	-
	Buy GBP 743,638 Sell NZD 1,549,656 05/09/2024	30	0.08
	Buy GBP 476 Sell USD 610 05/09/2024	-	-
	Buy GBP 1,297 Sell USD 1,641 05/09/2024	-	-
	Buy GBP 1,912 Sell USD 2,422 05/09/2024	-	-
	Buy GBP 2,039 Sell USD 2,625 05/09/2024	-	-
	Buy GBP 2,189 Sell USD 2,829 05/09/2024	-	-
	Buy GBP 2,255 Sell USD 2,875 05/09/2024	-	-
	Buy GBP 2,340 Sell USD 2,968 05/09/2024	-	-
	Buy GBP 2,565 Sell USD 3,327 05/09/2024	-	-
	Buy GBP 2,572 Sell USD 3,297 05/09/2024	-	-
	Buy GBP 2,800 Sell USD 3,578 05/09/2024	-	-
	Buy GBP 2,837 Sell USD 3,594 05/09/2024	-	-
	Buy GBP 3,904 Sell USD 5,046 05/09/2024	-	-
	Buy GBP 4,512 Sell USD 5,719 05/09/2024	-	-
	Buy GBP 4,935 Sell USD 6,250 05/09/2024	-	-
	Buy GBP 6,066 Sell USD 7,844 05/09/2024	-	-
	Buy GBP 8,049 Sell USD 10,250 05/09/2024	-	-
	Buy GBP 11,655 Sell USD 14,828 05/09/2024	-	-
	Buy NZD 16,712 Sell GBP 8,058 05/09/2024	-	-
	Buy NZD 25,182 Sell GBP 12,039 05/09/2024	(1)	-
	Buy USD 625 Sell GBP 494 05/09/2024	-	-

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
	Buy USD 1,172 Sell GBP 926 05/09/2024	-	-
	Buy USD 1,180 Sell GBP 926 05/09/2024	-	-
	Buy USD 1,250 Sell GBP 970 05/09/2024	-	-
	Buy USD 1,375 Sell GBP 1,067 05/09/2024	-	-
	Buy USD 1,609 Sell GBP 1,240 05/09/2024	-	-
	Buy USD 2,578 Sell GBP 1,985 05/09/2024	-	-
	Buy USD 2,656 Sell GBP 2,085 05/09/2024	-	-
	Buy USD 3,688 Sell GBP 2,852 05/09/2024	-	-
	Buy USD 4,125 Sell GBP 3,250 05/09/2024	-	-
	Buy USD 4,265 Sell GBP 3,348 05/09/2024	-	-
	Buy USD 4,750 Sell GBP 3,721 05/09/2024	-	-
	Buy USD 6,233 Sell GBP 4,783 05/09/2024	-	-
	Buy USD 6,451 Sell GBP 5,019 05/09/2024	-	-
	Buy USD 7,515 Sell GBP 5,871 05/09/2024	-	-
	Buy USD 7,774 Sell GBP 6,092 05/09/2024	-	-
	Buy USD 7,922 Sell GBP 6,228 05/09/2024	-	-
	Buy USD 8,125 Sell GBP 6,350 05/09/2024	-	-
	Buy USD 8,594 Sell GBP 6,692 05/09/2024	-	-
	Buy USD 9,367 Sell GBP 7,294 05/09/2024	-	-
	Buy USD 13,204 Sell GBP 10,337 05/09/2024	-	-
	Buy USD 14,907 Sell GBP 11,500 05/09/2024	-	-
<b>Futures (0.05%)</b>		<b>(13)</b>	<b>(0.04)</b>
17	Long Euro-Bobl Future 06/09/2024	22	0.06
(5)	Short US 10 Year Ultra Future 19/09/2024	(13)	(0.04)
(22)	Short US 5 Year Note (CBT) Future 30/09/2024	(22)	(0.06)
<b>Inflation Swaps (0.09%)</b>		<b>-</b>	<b>-</b>
Total investment assets and liabilities		37,147	101.62
Net other liabilities		(591)	(1.62)
<b>Total Net Assets</b>		<b>36,556</b>	<b>100.00</b>

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities, or are regulated collective investment schemes or are approved derivatives within the meaning of the FCA rules.  
The percentage figures in brackets show the comparative holding as at 31 July 2023.

# Financial Statements

## Statement of Total Return

For the year ended 31 July 2024

	Notes	2024		2023	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(2,415)		(13,885)
Revenue	2	2,827		2,375	
Expenses	3	(105)		(56)	
Interest payable and similar charges		-		(2)	
Net revenue before taxation		2,722		2,317	
Taxation	4	-		-	
Net revenue after taxation			2,722		2,317
<b>Total return before distributions</b>			<b>307</b>		<b>(11,568)</b>
Distributions	5		(2,722)		(2,317)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(2,415)</b>		<b>(13,885)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2024

	2024		2023	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>39,248</b>		<b>47,301</b>
Amounts receivable on the issue of shares	4,799		9,882	
Amounts payable on the cancellation of shares	(5,281)		(6,325)	
		(482)		3,557
Dilution adjustment		4		20
Change in net assets attributable to shareholders from investment activities (see above)		(2,415)		(13,885)
Retained distribution on accumulation shares		201		2,255
<b>Closing net assets attributable to shareholders</b>		<b>36,556</b>		<b>39,248</b>

# Financial Statements

## Continued

### Balance Sheet

As at 31 July 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			37,183		39,238
<b>Current assets:</b>					
Debtors	6	118		961	
Cash and bank balances	7	511		248	
			629		1,209
<b>Total assets</b>			<b>37,812</b>		<b>40,447</b>
<b>Liabilities:</b>					
Investment liabilities			(36)		(2)
Bank overdrafts	7	(1)		(1)	
Creditors	8	(10)		(1,072)	
Distribution payable		(1,209)		(124)	
			(1,220)		(1,197)
<b>Total liabilities</b>			<b>(1,256)</b>		<b>(1,199)</b>
<b>Net assets attributable to shareholders</b>			<b>36,556</b>		<b>39,248</b>

# Notes to the Financial Statements

## 1 Net Capital Losses

	2024 £'000	2023 £'000
Non-derivative securities	(2,465)	(14,109)
Derivative contracts	21	134
Forward currency contracts	37	89
Other (losses)/gains	(3)	5
Transaction charges	(5)	(4)
<b>Net capital losses</b>	<b>(2,415)</b>	<b>(13,885)</b>

## 2 Revenue

	2024 £'000	2023 £'000
Derivative revenue	6	1
Interest on debt securities	2,821	2,374
<b>Total revenue</b>	<b>2,827</b>	<b>2,375</b>

## 3 Expenses

	2024 £'000	2023 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	74	24
General administration charge	30	31
	104	55
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	1	1
	1	1
<b>Total expenses</b>	<b>105</b>	<b>56</b>

Irrecoverable VAT is included in the above expenses, where applicable.  
The audit fee for the year, including VAT, was £12,720 (2023: £11,700).

## 4 Taxation

	2024 £'000	2023 £'000
<b>(a) Analysis of charge in year</b>		
<b>Total taxation (note 4b)</b>	<b>-</b>	<b>-</b>

# Notes to the Financial Statements

## Continued

	2024 £'000	2023 £'000
<b>(b) Factors affecting total tax charge for the year</b>		
The tax assessed for the year is less than (2023: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
<b>Net revenue before taxation</b>	<b>2,722</b>	<b>2,317</b>
Corporation tax at 20% (2023: 20%)	544	463
Effects of:		
Excess allowable expenses	(285)	333
UK Indexation relief	(259)	(796)
<b>Total tax charge for year (note 4a)</b>	<b>-</b>	<b>-</b>
Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.		
<b>(c) Factors that may affect future tax charge</b>		
At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £1,359,000 (2023: £1,644,000) 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

	2024 £'000	2023 £'000
Interim distribution	1,399	1,043
Final distribution	1,300	1,357
	2,699	2,400
Add: Income deducted on cancellation of shares	116	86
Deduct: Income received on issue of shares	(93)	(169)
<b>Total distributions for the year</b>	<b>2,722</b>	<b>2,317</b>

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

## 6 Debtors

	2024 £'000	2023 £'000
Accrued revenue	51	52
Amounts receivable from the ACD for the issue of shares	67	10
Sales awaiting settlement	-	899
<b>Total debtors</b>	<b>118</b>	<b>961</b>

# Notes to the Financial Statements

## Continued

### 7 Liquidity

	2024 £'000	2023 £'000
<b>Cash and bank balances</b>		
Cash at bank	446	245
Cash at broker	65	3
	<b>511</b>	<b>248</b>
<b>Bank overdrafts</b>		
Overdraft at bank	(1)	(1)
	<b>(1)</b>	<b>(1)</b>
<b>Net liquidity</b>	<b>510</b>	<b>247</b>

### 8 Creditors

	2024 £'000	2023 £'000
Accrued expenses payable to ACD	9	4
Amounts payable to the ACD for cancellation of shares	1	59
Purchases awaiting settlement	-	1,009
<b>Total creditors</b>	<b>10</b>	<b>1,072</b>

### 9 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 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.



# 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	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Trades in the year</b>				
Bonds	16,162	16,922	18,344	12,561
<b>Trades in the year before transaction costs</b>	<b>16,162</b>	<b>16,922</b>	<b>18,344</b>	<b>12,561</b>
<b>Total net trades in the year after transaction costs</b>	<b>16,162</b>	<b>16,922</b>	<b>18,344</b>	<b>12,561</b>

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.22% (2023: 0.44%), this is representative of the average spread on the assets held during the year.

### 11 Shares in Issue Reconciliation

	Opening shares 2023	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2024
A Accumulation	102,396	48,924	(52,295)	(16,419)	82,606
A Income	138,736	2,676	(163)	(16,523)	124,726
I Accumulation	3,599,379	393,328	(2,422,066)	18,366	1,589,007
I Income	3,610,803	4,717,014	(1,887,866)	32,042,238	38,482,189
K Accumulation	4,056	-	-	-	4,056
M Accumulation	-	-	-	-	-
M Income	-	-	-	-	-
Z Accumulation	14,684,848	2,518	(2,518)	(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

	2024 £'000	2024 £'000	2024 £'000	2023 £'000	2023 £'000	2023 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Bonds	35,545	1,585	-	37,357	1,812	-
Derivatives	22	31	-	20	49	-
<b>Total investment assets</b>	<b>35,567</b>	<b>1,616</b>	<b>-</b>	<b>37,377</b>	<b>1,861</b>	<b>-</b>
Fair value of investment liabilities						
Derivatives	(35)	(1)	-	-	(2)	-
<b>Total investment liabilities</b>	<b>(35)</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>(2)</b>	<b>-</b>

## 13 Risk Management Policies and Disclosures

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

### Foreign currency risk

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

### Interest rate risk

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

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

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

2024	Floating rate financial assets/ (liabilities) £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>Currency</b>				
UK Sterling	36,915	-	(361)	36,554
Australian Dollar	(1)	-	-	(1)
Euro	-	-	2	2
New Zealand Dollar	726	-	(721)	5
US Dollar	-	-	(4)	(4)
<b>Total</b>	<b>37,640</b>	<b>-</b>	<b>(1,084)</b>	<b>36,556</b>

# 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
<b>Currency</b>				
UK Sterling	246	37,893	1,112	39,251
Australian Dollar	(1)	-	-	(1)
New Zealand Dollar	-	964	(966)	(2)
US Dollar	40	312	(352)	-
<b>Total</b>	<b>285</b>	<b>39,169</b>	<b>(206)</b>	<b>39,248</b>

### Other price risk

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

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

### VaR

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

2024	Minimum	Maximum	Average
VaR 99% 1 Month	15.37%	18.96%	16.86%
2023	Minimum	Maximum	Average
VaR 99% 1 Month	11.87%	23.87%	20.43%

### Counterparty risk

#### Credit quality of debt security investment assets

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

	Market value £'000	Percentage of total net assets %
<b>2024</b>		
Investment grade securities	37,130	101.57
Below investment grade securities	-	-
Unrated securities	-	-
<b>Total value of securities</b>	<b>37,130</b>	<b>101.57</b>

# Notes to the Financial Statements

## Continued

	Market value £'000	Percentage of total net assets %
<b>2023</b>		
Investment grade securities	39,169	99.80
Below investment grade securities	-	-
Unrated securities	-	-
<b>Total value of securities</b>	<b>39,169</b>	<b>99.80</b>

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

### Financial derivatives instrument risk

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

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

	2024		2023	
	Market exposure £'000	Market value £'000	Market exposure £'000	Market value £'000
<b>Leveraged instruments</b>				
Forward currency contracts	981	30	1,613	10
Futures	3,981	(13)	1,000	20
Swaps	-	-	360	37
<b>Total market exposure</b>	<b>4,962</b>	<b>17</b>	<b>2,973</b>	<b>67</b>

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

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

### Counterparty risk

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

2024	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
<b>Broker or exchange exposure</b>					
Bank of America Merrill Lynch	(13)	65	-	52	0.14
	(13)	65	-	52	0.14
<b>2023</b>					
<b>Broker or exchange exposure</b>					
Bank of America Merrill Lynch	20	3	-	23	0.06
	20	3	-	23	0.06

# 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.

2024 Counterparties	Collateral (held)/pledged		Net exposure £'000
	Swaps £'000	Forwards £'000	
Barclays	-	30	30
<b>Total</b>	<b>-</b>	<b>30</b>	<b>30</b>

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

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

2023 Counterparties	Collateral (held)/pledged		Net exposure £'000
	Swaps £'000	Forwards £'000	
Barclays	-	(1)	(1)
Goldman Sachs	-	(1)	(1)
Natwest Markets	-	1	1
Royal Bank of Canada	-	11	11
UBS	37	-	37
<b>Total</b>	<b>37</b>	<b>10</b>	<b>47</b>

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.

2024	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
<b>Derivatives</b>					
Investment liabilities	-	36	-	-	36
<b>Non-derivatives</b>					
Other creditors	-	10	-	-	10
Bank overdrafts	1	-	-	-	1
Distribution payable	-	1,209	-	-	1,209
<b>Total financial liabilities</b>	<b>1</b>	<b>1,255</b>	<b>-</b>	<b>-</b>	<b>1,256</b>

# 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
<b>Derivatives</b>					
Investment liabilities	-	2	-	-	2
<b>Non-derivatives</b>					
Other creditors	-	1,072	-	-	1,072
Bank overdrafts	1	-	-	-	1
Distribution payable	-	124	-	-	124
<b>Total financial liabilities</b>	<b>1</b>	<b>1,198</b>	<b>-</b>	<b>-</b>	<b>1,199</b>

# Distribution Tables

For the year ended 31 July 2024 (in pence per share)

## Interim interest distribution

Group 1 – shares purchased prior to 1 August 2023

Group 2 – shares purchased between 1 August 2023 and 31 January 2024

	Revenue	Equalisation	Distribution paid 30/04/24	Distribution paid 28/04/23
<b>A Accumulation</b>				
Group 1	5.8352	-	5.8352	4.4608
Group 2	2.4718	3.3634	5.8352	4.4608
<b>A Income</b>				
Group 1	4.3635	-	4.3635	3.5275
Group 2	2.1722	2.1913	4.3635	3.5275
<b>I Accumulation</b>				
Group 1	5.5866	-	5.5866	4.3962
Group 2	2.6546	2.9320	5.5866	4.3962
<b>I Income</b>				
Group 1	3.3736	-	3.3736	2.8222
Group 2	1.7312	1.6424	3.3736	2.8222
<b>K Accumulation</b>				
Group 1	3.2984	-	3.2984	2.5921
Group 2	3.2984	-	3.2984	2.5921
<b>Z Accumulation</b>				
Group 1	6.7624	-	6.7624	6.0070
Group 2	2.6004	4.1620	6.7624	6.0070

# Distribution Tables

For the year ended 31 July 2024 (in pence per share) continued

## Final interest distribution

Group 1 – shares purchased prior to 1 February 2024

Group 2 – shares purchased between 1 February 2024 and 31 July 2024

	Revenue	Equalisation	Distribution paid 31/10/24	Distribution paid 31/10/23
<b>A Accumulation</b>				
Group 1	5.5878	-	5.5878	5.4211
Group 2	3.1240	2.4638	5.5878	5.4211
<b>A Income</b>				
Group 1	4.0340	-	4.0340	4.1854
Group 2	2.0134	2.0206	4.0340	4.1854
<b>I Accumulation</b>				
Group 1	5.3830	-	5.3830	5.2224
Group 2	3.1170	2.2660	5.3830	5.2224
<b>I Income</b>				
Group 1	3.1295	-	3.1295	3.2647
Group 2	1.2504	1.8791	3.1295	3.2647
<b>K Accumulation</b>				
Group 1	3.1924	-	3.1924	3.0805
Group 2	3.1924	-	3.1924	3.0805
<b>Z Accumulation</b>				
Group 1	-	-	-	7.0801
Group 2	-	-	-	7.0801

## 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 2024

## 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 2024, the value of abrdn Sterling Money Market Fund – Institutional Accumulation Shares increased by 5.33%, compared to an increase of 5.20% in the performance target, SONIA.

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

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

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

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 twelve-month period under review, the sterling short-term interest rate market was volatile. Initially, as the third quarter of 2023 developed, a market-wide bond sell-off became the main story as realisation dawned that central banks were intent on keeping interest rates higher for longer. The peak in volatility came in September when the Bank of England's (BoE) Monetary Policy Committee (MPC) voted to keep rates on hold at 5.25%. This surprised the market and ended a run of 14 successive hikes. Nevertheless, the MPC statement still signalled the potential for more hikes. In terms of economic data, Purchasing Managers' Indices continued to be at contractionary levels and oil prices were rising. Inflation, though still elevated, continued to fall and there was a relatively big downside miss for the August release, where headline inflation unexpectedly fell to 6.7% versus the expected 7.0%. Inflation had been running at over 8% in the first half of 2023.

The onset of hostilities in the Middle East led to significant market uncertainty at the beginning of October 2023. Fears of escalation and rising oil prices plagued the economic landscape. In late October, the market narrative swiftly began to turn, following lower-than-expected US inflation figures. This led markets to become more optimistic that a 'soft landing' for global economies was possible – one where inflation would return to target levels without a recession taking place. Central banks, particularly the US Federal Reserve (Fed), also turned more dovish, and a major cross-asset rally began. UK headline consumer price inflation (CPI) fell to a two-year low of 4.6% in October, while core CPI fell to a 19-month low of 5.7%. This encouraged the market to believe that

# abrdn Sterling Money Market Fund

## Continued

the BoE was finished hiking rates. This theme strengthened when headline CPI fell to 3.9% in November versus an expected 4.3%. Core CPI also fell back to 5.1%. The money market yield curve flattened significantly. However, a disconnect between the BoE and the market started to emerge. At the December meeting, rates were held at 5.25% and three of the nine MPC members were still in favour of another 25-basis-point (bp) hike. While there was some reaction to this in the Gilt market, the response was muted in the money markets.

The dovish sentiment in UK money markets continued into 2024. Markets started the year expecting the BoE to make a quarter-point cut in interest rates in May, with further cuts thereafter and a rate of sub-4% by the end of the year. That view changed slightly after the December inflation print released on 17 January was higher than expected. UK CPI came in at 4% versus an expected 3.8%, pushing back the first rate cut to June. That set the tone for the quarter, with data and MPC member commentary pushing back on multiple rate-cut pricing. On 1 February, the committee voted 6-2-1 to maintain interest rates at 5.25% for the fourth successive meeting. February saw the release of January UK CPI, which came in slightly lower than expected. Services inflation rose 6.5% versus 6.4% in December. This gauge of domestic price pressure has been a key focus for the MPC. March saw some mixed UK employment data, with a softer labour report highlighting a small uptick in the unemployment rate and a fall in average weekly earnings, offset by an increase in minimum wages. The MPC then voted 8-1 to maintain interest rates.

Moving onto the second quarter of 2024, the May MPC meeting was considered dovish by the market and pricing shifted to 60% chance of a cut in June subject to data. Inflation data in May came and only bolstered the case to wait a few more weeks to see which way price pressures are headed. While UK inflation slowed to the BOE's 2% target for the first time in almost three years in May, price growth in the services sector remained almost triple that level. MPC officials remained silent during the run-up to the July 4 general election to avoid the appearance of political interference. As a result, the June MPC meeting voted 7-2 to hold rates at 5.25%-noting two members were in favour of a 25bp cut. Wage growth and services are elements which will give the MPC concerns before they announce any cuts. It is this remaining inflation that has led central banks to delay rate cuts this year.

Finally, in July investors bought Gilts in anticipation of the UK's first rate cut in over four years, which was announced at the beginning of August. Further cuts are expected in the UK as market forecast the bank rate to be around 4.75% by the end of 2024.

## Portfolio Activity and Review

A weight of evidence is pointing towards an inflection point in short term policy rates and while the BoE holds its hawkish tilt, we expect rate cuts to begin in the UK in the coming months.

Over the review period, the fund's positioning moved to increase the weighted average maturity (WAM) during the majority of the period, locking in market yields we believed to be excessive. WAM peaked around 100days before dropping back at year end, a period where careful management of liquidity is necessary. Activity was concentrated in high quality Bank issuers with strong credit metrics and market liquidity. Toward the close of the period under review the SONIA curve was inverted as markets began to price in just under six rate cuts by the end of 2024.

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 in order to deliver value.

## Portfolio Outlook and Strategy

We believe that rates looked to have peaked. Maintaining liquidity continues to be the main objective; however, if opportunities arise, we will look at extending the WAM if we see any value in the yield curve. The portfolio, as always, will continue to be invested in high quality liquid assets while also monitoring net asset value volatility closely. With a new cashflow cycle being observed, we will load the last week of the month and the first week of the following month with assets. We remain mindful of calendar quarter ends due to the flatter yield curve and any volatility in either market rates or balance sheet availability.

### Liquidity Management Team

August 2024

# 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 2024.

The fund is rated as 1 because of the extent to which the following risk factors apply:

- Money Markets Fund Risk – The fund price and liquidity is not guaranteed and the risk of loss is borne by the investor. An investment in the fund is different from an investment in bank deposits because the value of the investment may fluctuate, for example, due to counterparty default or changes in interest rates.
- Interest Rate Risk – The fund invests in securities which can be subject to price fluctuation for a variety of reasons including changes in interest rates or inflation expectations.
- Credit Risk – The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- Derivatives Risk – The use of derivatives may involve additional liquidity, credit and counterparty risks. In some cases the risk of loss from derivatives may be increased where a small change in the value of the underlying investment may have a larger impact on the value of the derivative.

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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	117.40	113.52	113.20
Return before operating charges*	6.44	4.16	0.60
Operating charges	(0.30)	(0.28)	(0.28)
Return after operating charges*	6.14	3.88	0.32
Distributions	(4.67)	(3.22)	(0.19)
Retained distributions on accumulation shares	4.67	3.22	0.19
Closing net asset value per share	123.54	117.40	113.52
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	5.23%	3.42%	0.28%
<b>Other information</b>			
Closing net asset value (£'000)	36,749	36,819	30,091
Closing number of shares	29,745,805	31,362,672	26,507,242
Operating charges	0.25%	0.25%	0.25%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	123.5	117.4	113.5
Lowest share price	117.4	113.5	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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	100.79	100.21	100.08
Return before operating charges*	5.45	3.64	0.53
Operating charges	(0.25)	(0.25)	(0.25)
Return after operating charges*	5.20	3.39	0.28
Distributions	(3.95)	(2.81)	(0.15)
Closing net asset value per share	102.04	100.79	100.21
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	5.16%	3.38%	0.28%
<b>Other information</b>			
Closing net asset value (£'000)	1,506	1,318	649
Closing number of shares	1,476,363	1,307,284	647,885
Operating charges	0.25%	0.25%	0.25%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	103.1	101.8	100.4
Lowest share price	100.8	100.2	100.0

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

I Accumulation	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	119.96	115.89	115.44
Return before operating charges*	6.59	4.24	0.62
Operating charges	(0.18)	(0.17)	(0.17)
Return after operating charges*	6.41	4.07	0.45
Distributions	(4.90)	(3.40)	(0.31)
Retained distributions on accumulation shares	4.90	3.40	0.31
Closing net asset value per share	126.37	119.96	115.89
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	5.34%	3.51%	0.39%
<b>Other information</b>			
Closing net asset value (£'000)	709,186	638,687	375,388
Closing number of shares	561,202,300	532,399,573	323,928,819
Operating charges	0.15%	0.15%	0.15%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	126.4	120.0	115.9
Lowest share price	120.0	115.9	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

I Income	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	100.82	100.24	100.12
Return before operating charges*	5.45	3.64	0.54
Operating charges	(0.15)	(0.15)	(0.15)
Return after operating charges*	5.30	3.49	0.39
Distributions	(4.05)	(2.91)	(0.27)
Closing net asset value per share	102.07	100.82	100.24
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	5.26%	3.48%	0.39%
<b>Other information</b>			
Closing net asset value (£'000)	74,998	64,681	23,077
Closing number of shares	73,477,765	64,153,724	23,022,254
Operating charges	0.15%	0.15%	0.15%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	103.1	101.8	100.4
Lowest share price	100.8	100.3	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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	104.25	100.76	100.43
Return before operating charges*	5.73	3.69	0.53
Operating charges	(0.21)	(0.20)	(0.20)
Return after operating charges*	5.52	3.49	0.33
Distributions	(4.20)	(2.91)	(0.21)
Retained distributions on accumulation shares	4.20	2.91	0.21
Closing net asset value per share	109.77	104.25	100.76
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	5.29%	3.46%	0.33%
<b>Other information</b>			
Closing net asset value (£'000)	137	161	173
Closing number of shares	125,053	154,956	171,767
Operating charges	0.20%	0.20%	0.20%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	109.8	104.3	100.8
Lowest share price	104.3	100.8	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 <sup>A</sup>	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	100.38	100.25
Return before operating charges*	1.23	0.53
Operating charges	(0.09)	(0.20)
Return after operating charges*	1.14	0.33
Distributions	(0.30)	(0.20)
Redemption value as at 17 January 2023	(101.22)	-
Closing net asset value per share	-	100.38
* after direct transaction costs of:	-	-
<b>Performance</b>		
Return after charges	1.14%	0.33%
<b>Other information</b>		
Closing net asset value (£'000)	-	1
Closing number of shares	-	1,000
Operating charges	0.20%	0.20%
Direct transaction costs	-	-
<b>Prices</b>		
Highest share price	101.2	100.6
Lowest share price	100.4	100.3

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.

<sup>A</sup> M Income share class was closed on 17 January 2023.

# Comparative Tables

## Continued

Z Gross Accumulation	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	113.51	109.55	109.03
Return before operating charges*	6.23	4.01	0.57
Operating charges	(0.05)	(0.05)	(0.05)
Return after operating charges*	6.18	3.96	0.52
Distributions	(4.75)	(3.33)	(0.40)
Retained distributions on accumulation shares	4.75	3.33	0.40
Closing net asset value per share	119.69	113.51	109.55
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	5.44%	3.61%	0.48%
<b>Other information</b>			
Closing net asset value (£'000)	597	392	414
Closing number of shares	498,402	345,401	377,660
Operating charges	0.05%	0.05%	0.05%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	119.7	113.5	109.5
Lowest share price	113.5	109.6	109.0

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.

# Portfolio Statement

As at 31 July 2024

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Bonds (8.06%)</b>		<b>94,541</b>	<b>11.48</b>
<b>Sterling Denominated Bonds (8.06%)</b>		<b>94,541</b>	<b>11.48</b>
<b>Corporate Bonds (8.06%)</b>		<b>94,541</b>	<b>11.48</b>
less than 5 years to maturity			
5,000,000	ANZ FRN 2025	4,995	0.61
5,000,000	Bank of Nova Scotia FRN 2024	5,002	0.61
10,000,000	Bank of Nova Scotia FRN 2025	10,043	1.22
5,000,000	Commonwealth Bank of Australia FRN 2024 (Issue 09 Nov)	5,002	0.61
10,000,000	Commonwealth Bank of Australia FRN 2024 (Issue 10 Nov)	10,004	1.21
10,000,000	Commonwealth Bank of Australia FRN 2025	9,994	1.21
8,500,000	HSBC Bank FRN 2025	8,502	1.03
6,000,000	HSBC UK Bank FRN 2024	6,001	0.73
5,000,000	Lloyds Bank Corporate Markets FRN 2024	5,001	0.61
5,000,000	Metropolitan Life Global Funding I FRN 2024	5,001	0.61
10,000,000	National Bank of Canada FRN 2025	9,992	1.21
5,000,000	Royal Bank of Canada FRN 2024	5,001	0.61
10,000,000	Westpac Banking FRN 2024	10,003	1.21
<b>Money Markets (73.56%)</b>		<b>580,116</b>	<b>70.48</b>
<b>Certificates Of Deposits (56.71%)</b>		<b>454,282</b>	<b>55.19</b>
5,000,000	ANZ CD 0% 25/10/2024	4,938	0.60
10,000,000	Banco Santander CD 0% 16/10/2024	9,890	1.20
5,000,000	Banco Santander CD 0% 13/03/2025	4,842	0.59
5,000,000	Banco Santander CD 0% 01/04/2025	4,830	0.59
10,000,000	Bank of America CD 0% 07/08/2024	9,990	1.21
5,000,000	Bank of Montreal CD 0% 07/01/2025	4,886	0.59
5,000,000	Bank of Montreal CD 0% 13/06/2025	4,782	0.58
15,000,000	Barclays Bank CD 5.33% 14/02/2025	14,991	1.82
10,000,000	BNP Paribas CD 5.21% 09/12/2024	9,998	1.22
10,000,000	BNP Paribas CD 5.27% 12/03/2025	9,994	1.21
5,000,000	BNP Paribas CD 5.63% 15/08/2024	5,000	0.61
15,000,000	China Construction Bank CD 5.4% 03/10/2024	15,000	1.82
5,000,000	Citibank CD 0% 01/11/2024	4,934	0.60
5,000,000	Cooperative Rabobank CD 0% 23/09/2024	4,959	0.60
15,000,000	Credit Agricole CD 5.67% 06/11/2024	14,992	1.82

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
10,000,000	Credit Agricole CD 5.77% 04/10/2024	9,996	1.21
5,000,000	Danske Bank CD 5.24% 24/03/2025	4,997	0.61
15,000,000	Danske Bank CD 5.245% 17/03/2025	14,991	1.82
5,000,000	DNB Bank CD 5.2% 08/10/2024	4,999	0.61
10,000,000	DNB Bank CD 5.85% 02/10/2024	9,996	1.21
5,000,000	DZ Bank CD 5.27% 17/02/2025	4,999	0.61
10,000,000	DZ Bank CD 5.3% 03/02/2025	9,997	1.21
10,000,000	DZ Bank CD 5.31% 03/02/2025	9,997	1.21
5,000,000	First Abu Dhabi Bank CD 5.36% 05/12/2024	4,998	0.61
20,000,000	First Abu Dhabi Bank CD 5.4% 30/05/2025	19,993	2.43
7,000,000	Goldman Sachs CD 0% 23/09/2024	6,945	0.84
10,000,000	Goldman Sachs CD 0% 02/10/2024	9,910	1.20
5,000,000	Goldman Sachs CD 0% 08/11/2024	4,928	0.60
5,000,000	ING Bank CD 0% 17/04/2025	4,817	0.59
5,000,000	ING Bank CD 0% 22/04/2025	4,816	0.59
10,000,000	Lloyds Bank CD 5.56% 04/09/2024	9,999	1.22
10,000,000	Lloyds Bank CD 5.95% 04/10/2024	9,996	1.21
10,000,000	MUFG Bank CD 0% 04/11/2024	9,868	1.20
10,000,000	MUFG Bank CD 5.24% 17/10/2024	10,000	1.22
5,000,000	National Australia Bank CD 0% 02/10/2024	4,955	0.60
10,000,000	National Australia Bank CD 0% 02/12/2024	9,826	1.19
10,000,000	Natwest Markets CD 0% 03/01/2025	9,781	1.19
10,000,000	Natwest Markets CD 0% 09/05/2025	9,612	1.17
10,000,000	Nordea Bank Finland CD 0% 02/04/2025	9,663	1.17
5,000,000	Nordea Bank Finland CD 5.26% 22/04/2025	4,998	0.61
5,000,000	Rabobank International CD 5.26% 23/04/2025	4,998	0.61
10,000,000	Royal Bank of Canada CD 5.52% 12/08/2024	10,001	1.22
10,000,000	Royal Bank of Canada CD 5.81% 04/10/2024	9,996	1.21
7,000,000	Skandinaviska Enskil CD 6.33% 19/08/2024	7,000	0.85
3,000,000	Societe Generale CD 0% 31/03/2025	2,896	0.35
5,000,000	Societe Generale CD 5.22% 14/05/2025	4,998	0.61
10,000,000	Standard Chartered CD 5.33% 02/05/2025	9,995	1.21
10,000,000	Standard Chartered CD 5.33% 29/05/2025	9,996	1.21
7,500,000	Toronto-Dominion Bank CD 5.2% 03/01/2025	7,498	0.91
5,000,000	Toronto-Dominion Bank CD 5.22% 23/05/2025	4,998	0.61
10,000,000	Toronto-Dominion Bank CD 5.26% 25/04/2025	9,995	1.21
3,000,000	Toronto-Dominion Bank CD 6.3% 23/08/2024	3,002	0.37

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
5,000,000	UBS CD 0% 09/05/2025	4,806	0.58
10,000,000	UBS CD 5.28% 12/08/2024	10,001	1.22
10,000,000	UBS CD 5.32% 08/08/2024	10,001	1.22
5,000,000	UBS CD 5.36% 28/05/2025	4,998	0.61
<b>Commercial Paper (16.85%)</b>		<b>125,834</b>	<b>15.29</b>
5,000,000	ANZ CP 5.2% 02/01/2025	4,897	0.59
5,000,000	Banque Federative du Credit Mutual CP 5.185% 28/03/2025	4,846	0.59
5,000,000	Banque Federative du Credit Mutual CP 5.225% 06/01/2025	4,895	0.59
5,000,000	Banque Federative du Credit Mutual CP 5.32% 29/04/2025	4,827	0.59
5,000,000	Banque Federative du Credit Mutual CP 5.345% 06/05/2025	4,823	0.59
5,000,000	Banque Federative du Credit Mutual CP 5.355% 28/05/2025	4,811	0.58
10,000,000	BRED Banque Populaire CP 5.19% 26/03/2025	9,694	1.18
10,000,000	BRED Banque Populaire CP 5.2% 10/04/2025	9,676	1.18
5,000,000	BRED Banque Populaire CP 5.29% 24/04/2025	4,830	0.59
5,000,000	DNB Bank CP 5.6% 16/08/2024	4,989	0.61
15,000,000	ING Bank CP 5.2% 03/02/2025	14,632	1.78
10,000,000	La Banque Postale CP 5.47% 23/08/2024	9,968	1.21
5,000,000	Landesbank Baden-Württemberg CP 0% 13/08/2024	4,991	0.61
500,000	OP Corporate Bank CP 0% 12/02/2025	487	0.06
1,200,000	OP Corporate Bank CP 5.3% 14/03/2025	1,165	0.14
5,000,000	OP Corporate Bank CP 5.32% 14/03/2025	4,854	0.59
5,000,000	Skandinaviska Enskil CP 5.2% 15/05/2025	4,818	0.58
10,000,000	Skandinaviska Enskil CP 5.73% 05/11/2024	9,869	1.20
7,000,000	Swedbank CP 0% 14/10/2024	6,928	0.84
10,000,000	Swedbank CP 5.205% 02/12/2024	9,834	1.19
<b>Collective Investment Schemes (2.96%)</b>		<b>37,001</b>	<b>4.49</b>
37,001	abrdn Liquidity Fund (Lux) - Sterling Fund Z1 Inc+	37,001	4.49
Total investment assets		711,658	86.45
Net other assets		111,515	13.55
<b>Total Net Assets</b>		<b>823,173</b>	<b>100.00</b>

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

The percentage figures in brackets show the comparative holding as at 31 July 2023.

\* Managed by subsidiaries of abrdn plc.

# Financial Statements

## Statement of Total Return

For the year ended 31 July 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
Income:					
Net capital gains	1		10,097		3,114
Revenue	2	34,189		18,055	
Expenses	3	(1,236)		(848)	
Net revenue before taxation		32,953		17,207	
Taxation	4	-		-	
Net revenue after taxation			32,953		17,207
<b>Total return before distributions</b>			<b>43,050</b>		<b>20,321</b>
Distributions	5		(32,953)		(17,207)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>10,097</b>		<b>3,114</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2024

	2024		2023	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>742,058</b>		<b>429,793</b>
Amounts receivable on the issue of shares	250,291		374,564	
Amounts payable on the cancellation of shares	(209,306)		(82,183)	
		40,985		292,381
Change in net assets attributable to shareholders from investment activities (see above)		10,097		3,114
Retained distribution on accumulation shares		30,033		16,770
<b>Closing net assets attributable to shareholders</b>		<b>823,173</b>		<b>742,058</b>

# Financial Statements

## Continued

### Balance Sheet

As at 31 July 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			711,658		627,656
Current assets:					
Debtors	6	8,992		3,762	
Cash and bank balances	7	113,386		111,649	
			122,378		115,411
Total assets			834,036		743,067
Liabilities:					
Creditors	8	(10,056)		(321)	
Distribution payable		(807)		(688)	
			(10,863)		(1,009)
Total liabilities			(10,863)		(1,009)
Net assets attributable to shareholders			823,173		742,058

# Notes to the Financial Statements

## 1 Net Capital Gains

	2024 £'000	2023 £'000
Non-derivative securities	10,100	3,117
Transaction charges	(3)	(3)
<b>Net capital gains</b>	<b>10,097</b>	<b>3,114</b>

## 2 Revenue

	2024 £'000	2023 £'000
Bank and margin interest	7,481	4,250
Interest on debt securities	9,507	8,011
Interest on short term investments	17,201	5,794
<b>Total revenue</b>	<b>34,189</b>	<b>18,055</b>

## 3 Expenses

	2024 £'000	2023 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	865	595
General administration charge	331	226
	1,196	821
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	40	27
	40	27
<b>Total expenses</b>	<b>1,236</b>	<b>848</b>

Irrecoverable VAT is included in the above expenses, where applicable.  
The audit fee for the year, including VAT, was £12,720 (2023: £11,700).

## 4 Taxation

	2024 £'000	2023 £'000
(a) Analysis of charge in year		
<b>Total taxation (note 4b)</b>	<b>-</b>	<b>-</b>



# Notes to the Financial Statements

## Continued

	2024 £'000	2023 £'000
<b>(b) Factors affecting total tax charge for the year</b>		
The tax assessed for the year is less than (2023: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
<b>Net revenue before taxation</b>	<b>32,953</b>	<b>17,207</b>
Corporation tax at 20% (2023: 20%)	6,591	3,441
Effects of:		
Distributions treated as tax deductible	(6,591)	(3,441)
<b>Total tax charge for year (note 4a)</b>	<b>-</b>	<b>-</b>
Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.		
<b>(c) Factors that may affect future tax charge</b>		
At the year end there are no surplus expenses and therefore no deferred tax asset in the current or prior year.		

## 5 Distributions

	2024 £'000	2023 £'000
First interim distribution	7,937	1,540
Second interim distribution	9,205	3,557
Third interim distribution	7,271	5,510
Final distribution	8,591	7,651
	33,004	18,258
Add: Income deducted on cancellation of shares	902	267
Deduct: Income received on issue of shares	(953)	(1,318)
<b>Total distributions for the year</b>	<b>32,953</b>	<b>17,207</b>

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

## 6 Debtors

	2024 £'000	2023 £'000
Accrued revenue	8,370	3,597
Amounts receivable from the ACD for the issue of shares	622	165
<b>Total debtors</b>	<b>8,992</b>	<b>3,762</b>

# Notes to the Financial Statements

## Continued

### 7 Liquidity

	2024 £'000	2023 £'000
<b>Cash and bank balances</b>		
Cash at bank	8	30
Deposits with original maturity of less than 3 months	113,378	111,619
	<b>113,386</b>	<b>111,649</b>
abrdn Liquidity Fund (Lux) – Sterling Fund Z1 Inc*	37,001	22,000
<b>Net liquidity</b>	<b>150,387</b>	<b>133,649</b>

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

### 8 Creditors

	2024 £'000	2023 £'000
Accrued expenses payable to ACD	102	91
Accrued expenses payable to the Depositary or associates of the Depositary	3	3
Amounts payable to the ACD for cancellation of shares	84	227
Purchases awaiting settlement	9,867	–
<b>Total creditors</b>	<b>10,056</b>	<b>321</b>

### 9 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 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.

# 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	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Bonds	1,585,463	1,869,736	1,531,953	1,643,931
Trades in the year before transaction costs	1,585,463	1,869,736	1,531,953	1,643,931
Total net trades in the year after transaction costs	1,585,463	1,869,736	1,531,953	1,643,931

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 0.03% (2023: 0.05%), this is representative of the average spread on the assets held during the year.

### 11 Shares in Issue Reconciliation

	Opening shares 2023	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2024
A Accumulation	31,362,672	8,503,420	(9,998,538)	(121,749)	29,745,805
A Income	1,307,284	1,104,025	(934,946)	-	1,476,363
I Accumulation	532,399,573	168,486,205	(139,876,811)	193,333	561,202,300
I Income	64,153,724	33,211,131	(23,887,090)	-	73,477,765
M Accumulation	154,956	13,512	(43,415)	-	125,053
M Income	-	-	-	-	-
Z Gross Accumulation	345,401	381,869	(150,495)	(78,373)	498,402

### 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

	2024 £'000	2024 £'000	2024 £'000	2023 £'000	2023 £'000	2023 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Bonds	-	94,541	-	-	59,840	-
Money Market Instruments	-	580,116	-	-	545,816	-
Collective Investment Schemes	-	37,001	-	-	22,000	-
<b>Total investment assets</b>	<b>-</b>	<b>711,658</b>	<b>-</b>	<b>-</b>	<b>627,656</b>	<b>-</b>

## 13 Risk Management Policies and Disclosures

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

### Foreign currency risk

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

### Interest rate risk

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

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

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/ (liabilities) not carrying interest £'000	Total £'000
<b>2024</b>				
Currency				
UK Sterling	244,928	580,116	(1,871)	823,173
<b>Total</b>	<b>244,928</b>	<b>580,116</b>	<b>(1,871)</b>	<b>823,173</b>

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>2023</b>				
Currency				
UK Sterling	193,489	545,816	2,753	742,058
<b>Total</b>	<b>193,489</b>	<b>545,816</b>	<b>2,753</b>	<b>742,058</b>

# Notes to the Financial Statements

## Continued

### Other price risk

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

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

As at 31 July 2024, 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 £35,583,000 (2023: £31,383,000).

### 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 %
<b>2024</b>		
Investment grade securities	88,540	10.75
Below investment grade securities	-	-
Unrated securities	6,001	0.73
<b>Total value of securities</b>	<b>94,541</b>	<b>11.48</b>
	Market value £'000	Percentage of total net assets %
<b>2023</b>		
Investment grade securities	53,837	7.25
Below investment grade securities	-	-
Unrated securities	6,003	0.81
<b>Total value of securities</b>	<b>59,840</b>	<b>8.06</b>

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 2024 (2023: £Nil).

### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2024 £10,863,000 (2023: £1,009,000).

