



abrdn OEIC I

(formerly Aberdeen Standard OEIC I)

Annual Long Report
For the year ended 31 July 2022

abrdn.com

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Report of the Authorised Corporate Director

abrdrn OEIC I (formerly Aberdeen Standard 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 thirty-one live funds and five closed funds.

The ACD intends to close the ASI Eastern European Fund on 13 September 2022 and cancel all of the units in issue on that date. The ACD also intends to close or merge abrdrn (AAM) Sterling Government Bond Fund, abrdrn (AAM) UK Smaller Companies Fund, abrdrn American Equity Fund, abrdrn Asia Pacific and Japan Equity Fund, abrdrn Corporate Bond Fund, abrdrn European High Yield Bond Fund, abrdrn Global Equity Fund, abrdrn Sterling Long Dated Government Bond Fund, abrdrn Sterling Short Dated Corporate Bond Fund, abrdrn UK Equity Fund and abrdrn World Income Equity Fund during 2023. As a result the financial statements for these funds have not been prepared on a going concern basis.

Appointments

Authorised Corporate Director

abrdrn Fund Managers Limited (formerly Aberdeen Standard Fund Managers Limited)

Registered Office

Bow Bells House
1 Bread Street
London
EC4M 9HH

Correspondence address

PO Box 12233
Chelmsford
Essex
CM99 2EE

Investment Adviser

abrdrn Investments Limited (formerly Aberdeen Asset Managers Limited)

Registered Office

10 Queen's Terrace
Aberdeen
AB10 1XL

Correspondence address

Bow Bells House
1 Bread Street
London
EC4M 9HH

Depository

Citibank UK Limited

Registered Office

Citigroup Centre
Canada Square
Canary Wharf
London
E14 5LB

Auditor

KPMG LLP
St Vincent Plaza
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 2022 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.

Significant Events

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

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

The IPC undertakes regular reviews of the following:-

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

- Any requirement to suspend a fund(s);
 - Any fair value price adjustments at a fund level.
- 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. The Management Company has also evaluated, and will continue to evaluate, the operational resilience of all service providers. The Company's key suppliers do not have operations pertaining to the Company in Ukraine or Russia.

As at 28 November 2022, with the exception of the funds noted as closed on page 3, abrdn OEIC I funds have not been suspended and based on the Manager's assessment of the factors noted, above, has adequate financial resources to continue in operation.

Developments and Prospectus updates since 1 August 2021

- On 1 August 2021 the way that fund expenses are applied to the funds of Aberdeen Standard OEIC I was amended to be a single General Administration Charge covering common fund costs (e.g. fund pricing functions) whereas fund specific costs are applied directly to the fund (e.g. the cost of holding the specific assets of the fund at the custodian). This change did not increase the on-going charge figure ("OCF") of any of the funds but created consistency of expense methodology across the Aberdeen Standard Fund Managers Limited range of funds. All investors received a communication regarding this change and OCF values continue to be available within the Key Investor Information Document (KIID). For further details see the fund prospectus which is available at www.abrdn.com.
- On 9 August 2021 the ASI UK Income Equity Fund updated its Investment Objective and Policy ("IOP") to apply a greater focus to the yield delivery aspect of the funds objective. Other minor IOP changes were also made at this time.
- On 13 August 2021 the ASI UK Real Estate Share Fund Z Acc shareclass was launched.
- On 1 October 2021, as a result of the discontinuation of the London Inter Bank Offer Rate ("LIBOR") and London Inter Bank Bid Rate ("LIBID"), the performance target of the ASI Diversified Income Fund, ASI Target Return Bond Fund and ASI Sterling Money Market Fund were updated to a Sterling Overnight Index Average ("SONIA") benchmark. All investors received a communication at this time.

Report of the Authorised Corporate Director

Continued

- On 7 October the ASI Japanese Equity Fund Z Acc launched.
- On 24 October 2021, as a result of UK regulatory changes brought about by the UK's decision to leave the European Union, the Depositary of the funds changed from Citibank Europe PLC, UK Branch to Citibank UK Limited. There was no impact to the funds as a result of this change.
- On 1 November 2021, as a result of the discontinuation of the London Inter Bank Offer Rate ("LIBOR"), the performance target of the ASI Multi Asset fund was updated to include a Sterling Overnight Index Average ("SONIA") benchmark. All investors received a communication at this time.
- On 5 November 2021, Mr. Robert McKillop resigned as a director of Aberdeen Standard Fund Managers Limited.
- On 10 November 2021, Mrs. Emily Smart was appointed as a director of Aberdeen Standard Fund Managers Limited.
- On 10 November 2021, Mrs. Denise Thomas was appointed as a director of Aberdeen Standard Fund Managers Limited.
- On 19 November 2021 the ASI Target Return Bond Fund was closed.
- On 29 November 2021 the ASI Financial Equity Fund was closed.
- On 4 January 2022, Mrs. Rowan McNay was appointed as a director of Aberdeen Standard Fund Managers Limited.
- On 5 January 2022, Mrs. Claire Marshall resigned as a director of Aberdeen Standard Fund Managers Limited.
- On 17 January 2022 the initial charge deducted from subscriptions into the ASI Emerging Markets Equity Fund was removed.
- On 24 February 2022, Mr. Adam Shanks was appointed as a director of Aberdeen Standard Fund Managers Limited.
- On 30 March 2022, the ASI UK Mid-Cap Equity Fund K Income shareclass was launched.
- On 30 June 2022, the ASI Emerging Markets Bond Fund was closed.
- On 1 July 2022, the details of the operation of the Stock Lending on OEIC I was updated to recognise a change to the division of the gross income generated by Stock Lending activity.
- The list of funds managed by the ACD was updated, where appropriate;
- Performance and dilution figures were refreshed, where appropriate;
- The list of sub-custodians was refreshed, where appropriate.
- The list of eligible markets was refreshed, where appropriate.
- The list of sub-investment advisors to the funds was refreshed, where appropriate.
- The risk disclosures in relation to the funds were refreshed, where appropriate/
- On 1 August 2022 the Company changed its name from Aberdeen Standard OEIC I to abrdr OEIC I. At the same time underlying sub-funds of the Company renamed to reflect the "abrdr" rebranding. Additionally the Authorised Corporate Director of the Company changed its name from "Aberdeen Standard Fund Managers Limited" to "abrdr Fund Managers Limited". Further details and a list of the renaming can be found at <https://www.abrdr.com/en/uk/investor/fund-centre/investor-communications>.

Assessment of Value

In 2017 the Financial Conduct Authority (FCA) published the final Asset Management Market Study. This introduced (among other reforms) new governance rules with the aim of enhancing duty of care and ensuring the industry acts in investors' best interests. The rules were outlined in the FCA policy statement PS18/8 and came into effect from 30 September 2019. As a result, abrdr 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.

Review

Global equity markets fell in aggregate over the period. The UK and US performed well, but most other markets declined, with China, emerging markets and Asia Pacific (excluding Japan) among the weakest. The recovery from Covid-19-induced lockdown restrictions and the collapse of economic activity slowed as supply-chain disruptions, higher inflation and tightening global monetary policy weighed on markets. Early in the period, investors grew worried that the spread of the Covid-19 Delta variant, alongside global supply-chain issues, would hamper a global economic recovery. Markets recovered following the discovery of the Omicron variant in November, but they fell again in 2022 as central banks tightened monetary policy and following the Russian invasion of Ukraine. In response to the conflict, Europe was one of the hardest-hit regions, along with Russia, which faced sanctions from western countries. While the conflict continued throughout March, investor confidence recovered from the initial shock, and global markets generally bounced back, with US equities particularly strong. However, global stocks declined in the final few

Report of the Authorised Corporate Director

Continued

months, as ongoing fears over high inflation and the risk of a global recession weighed on sentiment. Equities rebounded in July, as positive corporate results gave investors renewed confidence.

The UK stock market, as represented by the FTSE All-Share Index, rose over the past 12 months, outperforming many of its international counterparts. The picture was more mixed beneath the positive headline figure; shares of large FTSE 100 Index companies performed well but shares in the mid-sized companies of the FTSE 250 Index, which are typically more focused on the domestic UK economy, fell heavily. Inflation has continued to rise in the UK, with annual consumer price inflation climbing steadily to hit a 40-year high of 9.4% in June. The Bank of England (BoE) reacted to spiking inflation with five consecutive interest rate rises to the end of July and has noted the prospect of further interest rate rises ahead.

US share prices, as measured by the broad S&P 500, fell in US dollar terms over the 12 months to the end of July. The respective strength of the US dollar and weakness of sterling translated to a positive return from US stocks for sterling-based investors. Large gains from 2021 have been erased in 2022. A combination of higher interest rates and surging inflation – due in part to a booming jobs market – caused US share prices to fall sharply from January onwards. Growth-focused stocks, such as technology companies, which are especially sensitive to interest rates, have been among the biggest losers. With US inflation hitting a 40-year high, the Federal Reserve (Fed) has become increasingly aggressive in its response. It raised its main interest rate by 0.25% in March, 0.50% in May and 0.75% in both June and July.

European shares (excluding the UK) fell in sterling terms over the past 12 months. The region's equity markets were buffeted by surging inflation, the prospect of higher interest rates and the shock of the Ukraine war and its serious consequences for European energy supplies. In common with the US and the UK, soaring inflation is proving a major challenge for European policymakers. The Eurozone annual inflation rate has been running at its highest level since the introduction of the euro, hitting 8.6% in June. Unlike the Fed and BoE, however, the European Central Bank (ECB) kept its main interest rate unchanged at ultra-low levels for much longer, before finally increasing rates by 0.5% in July, its first rate rise in over 11 years. It also ended its Pandemic Emergency Purchase Programme in March 2022.

The Japanese stock market rose over the 12 months in yen terms but fell lower in sterling terms due to a weaker yen; the yen recently weakened to a 24-year low versus the US dollar and also depreciated versus sterling over the 12-month period. Soaring inflation and higher interest rates in the West have rattled global stock markets in 2022. The Japanese market has also sold off, in part on worries over a global economic slowdown, but not as heavily as

other major developed stock markets, with Japanese exporters benefitting from a weaker currency. Unlike the Fed, ECB and BoE, the Bank of Japan is not under pressure to raise interest rates, as Japanese inflation remains relatively subdued.

Equity markets in the Asia Pacific (excluding Japan) region fell sharply over the 12-month period. Asian stocks initially gained ground, with markets supported by loose monetary policy by Asian central banks, improving economic data and vaccine rollouts. Several Asian markets reached record highs as a result. However, regional stock markets corrected thereafter, as a jump in bond yields dented investor confidence, while fresh waves of Covid-19 infections prompted renewed restrictions across several countries.

In fixed income, most government bond prices fell over the period. Optimism around vaccines and concerns that the economic recovery will fuel sharp rises in inflation led to weakness in government bonds throughout the period. Despite expectations of a withdrawal of central bank support, the spread of the Omicron variant left investors preferring the safety of government debt once again. However, central banks acted to control inflation by reducing policy support and hiking interest rates in the second half of the period. As a result, investors sold government bonds, pushing yields higher. Corporate bonds fell over the period, as investor fears over the withdrawal of central bank support increased.

Outlook as August 2022

Global equity markets continue to face several headwinds, from rising inflation and tightening monetary policy to supply-chain disruptions and high commodity prices, not to mention the ongoing impact of Russia's war with Ukraine. While Covid-19 remains present, it is hoped that the world can gradually learn to live with the virus this year. Whether the Fed can successfully manage the trade-off between rising inflation and slowing growth is also key going forward.

