

abrdn UK High Income Equity Fund

Institutional Acc GBP



30 September 2023

Objective

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

Performance Target: To deliver a yield greater than that of the FTSE 350 Index over a rolling five year period (before charges) and achieve a return in excess of the FTSE 350 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.

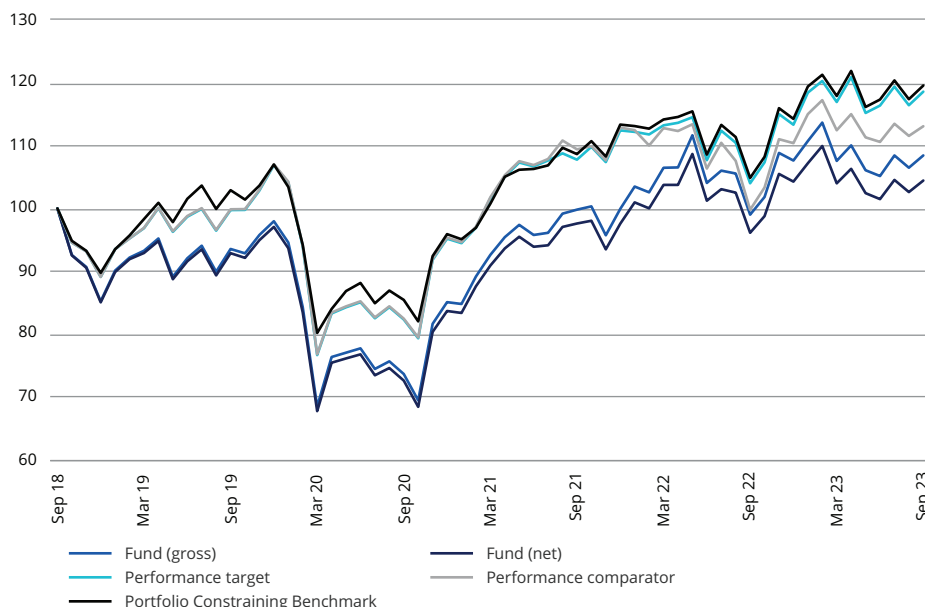
Performance Comparator: IA UK Equity Income sector average.

The ACD believes that this is an appropriate target/comparator for the fund based on the investment policy of the fund.

Portfolio securities

- The fund will invest at least 70% in equities and equity related securities of companies incorporated or domiciled in the UK or having significant operations and/or exposure to the UK.
- The fund may also invest in other funds (including those managed by abrdn) and money-market instruments, and cash.

Performance



Cumulative and annualised performance

| | 1 month | 6 months | Year to date | 1 year | 3 years (p.a.) | 5 years (p.a.) |
|--------------------------------------|---------|----------|--------------|--------|----------------|----------------|
| Fund (gross) (%) | 1.83 | -0.36 | -0.42 | 8.25 | 13.30 | 1.40 |
| Fund (net) (%) | 1.79 | -0.42 | -0.68 | 7.74 | 12.57 | 0.70 |
| Performance target (%) | 1.85 | 1.41 | 4.64 | 14.01 | 12.92 | 3.46 |
| Performance comparator (%) | -1.70 | -4.85 | 1.04 | 3.69 | 9.72 | 2.14 |
| Portfolio constraining benchmark (%) | 1.85 | 1.41 | 4.64 | 14.01 | 11.84 | 3.63 |
| Sector ranking | 38/75 | 47/75 | 59/75 | 67/74 | 24/71 | 55/69 |
| Quartile | 2 | 3 | 4 | 4 | 2 | 4 |

Discrete annual returns - year to 30/9

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|--------------------------------------|-------|-------|-------|--------|-------|
| Fund (gross) (%) | 8.25 | -0.81 | 35.46 | -21.24 | -6.43 |
| Fund (net) (%) | 7.74 | -1.50 | 34.41 | -21.82 | -7.13 |
| Performance target (%) | 14.01 | -3.49 | 30.87 | -17.45 | -0.26 |
| Performance comparator (%) | 3.69 | -2.92 | 31.24 | -12.58 | -3.76 |
| Portfolio constraining benchmark (%) | 14.01 | -3.49 | 27.14 | -16.96 | 2.90 |
| Sector ranking | 67/74 | 11/74 | 24/72 | 54/72 | 67/70 |
| Quartile | 4 | 1 | 2 | 3 | 4 |

Performance Data: Share Class Institutional Acc GBP.

Benchmark history: Performance target – FTSE 350 from 09/08/2021. IA UK Equity Income Sector Average from 01/05/1986 to 08/08/2021 Performance comparator – IA UK Equity Income Sector Average Portfolio constraining benchmark – FTSE 350

Source: abrdn (Fund & Benchmark) and Morningstar (Sector). Basis: Total Return, NAV to NAV, UK Net/Gross Income Reinvested.

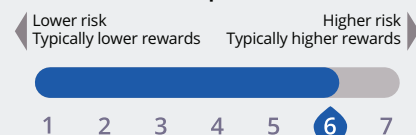
"Fund (Net)" refers to the actual unit price performance of the shareclass shown; "Fund(Gross)" adds back charges such as the annual management charge to present performance on the same basis as the performance target / performance comparator / portfolio constraining benchmark. These figures do not include the initial charge; if this is paid it will reduce performance from that shown.