# Distribution Tables

For the year ended 31 July 2024 (in pence per share)

## First interim interest distribution

Group 1 – shares purchased prior to 1 August 2023

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

	Revenue	Equalisation	Distribution paid 31/01/24	Distribution paid 31/01/23
<b>A Accumulation</b>				
Group 1	1.1220	-	1.1220	0.3350
Group 2	0.6250	0.4970	1.1220	0.3350
<b>A Income</b>				
Group 1	0.9633	-	0.9633	0.2957
Group 2	0.2887	0.6746	0.9633	0.2957
<b>I Accumulation</b>				
Group 1	1.1770	-	1.1770	0.3713
Group 2	0.6264	0.5506	1.1770	0.3713
<b>I Income</b>				
Group 1	0.9892	-	0.9892	0.3213
Group 2	0.5249	0.4643	0.9892	0.3213
<b>M Accumulation</b>				
Group 1	1.0095	-	1.0095	0.3101
Group 2	0.7916	0.2179	1.0095	0.3101
<b>M Income</b>				
Group 1	-	-	-	0.2950
Group 2	-	-	-	0.2950
<b>Z Gross Accumulation</b>				
Group 1	1.1427	-	1.1427	0.3786
Group 2	0.7699	0.3728	1.1427	0.3786

# Distribution Tables

For the year ended 31 July 2024 (in pence per share) continued

## Second interim interest distribution

Group 1 – shares purchased prior to 1 November 2023

Group 2 – shares purchased between 1 November 2023 and 31 January 2024

	Revenue	Equalisation	Distribution paid 30/04/24	Distribution paid 28/04/23
<b>A Accumulation</b>				
Group 1	1.2502	-	1.2502	0.7307
Group 2	0.7130	0.5372	1.2502	0.7307
<b>A Income</b>				
Group 1	1.0629	-	1.0629	0.6430
Group 2	0.7070	0.3559	1.0629	0.6430
<b>I Accumulation</b>				
Group 1	1.3090	-	1.3090	0.7758
Group 2	0.8442	0.4648	1.3090	0.7758
<b>I Income</b>				
Group 1	1.0892	-	1.0892	0.6688
Group 2	0.6663	0.4229	1.0892	0.6688
<b>M Accumulation</b>				
Group 1	1.1236	-	1.1236	0.6612
Group 2	0.6086	0.5150	1.1236	0.6612
<b>Z Gross Accumulation</b>				
Group 1	1.2690	-	1.2690	0.7614
Group 2	0.7391	0.5299	1.2690	0.7614

# Distribution Tables

For the year ended 31 July 2024 (in pence per share) continued

## Third interim interest distribution

Group 1 – shares purchased prior to 1 February 2024

Group 2 – shares purchased between 1 February 2024 and 30 April 2024

	Revenue	Equalisation	Distribution paid 31/07/24	Distribution paid 31/07/23
<b>A Accumulation</b>				
Group 1	1.0388	-	1.0388	0.9711
Group 2	0.3776	0.6612	1.0388	0.9711
<b>A Income</b>				
Group 1	0.8747	-	0.8747	0.8473
Group 2	0.4988	0.3759	0.8747	0.8473
<b>I Accumulation</b>				
Group 1	1.0927	-	1.0927	1.0204
Group 2	0.4742	0.6185	1.0927	1.0204
<b>I Income</b>				
Group 1	0.8998	-	0.8998	0.8727
Group 2	0.3764	0.5234	0.8998	0.8727
<b>M Accumulation</b>				
Group 1	0.9361	-	0.9361	0.8751
Group 2	0.4563	0.4798	0.9361	0.8751
<b>Z Gross Accumulation</b>				
Group 1	1.0631	-	1.0631	0.9929
Group 2	0.3344	0.7287	1.0631	0.9929



# Distribution Tables

For the year ended 31 July 2024 (in pence per share) continued

## Final interest distribution

Group 1 – shares purchased prior to 1 May 2024

Group 2 – shares purchased between 1 May 2024 and 31 July 2024

	Revenue	Equalisation	Distribution paid 31/10/24	Distribution paid 31/10/23
<b>A Accumulation</b>				
Group 1	1.2588	-	1.2588	1.1808
Group 2	0.6091	0.6497	1.2588	1.1808
<b>A Income</b>				
Group 1	1.0504	-	1.0504	1.0231
Group 2	0.4502	0.6002	1.0504	1.0231
<b>I Accumulation</b>				
Group 1	1.3190	-	1.3190	1.2372
Group 2	0.7078	0.6112	1.3190	1.2372
<b>I Income</b>				
Group 1	1.0765	-	1.0765	1.0513
Group 2	0.6163	0.4602	1.0765	1.0513
<b>M Accumulation</b>				
Group 1	1.1320	-	1.1320	1.0598
Group 2	0.6213	0.5107	1.1320	1.0598
<b>Z Gross Accumulation</b>				
Group 1	1.2790	-	1.2790	1.1956
Group 2	0.4225	0.8565	1.2790	1.1956

## 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 2024

## 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 (1–5 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 (1–5 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 2024, the value of abrdn Sterling Short Term Government Bond Fund – I Accumulation Shares increased 6.72% compared with an increase of 6.12% in the performance comparator, the FTSE Actuaries UK Conventional Gilts All Stocks up to 5 Years Index.

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

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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

The review period for global government bonds, particularly in the UK, was marked by challenges. Market volatility caused fluctuations in bond prices, primarily due to the evolving stance of global central banks. Notably, the Bank of England (BoE) exhibited a data-dependent outlook, contributing to volatility in bond prices.

Initially, the expectation of "higher for longer" interest rates dominated central bank rhetoric across most of the

# abrdn Sterling Short Term Government Bond Fund

## Continued

second half of 2023. In August 2023, the BoE Monetary Policy Committee (MPC) raised rates by 25 basis points (bps), taking base rates to 5.25%. Despite significant falls in headline inflation figures, core inflation (excluding food and energy) remained relatively resilient. Purchasing managers' index (PMI) data pointed to significant pessimism regarding the UK's growth prospects, though this was somewhat offset by positive real income growth. Sovereign bonds were weak at a headline level. Meanwhile, 10-year bond yields in the US rose by 74 bps, in Germany by 45 bps, and in the UK by a mere 5 bps.

The onset of hostilities in the Middle East led to significant market uncertainty at the beginning of October 2023. Fears of escalation and rising oil prices plagued the economic landscape. Fuel prices kept UK inflation elevated above consensus at 6.7% year on year, while the core figure fell to 6.1%. BoE communications in October and November reiterated that interest rates would stay higher for longer. In November, as widely anticipated, the BoE held rates at 5.25%. During December, Gilts outperformed their European counterparts.

While December 2023 ended strongly for government bonds, January 2024 brought a retracement. A combination of heavy bond supply and economic data from both the UK and the US, which did not fit the narrative of aggressive rate cuts early in 2024, resulted in Gilt yields moving upwards throughout the month. In the UK, inflation edged slightly higher but remained below the BoE forecast. The PMI continued to edge higher, but retail sales were poor in contrast. The UK 10-year bond yield ended January 2024 below 3.9%, while the 5-year bond yield was below 3.8%.

In the first quarter of 2024, UK inflation came down more quickly than markets had anticipated, and the labour market began loosening. Data showed that the UK slipped into technical recession in the fourth quarter of 2023. However, for the first quarter of 2024, growth turned positive. The BoE's communication evolved over the quarter to line up a rate cut in the second quarter. Additionally, the two hawks on the MPC joined the majority by no longer voting for a rate hike. From a political perspective, markets had feared the Conservative government might deliver an expansionary Spring budget, but instead, Chancellor Jeremy Hunt scraped together what fiscal headroom he had left to deliver a 2% cut to national insurance and this was expected to have a limited impact on the BoE's rate-cutting cycle.

In the second quarter of 2024, sovereign bonds were subject to another volatile quarter, as market participants reduced the extent of policy easing projected for 2024. Earlier in the quarter, data releases implied

stickier-than-expected inflation and a resilient labour market across key developed economies. However, there were some signs of weakening as the period progressed. The extent of perceived "US exceptionalism" was a topic in focus, and we saw the first European Central Bank (ECB) interest-rate cut in June, as well as a cut from the Bank of Canada. Meanwhile, political volatility dominated European markets as French President Emmanuel Macron announced a snap legislative election resulting in a risk-off move from investors and substantial country spread widening within Europe.

Finally, the ECB maintained rates at its Governing Council meeting in mid-July but market prices indicated that the bank could cut rates in September. However, July's inflation report cast some doubt on this outcome. Data showed that annual prices rose by 2.6%, an increase from June's reading of 2.5% and above economists' forecasts. Elsewhere, the US Federal Reserve also kept rates unchanged in July, but Chairman Jerome Powell pushed the message that cuts are likely to come in September. Investors also bought Gilts in anticipation of the UK's first rate cut in over four years, which was announced at the beginning of August. The Bank of Canada also reduced rates by 25 basis points in July, its second cut in consecutive meetings. In contrast, late in the month, the Bank of Japan raised interest rates and announced plans to reduce its bond-buying scheme.

## Portfolio Activity and Review

The two key positioning themes for the twelve-month period were long duration and steeper curves.

The fund entered the period with a long duration bias, which initially worked against the fund. As yields continued to rise in October 2023, we felt the move was overdone and therefore started to increase position sizing. The fund held long positions across Germany, the US, and the UK in both the 5- and 10-year parts of the curve. In November 2023, the fund added a very front-end position in the UK by buying December 2025 Sonia futures. As yields rose higher in November and December 2023, the fund started to take profits and ended the calendar year neutral.

In January 2024, the fund added a short duration position, on the view that markets had gone too far and early January supply would weigh on yields. Yields indeed moved higher, and the fund took profits. As yields started to rise at the end of Q1 2024, the fund started to build up long duration positions. Although this weighed on performance in April, the fund continued to add to the long duration positioning. As yields moved lower near the end of Q2, the fund started to reduce positioning.

# abrdn Sterling Short Term Government Bond Fund

## Continued

The other key theme for the fund over the period was curve steepening. In August and September 2023, the fund held US and UK 2 versus 10s steepeners. The fund took profits on the UK and US curve position. The fund went back into US curve steepeners in November, taking profits in early January. The fund added back US curve steepeners in Q2, taking profits soon afterwards as global curves steepened. A slight drag on performance came UK flatteners at the long end of the curve.

A further contributor to outperformance came from the cross-market positioning. In the early months of the period, the fund was long Australia versus the US. This strategy worked well, as the fund took profits in September and October 2023. In December, the fund started to oppose the underperformance of 30-year UK versus Germany. This strategy also worked well into year-end, though it acted as a small drag on performance in January 2024.

Finally, the fund continued to be active in Gilt relative strategies and supranational, sub-sovereigns and agency bond strategies throughout the period.

## Portfolio Outlook and Strategy

We continue to believe we are approaching the end of the economic cycle. This belief is reinforced by incoming data across DM economies showing a softening in activity, a loosening in labour markets and a decline in inflation measures. Accordingly, we see medium-term value in owning global government bonds.

At present, we anticipate a rate-cutting cycle from the major central banks to continue. As a result, there will be an associated decline in yields, primarily via a bull steepening of curves. We recognise that the path to this medium-term outcome is unlikely to be a smooth one, and that stubborn inflation may present several hurdles. So far in 2024, central bank data dependency has exacerbated government bond volatility. Labour market data is a key focus for several central banks, especially considering the propensity for wage and employment changes to lag other indicators. We are broadly tilting the fund to long duration, especially as central banks appear to grow more comfortable with monetary policy easing. Elevated political risk and the likelihood of continued substantial bond supply has made us more comfortable in positioning for curve steepening. Although the outlook for bonds remains positive, some caution appears prudent.

### Rates Team

August 2024

# 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. The risk and reward indicator changed from 2 to 3 on 19 July 2024.

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 2024.

The fund is rated as 3 because of the extent to which the following risk factors apply:

- Credit Risk – The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- Interest Rate Risk – The fund invests in securities which can be subject to price fluctuation for a variety of reasons including changes in interest rates or inflation expectations.
- Derivatives Risk – The use of derivatives may involve additional liquidity, credit and counterparty risks and may lead to substantial loss and increased volatility in adverse market conditions. 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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	118.77	123.73	128.33
Return before operating charges*	8.22	(4.06)	(3.66)
Operating charges	(0.92)	(0.90)	(0.94)
Return after operating charges*	7.30	(4.96)	(4.60)
Distributions	(4.19)	(1.87)	-
Retained distributions on accumulation shares	4.19	1.87	-
Closing net asset value per share	126.07	118.77	123.73
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	6.15%	(4.01%)	(3.58%)
<b>Other information</b>			
Closing net asset value (£'000)	3,180	3,944	6,644
Closing number of shares	2,521,930	3,320,100	5,369,397
Operating charges	0.75%	0.75%	0.75%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	126.0	124.0	128.4
Lowest share price	118.4	116.0	121.4

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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	106.62	112.83	117.02
Return before operating charges*	7.29	(3.69)	(3.33)
Operating charges	(0.82)	(0.82)	(0.86)
Return after operating charges*	6.47	(4.51)	(4.19)
Distributions	(3.71)	(1.70)	-
Closing net asset value per share	109.38	106.62	112.83
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	6.07%	(4.00%)	(3.58%)
<b>Other information</b>			
Closing net asset value (£'000)	284	402	515
Closing number of shares	259,902	377,142	456,854
Operating charges	0.75%	0.75%	0.75%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	110.9	113.0	117.1
Lowest share price	106.3	105.6	110.7

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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	97.55	101.12	104.35
Return before operating charges*	6.77	(3.32)	(2.98)
Operating charges	(0.25)	(0.25)	(0.25)
Return after operating charges*	6.52	(3.57)	(3.23)
Distributions	(3.96)	(2.03)	(0.04)
Retained distributions on accumulation shares	3.96	2.03	0.04
Closing net asset value per share	104.07	97.55	101.12
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	6.68%	(3.53%)	(3.10%)
<b>Other information</b>			
Closing net asset value (£'000)	49,142	34,954	41,758
Closing number of shares	47,221,115	35,830,647	41,295,276
Operating charges	0.25%	0.25%	0.25%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	104.0	101.3	104.4
Lowest share price	97.23	94.90	99.13

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

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

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

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



# Comparative Tables

## Continued

	2024	2023	2022
I Income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	93.48	98.92	102.14
Return before operating charges*	6.40	(3.23)	(2.92)
Operating charges	(0.24)	(0.24)	(0.25)
Return after operating charges*	6.16	(3.47)	(3.17)
Distributions	(3.74)	(1.97)	(0.05)
Closing net asset value per share	95.90	93.48	98.92
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	6.59%	(3.51%)	(3.10%)
<b>Other information</b>			
Closing net asset value (£'000)	4,407	4,253	3,824
Closing number of shares	4,594,907	4,549,998	3,865,399
Operating charges	0.25%	0.25%	0.25%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	97.27	99.11	102.2
Lowest share price	93.21	92.68	97.02

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.

# Comparative Tables

## Continued

M Accumulation <sup>A</sup>	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	99.23	102.37
Return before operating charges*	(2.02)	(2.84)
Operating charges	(0.14)	(0.30)
Return after operating charges*	(2.16)	(3.14)
Distributions	(0.25)	(0.05)
Retained distributions on accumulation shares	0.25	0.05
Redemption value as at 17 January 2023	(97.07)	-
Closing net asset value per share	-	99.23
* after direct transaction costs of:	-	-
<b>Performance</b>		
Return after charges	(2.18%)	(3.07%)
<b>Other information</b>		
Closing net asset value (£'000)	-	1
Closing number of shares	-	986
Operating charges	0.30%	0.30%
Direct transaction costs	-	-
<b>Prices</b>		
Highest share price	99.42	102.4
Lowest share price	93.10	97.20

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

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

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

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

<sup>A</sup> M Accumulation share class was closed on 17 January 2023.

# Comparative Tables

## Continued

M Income <sup>A</sup>	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	98.45	101.67
Return before operating charges*	(2.02)	(2.92)
Operating charges	(0.14)	(0.30)
Return after operating charges*	(2.16)	(3.22)
Distributions	(0.25)	-
Redemption value as at 17 January 2023	(96.04)	-
Closing net asset value per share	-	98.45
* after direct transaction costs of:	-	-
<b>Performance</b>		
Return after charges	(2.19%)	(3.17%)
<b>Other information</b>		
Closing net asset value (£'000)	-	1
Closing number of shares	-	990
Operating charges	0.30%	0.30%
Direct transaction costs	-	-
<b>Prices</b>		
Highest share price	98.63	101.7
Lowest share price	92.36	96.53

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.

<sup>A</sup> M Income share class was closed on 17 January 2023.

# Comparative Tables

## Continued

P Income	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	108.01	114.30	118.02
Return before operating charges*	7.28	(3.74)	(3.37)
Operating charges	(0.27)	(0.28)	(0.29)
Return after operating charges*	7.01	(4.02)	(3.66)
Distributions	(4.32)	(2.27)	(0.06)
Closing net asset value per share	110.70	108.01	114.30
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	6.49%	(3.52%)	(3.10%)
<b>Other information</b>			
Closing net asset value (£'000)	194	1,612	1,727
Closing number of shares	175,272	1,492,205	1,510,858
Operating charges	0.25%	0.25%	0.25%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	112.3	114.5	118.1
Lowest share price	107.7	107.1	112.1

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

Z Accumulation	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	145.39	150.40	154.90
Return before operating charges*	10.10	(4.94)	(4.43)
Operating charges	(0.08)	(0.07)	(0.07)
Return after operating charges*	10.02	(5.01)	(4.50)
Distributions	(6.21)	(3.31)	(0.40)
Retained distributions on accumulation shares	6.21	3.31	0.40
Closing net asset value per share	155.41	145.39	150.40
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	6.89%	(3.33%)	(2.91%)
<b>Other information</b>			
Closing net asset value (£'000)	54,587	42,531	44,136
Closing number of shares	35,125,651	29,253,929	29,345,276
Operating charges	0.05%	0.05%	0.05%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	155.3	150.7	155.0
Lowest share price	144.9	141.2	147.4

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 2024

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Bonds (98.44%)</b>		<b>109,100</b>	<b>97.59</b>
<b>Sterling Denominated Bonds (98.44%)</b>		<b>1,088</b>	<b>0.97</b>
<b>Corporate Bonds (2.71%)</b>		<b>1,088</b>	<b>0.97</b>
less than 5 years to maturity			
1,100,000	Caisse des Depots et Consignations 4% 2029	1,088	0.97
<b>Government Bonds (95.73%)</b>		<b>108,012</b>	<b>96.62</b>
less than 5 years to maturity			
1,000,000	Agence Francaise de Developpement 4.125% 2027	992	0.89
2,800,000	Agence France Locale 4.75% 2027	2,824	2.53
692,000	Asian Infrastructure Investment Bank 4% 2027	689	0.62
1,200,000	Bpifrance 4.125% 2027	1,191	1.06
2,500,000	British Columbia (Province of Canada) 4.5% 2029	2,528	2.26
5,000,000	CPPIB Capital 6% 2025	5,038	4.51
1,100,000	Export Development Canada 3.875% 2028	1,093	0.98
1,383,000	Export-Import Bank of Korea 4.625% 2027	1,391	1.24
11,411,700	UK (Govt of) 0.25% 2025	11,187	10.01
9,704,400	UK (Govt of) 0.5% 2029	8,402	7.51
2,470,400	UK (Govt of) 0.625% 2025	2,392	2.14
1,804,354	UK (Govt of) 2.75% 2024	1,801	1.61
24,297,600	UK (Govt of) 3.5% 2025	23,992	21.46
22,081,700	UK (Govt of) 4.125% 2027	22,086	19.76
20,447,600	UK (Govt of) 4.5% 2028	20,855	18.65
greater than 25 years to maturity			
1,697,000	UK (Govt of) 4% 2060	1,551	1.39
<b>Derivatives (-0.15%)</b>		<b>(14)</b>	<b>(0.01)</b>
<b>Forward Currency Contracts (0.00%)</b>		<b>-</b>	<b>-</b>
<b>Futures (-0.03%)</b>		<b>(14)</b>	<b>(0.01)</b>
33	Long Australia 10 Year Bond Future 16/09/2024	15	0.01
44	Long ICE 3 Month SONIA Index Future 17/03/2026	27	0.02
19	Long Long Gilt Future 26/09/2024	22	0.02
12	Long US 10 Year Ultra Future 19/09/2024	6	0.01

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
(99)	Short Australia 3 Year Bond Future 16/09/2024	(24)	(0.02)
(44)	Short Euro Bond Future 06/09/2024	(60)	(0.05)
<b>Interest Rate Swaps (-0.12%)</b>		-	-
Total investment assets and liabilities		109,086	97.58
Net other assets		2,708	2.42
<b>Total Net Assets</b>		<b>111,794</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities, or are approved derivatives within the meaning of the FCA rules.  
The percentage figures in brackets show the comparative holding as at 31 July 2023.

# Financial Statements

## Statement of Total Return

For the year ended 31 July 2024

	Notes	2024		2023	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains/(losses)	1		2,577		(5,094)
Revenue	2	4,362		2,135	
Expenses	3	(175)		(162)	
Interest payable and similar charges		(2)		(1)	
Net revenue before taxation		4,185		1,972	
Taxation	4	-		-	
Net revenue after taxation			4,185		1,972
<b>Total return before distributions</b>			<b>6,762</b>		<b>(3,122)</b>
Distributions	5		(4,185)		(1,972)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>2,577</b>		<b>(5,094)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2024

	2024		2023	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>87,696</b>		<b>98,606</b>
Amounts receivable on the issue of shares	48,977		22,076	
Amounts payable on the cancellation of shares	(31,502)		(29,725)	
		17,475		(7,649)
Dilution adjustment		4		7
Change in net assets attributable to shareholders from investment activities (see above)		2,577		(5,094)
Retained distribution on accumulation shares		4,042		1,826
<b>Closing net assets attributable to shareholders</b>		<b>111,794</b>		<b>87,696</b>



# Financial Statements

## Continued

### Balance Sheet

As at 31 July 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			109,170		86,492
<b>Current assets:</b>					
Debtors	6	589		601	
Cash and bank balances	7	2,213		1,171	
			2,802		1,772
<b>Total assets</b>			<b>111,972</b>		<b>88,264</b>
<b>Liabilities:</b>					
Investment liabilities			(84)		(297)
Creditors	8	(41)		(226)	
Distribution payable		(53)		(45)	
			(94)		(271)
<b>Total liabilities</b>			<b>(178)</b>		<b>(568)</b>
<b>Net assets attributable to shareholders</b>			<b>111,794</b>		<b>87,696</b>

# Notes to the Financial Statements

## 1 Net Capital Gains/(Losses)

	2024 £'000	2023 £'000
Non-derivative securities	2,364	(5,530)
Derivative contracts	224	462
Forward currency contracts	(5)	(23)
Other gains	1	4
Transaction charges	(7)	(7)
<b>Net capital gains/(losses)</b>	<b>2,577</b>	<b>(5,094)</b>

## 2 Revenue

	2024 £'000	2023 £'000
Bank and margin interest	1	16
Derivative revenue	1	-
Interest on debt securities	4,360	2,119
<b>Total revenue</b>	<b>4,362</b>	<b>2,135</b>

## 3 Expenses

	2024 £'000	2023 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	130	122
General administration charge	42	37
	172	159
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	3	3
	3	3
<b>Total expenses</b>	<b>175</b>	<b>162</b>

Irrecoverable VAT is included in the above expenses, where applicable.  
The audit fee for the year, including VAT, was £12,720 (2023: £11,700).

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2024 £'000	2023 £'000
<b>(a) Analysis of charge in year</b>		
Total taxation (note 4b)	-	-

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

The tax assessed for the year is less than (2023: 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	4,185	1,972
Corporation tax at 20% (2023: 20%)	837	395
Effects of:		
Excess allowable expenses	-	(22)
Distributions treated as tax deductible	(837)	(373)
<b>Total tax charge for year (note 4a)</b>	<b>-</b>	<b>-</b>

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

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

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

### 5 Distributions

	2024 £'000	2023 £'000
First interim distribution	879	296
Second interim distribution	1,047	430
Third interim distribution	1,068	571
Final distribution	1,237	654
	4,231	1,951
Add: Income deducted on cancellation of shares	159	72
Deduct: Income received on issue of shares	(205)	(51)
<b>Total distributions for the year</b>	<b>4,185</b>	<b>1,972</b>

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

# Notes to the Financial Statements

## Continued

### 6 Debtors

	2024 £'000	2023 £'000
Accrued revenue	525	540
Amounts receivable from the ACD for the issue of shares	64	61
<b>Total debtors</b>	<b>589</b>	<b>601</b>

### 7 Liquidity

	2024 £'000	2023 £'000
<b>Cash and bank balances</b>		
Cash at bank	1,899	718
Cash at broker	314	303
Collateral cash pledged to counterparties <sup>~</sup>	-	150
	<b>2,213</b>	<b>1,171</b>
<b>Net liquidity</b>	<b>2,213</b>	<b>1,171</b>

<sup>~</sup> 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

	2024 £'000	2023 £'000
Accrued expenses payable to ACD	15	12
Accrued expenses payable to the Depositary or associates of the Depositary	1	1
Amounts payable to the ACD for cancellation of shares	25	213
<b>Total creditors</b>	<b>41</b>	<b>226</b>

### 9 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 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.

# 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	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Trades in the year</b>				
Bonds	118,784	80,802	99,267	85,961
<b>Trades in the year before transaction costs</b>	<b>118,784</b>	<b>80,802</b>	<b>99,267</b>	<b>85,961</b>
<b>Total net trades in the year after transaction costs</b>	<b>118,784</b>	<b>80,802</b>	<b>99,267</b>	<b>85,961</b>

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.04% (2023: 0.09%), this is representative of the average spread on the assets held during the year.

### 11 Shares in Issue Reconciliation

	Opening shares 2023	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2024
A Accumulation	3,320,100	807,558	(1,501,796)	(103,932)	2,521,930
A Income	377,142	20,490	(58,890)	(78,840)	259,902
I Accumulation	35,830,647	36,046,457	(24,782,225)	126,236	47,221,115
I Income	4,549,998	1,813,418	(1,872,745)	104,236	4,594,907
P Income	1,492,205	38,699	(1,343,218)	(12,414)	175,272
Z Accumulation	29,253,929	6,695,680	(823,958)	-	35,125,651

# 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).

	2024 £'000	2024 £'000	2024 £'000	2023 £'000	2023 £'000	2023 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Bonds	105,932	3,168	-	81,415	4,913	-
Derivatives	70	-	-	42	122	-
<b>Total investment assets</b>	<b>106,002</b>	<b>3,168</b>	<b>-</b>	<b>81,457</b>	<b>5,035</b>	<b>-</b>
<b>Fair value of investment liabilities</b>						
Derivatives	(84)	-	-	(71)	(226)	-
<b>Total investment liabilities</b>	<b>(84)</b>	<b>-</b>	<b>-</b>	<b>(71)</b>	<b>(226)</b>	<b>-</b>

### 13 Risk Management Policies and Disclosures

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

#### Foreign currency risk

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

#### Interest rate risk

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

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

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

# Notes to the Financial Statements

## Continued

2024	Floating rate financial assets/ (liabilities) £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>Currency</b>				
UK Sterling	2,218	109,100	544	111,862
Australian Dollar	(4)	-	(9)	(13)
Euro	-	-	(60)	(60)
US Dollar	(1)	-	6	5
<b>Total</b>	<b>2,213</b>	<b>109,100</b>	<b>481</b>	<b>111,794</b>

2023	Floating rate financial assets/ (liabilities) £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>Currency</b>				
UK Sterling	1,111	86,328	260	87,699
Australian Dollar	(77)	-	72	(5)
Euro	14	-	(14)	-
US Dollar	20	-	(18)	2
<b>Total</b>	<b>1,068</b>	<b>86,328</b>	<b>300</b>	<b>87,696</b>

### Other price risk

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

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

### VaR

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

2024	Minimum	Maximum	Average
VaR 99% 1 Month	1.92%	2.36%	2.19%
2023	Minimum	Maximum	Average
VaR 99% 1 Month	1.49%	3.27%	2.30%

# Notes to the Financial Statements

## Continued

### Counterparty risk

#### Credit quality of debt security investment assets

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

	Market value £'000	Percentage of total net assets %
<b>2024</b>		
Investment grade securities	109,100	97.59
Below investment grade securities	-	-
Unrated securities	-	-
<b>Total value of securities</b>	<b>109,100</b>	<b>97.59</b>
<b>2023</b>		
Investment grade securities	86,328	98.48
Below investment grade securities	-	-
Unrated securities	-	-
<b>Total value of securities</b>	<b>86,328</b>	<b>98.48</b>

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

### Financial derivatives instrument risk

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

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

	2024		2023	
	Market exposure £'000	Market value £'000	Market exposure £'000	Market value £'000
<b>Leveraged instruments</b>				
Forward currency contracts	-	-	1,071	(1)
Futures	25,802	(14)	24,036	(29)
Swaps	-	-	18,894	(103)
<b>Total market exposure</b>	<b>25,802</b>	<b>(14)</b>	<b>44,001</b>	<b>(133)</b>

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

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

### Counterparty risk

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



# Notes to the Financial Statements

## Continued

2024 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	(14)	314	-	300	0.27
	(14)	314	-	300	0.27

  

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	(29)	303	-	274	0.31
	(29)	303	-	274	0.31

### 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 no counterparty exposure.

At the prior year 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)
<b>Total</b>	<b>(103)</b>	<b>(1)</b>	<b>150</b>	<b>-</b>	<b>46</b>

### 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

	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
<b>2024</b>					
<b>Derivatives</b>					
Investment liabilities	-	84	-	-	84
<b>Non-derivatives</b>					
Other creditors	-	41	-	-	41
Distribution payable	-	53	-	-	53
<b>Total financial liabilities</b>	<b>-</b>	<b>178</b>	<b>-</b>	<b>-</b>	<b>178</b>
	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
<b>2023</b>					
<b>Derivatives</b>					
Investment liabilities	-	78	-	219	297
<b>Non-derivatives</b>					
Other creditors	-	226	-	-	226
Distribution payable	-	45	-	-	45
<b>Total financial liabilities</b>	<b>-</b>	<b>349</b>	<b>-</b>	<b>219</b>	<b>568</b>

# Distribution Tables

For the year ended 31 July 2024 (in pence per share)

## First interim interest distribution

Group 1 – shares purchased prior to 1 August 2023

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

	Revenue	Equalisation	Distribution paid 31/01/24	Distribution paid 31/01/23
<b>A Accumulation</b>				
Group 1	0.9645	-	0.9645	0.1962
Group 2	0.3662	0.5983	0.9645	0.1962
<b>A Income</b>				
Group 1	0.8656	-	0.8656	0.1789
Group 2	0.2940	0.5716	0.8656	0.1789
<b>I Accumulation</b>				
Group 1	0.9162	-	0.9162	0.2842
Group 2	0.2543	0.6619	0.9162	0.2842
<b>I Income</b>				
Group 1	0.8784	-	0.8784	0.2781
Group 2	0.4133	0.4651	0.8784	0.2781
<b>M Accumulation</b>				
Group 1	-	-	-	0.2546
Group 2	-	-	-	0.2546
<b>M Income</b>				
Group 1	-	-	-	0.2505
Group 2	-	-	-	0.2505
<b>P Income</b>				
Group 1	1.0152	-	1.0152	0.3213
Group 2	0.7841	0.2311	1.0152	0.3213
<b>Z Accumulation</b>				
Group 1	1.4396	-	1.4396	0.4963
Group 2	1.4396	-	1.4396	0.4963

# Distribution Tables

For the year ended 31 July 2024 (in pence per share) continued

## Second interim interest distribution

Group 1 – shares purchased prior to 1 November 2023

Group 2 – shares purchased between 1 November 2023 and 31 January 2024

	Revenue	Equalisation	Distribution paid 30/04/24	Distribution paid 28/04/23
<b>A Accumulation</b>				
Group 1	0.9890	–	0.9890	0.3637
Group 2	0.7014	0.2876	0.9890	0.3637
<b>A Income</b>				
Group 1	0.8805	–	0.8805	0.3311
Group 2	0.8613	0.0192	0.8805	0.3311
<b>I Accumulation</b>				
Group 1	0.9409	–	0.9409	0.4222
Group 2	0.6661	0.2748	0.9409	0.4222
<b>I Income</b>				
Group 1	0.8933	–	0.8933	0.4118
Group 2	0.2605	0.6328	0.8933	0.4118
<b>P Income</b>				
Group 1	1.0311	–	1.0311	0.4758
Group 2	0.7088	0.3223	1.0311	0.4758
<b>Z Accumulation</b>				
Group 1	1.4792	–	1.4792	0.7026
Group 2	1.0998	0.3794	1.4792	0.7026

# Distribution Tables

For the year ended 31 July 2024 (in pence per share) continued

## Third interim interest distribution

Group 1 – shares purchased prior to 1 February 2024

Group 2 – shares purchased between 1 February 2024 and 30 April 2024

	Revenue	Equalisation	Distribution paid 31/07/24	Distribution paid 31/07/23
<b>A Accumulation</b>				
Group 1	1.0260	–	1.0260	0.5970
Group 2	0.4134	0.6126	1.0260	0.5970
<b>A Income</b>				
Group 1	0.9066	–	0.9066	0.5418
Group 2	0.1140	0.7926	0.9066	0.5418
<b>I Accumulation</b>				
Group 1	0.9706	–	0.9706	0.6103
Group 2	0.4307	0.5399	0.9706	0.6103
<b>I Income</b>				
Group 1	0.9130	–	0.9130	0.5927
Group 2	0.4842	0.4288	0.9130	0.5927
<b>P Income</b>				
Group 1	1.0540	–	1.0540	0.6849
Group 2	0.3479	0.7061	1.0540	0.6849
<b>Z Accumulation</b>				
Group 1	1.5233	–	1.5233	0.9811
Group 2	1.5233	–	1.5233	0.9811

# Distribution Tables

For the year ended 31 July 2024 (in pence per share) continued

## Final interest distribution

Group 1 – shares purchased prior to 1 May 2024

Group 2 – shares purchased between 1 May 2024 and 31 July 2024

	Revenue	Equalisation	Distribution paid 31/10/24	Distribution paid 31/10/23
<b>A Accumulation</b>				
Group 1	1.2127	-	1.2127	0.7101
Group 2	0.5418	0.6709	1.2127	0.7101
<b>A Income</b>				
Group 1	1.0622	-	1.0622	0.6445
Group 2	0.1420	0.9202	1.0622	0.6445
<b>I Accumulation</b>				
Group 1	1.1297	-	1.1297	0.7094
Group 2	0.5821	0.5476	1.1297	0.7094
<b>I Income</b>				
Group 1	1.0525	-	1.0525	0.6845
Group 2	0.6237	0.4288	1.0525	0.6845
<b>P Income</b>				
Group 1	1.2150	-	1.2150	0.7902
Group 2	0.8423	0.3727	1.2150	0.7902
<b>Z Accumulation</b>				
Group 1	1.7638	-	1.7638	1.1300
Group 2	1.7638	-	1.7638	1.1300

## 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 2024

## 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 2024, the value of abrdn Strategic Bond Fund – Institutional Accumulation Shares increased by 10.96% compared with an increase of 9.18% in the performance target, the IA Sterling Strategic Bond Sector Average return over 1 year.

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

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

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

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

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

# abrdn Strategic Bond Fund

## Continued

### Market Review

The period started with softer economic data. The 10-year US Treasury yield hit a post-Global Financial Crisis high, after both a US government debt downgrade and the Treasury issuance profile announced was much higher than expected. In September, as annual inflation fell back, the US Federal Reserve (Fed) and Bank of England both held rates at September's meetings, although the European Central Bank continued to hike them. Government bond markets were weak in September. Global investment-grade (IG) corporate bonds fell in September, as credit spreads slightly widened.

The fourth quarter of 2023 was strong for bonds, with yields falling globally. Financial markets posted exceptional returns in November, marked by an extraordinary reversal in government bonds. Inflationary data came in consistently below expectations on both sides of the Atlantic, as well as numerous signs that real economies and labour markets are cooling. The strong momentum from November carried through to the end of the year, with financial assets rallying across the board as government bond yields continued their march lower.

After December's strong performance, the first three months of 2024 provided a challenging environment for bonds. Yields rose as investors reduced their expectations for near-term interest-rate cuts. Robust US economic data and cautious comments from central banks prompted questions on the timing of any cuts. As US economic data exceeded market expectations, market pricing for rate cuts was pushed further back into 2024, and the expected magnitude of cuts was reduced. As a result, US yields moved higher, taking global yields with them.

Moving into April, government bond markets remained volatile. We saw significant moves in yields after any inflation and labour market data that confounded expectations. Stronger-than-expected inflation in the US continued to drag global yields higher. Towards the end of the quarter, European markets were dominated by political volatility in France. Following the European Parliamentary elections, where President Macron's centrist party was severely beaten by Marine Le Pen's far-right National Rally, Macron called for snap parliamentary elections. This caused European government bond spreads to widen materially. In July, government bonds rallied in anticipation of further rate cuts later in the year after US consumer price inflation data for June was lower than expected.

### Portfolio Activity and Review

Our allocation to the banking sector added to returns over the period. Lloyds, Banco Santander, Barclays, BNP Paribas and Deutsche Bank performed well as investors chased the higher-yielding areas of the market. Other financial names also helped performance, including Aviva and Legal & General, while Tesco was also positive.

Conversely, Thames Water was the weakest performer as the group came through OfWat's interim determination with a downgrade by the rating agencies. Our allocation to Warner Brothers Discovery, which saw spreads widen on mergers and acquisition speculation, also weighed on returns. Additionally, our holding in TalkTalk hurt performance after management warned the company would run out of liquidity imminently without the earmarked equity support. Lastly, the fund's position in long-dated US Treasuries hurt performance over the period.

### Portfolio Outlook and Strategy

Softening Purchasing Managers' Index and US employment data in late July has been followed by a sharp period of volatility within risk assets. This was fuelled further by other factors including a hawkish policy turn from the Bank of Japan and a rapid unwinding of crowded foreign-exchange positioning in US dollar versus yen carry trades. Financial markets have shifted focus to question the resilience of the US economy and rekindled concerns of a hard landing and/or a hawkish policy error from the Fed. Interest-rate duration has acted as a hedge versus risk-facing assets, with stark moves lower, particularly in short-end Treasury yields during the recent volatility. Periods of correction following sustained risk-market momentum are to be expected. Credit spreads have been notably resilient relative to the moves in equity markets, and some sectors and issues remain richly valued on a spread basis. However, while outright yields remain attractive for IG and corporate fundamentals appear broadly resilient, some caution is warranted.

### Sterling IG And Aggregate Team

August 2024



# 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.

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 2024.

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

- Credit Risk – The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- Interest Rate Risk – The fund invests in securities which can be subject to price fluctuation for a variety of reasons including changes in interest rates or inflation expectations.
- Emerging Markets Risk – The fund may invest in emerging markets, where political, economic, legal and regulatory systems are less developed. As a result, investing in emerging markets may involve higher volatility and a greater risk of loss than investing in developed markets. In particular, where the fund invests in Variable Interest Entity (VIE) structures to gain exposure to industries with foreign ownership restrictions or invests in Chinese assets via Stock Connect/Bond Connect, there are additional operational risks, which are outlined in the prospectus.
- High Yield Credit Risk – The fund invests in high yield bonds which typically carry a greater risk of default than those with lower yields.
- ABS/MBS Risk – Asset and mortgage backed securities are subject to prepayment and extension risk and additional liquidity and default risk compared to other credit securities.
- Convertible Securities Risk – These investments can be changed into another form upon certain triggers as such they can exhibit risks typically associated with both bonds and equities. 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.

- Derivatives Risk – The use of derivatives may involve additional liquidity, credit and counterparty risks and may lead to substantial loss and increased volatility in adverse market conditions. 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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	149.35	153.34	173.99
Return before operating charges*	17.85	(2.41)	(18.92)
Operating charges	(1.66)	(1.58)	(1.73)
Return after operating charges*	16.19	(3.99)	(20.65)
Distributions	(8.21)	(6.50)	(4.33)
Retained distributions on accumulation shares	8.21	6.50	4.33
Closing net asset value per share	165.54	149.35	153.34
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	10.84%	(2.60%)	(11.87%)
<b>Other information</b>			
Closing net asset value (£'000)	1,743	2,180	1,591
Closing number of shares	1,052,683	1,459,569	1,037,298
Operating charges	1.05%	1.05%	1.05%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	165.8	157.6	175.6
Lowest share price	147.5	139.6	149.7

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

A Income	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	100.67	107.94	125.79
Return before operating charges*	11.79	(1.67)	(13.51)
Operating charges	(1.10)	(1.09)	(1.24)
Return after operating charges*	10.69	(2.76)	(14.75)
Distributions	(5.42)	(4.51)	(3.10)
Closing net asset value per share	105.94	100.67	107.94
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	10.62%	(2.56%)	(11.73%)
<b>Other information</b>			
Closing net asset value (£'000)	496	399	25
Closing number of shares	468,715	396,702	23,533
Operating charges	1.05%	1.05%	1.05%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	107.6	108.9	127.0
Lowest share price	99.34	98.25	106.1

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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	158.61	162.11	183.11
Return before operating charges*	18.99	(2.54)	(19.96)
Operating charges	(1.01)	(0.96)	(1.04)
Return after operating charges*	17.98	(3.50)	(21.00)
Distributions	(9.49)	(7.61)	(5.36)
Retained distributions on accumulation shares	9.49	7.61	5.36
Closing net asset value per share	176.59	158.61	162.11
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	11.34%	(2.16%)	(11.47%)
<b>Other information</b>			
Closing net asset value (£'000)	19,934	17,175	17,750
Closing number of shares	11,288,334	10,828,306	10,949,520
Operating charges	0.60%	0.60%	0.60%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	176.9	167.0	184.9
Lowest share price	156.8	147.7	158.2

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

	2024	2023	2022
I Income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	100.39	107.63	125.45
Return before operating charges*	11.75	(1.65)	(13.48)
Operating charges	(0.62)	(0.63)	(0.71)
Return after operating charges*	11.13	(2.28)	(14.19)
Distributions	(5.88)	(4.96)	(3.63)
Closing net asset value per share	105.64	100.39	107.63
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	11.09%	(2.12%)	(11.31%)
<b>Other information</b>			
Closing net asset value (£'000)	874	3,348	2,924
Closing number of shares	827,301	3,334,854	2,717,091
Operating charges	0.60%	0.60%	0.60%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	107.3	108.6	126.7
Lowest share price	99.06	98.06	105.9

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 Gross Accumulation	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	124.49	127.23	143.72
Return before operating charges*	14.90	(1.99)	(15.67)
Operating charges	(0.79)	(0.75)	(0.82)
Return after operating charges*	14.11	(2.74)	(16.49)
Distributions	(7.45)	(5.96)	(4.21)
Retained distributions on accumulation shares	7.45	5.96	4.21
Closing net asset value per share	138.60	124.49	127.23
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	11.33%	(2.15%)	(11.47%)
<b>Other information</b>			
Closing net asset value (£'000)	10,116	9,928	15,226
Closing number of shares	7,299,191	7,975,553	11,967,090
Operating charges	0.60%	0.60%	0.60%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	138.9	131.1	145.1
Lowest share price	123.1	115.9	124.1

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

	2024	2023	2022
I Gross Income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	87.38	93.68	109.19
Return before operating charges*	10.24	(1.44)	(11.73)
Operating charges	(0.55)	(0.54)	(0.62)
Return after operating charges*	9.69	(1.98)	(12.35)
Distributions	(5.12)	(4.32)	(3.16)
Closing net asset value per share	91.95	87.38	93.68
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	11.09%	(2.11%)	(11.31%)
<b>Other information</b>			
Closing net asset value (£'000)	12,334	11,098	12,270
Closing number of shares	13,414,346	12,701,340	13,097,431
Operating charges	0.60%	0.60%	0.60%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	93.42	94.56	110.3
Lowest share price	86.22	85.35	92.17

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

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

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

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

# Comparative Tables

## Continued

K Accumulation	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	88.57	90.35	101.85
Return before operating charges*	10.62	(1.42)	(11.12)
Operating charges	(0.38)	(0.36)	(0.38)
Return after operating charges*	10.24	(1.78)	(11.50)
Distributions	(5.49)	(4.42)	(3.19)
Retained distributions on accumulation shares	5.49	4.42	3.19
Closing net asset value per share	98.81	88.57	90.35
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	11.56%	(1.97%)	(11.29%)
<b>Other information</b>			
Closing net asset value (£'000)	34,659	78,507	64,504
Closing number of shares	35,074,732	88,634,449	71,397,108
Operating charges	0.40%	0.40%	0.40%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	98.99	93.19	102.9
Lowest share price	87.60	82.33	88.13

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

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

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

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



# Comparative Tables

## Continued

K Income	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	80.34	86.15	100.41
Return before operating charges*	9.41	(1.34)	(10.78)
Operating charges	(0.34)	(0.33)	(0.37)
Return after operating charges*	9.07	(1.67)	(11.15)
Distributions	(4.85)	(4.14)	(3.11)
Closing net asset value per share	84.56	80.34	86.15
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	11.29%	(1.94%)	(11.10%)
<b>Other information</b>			
Closing net asset value (£'000)	2,436	7,261	2,204
Closing number of shares	2,880,338	9,037,309	2,559,002
Operating charges	0.40%	0.40%	0.40%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	85.93	86.95	101.4
Lowest share price	79.29	78.51	84.79

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.