Central banks have acknowledged that inflation remains the number one threat to bonds. Where yields go after the sharp repricing of the first six months of 2022 depends on the path ahead for inflation. Most of the inflationary shock has been due to supply constraints, goods shortages and energy prices, and the geopolitical landscape is far from encouraging in that regard. However, growth is already slowing rapidly as a direct response to the real income squeeze facing consumers, reduced fiscal support and the threat of significantly higher interest rates, which will squeeze domestic consumption even harder. We predict this will ultimately force a policy rethink, meaning interest rates will not rise as fast as the market expects.

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) Sterling Government Bond Fund, abrdn (AAM) UK Smaller Companies Fund, abrdn American Equity Fund, abrdn Asia Pacific and Japan Equity Fund, abrdn Corporate Bond Fund, abrdn Euro High Yield Bond Fund, abrdn Global Equity Fund, abrdn Sterling Long Dated Government Bond Fund, abrdn Sterling Short Dated Corporate Bond Fund, abrdn UK Equity Fund, abrdn World Income Equity Fund, ASI Eastern European Fund, ASI Emerging Markets Bond Fund, ASI Euro Corporate Bond Fund, ASI Financial Equity Fund and ASI Global High Yield Bond Fund have not been prepared on a going concern basis;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

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

Authorised Corporate Director's Statement

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

Aron Mitchell
Director
28 November 2022

Denise Thomas
Director
28 November 2022

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

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

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

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

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

Citibank UK Limited

28 November 2022

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

Opinion

We have audited the financial statements of the Company for the year ended 31 July 2022 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 12 to 15.

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 2022 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 abrdrn (AAM) Sterling Government Bond Fund, abrdrn (AAM) UK Smaller Companies Fund, abrdrn American Equity Fund, abrdrn Asia Pacific and Japan Equity Fund, abrdrn Corporate Bond Fund, abrdrn Euro High Yield Bond Fund, abrdrn Global Equity Fund, abrdrn Sterling Long Dated Government Bond Fund, abrdrn Sterling Short Dated Corporate Bond, abrdrn UK Equity Fund, abrdrn 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 abrdrn (AAM) Sterling Government Bond Fund, abrdrn (AAM) UK Smaller Companies Fund, abrdrn American Equity Fund, abrdrn Asia Pacific and Japan Equity Fund, abrdrn Corporate Bond Fund, abrdrn Euro High Yield Bond Fund, abrdrn Global Equity Fund, abrdrn Sterling Long Dated Government Bond Fund, abrdrn Sterling Short Dated Corporate Bond, abrdrn UK Equity Fund, abrdrn World Income Equity Fund, ASI Eastern European Fund, ASI Emerging Markets Bond Fund, ASI Euro Corporate Bond Fund, ASI Financial Equity Fund and ASI Global High Yield Bond Fund. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

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

Our conclusions based on this work:

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

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

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

Continued

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Assessing the segregation of duties in place between the Authorised Corporate Director, the Depositary, the Administrator and the Investment Adviser.
- Reading Authorised Corporate Director board minutes.

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

We evaluated the design and implementation of the controls over journal entries and other adjustments and made inquiries of the Administrator about inappropriate or unusual activity relating to the processing of journal entries and other adjustments. We substantively tested all material post-closing entries and, based on the results of our risk assessment procedures and understanding of the process, including the segregation of duties between the Authorised Corporate Director and the Administrator, no further high-risk journal entries or other adjustments were identified.

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

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

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

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related authorised fund legislation maintained by the Financial Conduct Authority) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: money laundering, data protection and bribery and corruption legislation recognising the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and the Administrator and inspection of regulatory and legal correspondence, if any.

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

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

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

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

Other information

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

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

Continued

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

- we have not identified material misstatements in the other information; and
- in our opinion the information given in the Authorised Corporate Director's Report is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

Authorised Corporate Director's responsibilities

As explained more fully in their statement set out on page 6 the Authorised Corporate Director is responsible for: the preparation of financial statements that give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company and its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or its sub-funds or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

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

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

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

Chartered Accountants
St Vincent Plaza
319 St Vincent Street
Glasgow
G2 5AS
28 November 2022

Notes to the Financial Statements of abrdrn OEIC I

For the year ended 31 July 2022

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 abrdrn (AAM) Sterling Government Bond Fund, abrdrn (AAM) UK Smaller Companies Fund, abrdrn American Equity Fund, abrdrn Asia Pacific and Japan Equity Fund, abrdrn Corporate Bond Fund, abrdrn European High Yield Bond Fund, abrdrn Global Equity Fund, abrdrn Sterling Long Dated Government Bond Fund, abrdrn Sterling Short Dated Corporate Bond Fund, abrdrn UK Equity Fund, abrdrn 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 due to close to investors on 13 September 2022. abrdrn (AAM) Sterling Government Bond Fund, abrdrn (AAM) UK Smaller Companies Fund, abrdrn American Equity Fund, abrdrn Asia Pacific and Japan Equity Fund, abrdrn Corporate Bond Fund, abrdrn European High Yield Bond Fund, abrdrn Global Equity Fund, abrdrn Sterling Long Dated Government Bond Fund, abrdrn Sterling Short Dated Corporate Bond Fund, abrdrn UK Equity Fund and abrdrn World Income Equity Fund are due to be merged or closed during 2023. It is the intention of the ACD to terminate the funds at a later date once the residual assets and liabilities are settled. As a result the financial statements for these funds have not been prepared on a going concern basis. Prior year financial statements for 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 2022. The SORP defines fair value as the market value of each security, in an active market, this is generally the quoted bid price. Unlisted, unapproved, illiquid or suspended securities are valued at the Authorised Corporate Directors' best estimate of the amount that would be received from an immediate transfer at arm's length. The ACD has appointed a FVP committee to review valuations.

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

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

(c) Foreign Exchange

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

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

Notes to the Financial Statements of abrdn OEIC I

Continued

(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.

(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.

Notes to the Financial Statements of abrdn OEIC I

Continued

(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 ASI Emerging Markets Equity Fund and ASI 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.

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

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

(i) Equalisation

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

(j) Derivatives

Funds with strategies that permit it, can make use of derivatives. Derivatives can be used to reduce risk or cost, or to generate additional capital or income consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management"). Some strategies may permit use of derivatives with a higher or lower frequency or for investment purposes. The accounting for each derivative is applied consistently in line with the derivative type; the valuation policy and market convention. Market convention for derivatives is often based on total return; however where a fund strategy or derivative type is defined with revenue in mind the accounting treatment can have a

Notes to the Financial Statements of abrdn OEIC I

Continued

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.

(l) Stock lending

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

2. Risk management policies

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

The Financial Conduct Authority (FCA) Collective Investment Schemes Sourcebook (COLL) and FCA Funds Sourcebook (FUND) rules require the Management Company to establish, implement and maintain an adequate and documented Risk Management Process (RMP) for identifying the risks they manage, or might be, exposed to.

Notes to the Financial Statements of abrdn OEIC I

Continued

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.

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.

Notes to the Financial Statements of abrdn OEIC I

Continued

- . **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.

Liquidity Risk Management Framework

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

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

Notes to the Financial Statements of abrdn OEIC I

Continued

Transactions involving derivatives are only entered into with counterparties having an appropriate internal credit rating that has been validated by the credit research team and approved by the relevant credit committee. Appropriate counterparty exposure limits will be set and agreed by these committees and the existing credit exposures will be assessed against these limits.

iv) Operational Risk

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

Operational Risk Management

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

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

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

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

Notes to the Financial Statements of abrdn OEIC I

Continued

Cross Holding Table as at 31 July 2022

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

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

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

Cross Holding Table as at 31 July 2021

		Holding Fund					
		ASI (AAM) Sterling Government Bond Fund		ASI Asia Pacific Equity Fund		ASI European High Yield Bond Fund	
		Number of units	Market Value £'000	Number of units	Market Value £'000	Number of units	Market Value £'000
Investor Fund	ASI Corporate Bond Fund	-	-	-	-	1,235,803	1,713
	ASI Multi-Asset Fund	19,019,208	22,937	396,609	1,756	-	-

		Holding Fund			
		ASI Europe ex UK Equity Fund		Aberdeen Strategic Bond Fund	
		Number of units	Market Value £'000	Number of units	Market Value £'000
Investor Fund	ASI Corporate Bond Fund	-	-	6,044,495	11,700
	ASI Multi-Asset Fund	352,315	1,264	-	-

No other such cross-holdings, between other funds in the Aberdeen Standard OEIC I, were held as at 31 July 2021.

abrdn (AAM) Sterling Government Bond Fund

For the year ended 31 July 2022

Investment Objective

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

Performance Target: To achieve the return of the FTSE Actuaries UK Conventional Gilts All Stocks Index plus 0.5% per annum (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

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

Investment Policy

Portfolio Securities

- The fund invests at least 80% in government bonds issued or guaranteed by the UK Government.
- The fund may also invest in investment grade bonds issued anywhere in the world by governments, sub-sovereigns and corporations including inflation-linked bonds. The fund will employ techniques to reduce (hedge) risk related to currency movements on non-Sterling bonds.
- The fund may also invest in other funds (including those managed by abrdn), money-market instruments and cash.

Management Process

- The management team use their discretion (active management) to identify investments after analysing individual bonds and derivatives alongside global economic and market conditions.
- In seeking to achieve the Performance Target, the FTSE Actuaries UK Conventional Gilts All Stocks Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 1.70%. Due to the fund's risk constraints the intention is that the fund's performance will not deviate significantly from that of the index over the long term.

Derivatives and Techniques

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

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

Performance Review

For the year ended 31 July 2022, the value of abrdn (AAM) Sterling Government Bond Fund – A Accumulation Shares decreased by 15.66% compared to a decrease of 13.72% in the performance target, FTSE Actuaries UK Conventional Gilts All Stocks Index.

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

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

Market Review

The review period has been a difficult one for government bonds. There have been significant swings in the market. Inflation dominated headlines, with energy prices surging amid the global reopening of trade lines and bottlenecks in supply chains. Natural gas supply fears seemed particularly acute. In February 2022, the tragic outbreak of war in Ukraine cast a shadow over future global economic activity.

Investors have been forced to grapple with a changing economic landscape; the emergence of the Omicron variant of Covid-19; and a generally much more hawkish tone from central banks. Support from quantitative easing (QE) drove yields lower in early August, but subsequent rhetoric from central banks tested investor confidence. Discussions focused on the eventual removal of support as economies continued their post-pandemic recovery. The Bank of England (BoE) shocked markets, signalling that higher interest rates could arise even before the end of its QE programme. The market took this as a signal that November could be a 'live' meeting for a potential rate hike. Having initially looked to price a move in May 2022, markets rushed to more accurately reflect this new information and gilts sold off aggressively. However, this proved to be one of several communication missteps by the BoE. Confusion and anger followed the 7-2 vote to hold policy rates steady as the market became extremely volatile and sharply reversed prior weakness. Gilts continued to rally strongly into December, driven by Omicron fears. Then, in another surprise, the BoE voted 8-1 to hike the policy rate 15 basis points to 0.25% at the

abrdn (AAM) Sterling Government Bond Fund

Continued

December meeting. This marked the beginning of a period of weakness for UK government bonds; 10-year gilt yields rose by around 0.3% to finish 2021 close to unchanged. With the weakness in gilts led by short-dated maturities, the yield curve flattened aggressively.