Past performance is not a guide to future returns and future returns are not guaranteed.

Key facts

| | |
|-------------------------------------|------------------------------------|
| Fund manager(s) | Iain Pyle |
| Fund managers start date | 16 April 2018 |
| Fund launch date | 01 May 1986 |
| Share class launch date | 18 September 1998 |
| Authorised corporate director (ACD) | abrdn Fund Managers Limited |
| Fund size | £290.3m |
| Number of holdings | 58 |
| Performance target | FTSE 350 |
| Portfolio constraining benchmark | FTSE 350 |
| Performance comparator | IA UK Equity Income Sector Average |
| Fund historic yield ¹ | 4.71% |
| Index historic yield | 3.77% |
| Entry charge (up to) ² | 0.00% |
| Annual management charge | 0.75% |
| Ongoing charge figure ³ | 0.83% |
| Minimum initial investment | GBP 5,000,000 |
| Fund type | OEIC |
| Valuation point | 12:00 (UK time) |
| Base currency | GBP |
| Sedol | 433297 |
| ISIN | GB0004332978 |
| Bloomberg | SLUKHIA LN |
| Citicode | SL54 |
| Domicile | United Kingdom |

Risk and reward profile



This indicator reflects the volatility of the fund's share price. See the relevant UCITS Key Investor Information Document (KIID) or PRIIPs Key Information Document (KID) for details

Key risks

- The value of investments and the income from them can fall and investors may get back less than the amount invested.
- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector, or closely related group of industries or sectors.
- The shares of small and mid-cap companies may be less liquid and more volatile than those of larger companies.

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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 identifying companies where the management team have a different view of a company's prospects than that of the market, and which align with their views regarding future economic and business conditions.
- The fund aims to generate a high income relative to its benchmark index, in line with the performance target of a yield greater than that of the FTSE 350 Index over a rolling five year period (before charges).
- In seeking to achieve the Performance Target, the FTSE 350 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 income nature of the management process, the Fund's performance profile may deviate significantly from that of the FTSE 350 Index.

Top Ten Holdings

| | |
|----------------------------|------|
| AstraZeneca PLC | 9.3 |
| Shell PLC | 7.2 |
| BP PLC | 6.0 |
| Diageo PLC | 4.4 |
| Unilever PLC | 3.7 |
| Glencore PLC | 3.4 |
| Energiean PLC | 3.0 |
| HSBC Holdings PLC | 3.0 |
| Savannah Energy PLC | 2.6 |
| Barclays PLC | 2.4 |
| Assets in top ten holdings | 45.0 |

Source : abrdn 30/09/2023
Figures may not always sum to 100 due to rounding.

Sector (%)

| | | |
|------------------------|------|-------------|
| Energy | 22.2 | <div></div> |
| Financials | 22.0 | <div></div> |
| Health Care | 13.8 | <div></div> |
| Consumer Staples | 9.0 | <div></div> |
| Materials | 8.9 | <div></div> |
| Industrials | 7.7 | <div></div> |
| Consumer Discretionary | 6.5 | <div></div> |
| Utilities | 4.6 | <div></div> |
| Other | 4.5 | <div></div> |
| Cash | 0.8 | <div></div> |

(e) 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.

Risk stats

| | |
|----------------------------|-------|
| Alpha^ | 0.59 |
| Benchmark Volatility (SD)^ | 12.62 |
| Beta^ | 1.11 |
| Fund Volatility (SD)^ | 14.80 |
| Information Ratio^ | 0.35 |
| R-Squared^ | 0.90 |
| Sharpe Ratio^ | 0.73 |
| Tracking Error^ | 4.82 |

Source : abrdn. ^ Three year annualised.

Derivative usage

- The fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth at proportionate risk (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.

To help you understand this fund and for a full explanation of risks and the overall risk profile of this fund and the shareclasses within it, please refer to the Key Investor Information Documents and Prospectus which are available on our website www.abrdn.com The Prospectus also contains a glossary of key terms used in this document.

¹The Historic Yield as at 31/08/2023 reflects distributions declared over the past twelve months as a percentage of the mid-market share price, as at the date shown. It does not include any preliminary charge and investors may be subject to tax on their distributions. The fund charges 100% of the annual management charge to capital. This has the effect of increasing distributions for the year and constraining the fund's capital performance to an equivalent extent.

²These are the maximum charges that we might take out of your money before it is invested. In some cases, the charges may be less and you should speak to your financial advisor about this.

³The Ongoing Charge Figure (OCF), is the overall cost shown as a percentage of the value of the assets of the fund. It is made up of the Annual Management Charge (AMC) of 0.75% and other charges. It does not include any initial charges or the cost of buying and selling stocks for the fund. The Ongoing Charges figure can help you compare the annual operating expenses of different funds.

The fund is a sub-fund of abrdn OEIC II, an authorised open-ended investment company (OEIC).

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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.

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