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

# Comparative Tables

## Continued

M Accumulation	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	104.79	107.11	121.03
Return before operating charges*	12.55	(1.63)	(13.17)
Operating charges	(0.72)	(0.69)	(0.75)
Return after operating charges*	11.83	(2.32)	(13.92)
Distributions	(6.21)	(5.02)	(3.52)
Retained distributions on accumulation shares	6.21	5.02	3.52
Closing net asset value per share	116.62	104.79	107.11
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	11.29%	(2.17%)	(11.50%)
<b>Other information</b>			
Closing net asset value (£'000)	1,533	1,724	1
Closing number of shares	1,314,281	1,645,406	929
Operating charges	0.65%	0.65%	0.65%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	116.8	110.4	122.2
Lowest share price	103.6	97.59	104.5

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

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

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

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

# Comparative Tables

## Continued

M Income	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	89.09	95.49	111.32
Return before operating charges*	10.43	(1.41)	(11.93)
Operating charges	(0.60)	(0.60)	(0.69)
Return after operating charges*	9.83	(2.01)	(12.62)
Distributions	(5.17)	(4.39)	(3.21)
Closing net asset value per share	93.75	89.09	95.49
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	11.03%	(2.10%)	(11.34%)
<b>Other information</b>			
Closing net asset value (£'000)	710	460	1
Closing number of shares	757,416	516,088	953
Operating charges	0.65%	0.65%	0.65%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	95.24	96.41	112.4
Lowest share price	87.91	87.02	93.95

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

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

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

# Comparative Tables

## Continued

Z Accumulation <sup>A</sup>	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	169.40	172.27	193.62
Return before operating charges*	15.36	(2.70)	(21.17)
Operating charges	(0.10)	(0.17)	(0.18)
Return after operating charges*	15.26	(2.87)	(21.35)
Distributions	(3.12)	(8.95)	(6.61)
Retained distributions on accumulation shares	3.12	8.95	6.61
Redemption value as at 6 March 2024	(184.66)	-	-
Closing net asset value per share	-	169.40	172.27
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	9.01%	(1.67%)	(11.03%)
<b>Other information</b>			
Closing net asset value (£'000)	-	10,132	21,927
Closing number of shares	-	5,981,227	12,727,996
Operating charges	0.10%	0.10%	0.10%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	184.8	178.0	195.6
Lowest share price	167.7	157.1	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.

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

<sup>A</sup> Z Accumulation share class was closed on 6 March 2024.

# Comparative Tables

## Continued

Z Income <sup>A</sup>	2024 pence per share
<b>Change in net assets per share</b>	
Opening net asset value per share	100 <sup>B</sup>
Return before operating charges*	9.72
Operating charges	(0.08)
Return after operating charges*	9.64
Distributions	(4.98)
Closing net asset value per share	104.66
* after direct transaction costs of:	-
<b>Performance</b>	
Return after charges	9.64%
<b>Other information</b>	
Closing net asset value (£'000)	1
Closing number of shares	1,000
Operating charges	0.10%
Direct transaction costs	-
<b>Prices</b>	
Highest share price	106.6
Lowest share price	99.90

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

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

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

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

<sup>A</sup> Z Income share class was launched on 7 November 2023.

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

# Comparative Tables

## Continued

ZA income <sup>A</sup>	2024 pence per share	2023 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	58.43	61.07 <sup>B</sup>
Return before operating charges*	6.84	(1.04)
Operating charges	(0.01)	(0.01)
Return after operating charges*	6.83	(1.05)
Distributions	(3.78)	(1.59)
Closing net asset value per share	61.48	58.43
* after direct transaction costs of:	-	-
<b>Performance</b>		
Return after charges	11.69%	(1.72%)
<b>Other information</b>		
Closing net asset value (£'000)	1,962	2,209
Closing number of shares	3,191,167	3,780,348
Operating charges	0.02%	0.02%
Direct transaction costs	-	-
<b>Prices</b>		
Highest share price	62.53	61.62
Lowest share price	57.65	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.

<sup>A</sup> ZA Income share class was launched on 24th February 2023.

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

# Comparative Tables

## Continued

ZC accumulation <sup>A</sup>	2024 pence per share	2023 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	97.80	99.57 <sup>B</sup>
Return before operating charges*	11.75	(1.73)
Operating charges	(0.11)	(0.04)
Return after operating charges*	11.64	(1.77)
Distributions	(6.39)	(2.58)
Retained distributions on accumulation shares	6.39	2.58
Closing net asset value per share	109.44	97.80
* after direct transaction costs of:	-	-
<b>Performance</b>		
Return after charges	11.90%	(1.78%)
<b>Other information</b>		
Closing net asset value (£'000)	67,513	68,821
Closing number of shares	61,691,985	70,365,338
Operating charges	0.10%	0.10%
Direct transaction costs	-	-
<b>Prices</b>		
Highest share price	109.6	100.7
Lowest share price	96.79	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.

<sup>A</sup> ZC Accumulation share class was launched on 24 February 2023.

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

# Portfolio Statement

As at 31 July 2024

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Bonds (84.49%)</b>		<b>129,312</b>	<b>83.80</b>
<b>Euro Denominated Bonds (10.93%)</b>		<b>29,392</b>	<b>19.05</b>
<b>Corporate Bonds (10.93%)</b>		<b>29,392</b>	<b>19.05</b>
less than 5 years to maturity			
2,000,000	Aareal Bank 5.875% 2026	1,724	1.12
3,550,000	Cromwell EREIT 2.125% 2025	2,882	1.87
2,000,000	Deutsche Pfandbriefbank 0.1% 2026	1,529	0.99
1,700,000	Sirius Real Estate 1.75% 2028	1,260	0.82
between 5 and 10 years to maturity			
900,000	Banco de Sabadell 5.125% fixed to floating 2034	778	0.50
1,000,000	Bayerische Landesbank 1% fixed to floating 2031	770	0.50
2,500,000	Helaba 4.5% fixed to floating 2032	2,043	1.32
2,100,000	RCI Banque FRN 2030	1,747	1.13
between 10 and 15 years to maturity			
893,000	National Bank of Greece 5.875% fixed to floating 2035	786	0.51
900,000	RCI Banque 5.5% fixed to floating 2034	772	0.50
Perpetual			
3,100,000	AT&T FRN Perpetual	2,570	1.66
900,000	Athora Netherlands FRN Perpetual	767	0.50
2,296,000	AXA FRN Perpetual	1,779	1.15
2,200,000	Belfius Bank FRN Perpetual	1,783	1.16
2,319,362	BNP Paribas FRN Perpetual	1,837	1.19
1,800,000	CaixaBank 5.25% fixed to floating Perpetual	1,492	0.97
1,785,000	Enel 1.875% fixed to floating Perpetual	1,260	0.82
1,900,000	Engie 4.75% fixed to floating Perpetual	1,609	1.04
608,932	Stichting 6.5% Perpetual	571	0.37
1,900,000	Telefonica Europe 2.376% fixed to floating Perpetual	1,433	0.93
<b>Sterling Denominated Bonds (66.60%)</b>		<b>86,818</b>	<b>56.26</b>
<b>Corporate Bonds (65.65%)</b>		<b>86,818</b>	<b>56.26</b>
less than 5 years to maturity			
400,000	Anglian Water Osprey Financing 2% 2028	321	0.21
582,000	CD&R Firefly Bidco 8.625% 2029	588	0.38



# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,300,000	CPUK Finance 3.588% 2025	1,272	0.82
800,000	Ford Motor Credit 5.625% 2028	808	0.52
781,000	Hammerson REIT 3.5% 2025	761	0.49
1,800,000	Metrocentre Finance REIT 8.75% 2024	1,173	0.76
1,286,000	Petroleos Mexicanos 3.75% 2025	1,216	0.79
1,000,000	Stagecoach 4% 2025	978	0.63
900,000	Thames Water Utilities Finance 3.5% 2028	638	0.41
1,688,000	Thames Water Utilities Finance 4% 2025	1,287	0.83
3,584,000	Workspace REIT 2.25% 2028	3,112	2.02
between 5 and 10 years to maturity			
2,500,000	AA Bond 6.85% 2031	2,567	1.66
800,000	AA Bond 7.375% 2029	835	0.54
760,000	Annington Funding 3.685% 2034	641	0.42
3,100,000	APA Infrastructure 3.125% 2031	2,709	1.76
2,800,000	Aroundtown 3% 2029	2,326	1.51
1,693,000	Arqiva Financing 4.882% 2032	938	0.61
677,000	Berkeley 2.5% 2031	537	0.35
1,788,000	Co-Operative Bank 11.75% fixed to floating 2034	2,151	1.39
2,000,000	Coventry Building Society 5.875% fixed to floating 2030	2,039	1.32
1,047,000	CPUK Finance 6.136% 2031	1,072	0.70
1,600,000	Goldman Sachs 3.625% fixed to floating 2029	1,525	0.99
2,700,000	Grainger 3% 2030	2,329	1.51
2,000,000	Meadowhall Finance 4.988% 2032	965	0.63
3,150,000	Pearson Funding 3.75% 2030	2,939	1.91
2,142,000	Pension Insurance 8% 2033	2,327	1.51
620,000	Premiertel 6.175% 2032	423	0.27
1,339,000	Telereal Securitisation FRN 2031	1,206	0.78
700,000	Thames Water Utilities Finance 6.5% 2032	509	0.33
484,000	Unite REIT 5.625% 2032	495	0.32
between 10 and 15 years to maturity			
533,000	Barclays 5.851% fixed to floating 2035	541	0.35
1,500,000	HSBC 8.201% fixed to floating 2034	1,654	1.07
1,948,000	Lloyds Banking 2.707% fixed to floating 2035	1,623	1.05
1,799,000	Northumbrian Water Finance 6.375% 2034	1,862	1.21
1,200,000	Southern Water Services Finance 3% 2037	775	0.50

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
between 15 and 25 years to maturity			
2,050,000	Eversholt Funding 3.529% 2042	1,646	1.07
1,500,000	Legal & General 5.125% fixed to floating 2048	1,480	0.96
2,300,000	Tesco Property Finance 4 5.8006% 2040	2,095	1.36
greater than 25 years to maturity			
1,552,000	Aviva 4% fixed to floating 2055	1,294	0.84
1,720,000	Aviva 4.375% fixed to floating 2049	1,614	1.05
1,145,000	Aviva 6.875% fixed to floating 2053	1,206	0.78
1,786,000	Centrica 6.5% fixed to floating 2055	1,811	1.17
2,650,000	Channel Link Enterprises Finance 3.043% fixed to floating 2050	2,363	1.53
2,800,000	Legal & General 4.5% fixed to floating 2050	2,602	1.69
1,213,000	NGG Finance FRN 2073	1,206	0.78
1,050,000	Phoenix 7.75% fixed to floating 2053	1,115	0.72
1,600,000	Vodafone 4.875% fixed to floating 2078	1,575	1.02
Perpetual			
1,782,000	Barclays 6.375% fixed to floating Perpetual	1,747	1.13
2,600,000	Barclays FRN Perpetual	2,592	1.68
1,600,000	BP Capital Markets 4.25% fixed to floating Perpetual	1,536	1.00
1,300,000	Credit Agricole 7.5% fixed to floating Perpetual	1,299	0.84
1,300,000	Deutsche Bank 7.125% fixed to floating Perpetual	1,241	0.80
1,300,000	EDF 5.875% fixed to floating Perpetual	1,247	0.81
1,450,000	Lloyds Bank 11.75% Perpetual	2,311	1.50
3,400,000	Mobico 4.25% fixed to floating Perpetual	3,090	2.00
800,000	Nationwide Building Society 5.75% fixed to floating Perpetual	760	0.49
2,677,000	NatWest 4.5% fixed to floating Perpetual	2,392	1.55
1,500,000	SSE 3.74% fixed to floating Perpetual	1,454	0.94
Government Bonds (0.95%)		-	-
US Dollar Denominated Bonds (6.96%)		13,102	8.49
Corporate Bonds (6.52%)		13,102	8.49
less than 5 years to maturity			
2,000,000	Deutsche Pfandbriefbank 0.875% 2024	1,541	1.00

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
between 5 and 10 years to maturity			
1,785,000	Santos Finance 6.875% 2033	1,516	0.98
2,232,000	Warnermedia 4.279% 2032	1,506	0.98
between 10 and 15 years to maturity			
1,700,000	Time Warner Cable 6.75% 2039	1,315	0.85
Perpetual			
1,800,000	Commerzbank FRN Perpetual	1,394	0.90
1,785,000	Danske Bank FRN Perpetual	1,392	0.90
3,836,000	Intesa Sanpaolo 7.7% fixed to floating Perpetual	2,982	1.93
1,874,000	UBS 6.875% fixed to floating Perpetual	1,456	0.95
<b>Government Bonds (0.44%)</b>		-	-
<b>Collective Investment Schemes (5.88%)</b>		<b>17,644</b>	<b>11.43</b>
797,052	abrdn Emerging Markets Total Return Bond Fund SICAV I Z Acc USD+	13,460	8.72
2,291	abrdn Liquidity Fund (Lux) - Sterling Fund Z1 Inc+	2,291	1.48
177,518	abrdn Short Dated Enhanced Income Fund SICAV I Z Acc Hdg+	1,893	1.23
<b>Derivatives (-1.85%)</b>		<b>849</b>	<b>0.55</b>
<b>Credit Default Swaps (-0.22%)</b>		<b>(334)</b>	<b>(0.22)</b>
EUR 4,000,000	Buy BT 20/12/2028 1%	(65)	(0.04)
EUR 4,000,000	Buy BT 20/12/2028 1%	(65)	(0.04)
EUR 10,000,000	Buy Pearson 20/06/2029 1%	(204)	(0.14)
<b>Forward Currency Contracts (0.30%)</b>		<b>538</b>	<b>0.35</b>
	Buy EUR 2,000,000 Sell GBP 1,696,378 05/09/2024	(7)	-
	Buy EUR 3,362,816 Sell GBP 2,829,799 05/09/2024	11	0.01
	Buy GBP 342,025 Sell EUR 405,295 05/09/2024	-	-
	Buy GBP 642,477 Sell EUR 757,352 05/09/2024	3	-
	Buy GBP 760,610 Sell EUR 898,362 05/09/2024	2	-
	Buy GBP 869,005 Sell EUR 1,015,319 05/09/2024	11	0.01
	Buy GBP 1,018,318 Sell EUR 1,211,071 05/09/2024	(5)	-

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
	Buy GBP 1,028,025 Sell EUR 1,214,556 05/09/2024	2	-
	Buy GBP 1,498,013 Sell EUR 1,751,051 05/09/2024	19	0.01
	Buy GBP 1,761,231 Sell EUR 2,077,215 05/09/2024	6	-
	Buy GBP 1,773,569 Sell EUR 2,092,359 05/09/2024	6	-
	Buy GBP 2,211,175 Sell EUR 2,622,103 05/09/2024	(4)	-
	Buy GBP 24,932,025 Sell EUR 29,206,806 05/09/2024	258	0.17
	Buy GBP 580,277 Sell USD 752,140 05/09/2024	(5)	-
	Buy GBP 1,686,804 Sell USD 2,147,157 05/09/2024	15	0.01
	Buy GBP 1,712,044 Sell USD 2,212,485 05/09/2024	(10)	(0.01)
	Buy GBP 28,247,379 Sell USD 35,943,016 05/09/2024	267	0.17
	Buy USD 2,315,361 Sell GBP 1,803,767 05/09/2024	(1)	-
	Buy USD 2,484,166 Sell GBP 1,963,723 05/09/2024	(30)	(0.02)
<b>Futures (-0.56%)</b>		<b>645</b>	<b>0.42</b>
356	Long Long Gilt Future 26/09/2024	407	0.26
113	Long US 10 Year Ultra Future 19/09/2024	238	0.16
<b>Interest Rate Swaps (-1.37%)</b>		<b>-</b>	<b>-</b>
Total investment assets and liabilities		147,805	95.78
Net other assets		6,506	4.22
<b>Total Net Assets</b>		<b>154,311</b>	<b>100.00</b>

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

The percentage figures in brackets show the comparative holding as at 31 July 2023.

\* Managed by subsidiaries of abrdn plc.

# Financial Statements

## Statement of Total Return

For the year ended 31 July 2024

	Notes	2024		2023	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains/(losses)	1		8,934		(13,291)
Revenue	2	11,364		9,463	
Expenses	3	(581)		(610)	
Interest payable and similar charges		(5)		(4)	
Net revenue before taxation		10,778		8,849	
Taxation	4	(16)		2	
Net revenue after taxation			10,762		8,851
<b>Total return before distributions</b>			<b>19,696</b>		<b>(4,440)</b>
Distributions	5		(10,762)		(8,851)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>8,934</b>		<b>(13,291)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2024

	2024		2023	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>213,242</b>		<b>138,423</b>
Amounts receivable on the issue of shares	15,175		36,348	
Amounts payable on the cancellation of shares	(91,641)		(54,084)	
Amounts receivable on inspecie transfers*	-		97,914	
		(76,466)		80,178
Dilution adjustment		152		176
Change in net assets attributable to shareholders from investment activities (see above)		8,934		(13,291)
Retained distribution on accumulation shares		8,449		7,756
<b>Closing net assets attributable to shareholders</b>		<b>154,311</b>		<b>213,242</b>

\* Relating to an inspecie transfer from abrdn Global Strategic Bond Fund on 24 February 2023.

# Financial Statements

## Continued

### Balance Sheet

As at 31 July 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			148,201		194,516
<b>Current assets:</b>					
Debtors	6	18,819		3,363	
Cash and bank balances	7	7,513		25,551	
			26,332		28,914
<b>Total assets</b>			<b>174,533</b>		<b>223,430</b>
<b>Liabilities:</b>					
Investment liabilities			(396)		(5,754)
Creditors	8	(19,594)		(4,076)	
Distribution payable		(232)		(358)	
			(19,826)		(4,434)
<b>Total liabilities</b>			<b>(20,222)</b>		<b>(10,188)</b>
<b>Net assets attributable to shareholders</b>			<b>154,311</b>		<b>213,242</b>

# Notes to the Financial Statements

## 1 Net Capital Gains/(Losses)

	2024 £'000	2023 £'000
Non-derivative securities	8,646	(14,848)
Derivative contracts	228	282
Forward currency contracts	122	1,438
Other losses	(51)	(149)
Transaction charges	(11)	(14)
<b>Net capital gains/(losses)</b>	<b>8,934</b>	<b>(13,291)</b>

## 2 Revenue

	2024 £'000	2023 £'000
Bank and margin interest	125	137
Derivative revenue	75	58
<b>Income from Overseas Collective Investment Schemes</b>		
Unfranked income	698	209
Interest on debt securities	10,466	9,059
<b>Total revenue</b>	<b>11,364</b>	<b>9,463</b>

## 3 Expenses

	2024 £'000	2023 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	427	462
Dealing charge	1	1
General administration charge	142	136
	570	599
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	11	11
	11	11
<b>Total expenses</b>	<b>581</b>	<b>610</b>

Irrecoverable VAT is included in the above expenses, where applicable.  
The audit fee for the year, including VAT, was £12,720 (2023: £11,700).

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2024 £'000	2023 £'000
<b>(a) Analysis of charge in year</b>		
Corporation tax	3	-
Double taxation relief	(3)	-
Overseas taxes	16	(2)
<b>Total taxation (note 4b)</b>	<b>16</b>	<b>(2)</b>

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

The tax assessed for the year is less than (2023: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

<b>Net revenue before taxation</b>	<b>10,778</b>	<b>8,849</b>
Corporation tax at 20% (2023: 20%)	2,155	1,770
Effects of:		
Overseas taxes	16	(2)
Double taxation relief	(3)	-
Distributions treated as tax deductible	(2,152)	(1,770)
<b>Total tax charge for year (note 4a)</b>	<b>16</b>	<b>(2)</b>

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

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

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

### 5 Distributions

	2024 £'000	2023 £'000
First interim distribution	2,678	2,243
Second interim distribution	2,351	1,557
Third interim distribution	2,964	1,850
Final distribution	1,961	3,124
	9,954	8,774
Add: Income deducted on cancellation of shares	913	271
Deduct: Income received on issue of shares	(105)	(194)
<b>Total distributions for the year</b>	<b>10,762</b>	<b>8,851</b>

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



# Notes to the Financial Statements

## Continued

### 6 Debtors

	2024 £'000	2023 £'000
Accrued revenue	2,005	3,038
Amounts receivable from the ACD for the issue of shares	122	21
Amounts receivable from merger	-	37
Overseas withholding tax recoverable	-	1
Sales awaiting settlement	16,692	266
<b>Total debtors</b>	<b>18,819</b>	<b>3,363</b>

### 7 Liquidity

	2024 £'000	2023 £'000
<b>Cash and bank balances</b>		
Cash at bank	5,919	17,816
Cash at broker	1,274	2,855
Collateral cash pledged to counterparties <sup>~</sup>	320	4,880
	<b>7,513</b>	<b>25,551</b>
abrdn Liquidity Fund (Lux) – Sterling Fund Z1 Inc <sup>*</sup>	2,291	-
<b>Net liquidity</b>	<b>9,804</b>	<b>25,551</b>

<sup>~</sup> 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.

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

### 8 Creditors

	2024 £'000	2023 £'000
Accrued expenses payable to ACD	47	56
Accrued expenses payable to the Depositary or associates of the Depositary	2	2
Amounts payable to the ACD for cancellation of shares	19,545	78
Purchases awaiting settlement	-	3,940
<b>Total creditors</b>	<b>19,594</b>	<b>4,076</b>

# Notes to the Financial Statements

## Continued

### 9 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 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

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	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Trades in the year</b>				
Bonds	191,745	168,830	253,636	196,032
Collective investment schemes	6,204	12,537	4,144	3,595
Inspecie transactions	-	92,769	-	-
<b>Trades in the year before transaction costs</b>	<b>197,949</b>	<b>274,136</b>	<b>257,780</b>	<b>199,627</b>
<b>Total net trades in the year after transaction costs</b>	<b>197,949</b>	<b>274,136</b>	<b>257,780</b>	<b>199,627</b>

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.64% (2023: 0.70%), 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 2023	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2024
A Accumulation	1,459,569	128,643	(480,753)	(54,776)	1,052,683
A Income	396,702	163,162	(6,535)	(84,614)	468,715
I Accumulation	10,828,306	3,518,842	(3,140,453)	81,639	11,288,334
I Income	3,334,854	263,005	(2,865,135)	94,577	827,301
I Gross Accumulation	7,975,553	30,894	(707,256)	-	7,299,191
I Gross Income	12,701,340	1,441,605	(728,599)	-	13,414,346
K Accumulation	88,634,449	4,550,243	(58,108,926)	(1,034)	35,074,732
K Income	9,037,309	3,164,102	(9,321,073)	-	2,880,338
M Accumulation	1,645,406	101,106	(387,356)	(44,875)	1,314,281
M Income	516,088	275,492	(23,199)	(10,965)	757,416
Z Accumulation	5,981,227	3,845	(3,845)	(5,981,227)	-
Z Income	-	1,000	(10,167,947)	10,167,947	1,000
ZA income	3,780,348	-	(589,181)	-	3,191,167
ZC accumulation	70,365,338	203,839	(8,877,192)	-	61,691,985

### 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).

	2024 £'000 Level 1	2024 £'000 Level 2	2024 £'000 Level 3	2023 £'000 Level 1	2023 £'000 Level 2	2023 £'000 Level 3
<b>Fair value of investment assets</b>						
Bonds	-	129,312	-	2,975	177,186	-
Collective Investment Schemes*	-	17,644	-	-	12,537	-
Derivatives	645	600	-	216	1,602	-
<b>Total investment assets</b>	<b>645</b>	<b>147,556</b>	<b>-</b>	<b>3,191</b>	<b>191,325</b>	<b>-</b>
<b>Fair value of investment liabilities</b>						
Derivatives	-	(396)	-	(1,397)	(4,357)	-
<b>Total investment liabilities</b>	<b>-</b>	<b>(396)</b>	<b>-</b>	<b>(1,397)</b>	<b>(4,357)</b>	<b>-</b>

\* Investment in the liquidity funds (see Note 7 - Liquidity) have been included in the above table within 'Collective Investment Schemes' in line with disclosure within the portfolio statement. In accordance with the AIFMD requirements, the fund has treated the investment in the liquidity funds disclosed within the Portfolio Statement as cash equivalents for the purposes of the Balance Sheet disclosure.

# Notes to the Financial Statements

## Continued

### 13 Risk Management Policies and Disclosures

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

#### Foreign currency risk

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

#### Interest rate risk

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/ (liabilities) not carrying interest £'000	Total £'000
<b>2024</b>				
Currency				
UK Sterling	14,776	81,814	57,909	154,499
Canadian Dollar	1	-	-	1
Euro	10,482	18,909	(29,753)	(362)
US Dollar	2,818	10,316	(12,961)	173
<b>Total</b>	<b>28,077</b>	<b>111,039</b>	<b>15,195</b>	<b>154,311</b>
	Floating rate financial assets/ (liabilities) £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>2023</b>				
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)
<b>Total</b>	<b>41,635</b>	<b>161,153</b>	<b>10,454</b>	<b>213,242</b>

# Notes to the Financial Statements

## Continued

### Other price risk

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

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

### VaR

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

2024	Minimum	Maximum	Average
VaR 99% 1 Month	3.93%	5.42%	4.59%

  

2023	Minimum	Maximum	Average
VaR 99% 1 Month	3.04%	6.62%	4.92%

### Counterparty risk

#### Credit quality of debt security investment assets

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

	Market value £'000	Percentage of total net assets %
<b>2024</b>		
Investment grade securities	85,257	55.29
Below investment grade securities	40,474	26.19
Unrated securities	3,581	2.32
<b>Total value of securities</b>	<b>129,312</b>	<b>83.80</b>

  

	Market value £'000	Percentage of total net assets %
<b>2023</b>		
Investment grade securities	149,916	70.31
Below investment grade securities	27,944	13.11
Unrated securities	2,301	1.07
<b>Total value of securities</b>	<b>180,161</b>	<b>84.49</b>

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

### Financial derivatives instrument risk

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

# Notes to the Financial Statements

## Continued

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

	2024		2023	
	Market exposure £'000	Market value £'000	Market exposure £'000	Market value £'000
<b>Leveraged instruments</b>				
Forward currency contracts	76,700	538	82,855	634
Futures	45,490	645	202,837	(1,181)
Swaps	15,164	(334)	238,023	(3,389)
<b>Total market exposure</b>	<b>137,354</b>	<b>849</b>	<b>523,715</b>	<b>(3,936)</b>

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

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

### Counterparty risk

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

2024	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
<b>Broker or exchange exposure</b>					
Bank of America Merrill Lynch	645	1,274	-	1,919	1.24
	<b>645</b>	<b>1,274</b>	<b>-</b>	<b>1,919</b>	<b>1.24</b>

  

2023	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
<b>Broker or exchange exposure</b>					
Bank of America Merrill Lynch	(1,181)	2,855	-	1,674	0.79
	<b>(1,181)</b>	<b>2,855</b>	<b>-</b>	<b>1,674</b>	<b>0.79</b>

### Bilateral agreements

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

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

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.

# Notes to the Financial Statements

## Continued

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

2024 Counterparties	Swaps £'000	Forwards £'000	Collateral (held)/pledged		Net exposure £'000
			Cash £'000	Stock £'000	
Barclays	-	2	-	-	2
BNP Paribas	(204)	-	210	-	6
Citigroup	(130)	-	110	-	(20)
Deutsche Bank	-	6	-	-	6
Goldman Sachs	-	539	-	-	539
JP Morgan	-	(5)	-	-	(5)
Morgan Stanley	-	(5)	-	-	(5)
Natwest Markets	-	8	-	-	8
Royal Bank of Canada	-	(4)	-	-	(4)
UBS	-	(3)	-	-	(3)
<b>Total</b>	<b>(334)</b>	<b>538</b>	<b>320</b>	<b>-</b>	<b>524</b>

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

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

2023 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)
<b>Total</b>	<b>(3,389)</b>	<b>634</b>	<b>4,880</b>	<b>-</b>	<b>2,125</b>

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

# Notes to the Financial Statements

## Continued

### Issuers

#### Liquidity risk

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

	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
<b>2024</b>					
<b>Derivatives</b>					
Investment liabilities	-	62	334	-	396
<b>Non-derivatives</b>					
Other creditors	-	19,594	-	-	19,594
Distribution payable	-	232	-	-	232
<b>Total financial liabilities</b>	-	19,888	334	-	20,222
	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
<b>2023</b>					
<b>Derivatives</b>					
Investment liabilities	-	1,546	2,938	1,270	5,754
<b>Non-derivatives</b>					
Other creditors	-	4,076	-	-	4,076
Distribution payable	-	358	-	-	358
<b>Total financial liabilities</b>	-	5,980	2,938	1,270	10,188



# Distribution Tables

For the year ended 31 July 2024 (in pence per share)

## First interim interest distribution

Group 1 – shares purchased prior to 1 August 2023

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

	Revenue	Equalisation	Distribution paid 31/01/24	Distribution paid 31/01/23
<b>A Accumulation</b>				
Group 1	1.9831	-	1.9831	1.2914
Group 2	1.3229	0.6602	1.9831	1.2914
<b>A Income</b>				
Group 1	1.3366	-	1.3366	0.9113
Group 2	0.3518	0.9848	1.3366	0.9113
<b>I Accumulation</b>				
Group 1	2.2868	-	2.2868	1.5429
Group 2	1.3078	0.9790	2.2868	1.5429
<b>I Income</b>				
Group 1	1.4475	-	1.4475	1.0247
Group 2	0.4314	1.0161	1.4475	1.0247
<b>I Gross Accumulation</b>				
Group 1	1.7948	-	1.7948	1.2109
Group 2	1.7948	-	1.7948	1.2109
<b>I Gross Income</b>				
Group 1	1.2597	-	1.2597	0.8918
Group 2	0.5738	0.6859	1.2597	0.8918
<b>K Accumulation</b>				
Group 1	1.3220	-	1.3220	0.9040
Group 2	0.5519	0.7701	1.3220	0.9040
<b>K Income</b>				
Group 1	1.1992	-	1.1992	0.8622
Group 2	0.5295	0.6697	1.1992	0.8622
<b>M Accumulation</b>				
Group 1	1.4976	-	1.4976	1.0234
Group 2	0.6776	0.8200	1.4976	1.0234
<b>M Income</b>				
Group 1	1.2732	-	1.2732	0.9148
Group 2	0.2630	1.0102	1.2732	0.9148
<b>Z Accumulation</b>				
Group 1	-	-	-	1.8501
Group 2	-	-	-	1.8501

# Distribution Tables

For the year ended 31 July 2024 (in pence per share) continued

	Revenue	Equalisation	Distribution paid 31/01/24	Distribution paid 31/01/23
<b>ZA income</b>				
Group 1	0.9283	-	0.9283	-
Group 2	0.9283	-	0.9283	-
<b>ZC accumulation</b>				
Group 1	1.5342	-	1.5342	-
Group 2	0.5445	0.9897	1.5342	-

# Distribution Tables

For the year ended 31 July 2024 (in pence per share) continued

## Second interim interest distribution

Group 1 – shares purchased prior to 1 November 2023

Group 2 – shares purchased between 1 November 2023 and 31 January 2024

	Revenue	Equalisation	Distribution paid 30/04/24	Distribution paid 28/04/23
<b>A Accumulation</b>				
Group 1	1.8820	-	1.8820	1.4520
Group 2	0.4654	1.4166	1.8820	1.4520
<b>A Income</b>				
Group 1	1.2517	-	1.2517	1.0146
Group 2	0.4317	0.8200	1.2517	1.0146
<b>I Accumulation</b>				
Group 1	2.1913	-	2.1913	1.7176
Group 2	1.0914	1.0999	2.1913	1.7176
<b>I Income</b>				
Group 1	1.3673	-	1.3673	1.1286
Group 2	0.9866	0.3807	1.3673	1.1286
<b>I Gross Accumulation</b>				
Group 1	1.7198	-	1.7198	1.3483
Group 2	1.7198	-	1.7198	1.3483
<b>I Gross Income</b>				
Group 1	1.1899	-	1.1899	0.9827
Group 2	0.6476	0.5423	1.1899	0.9827
<b>K Accumulation</b>				
Group 1	1.2717	-	1.2717	1.0028
Group 2	0.6500	0.6217	1.2717	1.0028
<b>K Income</b>				
Group 1	1.1364	-	1.1364	0.9461
Group 2	0.9643	0.1721	1.1364	0.9461
<b>M Accumulation</b>				
Group 1	1.4338	-	1.4338	1.1493
Group 2	0.7170	0.7168	1.4338	1.1493
<b>M Income</b>				
Group 1	1.2014	-	1.2014	1.0050
Group 2	0.3702	0.8312	1.2014	1.0050
<b>Z Accumulation</b>				
Group 1	3.1167	-	3.1167	2.0420
Group 2	2.3077	0.8090	3.1167	2.0420

# Distribution Tables

For the year ended 31 July 2024 (in pence per share) continued

	Revenue	Equalisation	Distribution paid 30/04/24	Distribution paid 28/04/23
<b>Z Income</b>				
Group 1	1.6900	-	1.6900	-
Group 2	1.6900	-	1.6900	-
<b>ZA income</b>				
Group 1	0.8876	-	0.8876	-
Group 2	0.8876	-	0.8876	-
<b>ZC accumulation</b>				
Group 1	1.4838	-	1.4838	-
Group 2	0.9834	0.5004	1.4838	-

# Distribution Tables

For the year ended 31 July 2024 (in pence per share) continued

## Third interim interest distribution

Group 1 – shares purchased prior to 1 February 2024

Group 2 – shares purchased between 1 February 2024 and 30 April 2024

	Revenue	Equalisation	Distribution paid 31/07/24	Distribution paid 31/07/23
<b>A Accumulation</b>				
Group 1	2.5319	-	2.5319	1.8407
Group 2	1.5058	1.0261	2.5319	1.8407
<b>A Income</b>				
Group 1	1.6642	-	1.6642	1.2730
Group 2	1.2595	0.4047	1.6642	1.2730
<b>I Accumulation</b>				
Group 1	2.8866	-	2.8866	2.1297
Group 2	1.5739	1.3127	2.8866	2.1297
<b>I Income</b>				
Group 1	1.7781	-	1.7781	1.3848
Group 2	1.1238	0.6543	1.7781	1.3848
<b>I Gross Accumulation</b>				
Group 1	2.2658	-	2.2658	1.6714
Group 2	0.4301	1.8357	2.2658	1.6714
<b>I Gross Income</b>				
Group 1	1.5474	-	1.5474	1.2053
Group 2	0.8854	0.6620	1.5474	1.2053
<b>K Accumulation</b>				
Group 1	1.6615	-	1.6615	1.2325
Group 2	0.9125	0.7490	1.6615	1.2325
<b>K Income</b>				
Group 1	1.4651	-	1.4651	1.1484
Group 2	0.5949	0.8702	1.4651	1.1484
<b>M Accumulation</b>				
Group 1	1.8928	-	1.8928	1.3961
Group 2	0.2992	1.5936	1.8928	1.3961
<b>M Income</b>				
Group 1	1.5661	-	1.5661	1.2205
Group 2	1.4756	0.0905	1.5661	1.2205
<b>Z Accumulation</b>				
Group 1	-	-	-	2.4831
Group 2	-	-	-	2.4831

# Distribution Tables

For the year ended 31 July 2024 (in pence per share) continued

	Revenue	Equalisation	Distribution paid 31/07/24	Distribution paid 31/07/23
<b>Z Income</b>				
Group 1	1.8920	-	1.8920	-
Group 2	1.8920	-	1.8920	-
<b>ZA income</b>				
Group 1	1.1238	-	1.1238	0.6795
Group 2	1.1238	-	1.1238	0.6795
<b>ZC accumulation</b>				
Group 1	1.9167	-	1.9167	1.0937
Group 2	1.8376	0.0791	1.9167	1.0937

# Distribution Tables

For the year ended 31 July 2024 (in pence per share) continued

## Final interest distribution

Group 1 – shares purchased prior to 1 May 2024

Group 2 – shares purchased between 1 May 2024 and 31 July 2024

	Revenue	Equalisation	Distribution paid 31/10/24	Distribution paid 31/10/23
<b>A Accumulation</b>				
Group 1	1.8106	-	1.8106	1.9144
Group 2	1.5715	0.2391	1.8106	1.9144
<b>A Income</b>				
Group 1	1.1716	-	1.1716	1.3093
Group 2	0.3316	0.8400	1.1716	1.3093
<b>I Accumulation</b>				
Group 1	2.1273	-	2.1273	2.2198
Group 2	0.9638	1.1635	2.1273	2.2198
<b>I Income</b>				
Group 1	1.2881	-	1.2881	1.4192
Group 2	0.8454	0.4427	1.2881	1.4192
<b>I Gross Accumulation</b>				
Group 1	1.6697	-	1.6697	1.7288
Group 2	0.1940	1.4757	1.6697	1.7288
<b>I Gross Income</b>				
Group 1	1.1212	-	1.1212	1.2370
Group 2	0.6067	0.5145	1.1212	1.2370
<b>K Accumulation</b>				
Group 1	1.2346	-	1.2346	1.2818
Group 2	0.5014	0.7332	1.2346	1.2818
<b>K Income</b>				
Group 1	1.0478	-	1.0478	1.1860
Group 2	0.6344	0.4134	1.0478	1.1860
<b>M Accumulation</b>				
Group 1	1.3905	-	1.3905	1.4493
Group 2	0.4464	0.9441	1.3905	1.4493
<b>M Income</b>				
Group 1	1.1313	-	1.1313	1.2491
Group 2	0.1835	0.9478	1.1313	1.2491
<b>Z Accumulation</b>				
Group 1	-	-	-	2.5761
Group 2	-	-	-	2.5761

# Distribution Tables

For the year ended 31 July 2024 (in pence per share) continued

	Revenue	Equalisation	Distribution paid 31/10/24	Distribution paid 31/10/23
<b>Z Income</b>				
Group 1	1.4020	-	1.4020	-
Group 2	1.4020	-	1.4020	-
<b>ZA income</b>				
Group 1	0.8398	-	0.8398	0.9144
Group 2	0.8398	-	0.8398	0.9144
<b>ZC accumulation</b>				
Group 1	1.4532	-	1.4532	1.4858
Group 2	0.9322	0.5210	1.4532	1.4858

## 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 Income Equity Fund

For the year ended 31 July 2024

## 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 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 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 2024, the value of abrdn UK Income Equity Fund – I Income Shares increased by 8.52% compared with an increase of 13.54% in the performance target, the FTSE All Share Index.

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

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

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

# abrdn UK Income Equity Fund

## Continued

### Market Review

UK stocks performed well in the period, especially in the second half, thanks to continued falls in the rate of inflation. The Bank of England (BoE) ended its long series of interest rate increases in September 2023 and the inflation rate in the UK fell back to its long-term 2% target. Anticipation of the first BoE rate cut in four years provided a boost especially to more domestically focused small and mid-cap companies. Sentiment was also aided by data that broadly indicated a more positive outlook for the British economy. However, some geopolitical tensions still weighed on investor confidence, with the conflicts in the Middle East and Ukraine threatening to escalate while US-China relations deteriorated further.

Earlier in the period, investors were focused on concerns about the impact of the rate hikes on the UK economy but official statistics later showed that the UK economy returned to growth in the first quarter of 2024 following a shallow recession in the final two quarters of 2023. A general election late in the period produced a clear outcome with the Labour Party gaining a substantial majority. Early announcements from the new government supported a more upbeat view of the UK's domestic prospects. Financial stocks saw some of the biggest gains in the period, helped by the recovery in the economy, along with those in the aerospace, defence and software sectors. Small- and mid-cap stocks were supported by an increased level of takeover activity.

### Portfolio Activity and Review

At a stock level, shares in Close Brothers declined on the announcement it would waive its dividend to build capital in anticipation of potential customer redress relating to motor finance commission arrangements prior to 2021. Diageo also underperformed due to continued weakness in the US spirits market which has resulted in prolonged destocking and increased promotional activity. Rentokil Initial's shares dropped back after the company reported weaker-than-expected revenue growth and declining market share in its pest control division in North America. However, sentiment was helped by the news that activist investor Trian had established a position in the company.

Savannah Energy also weighed on relative performance due to a lowering in the holding price in order to align with an off-market transaction. The shares were inherited in the fund merger towards the start of the period and are currently suspended. Genus' stock came under pressure after the company issued a profit warning highlighting weakness in its China operations in both the porcine and bovine markets. Our lack of exposure to both Rolls-Royce, Barclays and Shell also detracted as their shares outperformed.

Conversely, shares in RELX were among the top contributors after it reported solid full year results and a higher level of share buyback than had been expected. The firm continues to be seen as defensive with long-term growth drivers from the adoption of analytical tools that can be augmented by artificial intelligence.

Intermediate Capital Group added to returns after reporting strong results, a rise in assets under management and new medium-term fundraising guidance. The fund also benefited from not having exposure to Reckitt Benckiser or Prudential, both of which underperformed.

In terms of additional activity, the fund initiated several new positions, including Haleon, a consumer staples business with strong brands, and Air Liquide, the French-listed industrial gas company. The latter is a high-quality business in an industry not available in the UK market. We also initiated a position in luxury original equipment manufacturer Mercedes Benz Group, a business that has improving quality characteristics as well as an attractive dividend yield. We established a holding in Coca-Cola Europacific Partners, which provides exposure to a high-quality consumer brand, and Berkeley Group, a firm we prefer in the housebuilding sector.

We exited the fund's holding Mondi, with proceeds reinvested into a new position in Smurfit Kappa Group. This is a business we believe to have more potential upside due to its acquisition of WestRock. The fund's position in Standard Chartered was sold with the proceeds reinvested into a new position in HSBC. In our opinion, the latter is a higher-quality business with a more attractive dividend yield. Finally, we started a modest new position in ASML, the Dutch-listed global leader in semiconductor lithography equipment. The company offers exposure to a long-term growth dynamic unavailable to UK-only investors.

On the other hand, we sold the fund's holdings in Coca-Cola Hellenic, Roche and Nestle.

During the period, the LF abrdn Income Focus Fund and the abrdn UK Higher Income Fund merged with the fund.

### Portfolio Outlook and Strategy

We expect the sharp monetary policy tightening over the past 24 months to slow global economic growth. The developed market easing cycle is well underway, and we expect the US Federal Reserve to start cutting interest rates in September, with the Bank of England and European Central Bank likely to deliver more rate cuts later in the year. The UK election result may help reduce political uncertainty and boost investment. The UK's fiscal space is limited, so Labour's growth strategy depends on planning

# abrdn UK Income Equity Fund

## Continued

reform, industrial policy and close relations with the European Union. Successful structural reform should help boost the UK's growth potential, but there are significant execution risks.

The portfolio is aligned with compelling long-term trends, such as ageing populations, increasing middle-class wealth, digital transformation and energy transition. We invest in high-quality companies capable of delivering appealing long-term earnings and dividend growth at a relatively modest aggregate valuation. These companies benefit from high returns on capital, pricing power, attractive margins and strong balance sheets. Furthermore, we believe focusing on quality companies should provide earnings resilience, sustainability, and less volatility, which help underpin the portfolio's income generation.

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.

### **DM Income & Real Assets Equity Team**

August 2024

# abrdn 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 2024.

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

- Equity Risk – 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.
- Concentration Risk – A concentrated portfolio (whether by number of holdings, geographic location or sector) may be more volatile and less liquid than a diversified one.
- Smaller and Mid Cap Risk – The shares of small and mid-cap companies may be less liquid and more volatile than those of larger companies.
- Derivatives Risk – The use of derivatives may involve additional liquidity, credit and counterparty risks. In some cases the risk of loss from derivatives may be increased where a small change in the value of the underlying investment may have a larger impact on the value of the derivative.