The first six months of 2022 were difficult for government bonds. Inflation continued to exceed expectations, eliciting what felt like a unanimous response from global monetary leaders. Central banks would rather move quickly to rein in rapidly increasing prices than risk long-term inflation expectations rising further. Fears of a wage/price spiral were frequently cited in central bank communications.

While the outbreak of war in Ukraine in February initially caused a repricing in bond yields, the inflationary impact subsequently dominated central bank thinking. Bonds sold off aggressively as investors attempted to recalibrate how fast and how high monetary policy might go to halt the inflationary advance. UK 10-year yields rose dramatically. The BoE has seemed more cautious than other central banks on the impact of interest rate rises on consumers. While some members of the Monetary Policy Committee (MPC) voted for a faster pace of hikes, most favoured a continuation of 25 basis point (bps) increments to the cash rate as the policy rate was adjusted upwards by 50bps over the quarter to 1.25%. Nevertheless, yields moved aggressively higher as the global bond rout dominated any domestic policy decisions.

It was all change in July, however, with a sustained rally across global developed market government bonds. Yield levels retreated from the year-to-date highs reached in mid-June, and the benchmark 10-year UK government bond yield moved below 2%. While the FTSE Gilt All Maturities Index produced a positive total return of 2.62%, it nevertheless left the year-to-date figure for 2022 in deeply negative territory.

Portfolio Activity and Review

Overall, it has been a tricky period for government bond trading, with extreme moves across curves globally. At the start of the review period, government bond yields were trading close to six-month lows. We established a significant short relative duration stance via underweights in UK gilts, based on our anticipated path for monetary policy in the face of rising inflation expectations. The BoE appeared increasingly concerned about inflationary pressures; accordingly, a shift to a more hawkish monetary policy stance appeared inevitable, bringing higher nominal gilt yields. However, the emergence of the Omicron variant, in conjunction with a significant reduction in the gilt supply remit for the remainder of the fiscal year, caused gilt yields to return close to the lows of 2020 because of

risk-off sentiment. Although this was challenging for our short duration strategy, we increased its scale in mid-December, as we remained convinced that lockdowns would not return and that the rebound in the economy would continue, meaning central banks would be forced into tightening monetary policy. That decision paid dividends into the end of the calendar year and the first quarter of 2022 as UK government bonds began a precipitous decline, driving yields significantly higher over the remainder of the review period.

Having entered calendar year 2022 with a significant short duration position relative to benchmark, we decided to reduce this strategy during February, taking the view that yields had repriced enough and the implied tightening from central banks would be enough to control inflation. At this stage, the fund added an overweight position in short-dated UK government bonds, leaving it close to neutral relative duration and with a curve-steepening bias. With the breakout of war in Ukraine driving food and energy prices to record highs, this strategy proved incorrect as inflation spiked and central banks adopted an ever more hawkish tone to their communication, bear flattening the yield curve. Although we reduced risk and adopted underweight positions in liquid 10y UK government bonds to offset some of the risk, these violent moves in bond markets in response to the fallout from the Russia-Ukraine war caused a period of relative underperformance for the fund. During the review period, the fund also held various off-benchmark strategies, most notably yield curve flatteners in US Treasuries, and yield curve steepeners in European government bonds. The fund also participated in a cross-market strategy to hold overweight off-benchmark positions in Australian government bonds relative to both US Treasuries and UK government bonds.

Looking at performance over the review period, the fund generated positive excess returns from a range of gilt relative value, cross-market, and most notably duration strategies. However, yield curve and particularly inflation strategies proved disappointing, with the latter generating the bulk of negative excess returns versus the benchmark over the period in question. Overall, as a result the fund generated negative excess returns versus the benchmark over the 12-month period in question. On a total return basis, the fund generated significant negative performance, with all government bonds as an asset class in precipitous decline due to higher inflation, greater net bond supply, and a complete reversal in central bank monetary policy from near-zero policy rates and asset purchases to sharply rising policy rates and balance sheet reduction.

abrdn (AAM) Sterling Government Bond Fund

Continued

Portfolio Outlook and Strategy

The tone of the market is mainly being set by economic data and market positioning. It is also being guided by the actions of other global central markets, primarily the European Central Bank and the US Federal Reserve. In the UK, there has been an observable loss of momentum across a range of housing market data, retail sales, and business and consumer confidence indices. Bond market conditions are challenging; volatility is elevated, and liquidity is thin. We expect this to continue over the months to come. Inflation and the response of central banks will continue to be key for the coming months. Consumers are feeling the impact of higher utility and energy bills across the world, and consumer-facing industries appear to be the most vulnerable. We ended the quarter with interest rates at 1.25%. How quickly the MPC hikes rates remains the key focus of the market. Opinions vary but further hikes are extremely likely. Inflation continues to build with a peak of 10% expected in October, so employment data is being closely watched for signs of inflation expectations.

Pan Euro Macro Team

August 2022

abrdn (AAM) Sterling Government Bond Fund

Continued

Risk and Reward Profile

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

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

Risk and reward indicator table as at 31 July 2022.

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

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

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

Comparative Tables

A Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	194.64	204.99	188.32
Return before operating charges*	(27.31)	(8.54)	18.53
Operating charges	(1.43)	(1.81)	(1.86)
Return after operating charges*	(28.74)	(10.35)	16.67
Distributions	(0.26)	-	-
Retained distributions on accumulation shares	0.26	-	-
Closing net asset value per share	165.90	194.64	204.99
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(14.77%)	(5.05%)	8.85%
Other information			
Closing net asset value (£'000)	507	658	852
Closing number of shares	305,584	337,818	415,551
Operating charges	0.79%	0.93%	0.95%
Direct transaction costs	-	-	-
Prices			
Highest share price	196.7	205.0	210.6
Lowest share price	156.8	185.3	186.6

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	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	147.18	155.00	142.40
Return before operating charges*	(20.66)	(6.45)	14.01
Operating charges	(1.08)	(1.37)	(1.41)
Return after operating charges*	(21.74)	(7.82)	12.60
Distributions	(0.20)	-	-
Closing net asset value per share	125.24	147.18	155.00
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(14.77%)	(5.05%)	8.85%
Other information			
Closing net asset value (£'000)	559	687	727
Closing number of shares	446,082	466,769	468,986
Operating charges	0.79%	0.93%	0.95%
Direct transaction costs	-	-	-
Prices			
Highest share price	148.7	155.0	159.2
Lowest share price	118.6	140.1	141.1

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

Comparative Tables

Continued

I Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	203.30	213.14	194.92
Return before operating charges*	(28.60)	(8.89)	19.24
Operating charges	(0.55)	(0.95)	(1.02)
Return after operating charges*	(29.15)	(9.84)	18.22
Distributions	(1.22)	(0.39)	(0.91)
Retained distributions on accumulation shares	1.22	0.39	0.91
Closing net asset value per share	174.15	203.30	213.14
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(14.34%)	(4.62%)	9.35%
Other information			
Closing net asset value (£'000)	70,894	90,005	96,389
Closing number of shares	40,708,099	44,271,390	45,223,824
Operating charges	0.29%	0.47%	0.50%
Direct transaction costs	-	-	-
Prices			
Highest share price	205.8	213.2	218.6
Lowest share price	164.5	193.3	193.5

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.

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

Comparative Tables

Continued

	2022	2021	2020
I Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	121.35	127.46	117.07
Return before operating charges*	(17.05)	(5.30)	11.54
Operating charges	(0.33)	(0.58)	(0.61)
Return after operating charges*	(17.38)	(5.88)	10.93
Distributions	(0.73)	(0.23)	(0.54)
Closing net asset value per share	103.24	121.35	127.46
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(14.32%)	(4.61%)	9.34%
Other information			
Closing net asset value (£'000)	270	356	535
Closing number of shares	261,522	293,689	419,573
Operating charges	0.29%	0.47%	0.50%
Direct transaction costs	-	-	-
Prices			
Highest share price	122.8	127.5	131.0
Lowest share price	97.95	115.5	116.1

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	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	115.24	120.68	110.07
Return before operating charges*	(16.12)	(4.84)	11.25
Operating charges	(0.36)	(0.60)	(0.64)
Return after operating charges*	(16.48)	(5.44)	10.61
Distributions	(0.73)	(0.33)	(0.53)
Retained distributions on accumulation shares	0.73	0.33	0.53
Closing net asset value per share	98.76	115.24	120.68
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(14.30%)	(4.51%)	9.64%
Other information			
Closing net asset value (£'000)	1	1	1
Closing number of shares	903	903	903
Operating charges	0.34%	0.52%	0.55%
Direct transaction costs	-	-	-
Prices			
Highest share price	116.7	120.7	123.7
Lowest share price	93.20	109.6	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 Income	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	112.64	118.33	108.44
Return before operating charges*	(15.76)	(4.78)	11.05
Operating charges	(0.35)	(0.59)	(0.63)
Return after operating charges*	(16.11)	(5.37)	10.42
Distributions	(0.70)	(0.32)	(0.53)
Closing net asset value per share	95.83	112.64	118.33
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(14.30%)	(4.54%)	9.61%
Other information			
Closing net asset value (£'000)	1	1	1
Closing number of shares	915	915	915
Operating charges	0.34%	0.52%	0.55%
Direct transaction costs	-	-	-
Prices			
Highest share price	114.0	118.3	121.6
Lowest share price	90.91	107.2	107.8

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

P Income	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	155.63	163.47	150.15
Return before operating charges*	(21.86)	(6.82)	14.80
Operating charges	(0.46)	(0.52)	(0.51)
Return after operating charges*	(22.32)	(7.34)	14.29
Distributions	(0.90)	(0.50)	(0.97)
Closing net asset value per share	132.41	155.63	163.47
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(14.34%)	(4.49%)	9.52%
Other information			
Closing net asset value (£'000)	10	12	21
Closing number of shares	7,959	7,959	12,825
Operating charges	0.32%	0.33%	0.33%
Direct transaction costs	-	-	-
Prices			
Highest share price	157.5	163.5	168.0
Lowest share price	125.6	148.2	149.0

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

Q Income	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	155.62	163.45	150.13
Return before operating charges*	(21.86)	(6.79)	14.80
Operating charges	(0.38)	(0.43)	(0.42)
Return after operating charges*	(22.24)	(7.22)	14.38
Distributions	(0.98)	(0.61)	(1.06)
Closing net asset value per share	132.40	155.62	163.45
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(14.29%)	(4.42%)	9.58%
Other information			
Closing net asset value (£'000)	12	21	72
Closing number of shares	9,224	13,153	44,341
Operating charges	0.26%	0.27%	0.27%
Direct transaction costs	-	-	-
Prices			
Highest share price	157.6	163.5	168.0
Lowest share price	125.6	148.2	149.0

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.

Comparative Tables

Continued

	2020
Q Gross Income^A	pence per share
Change in net assets per share	
Opening net asset value per share	149.81
Return before operating charges*	2.41
Operating charges	(0.42)
Return after operating charges*	1.99
Distributions	-
Redemption value as at 23 October 2019	(151.80)
Closing net asset value per share	-
* after direct transaction costs of:	-
Performance	
Return after charges	1.32%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	0.27%
Direct transaction costs	-
Prices	
Highest share price	157.4
Lowest share price	150.2

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

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

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

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

^A Q Gross income share class was closed on 23 October 2019.