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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	1,469.90	1,438.86	1,457.95
Return before operating charges*	135.50	49.37	(0.51)
Operating charges	(19.26)	(18.33)	(18.58)
Return after operating charges*	116.24	31.04	(19.09)
Distributions	(57.00)	(58.44)	(60.50)
Retained distributions on accumulation shares	57.00	58.44	60.50
Closing net asset value per share	1,586.14	1,469.90	1,438.86
* after direct transaction costs of:	1.30	1.02	1.24
<b>Performance</b>			
Return after charges	7.91%	2.16%	(1.31%)
<b>Other information</b>			
Closing net asset value (£'000)	113,593	48,140	55,181
Closing number of shares	7,161,587	3,275,045	3,835,059
Operating charges	1.29%	1.29%	1.29%
Direct transaction costs	0.09%	0.07%	0.08%
<b>Prices</b>			
Highest share price	1,601	1,504	1,521
Lowest share price	1,369	1,265	1,294

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

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

Operating charges are expenses associated with the maintenance and administration of the fund on 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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	369.68	376.83	398.43
Return before operating charges*	33.63	12.77	(0.20)
Operating charges	(4.78)	(4.77)	(5.03)
Return after operating charges*	28.85	8.00	(5.23)
Distributions	(14.21)	(15.15)	(16.37)
Closing net asset value per share	384.32	369.68	376.83
* after direct transaction costs of:	0.32	0.27	0.34
<b>Performance</b>			
Return after charges	7.80%	2.12%	(1.31%)
<b>Other information</b>			
Closing net asset value (£'000)	55,756	47,314	51,981
Closing number of shares	14,507,649	12,798,429	13,794,285
Operating charges	1.29%	1.29%	1.29%
Direct transaction costs	0.09%	0.07%	0.08%
<b>Prices</b>			
Highest share price	396.7	387.2	415.8
Lowest share price	344.4	331.2	347.0

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

I Accumulation	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	1,653.16	1,611.01	1,625.12
Return before operating charges*	152.94	55.54	(0.62)
Operating charges	(14.20)	(13.39)	(13.49)
Return after operating charges*	138.74	42.15	(14.11)
Distributions	(64.25)	(65.57)	(67.57)
Retained distributions on accumulation shares	64.25	65.57	67.57
Closing net asset value per share	1,791.90	1,653.16	1,611.01
* after direct transaction costs of:	1.47	1.15	1.38
<b>Performance</b>			
Return after charges	8.39%	2.62%	(0.87%)
<b>Other information</b>			
Closing net asset value (£'000)	162,608	33,057	42,593
Closing number of shares	9,074,576	1,999,604	2,643,866
Operating charges	0.84%	0.84%	0.84%
Direct transaction costs	0.09%	0.07%	0.08%
<b>Prices</b>			
Highest share price	1,807	1,690	1,696
Lowest share price	1,542	1,417	1,446

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

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

Operating charges are expenses associated with the maintenance and administration of the fund on 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 Income	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	418.17	424.33	446.64
Return before operating charges*	38.15	14.44	(0.25)
Operating charges	(3.52)	(3.50)	(3.68)
Return after operating charges*	34.63	10.94	(3.93)
Distributions	(16.11)	(17.10)	(18.38)
Closing net asset value per share	436.69	418.17	424.33
* after direct transaction costs of:	0.37	0.30	0.38
<b>Performance</b>			
Return after charges	8.28%	2.58%	(0.88%)
<b>Other information</b>			
Closing net asset value (£'000)	19,580	16,021	15,507
Closing number of shares	4,483,629	3,831,329	3,654,361
Operating charges	0.84%	0.84%	0.84%
Direct transaction costs	0.09%	0.07%	0.08%
<b>Prices</b>			
Highest share price	450.4	437.4	466.3
Lowest share price	390.0	373.3	390.0

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 Accumulation <sup>A</sup>	2024 pence per share
<b>Change in net assets per share</b>	
Opening net asset value per share	100.00 <sup>B</sup>
Return before operating charges*	9.41
Operating charges	(0.57)
Return after operating charges*	8.84
Distributions	(3.20)
Retained distributions on accumulation shares	3.20
Closing net asset value per share	108.84
* after direct transaction costs of:	0.08
<b>Performance</b>	
Return after charges	8.84%
<b>Other information</b>	
Closing net asset value (£'000)	74,853
Closing number of shares	68,776,572
Operating charges	0.65%
Direct transaction costs	0.09%
<b>Prices</b>	
Highest share price	109.7
Lowest share price	93.51

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.

<sup>A</sup> K Accumulation share class was launched on 20 September 2023.

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

# Comparative Tables

## Continued

K Income	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	116.60	118.23	124.37
Return before operating charges*	10.65	4.03	(0.09)
Operating charges	(0.77)	(0.89)	(0.93)
Return after operating charges*	9.88	3.14	(1.02)
Distributions	(4.49)	(4.77)	(5.12)
Closing net asset value per share	121.99	116.60	118.23
* after direct transaction costs of:	0.10	0.08	0.11
<b>Performance</b>			
Return after charges	8.47%	2.66%	(0.82%)
<b>Other information</b>			
Closing net asset value (£'000)	41,645	70	96
Closing number of shares	34,139,344	60,367	81,139
Operating charges	0.65%	0.76%	0.76%
Direct transaction costs	0.09%	0.07%	0.08%
<b>Prices</b>			
Highest share price	125.8	121.9	129.9
Lowest share price	108.8	104.0	108.6

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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	131.82	128.46	129.58
Return before operating charges*	12.27	4.49	0.02
Operating charges	(1.20)	(1.13)	(1.14)
Return after operating charges*	11.07	3.36	(1.12)
Distributions	(5.12)	(5.23)	(5.39)
Retained distributions on accumulation shares	5.12	5.23	5.39
Closing net asset value per share	142.89	131.82	128.46
* after direct transaction costs of:	0.12	0.09	0.11
<b>Performance</b>			
Return after charges	8.40%	2.62%	(0.86%)
<b>Other information</b>			
Closing net asset value (£'000)	18,241	25	28
Closing number of shares	12,765,838	18,830	22,047
Operating charges	0.89%	0.89%	0.89%
Direct transaction costs	0.09%	0.07%	0.08%
<b>Prices</b>			
Highest share price	144.1	134.8	135.4
Lowest share price	122.9	113.0	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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	110.61	112.24	118.13
Return before operating charges*	10.16	3.88	0.02
Operating charges	(1.00)	(0.98)	(1.03)
Return after operating charges*	9.16	2.90	(1.01)
Distributions	(4.26)	(4.53)	(4.88)
Closing net asset value per share	115.51	110.61	112.24
* after direct transaction costs of:	0.10	0.08	0.10
<b>Performance</b>			
Return after charges	8.28%	2.58%	(0.85%)
<b>Other information</b>			
Closing net asset value (£'000)	13,486	40	39
Closing number of shares	11,675,767	35,742	34,446
Operating charges	0.89%	0.89%	0.89%
Direct transaction costs	0.09%	0.07%	0.08%
<b>Prices</b>			
Highest share price	119.1	115.7	124.3
Lowest share price	103.2	98.74	103.2

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

P Accumulation <sup>A</sup>	2024 pence per share
<b>Change in net assets per share</b>	
Opening net asset value per share	322.58 <sup>B</sup>
Return before operating charges*	54.35
Operating charges	(1.05)
Return after operating charges*	53.30
Distributions	(9.90)
Retained distributions on accumulation shares	9.90
Closing net asset value per share	375.88
* after direct transaction costs of:	0.23
<b>Performance</b>	
Return after charges	16.52%
<b>Other information</b>	
Closing net asset value (£'000)	21,942
Closing number of shares	5,837,588
Operating charges	0.39%
Direct transaction costs	0.09%
<b>Prices</b>	
Highest share price	378.7
Lowest share price	322.6

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.

<sup>A</sup> P Accumulation share class was launched on 27 October 2023.

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

# Comparative Tables

## Continued

Z Income	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	115.12	115.98	121.23
Return before operating charges*	25.64	3.93	(0.14)
Operating charges	(0.10)	(0.10)	(0.10)
Return after operating charges*	25.54	3.83	(0.24)
Distributions	(4.59)	(4.69)	(5.01)
Closing net asset value per share	136.07	115.12	115.98
* after direct transaction costs of:	0.10	0.08	0.10
<b>Performance</b>			
Return after charges	22.19%	3.30%	(0.20%)
<b>Other information</b>			
Closing net asset value (£'000)	1	6,038	8,245
Closing number of shares	1,000	5,245,173	7,108,815
Operating charges	0.09%	0.09%	0.09%
Direct transaction costs	0.09%	0.07%	0.08%
<b>Prices</b>			
Highest share price	124.0	120.2	126.8
Lowest share price	107.6	102.2	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.

# Comparative Tables

## Continued

ZA income <sup>A</sup>	2024 pence per share
<b>Change in net assets per share</b>	
Opening net asset value per share	56.67 <sup>B</sup>
Return before operating charges*	9.50
Operating charges	-
Return after operating charges*	9.50
Distributions	(1.73)
Closing net asset value per share	64.44
* after direct transaction costs of:	0.04
<b>Performance</b>	
Return after charges	16.75%
<b>Other information</b>	
Closing net asset value (£'000)	11,270
Closing number of shares	17,489,382
Operating charges	0.01%
Direct transaction costs	0.09%
<b>Prices</b>	
Highest share price	66.35
Lowest share price	56.68

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

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

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

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

<sup>A</sup> ZA income share class was launched on 27 October 2023.

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

# Comparative Tables

## Continued

ZC Accumulation <sup>A</sup>	2024 pence per share
<b>Change in net assets per share</b>	
Opening net asset value per share	175.08 <sup>B</sup>
Return before operating charges*	29.45
Operating charges	(0.13)
Return after operating charges*	29.32
Distributions	(5.38)
Retained distributions on accumulation shares	5.38
Closing net asset value per share	204.40
* after direct transaction costs of:	0.13
<b>Performance</b>	
Return after charges	16.75%
<b>Other information</b>	
Closing net asset value (£'000)	207
Closing number of shares	101,126
Operating charges	0.09%
Direct transaction costs	0.09%
<b>Prices</b>	
Highest share price	205.8
Lowest share price	175.1

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.

<sup>A</sup> ZC Accumulation share class was launched on 27 October 2023.

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



# Portfolio Statement

As at 31 July 2024

Holding	Investment	Market value £'000	Percentage of total net assets
UK Equities (100.44%)		529,673	99.34
Basic Materials (7.54%)		29,173	5.47
37,840	Air Liquide	5,380	1.01
473,343	Anglo American	11,121	2.09
169,464	BHP	3,633	0.68
179,873	Rio Tinto	9,039	1.69
Consumer Discretionary (13.37%)		67,826	12.72
114,000	Berkeley	5,786	1.09
81,998	Games Workshop	8,438	1.58
1,070,053	Howden Joinery	10,058	1.89
15,681	L'Oreal	5,290	0.99
7,671	LVMH	4,219	0.79
81,341	Mercedes-Benz	4,186	0.78
1,673,537	Moonpig	3,640	0.68
713,758	RELX	26,209	4.92
Consumer Staples (13.88%)		55,607	10.43
92,800	Coca-Cola Europacific Partners	5,160	0.97
832,120	Diageo	20,125	3.77
635,019	Unilever	30,322	5.69
Energy (6.73%)		43,712	8.20
4,224,269	BP	19,381	3.64
28,856,242	Savannah Energy	5,771	1.08
352,607	TotalEnergies	18,560	3.48
Financials (17.54%)		104,875	19.67
1,031,075	Chesnara	2,681	0.50
1,167,730	Close Brothers	5,961	1.12
2,327,430	Direct Line Insurance	4,385	0.82
468,346	Hiscox	5,948	1.12

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,303,900	HSBC	9,178	1.72
694,463	Intermediate Capital	15,237	2.86
223,283	London Stock Exchange	21,140	3.96
4,292,875	M&G	9,109	1.71
927,486	Nordea Bank	8,455	1.59
1,852,506	OSB	9,550	1.79
1,531,800	Oversea-Chinese Banking	13,231	2.48
<b>Health Care (12.69%)</b>		<b>60,108</b>	<b>11.27</b>
225,319	AstraZeneca	27,863	5.22
4,015,612	ConvaTec	9,397	1.76
311,881	Genus	5,689	1.07
397,759	GSK	6,012	1.13
2,028,000	Haleon	7,088	1.33
163,962	NMC Health*	-	-
39,426	Novo Nordisk	4,059	0.76
<b>Industrials (14.73%)</b>		<b>92,858</b>	<b>17.42</b>
423,901	Experian	15,561	2.92
1,316,769	Genuit	6,729	1.26
1,503,410	Inchcape	12,666	2.38
155,433	Kone 'B'	6,182	1.16
11,900	Mastercard 'A'	4,294	0.81
273,017	Oxford Instruments	6,839	1.28
2,718,757	Rentokil Initial	12,903	2.42
1,831,379	Rotork	6,622	1.24
1,157,045	RS	9,459	1.77
222,520	Smurfit WestRock	7,677	1.44
10,083	VAT	3,926	0.74
<b>Real Estate (1.92%)</b>		<b>9,354</b>	<b>1.75</b>
1,160,604	Safestore REIT	9,354	1.75

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Technology (3.85%)</b>		<b>26,493</b>	<b>4.97</b>
6,026	ASML	4,317	0.81
24,567	Microsoft	7,999	1.50
1,306,015	Sage	14,177	2.66
<b>Telecommunications (1.59%)</b>		<b>8,960</b>	<b>1.68</b>
294,000	Accton Technology	3,517	0.66
588,078	Telenor	5,443	1.02
<b>Utilities (6.60%)</b>		<b>30,707</b>	<b>5.76</b>
1,979,551	National Grid	19,515	3.66
595,326	SSE	11,192	2.10
<b>Collective Investment Schemes (0.00%)</b>		<b>4,144</b>	<b>0.78</b>
4,144	abrdn Liquidity Fund (Lux) - Sterling Fund Z1 Inc+	4,144	0.78
Total investment assets		533,817	100.12
Net other liabilities		(635)	(0.12)
<b>Total Net Assets</b>		<b>533,182</b>	<b>100.00</b>

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

The percentage figures in brackets show the comparative holding as at 31 July 2023.

+ Managed by subsidiaries of abrdn plc.

\* Suspended.

# Financial Statements

## Statement of Total Return

For the year ended 31 July 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
Income:					
Net capital gains/(losses)	1		52,172		(1,630)
Revenue	2	16,733		6,780	
Expenses	3	(4,033)		(1,732)	
Interest payable and similar charges		(3)		(1)	
Net revenue before taxation		12,697		5,047	
Taxation	4	(71)		(93)	
Net revenue after taxation			12,626		4,954
<b>Total return before distributions</b>			<b>64,798</b>		<b>3,324</b>
Distributions	5		(16,427)		(6,593)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>48,371</b>		<b>(3,269)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2024

	2024		2023	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>150,705</b>		<b>173,670</b>
Amounts receivable on the issue of shares	22,318		6,292	
Amounts payable on the cancellation of shares	(76,205)		(29,405)	
Amounts receivable on inspecie transfers*	374,549			
		320,662		(23,113)
Dilution adjustment		(78)		-
Change in net assets attributable to shareholders from investment activities (see above)		48,371		(3,269)
Retained distribution on accumulation shares		13,480		3,384
Unclaimed distributions		42		33
<b>Closing net assets attributable to shareholders</b>		<b>533,182</b>		<b>150,705</b>

\*Relating to an inspecie transfer from LF abrdn Income Focus Fund on 6 October 2023 and abrdn UK High Income Equity Fund on 27 October 2023.

# Financial Statements

## Continued

### Balance Sheet

As at 31 July 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			533,817		151,366
Current assets:					
Debtors	6	2,058		796	
Cash and bank balances	7	2,000		470	
			4,058		1,266
Total assets			537,875		152,632
Liabilities:					
Creditors	8	(1,453)		(312)	
Distribution payable		(3,240)		(1,615)	
			(4,693)		(1,927)
Total liabilities			(4,693)		(1,927)
Net assets attributable to shareholders			533,182		150,705

# Notes to the Financial Statements

## 1 Net Capital Gains/(Losses)

	2024 £'000	2023 £'000
Non-derivative securities	52,216	(1,692)
Derivative contracts	(10)	44
Other (losses)/gains	(25)	24
Transaction charges	(9)	(6)
<b>Net capital gains/(losses)</b>	<b>52,172</b>	<b>(1,630)</b>

## 2 Revenue

	2024 £'000	2023 £'000
Bank and margin interest	259	12
Derivative revenue	640	284
Overseas dividends	3,754	1,126
Stocklending revenue	6	-
UK dividends	11,901	5,214
UK REIT	173	144
<b>Total revenue</b>	<b>16,733</b>	<b>6,780</b>

## 3 Expenses

	2024 £'000	2023 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	3,652	1,597
Dealing charge	12	-
General administration charge	348	128
	4,012	1,725
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	21	7
	21	7
<b>Total expenses</b>	<b>4,033</b>	<b>1,732</b>

Irrecoverable VAT is included in the above expenses, where applicable.  
The audit fee for the year, including VAT, was £9,900 (2023: £9,120).

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2024 £'000	2023 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	71	93
<b>Total taxation (note 4b)</b>	<b>71</b>	<b>93</b>

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

The tax assessed for the year is less than (2023: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

<b>Net revenue before taxation</b>	<b>12,697</b>	<b>5,047</b>
Corporation tax at 20% (2023: 20%)	2,539	1,009
Effects of:		
Revenue not subject to taxation	(3,131)	(1,268)
Overseas taxes	71	93
Excess allowable expenses	592	259
<b>Total tax charge for year (note 4a)</b>	<b>71</b>	<b>93</b>

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

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

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £19,387,000 (2023: £18,795,000) 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)

	2024 £'000	2023 £'000
Interim distribution	6,735	2,819
Final distribution	11,989	3,461
	18,724	6,280
Add: Income deducted on cancellation of shares	893	434
Deduct: Income received on issue of shares	(3,190)	(121)
<b>Total distributions for the year</b>	<b>16,427</b>	<b>6,593</b>

# Notes to the Financial Statements

## Continued

	2024 £'000	2023 £'000
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	12,626	4,954
Expenses charged to capital	4,012	1,725
Tax relief on expenses charged to capital	(211)	(86)
<b>Total distributions for the year</b>	<b>16,427</b>	<b>6,593</b>

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

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

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

## 6 Debtors

	2024 £'000	2023 £'000
Accrued revenue	970	460
Amounts receivable from the ACD for the issue of shares	17	-
Amounts receivable from merger	43	-
Overseas withholding tax recoverable	663	336
Sales awaiting settlement	365	-
<b>Total debtors</b>	<b>2,058</b>	<b>796</b>

## 7 Liquidity

	2024 £'000	2023 £'000
<b>Cash and bank balances</b>		
Cash at bank	2,000	470
	<b>2,000</b>	<b>470</b>
abrdn Liquidity Fund (Lux) – Sterling Fund Z1 Inc*	4,144	5
<b>Net liquidity</b>	<b>6,144</b>	<b>475</b>

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



# Notes to the Financial Statements

## Continued

### 8 Creditors

	2024 £'000	2023 £'000
Accrued expenses payable to ACD	405	138
Accrued expenses payable to the Depositary or associates of the Depositary	3	1
Amounts payable to the ACD for cancellation of shares	1,045	181
Purchases awaiting settlement	-	(8)
<b>Total creditors</b>	<b>1,453</b>	<b>312</b>

### 9 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 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	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Trades in the year</b>				
Equities	75,060	21,909	107,167	38,433
Inspecie transactions	356,181	-	-	-
Corporate actions	2,508	-	867	-
<b>Trades in the year before transaction costs</b>	<b>433,749</b>	<b>21,909</b>	<b>108,034</b>	<b>38,433</b>
<b>Commissions</b>				
Equities	41	12	(52)	(25)
<b>Total commissions</b>	<b>41</b>	<b>12</b>	<b>(52)</b>	<b>(25)</b>
<b>Taxes</b>				
Equities	287	78	-	-
<b>Total taxes</b>	<b>287</b>	<b>78</b>	<b>-</b>	<b>-</b>
<b>Total transaction costs</b>	<b>328</b>	<b>90</b>	<b>(52)</b>	<b>(25)</b>
<b>Total net trades in the year after transaction costs</b>	<b>434,077</b>	<b>21,999</b>	<b>107,982</b>	<b>38,408</b>

# Notes to the Financial Statements

## Continued

	Purchases		Sales	
	2024 %	2023 %	2024 %	2023 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.05	0.05	0.05	0.06
<b>Taxes</b>				
Equities	0.38	0.36	-	-
			2024 %	2023 %
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Commissions			0.02	0.02
Taxes			0.07	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 0.11% (2023: 0.10%), this is representative of the average spread on the assets held during the year.

## 11 Shares in Issue Reconciliation

	Opening shares 2023	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2024
A Accumulation	3,275,045	4,734,301	(769,922)	(77,837)	7,161,587
A Income	12,798,429	3,600,007	(1,788,971)	(101,816)	14,507,649
I Accumulation	1,999,604	8,540,023	(1,531,470)	66,419	9,074,576
I Income	3,831,329	1,396,102	(840,074)	96,272	4,483,629
K Accumulation	-	77,069,916	(8,385,987)	92,643	68,776,572
K Income	60,367	39,140,754	(5,003,787)	(57,990)	34,139,344
M Accumulation	18,830	15,034,760	(2,251,855)	(35,897)	12,765,838
M Income	35,742	13,333,953	(1,728,740)	34,812	11,675,767
P Accumulation	-	6,843,560	(1,005,972)	-	5,837,588
Z Income	5,245,173	-	(5,244,173)	-	1,000
ZA income	-	19,085,204	(1,595,822)	-	17,489,382
ZC Accumulation	-	102,373	(1,247)	-	101,126

# 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).

	2024 £'000	2024 £'000	2024 £'000	2023 £'000	2023 £'000	2023 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	529,673	-	-	151,361	-	-
Collective Investment Schemes	-	4,144	-	-	5	-
<b>Total investment assets</b>	<b>529,673</b>	<b>4,144</b>	<b>-</b>	<b>151,361</b>	<b>5</b>	<b>-</b>

### 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 2024 £'000	Net foreign currency exposure 2023 £'000
<b>Currency</b>		
Danish Krone	4,105	2,422
Euro	53,871	9,962
Norwegian Krone	5,480	1,291
Singapore Dollar	13,231	3,204
Swedish Krona	8,455	2,302
Swiss Franc	3,926	4,955
Taiwan Dollar	3,582	1,134
US Dollar	12,298	1,920
<b>Total</b>	<b>104,948</b>	<b>27,190</b>

At 31 July 2024, 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 £5,247,000 (2023: £1,360,000).

# 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 2024, 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 £26,691,000 (2023: £7,568,000).

### Financial derivatives instrument risk

The fund had no exposure to derivatives as at 31 July 2024 (2023: £Nil).

### Bilateral agreements

The fund receives 85% of the revenue returns from stock lending. The gross earnings for the year are £7,000 (2023: £Nil) and expenses paid to the lending agent, Citibank, are £1,000 (2023: £Nil).

### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2024 £4,693,000 (2023: £1,927,000).

# Distribution Tables

For the year ended 31 July 2024 (in pence per share)

## Interim dividend distribution

Group 1 – shares purchased prior to 1 August 2023

Group 2 – shares purchased between 1 August 2023 and 31 January 2024

	Revenue	Equalisation	Distribution paid 30/04/24	Distribution paid 28/04/23
<b>A Accumulation</b>				
Group 1	21.5083	-	21.5083	25.0278
Group 2	6.3996	15.1087	21.5083	25.0278
<b>A Income</b>				
Group 1	5.4097	-	5.4097	6.5543
Group 2	1.5929	3.8168	5.4097	6.5543
<b>I Accumulation</b>				
Group 1	24.2090	-	24.2090	28.0453
Group 2	7.2170	16.9920	24.2090	28.0453
<b>I Income</b>				
Group 1	6.1240	-	6.1240	7.3868
Group 2	1.7996	4.3244	6.1240	7.3868
<b>K Accumulation</b>				
Group 1	0.7688	-	0.7688	-
Group 2	0.6744	0.0944	0.7688	-
<b>K Income</b>				
Group 1	1.7078	-	1.7078	2.0586
Group 2	0.7829	0.9249	1.7078	2.0586
<b>M Accumulation</b>				
Group 1	1.9307	-	1.9307	2.2370
Group 2	0.5739	1.3568	1.9307	2.2370
<b>M Income</b>				
Group 1	1.6204	-	1.6204	1.9552
Group 2	0.4814	1.1390	1.6204	1.9552
<b>P Accumulation</b>				
Group 1	1.5073	-	1.5073	-
Group 2	0.5770	0.9303	1.5073	-
<b>Z Income</b>				
Group 1	2.3480	-	2.3480	2.0217
Group 2	2.3480	-	2.3480	2.0217

# Distribution Tables

For the year ended 31 July 2024 (in pence per share) continued

	Revenue	Equalisation	Distribution paid 30/04/24	Distribution paid 28/04/23
<b>ZA income</b>				
Group 1	0.2649	-	0.2649	-
Group 2	0.0042	0.2607	0.2649	-
<b>ZC Accumulation</b>				
Group 1	0.8181	-	0.8181	-
Group 2	0.5048	0.3133	0.8181	-

# Distribution Tables

For the year ended 31 July 2024 (in pence per share) continued

## Final dividend distribution

Group 1 – shares purchased prior to 1 February 2024

Group 2 – shares purchased between 1 February 2024 and 31 July 2024

	Revenue	Equalisation	Distribution paid 31/10/24	Distribution paid 31/10/23
<b>A Accumulation</b>				
Group 1	35.4878	-	35.4878	33.4132
Group 2	17.0552	18.4326	35.4878	33.4132
<b>A Income</b>				
Group 1	8.7953	-	8.7953	8.5988
Group 2	3.0534	5.7419	8.7953	8.5988
<b>I Accumulation</b>				
Group 1	40.0375	-	40.0375	37.5287
Group 2	27.8957	12.1418	40.0375	37.5287
<b>I Income</b>				
Group 1	9.9810	-	9.9810	9.7131
Group 2	4.3137	5.6673	9.9810	9.7131
<b>K Accumulation</b>				
Group 1	2.4307	-	2.4307	-
Group 2	1.0044	1.4263	2.4307	-
<b>K Income</b>				
Group 1	2.7865	-	2.7865	2.7067
Group 2	1.1448	1.6417	2.7865	2.7067
<b>M Accumulation</b>				
Group 1	3.1929	-	3.1929	2.9935
Group 2	1.1195	2.0734	3.1929	2.9935
<b>M Income</b>				
Group 1	2.6400	-	2.6400	2.5702
Group 2	1.0936	1.5464	2.6400	2.5702
<b>P Accumulation</b>				
Group 1	8.3884	-	8.3884	-
Group 2	3.8894	4.4990	8.3884	-
<b>Z Income</b>				
Group 1	2.2450	-	2.2450	2.6679
Group 2	2.2450	-	2.2450	2.6679

# Distribution Tables

For the year ended 31 July 2024 (in pence per share) continued

	Revenue	Equalisation	Distribution paid 31/10/24	Distribution paid 31/10/23
<b>ZA income</b>				
Group 1	1.4694	-	1.4694	-
Group 2	0.0475	1.4219	1.4694	-
<b>ZC Accumulation</b>				
Group 1	4.5580	-	4.5580	-
Group 2	2.4387	2.1193	4.5580	-

## 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 2024

## 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 2024, the value of abrdn UK Mid-Cap Equity Fund – I Accumulation Shares increased by 11.48% compared with an increase of 18.47% in the performance comparator, the FTSE 250 (ex Investment Trusts) Index.

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

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

# abrdn UK Mid-Cap Equity Fund

## Continued

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

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

### Market Review

UK stocks made strong gains in the period thanks to continued falls in the rate of inflation and data that broadly indicated a more positive outlook for the British economy. The Bank of England (BoE) ended its long series of interest rate increases in September 2023 and the inflation rate fell back to its long-term 2% target. Anticipation of the first BoE rate cut in four years provided a boost, especially to more domestically focused small and mid-cap companies. However, some geopolitical tensions still weighed on investor confidence, with the conflicts in the Middle East and Ukraine threatening to escalate while US-China relations deteriorated further.

Earlier in the period, investors were focused on concerns about the impact of the rate hikes on the UK economy but official statistics later showed that the UK economy returned to growth in the first quarter of 2024 following a shallow recession in the final two quarters of 2023. A general election late in the period produced a clear outcome with the Labour Party gaining a substantial majority. Early announcements from the new government supported a more upbeat view of the UK's domestic prospects.

Financial stocks saw some of the biggest gains in the period, helped by the recovery in the economy, along with those in the aerospace, defence and software sectors. Small and mid-cap stocks were supported by an increased level of takeover activity.

### Portfolio Activity and Review

Looking at individual holdings, Hollywood Bowl Group made the largest positive contribution to performance after the company reported that it was trading ahead of expectations, with an acceleration in like-for-like sales growth. Shares in infrastructure manufacturer Hill & Smith also advanced thanks to a strong interim trading report which highlighted momentum in the company's US operations and led to earnings upgrades. Diploma made gains after the firm delivered another strong update that showed sustained momentum as recent diversification drives led to growth and resilience.

Online financial services platform AJ Bell was given a boost by results which showed strong momentum and positive asset growth. The firm's progress has been helped by robust flows and more favourable market returns. A trading statement from Hilton Food Group impressed the market and lifted its shares. The company is back on track to generate sustainable growth and some of the firm's new customer wins are particularly interesting given their potential to underpin long-term expansion.

Conversely, CVS Group emerged as the biggest detractor overall in the period following news that the Competition and Markets Authority had launched a review of the UK's veterinary services sector. Big Technologies also dropped back due to weak growth rates and a lack of recent contract activity. YouGov's shares declined following weak results and investor concerns on product positioning and the competitive environment.

Auction Technology Group also weighed on relative performance after the company reported a negative impact from pricing changes in one part of the business. However, these changes have now been reversed and the firm is making strong progress overall, most notably in areas such as value-added services and take rates.

In terms of additional activity, we established a number of new positions, including in Clarkson, a global leader in ship broking that is seeing demand rise as international trade recovers fully from the pandemic, as well as market share gains from its broad offering of services. We also added Irish housebuilder Cairn Homes as the outlook for the firm's sales volumes is strong, with demand supported by the government. The IPO by Raspberry Pi provided an opportunity to invest in the fast-growing, high-quality and competitively positioned business that has the potential to be a positive addition to the UK market. Chemring Group was a further addition as the company's earnings visibility has improved in recent months, while a number of important contract wins have also added to the firm's momentum.

In other moves, shares were purchased in automated vending machine operator ME Group, as we were attracted by the potential for further expansion in existing geographies and new territories; in real estate agent Savills, as previous headwinds, such as the slowdown in the capital markets and softer leasing activity, should abate and lead to material profit growth over the next two years; and finally in XPS Pensions Group given regulatory developments across the UK pensions services segment should provide a supportive environment for market growth.

# abrdn UK Mid-Cap Equity Fund

## Continued

On the other hand, we exited the fund's holding in Spirent Communications following its takeover bid, and sold out of Impax Asset Management Group, Safestore and Serica Energy after the firms performed poorly on our screening tool. We also divested the holding in Pets at Home Group as we prefer other UK consumer names, along with our positions in JD Sports Fashion and Kainos Group.

Other sales included video game developer Keywords Studios after the EQT bid and consultancy services group Alpha Financial Markets following a private-equity takeover bid.

## Portfolio Outlook and Strategy

We expect interest rates to continue to fall, and history would suggest this is likely to be positive for the market overall and Mid relative to Large cap. Elections in the UK and elsewhere may act as a short-term overhang, but positive outcomes could ultimately drive asset values higher. The new Labour government has highlighted the need to stimulate the UK economy, and we have long supported regulatory changes that could provide fresh impetus to domestic financial markets.

The frequency and premium levels of bids for UK-listed assets provide further evidence of the value inherent in Britain. While there will always be examples of shareholders feeling premiums should be higher, increased acquisition activity is helping to drive overall awareness of the potential for returns. To combat this market shrinkage, we have also seen the IPO market open up again, with the Raspberry Pi listing being heavily oversubscribed. It has been particularly encouraging to see such a high-quality and unique asset choosing to list in its domestic market. Companies continue to trade well, and stock specifics and company fundamentals broadly drive UK markets. Earnings momentum and quality are both a focus for investors at the moment.

**DM Smaller Companies Equity Team**

August 2024

# 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 2024.

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

- Equity Risk – 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.
- Smaller and Mid Cap Risk – The shares of small and mid-cap companies may be less liquid and more volatile than those of larger companies.
- Concentration Risk – A concentrated portfolio (whether by number of holdings, geographic location or sector) may be more volatile and less liquid than a diversified one.
- Derivatives Risk – The use of derivatives may involve additional liquidity, credit and counterparty risks. In some cases the risk of loss from derivatives may be increased where a small change in the value of the underlying investment may have a larger impact on the value of the derivative.

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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	220.18	249.75	354.21
Return before operating charges*	27.95	(26.65)	(100.50)
Operating charges	(2.81)	(2.93)	(3.96)
Return after operating charges*	25.14	(29.58)	(104.46)
Distributions	(3.76)	(3.16)	(1.68)
Retained distributions on accumulation shares	3.76	3.16	1.68
Closing net asset value per share	245.32	220.17	249.75
* after direct transaction costs of:	0.41	0.24	0.67
<b>Performance</b>			
Return after charges	11.42%	(11.84%)	(29.49%)
<b>Other information</b>			
Closing net asset value (£'000)	24,390	26,144	17,881
Closing number of shares	9,942,360	11,874,286	7,159,276
Operating charges	1.29%	1.29%	1.29%
Direct transaction costs	0.19%	0.10%	0.22%
<b>Prices</b>			
Highest share price	244.9	252.6	377.9
Lowest share price	191.0	201.3	224.6

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

A Income	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	180.22	207.35	296.04
Return before operating charges*	22.76	(22.09)	(83.98)
Operating charges	(2.30)	(2.43)	(3.31)
Return after operating charges*	20.46	(24.52)	(87.29)
Distributions	(3.07)	(2.62)	(1.40)
Closing net asset value per share	197.61	180.21	207.35
* after direct transaction costs of:	0.34	0.20	0.56
<b>Performance</b>			
Return after charges	11.35%	(11.83%)	(29.49%)
<b>Other information</b>			
Closing net asset value (£'000)	2,451	2,545	3,373
Closing number of shares	1,240,331	1,412,448	1,626,869
Operating charges	1.29%	1.29%	1.29%
Direct transaction costs	0.19%	0.10%	0.22%
<b>Prices</b>			
Highest share price	199.3	209.7	315.8
Lowest share price	156.3	167.1	187.7

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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	183.70	207.44	292.87
Return before operating charges*	23.41	(22.16)	(83.30)
Operating charges	(1.52)	(1.59)	(2.13)
Return after operating charges*	21.89	(23.75)	(85.43)
Distributions	(3.97)	(3.49)	(2.54)
Retained distributions on accumulation shares	3.97	3.49	2.54
Closing net asset value per share	205.59	183.69	207.44
* after direct transaction costs of:	0.34	0.20	0.55
<b>Performance</b>			
Return after charges	11.92%	(11.45%)	(29.17%)
<b>Other information</b>			
Closing net asset value (£'000)	39,369	70,162	91,240
Closing number of shares	19,149,734	38,195,188	43,984,635
Operating charges	0.84%	0.84%	0.84%
Direct transaction costs	0.19%	0.10%	0.22%
<b>Prices</b>			
Highest share price	205.2	209.8	312.6
Lowest share price	159.5	167.3	186.5

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

	2024	2023	2022
I Income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	156.60	180.18	257.37
Return before operating charges*	19.82	(19.19)	(73.19)
Operating charges	(1.29)	(1.37)	(1.78)
Return after operating charges*	18.53	(20.56)	(74.97)
Distributions	(3.37)	(3.02)	(2.22)
Closing net asset value per share	171.76	156.60	180.18
* after direct transaction costs of:	0.29	0.17	0.46
<b>Performance</b>			
Return after charges	11.83%	(11.41%)	(29.13%)
<b>Other information</b>			
Closing net asset value (£'000)	8,073	17,174	22,317
Closing number of shares	4,699,979	10,966,996	12,386,233
Operating charges	0.84%	0.84%	0.84%
Direct transaction costs	0.19%	0.10%	0.22%
<b>Prices</b>			
Highest share price	173.6	182.2	274.7
Lowest share price	136.0	145.3	163.4

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

K Accumulation	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	131.26	148.10	208.93
Return before operating charges*	16.65	(15.82)	(59.51)
Operating charges	(0.84)	(1.03)	(1.32)
Return after operating charges*	15.81	(16.85)	(60.83)
Distributions	(2.99)	(2.59)	(1.95)
Retained distributions on accumulation shares	2.99	2.59	1.95
Closing net asset value per share	147.07	131.25	148.10
* after direct transaction costs of:	0.25	0.14	0.38
<b>Performance</b>			
Return after charges	12.04%	(11.38%)	(29.12%)
<b>Other information</b>			
Closing net asset value (£'000)	10,740	12,563	49,784
Closing number of shares	7,302,363	9,571,336	33,615,544
Operating charges	0.64%	0.76%	0.76%
Direct transaction costs	0.19%	0.10%	0.22%
<b>Prices</b>			
Highest share price	146.8	149.8	223.0
Lowest share price	114.0	119.5	133.2

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 Income <sup>A</sup>	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	74.99	86.28	100.00 <sup>B</sup>
Return before operating charges*	9.44	(9.19)	(12.87)
Operating charges	(0.48)	(0.60)	(0.22)
Return after operating charges*	8.96	(9.79)	(13.09)
Distributions	(1.70)	(1.50)	(0.63)
Closing net asset value per share	82.25	74.99	86.28
* after direct transaction costs of:	0.14	0.08	0.06
<b>Performance</b>			
Return after charges	11.95%	(11.35%)	(13.09%)
<b>Other information</b>			
Closing net asset value (£'000)	3,816	3,339	1,193
Closing number of shares	4,639,082	4,452,170	1,382,767
Operating charges	0.64%	0.76%	0.76%
Direct transaction costs	0.19%	0.10%	0.22%
<b>Prices</b>			
Highest share price	83.19	87.27	101.3
Lowest share price	65.13	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.

<sup>A</sup> K Income share class was launched on 30 March 2022.

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

# Comparative Tables

## Continued

M Accumulation	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	103.12	116.50	164.56
Return before operating charges*	13.15	(12.44)	(46.79)
Operating charges	(0.91)	(0.94)	(1.27)
Return after operating charges*	12.24	(13.38)	(48.06)
Distributions	(2.18)	(1.91)	(1.35)
Retained distributions on accumulation shares	2.18	1.91	1.35
Closing net asset value per share	115.36	103.12	116.50
* after direct transaction costs of:	0.19	0.11	0.31
<b>Performance</b>			
Return after charges	11.87%	(11.48%)	(29.21%)
<b>Other information</b>			
Closing net asset value (£'000)	7,307	12,631	25
Closing number of shares	6,333,881	12,248,809	21,454
Operating charges	0.89%	0.89%	0.89%
Direct transaction costs	0.19%	0.10%	0.22%
<b>Prices</b>			
Highest share price	115.2	117.8	175.6
Lowest share price	89.54	93.96	104.8

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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	97.92	112.68	160.95
Return before operating charges*	12.40	(12.02)	(45.68)
Operating charges	(0.86)	(0.90)	(1.24)
Return after operating charges*	11.54	(12.92)	(46.92)
Distributions	(2.06)	(1.84)	(1.35)
Closing net asset value per share	107.40	97.92	112.68
* after direct transaction costs of:	0.18	0.11	0.30
<b>Performance</b>			
Return after charges	11.79%	(11.47%)	(29.15%)
<b>Other information</b>			
Closing net asset value (£'000)	588	1,085	1
Closing number of shares	547,321	1,107,733	885
Operating charges	0.89%	0.89%	0.89%
Direct transaction costs	0.19%	0.10%	0.22%
<b>Prices</b>			
Highest share price	108.5	114.0	171.8
Lowest share price	85.02	90.87	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.

# Comparative Tables

## Continued

P Accumulation <sup>A</sup>	2024 pence per share	2023 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	183.91	195.13 <sup>B</sup>
Return before operating charges*	23.55	(10.91)
Operating charges	(0.71)	(0.32)
Return after operating charges*	22.84	(11.23)
Distributions	(4.81)	(2.59)
Retained distributions on accumulation shares	4.81	2.59
Closing net asset value per share	206.75	183.90
* after direct transaction costs of:	0.35	0.08
<b>Performance</b>		
Return after charges	12.42%	(5.76%)
<b>Other information</b>		
Closing net asset value (£'000)	41,325	44,656
Closing number of shares	19,988,140	24,282,343
Operating charges	0.39%	0.39%
Direct transaction costs	0.19%	0.10%
<b>Prices</b>		
Highest share price	206.4	196.8
Lowest share price	159.9	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.

<sup>A</sup> P Accumulation share class was launched on 24 February 2023.

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

# Comparative Tables

## Continued

Z Accumulation <sup>A</sup>	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	-	313.14	438.80
Return before operating charges*	280.32	(27.71)	(125.33)
Operating charges	-	(0.17)	(0.33)
Return after operating charges*	280.32	(27.88)	(125.66)
Distributions	(3.19)	(2.59)	(6.69)
Retained distributions on accumulation shares	3.19	2.59	6.69
Redemption value as at 6 March 2024	(280.32)	(285.26)	-
Closing net asset value per share	-	-	313.14
* after direct transaction costs of:	0.52	0.30	0.83
<b>Performance</b>			
Return after charges	-	(8.90%)	(28.64%)
<b>Other information</b>			
Closing net asset value (£'000)	-	-	27,445
Closing number of shares	-	-	8,764,376
Operating charges	-	0.09%	0.09%
Direct transaction costs	0.19%	0.11%	0.22%
<b>Prices</b>			
Highest share price	284.2	316.8	468.7
Lowest share price	243.0	253.0	281.4

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

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

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

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

<sup>A</sup> Z Accumulation share class closed on 6 March 2024.

# Comparative Tables

## Continued

ZC Accumulation <sup>A</sup>	2024 pence per share	2023 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	287.23	304.46 <sup>B</sup>
Return before operating charges*	36.83	(17.13)
Operating charges	(0.26)	(0.11)
Return after operating charges*	36.57	(17.24)
Distributions	(8.31)	(4.40)
Retained distributions on accumulation shares	8.31	4.40
Closing net asset value per share	323.80	287.22
* after direct transaction costs of:	0.55	0.13
<b>Performance</b>		
Return after charges	12.73%	(5.66%)
<b>Other information</b>		
Closing net asset value (£'000)	361	326
Closing number of shares	111,400	113,552
Operating charges	0.09%	0.09%
Direct transaction costs	0.19%	0.10%
<b>Prices</b>		
Highest share price	323.3	307.1
Lowest share price	249.9	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.

<sup>A</sup> ZC Accumulation share class was launched on 24 February 2023.

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

# Portfolio Statement

As at 31 July 2024

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (98.82%)</b>		<b>136,524</b>	<b>98.63</b>
<b>UK Equities (98.82%)</b>		<b>136,524</b>	<b>98.63</b>
<b>Basic Materials (2.52%)</b>		<b>6,614</b>	<b>4.78</b>
288,186	Hill & Smith	6,614	4.78
<b>Consumer Discretionary (33.71%)</b>		<b>34,209</b>	<b>24.71</b>
56,464	4imprint	3,444	2.49
2,469,055	Cairn Homes	3,921	2.83
220,230	CVS++	2,506	1.81
171,122	Dunelm	2,108	1.52
26,577	Games Workshop	2,735	1.98
1,197,071	GlobalData++	2,562	1.85
1,279,813	Hollywood Bowl	4,249	3.07
246,003	Howden Joinery	2,312	1.67
295,503	JET2++	4,193	3.03
561,790	ME Group International	1,084	0.78
255,355	Next 15++	2,176	1.57
134,946	WH Smith	1,780	1.29
246,995	YouGov++	1,139	0.82
<b>Consumer Staples (6.12%)</b>		<b>11,671</b>	<b>8.43</b>
114,022	Cranswick	5,427	3.92
77,924	Greggs	2,441	1.76
283,784	Hilton Food	2,648	1.91
642,622	Premier Foods	1,155	0.84
<b>Energy (2.51%)</b>		<b>892</b>	<b>0.64</b>
194,551	Hunting	892	0.64
<b>Financials (13.68%)</b>		<b>27,046</b>	<b>19.54</b>
1,125,197	AJ Bell	5,159	3.73
122,873	Alpha Group International	3,170	2.29



# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
242,974	Intermediate Capital	5,331	3.85
637,715	JTC	6,696	4.84
231,875	Liontrust Asset Management	1,535	1.11
386,173	Paragon Banking	3,103	2.24
637,126	XPS Pensions	2,052	1.48
<b>Health Care (2.42%)</b>		<b>3,402</b>	<b>2.46</b>
105,759	Craneware++	2,422	1.75
53,749	Genus	980	0.71
83,710	NMC Health*	-	-
<b>Industrials (15.02%)</b>		<b>19,504</b>	<b>14.09</b>
375,911	Chemring	1,554	1.12
51,550	Clarkson	2,335	1.69
4,295,448	Coats	3,840	2.77
127,948	Diploma	5,689	4.11
326,274	DiscoverIE	2,206	1.59
346,536	Midwich++	1,202	0.87
740,552	Rotork	2,678	1.94
<b>Real Estate (1.96%)</b>		<b>12,859</b>	<b>9.29</b>
5,382,814	Assura REIT	2,190	1.58
1,983,313	LondonMetric Property REIT	3,990	2.88
118,650	Savills	1,512	1.09
3,920,921	Sirius Real Estate	3,691	2.67
892,336	Tritax Big Box REIT	1,476	1.07
<b>Technology (14.94%)</b>		<b>13,468</b>	<b>9.73</b>
374,050	Auction Technology	1,893	1.37
377,555	Auto Trader	3,079	2.22
636,419	Big Technologies++	862	0.62
432,445	Bytes Technology	2,195	1.59
64,564	Computacenter	1,737	1.26

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
271,577	Raspberry PI	1,026	0.74
88,864	Softcat	1,444	1.04
592,529	Trustpilot	1,232	0.89
<b>Telecommunications (5.94%)</b>		<b>6,859</b>	<b>4.96</b>
282,324	Gamma Communications++	4,190	3.03
140,641	Telecom Plus	2,669	1.93
<b>Collective Investment Schemes (2.13%)</b>		<b>1,832</b>	<b>1.32</b>
1,832	abrdn Liquidity Fund (Lux) – Sterling Fund Z1 Inc+	1,832	1.32
Total investment assets		138,356	99.95
Net other assets		64	0.05
<b>Total Net Assets</b>		<b>138,420</b>	<b>100.00</b>

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

The percentage figures in brackets show the comparative holding as at 31 July 2023.

+ Managed by subsidiaries of abrdn plc.

++ AIM listed.

\* Suspended.

# Financial Statements

## Statement of Total Return

For the year ended 31 July 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
Income:					
Net capital gains/(losses)	1		9,208		(33,206)
Revenue	2	4,364		5,349	
Expenses	3	(1,159)		(1,505)	
Net revenue before taxation		3,205		3,844	
Taxation	4	-		-	
Net revenue after taxation			3,205		3,844
<b>Total return before distributions</b>			<b>12,413</b>		<b>(29,362)</b>
Distributions	5		(3,205)		(3,844)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>9,208</b>		<b>(33,206)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2024

	2024		2023	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>190,625</b>		<b>213,259</b>
Amounts receivable on the issue of shares	3,622		17,416	
Amounts payable on the cancellation of shares	(67,809)		(113,442)	
Amounts receivable on inspecie transfers*	-		103,560	
		(64,187)		7,534
Dilution adjustment		137		167
Change in net assets attributable to shareholders from investment activities (see above)		9,208		(33,206)
Retained distribution on accumulation shares		2,636		2,871
Unclaimed distributions		1		-
<b>Closing net assets attributable to shareholders</b>		<b>138,420</b>		<b>190,625</b>

\*Relating to an inspecie transfer from abrdn UK Opportunities Equity Fund on 24 February 2023.

# Financial Statements

## Continued

### Balance Sheet

As at 31 July 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			138,356		192,445
<b>Current assets:</b>					
Debtors	6	764		1,059	
Cash and bank balances	7	337		512	
			1,101		1,571
<b>Total assets</b>			<b>139,457</b>		<b>194,016</b>
<b>Liabilities:</b>					
Creditors	8	(855)		(3,064)	
Distribution payable		(182)		(327)	
			(1,037)		(3,391)
<b>Total liabilities</b>			<b>(1,037)</b>		<b>(3,391)</b>
<b>Net assets attributable to shareholders</b>			<b>138,420</b>		<b>190,625</b>

# Notes to the Financial Statements

## 1 Net Capital Gains/(Losses)

	2024 £'000	2023 £'000
Non-derivative securities	9,219	(33,199)
Other (losses)/gains	-	1
Transaction charges	(11)	(8)
<b>Net capital gains/(losses)</b>	<b>9,208</b>	<b>(33,206)</b>

## 2 Revenue

	2024 £'000	2023 £'000
Bank and margin interest	149	170
Overseas dividends	1	-
UK dividends	4,053	5,123
UK REIT	161	56
<b>Total revenue</b>	<b>4,364</b>	<b>5,349</b>

## 3 Expenses

	2024 £'000	2023 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	1,032	1,343
Dealing charge	4	3
General administration charge	119	154
	1,155	1,500
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	4	5
	4	5
<b>Total expenses</b>	<b>1,159</b>	<b>1,505</b>

Irrecoverable VAT is included in the above expenses, where applicable.  
The audit fee for the year, including VAT, was £9,900 (2023: £9,120).

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2024 £'000	2023 £'000
<b>(a) Analysis of charge in year</b>		
Total taxation (note 4b)	-	-

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

The tax assessed for the year is less than (2023: 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	3,205	3,844
Corporation tax at 20% (2023: 20%)	641	769
Effects of:		
Revenue not subject to taxation	(811)	(1,025)
Excess allowable expenses	170	256
<b>Total tax charge for year (note 4a)</b>	<b>-</b>	<b>-</b>

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

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

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £6,385,000 (2023: £6,215,000) 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

	2024 £'000	2023 £'000
Interim distribution	1,192	778
Final distribution	1,735	2,549
	2,927	3,327
Add: Income deducted on cancellation of shares	293	656
Deduct: Income received on issue of shares	(15)	(139)
<b>Total distributions for the year</b>	<b>3,205</b>	<b>3,844</b>

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

# Notes to the Financial Statements

## Continued

### 6 Debtors

	2024 £'000	2023 £'000
Accrued revenue	481	848
Amounts receivable from the ACD for the issue of shares	2	54
Amounts receivable from merger	-	66
Sales awaiting settlement	281	91
<b>Total debtors</b>	<b>764</b>	<b>1,059</b>

### 7 Liquidity

	2024 £'000	2023 £'000
<b>Cash and bank balances</b>		
Cash at bank	337	512
	<b>337</b>	<b>512</b>
abrdn Liquidity Fund (Lux) – Sterling Fund Z1 Inc*	1,832	4,070
<b>Net liquidity</b>	<b>2,169</b>	<b>4,582</b>

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

### 8 Creditors

	2024 £'000	2023 £'000
Accrued expenses payable to ACD	88	135
Accrued expenses payable to the Depositary or associates of the Depositary	1	1
Amounts payable to the ACD for cancellation of shares	389	2,928
Purchases awaiting settlement	377	-
<b>Total creditors</b>	<b>855</b>	<b>3,064</b>

### 9 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 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.

# Notes to the Financial Statements

## Continued

### 10 Portfolio Transaction Costs

	Purchases		Sales	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
<b>Trades in the year</b>				
Equities	42,191	142,477	103,534	125,680
<b>Trades in the year before transaction costs</b>	<b>42,191</b>	<b>142,477</b>	<b>103,534</b>	<b>125,680</b>
<b>Commissions</b>				
Equities	23	17	(55)	(66)
<b>Total commissions</b>	<b>23</b>	<b>17</b>	<b>(55)</b>	<b>(66)</b>
<b>Taxes</b>				
Equities	204	117	(1)	(1)
<b>Total taxes</b>	<b>204</b>	<b>117</b>	<b>(1)</b>	<b>(1)</b>
<b>Total transaction costs</b>	<b>227</b>	<b>134</b>	<b>(56)</b>	<b>(67)</b>
<b>Total net trades in the year after transaction costs</b>	<b>42,418</b>	<b>142,611</b>	<b>103,478</b>	<b>125,613</b>
	Purchases		Sales	
	2024	2023	2024	2023
	%	%	%	%
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.05	0.01	0.05	0.05
<b>Taxes</b>				
Equities	0.48	0.08	-	-
			2024	2023
			%	%
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Commissions			0.05	0.04
Taxes			0.14	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 0.37% (2023: 0.73%), 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 2023	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2024
A Accumulation	11,874,286	120,167	(1,828,329)	(223,764)	9,942,360
A Income	1,412,448	11,031	(136,763)	(46,385)	1,240,331
I Accumulation	38,195,188	513,191	(19,963,720)	405,075	19,149,734
I Income	10,966,996	402,895	(6,731,604)	61,692	4,699,979
K Accumulation	9,571,336	269,171	(2,534,296)	(3,848)	7,302,363
K Income	4,452,170	619,717	(432,805)	-	4,639,082
M Accumulation	12,248,809	129,009	(5,803,917)	(240,020)	6,333,881
M Income	1,107,733	148,436	(695,533)	(13,315)	547,321
P Accumulation	24,282,343	398,833	(4,693,036)	-	19,988,140
Z Accumulation	-	1,896	(1,896)	-	-
ZC Accumulation	113,552	435	(2,587)	-	111,400

### 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).

	2024 £'000	2024 £'000	2024 £'000	2023 £'000	2023 £'000	2023 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	136,524	-	-	188,375	-	-
Collective Investment Schemes	-	1,832	-	-	4,070	-
<b>Total investment assets</b>	<b>136,524</b>	<b>1,832</b>	<b>-</b>	<b>188,375</b>	<b>4,070</b>	<b>-</b>

### 13 Risk Management Policies and Disclosures

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

#### Foreign currency risk

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

#### Interest rate risk

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

# Notes to the Financial Statements

## Continued

### **Other price risk**

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

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

As at 31 July 2024, 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 £6,918,000 (2023: £9,622,000).

### **Financial derivatives instrument risk**

The fund had no exposure to derivatives as at 31 July 2024 (2023: £Nil).

### **Liquidity risk**

All of the fund's financial liabilities are payable on demand or in less than one year, 2024 £1,037,000 (2023: £3,391,000).

# Distribution Tables

For the year ended 31 July 2024 (in pence per share)

## Interim dividend distribution

Group 1 – shares purchased prior to 1 August 2023

Group 2 – shares purchased between 1 August 2023 and 31 January 2024

	Revenue	Equalisation	Distribution paid 30/04/24	Distribution paid 28/04/23
<b>A Accumulation</b>				
Group 1	1.2680	-	1.2680	0.6810
Group 2	0.6908	0.5772	1.2680	0.6810
<b>A Income</b>				
Group 1	1.0380	-	1.0380	0.5656
Group 2	0.6278	0.4102	1.0380	0.5656
<b>I Accumulation</b>				
Group 1	1.4554	-	1.4554	0.9974
Group 2	0.8528	0.6026	1.4554	0.9974
<b>I Income</b>				
Group 1	1.2407	-	1.2407	0.8663
Group 2	0.9215	0.3192	1.2407	0.8663
<b>K Accumulation</b>				
Group 1	1.0870	-	1.0870	0.7635
Group 2	0.8699	0.2171	1.0870	0.7635
<b>K Income</b>				
Group 1	0.6212	-	0.6212	0.4447
Group 2	0.3981	0.2231	0.6212	0.4447
<b>M Accumulation</b>				
Group 1	0.7923	-	0.7923	0.5346
Group 2	0.5433	0.2490	0.7923	0.5346
<b>M Income</b>				
Group 1	0.7524	-	0.7524	0.5207
Group 2	0.1961	0.5563	0.7524	0.5207
<b>P Accumulation</b>				
Group 1	1.8559	-	1.8559	-
Group 2	0.8419	1.0140	1.8559	-
<b>Z Accumulation</b>				
Group 1	3.1931	-	3.1931	2.5945
Group 2	1.2511	1.9420	3.1931	2.5945
<b>ZC Accumulation</b>				
Group 1	3.3123	-	3.3123	-
Group 2	1.9638	1.3485	3.3123	-

# Distribution Tables

For the year ended 31 July 2024 (in pence per share) continued

## Final dividend distribution

Group 1 – shares purchased prior to 1 February 2024

Group 2 – shares purchased between 1 February 2024 and 31 July 2024

	Revenue	Equalisation	Distribution paid 31/10/24	Distribution paid 31/10/23
<b>A Accumulation</b>				
Group 1	2.4941	-	2.4941	2.4797
Group 2	1.6333	0.8608	2.4941	2.4797
<b>A Income</b>				
Group 1	2.0302	-	2.0302	2.0527
Group 2	1.6527	0.3775	2.0302	2.0527
<b>I Accumulation</b>				
Group 1	2.5149	-	2.5149	2.4890
Group 2	1.4917	1.0232	2.5149	2.4890
<b>I Income</b>				
Group 1	2.1270	-	2.1270	2.1512
Group 2	1.4673	0.6597	2.1270	2.1512
<b>K Accumulation</b>				
Group 1	1.9066	-	1.9066	1.8286
Group 2	1.2450	0.6616	1.9066	1.8286
<b>K Income</b>				
Group 1	1.0803	-	1.0803	1.0595
Group 2	0.5590	0.5213	1.0803	1.0595
<b>M Accumulation</b>				
Group 1	1.3845	-	1.3845	1.3718
Group 2	0.7738	0.6107	1.3845	1.3718
<b>M Income</b>				
Group 1	1.3046	-	1.3046	1.3230
Group 2	0.7037	0.6009	1.3046	1.3230
<b>P Accumulation</b>				
Group 1	2.9555	-	2.9555	2.5909
Group 2	1.7102	1.2453	2.9555	2.5909
<b>ZC Accumulation</b>				
Group 1	4.9950	-	4.9950	4.3951
Group 2	3.1090	1.8860	4.9950	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.

# abrdn UK Real Estate Share Fund

For the year ended 31 July 2024

## 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 abrdn), money-market instruments and cash.

### Management Process

- The management team use their discretion (active management) to maintain a concentrated asset mix at sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process 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 2024, the value of the abrdn UK Real Estate Share Fund – Institutional Accumulation Shares increased by 14.59% compared with an increase of 17.44% in the performance target, the FTSE 350 Real Estate Index +3.00%.

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

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

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

## Market Review

The listed real estate market sharply outperformed the direct real estate market over the 12 months to July 2024. The total return of the listed real estate market (as measured by the fund's benchmark, the FTSE 350 Real Estate Index) was 14.4%, whereas the direct market (as measured by the MSCI UK Monthly Index) returned 1.4%, within which a 5.9% income return compensated for a 4.2% decline in capital values.

# abrdn UK Real Estate Share Fund

## Continued

The direct market lagged due to the ongoing effect of higher interest rates, which caused a degree of illiquidity as sellers and buyers struggled to establish new clearing prices. The listed market by contrast fell harder initially and is now outperforming, with much of its strength occurring in October and November 2023 when markets started to gain greater confidence that inflation levels were coming under control.

Interest rates peaked during the period: the Bank of England (BoE) raised its base rate by 25 basis points (bps) to 5.25% in August 2023 before holding it steady. Slowing inflation data, with the July 2024 consumer price index at 2.2%, allowed the BoE to cut rates back to 5.0% in early August 2024.

Results in the period saw most companies report good operational momentum in terms of tenant demand, growth in rents and dividends. Net asset values (NAVs) on average were modestly down, with yield expansion offsetting the benefit of rental growth. However, the majority of companies showed signs of stability and often growth by the end of the period. The stronger performers included self-storage specialists such as Safestore and Big Yellow, and student accommodation providers such as Unite Group and Empiric, each of which benefitted from rising rents and stable or improving yields supporting growth in values. Logistics specialists such as SEGRO, Tritax Big Box and LondonMetric all saw declines early in the period but again showed signs of improvement by the end, with rising rents and yields stabilising. The laggards were office-exposed landlords where rental growth remained modest and yields continued to soften, resulting in lower values.

In corporate activity, several of the fund's holdings announced equity raises. Big Yellow raised £108 million in October primarily to fund new self-storage developments; Sirius Real Estate raised a combined £298 million across two raises to buy high-yielding existing properties, largely in the UK; and SEGRO did the largest raise in the sector to date, a £907 million raise in February for a mix of de-gearing and development firepower purposes. At the end of the period, office landlord GPE did a £350 million rights issue, as it seeks to repeat what it did in 2009 by raising money to deploy at cyclically attractive pricing, and Unite Group raised £447 million to finance the development of additional student buildings.

We also witnessed a continued flurry of merger activity. LondonMetric (a top holding in the fund) and LXi REIT merged to create a diversified 'long income' real estate investment trust (REIT). Industrial specialists Tritax Big Box and UK Commercial Property REIT also merged, as did Lok'nStore and Shurgard. We welcome in-sector mergers

of this nature, as they typically unlock scale benefits, such as lower combined costs and increased liquidity. Despite a bidding war for abrdn Property Income, the board decided to pursue a liquidation of the company. Logistics specialist Tritax Eurobox received an indication of a takeover offer from Brookfield, and retail landlord Capital & Regional received an indication of interest from NewRiver REIT.

## Portfolio Activity and Review

Fund performance was modestly ahead of the benchmark's return over the period but behind our performance target (which is calculated as the benchmark's return plus 3.00%).

The fund's modest allocation to overseas listed securities was positive, with strong performances from both logistics holdings CTP NV and Catena and an improved performance by German residential landlord LEG Immobilien as interest rates eased.

Exposure to attractive real-estate-backed alternatives in the UK, primarily housebuilders and hotel stocks, also aided modestly. Housebuilder Bellway performed well, helped by evidence that house prices have performed better than expected and in anticipation of better volumes to come as interest rates ease. Pub and hotel landlord Fuller Smith & Turner also performed well as volumes and profits rebounded in its historic core of city centre pubs in London. However, the position in Premier Inn landlord Whitbread detracted. It was previously a very strong contributor to performance, but its shares lagged on concerns that prior pricing and occupancy growth post-Covid is normalising to lower levels.

Stock picking within the UK REIT sector was a modest negative. The standout winner was a large position in self-storage developer Lok'nStore, acquired by Shurgard at a healthy share price and NAV premium. Other strong performers included mid-cap positions such as estate agent Savills and business park landlord Sirius Real Estate. These gains were, however, offset by share price weakness for high-yielding and defensive GP landlord pair Assura and Primary Health Properties (where we are overweight) due to investor concern that interest rates are not falling as fast as hoped. SEGRO also detracted; it is a large position in the fund but its even larger position in the benchmark (over 20%) means that it detracts from relative performance when it does well, as was the case this year helped by its well-received equity raise in February.

In portfolio activity, we exited Workspace Group and Lok'nStore, both on strength. Workspace rallied strongly, as its discount to NAV narrowed, supported by evidence of

# abrdn UK Real Estate Share Fund

## Continued

strong lettings momentum and rental growth. This left the valuation looking less appealing than the alternatives. We sold Lok'nStore following its recommended takeover offer at an attractive price from Shurgard Self-Storage. We also trimmed the position in Bellway on strength after its share price rallied, largely on better macroeconomic data.

With the proceeds from the above, we introduced one new position in the period in Shurgard Self-Storage; it is a name we know well, having held it for many years before using it to fund our purchase of Lok'nStore. With Shurgard shares lagging sharply on its acquisition of Lok'nStore, we took the opportunity to buy it back. This helps to retain our overweight to self-storage, a sector where we see very attractive potential returns in the long term. We also supported equity raises by Unite Group and Sirius Real Estate, which are now two of the fund's largest positions. Lastly, we responded to share price weakness by building the position in GP landlord Primary Healthcare. As mentioned above, we are overweight to the two listed GP landlords in the UK, with Primary Health and Assura both offering very attractive dividend yields and the potential for significant share re-rating on our expectation that interest rates continue to ease.

Fund positioning remains cautious on both offices and retail (except food retail) and overweight more attractive niches such as residential, self-storage, towers and budget hotels. We remain positively disposed towards the outlook for industrial and logistics players but very slightly underweight due to the sector's large size in the benchmark, in particular the size of SEGRO.

## Portfolio Outlook and Strategy

The 25% decline in UK commercial property values (as per the MSCI UK Monthly to July 2024) is not far off the 27% downturn witnessed in the early 1990s recession. Such a sharp contraction is unusual on the basis that, in contrast to prior downturns, the backdrop is one of not only positive but improving rental growth, reflecting a shortage of supply for several key segments.

Inflation is moderating both at home and globally and we have now seen the first rate cuts by central banks including the BoE, European Central Bank and Swiss National Bank. The abrdn forecast is for further cuts this year. Given the scale of value declines so far and positive rental momentum for most segments of the market, we anticipate that we are now at the trough of the cycle for direct commercial property values, with growth to resume later this year.

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.

**DM Income & Real Assets Equity Team**

August 2024

# abrdn 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 2024.

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

- Equity Risk – 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.
- Concentration Risk – A concentrated portfolio (whether by number of holdings, geographic location or sector) may be more volatile and less liquid than a diversified one.
- Real Estate Investment Trust (REIT) Risk – Dividend payment policies of the REITs in which the fund invests are not representative of the dividend payment policy of the fund.
- Derivatives Risk – The use of derivatives may involve additional liquidity, credit and counterparty risks. In some cases the risk of loss from derivatives may be increased where a small change in the value of the underlying investment may have a larger impact on the value of the derivative.

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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	128.56	159.73	174.80
Return before operating charges*	20.03	(29.31)	(12.76)
Operating charges	(1.73)	(1.86)	(2.31)
Return after operating charges*	18.30	(31.17)	(15.07)
Distributions	(5.46)	(5.00)	(3.20)
Retained distributions on accumulation shares	5.46	5.00	3.20
Closing net asset value per share	146.86	128.56	159.73
* after direct transaction costs of:	0.04	0.09	0.14
<b>Performance</b>			
Return after charges	14.23%	(19.51%)	(8.62%)
<b>Other information</b>			
Closing net asset value (£'000)	49,298	53,217	79,715
Closing number of shares	33,568,230	41,393,763	49,905,352
Operating charges	1.29%	1.43%	1.36%
Direct transaction costs	0.03%	0.07%	0.08%
<b>Prices</b>			
Highest share price	148.1	161.1	186.3
Lowest share price	113.6	109.8	144.1

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.

Due to new guidance from the Investment Association that came into force from 31 December 2023, the charges for underlying Closed Ended Funds held on the fund have now been excluded from the Operating Charges. This resulted in an decrease of 0.14% in the Ongoing Charges figures disclosed as at 31 July 2024.

# Comparative Tables

## Continued

I Accumulation	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	215.13	270.02	296.04
Return before operating charges*	29.90	(52.75)	(23.40)
Operating charges	(1.87)	(2.14)	(2.62)
Return after operating charges*	28.03	(54.89)	(26.02)
Distributions	(6.68)	(6.29)	(4.99)
Retained distributions on accumulation shares	6.68	6.29	4.99
Closing net asset value per share	243.16	215.13	270.02
* after direct transaction costs of:	0.07	0.16	0.23
<b>Performance</b>			
Return after charges	13.03%	(20.33%)	(8.79%)
<b>Other information</b>			
Closing net asset value (£'000)	143,697	162,245	251,081
Closing number of shares	59,095,216	75,418,676	92,985,502
Operating charges	0.84%	0.98%	0.91%
Direct transaction costs	0.03%	0.07%	0.08%
<b>Prices</b>			
Highest share price	245.5	272.5	316.0
Lowest share price	189.5	185.4	244.2

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# Comparative Tables

## Continued

K Accumulation	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	126.81	159.07	174.28
Return before operating charges*	17.56	(31.09)	(13.81)
Operating charges	(0.98)	(1.17)	(1.40)
Return after operating charges*	16.58	(32.26)	(15.21)
Distributions	(4.01)	(3.78)	(3.04)
Retained distributions on accumulation shares	4.01	3.78	3.04
Closing net asset value per share	143.39	126.81	159.07
* after direct transaction costs of:	0.04	0.09	0.14
<b>Performance</b>			
Return after charges	13.07%	(20.28%)	(8.73%)
<b>Other information</b>			
Closing net asset value (£'000)	5,824	38,520	78,499
Closing number of shares	4,061,753	30,377,260	49,349,692
Operating charges	0.76%	0.91%	0.83%
Direct transaction costs	0.03%	0.07%	0.08%
<b>Prices</b>			
Highest share price	144.8	160.5	186.1
Lowest share price	111.7	109.3	143.8

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.

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# Comparative Tables

## Continued

M Accumulation	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	107.47	134.94	148.00
Return before operating charges*	14.95	(26.35)	(11.72)
Operating charges	(0.99)	(1.12)	(1.34)
Return after operating charges*	13.96	(27.47)	(13.06)
Distributions	(3.29)	(3.10)	(2.42)
Retained distributions on accumulation shares	3.29	3.10	2.42
Closing net asset value per share	121.43	107.47	134.94
* after direct transaction costs of:	0.04	0.08	0.11
<b>Performance</b>			
Return after charges	12.99%	(20.36%)	(8.82%)
<b>Other information</b>			
Closing net asset value (£'000)	135	148	173
Closing number of shares	111,462	137,293	128,339
Operating charges	0.89%	1.03%	0.96%
Direct transaction costs	0.03%	0.07%	0.08%
<b>Prices</b>			
Highest share price	122.6	136.2	158.0
Lowest share price	94.65	92.66	122.0

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.

Due to new guidance from the Investment Association that came into force from 31 December 2023, the charges for underlying Closed Ended Funds held on the fund have now been excluded from the Operating Charges. This resulted in an decrease of 0.14% in the Ongoing Charges figures disclosed as at 31 July 2024.

# Comparative Tables

## Continued

Z Accumulation <sup>A</sup>	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	71.03	88.62	100.00 <sup>B</sup>
Return before operating charges*	9.80	(17.43)	(11.24)
Operating charges	(0.06)	(0.16)	(0.14)
Return after operating charges*	9.74	(17.59)	(11.38)
Distributions	(2.69)	(2.51)	(2.10)
Retained distributions on accumulation shares	2.69	2.51	2.10
Closing net asset value per share	80.77	71.03	88.62
* after direct transaction costs of:	0.02	0.05	0.07
<b>Performance</b>			
Return after charges	13.71%	(19.85%)	(11.38%)
<b>Other information</b>			
Closing net asset value (£'000)	1	2,028	2,659
Closing number of shares	1,000	2,854,329	3,000,498
Operating charges	0.09%	0.23%	0.16%
Direct transaction costs	0.03%	0.07%	0.08%
<b>Prices</b>			
Highest share price	81.52	89.46	103.4
Lowest share price	62.65	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 from the Investment Association that came into force from 31 December 2023, the charges for underlying Closed Ended Funds held on the fund have now been excluded from the Operating Charges. This resulted in an decrease of 0.14% in the Ongoing Charges figures disclosed as at 31 July 2024.

<sup>A</sup> Z Accumulation share class was launched on 13 August 2021.

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

# Portfolio Statement

As at 31 July 2024

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (98.22%)</b>		<b>197,283</b>	<b>99.16</b>
<b>European Equities (16.80%)</b>		<b>37,816</b>	<b>19.01</b>
<b>Germany (9.02%)</b>		<b>19,402</b>	<b>9.75</b>
80,429	LEG Immobilien	5,502	2.76
14,763,000	Sirius Real Estate	13,900	6.99
<b>Luxembourg (0.00%)</b>		<b>4,070</b>	<b>2.05</b>
134,000	Shurgard Self Storage REIT	4,070	2.05
<b>Netherlands (2.57%)</b>		<b>4,395</b>	<b>2.21</b>
323,257	CTP	4,395	2.21
<b>Spain (2.38%)</b>		<b>4,357</b>	<b>2.19</b>
160,700	Cellnex Telecom	4,357	2.19
<b>Sweden (2.83%)</b>		<b>5,592</b>	<b>2.81</b>
141,000	Catena	5,592	2.81
<b>UK Equities (81.42%)</b>		<b>159,467</b>	<b>80.15</b>
<b>Consumer Discretionary (9.35%)</b>		<b>18,385</b>	<b>9.24</b>
270,000	Bellway	7,733	3.89
726,000	Fuller Smith & Turner 'A'	5,300	2.66
184,000	Whitbread	5,352	2.69
<b>Real Estate (72.07%)</b>		<b>141,082</b>	<b>70.91</b>
22,789,000	Assura REIT	9,271	4.66
670,000	Big Yellow REIT	8,094	4.07
188,000	Derwent London REIT	4,317	2.17
2,898,000	Grainger	6,970	3.50
916,800	Great Portland Estates REIT	3,204	1.61

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
7,347,436	LondonMetric Property REIT	14,783	7.43
8,520,000	Primary Health Properties REIT	7,864	3.95
1,115,000	Rightmove	6,422	3.23
1,222,000	Safestore REIT	9,849	4.95
643,000	Savills	8,192	4.12
2,070,000	Segro REIT	18,953	9.53
7,603,500	Supermarket Income REIT	5,649	2.84
9,226,000	Tritax Big Box REIT	15,260	7.67
1,515,000	Unite REIT	14,430	7.25
6,310,000	Urban Logistics REIT	7,824	3.93
<b>Collective Investment Schemes (1.11%)</b>		-	-
Total investment assets		197,283	99.16
Net other assets		1,672	0.84
<b>Total Net Assets</b>		<b>198,955</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities, or are regulated collective investment schemes within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2023.

# Financial Statements

## Statement of Total Return

For the year ended 31 July 2024

	Notes	2024		2023	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains/(losses)	1		18,760		(91,376)
Revenue	2	8,943		12,058	
Expenses	3	(2,029)		(2,773)	
Net revenue before taxation		6,914		9,285	
Taxation	4	(6)		(42)	
Net revenue after taxation			6,908		9,243
<b>Total return before distributions</b>			<b>25,668</b>		<b>(82,133)</b>
Distributions	5		(6,908)		(9,243)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>18,760</b>		<b>(91,376)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2024

	2024		2023	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>256,158</b>		<b>412,127</b>
Amounts receivable on the issue of shares	6,328		12,136	
Amounts payable on the cancellation of shares	(88,689)		(85,395)	
		(82,361)		(73,259)
Change in net assets attributable to shareholders from investment activities (see above)		18,760		(91,376)
Retained distribution on accumulation shares		6,398		8,666
<b>Closing net assets attributable to shareholders</b>		<b>198,955</b>		<b>256,158</b>



# Financial Statements

## Continued

### Balance Sheet

As at 31 July 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			197,283		254,454
<b>Current assets:</b>					
Debtors	6	1,032		1,341	
Cash and bank balances	7	1,736		1,701	
			2,768		3,042
<b>Total assets</b>			<b>200,051</b>		<b>257,496</b>
<b>Liabilities:</b>					
Creditors	8	(1,096)		(1,338)	
			(1,096)		(1,338)
<b>Total liabilities</b>			<b>(1,096)</b>		<b>(1,338)</b>
<b>Net assets attributable to shareholders</b>			<b>198,955</b>		<b>256,158</b>

# Notes to the Financial Statements

## 1 Net Capital Gains/(Losses)

	2024 £'000	2023 £'000
Non-derivative securities	18,769	(91,373)
Other (losses)/gains	(2)	5
Transaction charges	(7)	(8)
<b>Net capital gains/(losses)</b>	<b>18,760</b>	<b>(91,376)</b>

## 2 Revenue

	2024 £'000	2023 £'000
Bank and margin interest	49	82
Overseas dividends	498	583
Stocklending revenue	1	-
UK dividends	2,869	4,843
UK REIT	5,526	6,550
<b>Total revenue</b>	<b>8,943</b>	<b>12,058</b>

## 3 Expenses

	2024 £'000	2023 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	1,847	2,516
General administration charge	175	247
	2,022	2,763
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	7	10
	7	10
<b>Total expenses</b>	<b>2,029</b>	<b>2,773</b>

Irrecoverable VAT is included in the above expenses, where applicable.  
The audit fee for the year, including VAT, was £9,900 (2023: £9,120).

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2024 £'000	2023 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	6	42
<b>Total taxation (note 4b)</b>	<b>6</b>	<b>42</b>

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

The tax assessed for the year is less than (2023: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

<b>Net revenue before taxation</b>	<b>6,914</b>	<b>9,285</b>
Corporation tax at 20% (2023: 20%)	1,383	1,857
Effects of:		
Revenue not subject to taxation	(673)	(1,085)
Overseas taxes	6	42
Excess allowable expenses	(710)	(772)
<b>Total tax charge for year (note 4a)</b>	<b>6</b>	<b>42</b>

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

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

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £901,000 (2023: £1,610,000) 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

	2024 £'000	2023 £'000
Interim distribution	2,893	3,766
Final distribution	3,505	4,900
	6,398	8,666
Add: Income deducted on cancellation of shares	544	647
Deduct: Income received on issue of shares	(34)	(70)
<b>Total distributions for the year</b>	<b>6,908</b>	<b>9,243</b>

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

# Notes to the Financial Statements

## Continued

### 6 Debtors

	2024 £'000	2023 £'000
Accrued revenue	386	1,316
Amounts receivable from the ACD for the issue of shares	216	-
Overseas withholding tax recoverable	24	25
Sales awaiting settlement	337	-
United Kingdom income tax recoverable	69	-
<b>Total debtors</b>	<b>1,032</b>	<b>1,341</b>

### 7 Liquidity

	2024 £'000	2023 £'000
<b>Cash and bank balances</b>		
Cash at bank	1,736	1,701
	<b>1,736</b>	<b>1,701</b>
<b>Net liquidity</b>	<b>1,736</b>	<b>1,701</b>

### 8 Creditors

	2024 £'000	2023 £'000
Accrued expenses payable to ACD	159	196
Accrued expenses payable to the Depositary or associates of the Depositary	1	1
Amounts payable to the ACD for cancellation of shares	936	1,141
<b>Total creditors</b>	<b>1,096</b>	<b>1,338</b>

### 9 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 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.

# Notes to the Financial Statements

## Continued

### 10 Portfolio Transaction Costs

	Purchases		Sales	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Trades in the year</b>				
Equities	11,701	41,611	85,642	99,983
Corporate actions	791	-	-	6,349
<b>Trades in the year before transaction costs</b>	<b>12,492</b>	<b>41,611</b>	<b>85,642</b>	<b>106,332</b>
<b>Commissions</b>				
Equities	7	25	(39)	(70)
<b>Total commissions</b>	<b>7</b>	<b>25</b>	<b>(39)</b>	<b>(70)</b>
<b>Taxes</b>				
Equities	22	124	-	-
<b>Total taxes</b>	<b>22</b>	<b>124</b>	<b>-</b>	<b>-</b>
<b>Total transaction costs</b>	<b>29</b>	<b>149</b>	<b>(39)</b>	<b>(70)</b>
<b>Total net trades in the year after transaction costs</b>	<b>12,521</b>	<b>41,760</b>	<b>85,603</b>	<b>106,262</b>
	Purchases		Sales	
	2024 %	2023 %	2024 %	2023 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.06	0.06	0.05	0.07
<b>Taxes</b>				
Equities	0.19	0.30	-	-
			2024 %	2023 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
Commissions			0.02	0.03
Taxes			0.01	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 0.20% (2023: 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 2023	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2024
A Accumulation	41,393,763	1,495,954	(6,862,621)	(2,458,866)	33,568,230
I Accumulation	75,418,676	1,873,650	(19,701,805)	1,504,695	59,095,216
K Accumulation	30,377,260	31,402	(26,294,736)	(52,173)	4,061,753
M Accumulation	137,293	5,672	(31,503)	-	111,462
Z Accumulation	2,854,329	-	(2,853,329)	-	1,000

### 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).

	2024 £'000	2024 £'000	2024 £'000	2023 £'000	2023 £'000	2023 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	197,283	-	-	251,596	-	-
Collective Investment Schemes	-	-	-	-	2,858	-
<b>Total investment assets</b>	<b>197,283</b>	<b>-</b>	<b>-</b>	<b>251,596</b>	<b>2,858</b>	<b>-</b>

### 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 2024 £'000	Net foreign currency exposure 2023 £'000
<b>Currency</b>		
Euro	18,339	20,034
Swedish Krona	5,592	7,260
<b>Total</b>	<b>23,931</b>	<b>27,294</b>

At 31 July 2024, 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 £1,197,000 (2023: £1,365,000).

# 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 2024, 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 £9,864,000 (2023: £12,723,000).

### Financial derivatives instrument risk

The fund had no exposure to derivatives as at 31 July 2024 (2023: £Nil).

### Bilateral agreements

The fund receives 85% of the revenue returns from stock lending. The gross earnings for the year are £1,000 (2023: £Nil) and expenses paid to the lending agent, Citibank, are £Nil (2023: £Nil).

### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2024 £1,096,000 (2023: £1,338,000).

# Distribution Tables

For the year ended 31 July 2024 (in pence per share)

## Interim dividend distribution

Group 1 – shares purchased prior to 1 August 2023

Group 2 – shares purchased between 1 August 2023 and 31 January 2024

	Revenue	Equalisation	Distribution paid 30/04/24	Distribution paid 28/04/23
<b>A Accumulation</b>				
Group 1	2.1252	-	2.1252	1.8719
Group 2	0.5374	1.5878	2.1252	1.8719
<b>I Accumulation</b>				
Group 1	2.8090	-	2.8090	2.4923
Group 2	1.5857	1.2233	2.8090	2.4923
<b>K Accumulation</b>				
Group 1	1.6939	-	1.6939	1.5081
Group 2	1.1924	0.5015	1.6939	1.5081
<b>M Accumulation</b>				
Group 1	1.3817	-	1.3817	1.2229
Group 2	0.8184	0.5633	1.3817	1.2229
<b>Z Accumulation</b>				
Group 1	1.1630	-	1.1630	1.0404
Group 2	1.1630	-	1.1630	1.0404



# Distribution Tables

For the year ended 31 July 2024 (in pence per share) continued

## Final dividend distribution

Group 1 – shares purchased prior to 1 February 2024

Group 2 – shares purchased between 1 February 2024 and 31 July 2024

	Revenue	Equalisation	Distribution paid 31/10/24	Distribution paid 31/10/23
<b>A Accumulation</b>				
Group 1	3.3367	–	3.3367	3.1319
Group 2	2.2137	1.1230	3.3367	3.1319
<b>I Accumulation</b>				
Group 1	3.8738	–	3.8738	3.8025
Group 2	2.7185	1.1553	3.8738	3.8025
<b>K Accumulation</b>				
Group 1	2.3164	–	2.3164	2.2767
Group 2	1.8385	0.4779	2.3164	2.2767
<b>M Accumulation</b>				
Group 1	1.9090	–	1.9090	1.8796
Group 2	0.6019	1.3071	1.9090	1.8796
<b>Z Accumulation</b>				
Group 1	1.5260	–	1.5260	1.4662
Group 2	1.5260	–	1.5260	1.4662

## 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 2024

## 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](http://www.abrdn.com) under "Fund Centre".
- 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 2024, the value of abrdn UK Responsible Equity Fund – I Accumulation Shares increased by 11.27% compared with an increase of 13.54% in the performance comparator, the FTSE All-Share Index.

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

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# abrdn UK Sustainable and Responsible Investment Equity Fund

## Continued

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

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

## Market Review

UK stocks performed well in the period, especially in the second half, thanks to continued falls in the rate of inflation. The Bank of England (BoE) ended its long series of interest rate increases in September 2023 and the inflation rate in the UK fell back to its long-term 2% target. Anticipation of the first BoE rate cut in four years provided a boost especially to more domestically focused small and mid-cap companies. Sentiment was also aided by data that broadly indicated a more positive outlook for the British economy. However, some geopolitical tensions still weighed on investor confidence, with the conflicts in the Middle East and Ukraine threatening to escalate while US-China relations deteriorated further.

Earlier in the period, investors were focused on concerns about the impact of the rate hikes on the UK economy but official statistics later showed that the UK economy returned to growth in the first quarter of 2024 following a shallow recession in the final two quarters of 2023. A general election late in the period produced a clear outcome with the Labour Party gaining a substantial majority. Early announcements from the new government supported a more upbeat view of the UK's domestic prospects. Financial stocks saw some of the biggest gains in the period, helped by the recovery in the economy, along with those in the software sector. Small- and mid-cap stocks were supported by an increased level of takeover activity.

## Portfolio Activity and Review

At the stock level, the fund's holding in Watches of Switzerland Group was the biggest detractor from returns following an unexpected profit warning and weaker-than-expected Swiss watch export data. We took the opportunity to top up our holding and some of the losses were recovered later as results showed signs of improvement in both the US and UK markets, as well as a boost from an acquisition. Close Brothers' shares declined due to cost pressures in its asset management business and its decision to waive its dividend in order to build capital in anticipation of potential customer redress relating to motor finance commission arrangements prior to 2021.

Genus' stock came under pressure after the company issued a profit warning and the company announced that approval by the US Food and Drug Administration (FDA) for its groundbreaking disease-resistant pig had been slightly delayed.

On the flip side, RELX was among the top contributors after it reported solid full year results and a higher level of share buybacks than had been expected. Plastic piping manufacturer Genuit also rose on hopes that interest rate cuts would stimulate a construction recovery and DS Smith strengthened as International Paper indicated it was interested in making a takeover offer for the business.

Natwest Group was lifted by results which showed the benefits of higher rates feeding through to earnings. Hargreaves Lansdown also performed well as it reported good progress of assets on its platform and then received a preliminary bid approach from a private equity firm. Elsewhere, Hollywood Bowl made gains after the company reported it was trading ahead of expectations, with an acceleration in like-for-like sales growth.

In terms of additional activity, we initiated a number of new positions including in Wise, a disruptive company specialising in foreign exchange transfers. The business has a clear competitive advantage, high margins, a solid financial position and a long-term strategy of reinvesting its profits to improve the customer experience. We also established a new holding in Reckitt Benckiser, the global health and personal care brand owner. The outlook for the company is likely to benefit from its exposure to strong, stable end market demand, while being supported by powerful global brands that drive high margins and returns. We exited the fund's holding in Diageo due to potential pressure on US consumer spending. With the proceeds from this sale, we introduced Compass Group, a leading global outsourced food provider with formidable competitive advantages given its scale.

# abrdn UK Sustainable and Responsible Investment Equity Fund

## Continued

We also exited pulp and paper company Mondi as its shares rose following a failed bid for peer DS Smith, which preceded the bid by International Paper mentioned above, and introduced sector peer Smurfit Kappa Group, whose recent acquisition of US player WestRock is expected to help the firm take advantage of improvements in its operations.

## Portfolio Outlook and Strategy

The fund performed well towards the end of the period under review as the much anticipated first rate cut from the Bank of England, coupled with early announcements from the new government, supported a more positive view of the UK's domestic prospects. However, one swallow doesn't make a summer and we saw the return of a more risk-off backdrop in the early days of August. Away from this volatility, our general views are unchanged. UK market valuations remain modest and are lower amongst smaller companies. Capital flows have not yet meaningfully returned to the UK, and M&A activity remains high, which provides opportunities for various companies to invest at current levels. Such a backdrop certainly offers a potential base for appealing investor returns.

The path forward is rarely a straight line, and whilst further rate cuts and modest inflation appear a reasonable base case, the timing is not certain, and the economic backdrop could weaken. However, from a valuation starting point, and given the fund's exposure to high-quality companies, we remain confident in the portfolio's prospects over the medium term.

Our strategy is unchanged. We continue to focus on bottom-up stock-picking, integrating a consideration of the most material environmental, social and governance (ESG) factors. Companies that actively consider and manage their key 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 with a three- to five-year time horizon – looking out this far, we are optimistic. Valuations are modest, and the companies we invest in are in good shape. We continue to engage with holdings to understand the key ESG risks and opportunities they face and support positive change. We retain a positive view of 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.

## DM Sustainable & Thematic Equity Team

August 2024

# 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 2024.

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

- Equity Risk – 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.
- ESG Investment Risk – 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 assets which similar funds do not (and thus perform differently) and which may not align with the personal views of any individual investor.
- Concentration Risk – A concentrated portfolio (whether by number of holdings, geographic location or sector) may be more volatile and less liquid than a diversified one.
- Smaller and Mid Cap Risk – The shares of small and mid-cap companies may be less liquid and more volatile than those of larger companies.
- Derivatives Risk – The use of derivatives may involve additional liquidity, credit and counterparty risks. In some cases the risk of loss from derivatives may be increased where a small change in the value of the underlying investment may have a larger impact on the value of the derivative.