Comparative Tables

Continued

Z Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	120.57	125.94	114.71
Return before operating charges*	(16.98)	(5.25)	11.35
Operating charges	(0.10)	(0.12)	(0.12)
Return after operating charges*	(17.08)	(5.37)	11.23
Distributions	(0.95)	(0.68)	(1.01)
Retained distributions on accumulation shares	0.95	0.68	1.01
Closing net asset value per share	103.49	120.57	125.94
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(14.17%)	(4.26%)	9.79%
Other information			
Closing net asset value (£'000)	48,411	50,288	43,017
Closing number of shares	46,781,133	41,709,440	34,157,607
Operating charges	0.09%	0.10%	0.10%
Direct transaction costs	-	-	-
Prices			
Highest share price	122.1	126.0	128.9
Lowest share price	97.72	114.6	114.1

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 2022

Holding	Investment	Market value £'000	Percentage of total net assets
Bonds (98.59%)		115,771	95.94
Australian Dollar Denominated Bonds (1.23%)			
Government Bonds (1.23%)		-	-
Euro Denominated Bonds (0.92%)			
Government Bonds (0.92%)		943	0.78
greater than 25 years to maturity			
1,529,369	European Union 0.7% 2051	943	0.78
Sterling Denominated Bonds (96.44%)		114,828	95.16
Corporate Bonds (2.32%)		1,191	0.99
less than 5 years to maturity			
1,027,000	BNG Bank 1.625% 2025	1,007	0.84
190,000	KFW 1.125% 2025	184	0.15
Government Bonds (94.12%)		113,637	94.17
less than 5 years to maturity			
156,000	European Investment Bank 1.125% 2025	152	0.13
100,000	FMS Wertmanagement 1.375% 2025	98	0.08
246,000	Kommunekredit 0.375% 2024	236	0.20
68,000	Nordic Investment Bank 1.125% 2025	66	0.05
474,000	Ontario Teachers' Finance Trust 1.125% 2026	452	0.37
389,000	PRS Finance 1.75% 2026	359	0.30
200,000	Saxony-Anhalt (State of) 2.125% 2024	198	0.16
3,082,900	UK (Govt of) 0.125% 2023	3,061	2.54
3,222,900	UK (Govt of) 0.125% 2024	3,139	2.60
667,309	UK (Govt of) 0.125% 2026	634	0.53
2,669,100	UK (Govt of) 0.25% 2025	2,570	2.13
2,059,900	UK (Govt of) 0.375% 2026	1,949	1.62
1,742,900	UK (Govt of) 0.625% 2025	1,696	1.41
2,635,400	UK (Govt of) 0.75% 2023	2,609	2.16
676,700	UK (Govt of) 1% 2024	669	0.55
2,778,600	UK (Govt of) 1.25% 2027	2,734	2.27

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
2,111,300	UK (Govt of) 1.5% 2026	2,100	1.74
1,375,000	UK (Govt of) 1.75% 2022	1,375	1.14
357,000	UK (Govt of) 2% 2025	361	0.30
1,993,000	UK (Govt of) 2.25% 2023	2,003	1.66
985,598	UK (Govt of) 2.75% 2024	1,007	0.83
2,381,200	UK (Govt of) 5% 2025	2,581	2.14
between 5 and 10 years to maturity			
687,000	PRS Finance 2% 2029	673	0.56
2,148,600	UK (Govt of) 0.125% 2028	1,984	1.64
2,423,907	UK (Govt of) 0.25% 2031	2,105	1.74
2,349,200	UK (Govt of) 0.375% 2030	2,105	1.74
572,200	UK (Govt of) 0.5% 2029	530	0.44
2,799,500	UK (Govt of) 0.875% 2029	2,649	2.20
44,400	UK (Govt of) 1% 2032	41	0.03
2,503,200	UK (Govt of) 1.625% 2028	2,510	2.08
2,258,400	UK (Govt of) 4.25% 2027	2,551	2.11
1,955,500	UK (Govt of) 4.75% 2030	2,416	2.00
1,450,000	UK (Govt of) 6% 2028	1,831	1.52
between 10 and 15 years to maturity			
8,638,400	UK (Govt of) 0.625% 2035	7,067	5.86
3,150,400	UK (Govt of) 0.875% 2033	2,795	2.32
1,227,000	UK (Govt of) 4.25% 2036	1,517	1.26
2,573,900	UK (Govt of) 4.5% 2034	3,235	2.68
between 15 and 25 years to maturity			
1,225,115	UK (Govt of) 0.875% 2046	883	0.73
745,800	UK (Govt of) 1.125% 2039	620	0.51
969,302	UK (Govt of) 1.25% 2041	797	0.66
857,573	UK (Govt of) 1.5% 2047	705	0.58
2,167,200	UK (Govt of) 1.75% 2037	2,011	1.67
1,940,926	UK (Govt of) 3.25% 2044	2,189	1.81
1,960,700	UK (Govt of) 3.5% 2045	2,300	1.91
1,672,200	UK (Govt of) 4.25% 2039	2,109	1.75
2,942,687	UK (Govt of) 4.25% 2040	3,742	3.10

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,952,000	UK (Govt of) 4.25% 2046	2,579	2.14
5,091,652	UK (Govt of) 4.5% 2042	6,763	5.60
2,015,500	UK (Govt of) 4.75% 2038	2,682	2.22
greater than 25 years to maturity			
916,000	CPPIB Capital 1.625% 2071	582	0.48
453,300	UK (Govt of) 0.625% 2050	290	0.24
304,900	UK (Govt of) 1.125% 2073	205	0.17
5,133,900	UK (Govt of) 1.25% 2051	3,904	3.24
982,900	UK (Govt of) 1.5% 2053	796	0.66
546,000	UK (Govt of) 1.625% 2054	456	0.38
1,505,638	UK (Govt of) 1.625% 2071	1,233	1.02
2,056,294	UK (Govt of) 1.75% 2049	1,787	1.48
3,823,940	UK (Govt of) 1.75% 2057	3,300	2.73
1,378,693	UK (Govt of) 2.5% 2065	1,468	1.22
1,386,466	UK (Govt of) 3.5% 2068	1,867	1.55
1,674,640	UK (Govt of) 3.75% 2052	2,159	1.79
498,000	UK (Govt of) 4% 2060	709	0.59
1,432,000	UK (Govt of) 4.25% 2049	1,942	1.61
1,046,600	UK (Govt of) 4.25% 2055	1,501	1.24
Derivatives (-0.29%)		(1,049)	(0.87)
Forward Currency Contracts (0.05%)		5	0.01
	Buy AUD 325,000 Sell GBP 187,565 08/09/2022	(1)	-
	Buy EUR 97,000 Sell GBP 82,441 08/09/2022	(1)	-
	Buy EUR 203,500 Sell GBP 174,394 08/09/2022	(3)	-
	Buy GBP 261,120 Sell AUD 463,000 08/09/2022	(4)	-
	Buy GBP 212,499 Sell EUR 248,000 08/09/2022	4	-
	Buy GBP 864,169 Sell EUR 1,011,000 08/09/2022	12	0.01
	Buy GBP 61,978 Sell USD 78,081 08/09/2022	(2)	-
Futures (-0.01%)		(370)	(0.31)
90	Long US 2 Year Note (CBT) Future 30/09/2022	53	0.04
45	Long US 5 Year Note (CBT) Future 30/09/2022	67	0.06

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
(7)	Short Euro-Buxl 30 Year Future 08/09/2022	(96)	(0.08)
(60)	Short Long Gilt Future 28/09/2022	(164)	(0.14)
(64)	Short US 10 Year Ultra Future 21/09/2022	(230)	(0.19)
Inflation Swaps (-0.24%)		-	-
Interest Rate Swaps (-0.09%)		(684)	(0.57)
EUR 1,587,000	Pay fixed 0.0473% receive floating EURIBOR 18/09/2055	443	0.37
EUR 4,103,000	Pay floating EURIBOR receive fixed 0.15% 18/09/2035	(567)	(0.47)
GBP 8,555,500	Pay floating GBP-SONIA receive fixed 0.592% 14/07/2025	(286)	(0.24)
GBP 1,448,000	Pay floating GBP-SONIA receive fixed 0.923% 31/01/2024	(34)	(0.03)
GBP 9,368,000	Pay floating GBP-SONIA receive fixed 1.5933% 01/02/2024	(104)	(0.09)
GBP 9,368,000	Pay floating GBP-SONIA receive fixed 1.6088% 01/02/2024	(102)	(0.08)
GBP 13,527,000	Pay floating GBP-SONIA receive fixed 2.3963% 11/05/2024	(34)	(0.03)
Total investment assets and liabilities		114,722	95.07
Net other assets		5,943	4.93
Total Net Assets		120,665	100.00

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities or approved derivatives within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2021.

Financial Statements

Statement of Total Return

For the year ended 31 July 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(20,221)		(6,681)
Revenue	2	1,186		925	
Expenses	3	(273)		(485)	
Interest payable and similar charges		(18)		(18)	
Net revenue before taxation		895		422	
Taxation	4	-		-	
Net revenue after taxation			895		422
Total return before distributions			(19,326)		(6,259)
Distributions	5		(895)		(426)
Change in net assets attributable to shareholders from investment activities			(20,221)		(6,685)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2022

	2022		2021	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		142,029		141,615
Amounts receivable on the issue of shares	17,453		23,688	
Amounts payable on the cancellation of shares	(19,519)		(17,028)	
		(2,066)		6,660
Dilution adjustment		14		-
Change in net assets attributable to shareholders from investment activities (see above)		(20,221)		(6,685)
Retained distribution on accumulation shares		909		439
Closing net assets attributable to shareholders		120,665		142,029

Financial Statements

Continued

Balance Sheet

As at 31 July 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			116,350		140,820
Current assets:					
Debtors	6	2,373		432	
Cash and bank balances	7	4,949		2,348	
			7,322		2,780
Total assets			123,672		143,600
Liabilities:					
Investment liabilities			(1,628)		(1,203)
Creditors	8	(1,376)		(368)	
Distribution payable		(3)		-	
			(1,379)		(368)
Total liabilities			(3,007)		(1,571)
Net assets attributable to shareholders			120,665		142,029

Notes to the Financial Statements

1 Net Capital Losses

	2022 £'000	2021 £'000
Non-derivative securities	(19,859)	(6,200)
Derivative contracts	(293)	(586)
Forward currency contracts	(75)	124
Other gains/(losses)	14	(19)
Transaction charges	(8)	-
Net capital losses	(20,221)	(6,681)

2 Revenue

	2022 £'000	2021 £'000
Bank and margin interest	3	-
Interest on debt securities	1,181	922
Stocklending revenue	2	3
Total revenue	1,186	925

3 Expenses

	2022 £'000	2021 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	170	348
General administration charge*	100	-
Operating, administrative and servicing fees	-	137
	270	485
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	3	-
	3	-
Total expenses	273	485

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

* The fixed general administration charge was introduced from 1 August 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian. The audit fee for the year, including VAT, was £10,860 (2021: £10,743).