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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	228.30	227.10	258.25
Return before operating charges*	27.64	4.11	(28.07)
Operating charges	(2.91)	(2.91)	(3.08)
Return after operating charges*	24.73	1.20	(31.15)
Distributions	(3.59)	(4.04)	(2.19)
Retained distributions on accumulation shares	3.59	4.04	2.19
Closing net asset value per share	253.03	228.30	227.10
* after direct transaction costs of:	0.39	0.74	0.26
<b>Performance</b>			
Return after charges	10.83%	0.53%	(12.06%)
<b>Other information</b>			
Closing net asset value (£'000)	226,252	222,582	20,691
Closing number of shares	89,418,591	97,494,233	9,111,109
Operating charges	1.28%	1.29%	1.29%
Direct transaction costs	0.17%	0.32%	0.11%
<b>Prices</b>			
Highest share price	253.1	235.6	272.6
Lowest share price	202.2	192.2	201.4

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	2024 pence per share	2023 pence per share	2023 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	170.36	172.51	198.07
Return before operating charges*	20.44	3.08	(21.53)
Operating charges	(2.16)	(2.18)	(2.36)
Return after operating charges*	18.28	0.90	(23.89)
Distributions	(2.66)	(3.05)	(1.67)
Closing net asset value per share	185.98	170.36	172.51
* after direct transaction costs of:	0.29	0.55	0.20
<b>Performance</b>			
Return after charges	10.73%	0.52%	(12.06%)
<b>Other information</b>			
Closing net asset value (£'000)	30,019	30,117	227
Closing number of shares	16,141,105	17,677,763	131,555
Operating charges	1.28%	1.29%	1.29%
Direct transaction costs	0.17%	0.32%	0.11%
<b>Prices</b>			
Highest share price	187.4	177.9	209.0
Lowest share price	150.9	146.0	154.1

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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	202.59	200.62	227.11
Return before operating charges*	24.63	3.62	(24.72)
Operating charges	(1.68)	(1.65)	(1.77)
Return after operating charges*	22.95	1.97	(26.49)
Distributions	(4.10)	(4.45)	(2.88)
Retained distributions on accumulation shares	4.10	4.45	2.88
Closing net asset value per share	225.54	202.59	200.62
* after direct transaction costs of:	0.35	0.64	0.23
<b>Performance</b>			
Return after charges	11.33%	0.98%	(11.66%)
<b>Other information</b>			
Closing net asset value (£'000)	317,007	322,500	27,877
Closing number of shares	140,555,534	159,189,134	13,895,356
Operating charges	0.83%	0.84%	0.84%
Direct transaction costs	0.17%	0.32%	0.11%
<b>Prices</b>			
Highest share price	225.6	208.6	239.8
Lowest share price	179.6	169.9	177.6

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

I Income	2024 pence per share	2023 pence per share	2023 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	163.40	165.43	190.00
Return before operating charges*	19.65	2.98	(20.69)
Operating charges	(1.35)	(1.35)	(1.48)
Return after operating charges*	18.30	1.63	(22.17)
Distributions	(3.29)	(3.66)	(2.40)
Closing net asset value per share	178.41	163.40	165.43
* after direct transaction costs of:	0.28	0.53	0.20
<b>Performance</b>			
Return after charges	11.20%	0.99%	(11.67%)
<b>Other information</b>			
Closing net asset value (£'000)	15,049	16,153	13,071
Closing number of shares	8,435,088	9,885,613	7,901,512
Operating charges	0.83%	0.84%	0.84%
Direct transaction costs	0.17%	0.32%	0.11%
<b>Prices</b>			
Highest share price	180.1	170.6	200.6
Lowest share price	144.9	140.1	147.9

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	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	92.64	91.39	103.08
Return before operating charges*	11.30	1.67	(11.25)
Operating charges	(0.42)	(0.42)	(0.44)
Return after operating charges*	10.88	1.25	(11.69)
Distributions	(2.22)	(2.37)	(1.66)
Retained distributions on accumulation shares	2.22	2.37	1.66
Closing net asset value per share	103.52	92.64	91.39
* after direct transaction costs of:	0.16	0.30	0.11
<b>Performance</b>			
Return after charges	11.74%	1.37%	(11.34%)
<b>Other information</b>			
Closing net asset value (£'000)	23,624	44,966	1
Closing number of shares	22,821,192	48,539,872	994
Operating charges	0.46%	0.46%	0.46%
Direct transaction costs	0.17%	0.32%	0.11%
<b>Prices</b>			
Highest share price	103.6	95.23	108.9
Lowest share price	82.22	77.46	80.78

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

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

Operating charges are expenses associated with the maintenance and administration of the fund on 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 <sup>A</sup>	2024 pence per share	2023 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	137.52	131.43 <sup>B</sup>
Return before operating charges*	16.76	6.17
Operating charges	(0.80)	(0.08)
Return after operating charges*	15.96	6.09
Distributions	(3.13)	(0.22)
Retained distributions on accumulation shares	3.13	0.22
Closing net asset value per share	153.48	137.52
* after direct transaction costs of:	0.24	0.05
<b>Performance</b>		
Return after charges	11.61%	4.63%
<b>Other information</b>		
Closing net asset value (£'000)	119	122
Closing number of shares	77,710	88,699
Operating charges	0.58%	0.59%
Direct transaction costs	0.17%	0.32%
<b>Prices</b>		
Highest share price	153.5	138.0
Lowest share price	122.0	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.

<sup>A</sup> L Accumulation share class was launched on 23 June 2023.

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

# Comparative Tables

## Continued

L Income <sup>A</sup>	2024 pence per share	2023 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	121.97	116.77 <sup>B</sup>
Return before operating charges*	14.69	5.47
Operating charges	(0.70)	(0.07)
Return after operating charges*	13.99	5.40
Distributions	(2.76)	(0.20)
Closing net asset value per share	133.20	121.97
* after direct transaction costs of:	0.21	0.04
<b>Performance</b>		
Return after charges	11.47%	4.62%
<b>Other information</b>		
Closing net asset value (£'000)	12	11
Closing number of shares	9,294	9,294
Operating charges	0.58%	0.59%
Direct transaction costs	0.17%	0.32%
<b>Prices</b>		
Highest share price	134.7	122.6
Lowest share price	108.2	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.

<sup>A</sup> L Income share class was launched on 23 June 2023.

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

# Comparative Tables

## Continued

M Accumulation	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	131.59	130.26	147.49
Return before operating charges*	15.99	2.49	(16.02)
Operating charges	(1.16)	(1.16)	(1.21)
Return after operating charges*	14.83	1.33	(17.23)
Distributions	(2.59)	(2.92)	(1.85)
Retained distributions on accumulation shares	2.59	2.92	1.85
Closing net asset value per share	146.42	131.59	130.26
* after direct transaction costs of:	0.23	0.43	0.15
<b>Performance</b>			
Return after charges	11.27%	1.02%	(11.68%)
<b>Other information</b>			
Closing net asset value (£'000)	14,554	15,564	1
Closing number of shares	9,939,779	11,828,137	881
Operating charges	0.88%	0.89%	0.89%
Direct transaction costs	0.17%	0.32%	0.11%
<b>Prices</b>			
Highest share price	146.5	135.5	155.7
Lowest share price	116.7	110.4	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	2024 pence per share	2023 pence per share	2023 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	122.35	123.87	142.23
Return before operating charges*	14.71	2.31	(15.40)
Operating charges	(1.07)	(1.09)	(1.17)
Return after operating charges*	13.64	1.22	(16.57)
Distributions	(2.40)	(2.74)	(1.79)
Closing net asset value per share	133.59	122.35	123.87
* after direct transaction costs of:	0.21	0.40	0.15
<b>Performance</b>			
Return after charges	11.15%	0.98%	(11.65%)
<b>Other information</b>			
Closing net asset value (£'000)	1,248	1,484	1
Closing number of shares	934,250	1,213,210	892
Operating charges	0.88%	0.89%	0.88%
Direct transaction costs	0.17%	0.32%	0.11%
<b>Prices</b>			
Highest share price	134.9	127.8	150.2
Lowest share price	108.5	104.9	110.7

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

Z Accumulation <sup>A</sup>	2024 pence per share	2023 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	103.49	99.81 <sup>B</sup>
Return before operating charges*	12.68	3.71
Operating charges	(0.09)	(0.03)
Return after operating charges*	12.59	3.68
Distributions	(2.88)	(1.39)
Retained distributions on accumulation shares	2.88	1.39
Closing net asset value per share	116.08	103.49
* after direct transaction costs of:	0.18	0.12
<b>Performance</b>		
Return after charges	12.17%	3.69%
<b>Other information</b>		
Closing net asset value (£'000)	25,622	20,237
Closing number of shares	22,071,910	19,554,076
Operating charges	0.08%	0.09%
Direct transaction costs	0.17%	0.32%
<b>Prices</b>		
Highest share price	116.1	106.1
Lowest share price	91.93	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.

<sup>A</sup> Z Accumulation share class was launched on 22 March 2023.

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

# Comparative Tables

## Continued

ZC Accumulation <sup>A</sup>	2024 pence per share	2023 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	99.27	99.35 <sup>B</sup>
Return before operating charges*	12.16	(0.04)
Operating charges	(0.08)	(0.04)
Return after operating charges*	12.08	(0.08)
Distributions	(2.76)	(1.50)
Retained distributions on accumulation shares	2.76	1.50
Closing net asset value per share	111.35	99.27
* after direct transaction costs of:	0.17	0.13
<b>Performance</b>		
Return after charges	12.17%	(0.08%)
<b>Other information</b>		
Closing net asset value (£'000)	2,126	1,910
Closing number of shares	1,909,603	1,924,490
Operating charges	0.08%	0.09%
Direct transaction costs	0.17%	0.32%
<b>Prices</b>		
Highest share price	111.4	101.8
Lowest share price	88.18	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.

<sup>A</sup> ZC Accumulation share class was launched on 3 March 2023.

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



# Portfolio Statement

As at 31 July 2024

Holding	Investment	Market value £'000	Percentage of total net assets
UK Equities (98.56%)		651,500	99.37
Basic Materials (1.25%)		-	-
Consumer Discretionary (16.42%)		126,851	19.35
337,301	Bellway	9,660	1.47
439,658	Compass	10,530	1.61
850,845	CVS++	9,683	1.48
575,161	Dunelm	7,086	1.08
2,515,051	Hollywood Bowl	8,350	1.27
1,693,021	Howden Joinery	15,914	2.43
7,047,001	Moonpig	15,327	2.34
931,932	RELX	34,221	5.22
3,954,628	Watches of Switzerland	16,080	2.45
Consumer Staples (11.49%)		56,162	8.57
417,839	Reckitt Benckiser	17,453	2.66
810,660	Unilever	38,709	5.91
Financials (22.32%)		149,082	22.74
1,970,798	Close Brothers	10,061	1.54
1,791,025	Hargreaves Lansdown	19,782	3.02
1,301,098	Hiscox	16,524	2.52
346,798	Intermediate Capital	7,609	1.16
16,298,430	IP	6,788	1.04
911,552	JTC	9,571	1.46
283,500	London Stock Exchange	26,842	4.09
5,222,239	NatWest	19,218	2.93
3,575,903	OSB	18,434	2.81
2,039,105	Prudential	14,253	2.17
Health Care (12.90%)		73,747	11.25
270,346	AstraZeneca	33,431	5.10
6,698,278	ConvaTec	15,674	2.39

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
823,582	Genus	15,022	2.29
2,752,390	Haleon	9,620	1.47
<b>Industrials (19.97%)</b>		<b>144,929</b>	<b>22.10</b>
237,017	Ashtead	13,273	2.03
1,929,414	Bodycote	13,448	2.05
11,781,869	Coats	10,533	1.61
1,144,247	DS Smith	5,202	0.79
1,919,716	FDM	8,159	1.24
3,391,748	Genuit	17,332	2.64
1,147,557	Inchcape	9,668	1.47
496,457	Oxford Instruments	12,436	1.90
4,004,439	Rotork	14,480	2.21
744,860	RS	6,089	0.93
403,136	Smurfit WestRock	13,908	2.12
123,067	Spirax	11,144	1.70
1,292,812	Wise 'A'	9,257	1.41
<b>Real Estate (0.00%)</b>		<b>6,737</b>	<b>1.03</b>
707,290	Unite REIT	6,737	1.03
<b>Technology (7.86%)</b>		<b>50,557</b>	<b>7.71</b>
1,019,226	Auto Trader	8,311	1.27
1,200,842	Kainos	13,161	2.00
1,339,953	Sage	14,545	2.22
894,786	Softcat	14,540	2.22
<b>Telecommunications (3.14%)</b>		<b>23,052</b>	<b>3.51</b>
1,214,560	Telecom Plus	23,052	3.51

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Utilities (3.21%)		20,383	3.11
1,084,218	SSE	20,383	3.11
Total investment assets		651,500	99.37
Net other assets		4,132	0.63
<b>Total Net Assets</b>		<b>655,632</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities within the meaning of the FCA rules.

The percentage figures in brackets show the comparative holding as at 31 July 2023.

++ AIM listed.

# Financial Statements

## Statement of Total Return

For the year ended 31 July 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
Income:					
Net capital gains	1		52,105		9,074
Revenue	2	18,021		5,683	
Expenses	3	(5,977)		(1,805)	
Net revenue before taxation		12,044		3,878	
Taxation	4	-		5	
Net revenue after taxation			12,044		3,883
<b>Total return before distributions</b>			<b>64,149</b>		<b>12,957</b>
Distributions	5		(12,044)		(3,882)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>52,105</b>		<b>9,075</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2024

	2024		2023	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>675,646</b>		<b>61,869</b>
Amounts receivable on the issue of shares	35,158		62,703	
Amounts payable on the cancellation of shares	(118,183)		(27,149)	
Amounts receivable on inspecie transfers*	-		560,413	
		(83,025)		595,967
Dilution adjustment		58		236
Change in net assets attributable to shareholders from investment activities (see above)		52,105		9,075
Retained distribution on accumulation shares		10,813		8,499
Unclaimed distributions		35		-
<b>Closing net assets attributable to shareholders</b>		<b>655,632</b>		<b>675,646</b>

\* 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 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			651,500		665,914
<b>Current assets:</b>					
Debtors	6	1,708		3,993	
Cash and bank balances		4,477		7,639	
			6,185		11,632
<b>Total assets</b>			<b>657,685</b>		<b>677,546</b>
<b>Liabilities:</b>					
Creditors	7	(1,686)		(1,308)	
Distribution payable		(367)		(592)	
			(2,053)		(1,900)
<b>Total liabilities</b>			<b>(2,053)</b>		<b>(1,900)</b>
<b>Net assets attributable to shareholders</b>			<b>655,632</b>		<b>675,646</b>

# Notes to the Financial Statements

## 1 Net Capital Gains

	2024 £'000	2023 £'000
Non-derivative securities	52,107	9,079
Other gains	2	-
Transaction charges	(4)	(5)
<b>Net capital gains</b>	<b>52,105</b>	<b>9,074</b>

## 2 Revenue

	2024 £'000	2023 £'000
Overseas dividends	-	(35)
Stocklending revenue	6	-
UK dividends	18,015	5,632
UK REIT	-	86
<b>Total revenue</b>	<b>18,021</b>	<b>5,683</b>

## 3 Expenses

	2024 £'000	2023 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	5,451	1,653
Dealing charge	8	4
General administration charge	500	143
	5,959	1,800
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	18	5
	18	5
<b>Total expenses</b>	<b>5,977</b>	<b>1,805</b>

Irrecoverable VAT is included in the above expenses, where applicable.  
The audit fee for the year, including VAT, was £9,900 (2023: £9,120).

## 4 Taxation

	2024 £'000	2023 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	-	(5)
<b>Total taxation (note 4b)</b>	<b>-</b>	<b>(5)</b>

# Notes to the Financial Statements

## Continued

	2024 £'000	2023 £'000
<b>(b) Factors affecting total tax charge for the year</b>		
The tax assessed for the year is less than (2023: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
<b>Net revenue before taxation</b>	<b>12,044</b>	<b>3,878</b>
Corporation tax at 20% (2023: 20%)	2,409	776
Effects of:		
Revenue not subject to taxation	(3,603)	(1,120)
Overseas taxes	-	(5)
Excess allowable expenses	1,194	344
<b>Total tax charge for year (note 4a)</b>	<b>-</b>	<b>(5)</b>
Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.		
<b>(c) Factors that may affect future tax charge</b>		
At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £2,509,000 (2023: £1,315,000) 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)

	2024 £'000	2023 £'000
Interim distribution	5,933	399
Final distribution	5,638	8,747
	11,571	9,146
Add: Income deducted on cancellation of shares	694	196
Deduct: Income received on issue of shares	(221)	(5,460)
<b>Total distributions for the year</b>	<b>12,044</b>	<b>3,882</b>
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	12,044	3,883
Undistributed revenue brought forward	1	-
Undistributed revenue carried forward	(1)	(1)
<b>Total distributions for the year</b>	<b>12,044</b>	<b>3,882</b>

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

# Notes to the Financial Statements

## Continued

### 6 Debtors

	2024 £'000	2023 £'000
Accrued revenue	699	1,639
Amounts receivable from the ACD for the issue of shares	202	65
Amounts receivable from merger	807	2,289
<b>Total debtors</b>	<b>1,708</b>	<b>3,993</b>

### 7 Creditors

	2024 £'000	2023 £'000
Accrued expenses payable to ACD	522	534
Accrued expenses payable to the Depositary or associates of the Depositary	2	1
Amounts payable to the ACD for cancellation of shares	1,162	481
Purchases awaiting settlement	-	292
<b>Total creditors</b>	<b>1,686</b>	<b>1,308</b>

### 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.

### 9 Portfolio Transaction Costs

	Purchases		Sales	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Trades in the year</b>				
Equities	174,461	105,178	241,442	62,384
Inspecie transactions	-	553,768	-	-
Corporate actions	-	-	876	815
<b>Trades in the year before transaction costs</b>	<b>174,461</b>	<b>658,946</b>	<b>242,318</b>	<b>63,199</b>
<b>Commissions</b>				
Equities	84	36	(123)	(37)
<b>Total commissions</b>	<b>84</b>	<b>36</b>	<b>(123)</b>	<b>(37)</b>



# Notes to the Financial Statements

## Continued

Trades in the year	Purchases		Sales	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Taxes</b>				
Equities	878	500	-	-
<b>Total taxes</b>	<b>878</b>	<b>500</b>	<b>-</b>	<b>-</b>
<b>Total transaction costs</b>	<b>962</b>	<b>536</b>	<b>(123)</b>	<b>(37)</b>
<b>Total net trades in the year after transaction costs</b>	<b>175,423</b>	<b>659,482</b>	<b>242,195</b>	<b>63,162</b>

	Purchases		Sales	
	2024 %	2023 %	2024 %	2023 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.05	0.03	0.05	0.06
<b>Taxes</b>				
Equities	0.50	0.48	-	-

	2024 %	2023 %
<b>Total transaction costs expressed as a percentage of net asset value</b>		
Commissions	0.03	0.04
Taxes	0.14	0.28

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% (2023: 0.14%), this is representative of the average spread on the assets held during the year.

## 10 Shares in Issue Reconciliation

	Opening shares 2023	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2024
A Accumulation	97,494,233	1,278,274	(8,578,665)	(775,251)	89,418,591
A Income	17,677,763	29,230	(1,468,983)	(96,905)	16,141,105
I Accumulation	159,189,134	10,629,348	(30,000,759)	737,811	140,555,534
I Income	9,885,613	274,894	(1,825,336)	99,917	8,435,088
K Accumulation	48,539,872	7,550,864	(33,269,544)	-	22,821,192
L Accumulation	88,699	-	(10,989)	-	77,710
L Income	9,294	-	-	-	9,294
M Accumulation	11,828,137	19,781	(2,109,153)	201,014	9,939,779

# Notes to the Financial Statements

## Continued

	Opening shares 2023	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2024
M Income	1,213,210	16,334	(302,259)	6,965	934,250
Z Accumulation	19,554,076	3,032,669	(514,835)	-	22,071,910
ZC Accumulation	1,924,490	5,007	(19,894)	-	1,909,603

## 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).

	2024 £'000	2024 £'000	2024 £'000	2023 £'000	2023 £'000	2023 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	651,500	-	-	665,914	-	-
Total investment assets	651,500	-	-	665,914	-	-

## 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 2024, 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 £32,575,000 (2023: £33,296,000).

# Notes to the Financial Statements

## Continued

### **Financial derivatives instrument risk**

The fund had no exposure to derivatives as at 31 July 2024 (2023: £Nil).

### **Bilateral agreements**

The fund receives 85% of the revenue returns from stock lending. The gross earnings for the year are £7,600 (2023: £Nil) and expenses paid to the lending agent, Citibank, are £1,200 (2023: £Nil).

### **Liquidity risk**

All of the fund's financial liabilities are payable on demand or in less than one year, 2024 £2,053,000 (2023: £1,900,000).

# Distribution Tables

For the year ended 31 July 2024 (in pence per share)

## Interim dividend distribution

Group 1 – shares purchased prior to 1 August 2023

Group 2 – shares purchased between 1 August 2023 and 31 January 2024

	Revenue	Equalisation	Distribution paid 30/04/24	Distribution paid 28/04/23
<b>A Accumulation</b>				
Group 1	1.7797	-	1.7797	1.4237
Group 2	0.1298	1.6499	1.7797	1.4237
<b>A Income</b>				
Group 1	1.3280	-	1.3280	1.0813
Group 2	0.2968	1.0312	1.3280	1.0813
<b>I Accumulation</b>				
Group 1	2.0206	-	2.0206	1.6913
Group 2	0.7695	1.2511	2.0206	1.6913
<b>I Income</b>				
Group 1	1.6296	-	1.6296	1.3946
Group 2	0.5214	1.1082	1.6296	1.3946
<b>K Accumulation</b>				
Group 1	1.0924	-	1.0924	0.9311
Group 2	0.6642	0.4282	1.0924	0.9311
<b>L Accumulation</b>				
Group 1	1.5382	-	1.5382	-
Group 2	1.5382	-	1.5382	-
<b>L Income</b>				
Group 1	1.3685	-	1.3685	-
Group 2	1.3685	-	1.3685	-
<b>M Accumulation</b>				
Group 1	1.2805	-	1.2805	1.1407
Group 2	0.5390	0.7415	1.2805	1.1407
<b>M Income</b>				
Group 1	1.1907	-	1.1907	1.0700
Group 2	0.3275	0.8632	1.1907	1.0700
<b>Z Accumulation</b>				
Group 1	1.4091	-	1.4091	-
Group 2	0.5311	0.8780	1.4091	-
<b>ZC Accumulation</b>				
Group 1	1.3516	-	1.3516	-
Group 2	0.6188	0.7328	1.3516	-

# Distribution Tables

For the year ended 31 July 2024 (in pence per share) continued

## Final dividend distribution

Group 1 – shares purchased prior to 1 February 2024

Group 2 – shares purchased between 1 February 2024 and 31 July 2024

	Revenue	Equalisation	Distribution paid 31/10/24	Distribution paid 31/10/23
<b>A Accumulation</b>				
Group 1	1.8056	-	1.8056	2.6124
Group 2	0.6840	1.1216	1.8056	2.6124
<b>A Income</b>				
Group 1	1.3368	-	1.3368	1.9720
Group 2	0.3196	1.0172	1.3368	1.9720
<b>I Accumulation</b>				
Group 1	2.0748	-	2.0748	2.7633
Group 2	0.7105	1.3643	2.0748	2.7633
<b>I Income</b>				
Group 1	1.6566	-	1.6566	2.2612
Group 2	0.7649	0.8917	1.6566	2.2612
<b>K Accumulation</b>				
Group 1	1.1302	-	1.1302	1.4387
Group 2	1.1095	0.0207	1.1302	1.4387
<b>L Accumulation</b>				
Group 1	1.5875	-	1.5875	0.2179
Group 2	1.5875	-	1.5875	0.2179
<b>L Income</b>				
Group 1	1.3942	-	1.3942	0.1972
Group 2	1.3942	-	1.3942	0.1972
<b>M Accumulation</b>				
Group 1	1.3136	-	1.3136	1.7781
Group 2	0.5129	0.8007	1.3136	1.7781
<b>M Income</b>				
Group 1	1.2092	-	1.2092	1.6747
Group 2	0.3411	0.8681	1.2092	1.6747

# Distribution Tables

For the year ended 31 July 2024 (in pence per share) continued

	Revenue	Equalisation	Distribution paid 31/10/24	Distribution paid 31/10/23
<b>Z Accumulation</b>				
Group 1	1.4660	-	1.4660	1.3904
Group 2	0.8622	0.6038	1.4660	1.3904
<b>ZC Accumulation</b>				
Group 1	1.4062	-	1.4062	1.4966
Group 2	1.1950	0.2112	1.4062	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) UK Smaller Companies Fund (closed)

For the year ended 31 July 2024

abrdn (AAM) UK Smaller Companies Fund is no longer open to investors, having redeemed all shares on 23 June 2023. 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 <sup>A</sup>	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	439.68	576.75
Return before operating charges*	(57.93)	(130.28)
Operating charges	(4.55)	(6.79)
Return after operating charges*	(62.48)	(137.07)
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
* after direct transaction costs of:	0.31	0.43
<b>Performance</b>		
Return after charges	(14.21%)	(23.77%)
<b>Other information</b>		
Closing net asset value (£'000)	-	47,480
Closing number of shares	-	10,798,722
Operating charges	1.29%	1.29%
Direct transaction costs	0.08%	0.08%
<b>Prices</b>		
Highest share price	440.4	621.9
Lowest share price	352.5	394.6

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.

<sup>A</sup> A Accumulation share class was closed on 23 June 2023.



# Comparative Tables

## Continued

I Accumulation <sup>A</sup>	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	235.96	308.14
Return before operating charges*	(31.11)	(69.82)
Operating charges	(1.60)	(2.36)
Return after operating charges*	(32.71)	(72.18)
Distributions	-	(2.02)
Retained distributions on accumulation shares	-	2.02
Redemption value as at 23 June 2023	(203.25)	-
Closing net asset value per share	-	235.96
* after direct transaction costs of:	0.17	0.23
<b>Performance</b>		
Return after charges	(13.86%)	(23.42%)
<b>Other information</b>		
Closing net asset value (£'000)	-	38,366
Closing number of shares	-	16,259,085
Operating charges	0.84%	0.84%
Direct transaction costs	0.08%	0.08%
<b>Prices</b>		
Highest share price	236.4	332.4
Lowest share price	189.3	211.7

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.

<sup>A</sup> I Accumulation share class was closed on 23 June 2023.

# Comparative Tables

## Continued

K Accumulation <sup>A</sup>	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	162.59	212.16
Return before operating charges*	(21.45)	(48.08)
Operating charges	(1.00)	(1.49)
Return after operating charges*	(22.45)	(49.57)
Distributions	-	(1.53)
Retained distributions on accumulation shares	-	1.53
Redemption value as at 23 June 2023	(140.14)	-
Closing net asset value per share	-	162.59
* after direct transaction costs of:	0.12	0.16
<b>Performance</b>		
Return after charges	(13.81%)	(23.36%)
<b>Other information</b>		
Closing net asset value (£'000)	-	259
Closing number of shares	-	159,494
Operating charges	0.77%	0.76%
Direct transaction costs	0.08%	0.08%
<b>Prices</b>		
Highest share price	162.9	228.9
Lowest share price	130.5	145.9

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.

<sup>A</sup> K Accumulation share class was closed on 23 June 2023.

# Comparative Tables

## Continued

M Accumulation <sup>A</sup>	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	131.20	171.41
Return before operating charges*	(17.30)	(38.82)
Operating charges	(0.94)	(1.39)
Return after operating charges*	(18.24)	(40.21)
Distributions	-	(1.04)
Retained distributions on accumulation shares	-	1.04
Redemption value as at 23 June 2023	(112.96)	-
Closing net asset value per share	-	131.20
* after direct transaction costs of:	0.09	0.13
<b>Performance</b>		
Return after charges	(13.90%)	(23.46%)
<b>Other information</b>		
Closing net asset value (£'000)	-	97
Closing number of shares	-	73,860
Operating charges	0.89%	0.89%
Direct transaction costs	0.08%	0.08%
<b>Prices</b>		
Highest share price	131.4	184.9
Lowest share price	105.3	117.7

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.

<sup>A</sup> M Accumulation share class was closed on 23 June 2023.

# Comparative Tables

## Continued

Z Accumulation <sup>A</sup>	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	555.12	719.48
Return before operating charges*	(73.34)	(163.78)
Operating charges	(0.41)	(0.58)
Return after operating charges*	(73.75)	(164.36)
Distributions	-	(9.69)
Retained distributions on accumulation shares	-	9.69
Redemption value as at 23 June 2023	(481.37)	-
Closing net asset value per share	-	555.12
* after direct transaction costs of:	0.40	0.54
<b>Performance</b>		
Return after charges	(13.29%)	(22.84%)
<b>Other information</b>		
Closing net asset value (£'000)	-	1,256
Closing number of shares	-	226,357
Operating charges	0.09%	0.09%
Direct transaction costs	0.08%	0.08%
<b>Prices</b>		
Highest share price	556.3	778.0
Lowest share price	446.1	497.6

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.

<sup>A</sup> Z Accumulation share class was closed on 23 June 2023.

# Portfolio Statement

As at 31 July 2024

Holding	Investment	Market value £'000	Percentage of total net assets
UK Equities (0.00%)		-	-
Consumer Discretionary (0.00%)		-	-
687,400	Patisserie*	-	-
Financials (0.00%)		-	-
18,769	HIE Ventures*	-	-
Total investment assets		-	-
Net other assets		-	-
<b>Total Net Assets</b>		-	-

The percentage figures in brackets show the comparative holding as at 31 July 2023.

\* Delisted.

# Financial Statements

## Statement of Total Return

For the year ended 31 July 2024

	Notes	2024		2023	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		-		(12,959)
Revenue	2	-		1,642	
Expenses	3	-		(707)	
Interest payable and similar charges		-		(3)	
Net revenue before taxation		-		932	
Taxation	4	-		(33)	
Net revenue after taxation			-		899
<b>Total return before distributions</b>			-		<b>(12,060)</b>
Distributions	5		-		(903)
<b>Change in net assets attributable to shareholders from investment activities</b>			-		<b>(12,963)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2024

	2024		2023	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		-		<b>87,458</b>
Amounts receivable on the issue of shares	-		1,934	
Amounts payable on the cancellation of shares	-		(11,386)	
Amounts payable on inspecie transfers*	-		(65,936)	
		-		(75,388)
Dilution adjustment		-		18
Change in net assets attributable to shareholders from investment activities (see above)		-		(12,963)
Retained distribution on accumulation shares		-		875
<b>Closing net assets attributable to shareholders</b>		-		<b>-</b>

\* Relating to an inspecie transfer to abrdn UK Smaller Companies Fund on 23 June 2023.

# Financial Statements

## Continued

### Balance Sheet

As at 31 July 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			-		-
<b>Current assets:</b>					
Debtors	6	-		23	
Cash and bank balances		-		167	
			-		190
<b>Total assets</b>			-		<b>190</b>
<b>Liabilities:</b>					
Creditors	7	-		(190)	
			-		(190)
<b>Total liabilities</b>			-		<b>(190)</b>
<b>Net assets attributable to shareholders</b>			-		<b>-</b>

# Notes to the Financial Statements

## 1 Net Capital Losses

	2024 £'000	2023 £'000
Non-derivative securities	-	(12,954)
Transaction charges	-	(5)
<b>Net capital losses</b>	<b>-</b>	<b>(12,959)</b>

## 2 Revenue

	2024 £'000	2023 £'000
Bank and margin interest	-	16
Overseas dividends	-	112
UK dividends	-	1,496
UK REIT	-	18
<b>Total revenue</b>	<b>-</b>	<b>1,642</b>

## 3 Expenses

	2024 £'000	2023 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	-	652
General administration charge	-	53
	-	705
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	-	2
	-	2
<b>Total expenses</b>	<b>-</b>	<b>707</b>

Irrecoverable VAT is included in the above expenses, where applicable.  
The audit fee for the year, including VAT, was £4,200 (2023: £9,120).



# Notes to the Financial Statements

## Continued

### 4 Taxation

	2024 £'000	2023 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	-	33
<b>Total taxation (note 4b)</b>	-	<b>33</b>

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

The tax assessed for the year is equal to (2023: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

<b>Net revenue before taxation</b>	-	<b>932</b>
Corporation tax at 20% (2023: 20%)	-	187
Effects of:		
Revenue not subject to taxation	-	(322)
Overseas taxes	-	33
Excess allowable expenses	-	135
<b>Total tax charge for year (note 4a)</b>	-	<b>33</b>

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

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

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £7,045,000 (2023: £7,045,000) 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)

	2024 £'000	2023 £'000
Interim distribution	-	278
Special distribution	-	597
	-	875
Add: Income deducted on cancellation of shares	-	47
Deduct: Income received on issue of shares	-	(19)
<b>Total distributions for the year</b>	-	<b>903</b>

# Notes to the Financial Statements

## Continued

	2024 £'000	2023 £'000
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	-	899
Undistributed revenue brought forward	(4)	-
Undistributed revenue carried forward	-	4
Transfer of capital to revenue	4	-
<b>Total distributions for the year</b>	<b>-</b>	<b>903</b>

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

## 6 Debtors

	2024 £'000	2023 £'000
Accrued revenue	-	23
<b>Total debtors</b>	<b>-</b>	<b>23</b>

## 7 Creditors

	2024 £'000	2023 £'000
Amounts payable on termination	-	190
<b>Total creditors</b>	<b>-</b>	<b>190</b>

## 8 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 7.

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 7.

# Notes to the Financial Statements

## Continued

### 9 Portfolio Transaction Costs

	Purchases		Sales	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
<b>Trades in the year</b>				
Equities	-	12,213	-	81,717
<b>Trades in the year before transaction costs</b>	-	12,213	-	81,717
<b>Commissions</b>				
Equities	-	7	-	(14)
<b>Total commissions</b>	-	7	-	(14)
<b>Taxes</b>				
Equities	-	34	-	-
<b>Total taxes</b>	-	34	-	-
<b>Total transaction costs</b>	-	41	-	(14)
<b>Total net trades in the year after transaction costs</b>	-	12,254	-	81,703

	Purchases		Sales	
	2024	2023	2024	2023
	%	%	%	%
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	-	0.06	-	0.02
<b>Taxes</b>				
Equities	-	0.28	-	-

	2024	2023
	%	%
<b>Total transaction costs expressed as a percentage of net asset value</b>		
Commissions	-	0.03
Taxes	-	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 0.00% (2023: 0.00%), this is representative of the average spread on the assets held during the year.

# Notes to the Financial Statements

## Continued

### 10 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 2024, 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 (2023: £Nil).

#### **Financial derivatives instrument risk**

The fund had no exposure to derivatives as at 31 July 2024 (2023: £Nil).

#### **Liquidity risk**

All of the fund's financial liabilities are payable on demand or in less than one year, 2024 £Nil (2023: £190,000).

# Distribution Tables

For the year ended 31 July 2024 (in pence per share)

## Interim dividend distribution

	Distribution paid 28/04/23
<b>A Accumulation</b>	
Group 1	1.0261
Group 2	1.0261
<b>I Accumulation</b>	
Group 1	1.0371
Group 2	1.0371
<b>K Accumulation</b>	
Group 1	0.7706
Group 2	0.7706
<b>M Accumulation</b>	
Group 1	0.5465
Group 2	0.5465
<b>Z Accumulation</b>	
Group 1	4.3540
Group 2	4.3540

# Distribution Tables

For the year ended 31 July 2024 (in pence per share) continued

## Special dividend distribution

	Distribution paid 23/08/23
<b>A Accumulation</b>	
Group 1	3.0915
Group 2	3.0915
<b>I Accumulation</b>	
Group 1	2.0342
Group 2	2.0342
<b>K Accumulation</b>	
Group 1	6.2683
Group 2	6.2683
<b>M Accumulation</b>	
Group 1	1.4447
Group 2	1.4447
<b>Z Accumulation</b>	
Group 1	1.1072
Group 2	1.1072

## 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 and Japan Equity Fund (closed)

For the year ended 31 July 2024

abrdn Asia Pacific and Japan Equity Fund is no longer open to investors, having redeemed all shares on 12 May 2023. 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.

# Comparative Tables

A Accumulation <sup>A</sup>	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	278.99	310.50
Return before operating charges*	(10.72)	(27.51)
Operating charges	(2.87)	(4.00)
Return after operating charges*	(13.59)	(31.51)
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
* after direct transaction costs of:	0.53	0.21
<b>Performance</b>		
Return after charges	(4.87%)	(10.15%)
<b>Other information</b>		
Closing net asset value (£'000)	-	25,890
Closing number of shares	-	9,279,825
Operating charges	1.32%	1.32%
Direct transaction costs	0.19%	0.07%
<b>Prices</b>		
Highest share price	296.7	336.1
Lowest share price	250.6	264.1

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.

<sup>A</sup> A Accumulation share class was closed on 12 May 2023.



# Comparative Tables

## Continued

I Accumulation <sup>A</sup>	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	189.52	209.97
Return before operating charges*	(7.32)	(18.66)
Operating charges	(1.28)	(1.79)
Return after operating charges*	(8.60)	(20.45)
Distributions	(1.34)	(1.54)
Retained distributions on accumulation shares	1.34	1.54
Redemption value as at 12 May 2023	(180.92)	-
Closing net asset value per share	-	189.52
* after direct transaction costs of:	0.36	0.14
<b>Performance</b>		
Return after charges	(4.54%)	(9.74%)
<b>Other information</b>		
Closing net asset value (£'000)	-	74,817
Closing number of shares	-	39,477,688
Operating charges	0.87%	0.87%
Direct transaction costs	0.19%	0.07%
<b>Prices</b>		
Highest share price	202.0	227.5
Lowest share price	170.4	179.3

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.

<sup>A</sup> I Accumulation share class was closed on 12 May 2023.

# Comparative Tables

## Continued

M Accumulation <sup>A</sup>	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	127.38	141.20
Return before operating charges*	(4.91)	(12.55)
Operating charges	(0.91)	(1.27)
Return after operating charges*	(5.82)	(13.82)
Distributions	(0.85)	(0.97)
Retained distributions on accumulation shares	0.85	0.97
Redemption value as at 12 May 2023	(121.56)	-
Closing net asset value per share	-	127.38
* after direct transaction costs of:	0.24	0.10
<b>Performance</b>		
Return after charges	(4.57%)	(9.79%)
<b>Other information</b>		
Closing net asset value (£'000)	-	223
Closing number of shares	-	175,446
Operating charges	0.92%	0.92%
Direct transaction costs	0.19%	0.07%
<b>Prices</b>		
Highest share price	135.7	153.0
Lowest share price	114.5	120.5

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.

<sup>A</sup> M Accumulation share class was closed on 12 May 2023.

# Financial Statements

## Statement of Total Return

For the year ended 31 July 2024

	Notes	2024		2023	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		-		(4,835)
Revenue	2	-		1,462	
Expenses	3	-		(714)	
Interest payable and similar charges		-		(2)	
Net revenue before taxation		-		746	
Taxation	4	6		(195)	
Net revenue after taxation			6		551
<b>Total return before equalisation</b>			<b>6</b>		<b>(4,284)</b>
Equalisation on shares	5		-		(612)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>6</b>		<b>(4,896)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2024

	2024		2023	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		-		<b>100,930</b>
Amounts receivable on the issue of shares	-		6,808	
Amounts payable on the cancellation of shares	-		(15,322)	
Amounts payable on inspecie transfers*	-		(88,115)	
		-		(96,629)
Dilution adjustment		-		5
Change in net assets attributable to shareholders from investment activities (see above)		6		(4,896)
Retained distribution on accumulation shares		-		590
Movement in amount payable on termination		(6)		-
<b>Closing net assets attributable to shareholders</b>		<b>-</b>		<b>-</b>

\* Relating to an inspecie transfer to abrdn Asia Pacific Equity Fund on 12 May 2023.

# Financial Statements

## Continued

### Balance Sheet

As at 31 July 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Current assets:</b>					
Debtors	6	2		26	
Cash and bank balances	7	7		269	
			9		295
<b>Total assets</b>			<b>9</b>		<b>295</b>
<b>Liabilities:</b>					
Creditors	9	(9)		(295)	
			(9)		(295)
<b>Total liabilities</b>			<b>(9)</b>		<b>(295)</b>
<b>Net assets attributable to shareholders</b>			<b>-</b>		<b>-</b>

# Notes to the Financial Statements

## 1 Net Capital Losses

	2024 £'000	2023 £'000
Non-derivative securities	-	(4,614)
Other losses	-	(204)
Transaction charges	-	(17)
<b>Net capital losses</b>	<b>-</b>	<b>(4,835)</b>

## 2 Revenue

	2024 £'000	2023 £'000
Overseas dividends	-	1,274
Overseas REIT	-	8
UK dividends	-	180
<b>Total revenue</b>	<b>-</b>	<b>1,462</b>

## 3 Expenses

	2024 £'000	2023 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	-	641
General administration charge	-	60
	-	701
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	-	13
	-	13
<b>Total expenses</b>	<b>-</b>	<b>714</b>

Irrecoverable VAT is included in the above expenses, where applicable.  
The audit fee for the year, including VAT, was £4,200 (2023: £9,120).

## 4 Taxation

	2024 £'000	2023 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	(6)	128
Overseas capital gains tax	-	255

# Notes to the Financial Statements

## Continued

	2024 £'000	2023 £'000
Total current tax	(6)	383
Deferred tax (note 4c)	-	(188)
<b>Total taxation (note 4b)</b>	<b>(6)</b>	<b>195</b>

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

The tax assessed for the year is less than (2023: 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:

<b>Net revenue before taxation</b>	<b>-</b>	<b>746</b>
Corporation tax at 20% (2023: 20%)	-	149
Effects of:		
Revenue not subject to taxation	-	(290)
Overseas taxes	(6)	128
Excess allowable expenses	-	141
Overseas capital gains tax	-	255
Deferred tax charge in statement of total return for year	-	(188)
<b>Total tax (credit)/ charge for year (note 4a)</b>	<b>(6)</b>	<b>195</b>

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

### (c) Deferred tax

Provision at the start of the year	-	188
Deferred tax charge in statement of total return for year (note 4a)	-	(188)
<b>Provision at the end of the year</b>	<b>-</b>	<b>-</b>

### (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 (2023: £7,041,000) 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)

	2024 £'000	2023 £'000
Special Distribution	-	590
Add: Income deducted on cancellation of shares	-	55
Deduct: Income received on issue of shares	-	(33)
<b>Total distributions for the year</b>	<b>-</b>	<b>612</b>

# Notes to the Financial Statements

## Continued

	2024 £'000	2023 £'000
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	6	551
Expenses charged to capital	-	(2)
Overseas capital gains tax on realised gains	-	255
Overseas deferred capital gains tax on unrealised gains	-	(188)
Undistributed revenue carried forward	(6)	(4)
<b>Total distributions for the year</b>	<b>-</b>	<b>612</b>

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

## 6 Debtors

	2024 £'000	2023 £'000
Overseas withholding tax recoverable	2	26
<b>Total debtors</b>	<b>2</b>	<b>26</b>

## 7 Creditors

	2024 £'000	2023 £'000
Amounts payable on termination	9	295
<b>Total creditors</b>	<b>9</b>	<b>295</b>

## 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.

# Notes to the Financial Statements

## Continued

### 9 Portfolio Transaction Costs

	Purchases		Sales	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Trades in the year</b>				
Equities	-	33,779	-	89,182
Inspecie transactions	-	-	-	40,296
<b>Trades in the year before transaction costs</b>	-	<b>33,779</b>	-	<b>129,478</b>
<b>Commissions</b>				
Equities	-	14	-	(27)
<b>Total commissions</b>	-	<b>14</b>	-	<b>(27)</b>
<b>Taxes</b>				
Equities	-	20	-	(83)
<b>Total taxes</b>	-	<b>20</b>	-	<b>(83)</b>
<b>Total transaction costs</b>	-	<b>34</b>	-	<b>(110)</b>
<b>Total net trades in the year after transaction costs</b>	-	<b>33,813</b>	-	<b>129,368</b>
	Purchases		Sales	
	2024 %	2023 %	2024 %	2023 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	-	0.04	-	0.03
<b>Taxes</b>				
Equities	-	0.06	-	0.09
			2024 %	2023 %
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Commissions			-	0.05
Taxes			-	0.14

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% (2023: 0.00%), this is representative of the average spread on the assets held during the year.