Notes to the Financial Statements

Continued

4 Taxation

	2022 £'000	2021 £'000
(a) Analysis of charge in year		
Total taxation (note 4b)	-	-

(b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2021: 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	895	422
Corporation tax at 20% (2021: 20%)	179	84
Effects of:		
Distributions treated as tax deductible	(179)	(84)
Total tax charge for year (note 4a)	-	-

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

(c) Factors that may affect future tax charge

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

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

	2022 £'000	2021 £'000
Interim distribution	327	209
Final distribution	585	230
	912	439
Add: Income deducted on cancellation of shares	31	11
Deduct: Income received on issue of shares	(48)	(24)
Total distributions for the year	895	426
Movement between net revenue and distributions		
Net revenue after taxation	895	422
Shortfall transfer from capital to revenue	-	4
Total distributions for the year	895	426

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

Notes to the Financial Statements

Continued

6 Debtors

	2022 £'000	2021 £'000
Accrued revenue	521	432
Amounts receivable from the ACD for the issue of shares	1,852	-
Total debtors	2,373	432

7 Liquidity

	2022 £'000	2021 £'000
Cash and bank balances		
Cash at bank	3,075	1,232
Cash at broker	1,084	716
Collateral cash pledged to counterparties [~]	790	400
Net liquidity	4,949	2,348

[~] 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

	2022 £'000	2021 £'000
Accrued expenses payable to ACD	20	16
Accrued expenses payable to the Depositary or associates of the Depositary	1	-
Amounts payable to the ACD for cancellation of shares	27	340
Other accrued expenses	-	12
Purchases awaiting settlement	1,328	-
Total creditors	1,376	368

9 Related Party Transactions

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

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

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

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

Notes to the Financial Statements

Continued

10 Portfolio Transaction Costs

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

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

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

Trades in the year	Purchases		Sales	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Bonds	166,865	172,080	170,408	163,287
Trades in the year before transaction costs	166,865	172,080	170,408	163,287
Total net trades in the year after transaction costs	166,865	172,080	170,408	163,287

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.16% (2021: 0.01%), this is representative of the average spread on the assets held during the year.

11 Shares in Issue Reconciliation

	Opening shares 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
A Accumulation	337,818	23,275	(54,579)	(930)	305,584
A Income	466,769	4,049	(15,125)	(9,611)	446,082
I Accumulation	44,271,390	1,137,908	(4,702,087)	888	40,708,099
I Income	293,689	17,285	(66,146)	16,694	261,522
M Accumulation	903	-	-	-	903
M Income	915	-	-	-	915
P Income	7,959	-	-	-	7,959
Q Income	13,153	-	-	(3,929)	9,224
Z Accumulation	41,709,440	14,237,953	(9,166,260)	-	46,781,133

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

	2022 £'000	2022 £'000	2022 £'000	2021 £'000	2021 £'000	2021 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Bonds	113,008	2,763	-	134,985	5,051	-
Derivatives	120	459	-	196	588	-
Total investment assets	113,128	3,222	-	135,181	5,639	-
Fair value of investment liabilities						
Derivatives	(490)	(1,138)	-	(214)	(989)	-
Total investment liabilities	(490)	(1,138)	-	(214)	(989)	-

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:

2022	Floating rate financial assets/ (liabilities) £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
Currency				
UK Sterling	4,026	114,828	1,784	120,638
Australian Dollar	156	-	(79)	77
Euro	(31)	943	(903)	9
US Dollar	115	-	(174)	(59)
Total	4,266	115,771	628	120,665

Notes to the Financial Statements

Continued

2021	Floating rate financial assets/ (liabilities) £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
Currency				
UK Sterling	2,170	136,970	3,048	142,188
Australian Dollar	194	1,754	(1,548)	400
Canadian Dollar	-	-	(266)	(266)
Euro	17	1,312	(1,151)	178
US Dollar	(33)	-	(438)	(471)
Total	2,348	140,036	(355)	142,029

Other price risk

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

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

VaR

The table below indicates the VaR of the fund's financial instruments, measured as the potential one month loss (Prior year this was based on a 5 day loss) in value from adverse changes in equity prices, interest rates, inflation rates and foreign currency exchange rates, with a 99 percent confidence level. Calculated on this basis, the table indicates that the net value of the fund's financial assets and liabilities could be expected to change by more than the stated amount on only two days out of 200, in response to either price, interest rate, inflation or foreign currency exchange rate changes.

2022	Minimum	Maximum	Average
VaR 99% 1 Month	4.75%	5.70%	5.07%

2021	Minimum	Maximum	Average
VaR 99% 1 Month	2.30%	2.69%	2.47%

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.

2022	Market value £'000	Percentage of total net assets %
Investment grade securities	115,771	95.94
Below investment grade securities	-	-
Unrated securities	-	-
Total value of securities	115,771	95.94

Notes to the Financial Statements

Continued

2021	Market value £'000	Percentage of total net assets %
Investment grade securities	140,036	98.59
Below investment grade securities	-	-
Unrated securities	-	-
Total value of securities	140,036	98.59

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:

	2022		2021	
	Market exposure £'000	Market value £'000	Market exposure £'000	Market value £'000
Leveraged instruments				
Forward currency contracts	1,830	5	3,261	67
Futures	34,829	(370)	36,166	(18)
Swaps	47,050	(684)	94,000	(468)
Total market exposure	83,709	(1,049)	133,427	(419)

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.

2022	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
Broker or exchange exposure					
Bank of America Merrill Lynch	(370)	1,084	-	714	0.59
	(370)	1,084	-	714	0.59

2021	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
Broker or exchange exposure					
Bank of America Merrill Lynch	(18)	716	-	698	0.49
	(18)	716	-	698	0.49

Notes to the Financial Statements

Continued

Bilateral agreements

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

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

All stock lending is conducted by the stocklending agent on behalf of the fund using a standard agreement with available counterparties. It is collateralised daily with a right of recall within 24 hours.

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

2022 Counterparties	Swaps £'000	Forwards £'000	Collateral (held)/pledged		Net exposure £'000
			Cash £'000	Stock £'000	
Bank of America Merrill Lynch	-	(1)	-	-	(1)
Barclays	(410)	(3)	440	-	27
BNP Paribas	(34)	-	-	-	(34)
Citigroup	(104)	12	110	-	18
Goldman Sachs	(34)	-	120	-	86
JP Morgan	(102)	-	120	-	18
Royal Bank of Canada	-	(2)	-	-	(2)
State Street	-	(1)	-	-	(1)
Total	(684)	5	790	-	111

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

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

The fund receives 85% of the revenue returns from stock lending. The gross earnings for the year are £2,000 (2021: £4,000) and expenses paid to the lending agent, Securities Finance Trust Company, are £Nil (2021: £1,000).

2021 Counterparties	Swaps £'000	Forwards £'000	Stock on loan * £'000	Collateral (held)/pledged		Net exposure £'000
				Cash £'000	Stock £'000	
Barclays	(296)	-	-	280	-	(16)
Citigroup	(21)	7	5,139	-	(5,425)	(300)
Morgan Stanley	-	(2)	-	-	-	(2)
RBC Dominion Securities	-	1	-	-	-	1
Royal Bank of Canada	(151)	-	-	120	-	(31)
Standard Chartered	-	50	-	-	-	50
UBS	-	11	-	-	-	11
Total	(468)	67	5,139	400	(5,425)	(287)

* 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.

Notes to the Financial Statements

Continued

Top SFTR Issuers 2021	Type	Collateral Stock £'000
Netherlands (Govt of)	Bond	(1,809)
Germany (Fed Rep of)	Bond	(1,808)
France (Govt of)	Bond	(1,808)
		(5,425)

Liquidity risk

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

2022	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
Derivatives					
Investment liabilities	-	(501)	(560)	(567)	(1,628)
Non-derivatives					
Other creditors	-	(1,376)	-	-	(1,376)
Distribution payable	-	(3)	-	-	(3)
Total financial liabilities	-	(1,880)	(560)	(567)	(3,007)

2021	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
Derivatives					
Investment liabilities	-	(216)	(514)	(473)	(1,203)
Non-derivatives					
Other creditors	-	(368)	-	-	(368)
Total financial liabilities	-	(584)	(514)	(473)	(1,571)

14 Subsequent Events

The ACD intends to merge the abrdn (AAM) Sterling Government Bond Fund in 2023.

Distribution Tables

For the year ended 31 July 2022 (in pence per share)

Interim interest distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 January 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
A Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
A Income				
Group 1	-	-	-	-
Group 2	-	-	-	-
I Accumulation				
Group 1	0.4463	-	0.4463	0.1778
Group 2	0.0523	0.3940	0.4463	0.1778
I Income				
Group 1	0.2664	-	0.2664	0.1064
Group 2	0.0677	0.1987	0.2664	0.1064
M Accumulation				
Group 1	0.2149	-	0.2149	0.1739
Group 2	0.2149	-	0.2149	0.1739
M Income				
Group 1	0.2121	-	0.2121	0.1782
Group 2	0.2121	-	0.2121	0.1782
P Income				
Group 1	0.3198	-	0.3198	0.2680
Group 2	0.3198	-	0.3198	0.2680
Q Income				
Group 1	0.3635	-	0.3635	0.3221
Group 2	0.3635	-	0.3635	0.3221
Z Accumulation				
Group 1	0.3841	-	0.3841	0.3544
Group 2	0.0336	0.3505	0.3841	0.3544

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Final interest distribution

Group 1 – shares purchased prior to 1 February 2022

Group 2 – shares purchased between 1 February 2022 and 31 July 2022

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
A Accumulation				
Group 1	0.2646	-	0.2646	-
Group 2	0.1990	0.0656	0.2646	-
A Income				
Group 1	0.2007	-	0.2007	-
Group 2	0.1826	0.0181	0.2007	-
I Accumulation				
Group 1	0.7785	-	0.7785	0.2160
Group 2	0.4360	0.3425	0.7785	0.2160
I Income				
Group 1	0.4636	-	0.4636	0.1277
Group 2	0.2488	0.2148	0.4636	0.1277
M Accumulation				
Group 1	0.5185	-	0.5185	0.1595
Group 2	0.5185	-	0.5185	0.1595
M Income				
Group 1	0.4909	-	0.4909	0.1443
Group 2	0.4909	-	0.4909	0.1443
P Income				
Group 1	0.5774	-	0.5774	0.2342
Group 2	0.5774	-	0.5774	0.2342
Q Income				
Group 1	0.6172	-	0.6172	0.2834
Group 2	0.6172	-	0.6172	0.2834
Z Accumulation				
Group 1	0.5672	-	0.5672	0.3217
Group 2	0.2646	0.3026	0.5672	0.3217

Equalisation

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

abrdrn (AAM) UK Smaller Companies Fund

For the year ended 31 July 2022

Investment Objective

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

Performance Target: To achieve the return of the Numis Smaller Companies Plus AIM excluding Investment Companies Index plus 3% per annum over rolling three year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

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

Investment Policy

Portfolio Securities

- The fund will invest at least 60% in smaller capitalisation equities and equity related securities of companies listed, incorporated or domiciled in the UK or companies that derive a significant proportion of their revenues or profits from UK operations or have a significant proportion of their assets there.
- Smaller capitalisation companies are defined as any stock having a market capitalisation less than the 10th percentile stock of the overall UK equity market.
- The fund may also invest in mid and larger capitalisation companies listed, incorporated or domiciled in the UK.
- The fund may also invest in other funds (including those managed by abrdrn), money-market instruments and cash.

Management Process

- The management team use their discretion (active management) to maintain a diverse asset mix at sector and stock level.
- Their primary focus is on stock selection using the management team's quality, growth and momentum approach. It aims to identify companies that show a range of high quality characteristics, operate in growing markets and display positive business momentum.
- In seeking to achieve the Performance Target, the Numis Smaller Companies Plus AIM excluding Investment Companies Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 10%. Due to the active nature of the management process, the fund's

performance profile may deviate significantly from that of the index.