# Notes to the Financial Statements

## Continued

### 10 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
	2024 £'000	2023 £'000
China Renminbi	-	13
Euro	2	2
Indian Rupee	-	34
Philippines Peso	-	9
Singapore Dollar	-	1
South Korean Won	-	16
Taiwan Dollar	-	28
US Dollar	(37)	(23)
<b>Total</b>	<b>(35)</b>	<b>80</b>

At 31 July 2024, 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 £(2,000) (2023: £4,000).

#### 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 2024, 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 (2023: £Nil).

#### Financial derivatives instrument risk

The fund had no exposure to derivatives as at 31 July 2024 (2023: £Nil).

#### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2024 £9,000 (2023: £295,000).

# Distribution Table

For the year ended 31 July 2024 (in pence per share)

## Special dividend distribution

	Distribution paid 12/07/23
<b>A Accumulation</b>	
Group 1	0.9926
Group 2	0.9926
<b>I Accumulation</b>	
Group 1	1.3383
Group 2	1.3383
<b>M Accumulation</b>	
Group 1	0.8498
Group 2	0.8498

## 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 (closed)

For the year ended 31 July 2024

## 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 period ended 27 October 2023, the value of abrdn Multi-Asset Fund – I Accumulation Shares decreased by 4.75% compared to a decrease of 4.04% 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, BPSS, 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

Over the six months from 31 July 2023 to 31 January 2024, inflation and global interest rates remained at the forefront of investors' minds. Concerns about China's economy, particularly its highly indebted property sector, and geopolitical tensions in Ukraine and the Middle East added to investors' worries about a global economic slowdown. In the first half of the period, the prospect of interest rates staying higher for longer was a headwind for markets. However, towards the end of the period, inflationary pressures eased. Investor confidence grew, as statements from the Federal Reserve (Fed) in December 2023 indicated there may be rate cuts in 2024. However, in

# abrdn Multi-Asset Fund (closed)

## Continued

January 2024, central banks indicated they may delay rate cuts beyond earlier expectations.

US equities rose in dollar and sterling terms over the six months. Inflationary pressures were elevated in the first half of the period but eased during the second half as a result of the multiple interest rate increases implemented by the Fed since early 2022. US shares enjoyed double-digit returns during the second half of the period, fuelled by signs of easing monetary policy from the Fed. The Fed kept the target range for the fed funds rate at a 42-year-high of 5.25%–5.5% at the end of the period. In continental Europe, equities also rose. Although annual inflation fell, the European Central Bank (ECB) kept its main operations rate at a 22-year high of 4.5%. UK equities advanced over the six months. The domestically focused FTSE 250 Index outperformed the internationally focused FTSE 100 Index over the period. The Bank of England (BoE) raised its Bank Rate by 25 basis points (bps) in August, taking it to a 15-year high of 5.25%. The BoE maintained this rate in its most recent February meeting. Japan equities rose in both yen and sterling terms over the six months. Over the period, the Bank of Japan kept its key short-term interest rate at -0.1% and the target for the 10-year government bond yield at around 0%.

Within fixed income, global government bonds rose over the six months in both sterling and local currency terms. At the start of the period, major central banks continued to raise interest rates to combat elevated inflation. However, during the second half, central banks refrained from further raising interest rates as price pressures continued to ease in most major economies. However, with core inflation still elevated, they maintained a data-dependent stance. Improving market sentiment pushed bonds higher in the fourth quarter. The yields on 10-year government bonds in the US, Germany and the UK all declined over the period while the 10-year Japanese government bond yield rose. Global investment-grade corporate bonds fell in the third quarter of 2023. However, they rose in the fourth quarter, with yields falling globally as major central banks held rates unchanged.

## Portfolio Activity and Review

The fund's portfolio review covers the period from 31 July 2023 to the fund's closure on 27 October 2023.

UK equities fell over the period to 27 October 2023. At the stock level, there were a handful of names with poor performance for stock-specific reasons. Drax Group continued to suffer from uncertainty around its long-term biomass strategy. OSB Group fell sharply after having to change estimates on a portion of its mortgage book – something we felt would have a one-year impact. Prudential was also weak on concerns about the health of the Chinese economy. Energean performed well at the start of the period but then fell dramatically in October due

to investor concerns over the escalation of conflict in the Middle East. In terms of contributors to fund performance, BP was among the biggest contributors to returns as its shares rose following an increase in oil prices through the period. Shell also performed positively over the period whereas Harbour Energy ended slightly lower.

US equities fell over the period to 27 October 2023. European, Japanese and Asia Pacific (excluding Japan) also generated negative returns. In terms of individual stocks, Alphabet fell sharply towards the end of the period despite its positive third-quarter results, as Google's cloud computing revenue fell short of market expectations. NICE Limited's stock continued to be affected by fears that the use of artificial intelligence in call centres could lower the growth rate for its call centre handling software.

In European equities, on a stock-specific basis, Adyen's shares fell over the period after reporting weaker-than-expected growth, particularly in North America. Conversely, shares in Novo Nordisk rose after trial results showed a substantial cardiovascular risk benefit from weight loss induced by the firm's GLP-1 medication. Nemetschek also rose over the period, after it announced strong third-quarter results and increased its revenue guidance for 2023.

UK government bonds fell slightly over the period to 27 October 2023. 'Higher for longer' dominated central bank rhetoric across much of the period, with a flurry of 25 basis point (bp) interest rate hikes over the third quarter of 2023, which were widely signalled to be the last of this cycle in the absence of further shocks.

In our infrastructure holdings, HICL Infrastructure contributed negatively to fund performance. This was despite the firm announcing the disposal of five assets during the period, generating £204 million – a small premium to the reported holding value. Meanwhile, battery storage investor Gresham House Energy Storage also fell over the period, largely driven by lower third-party revenue forecasts.

In private equity, Pantheon Infrastructure fell slightly over the period, despite performing well in the third quarter of 2023 after it released half-year results to the end of June, revealing a net asset value total return of 3%. During the period, two new investments were made in European tower operator GD Towers and the pan-Nordic fibre operator GlobalConnect.

There were no major changes in terms of tactical asset allocation.

## Portfolio Outlook and Strategy

The fund closed on 27 October 2023.

**Asset Allocations Solutions Team**

August 2024

# abrdn Multi-Asset 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 27 October 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 <sup>A</sup>	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	306.31	320.88	341.00
Return before operating charges*	(13.67)	(9.96)	(14.82)
Operating charges	(1.12)	(4.61)	(5.30)
Return after operating charges*	(14.79)	(14.57)	(20.12)
Distributions	-	(4.33)	(1.68)
Retained distributions on accumulation shares	-	4.33	1.68
Redemption value as at 27 October 2023	(291.52)	-	-
Closing net asset value per share	-	306.31	320.88
* after direct transaction costs of:	0.30	0.38	0.21
<b>Performance</b>			
Return after charges	(4.83%)	(4.54%)	(5.90%)
<b>Other information</b>			
Closing net asset value (£'000)	-	67,175	78,720
Closing number of shares	-	21,930,523	24,532,408
Operating charges	1.55%	1.50%	1.59%
Direct transaction costs	0.10%	0.13%	0.07%
<b>Prices</b>			
Highest share price	307.0	328.0	357.1
Lowest share price	291.5	286.7	298.2

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.

<sup>A</sup> A Accumulation share class closed on 27 October 2023.

# Comparative Tables

## Continued

A Income <sup>A</sup>	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	247.09	262.52	280.44
Return before operating charges*	(12.57)	(8.13)	(12.19)
Operating charges	(0.90)	(3.77)	(4.35)
Return after operating charges*	(13.47)	(11.90)	(16.54)
Distributions	-	(3.53)	(1.38)
Redemption value as at 27 October 2023	(233.62)	-	-
Closing net asset value per share	-	247.09	262.52
* after direct transaction costs of:	0.24	0.31	0.17
<b>Performance</b>			
Return after charges	(5.45%)	(4.53%)	(5.90%)
<b>Other information</b>			
Closing net asset value (£'000)	-	2,526	3,306
Closing number of shares	-	1,022,411	1,259,312
Operating charges	1.55%	1.50%	1.59%
Direct transaction costs	0.10%	0.13%	0.07%
<b>Prices</b>			
Highest share price	247.7	268.3	293.7
Lowest share price	233.6	234.5	245.1

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.

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.

<sup>A</sup> A Income share class closed on 27 October 2023.

# Comparative Tables

## Continued

I Accumulation <sup>A</sup>	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	340.67	355.28	375.86
Return before operating charges*	(15.20)	(11.03)	(16.38)
Operating charges	(0.89)	(3.58)	(4.20)
Return after operating charges*	(16.09)	(14.61)	(20.58)
Distributions	-	(6.34)	(3.51)
Retained distributions on accumulation shares	-	6.34	3.51
Redemption value as at 27 October 2023	(324.58)	-	-
Closing net asset value per share	-	340.67	355.28
* after direct transaction costs of:	0.33	0.42	0.23
<b>Performance</b>			
Return after charges	(4.72%)	(4.11%)	(5.48%)
<b>Other information</b>			
Closing net asset value (£'000)	-	42,897	48,646
Closing number of shares	-	12,591,805	13,692,426
Operating charges	1.10%	1.05%	1.14%
Direct transaction costs	0.10%	0.13%	0.07%
<b>Prices</b>			
Highest share price	341.5	363.3	394.4
Lowest share price	324.6	317.7	330.1

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.

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.

<sup>A</sup> I Accumulation share class closed on 27 October 2023.



# Comparative Tables

## Continued

I Income <sup>A</sup>	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	145.99	155.10	165.70
Return before operating charges*	(7.58)	(4.79)	(7.21)
Operating charges	(0.38)	(1.56)	(1.85)
Return after operating charges*	(7.96)	(6.35)	(9.06)
Distributions	-	(2.76)	(1.54)
Redemption value as at 27 October 2023	(138.03)	-	-
Closing net asset value per share	-	145.99	155.10
* after direct transaction costs of:	0.14	0.18	0.10
<b>Performance</b>			
Return after charges	(5.45%)	(4.09%)	(5.47%)
<b>Other information</b>			
Closing net asset value (£'000)	-	8,357	9,485
Closing number of shares	-	5,724,729	6,115,439
Operating charges	1.10%	1.05%	1.14%
Direct transaction costs	0.10%	0.13%	0.07%
<b>Prices</b>			
Highest share price	146.3	158.6	173.9
Lowest share price	138.0	138.7	145.0

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.

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.

<sup>A</sup> I Income share class closed on 27 October 2023.

# Comparative Tables

## Continued

M Accumulation <sup>A</sup>	2024 pence per share	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	119.27	124.45	131.72
Return before operating charges*	(5.33)	(3.87)	(5.74)
Operating charges	(0.32)	(1.31)	(1.53)
Return after operating charges*	(5.65)	(5.18)	(7.27)
Distributions	-	(2.16)	(1.16)
Retained distributions on accumulation shares	-	2.16	1.16
Redemption value as at 27 October 2023	(113.62)	-	-
Closing net asset value per share	-	119.27	124.45
* after direct transaction costs of:	0.11	0.15	0.08
<b>Performance</b>			
Return after charges	(4.73%)	(4.16%)	(5.52%)
<b>Other information</b>			
Closing net asset value (£'000)	-	248	303
Closing number of shares	-	208,155	243,042
Operating charges	1.15%	1.10%	1.19%
Direct transaction costs	0.10%	0.13%	0.07%
<b>Prices</b>			
Highest share price	119.6	127.2	138.2
Lowest share price	113.6	111.3	115.6

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.

<sup>A</sup> M Accumulation share class closed on 27 October 2023.

# Comparative Tables

## Continued

M Income <sup>A</sup>	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	119.87	128.05
Return before operating charges*	(1.98)	(5.52)
Operating charges	(0.59)	(1.49)
Return after operating charges*	(2.57)	(7.01)
Distributions	-	(1.17)
Redemption value as at 17 January 2023	(117.30)	-
Closing net asset value per share	-	119.87
* after direct transaction costs of:	0.14	0.08
<b>Performance</b>		
Return after charges	(2.14%)	(5.47%)
<b>Other information</b>		
Closing net asset value (£'000)	-	1
Closing number of shares	-	915
Operating charges	1.10%	1.19%
Direct transaction costs	0.13%	0.07%
<b>Prices</b>		
Highest share price	122.6	134.4
Lowest share price	107.2	112.1

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.

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.

<sup>A</sup> M income share class closed on 17 January 2023.

# Portfolio Statement

As at 31 July 2024

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (41.67%)		-	-
European Equities (2.60%)		-	-
Ireland (1.10%)		-	-
Switzerland (1.50%)		-	-
North America Equities (0.25%)		-	-
Bermuda (0.25%)		-	-
UK Equities (38.82%)		-	-
Basic Materials (1.16%)		-	-
Consumer Discretionary (2.48%)		-	-
Consumer Staples (3.43%)		-	-
Energy (4.34%)		-	-
Financials (17.35%)		-	-
139,339	abrdrn Private Equity Fund+	-	-
769	HIE Ventures*	-	-
Health Care (4.65%)		-	-
Industrials (2.77%)		-	-
Real Estate (0.33%)		-	-
Technology (0.66%)		-	-
Telecommunications (0.55%)		-	-
Utilities (1.10%)		-	-
Collective Investment Schemes (56.13%)		-	-

# Portfolio Statement

As at 31 July 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Exchange Traded Funds (2.00%)		-	-
Derivatives (-0.06%)		-	-
Forward Currency Contracts (-0.03%)		-	-
Futures (-0.03%)		-	-
Total investment assets		-	-
Net other assets		-	-
<b>Total Net Assets</b>		-	-

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

The percentage figures in brackets show the comparative holding as at 31 July 2023.

+ Managed by subsidiaries of abrdn plc.

\* Delisted.

# Financial Statements

## Statement of Total Return

For the year ended 31 July 2024

	Notes	2024		2023	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(6,376)		(8,157)
Revenue	2	1,019		3,487	
Expenses	3	(307)		(1,421)	
Interest payable and similar charges		(1)		(1)	
Net revenue before taxation		711		2,065	
Taxation	4	(6)		6	
Net revenue after taxation			705		2,071
<b>Total return before distributions</b>			<b>(5,671)</b>		<b>(6,086)</b>
Distributions	5		(803)		(2,071)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(6,474)</b>		<b>(8,157)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2024

	2024		2023	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>121,203</b>		<b>140,461</b>
Amounts receivable on the issue of shares	215		1,472	
Amounts payable on the cancellation of shares	(5,016)		(14,370)	
Amounts payable on inspecie transfers*	(110,633)		-	
		(115,434)		(12,898)
Dilution adjustment		3		-
Change in net assets attributable to shareholders from investment activities (see above)		(6,474)		(8,157)
Retained distribution on accumulation shares		701		1,797
Movement in amount payable on termination		1		-
<b>Closing net assets attributable to shareholders</b>		<b>-</b>		<b>121,203</b>

\* Relating to an inspecie transfer to abrdn Global Balanced Growth Fund on 27 October 2023.

# Financial Statements

## Continued

### Balance Sheet

As at 31 July 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			-		120,987
<b>Current assets:</b>					
Debtors	6	1		236	
Cash and bank balances	7	4		614	
			5		850
<b>Total assets</b>			<b>5</b>		<b>121,837</b>
<b>Liabilities:</b>					
Investment liabilities			-		(102)
Bank overdrafts	7	-		(1)	
Creditors	8	(5)		(406)	
Distribution payable		-		(125)	
			(5)		(532)
<b>Total liabilities</b>			<b>(5)</b>		<b>(634)</b>
<b>Net assets attributable to shareholders</b>			<b>-</b>		<b>121,203</b>

# Notes to the Financial Statements

## 1 Net Capital Losses

	2024 £'000	2023 £'000
Non-derivative securities	(6,281)	(7,794)
Derivative contracts	(171)	(267)
Forward currency contracts	34	(81)
Other gains/(losses)	48	(8)
Transaction charges	(6)	(7)
<b>Net capital losses</b>	<b>(6,376)</b>	<b>(8,157)</b>

## 2 Revenue

	2024 £'000	2023 £'000
ACD fee rebates on collective investment scheme holdings	4	50
Bank and margin interest	46	115
<b>Income from Overseas Collective Investment Schemes</b>		
Franked income	27	35
Unfranked income	2	-
<b>Income from UK Collective Investment Schemes</b>		
Franked income	151	541
Unfranked income	5	5
Interest income	257	452
Interest on debt securities	54	192
Overseas dividends	42	(37)
Overseas REIT	3	-
UK dividends	423	2,092
UK REIT	5	42
<b>Total revenue</b>	<b>1,019</b>	<b>3,487</b>

## 3 Expenses

	2024 £'000	2023 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	283	1,312
General administration charge	23	104
	<b>306</b>	<b>1,416</b>



# Notes to the Financial Statements

## Continued

	2024 £'000	2023 £'000
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	1	5
	1	5
<b>Total expenses</b>	<b>307</b>	<b>1,421</b>

Irrecoverable VAT is included in the above expenses, where applicable.  
The audit fee for the year, including VAT, was £9,900 (2023: £9,120).

## 4 Taxation

	2024 £'000	2023 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	7	(6)
Overseas Capital gains tax	(1)	-
<b>Total taxation (note 4b)</b>	<b>6</b>	<b>(6)</b>

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

The tax assessed for the year is less than (2023: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

<b>Net revenue before taxation</b>	<b>711</b>	<b>2,065</b>
Corporation tax at 20% (2023: 20%)	142	413
Effects of:		
Revenue not subject to taxation	(128)	(526)
Overseas taxes	7	(6)
Excess allowable expenses	(14)	113
Overseas capital gains tax	(1)	-
<b>Total tax charge / (credit) for year (note 4a)</b>	<b>6</b>	<b>(6)</b>

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

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

The fund has not recognised a deferred tax asset of £8,722,000 (2023: £8,797,000) arising as a result of having unutilised management expenses. It is unlikely that these expenses will be utilised in future years.

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

	2024 £'000	2023 £'000
Special distribution	775	-
Interim distribution	-	704
Final distribution	-	1,290
	775	1,994

# Notes to the Financial Statements

## Continued

	2024 £'000	2023 £'000
Add: Income deducted on cancellation of shares	29	91
Deduct: Income received on issue of shares	(1)	(14)
<b>Total distributions for the year</b>	<b>803</b>	<b>2,071</b>
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	705	2,071
Overseas capital gains tax on realised gains	(1)	-
Transfer of income to capital	99	-
<b>Total distributions for the year</b>	<b>803</b>	<b>2,071</b>

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

## 6 Debtors

	2024 £'000	2023 £'000
Accrued revenue	-	130
Amounts receivable from the ACD for the issue of shares	-	16
Management fee rebate receivable	-	2
Sales awaiting settlement	-	88
United Kingdom income tax recoverable	1	-
<b>Total debtors</b>	<b>1</b>	<b>236</b>

## 7 Liquidity

	2024 £'000	2023 £'000
<b>Cash and bank balances</b>		
Cash at bank	4	501
Cash at broker	-	113
	<b>4</b>	<b>614</b>
<b>Bank overdrafts</b>		
Overdraft at bank	-	(1)
	-	(1)
abrdn Liquidity Fund (Lux) – Sterling Fund Z1 Inc*	-	3,685
<b>Net liquidity</b>	<b>4</b>	<b>4,298</b>

\* 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

	2024 £'000	2023 £'000
Accrued expenses payable to ACD	-	112
Accrued expenses payable to the Depositary or associates of the Depositary	-	1
Amounts payable to the ACD for cancellation of shares	-	293
Amounts payable on termination	5	-
<b>Total creditors</b>	<b>5</b>	<b>406</b>

### 9 Related Party Transactions

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

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

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

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

### 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	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Trades in the year</b>				
Equities	25,480	29,506	43,549	48,276
Collective investment schemes	35,361	29,279	35,920	23,439
Inspecie transactions	21,231	-	114,015	-
Corporate actions	-	-	55	231
<b>Trades in the year before transaction costs</b>	<b>82,072</b>	<b>58,785</b>	<b>193,539</b>	<b>71,946</b>
<b>Commissions</b>				
Equities	6	12	(24)	(23)
<b>Total commissions</b>	<b>6</b>	<b>12</b>	<b>(24)</b>	<b>(23)</b>

# Notes to the Financial Statements

## Continued

	Purchases		Sales	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Trades in the year</b>				
<b>Taxes</b>				
Equities	6	124	-	-
<b>Total taxes</b>	<b>6</b>	<b>124</b>	<b>-</b>	<b>-</b>
<b>Total transaction costs</b>	<b>12</b>	<b>136</b>	<b>(24)</b>	<b>(23)</b>
<b>Total net trades in the year after transaction costs</b>	<b>82,084</b>	<b>58,921</b>	<b>193,515</b>	<b>71,923</b>

	Purchases		Sales	
	2024 %	2023 %	2024 %	2023 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.02	0.04	0.06	0.05
<b>Taxes</b>				
Equities	0.02	0.42	-	-

	2024 %	2023 %
<b>Total transaction costs expressed as a percentage of net asset value</b>		
Commissions	0.10	0.03
Taxes	-	0.10

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% (2023: 0.12%), this is representative of the average spread on the assets held during the year.

## 11 Shares in Issue Reconciliation

	Opening shares 2023	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2024
A Accumulation	21,930,523	38,410	(21,937,491)	(31,442)	-
A Income	1,022,411	279	(1,022,690)	-	-
I Accumulation	12,591,805	22,657	(12,642,723)	28,261	-
I Income	5,724,729	15,688	(5,740,417)	-	-
M Accumulation	208,155	-	(208,155)	-	-

# 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).

	2024 £'000	2024 £'000	2024 £'000	2023 £'000	2023 £'000	2023 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	-	-	-	50,414	-	86*
Collective Investment Schemes	-	-	-	-	68,036	-
Derivatives	-	-	-	24	-	-
Exchange Traded Funds	-	-	-	2,427	-	-
<b>Total investment assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>52,865</b>	<b>68,036</b>	<b>-</b>
<b>Fair value of investment liabilities</b>						
Derivatives	-	-	-	(63)	(39)	-
<b>Total investment liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(63)</b>	<b>(39)</b>	<b>-</b>

\*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.

#### 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

### VaR

The fund closed on 27 October 2023, therefore VaR is not presented for the year to 31 July 2024. The table below indicates the VaR of the fund, measured as the maximum one-month loss in value from adverse changes in market risk factors (e.g. equity prices, interest rates, inflation rates and foreign currency exchange rates) that is expected with a 99 percent confidence level. Calculated on this basis, the VaR indicates that the net value of the fund could be expected to fall over a one-month period by more than the corresponding VaR in 1% of cases, assuming the fund does not alter its positioning over that period.

2023	Minimum	Maximum	Average
VaR 99% 1 Month	7.02%	8.18%	7.64%

### 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:

	2024		2023	
	Market exposure £'000	Market value £'000	Market exposure £'000	Market value £'000
<b>Leveraged instruments</b>				
Forward currency contracts	-	-	1,320	(39)
Futures	-	-	3,558	(39)
<b>Total market exposure</b>	<b>-</b>	<b>-</b>	<b>4,878</b>	<b>(78)</b>

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

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

### Counterparty risk

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

The fund closed on 27 October 2023 and held no derivatives at the year end.

At the prior year end the fund had the following clearing broker exposure.

2023	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
<b>Broker or exchange exposure</b>					
Bank of America Merrill Lynch	(39)	113	-	74	0.06
	<b>(39)</b>	<b>113</b>	<b>-</b>	<b>74</b>	<b>0.06</b>

# 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.

The fund closed on 27 October 2023 and at the balance sheet date had no positions.

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

2023 Counterparties	Forwards £'000	Collateral (held)/pledged		Net exposure £'000
		Cash £'000	Stock £'000	
Royal Bank of Canada	(39)	-	-	(39)
<b>Total</b>	<b>(39)</b>	<b>-</b>	<b>-</b>	<b>(39)</b>

### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2024 £5,000 (2023: £634,000).

# Distribution Tables

For the year ended 31 July 2024 (in pence per share)

## Special distribution

Group 1 – shares purchased prior to 1 August 2023

Group 2 – shares purchased between 1 August 2023 and 26 October 2023.

	Revenue	Equalisation	Distribution paid 21/12/23
<b>A Accumulation</b>			
Group 1	1.9022	-	1.9022
Group 2	0.8540	1.0482	1.9022
<b>A Income</b>			
Group 1	1.5344	-	1.5344
Group 2	0.2935	1.2409	1.5344
<b>I Accumulation</b>			
Group 1	2.4773	-	2.4773
Group 2	0.8118	1.6655	2.4773
<b>I Income</b>			
Group 1	1.0615	-	1.0615
Group 2	0.3388	0.7227	1.0615
<b>M Accumulation</b>			
Group 1	0.8532	-	0.8532
Group 2	0.8532	-	0.8532



# Distribution Tables

For the year ended 31 July 2024 (in pence per share) continued

## Interim dividend distribution

Group 1 – shares purchased prior to 27 October 2023

Group 2 – shares purchased between 27 October 2023 and 31 January 2024

	Revenue	Equalisation	Distribution paid 30/04/24	Distribution paid 28/04/23
<b>A Accumulation</b>				
Group 1	-	-	-	1.3603
Group 2	-	-	-	1.3603
<b>A Income</b>				
Group 1	-	-	-	1.1128
Group 2	-	-	-	1.1128
<b>I Accumulation</b>				
Group 1	-	-	-	2.2813
Group 2	-	-	-	2.2813
<b>I Income</b>				
Group 1	-	-	-	0.9959
Group 2	-	-	-	0.9959
<b>M Accumulation</b>				
Group 1	-	-	-	0.7691
Group 2	-	-	-	0.7691

# Distribution Tables

For the year ended 31 July 2024 (in pence per share) continued

## Final dividend distribution

Group 1 – shares purchased prior to 1 February 2024

Group 2 – shares purchased between 1 February 2024 and 31 July 2024

	Revenue	Equalisation	Distribution paid 31/10/24	Distribution paid 31/10/23
<b>A Accumulation</b>				
Group 1	-	-	-	2.9678
Group 2	-	-	-	2.9678
<b>A Income</b>				
Group 1	-	-	-	2.4172
Group 2	-	-	-	2.4172
<b>I Accumulation</b>				
Group 1	-	-	-	4.0578
Group 2	-	-	-	4.0578
<b>I Income</b>				
Group 1	-	-	-	1.7599
Group 2	-	-	-	1.7599
<b>M Accumulation</b>				
Group 1	-	-	-	1.3910
Group 2	-	-	-	1.3910

## 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 Equity Fund (closed)

For the year ended 31 July 2024

abrdn UK Equity Fund is no longer open to investors, having redeemed all shares on 23 June 2023. 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 <sup>A</sup>	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	226.68	251.61
Return before operating charges*	(6.45)	(21.93)
Operating charges	(2.56)	(3.00)
Return after operating charges*	(9.01)	(24.93)
Distributions	(3.11)	(1.49)
Retained distributions on accumulation shares	3.11	1.49
Redemption value as at 23 June 2023	(217.67)	-
Closing net asset value per share	-	226.68
* after direct transaction costs of:	0.49	0.28
<b>Performance</b>		
Return after charges	(3.97%)	(9.91%)
<b>Other information</b>		
Closing net asset value (£'000)	-	75,091
Closing number of shares	-	33,127,322
Operating charges	1.28%	1.28%
Direct transaction costs	0.22%	0.12%
<b>Prices</b>		
Highest share price	234.2	262.9
Lowest share price	199.5	197.8

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.

<sup>A</sup> A Accumulation share class was closed on 23 June 2023.

# Comparative Tables

## Continued

A Income <sup>A</sup>	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	174.69	195.19
Return before operating charges*	(4.93)	(17.01)
Operating charges	(1.97)	(2.33)
Return after operating charges*	(6.90)	(19.34)
Distributions	(2.39)	(1.16)
Redemption value as at 23 June 2023	(165.40)	-
Closing net asset value per share	-	174.69
* after direct transaction costs of:	0.37	0.22
<b>Performance</b>		
Return after charges	(3.95%)	(9.91%)
<b>Other information</b>		
Closing net asset value (£'000)	-	28,640
Closing number of shares	-	16,394,417
Operating charges	1.28%	1.28%
Direct transaction costs	0.22%	0.12%
<b>Prices</b>		
Highest share price	179.6	204.0
Lowest share price	153.7	153.3

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.

<sup>A</sup> A Income share class was closed on 23 June 2023.

# Comparative Tables

## Continued

I Accumulation <sup>A</sup>	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	250.35	276.63
Return before operating charges*	(7.13)	(24.14)
Operating charges	(1.84)	(2.14)
Return after operating charges*	(8.97)	(26.28)
Distributions	(4.43)	(2.80)
Retained distributions on accumulation shares	4.43	2.80
Redemption value as at 23 June 2023	(241.38)	-
Closing net asset value per share	-	250.35
* after direct transaction costs of:	0.54	0.31
<b>Performance</b>		
Return after charges	(3.58%)	(9.50%)
<b>Other information</b>		
Closing net asset value (£'000)	-	344,929
Closing number of shares	-	137,778,973
Operating charges	0.83%	0.83%
Direct transaction costs	0.22%	0.12%
<b>Prices</b>		
Highest share price	259.5	289.2
Lowest share price	220.5	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.

<sup>A</sup> I Accumulation share class was closed on 23 June 2023.

# Comparative Tables

## Continued

	2023	2022
I Income <sup>A</sup>	pence per share	pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	174.60	195.10
Return before operating charges*	(4.93)	(17.02)
Operating charges	(1.28)	(1.51)
Return after operating charges*	(6.21)	(18.53)
Distributions	(3.08)	(1.97)
Redemption value as at 23 June 2023	(165.31)	-
Closing net asset value per share	-	174.60
* after direct transaction costs of:	0.38	0.22
<b>Performance</b>		
Return after charges	(3.56%)	(9.50%)
<b>Other information</b>		
Closing net asset value (£'000)	-	10,163
Closing number of shares	-	5,820,624
Operating charges	0.83%	0.83%
Direct transaction costs	0.22%	0.12%
<b>Prices</b>		
Highest share price	179.7	204.0
Lowest share price	153.8	153.2

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.

<sup>A</sup> I Income share class was closed on 23 June 2023.

# Comparative Tables

## Continued

K Accumulation <sup>A</sup>	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	150.60	166.28
Return before operating charges*	(4.29)	(14.50)
Operating charges	(1.01)	(1.18)
Return after operating charges*	(5.30)	(15.68)
Distributions	(2.77)	(1.80)
Retained distributions on accumulation shares	2.77	1.80
Redemption value as at 23 June 2023	(145.30)	-
Closing net asset value per share	-	150.60
* after direct transaction costs of:	0.32	0.19
<b>Performance</b>		
Return after charges	(3.52%)	(9.43%)
<b>Other information</b>		
Closing net asset value (£'000)	-	933
Closing number of shares	-	619,381
Operating charges	0.76%	0.76%
Direct transaction costs	0.22%	0.12%
<b>Prices</b>		
Highest share price	156.2	173.9
Lowest share price	132.7	131.2

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.

<sup>A</sup> K Accumulation share class was closed on 23 June 2023.



# Comparative Tables

## Continued

L Accumulation <sup>A</sup>	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	136.78	150.76
Return before operating charges*	(3.91)	(13.16)
Operating charges	(0.70)	(0.82)
Return after operating charges*	(4.61)	(13.98)
Distributions	(2.73)	(1.88)
Retained distributions on accumulation shares	2.73	1.88
Redemption value as at 23 June 2023	(132.17)	-
Closing net asset value per share	-	136.78
* after direct transaction costs of:	0.29	0.17
<b>Performance</b>		
Return after charges	(3.37%)	(9.27%)
<b>Other information</b>		
Closing net asset value (£'000)	-	146
Closing number of shares	-	107,076
Operating charges	0.58%	0.58%
Direct transaction costs	0.22%	0.12%
<b>Prices</b>		
Highest share price	142.0	157.7
Lowest share price	120.5	119.0

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.

<sup>A</sup> L Accumulation share class was closed on 23 June 2023.

# Comparative Tables

## Continued

L Income <sup>A</sup>	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	124.01	138.58
Return before operating charges*	(3.49)	(12.09)
Operating charges	(0.63)	(0.75)
Return after operating charges*	(4.12)	(12.84)
Distributions	(2.46)	(1.73)
Redemption value as at 23 June 2023	(117.43)	-
Closing net asset value per share	-	124.01
* after direct transaction costs of:	0.26	0.16
<b>Performance</b>		
Return after charges	(3.32%)	(9.27%)
<b>Other information</b>		
Closing net asset value (£'000)	-	39
Closing number of shares	-	31,267
Operating charges	0.58%	0.58%
Direct transaction costs	0.22%	0.12%
<b>Prices</b>		
Highest share price	127.7	144.9
Lowest share price	109.3	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.

<sup>A</sup> L Income share class was closed on 23 June 2023.

# Comparative Tables

## Continued

M Accumulation <sup>A</sup>	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	123.01	135.99
Return before operating charges*	(3.50)	(11.87)
Operating charges	(0.96)	(1.11)
Return after operating charges*	(4.46)	(12.98)
Distributions	(2.12)	(1.32)
Retained distributions on accumulation shares	2.12	1.32
Redemption value as at 23 June 2023	(118.55)	-
Closing net asset value per share	-	123.01
* after direct transaction costs of:	0.26	0.15
<b>Performance</b>		
Return after charges	(3.63%)	(9.54%)
<b>Other information</b>		
Closing net asset value (£'000)	-	365
Closing number of shares	-	296,763
Operating charges	0.88%	0.88%
Direct transaction costs	0.22%	0.12%
<b>Prices</b>		
Highest share price	127.4	142.2
Lowest share price	108.3	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.

<sup>A</sup> M Accumulation share class was closed on 23 June 2023.

# Comparative Tables

## Continued

M Income <sup>A</sup>	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	118.31	132.21
Return before operating charges*	(3.33)	(11.54)
Operating charges	(0.92)	(1.08)
Return after operating charges*	(4.25)	(12.62)
Distributions	(2.04)	(1.28)
Redemption value as at 23 June 2023	(112.02)	-
Closing net asset value per share	-	118.31
* after direct transaction costs of:	0.25	0.15
<b>Performance</b>		
Return after charges	(3.59%)	(9.55%)
<b>Other information</b>		
Closing net asset value (£'000)	-	32
Closing number of shares	-	27,173
Operating charges	0.88%	0.88%
Direct transaction costs	0.22%	0.12%
<b>Prices</b>		
Highest share price	121.8	138.2
Lowest share price	104.2	103.8

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.

<sup>A</sup> M Income share class was closed on 23 June 2023.

# Portfolio Statement

As at 31 July 2024

Holding	Investment	Market value £'000	Percentage of total net assets
UK Equities (0.00%)		-	-
Financials (0.00%)		-	-
6,075	HIE Ventures*	-	-
Total investment assets		-	-
Net other assets		-	-
<b>Total Net Assets</b>		-	-

The percentage figures in brackets show the comparative holding as at 31 July 2023.

\*Delisted.

# Financial Statements

## Statement of Total Return

For the year ended 31 July 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		-		(21,948)
Revenue	2	-		10,610	
Expenses	3	-		(3,504)	
Net revenue before taxation		-		7,106	
Taxation	4	-		48	
Net revenue after taxation			-		7,154
<b>Total return before distributions</b>			-		<b>(14,794)</b>
Distributions	5		-		(7,153)
<b>Change in net assets attributable to shareholders from investment activities</b>			-		<b>(21,947)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2024

	2024		2023	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		-		<b>460,338</b>
Amounts receivable on the issue of shares	-		14,844	
Amounts payable on the cancellation of shares	-		(83,823)	
Amounts payable on inspecie transfers*	-		(375,708)	
		-		(444,687)
Dilution adjustment		-		71
Change in net assets attributable to shareholders from investment activities (see above)		-		(21,947)
Retained distribution on accumulation shares		-		6,198
Unclaimed distributions		-		35
Movement in amount payable on termination		-		(8)
<b>Closing net assets attributable to shareholders</b>		-		<b>-</b>

\* 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 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Current assets:</b>					
Debtors	6	-		199	
Cash and bank balances		-		843	
			-		1,042
<b>Total assets</b>			-		<b>1,042</b>
<b>Liabilities:</b>					
Creditors	7	-		(709)	
Distribution payable		-		(333)	
			-		(1,042)
<b>Total liabilities</b>			-		<b>(1,042)</b>
<b>Net assets attributable to shareholders</b>			-		<b>-</b>

# Notes to the Financial Statements

## 1 Net Capital Losses

	2024 £'000	2023 £'000
Non-derivative securities	-	(21,945)
Transaction charges	-	(3)
<b>Net capital losses</b>	<b>-</b>	<b>(21,948)</b>

## 2 Revenue

	2024 £'000	2023 £'000
Overseas dividends	-	(324)
UK dividends	-	10,731
UK REIT	-	203
<b>Total revenue</b>	<b>-</b>	<b>10,610</b>

## 3 Expenses

	2024 £'000	2023 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	-	3,195
General administration charge	-	300
	-	3,495
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Safe custody fee	-	9
	-	9
<b>Total expenses</b>	<b>-</b>	<b>3,504</b>

Irrecoverable VAT is included in the above expenses, where applicable.  
The audit fee for the year, including VAT, was £4,200 (2023: £9,120).

## 4 Taxation

	2024 £'000	2023 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	-	(48)
<b>Total taxation (note 4b)</b>	<b>-</b>	<b>(48)</b>



# Notes to the Financial Statements

## Continued

	2024 £'000	2023 £'000
<b>(b) Factors affecting total tax charge for the year</b>		
The tax assessed for the year is equal to (2023: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
<b>Net revenue before taxation</b>	-	<b>7,106</b>
Corporation tax at 20% (2023: 20%)	-	1,421
Effects of:		
Revenue not subject to taxation	-	(2,081)
Overseas taxes	-	(48)
Excess allowable expenses	-	660
<b>Total tax charge for year (note 4a)</b>	-	<b>(48)</b>
Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.		
<b>(c) Factors that may affect future tax charge</b>		
At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £Nil (2023: £20,765,000) 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

	2024 £'000	2023 £'000
Interim distribution	-	2,705
Special distribution	-	4,025
	-	6,730
Add: Income deducted on cancellation of shares	-	534
Deduct: Income received on issue of shares	-	(111)
<b>Total distributions for the year</b>	-	<b>7,153</b>

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

## 6 Debtors

	2024 £'000	2023 £'000
Accrued revenue	-	199
<b>Total debtors</b>	-	<b>199</b>

# Notes to the Financial Statements

## Continued

### 7 Creditors

	2024 £'000	2023 £'000
Amounts payable on termination	-	709
<b>Total creditors</b>	<b>-</b>	<b>709</b>

### 8 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 7.

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 7.

### 9 Portfolio Transaction Costs

	Purchases		Sales	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Trades in the year</b>				
Equities	-	133,831	-	182,288
Inspecie transactions	-	-	-	370,925
Corporate actions	-	-	-	13,271
<b>Trades in the year before transaction costs</b>	<b>-</b>	<b>133,831</b>	<b>-</b>	<b>566,484</b>
<b>Commissions</b>				
Equities	-	79	-	(98)
<b>Total commissions</b>	<b>-</b>	<b>79</b>	<b>-</b>	<b>(98)</b>
<b>Taxes</b>				
Equities	-	643	-	-
<b>Total taxes</b>	<b>-</b>	<b>643</b>	<b>-</b>	<b>-</b>
<b>Total transaction costs</b>	<b>-</b>	<b>722</b>	<b>-</b>	<b>(98)</b>
<b>Total net trades in the year after transaction costs</b>	<b>-</b>	<b>134,553</b>	<b>-</b>	<b>566,386</b>

# Notes to the Financial Statements

## Continued

	Purchases		Sales	
	2024 %	2023 %	2024 %	2023 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	-	0.06	-	0.05
<b>Taxes</b>				
Equities	-	0.48	-	-
			2024 %	2023 %
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Commissions			-	0.05
Taxes			-	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 0.00% (2023: 0.00%), this is representative of the average spread on the assets held during the year.

## 10 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 2024, 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 (2023: £Nil).

### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2024 £Nil (2023: £1,042,000).

# Distribution Tables

For the year ended 31 July 2024 (in pence per share)

## Interim dividend distribution

	Distribution paid 28/04/23
<b>A Accumulation</b>	
Group 1	1.0878
Group 2	1.0878
<b>A Income</b>	
Group 1	0.8383
Group 2	0.8383
<b>I Accumulation</b>	
Group 1	1.7492
Group 2	1.7492
<b>I Income</b>	
Group 1	1.2198
Group 2	1.2198
<b>K Accumulation</b>	
Group 1	1.1072
Group 2	1.1072
<b>L Accumulation</b>	
Group 1	1.1221
Group 2	1.1221
<b>L Income</b>	
Group 1	1.0173
Group 2	1.0173
<b>M Accumulation</b>	
Group 1	0.8296
Group 2	0.8296
<b>M Income</b>	
Group 1	0.7989
Group 2	0.7989

# Distribution Tables

For the year ended 31 July 2024 (in pence per share) continued

## Special distribution

	Distribution paid 23/08/23
<b>A Accumulation</b>	
Group 1	2.0221
Group 2	2.0221
<b>A Income</b>	
Group 1	1.5515
Group 2	1.5515
<b>I Accumulation</b>	
Group 1	2.6852
Group 2	2.6852
<b>I Income</b>	
Group 1	1.8601
Group 2	1.8601
<b>K Accumulation</b>	
Group 1	1.6611
Group 2	1.6611
<b>L Accumulation</b>	
Group 1	1.6050
Group 2	1.6050
<b>L Income</b>	
Group 1	1.4430
Group 2	1.4430
<b>M Accumulation</b>	
Group 1	1.2949
Group 2	1.2949
<b>M Income</b>	
Group 1	1.2380
Group 2	1.2380

## 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 2024

abrdn World Income Equity Fund is no longer open to investors, having redeemed all shares on 19 April 2023. 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 Accumulation <sup>A</sup>	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	163.61	147.66
Return before operating charges*	13.79	18.04
Operating charges	(1.58)	(2.09)
Return after operating charges*	12.21	15.95
Distributions	-	(7.44)
Retained distributions on accumulation shares	-	7.44
Redemption value as at 19 April 2023	(175.82)	-
Closing net asset value per share	-	163.61
* after direct transaction costs of:	0.23	0.05
<b>Performance</b>		
Return after charges	7.46%	10.80%
<b>Other information</b>		
Closing net asset value (£'000)	-	3,615
Closing number of shares	-	2,209,503
Operating charges	1.31%	1.31%
Direct transaction costs	0.14%	0.04%
<b>Prices</b>		
Highest share price	178.1	172.2
Lowest share price	159.5	146.1

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.

<sup>A</sup> A Accumulation share class was closed on 19 April 2023.

# Comparative Tables

## Continued

A Income <sup>A</sup>	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	64.24	60.74
Return before operating charges*	4.07	7.36
Operating charges	(0.62)	(0.85)
Return after operating charges*	3.45	6.51
Distributions	-	(3.01)
Redemption value as at 19 April 2023	(67.69)	-
Closing net asset value per share	-	64.24
* after direct transaction costs of:	0.09	0.02
<b>Performance</b>		
Return after charges	5.37%	10.72%
<b>Other information</b>		
Closing net asset value (£'000)	-	9,829
Closing number of shares	-	15,301,570
Operating charges	1.31%	1.31%
Direct transaction costs	0.14%	0.04%
<b>Prices</b>		
Highest share price	68.65	69.19
Lowest share price	62.60	60.11

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.

<sup>A</sup> A Income share class was closed on 19 April 2023.



# Comparative Tables

## Continued

I Accumulation <sup>A</sup>	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	161.62	145.21
Return before operating charges*	13.65	17.77
Operating charges	(1.05)	(1.36)
Return after operating charges*	12.60	16.41
Distributions	-	(7.33)
Retained distributions on accumulation shares	-	7.33
Redemption value as at 19 April 2023	(174.22)	-
Closing net asset value per share	-	161.62
* after direct transaction costs of:	0.23	0.05
<b>Performance</b>		
Return after charges	7.80%	11.30%
<b>Other information</b>		
Closing net asset value (£'000)	-	2,548
Closing number of shares	-	1,576,203
Operating charges	0.86%	0.86%
Direct transaction costs	0.14%	0.04%
<b>Prices</b>		
Highest share price	176.3	170.0
Lowest share price	157.7	143.8

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.

<sup>A</sup> I Accumulation share class was closed on 19 April 2023.