- Please note: The fund's ability to buy and sell small and mid-capitalisation shares and the associated costs can be affected during periods of market stress. In certain circumstances investors in the fund may not be able to sell their investment when they want to.

Derivatives and Techniques

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

Performance Review

For the year ended 31 July 2022, the value of abrdrn (AAM) UK Smaller Companies Fund – A Accumulation Shares decreased by 23.74% compared to a decrease of 15.97% in the performance target, the Numis Smaller Companies Plus AIM excluding Investment Companies Index.

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

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

Market Review

The UK stock market, as represented by the FTSE All-Share Index, rose very marginally over the 12 months, outperforming many of its international counterparts. However, this headline figure masks the underlying risk-off trade that has been prevalent since the turn of the year. The FTSE 100 has been resilient due in large part to the heavy weighting in the index to sectors that benefit from high commodity prices and rising interest rates, namely oil and gas and banks. Shares in the small-cap companies, which are typically more focused on the domestic UK economy, have fallen heavily.

UK equities fared well during the first half of the period as an effective vaccine rollout led to an easing of lockdown restrictions and an economic recovery. However, global stock markets have sold off sharply in 2022, with investors rattled by the disruption to global supply chains, soaring inflation, rising interest rates and Russia's invasion of Ukraine. The UK has been no exception, with annual

abrdn (AAM) UK Smaller Companies Fund

Continued

consumer price inflation climbing steadily to hit a 40-year high of 9.4% in June. The Bank of England (BoE) reacted to spiking inflation with five consecutive interest-rate rises. At the time of writing, the policy rate has been raised another 50 basis points to 1.75%, the highest level since 2009.

Wages are growing but not at a sufficient rate to offset the rise in prices and policy rates, which is putting the squeeze on UK consumer spending.

In other economic news, the manufacturing purchasing managers' index data indicated slowing growth in July, while consumer confidence remained at a record low. Meanwhile, the UK's unemployment rate was stable at 3.8% in the three months to May. UK stock markets have also been affected by political uncertainty, with Boris Johnson resigning as prime minister in early July and triggering a leadership contest in the Conservative Party.

Portfolio Activity and Review

The fund suffered from being overweight IT, which due to its cyclical nature and relatively high valuations, was among the hardest-hit sectors. The underweight to the energy sector also weighed on performance given its strong showing. Stock selection in the consumer discretionary, financials, and telecoms sectors, also detracted from performance, although this was mitigated by selection in the IT and health care segments.

On a stock-specific basis, our overweight position in Gamma Communications, which specialises in facilitating employee collaboration and client communication, weighed on returns despite the announcing excellent results during the period. Some investors may be concerned about increased competition in Europe, but the region is underdeveloped compared with the UK and presents the company with a great long-term opportunity. Seraphine, the maternity and nursing-wear brand, underperformed after a disappointing trading update for the third quarter. This highlighted the adverse effect of supply-chain constraints on acquiring new customers. Given the pressures the company faces, we decided to sell our holding.

Another holding to lag the benchmark was Future, despite an encouraging trading update in early February and reporting a strong half-year result in May. The company has been cycling a high-base effect in audience and e-commerce, but this has been more than offset by the strength in digital advertising. Integration of the Dennis acquisition also appears to be tracking well. However, energy and paper cost inflation has weighed on the magazine business and investors are worried about the effect of the consumer squeeze on click-through revenues on transactions, as well as the cyclical nature of advertising markets. Impax Asset Management also underperformed

during the period. Its first-half 2022 results were positive, but conditions became more challenging as the period progressed. While the performance of securities markets has affected Impax's full-year expectations, we believe the company remains competitively positioned on account of its strong distribution relationships. Nevertheless, we reduced the Fund's weighting in the stock given the challenging operating environment.

On the flip side, Alpha Financial Markets Consulting was the standout performer over the 12 months. Towards the end of the period, the company delivered an excellent full-year result and indicated that the Lionpoint acquisition has exceeded expectations. 4imprint also performed well as the company guided for first-half 2022 earnings to be materially ahead of consensus forecasts. This was the result of an acceleration in trading, effective management of inflationary pressures, productivity gains in the firm's marketing programme and strong operational gearing. Despite a cautious tone from management on the outlook for the rest of the year, we believe the trading update underlines that 4imprint is bouncing back from the pandemic stronger than ever.

Shares in JTC, the fund administrator, responded well to a deal to buy SALI Fund Services. SALI gives JTC exposure to the fast-growing insurance-dedicated fund market. SALI is a higher growth and significantly higher-margin asset, which supports JTC's earnings potential. Safestore has also continued to enjoy earnings upgrades through the year as high utilisation levels have enabled it to push through rate increases. The structural requirement for storage reduces the degree of cyclical nature in the business and makes the company's earnings stream more resilient. Safestore is market leading and it can leverage off its scale in areas such as marketing, which means it is able to take share from smaller operators.

In addition to the portfolio activity mentioned in the interim report, we added several new positions to the Fund. This included Serica Energy, a gas producer with high-quality North Sea assets. We believe gas prices are supported by the structural lack of storage in the UK. The company is in a net-cash position, offers good cash generation and has an impressive record of improving assets. Kin and Carta is another new addition to the Fund. The company is increasingly becoming a proven player in the digitisation market and has a high-calibre customer base. In addition, its strong top-line growth and effective management of labour and other costs is enabling it to drive operational leverage. We also purchased Alliance Pharma, as we like its defensive-growth profile and are of the view that the Biogix acquisition will enable it to effectively leverage the US market.

abrdrn (AAM) UK Smaller Companies Fund

Continued

In other activity, we decided to buy back into Telecom Plus. We divested our holding in the stock earlier in the period as the company was undergoing a challenging period due to the abundance of low-cost energy suppliers, and the difficulty in operating a door-to-door sales model during the pandemic. In more recent months the company's model has come into its own. Its sales force is fully engaged after the removal of restrictions and is hungry for income in the tough economic environment. Meanwhile, many of the market participants have gone bust, and there is a strong market share opportunity for Telecom Plus given its ability to offer low prices on the back of its discount-to-price-cap contract with nPower.

We purchased, and then subsequently sold, a position in Revolution Beauty during the period. Revolution Beauty has strong relationships with retailers and is taking share both online and in store. It has grown its presence within UK retailers such as Boots and Superdrug, as well as US operators like Target and Alta Beauty. There is a significant growth opportunity given the demise of other brands such as Revlon, and the category has historically proved resilient even in tougher consumer times. However, earnings forecasts for the company are being revised down as soft consumption and mismanagement of the US business resulted in a disappointing result. Further, there are concerns that retailers need to destock given softer demand. We engaged with management recently and they failed to reassure us that they have control of the business, particularly in light of the change of CFO. Therefore, we decided to exit the holding.

Similarly, we opened and closed a position in Baltic Classifieds (BCG) during the period. BCG is a platform business in the Baltics, with significant market leadership in property, car and general sales, as well as the recruitment space. The company has significant growth opportunities and can increase its monetisation levels, which are far below other platform peers. The investment case, however, became challenged by the onset of the Ukraine crisis and the contagion effect this might have on the Baltic region. We view this risk as too high and divested the holding.

We also sold the Fund's GB Group holding. The decision to execute a heavily discounted share placement to fund the Acuant acquisition was not well received by investors and has continued to weigh on the GB Group's shares. Further, while the company's latest result was reasonable, we are concerned that the company's consumer exposure could lead to cuts to earnings forecasts. On a similar note, we sold our holding in Gear4music after it issued a profit warning that highlighted the weakness in consumer spending. We also reduced the Fund's consumer exposure by scaling back the position in Watches of Switzerland.

In other activity, we increased our Mortgage Advice Bureau and Marshalls holdings and trimmed our positions in Team17, Next Fifteen, Kainos, Liontrust and XP Power.

Portfolio Outlook and Strategy

Macroeconomic and geopolitical factors continue to weigh on investor sentiment and the outlook is uncertain. The global economy looks increasingly likely to enter a recessionary environment, or at least a period of low growth.

In a recessionary environment, investors tend to gravitate towards higher quality companies with reliable cash flow streams and solid balance sheets, and companies that can continue to grow. Therefore, our quality focus and ability to identify companies that can deliver sustained earnings growth should be rewarded. We saw some evidence of this during July, with investors reacting in a more rational manner, rewarding companies that have delivered positive earnings updates. We continue to be pleased with the earnings resilience in the portfolio, in a market where earnings downgrades have been intensifying over recent months.

In a recovery period, small and mid-cap companies tend to lead market recovery as they are typically hit harder in the downturn. We believe this could be more pronounced this time round given the scale of underperformance from small and mid-cap stocks. In the UK, this has been magnified by the composition of FTSE 100 Index, which has a high proportion of oil and gas, energy, resources and banks versus other geographies.

History suggests markets turn the economic environment is most painful, and we may still be some months away from this. However, timing that turning point can be very challenging, particularly with the volatility we are seeing in a number of macroeconomic factors, and so we would strongly encourage investors to retain exposure to the UK small-cap asset class. Investors may continue to be wary of smaller companies while the threat of a recession looms, but history tells us they typically lead the way in the recovery phase of the economic cycle.

Smaller Companies Equity Team

August 2022

abrdn (AAM) UK 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 2022.

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

- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- The shares of small and mid-cap companies may be less liquid and more volatile than those of larger companies.
- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

Comparative Tables

A Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	576.75	401.48	376.97
Return before operating charges*	(130.28)	181.60	29.60
Operating charges	(6.79)	(6.33)	(5.09)
Return after operating charges*	(137.07)	175.27	24.51
Distributions	(1.36)	-	(1.37)
Retained distributions on accumulation shares	1.36	-	1.37
Closing net asset value per share	439.68	576.75	401.48
* after direct transaction costs of:	0.43	0.48	0.57
Performance			
Return after charges	(23.77%)	43.66%	6.50%
Other information			
Closing net asset value (£'000)	47,480	66,687	49,829
Closing number of shares	10,798,722	11,562,452	12,411,485
Operating charges	1.29%	1.30%	1.30%
Direct transaction costs	0.08%	0.10%	0.15%
Prices			
Highest share price	621.9	575.3	458.9
Lowest share price	394.6	404.8	276.5

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 Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	308.14	213.53	199.60
Return before operating charges*	(69.82)	96.83	15.70
Operating charges	(2.36)	(2.22)	(1.77)
Return after operating charges*	(72.18)	94.61	13.93
Distributions	(2.02)	(1.07)	(1.32)
Retained distributions on accumulation shares	2.02	1.07	1.32
Closing net asset value per share	235.96	308.14	213.53
* after direct transaction costs of:	0.23	0.26	0.30
Performance			
Return after charges	(23.42%)	44.31%	6.98%
Other information			
Closing net asset value (£'000)	38,366	49,582	29,318
Closing number of shares	16,259,085	16,090,687	13,729,878
Operating charges	0.84%	0.85%	0.85%
Direct transaction costs	0.08%	0.10%	0.15%
Prices			
Highest share price	332.4	307.3	243.6
Lowest share price	211.7	215.3	146.8

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

K Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	212.16	146.91	137.21
Return before operating charges*	(48.08)	66.61	10.79
Operating charges	(1.49)	(1.36)	(1.09)
Return after operating charges*	(49.57)	65.25	9.70
Distributions	(1.53)	(0.86)	(1.01)
Retained distributions on accumulation shares	1.53	0.86	1.01
Closing net asset value per share	162.59	212.16	146.91
* after direct transaction costs of:	0.16	0.17	0.20
Performance			
Return after charges	(23.36%)	44.41%	7.07%
Other information			
Closing net asset value (£'000)	259	408	443
Closing number of shares	159,494	192,511	301,245
Operating charges	0.76%	0.78%	0.78%
Direct transaction costs	0.08%	0.10%	0.15%
Prices			
Highest share price	228.9	211.6	167.5
Lowest share price	145.9	148.1	101.0