# Comparative Tables

## Continued

	2023	2022
I Income <sup>A</sup>	pence per share	pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	68.38	64.38
Return before operating charges*	4.34	7.78
Operating charges	(0.44)	(0.58)
Return after operating charges*	3.90	7.20
Distributions	-	(3.20)
Redemption value as at 19 April 2023	(72.28)	-
Closing net asset value per share	-	68.38
* after direct transaction costs of:	0.10	0.02
<b>Performance</b>		
Return after charges	5.70%	11.18%
<b>Other information</b>		
Closing net asset value (£'000)	-	11,553
Closing number of shares	-	16,894,252
Operating charges	0.86%	0.86%
Direct transaction costs	0.14%	0.04%
<b>Prices</b>		
Highest share price	73.24	73.55
Lowest share price	66.69	63.76

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

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

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

<sup>A</sup> I Income share class was closed on 19 April 2023.

# Comparative Tables

## Continued

M Accumulation <sup>A</sup>	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	120.28	108.00
Return before operating charges*	9.69	13.34
Operating charges	(0.53)	(1.06)
Return after operating charges*	9.16	12.28
Distributions	-	(5.46)
Retained distributions on accumulation shares	-	5.46
Redemption value as at 17 January 2023	(129.44)	-
Closing net asset value per share	-	120.28
* after direct transaction costs of:	0.17	0.04
<b>Performance</b>		
Return after charges	7.62%	11.37%
<b>Other information</b>		
Closing net asset value (£'000)	-	1
Closing number of shares	-	936
Operating charges	0.91%	0.91%
Direct transaction costs	0.14%	0.04%
<b>Prices</b>		
Highest share price	130.0	126.5
Lowest share price	117.4	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.

<sup>A</sup> M Accumulation share class was closed on 17 January 2023.

# Comparative Tables

## Continued

M Income <sup>A</sup>	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	103.64	97.58
Return before operating charges*	6.64	11.86
Operating charges	(0.70)	(0.94)
Return after operating charges*	5.94	10.92
Distributions	-	(4.86)
Redemption value as at 19 April 2023	(109.58)	-
Closing net asset value per share	-	103.64
* after direct transaction costs of:	0.15	0.03
<b>Performance</b>		
Return after charges	5.73%	11.19%
<b>Other information</b>		
Closing net asset value (£'000)	-	11
Closing number of shares	-	10,961
Operating charges	0.91%	0.91%
Direct transaction costs	0.14%	0.04%
<b>Prices</b>		
Highest share price	111.0	111.5
Lowest share price	101.1	96.63

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

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

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

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

<sup>A</sup> M Income share class was closed on 19 April 2023.

# Financial Statements

## Statement of Total Return

For the year ended 31 July 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
Income:					
Net capital (losses)/gains	1		(2)		1,444
Revenue	2	-		773	
Expenses	3	-		(189)	
Net revenue before taxation		-		584	
Taxation	4	(21)		(65)	
Net (expense)/revenue after taxation			(21)		519
<b>Total return before distributions</b>			<b>(23)</b>		<b>1,963</b>
Distributions	5		-		(681)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(23)</b>		<b>1,282</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2024

	2024		2023	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		-		27,557
Amounts receivable on the issue of shares	-		8,394	
Amounts payable on the cancellation of shares	-		(37,201)	
		-		(28,807)
Dilution adjustment		-		17
Change in net assets attributable to shareholders from investment activities (see above)		(23)		1,282
Retained distribution on accumulation shares		-		88
Unclaimed distributions		1		1
Movement in amount payable on termination		22		(138)
<b>Closing net assets attributable to shareholders</b>		-		-

# Financial Statements

## Continued

### Balance Sheet

As at 31 July 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Current assets:</b>					
Debtors	6	49		74	
Cash and bank balances	7	1		74	
			50		148
<b>Total assets</b>			<b>50</b>		<b>148</b>
<b>Liabilities:</b>					
Creditors	8	(50)		(148)	
			(50)		(148)
<b>Total liabilities</b>			<b>(50)</b>		<b>(148)</b>
<b>Net assets attributable to shareholders</b>			<b>-</b>		<b>-</b>

# Notes to the Financial Statements

## 1 Net Capital (Losses)/Gains

	2024 £'000	2023 £'000
Non-derivative securities	-	1,395
Other (losses)/gains	(2)	59
Transaction charges	-	(10)
<b>Net capital (losses)/gains</b>	<b>(2)</b>	<b>1,444</b>

## 2 Revenue

	2024 £'000	2023 £'000
Overseas dividends	-	647
Overseas REIT	-	3
UK dividends	-	123
<b>Total revenue</b>	<b>-</b>	<b>773</b>

## 3 Expenses

	2024 £'000	2023 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	-	177
General administration charge	-	7
	-	184
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Revenue collection expenses	-	3
Safe custody fee	-	2
	-	5
<b>Total expenses</b>	<b>-</b>	<b>189</b>

Irrecoverable VAT is included in the above expenses, where applicable.  
The audit fee for the year, including VAT, was £4,200 (2023: £9,120).

## 4 Taxation

	2024 £'000	2023 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	21	65
<b>Total taxation (note 4b)</b>	<b>21</b>	<b>65</b>

# Notes to the Financial Statements

## Continued

	2024 £'000	2023 £'000
<b>(b) Factors affecting total tax charge for the year</b>		
The tax assessed for the year is greater than (2023: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
<b>Net revenue before taxation</b>	-	<b>584</b>
Corporation tax at 20% (2023: 20%)	-	117
Effects of:		
Revenue not subject to taxation	-	(145)
Overseas taxes	21	64
Overseas tax expensed	-	(1)
Excess allowable expenses	-	30
<b>Total tax charge for year (note 4a)</b>	<b>21</b>	<b>65</b>
Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.		
<b>(c) Factors that may affect future tax charge</b>		
At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £2,676,000 (2022: £2,676,000) 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)/revenue and distributions)

	2024 £'000	2023 £'000
First interim distribution	-	235
Second interim distribution	-	295
	-	530
Add: Income deducted on cancellation of shares	-	207
Deduct: Income received on issue of shares	-	(56)
<b>Total distributions for the year</b>	<b>-</b>	<b>681</b>
<b>Movement between net (expense)/revenue and distributions</b>		
Net (expense)/revenue after taxation	(21)	519
Expenses charged to capital	-	184
Tax relief on expenses charged to capital	-	(7)
Transfer from capital to revenue	21	-
Undistributed revenue carried forward	-	(15)
<b>Total distributions for the year</b>	<b>-</b>	<b>681</b>

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



# Notes to the Financial Statements

## Continued

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

	2024 £'000	2023 £'000
Accrued revenue	-	2
Overseas withholding tax recoverable	49	72
<b>Total debtors</b>	<b>49</b>	<b>74</b>

## 7 Creditors

	2024 £'000	2023 £'000
Amounts payable on termination	50	148
<b>Total creditors</b>	<b>50</b>	<b>148</b>

## 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.

# Notes to the Financial Statements

## Continued

### 9 Portfolio Transaction Costs

	Purchases		Sales	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Trades in the year</b>				
Equities	-	6,570	-	35,415
Corporate actions	-	-	-	1
<b>Trades in the year before transaction costs</b>	-	6,570	-	35,416
<b>Commissions</b>				
Equities	-	2	-	(9)
<b>Total commissions</b>	-	2	-	(9)
<b>Taxes</b>				
Equities	-	4	-	(11)
<b>Total taxes</b>	-	4	-	(11)
<b>Total transaction costs</b>	-	6	-	(20)
<b>Total net trades in the year after transaction costs</b>	-	6,576	-	35,396
	Purchases		Sales	
	2024 %	2023 %	2024 %	2023 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	-	0.04	-	0.02
<b>Taxes</b>				
Equities	-	0.06	-	0.03
			2024 %	2023 %
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Commissions			-	0.06
Taxes			-	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 0.00% (2023: 0.00%), this is representative of the average spread on the assets held during the year.

# Notes to the Financial Statements

## Continued

### 10 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 2024 £'000	Net foreign currency exposure 2023 £'000
Canadian Dollar	-	1
Danish Krone	6	6
Euro	38	41
Indian Rupee	-	6
Norwegian Krone	6	6
Polish Zloty	-	12
US Dollar	-	18
<b>Total</b>	<b>50</b>	<b>90</b>

At 31 July 2024, 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 £3,000 (2023: £5,000).

#### 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.

#### Financial derivatives instrument risk

The fund had no exposure to derivatives as at 31 July 2024 (2023: £Nil).

#### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2024 £50,000 (2023: £148,000).

# Distribution Tables

For the year ended 31 July 2024 (in pence per share)

## First interim dividend distribution

	Distribution paid 31/01/23
<b>A Accumulation</b>	
Group 1	1.6035
Group 2	1.6035
<b>A Income</b>	
Group 1	0.6317
Group 2	0.6317
<b>I Accumulation</b>	
Group 1	1.5910
Group 2	1.5910
<b>I Income</b>	
Group 1	0.6728
Group 2	0.6728
<b>M Accumulation</b>	
Group 1	1.1925
Group 2	1.1925
<b>M Income</b>	
Group 1	1.0212
Group 2	1.0212

# Distribution Tables

For the year ended 31 July 2024 (in pence per share) continued

## Second interim dividend distribution

	Distribution paid 28/04/23
<b>A Accumulation</b>	
Group 1	1.6239
Group 2	1.6239
<b>A Income</b>	
Group 1	0.6249
Group 2	0.6249
<b>I Accumulation</b>	
Group 1	1.5889
Group 2	1.5889
<b>I Income</b>	
Group 1	0.6658
Group 2	0.6658
<b>M Income</b>	
Group 1	1.0116
Group 2	1.0116

### 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 2024

ASI Eastern European Equity Fund is no longer open to investors, having redeemed all shares on 13 September 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 <sup>A</sup>	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	128.32	407.22
Return before operating charges*	2.76	(274.74)
Operating charges	(0.23)	(4.16)
Return after operating charges*	2.53	(278.90)
Distributions	-	(6.57)
Retained distributions on accumulation shares	-	6.57
Redemption value as at 13 September 2022	(130.85)	-
Closing net asset value per share	-	128.32
* after direct transaction costs of:	0.07	0.27
<b>Performance</b>		
Return after charges	1.97%	(68.49%)
<b>Other information</b>		
Closing net asset value (£'000)	-	1,325
Closing number of shares	-	1,032,545
Operating charges	1.39%	1.39%
Direct transaction costs	0.05%	0.08%
<b>Prices</b>		
Highest share price	139.5	478.4
Lowest share price	129.4	108.2

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.

<sup>A</sup> A Accumulation share class was closed on 13 September 2022.

# Comparative Tables

## Continued

I Accumulation <sup>A</sup>	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	134.60	422.41
Return before operating charges*	2.82	(284.87)
Operating charges	(0.16)	(2.94)
Return after operating charges*	2.66	(287.81)
Distributions	-	(7.28)
Retained distributions on accumulation shares	-	7.28
Redemption value as at 13 September 2022	(137.26)	-
Closing net asset value per share	-	134.60
* after direct transaction costs of:	0.07	0.28
<b>Performance</b>		
Return after charges	1.98%	(68.14%)
<b>Other information</b>		
Closing net asset value (£'000)	-	4,982
Closing number of shares	-	3,701,601
Operating charges	0.94%	0.94%
Direct transaction costs	0.05%	0.08%
<b>Prices</b>		
Highest share price	145.1	495.7
Lowest share price	134.6	112.1

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.

<sup>A</sup> I Accumulation share class was closed on 13 September 2022.



# Comparative Tables

## Continued

M Accumulation <sup>A</sup>	2023 pence per share	2022 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	48.84	153.32
Return before operating charges*	1.04	(103.37)
Operating charges	(0.06)	(1.11)
Return after operating charges*	0.98	(104.48)
Distributions	-	(2.65)
Retained distributions on accumulation shares	-	2.65
Redemption value as at 13 September 2022	(49.82)	-
Closing net asset value per share	-	48.84
* after direct transaction costs of:	0.03	0.10
<b>Performance</b>		
Return after charges	2.01%	(68.15%)
<b>Other information</b>		
Closing net asset value (£'000)	-	1
Closing number of shares	-	816
Operating charges	0.99%	0.99%
Direct transaction costs	0.05%	0.08%
<b>Prices</b>		
Highest share price	52.66	179.9
Lowest share price	48.85	40.68

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

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

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

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

<sup>A</sup> M Accumulation share class was closed on 13 September 2022.

# Portfolio Statement

As at 31 July 2024

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (0.00%)		-	-
Emerging Market Equities (0.00%)		-	-
Russia (0.00%)		-	-
363,181	Gazprom+++	-	-
218,700	GMK Norilskiy Nickel+++	-	-
346,685	Magnitogorsk Iron & Steel Works+++	-	-
6,222	NovaBev+++	-	-
94,580	Novatek+++	-	-
4,742	Polyus+++	-	-
309,590	Renaissance Insurance+++	-	-
83,861	Rosneft Oil+++	-	-
548,794	Sberbank of Russia (Issue 2007)+++	-	-
4,622,000	Segezha+++	-	-
22,398	Yandex 'A'*	-	-
Total investment assets		-	-
Net other assets		-	-
<b>Total Net Assets</b>		-	-

The percentage figures in brackets show the comparative holding as at 31 July 2023.

\* Suspended.

+++ Priced as per abrdn VPC.

# Financial Statements

## Statement of Total Return

For the year ended 31 July 2024

	Notes	2024		2023	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains	1		543		443
Revenue	2	1		27	
Expenses	3	(3)		(4)	
Net (expense)/revenue before taxation		(2)		23	
Taxation	4	(9)		(2)	
Net (expense)/revenue after taxation			(11)		21
<b>Total return before distributions</b>			<b>532</b>		<b>464</b>
Distributions	5		-		(16)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>532</b>		<b>448</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2024

	2024		2023	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		-		<b>6,308</b>
Amounts payable on the cancellation of shares	-		(6,416)	
		-		(6,416)
Change in net assets attributable to shareholders from investment activities (see above)		532		448
Movement in amount payable on termination		(532)		(340)
<b>Closing net assets attributable to shareholders</b>		<b>-</b>		<b>-</b>

# Financial Statements

## Continued

### Balance Sheet

As at 31 July 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			-		-
<b>Current assets:</b>					
Debtors	6	3		17	
Cash and bank balances		498		388	
			501		405
<b>Total assets</b>			<b>501</b>		<b>405</b>
<b>Liabilities:</b>					
Creditors	7	(501)		(405)	
			(501)		(405)
<b>Total liabilities</b>			<b>(501)</b>		<b>(405)</b>
<b>Net assets attributable to shareholders</b>			<b>-</b>		<b>-</b>

# Notes to the Financial Statements

## 1 Net Capital Gains

	2024 £'000	2023 £'000
Non-derivative securities	550	467
Other losses	(6)	(18)
Transaction charges	(1)	(6)
<b>Net capital gains</b>	<b>543</b>	<b>443</b>

## 2 Revenue

	2024 £'000	2023 £'000
Overseas dividends	1	23
UK dividends	-	4
<b>Total revenue</b>	<b>1</b>	<b>27</b>

## 3 Expenses

	2024 £'000	2023 £'000
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Revenue collection expenses	-	1
Safe custody fee	3	3
	3	4
<b>Total expenses</b>	<b>3</b>	<b>4</b>

Irrecoverable VAT is included in the above expenses, where applicable.  
The audit fee for the year, including VAT, was £4,200 (2023: £6,840).

## 4 Taxation

	2024 £'000	2023 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	9	2
<b>Total taxation (note 4b)</b>	<b>9</b>	<b>2</b>

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

The tax assessed for the year is greater than (2023: 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:

# Notes to the Financial Statements

## Continued

	2024 £'000	2023 £'000
<b>Net (expense)/revenue before taxation</b>	<b>(2)</b>	<b>23</b>
Corporation tax at 20% (2023: 20%)	-	5
Effects of:		
Revenue not subject to taxation	-	(6)
Overseas taxes	9	2
Excess allowable expenses	-	1
<b>Total tax charge for year (note 4a)</b>	<b>9</b>	<b>2</b>

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

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

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £169,000 (2023: £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.

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

	2024 £'000	2023 £'000
Add: Income deducted on cancellation of shares	-	16
<b>Total distributions for the year</b>	<b>-</b>	<b>16</b>

### Movement between net (expense)/revenue and distributions

Net (expense)/revenue after taxation	(11)	21
Undistributed revenue brought forward	5	-
Undistributed revenue carried forward	-	(5)
Transfer of income to capital	6	-
<b>Total distributions for the year</b>	<b>-</b>	<b>16</b>

## 6 Debtors

	2024 £'000	2023 £'000
Expenses reimbursement receivable from the ACD	-	5
Overseas withholding tax recoverable	3	12
<b>Total debtors</b>	<b>3</b>	<b>17</b>

# Notes to the Financial Statements

## Continued

### 7 Creditors

	2024 £'000	2023 £'000
Amounts payable on termination	501	405
<b>Total creditors</b>	<b>501</b>	<b>405</b>

### 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	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Trades in the year</b>				
Equities	-	28	550	6,604
<b>Trades in the year before transaction costs</b>	<b>-</b>	<b>28</b>	<b>550</b>	<b>6,604</b>
<b>Commissions</b>				
Equities	-	-	-	(3)
<b>Total commissions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3)</b>
<b>Taxes</b>				
Equities	-	-	-	(1)
<b>Total taxes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1)</b>
<b>Total transaction costs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4)</b>
<b>Total net trades in the year after transaction costs</b>	<b>-</b>	<b>28</b>	<b>550</b>	<b>6,600</b>

# Notes to the Financial Statements

## Continued

	Purchases		Sales	
	2024 %	2023 %	2024 %	2023 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	-	0.22	-	0.04
<b>Taxes</b>				
Equities	-	0.07	-	0.01
			<b>2024 %</b>	<b>2023 %</b>
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Commissions			-	0.34
Taxes			-	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 0.00% (2023: 0.00%), this is representative of the average spread on the assets held during the year.

## 10 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 2024 £'000	Net foreign currency exposure 2023 £'000
Polish Zloty	2	11
US Dollar	440	1
<b>Total</b>	<b>442</b>	<b>12</b>

At 31 July 2024, 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 £22,000 (2023: £1,000).



# 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 2024, 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 (2023: £Nil).

### **Financial derivatives instrument risk**

The fund had no exposure to derivatives as at 31 July 2024 (2023: £Nil).

### **Liquidity risk**

All of the fund's financial liabilities are payable on demand or in less than one year, 2024 £501,000 (2023: £405,000).

# ASI Emerging Markets Bond Fund (closed)

For the year ended 31 July 2024

ASI Emerging Markets 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

	2022 pence per share
<b>A Accumulation<sup>A</sup></b>	
<b>Change in net assets per share</b>	
Opening net asset value per share	145.15
Return before operating charges*	(28.93)
Operating charges	(1.65)
Return after operating charges*	(30.58)
Distributions	(8.65)
Retained distributions on accumulation shares	8.65
Redemption value as at 30 June 2022	(114.57)
Closing net asset value per share	-
* after direct transaction costs of:	-
<b>Performance</b>	
Return after charges	(21.07%)
<b>Other information</b>	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	1.33%
Direct transaction costs	-
<b>Prices</b>	
Highest share price	147.5
Lowest share price	113.7

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.

<sup>A</sup> A Accumulation share class was closed on 30 June 2022.

# Comparative Tables

## Continued

A Income <sup>A</sup>	2022 pence per share
<b>Change in net assets per share</b>	
Opening net asset value per share	83.32
Return before operating charges*	(16.01)
Operating charges	(0.93)
Return after operating charges*	(16.94)
Distributions	(4.83)
Redemption value as at 30 June 2022	(61.55)
Closing net asset value per share	-
* after direct transaction costs of:	-
<b>Performance</b>	
Return after charges	(20.33%)
<b>Other information</b>	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	1.33%
Direct transaction costs	-
<b>Prices</b>	
Highest share price	84.42
Lowest share price	61.55

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.

<sup>A</sup> A Income share class was closed on 30 June 2022.

# Comparative Tables

## Continued

I Accumulation <sup>A</sup>	2022 pence per share
<b>Change in net assets per share</b>	
Opening net asset value per share	126.84
Return before operating charges*	(25.36)
Operating charges	(0.95)
Return after operating charges*	(26.31)
Distributions	(7.57)
Retained distributions on accumulation shares	7.57
Redemption value as at 30 June 2022	(100.53)
Closing net asset value per share	-
* after direct transaction costs of:	-
<b>Performance</b>	
Return after charges	(20.74%)
<b>Other information</b>	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	0.88%
Direct transaction costs	-
<b>Prices</b>	
Highest share price	129.0
Lowest share price	99.74

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

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

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

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

<sup>A</sup> I Accumulation share class was closed on 30 June 2022.

# Comparative Tables

## Continued

	2022 pence per share
<b>I Income<sup>A</sup></b>	
<b>Change in net assets per share</b>	
Opening net asset value per share	78.52
Return before operating charges*	(15.10)
Operating charges	(0.60)
Return after operating charges*	(15.70)
Distributions	(4.56)
Redemption value as at 30 June 2022	(58.26)
Closing net asset value per share	-
* after direct transaction costs of:	-
<b>Performance</b>	
Return after charges	(19.99%)
<b>Other information</b>	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	0.88%
Direct transaction costs	-
<b>Prices</b>	
Highest share price	79.59
Lowest share price	58.26

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

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

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

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

<sup>A</sup> I Income share class was closed on 30 June 2022.

# Comparative Tables

## Continued

M Accumulation <sup>A</sup>	2022 pence per share
<b>Change in net assets per share</b>	
Opening net asset value per share	116.46
Return before operating charges*	(23.26)
Operating charges	(0.93)
Return after operating charges*	(24.19)
Distributions	(6.97)
Retained distributions on accumulation shares	6.97
Redemption value as at 30 June 2022	(92.27)
Closing net asset value per share	-
* after direct transaction costs of:	-
<b>Performance</b>	
Return after charges	(20.77%)
<b>Other information</b>	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	0.93%
Direct transaction costs	-
<b>Prices</b>	
Highest share price	118.4
Lowest share price	91.57

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.

<sup>A</sup> M Accumulation share class was closed on 30 June 2022.

# Comparative Tables

## Continued

M Income <sup>A</sup>	2022 pence per share
<b>Change in net assets per share</b>	
Opening net asset value per share	100.53
Return before operating charges*	(19.33)
Operating charges	(0.78)
Return after operating charges*	(20.11)
Distributions	(5.84)
Redemption value as at 30 June 2022	(74.58)
Closing net asset value per share	-
* after direct transaction costs of:	-
<b>Performance</b>	
Return after charges	(20.00%)
<b>Other information</b>	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	0.93%
Direct transaction costs	-
<b>Prices</b>	
Highest share price	101.9
Lowest share price	74.58

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.

<sup>A</sup> M Income share class was closed on 30 June 2022.



# Comparative Tables

## Continued

Z Accumulation <sup>A</sup>	2022 pence per share
<b>Change in net assets per share</b>	
Opening net asset value per share	161.20
Return before operating charges*	(32.40)
Operating charges	(0.18)
Return after operating charges*	(32.58)
Distributions	(9.67)
Retained distributions on accumulation shares	9.67
Redemption value as at 30 June 2022	(128.62)
Closing net asset value per share	-
* after direct transaction costs of:	-
<b>Performance</b>	
Return after charges	(20.21%)
<b>Other information</b>	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	0.13%
Direct transaction costs	-
<b>Prices</b>	
Highest share price	164.1
Lowest share price	127.6

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.

<sup>A</sup> Z Accumulation share class was closed on 30 June 2022.

# Portfolio Statement

As at 31 July 2024

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		-	-

The percentage figures in brackets show the comparative holding as at 31 July 2023.

# Financial Statements

## Statement of Total Return

For the year ended 31 July 2024

	Notes	2024		2023	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains	1		1		1
Revenue	2	(5)		10	
Interest payable and similar charges		-		(1)	
Net (expense)/revenue before taxation		(5)		9	
Taxation	4	-		(2)	
Net (expense)/revenue after taxation			(5)		7
<b>Total return</b>			<b>(4)</b>		<b>8</b>
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(4)</b>		<b>8</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2024

	2024		2023	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		-		-
Change in net assets attributable to shareholders from investment activities (see above)		(4)		8
Movement in amount payable on termination		4		(8)
<b>Closing net assets attributable to shareholders</b>		<b>-</b>		<b>-</b>

# Financial Statements

## Continued

### Balance Sheet

As at 31 July 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			-		-
<b>Current assets:</b>					
Cash and bank balances	6	4		10	
			4		10
<b>Total assets</b>			<b>4</b>		<b>10</b>
<b>Liabilities:</b>					
Creditors	7	(4)		(10)	
			(4)		(10)
<b>Total liabilities</b>			<b>(4)</b>		<b>(10)</b>
<b>Net assets attributable to shareholders</b>			<b>-</b>		<b>-</b>

# Notes to the Financial Statements

## 1 Net Capital Gains

	2024 £'000	2023 £'000
Other gains	1	1
<b>Net capital gains</b>	<b>1</b>	<b>1</b>

## 2 Revenue

	2024 £'000	2023 £'000
Interest on debt securities	(5)	10
<b>Total revenue</b>	<b>(5)</b>	<b>10</b>

## 3 Expenses

The audit fee for the year, including VAT, was £4,200 (2023: £2,400).

## 4 Taxation

	2024 £'000	2023 £'000
<b>(a) Analysis of charge in year</b>		
Corporation tax	-	2
<b>Total taxation (note 4b)</b>	<b>-</b>	<b>2</b>

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

The tax assessed for the year is equal to (2023: 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:

<b>Net (expense)/revenue before taxation</b>	<b>(5)</b>	<b>9</b>
Corporation tax at 20% (2023: 20%)	(1)	2
Effects of:		
Excess allowable expenses	1	
<b>Total tax charge for year (note 4a)</b>	<b>-</b>	<b>2</b>

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

# Notes to the Financial Statements

## Continued

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

	2024 £'000	2023 £'000
<b>Movement between net (expense)/revenue and distributions</b>		
Net (expense)/revenue after taxation	(5)	7
Undistributed revenue brought forward	9	-
Shortfall transfer from capital to revenue	(4)	2
Undistributed revenue carried forward	-	(9)
<b>Total distributions for the year</b>	<b>-</b>	<b>-</b>

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.

### 6 Creditors

	2024 £'000	2023 £'000
Amounts payable on termination	4	8
Corporation tax payable	-	2
<b>Total creditors</b>	<b>4</b>	<b>10</b>

### 7 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 2024 £'000	Net foreign currency exposure 2023 £'000
<b>Currency</b>		
US Dollar	-	5
<b>Total</b>	<b>-</b>	<b>5</b>

#### 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.

# Notes to the Financial Statements

## Continued

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/ (liabilities) not carrying interest £'000	Total £'000
<b>2024</b>				
Currency				
UK Sterling	4	-	(4)	-
<b>Total</b>	<b>4</b>	<b>-</b>	<b>(4)</b>	<b>-</b>
<b>2023</b>				
Currency				
UK Sterling	5	-	(10)	(5)
US Dollar	5	-	-	5
<b>Total</b>	<b>10</b>	<b>-</b>	<b>(10)</b>	<b>-</b>

### Other price risk

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

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

### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2024 £4,000 (2023: £10,000).

# ASI Euro Corporate Bond Fund (closed)

For the year ended 31 July 2024

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 2024

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		-	-
<b>Total Net Assets</b>		-	-

The percentage figures in brackets show the comparative holding as at 31 July 2023.

\*Defaulted

# Financial Statements

## Statement of Total Return

For the year ended 31 July 2024

	Notes	2024		2023	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains			-		-
Revenue		-		-	
Expenses		-		-	
Net revenue before taxation		-		-	
Taxation		-		-	
Net revenue after taxation			-		-
<b>Total return</b>			-		-
Change in net assets attributable to shareholders from investment activities			-		-

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2024

	2024		2023	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		-		-
		-		-
Change in net assets attributable to shareholders from investment activities (see above)		-		-
<b>Closing net assets attributable to shareholders</b>		-		-

# Financial Statements

## Continued

### Balance Sheet

As at 31 July 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			-		-
<b>Current assets:</b>					
			-		-
<b>Total assets</b>			-		-
<b>Liabilities:</b>					
Creditors		-		-	
			-		-
<b>Total liabilities</b>			-		-
<b>Net assets attributable to shareholders</b>			-		-

# ASI Financial Equity Fund (closed)

For the year ended 31 July 2024

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 <sup>A</sup>	2022 pence per share
<b>Change in net assets per share</b>	
Opening net asset value per share	4,464.66
Return before operating charges*	288.55
Operating charges	(20.37)
Return after operating charges*	268.18
Redemption value as at 29 November 2021	(4,732.84)
Closing net asset value per share	-
* after direct transaction costs of:	2.38
<b>Performance</b>	
Return after charges	6.01%
<b>Other information</b>	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	1.32%
Direct transaction costs	0.06%
<b>Prices</b>	
Highest share price	4,817
Lowest share price	4,504

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

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

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

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

<sup>A</sup> A Income share class was closed on 29 November 2021.

# Comparative Tables

## Continued

	2022 pence per share
<b>I Income<sup>A</sup></b>	
<b>Change in net assets per share</b>	
Opening net asset value per share	187.54
Return before operating charges*	12.13
Operating charges	(0.56)
Return after operating charges*	11.57
Distributions	-
Redemption value as at 29 November 2021	(199.11)
Closing net asset value per share	-
* after direct transaction costs of:	0.10
<b>Performance</b>	
Return after charges	6.17%
<b>Other information</b>	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	0.87%
Direct transaction costs	0.06%
<b>Prices</b>	
Highest share price	202.6
Lowest share price	189.2

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.

<sup>A</sup> I Income share class was closed on 29 November 2021.

# Comparative Tables

## Continued

M Income <sup>A</sup>	2022 pence per share
<b>Change in net assets per share</b>	
Opening net asset value per share	125.79
Return before operating charges*	8.13
Operating charges	(0.40)
Return after operating charges*	7.73
Redemption value as at 29 November 2021	(133.52)
Closing net asset value per share	-
* after direct transaction costs of:	0.07
<b>Performance</b>	
Return after charges	6.15%
<b>Other information</b>	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	0.92%
Direct transaction costs	0.06%
<b>Prices</b>	
Highest share price	135.9
Lowest share price	126.9

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.

<sup>A</sup> M Income share class was closed on 29 November 2021.

# Financial Statements

## Statement of Total Return

For the year ended 31 July 2024

	Notes	2024		2023	
		£'000	£'000	£'000	£'000
Income:					
Net capital (losses)/gains	1		(1)		6
Revenue		-		-	
Expenses	2	-		-	
Net revenue before taxation		-		-	
Taxation	3	(11)		(6)	
Net expense after taxation			(11)		(6)
<b>Total return</b>			<b>(12)</b>		<b>-</b>
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(12)</b>		<b>-</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2024

	2024		2023	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		-		-
		-		-
Change in net assets attributable to shareholders from investment activities (see above)		(12)		-
Unclaimed distributions		1		-
Movement in amount payable on termination		11		-
<b>Closing net assets attributable to shareholders</b>		<b>-</b>		<b>-</b>



# Financial Statements

## Continued

### Balance Sheet

As at 31 July 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			-		-
<b>Current assets:</b>					
Debtors	4	12		23	
Cash and bank balances		32		32	
			44		55
<b>Total assets</b>			<b>44</b>		<b>55</b>
<b>Liabilities:</b>					
Creditors	5	(44)		(55)	
			(44)		(55)
<b>Total liabilities</b>			<b>(44)</b>		<b>(55)</b>
<b>Net assets attributable to shareholders</b>			<b>-</b>		<b>-</b>

# Notes to the Financial Statements

## 1 Net Capital (Losses)/Gains

	2024 £'000	2023 £'000
Non-derivative securities	-	6
Other losses	(1)	-
<b>Net capital (losses)/gains</b>	<b>(1)</b>	<b>6</b>

## 2 Expenses

The audit fee for the year, including VAT, was £4,200 (2023: £2,400).

## 3 Taxation

	2024 £'000	2023 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	11	6
<b>Total taxation (note 3b)</b>	<b>11</b>	<b>6</b>

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

The tax assessed for the year is greater than (2023: 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:

<b>Net revenue before taxation</b>	<b>-</b>	<b>-</b>
Corporation tax at 20% (2023: 20%)	-	-
Effects of:		
Overseas taxes	11	6
<b>Total tax charge for year (note 3a)</b>	<b>11</b>	<b>6</b>

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

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

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £817,000 (2023: £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.

## 4 Debtors

	2024 £'000	2023 £'000
Overseas withholding tax recoverable	12	23
<b>Total debtors</b>	<b>12</b>	<b>23</b>

# Notes to the Financial Statements

## Continued

### 5 Creditors

	2024 £'000	2023 £'000
Amounts payable on termination	44	55
<b>Total creditors</b>	<b>44</b>	<b>55</b>

### 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 notes 4 and 5.

Amounts payable to abrdr Fund Managers Limited, in respect of expenses are disclosed in note 5.

### 7 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 2024 £'000	Net foreign currency exposure 2023 £'000
<b>Currency</b>		
Danish Krone	3	3
Euro	9	9
Indian Rupee	-	1
Polish Zloty	-	8
US Dollar	1	1
<b>Total</b>	<b>13</b>	<b>22</b>

At 31 July 2024, 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 (2023: £1,000).

# 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.

### **Financial derivatives instrument risk**

The fund had no exposure to derivatives as at 31 July 2024 (2023: £Nil).

### **Liquidity risk**

All of the fund's financial liabilities are payable on demand or in less than one year, 2024 £44,000 (2023: £55,000).

# ASI Global High Yield Bond Fund (closed)

For the year ended 31 July 2024

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.

# Portfolio Statement

As at 31 July 2024

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 2023.

\* Delisted.

\*\* Defaulted.

# Financial Statements

## Statement of Total Return

For the year ended 31 July 2024

	Notes	2024		2023	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains			-		-
Revenue		-		-	
Expenses	1	-		-	
Net revenue before taxation		-		-	
Taxation		-		-	
Net revenue after taxation			-		-
<b>Total return</b>			-		-
<b>Change in net assets attributable to shareholders from investment activities</b>			-		-

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2024

	2024		2023	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		-		-
		-		-
Change in net assets attributable to shareholders from investment activities (see above)		-		-
Unclaimed distributions		1		1
Movement in amount payable on termination		(1)		(1)
<b>Closing net assets attributable to shareholders</b>		-		-

# Financial Statements

## Continued

### Balance Sheet

As at 31 July 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			-		-
<b>Current assets:</b>					
Cash and bank balances		5		4	
			5		4
<b>Total assets</b>			<b>5</b>		<b>4</b>
<b>Liabilities:</b>					
Creditors	2	(5)		(4)	
			(5)		(4)
<b>Total liabilities</b>			<b>(5)</b>		<b>(4)</b>
<b>Net assets attributable to shareholders</b>			<b>-</b>		<b>-</b>



# Notes to the Financial Statements

## 1 Expenses

The audit fee for the year, including VAT, was £4,200 (2023: £2,400).

## 2 Creditors

	2024 £'000	2023 £'000
Amounts payable on termination	5	4
<b>Total creditors</b>	<b>5</b>	<b>4</b>

## 3 Related Party Transactions

abrdn Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party. There were no transactions with the ACD during the current or prior year.

## 4 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.

### 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/ (liabilities) not carrying interest £'000	Total £'000
<b>2024</b>				
<b>Currency</b>				
UK Sterling	5	-	(5)	-
<b>Total</b>	<b>5</b>	<b>-</b>	<b>(5)</b>	<b>-</b>

# Notes to the Financial Statements

## Continued

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
2023				
Currency				
UK Sterling	4	-	(4)	-
Total	4	-	(4)	-

### Financial derivatives instrument risk

The fund had no exposure to derivatives as at 31 July 2024 (2023: £Nil).

### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2024 £5,000 (2023: £4,000).

# Securities Financing Transactions disclosure (unaudited)

The fund's 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 (%)
abrdn Asia Pacific Equity Fund	4,439	0.56%	0.56%
abrdn Diversified Growth and Income Fund	594	0.11%	0.10%
abrdn Emerging Markets Equity Fund	2,793	0.47%	0.47%
abrdn Japanese Equity Fund	2,888	2.37%	2.36%
abrdn Latin American Equity Fund	1,369	2.08%	2.04%
	<b>12,083</b>	<b>5.59%</b>	<b>5.53%</b>

## 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
<b>Stocklending</b>						
abrdn Asia Pacific Equity Fund						
Morgan Stanley	Bilateral	Equity	Main market listing	GBP	4,439	-
Morgan Stanley	Bilateral	Equity	Main market listing	AUD	-	468
Morgan Stanley	Bilateral	Equity	Main market listing	CHF	-	484
Morgan Stanley	Bilateral	Equity	Main market listing	EUR	-	479
Morgan Stanley	Bilateral	Equity	Main market listing	JPY	-	586
Morgan Stanley	Bilateral	Equity	Main market listing	USD	-	2,850
abrdn Diversified Growth and Income Fund						
HSBC	Bilateral	Equity	Main market listing	GBP	3	-
HSBC	Bilateral	Equity	Main market listing	USD	-	3
Merrill Lynch	Bilateral	Equity	Main market listing	GBP	49	-
Merrill Lynch	Bilateral	Equity	Main market listing	CAD	-	53
UBS	Bilateral	Equity	Main market listing	GBP	542	-
UBS	Bilateral	Equity	Main market listing	JPY	-	487
UBS	Bilateral	Equity	Main market listing	USD	-	122

# Securities Financing Transactions disclosure (unaudited)

## Continued

Counterparty by transaction type	Settlement	Collateral Type	Quality	Collateral Currency	Market value SFT £'000	Market value collateral £'000
abrdn Emerging Markets Equity Fund						
Morgan Stanley	Bilateral	Equity	Main market listing	GBP	2,793	-
Morgan Stanley	Bilateral	Equity	Main market listing	AUD	-	295
Morgan Stanley	Bilateral	Equity	Main market listing	CHF	-	303
Morgan Stanley	Bilateral	Equity	Main market listing	EUR	-	302
Morgan Stanley	Bilateral	Equity	Main market listing	JPY	-	369
Morgan Stanley	Bilateral	Equity	Main market listing	USD	-	1,793
abrdn Japanese Equity Fund						
BNP Paribas	Bilateral	Equity	Main market listing	GBP	2,431	-
BNP Paribas	Bilateral	Equity	Main market listing	DKK	-	184
BNP Paribas	Bilateral	Equity	Main market listing	USD	-	2,530
UBS	Bilateral	Equity	Main market listing	GBP	457	-
UBS	Bilateral	Equity	Main market listing	JPY	-	411
UBS	Bilateral	Equity	Main market listing	USD	-	103
abrdn Latin American Equity Fund						
Merrill Lynch	Bilateral	Equity	Main market listing	GBP	1,369	-
Merrill Lynch	Bilateral	Equity	Main market listing	CAD	-	1,455
					<b>12,083</b>	<b>13,277</b>

## 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	3.78
Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund	5.17

## Safekeeping of collateral

Collateral is received under a title transfer arrangement and collateral received must be held by or on behalf of the Depositary. 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 (unaudited)

## Undertakings for Collective Investment Transferrable Securities V Directive (UCITS V) Remuneration Disclosure UCITS V Annual Report and Accounts

### Remuneration Policy

The abrdn plc Remuneration Policy applies with effect from 1 January 2023. 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 is flexible to accommodate the different challenges and priorities across all businesses and functions as appropriate.
- Remuneration policies, procedures and practices promote good conduct, including sound and effective risk management and do not encourage risk taking that exceeds the level of tolerated risk appetite.
- Remuneration extends beyond the provision of fixed and variable pay, with a focus on the retirement provision and the wellbeing needs of our employees, as part of our remuneration philosophy.
- Total remuneration delivered is affordable for the Group.

### Remuneration Framework

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

- a) Fixed remuneration (salary and cash allowances, where appropriate; and Benefits (including pension)).
- b) Variable remuneration (bonus, a proportion of which may be subject to retention or deferral depending on role and regulatory requirements; 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 an award.

# Remuneration (unaudited)

## Continued

<b>Base salary</b>	<p>Base salary provides a core reward for undertaking the role and depending on the role, geographical or business market variances or other indicators, additional fixed cash allowances may make up a portion of fixed remuneration. Periodic reviews take into account the employee's role, scope of responsibilities, skills and experience, salary benchmarks (where available) and, where relevant, any local legislative or regulatory requirements.</p>
<b>Benefits (including retirement benefit where appropriate)</b>	<p>Benefits are made up of core benefits which are provided to all employees; and extra voluntary benefits that may be chosen by certain employees which may require contribution through salary sacrifice or other arrangements.</p> <p>Retirement benefits are managed in line with the relevant legislative requirements and governance structures. In certain, very limited circumstances, a cash allowance may be offered in lieu of a retirement arrangement.</p>
<b>Annual Performance Bonus Awards</b>	<p>Employees who have been employed during a performance year (1 January to 31 December) may be eligible to be considered for an annual bonus in respect of that year.</p> <p>Annual bonuses are based upon Group, Business / 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 V 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 businesses and functions based on absolute and relative performance of each business 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 business / function and regional 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 non-financial 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, to 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. In addition to the application of ex-ante adjustments described above, variable remuneration is subject to ex-post adjustment (malus / clawback arrangements).</p>
<b>Other elements of remuneration – selected employees</b>	<p>The following remuneration arrangements may be awarded in certain very limited circumstances:</p> <p><b>Carried Interest Plans</b> – These arrangements are designed to reward performance in roles where a carried interest plan is appropriate. Selected employees are granted carried interest shares in private market funds established by the Group.</p> <p><b>Buy-Out Awards/Guaranteed Bonuses</b> – These are intended to facilitate/support the recruitment of new employees. Buy-outs are not awarded, paid or provided unless they are in the context of hiring new employees. Guaranteed bonuses are not awarded, paid or provided unless they are exceptional and in the context of hiring new employees and limited to the first year of service. These awards are only made where such a payment or award is permitted under any relevant remuneration regulations and are designed to compensate for actual or expected remuneration foregone from previous employers by virtue of their recruitment.</p> <p><b>Retention and Special Performance Awards / LTIP</b> – Supports retention and/or the delivery of specific performance outcomes and/or to incentivise senior employees to support the long-term, sustained performance of abrdn. The Company may determine that it is appropriate to grant such awards in limited circumstances. Awards are structured to deliver specific retention and/or performance outcomes. Retention and/or special performance awards comply with all relevant regulatory requirements.</p> <p><b>Severance Pay</b> – Payment made to support an employee whose role is considered to be redundant. Severance payments comply with any legislative and regulatory requirements and any payments are inclusive of any statutory entitlement. In the event of severance, the treatment of any individual elements of an employee's remuneration is governed, as appropriate, by relevant plan or scheme rules.</p>

# Remuneration (unaudited)

## Continued

### Control Functions

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

### Conflicts of interest

The 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 2023 to 31 December 2023** inclusive.

	Headcount	Total Remuneration £'000
<b>abrdn Fund Managers Limited<sup>1</sup></b>	<b>1,087</b>	<b>147,082</b>
of which		
Fixed remuneration		119,255
Variable remuneration		27,827
<b>abrdn Fund Managers Limited 'Identified Staff'<sup>2</sup></b>	<b>96</b>	<b>35,228</b>
of which		
Senior Management <sup>3</sup>	41	20,859
Other 'Identified Staff'	55	14,369

<sup>1</sup> As there are a number of individuals indirectly and directly employed by abrdn Fund Managers Limited this figure represents an apportioned amount of abrdn's total remuneration fixed and variable pay, apportioned to the ManCo on an AUM basis. The Headcount figure provided reflects the number of beneficiaries calculated on a Full Time Equivalent basis.

<sup>2</sup> The Identified Staff disclosure relates to UCITS V MRTs and represents total compensation of those staff of the ManCo who are fully or partly involved in the activities of the ManCo.

<sup>3</sup> Senior management are defined in this table as ManCo Directors and members of the abrdn plc Board, together with its Executive Committee, Investment Management Committee and Group Product Committee.

# Further Information

## Constitution

abrdn OEIC I was incorporated and registered under FCA Regulations on 23 December 1997. 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 abrdn 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 **abrdn.com**. A paper copy of the Report and Accounts is available on request from the ACD.

## Notices/Correspondence

Please send any notices to abrdn 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, abrdn, 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@abrdn.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.