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

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

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

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

Comparative Tables

Continued

M Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	171.41	118.84	110.99
Return before operating charges*	(38.82)	53.87	8.87
Operating charges	(1.39)	(1.30)	(1.02)
Return after operating charges*	(40.21)	52.57	7.85
Distributions	(1.04)	(0.51)	(0.65)
Retained distributions on accumulation shares	1.04	0.51	0.65
Closing net asset value per share	131.20	171.41	118.84
* after direct transaction costs of:	0.13	0.14	0.16
Performance			
Return after charges	(23.46%)	44.24%	7.07%
Other information			
Closing net asset value (£'000)	97	129	98
Closing number of shares	73,860	75,433	82,660
Operating charges	0.89%	0.90%	0.90%
Direct transaction costs	0.08%	0.10%	0.15%
Prices			
Highest share price	184.9	171.0	135.6
Lowest share price	117.7	119.8	81.73

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

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

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

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

Comparative Tables

Continued

Z Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	719.48	494.86	459.06
Return before operating charges*	(163.78)	225.22	36.28
Operating charges	(0.58)	(0.60)	(0.48)
Return after operating charges*	(164.36)	224.62	35.80
Distributions	(9.69)	(7.02)	(6.62)
Retained distributions on accumulation shares	9.69	7.02	6.62
Closing net asset value per share	555.12	719.48	494.86
* after direct transaction costs of:	0.54	0.60	0.70
Performance			
Return after charges	(22.84%)	45.39%	7.80%
Other information			
Closing net asset value (£'000)	1,256	3,313	2,621
Closing number of shares	226,357	460,403	529,703
Operating charges	0.09%	0.10%	0.10%
Direct transaction costs	0.08%	0.10%	0.15%
Prices			
Highest share price	778.0	717.6	562.6
Lowest share price	497.6	499.0	339.3

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 2022

Holding	Investment	Market value £'000	Percentage of total net assets
UK Equities (97.50%)		82,401	94.22
Basic Materials (1.44%)		1,446	1.65
179,879	Treatt	1,446	1.65
Consumer Discretionary (30.76%)		18,685	21.36
79,859	4imprint	2,544	2.91
113,216	CVS++	1,945	2.22
174,575	Focusrite++	1,916	2.19
120,688	Future	2,205	2.52
82,809	Gear4Music++	147	0.17
106,651	GlobalData++	1,011	1.15
683,706	Hollywood Bowl	1,371	1.57
232,005	Inspec++	557	0.64
510,000	LBG Media++	589	0.67
322,745	Moonpig	669	0.77
216,449	Next Fifteen Communications++	2,212	2.53
687,400	Patisserie**	-	-
839,109	Revolution Beauty++	443	0.50
228,739	Seraphine	62	0.07
200,553	Team17++	881	1.01
240,562	Watches of Switzerland	2,133	2.44
Consumer Staples (4.95%)		4,872	5.57
72,900	Cranswick	2,433	2.78
221,339	Hilton Food	2,439	2.79
Energy (0.00%)		1,153	1.32
305,006	Serica Energy++	1,153	1.32
Financials (11.34%)		7,860	8.99
18,769	HIE Ventures**	-	-
194,422	Impax Asset Management++	1,392	1.59
364,733	JTC	2,710	3.10

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
73,482	Liontrust Asset Management	763	0.87
276,613	Mortgage Advice Bureau++	2,559	2.93
107,268	Tatton Asset Management++	436	0.50
Health Care (4.42%)		3,071	3.51
553,961	Alliance Pharma++	538	0.61
210,407	Ergomed++	2,533	2.90
Industrials (18.28%)		21,430	24.50
863,922	Alpha Financial Markets Consulting++	3,706	4.24
63,500	Diploma	1,744	1.99
167,691	Marlowe++	1,335	1.53
402,202	Marshalls	1,990	2.28
399,081	Midwich++	2,067	2.36
127,883	Morgan Sindall	2,583	2.95
390,386	Robert Walters	2,108	2.41
565,516	Somero Enterprises++	2,384	2.73
366,328	Volution	1,524	1.74
65,530	XP Power	1,989	2.27
Real Estate (3.45%)		4,117	4.71
227,411	Safestore REIT	2,590	2.96
1,600,387	Sirius Real Estate	1,527	1.75
Technology (17.79%)		15,266	17.46
209,389	Auction Technology	2,079	2.38
602,877	Big Technologies++	1,561	1.79
629,629	Bytes Technology	2,840	3.25
67,094	Computacenter	1,740	1.99
407,576	DiscoverIE	3,081	3.52
238,169	Kainos	3,249	3.71
382,746	Kin & Carta	716	0.82

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Telecommunications (5.07%)		4,501	5.15
238,491	Gamma Communication ⁺⁺	2,638	3.02
83,002	Telecom Plus	1,863	2.13
Collective Investment Schemes (0.75%)		2,436	2.78
2,436	Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund Z1 Inc ⁺	2,436	2.78
Total investment assets		84,837	97.00
Net other assets		2,621	3.00
Total Net Assets		87,458	100.00

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2021.

⁺ Managed by subsidiaries of abrdn plc.

⁺⁺ AIM listed.

^{**} Delisted.

Financial Statements

Statement of Total Return

For the year ended 31 July 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital (losses)/gains	1		(29,422)		36,105
Revenue	2	1,742		1,277	
Expenses	3	(1,159)		(1,100)	
Net revenue before taxation		583		177	
Taxation	4	(62)		-	
Net revenue after taxation			521		177
Total return before distributions			(28,901)		36,282
Distributions	5		(521)		(204)
Change in net assets attributable to shareholders from investment activities			(29,422)		36,078

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2022

	2022		2021	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		120,119		82,309
Amounts receivable on the issue of shares	12,993		15,876	
Amounts payable on the cancellation of shares	(16,752)		(14,345)	
		(3,759)		1,531
Dilution adjustment		11		-
Change in net assets attributable to shareholders from investment activities (see above)		(29,422)		36,078
Retained distribution on accumulation shares		509		201
Closing net assets attributable to shareholders		87,458		120,119

Financial Statements

Continued

Balance Sheet

As at 31 July 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			84,837		118,019
Current assets:					
Debtors	6	695		274	
Cash and bank balances	7	2,236		1,941	
			2,931		2,215
Total assets			87,768		120,234
Liabilities:					
Creditors	8	(310)		(115)	
			(310)		(115)
Total liabilities			(310)		(115)
Net assets attributable to shareholders			87,458		120,119

Notes to the Financial Statements

1 Net Capital (Losses)/Gains

	2022 £'000	2021 £'000
Non-derivative securities	(29,415)	36,105
Other losses	(4)	-
Transaction charges	(3)	-
Net capital (losses)/gains	(29,422)	36,105

2 Revenue

	2022 £'000	2021 £'000
Bank and margin interest	14	2
Overseas dividends	213	-
Stocklending revenue	-	4
UK dividends	1,470	1,239
UK REIT	45	32
Total revenue	1,742	1,277

3 Expenses

	2022 £'000	2021 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	1,068	999
General administration charge*	88	-
Operating, administrative and servicing fees	-	101
	1,156	1,100
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fees	3	-
	3	-
Total expenses	1,159	1,100

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

* The fixed general administration charge was introduced from 1 August 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian. The audit fee for the year, including VAT, was £8,460 (2021: £8,389).

Notes to the Financial Statements

Continued

4 Taxation

	2022 £'000	2021 £'000
(a) Analysis of charge in year		
Overseas taxes	62	-
Total taxation (note 4b)	62	-

(b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2021: 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	583	177
Corporation tax at 20% (2021: 20%)	117	35
Effects of:		
Revenue not subject to taxation	(336)	(248)
Overseas taxes	62	-
Excess allowable expenses	219	213
Total tax charge for year (note 4a)	62	-

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

(c) Factors that may affect future tax charge

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £6,910,000 (2021: £6,691,000) 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)

	2022 £'000	2021 £'000
Interim distribution	59	61
Final distribution	450	140
	509	201
Add: Income deducted on cancellation of shares	24	9
Deduct: Income received on issue of shares	(12)	(6)
Total distributions for the year	521	204
Movement between net revenue and distributions		
Net revenue after taxation	521	177
Shortfall transfer from capital to revenue	-	27
Total distributions for the year	521	204

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

Notes to the Financial Statements

Continued

6 Debtors

	2022 £'000	2021 £'000
Accrued revenue	289	206
Amounts receivable from the ACD for the issue of shares	388	56
Sales awaiting settlement	18	12
Total debtors	695	274

7 Liquidity

	2022 £'000	2021 £'000
Cash and bank balances		
Cash at bank	2,236	1,941
	2,236	1,941
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund*	2,436	896
Net liquidity	4,672	2,837

* 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

	2022 £'000	2021 £'000
Accrued expenses payable to ACD	74	97
Amounts payable to the ACD for cancellation of shares	144	8
Other accrued expenses	-	10
Purchases awaiting settlement	92	-
Total creditors	310	115

9 Related Party Transactions

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

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

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

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

Notes to the Financial Statements

Continued

10 Portfolio Transaction Costs

	Purchases		Sales	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trades in the year				
Equities	24,825	28,549	30,391	26,979
Corporate actions	172	-	-	-
Trades in the year before transaction costs	24,997	28,549	30,391	26,979
Commissions				
Equities	18	20	(23)	(16)
Total commissions	18	20	(23)	(16)
Taxes				
Equities	47	64	-	-
Total taxes	47	64	-	-
Total transaction costs	65	84	(23)	(16)
Total net trades in the year after transaction costs	25,062	28,633	30,368	26,963
	Purchases		Sales	
	2022 %	2021 %	2022 %	2021 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.07	0.07	0.08	0.06
Taxes				
Equities	0.19	0.22	-	-
			2022 %	2021 %
Total transaction costs expressed as a percentage of net asset value				
Commissions			0.04	0.04
Taxes			0.04	0.06

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 1.31% (2021: 1.01%), 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 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
A Accumulation	11,562,452	217,967	(912,455)	(69,242)	10,798,722
I Accumulation	16,090,687	3,781,033	(3,741,876)	129,241	16,259,085
K Accumulation	192,511	620	(33,637)	-	159,494
M Accumulation	75,433	2,112	(3,685)	-	73,860
Z Accumulation	460,403	13,452	(247,498)	-	226,357

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).

	2022 £'000	2022 £'000	2022 £'000	2021 £'000	2021 £'000	2021 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	82,401	-	-	117,123	-	-
Collective Investment Schemes	-	2,436	-	-	896	-
Total investment assets	82,401	2,436	-	117,123	896	-

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

As at 31 July 2022, 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 £4,242,000 (2021: £5,901,000).

Financial derivatives instrument risk

The fund had no exposure to derivatives as at 31 July 2022 (2021: £Nil).

Bilateral agreements

The fund receives 85% of the revenue returns from stock lending. The gross earnings for the year are £Nil (2021: £5,000) and expenses paid to the lending agent, Securities Finance Trust Company, are £Nil (2021: £1,000).

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2022 £310,000 (2021: £115,000).

14 Subsequent Events

The ACD intends to merge the abrdn (AAM) UK Smaller Companies Fund in 2023.

Distribution Tables

For the year ended 31 July 2022 (in pence per share)

Interim dividend distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 January 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
A Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
I Accumulation				
Group 1	0.2658	-	0.2658	0.3326
Group 2	0.0682	0.1976	0.2658	0.3326
K Accumulation				
Group 1	0.2596	-	0.2596	0.2911
Group 2	0.1207	0.1389	0.2596	0.2911
M Accumulation				
Group 1	0.1002	-	0.1002	0.1515
Group 2	-	0.1002	0.1002	0.1515
Z Accumulation				
Group 1	3.3902	-	3.3902	2.8784
Group 2	0.9400	2.4502	3.3902	2.8784

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Final dividend distribution

Group 1 – shares purchased prior to 1 February 2022

Group 2 – shares purchased between 1 February 2022 and 31 July 2022

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
A Accumulation				
Group 1	1.3625	-	1.3625	-
Group 2	1.1989	0.1636	1.3625	-
I Accumulation				
Group 1	1.7565	-	1.7565	0.7406
Group 2	1.2666	0.4899	1.7565	0.7406
K Accumulation				
Group 1	1.2739	-	1.2739	0.5656
Group 2	0.7690	0.5049	1.2739	0.5656
M Accumulation				
Group 1	0.9422	-	0.9422	0.3617
Group 2	0.5819	0.3603	0.9422	0.3617
Z Accumulation				
Group 1	6.2950	-	6.2950	4.1442
Group 2	4.1615	2.1335	6.2950	4.1442

Equalisation

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

abrdrn American Equity Fund

For the year ended 31 July 2022

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 abrdrn), money-market instruments and cash.

Management Process

- The management team use their discretion (active management) to maintain a diverse asset mix at sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the Performance Target, the 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 2022, the value of abrdrn American Equity Fund – A Accumulation Shares decreased by 5.30% compared to an increase of 6.84% in the performance target, the S&P 500 Index, (lagged by one day).

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

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

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

Market Review

US share prices, as measured by the broad S&P 500 Index, fell in US dollar terms over the 12 months to the end of July – the respective strength of the US dollar and weakness of sterling translated to a positive return from US stocks for sterling-based investors.

US stock markets climbed throughout the summer of 2021 against a backdrop of a rebounding economy and healthy corporate profits. In November, the S&P 500 Index hit new highs for eight consecutive days – a record streak last achieved in 1997. The rally broke late in the month, as the headlines became dominated by news of the Omicron variant of Covid-19. Share prices started to move up again in December after concerns surrounding the impact of the new variant eased.

abrdn American Equity Fund

Continued

These large gains from 2021 have been erased in 2022. A combination of higher interest rates and surging inflation – due in part to a booming jobs market – caused US share prices to fall sharply from January onwards. Growth-focused stocks, such as technology companies, which are especially sensitive to interest rates, have been among the biggest losers.

With US inflation hitting a 40-year high, the Fed has become increasingly aggressive in its response. It raised its main interest rate by 0.25% in March, 0.50% in May and 0.75% in both June and July.

Portfolio Activity and Review

During the year, we purchased Baker Hughes for its oil field services business. It has attractive potential from a rising oil price, with longer-term drivers of growth from the development of liquefied natural gas (LNG) infrastructure.

We bought Coca Cola as we believe that internal restructuring of the company should lead to improved sales growth and margins, with the reopening of the economy an additional positive lever.

The fund purchased Canadian National Railway following its addition to the conviction list on expected management changes, activist interest and a focus on pricing and margins over mergers and acquisitions. The Fund also acquired pharmaceutical royalties buyer Royalty Pharma, automotive parts supplier O'Reilly Automotive and healthcare services provider UnitedHealth Group.

On the other hand, we offloaded CSX following its downgrade to make room for our purchase of Canadian National Railway. We also sold Intercontinental Exchange, as our thesis had largely played out for this lower-conviction financial. We also exited the Fund's positions in commercial bank Huntington Bancshares, biopharmaceutical firm Abbvie and S&P Global, a provider of credit-rating and market indexing services.

Portfolio Outlook and Strategy

The investment environment has undoubtedly become more challenging, given the early signs of a recession and ongoing monetary policy tightening. These conditions have historically led to difficult times for equity markets, particularly as the recent weakness has largely been driven by a contraction in valuation multiples as opposed to lowered earnings expectations (which are yet to fully materialise). Furthermore, as the outcome of the conflict in Ukraine remains uncertain, it is likely to continue to have an impact on corporate behaviour. We believe that US GDP data likely will continue to be disappointing. For now, the management teams that we spoke to after the release of their corporate results remain reasonably confident about their companies' prospects for the balance of 2022.

North American Equity Team

August 2022

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 2022.

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

- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

Comparative Tables

A Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	3,905.33	3,118.29	3,002.37
Return before operating charges*	(72.31)	832.57	155.21
Operating charges	(50.54)	(45.53)	(39.29)
Return after operating charges*	(122.85)	787.04	115.92
Distributions	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	3,782.48	3,905.33	3,118.29
* after direct transaction costs of:	2.36	2.12	1.45
Performance			
Return after charges	(3.15%)	25.24%	3.86%
Other information			
Closing net asset value (£'000)	79,648	80,101	74,862
Closing number of shares	2,105,720	2,051,056	2,400,746
Operating charges	1.30%	1.32%	1.32%
Direct transaction costs	0.06%	0.06%	0.05%
Prices			
Highest share price	4,301	3,986	3,293
Lowest share price	3,342	3,122	2,472

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

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

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

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

Comparative Tables

Continued

I Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	4,358.08	3,464.11	3,320.61
Return before operating charges*	(79.95)	927.42	172.18
Operating charges	(36.95)	(33.45)	(28.68)
Return after operating charges*	(116.90)	893.97	143.50
Distributions	(0.09)	-	(3.66)
Retained distributions on accumulation shares	0.09	-	3.66
Closing net asset value per share	4,241.18	4,358.08	3,464.11
* after direct transaction costs of:	2.64	2.36	1.60
Performance			
Return after charges	(2.68%)	25.81%	4.32%
Other information			
Closing net asset value (£'000)	55,341	55,231	48,777
Closing number of shares	1,304,848	1,267,336	1,408,077
Operating charges	0.85%	0.87%	0.87%
Direct transaction costs	0.06%	0.06%	0.05%
Prices			
Highest share price	4,806	4,447	3,652
Lowest share price	3,744	3,472	2,742

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

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

Operating charges are expenses associated with the maintenance and administration of the fund on a day to 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	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	154.96	123.23	117.98
Return before operating charges*	(2.84)	32.98	6.33
Operating charges	(1.40)	(1.25)	(1.08)
Return after operating charges*	(4.24)	31.73	5.25
Distributions	-	-	(0.06)
Retained distributions on accumulation shares	-	-	0.06
Closing net asset value per share	150.72	154.96	123.23
* after direct transaction costs of:	0.09	0.08	0.06
Performance			
Return after charges	(2.74%)	25.75%	4.45%
Other information			
Closing net asset value (£'000)	43	56	66
Closing number of shares	28,512	36,033	52,595
Operating charges	0.90%	0.92%	0.92%
Direct transaction costs	0.06%	0.06%	0.05%
Prices			
Highest share price	170.9	158.1	129.9
Lowest share price	133.1	123.5	97.54

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

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

Operating charges are expenses associated with the maintenance and administration of the fund on a day to 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	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	253.04	199.63	189.91
Return before operating charges*	(4.18)	53.68	9.95
Operating charges	(0.25)	(0.27)	(0.23)
Return after operating charges*	(4.43)	53.41	9.72
Distributions	(2.45)	(1.55)	(1.63)
Retained distributions on accumulation shares	2.45	1.55	1.63
Closing net asset value per share	248.61	253.04	199.63
* after direct transaction costs of:	0.16	0.14	0.09
Performance			
Return after charges	(1.75%)	26.75%	5.12%
Other information			
Closing net asset value (£'000)	20	4,564	2,980
Closing number of shares	7,835	1,803,661	1,492,905
Operating charges	0.10%	0.12%	0.12%
Direct transaction costs	0.06%	0.06%	0.05%
Prices			
Highest share price	280.3	258.2	209.7
Lowest share price	219.3	200.4	157.6

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 2022

Holding	Investment	Market value £'000	Percentage of total net assets
North American Equities (99.08%)		129,582	95.95
Communication Services (11.57%)		13,735	10.17
Media & Entertainment (11.57%)		13,735	10.17
112,680	Alphabet 'A'	10,759	7.97
8,394	Charter Communications 'A'	2,976	2.20
49	StemGen **	-	-
Consumer Discretionary (16.06%)		23,571	17.45
Consumer Durables & Apparel (3.67%)		4,776	3.53
50,630	NIKE 'B'	4,776	3.53
Retailing (12.39%)		18,795	13.92
91,338	Amazon.com	10,118	7.49
7,414	O'Reilly Automotive	4,281	3.17
87,548	TJX	4,396	3.26
Consumer Staples (3.20%)		4,060	3.01
Food & Staples Retailing (3.20%)		-	-
Food Beverage & Tobacco (0.00%)		4,060	3.01
77,042	Coca-Cola	4,060	3.01
Energy (0.00%)		3,438	2.55
162,871	Baker Hughes	3,438	2.55
Financials (15.01%)		19,551	14.48
Banks (2.98%)		3,852	2.85
40,679	JPMorgan Chase	3,852	2.85

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Diversified Financials (12.03%)		15,699	11.63
30,305	American Express	3,831	2.84
20,240	Goldman Sachs	5,541	4.10
111,595	Schwab (Charles)	6,327	4.69
Health Care (10.14%)		17,533	12.98
Health Care Equipment & Services (3.80%)		9,166	6.79
150,163	Boston Scientific	5,060	3.75
9,216	UnitedHealth	4,106	3.04
Pharmaceuticals, Biotechnology & Life Sciences (6.34%)		8,367	6.19
63,485	Horizon Therapeutics	4,322	3.20
113,287	Royalty Pharma 'A'	4,045	2.99
Industrials (13.28%)		15,197	11.25
Capital Goods (3.65%)		5,186	3.84
70,141	Emerson Electric	5,186	3.84
Commercial Services & Supplies (3.64%)		5,754	4.26
52,832	Waste Connections	5,754	4.26
Transportation (5.99%)		4,257	3.15
40,938	Canadian National Railway	4,257	3.15
Information Technology (25.21%)		32,497	24.06
Semiconductors & Semiconductor Equipment (2.53%)		8,752	6.48
35,351	Analog Devices	4,990	3.69
82,337	Marvell Technology	3,762	2.79

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Software & Services (22.68%)		23,745	17.58
3,250	Azul Holdings **	-	-
22,094	Mastercard 'A'	6,418	4.75
53,001	Microsoft	12,215	9.04
29,106	Nice ADR	5,112	3.79
Materials (4.61%)		-	-
Collective Investment Schemes (1.37%)		447	0.33
544	Aberdeen Standard Liquidity Fund (Lux) - US Dollar Fund Z1 Inc+	447	0.33
Total investment assets		130,029	96.28
Net other assets		5,023	3.72
Total Net Assets		135,052	100.00

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

The percentage figures in brackets show the comparative holding as at 31 July 2021.

+ Managed by subsidiaries of abrdn plc.

** Delisted

Financial Statements

Statement of Total Return

For the year ended 31 July 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital (losses)/gains	1		(1,800)		31,715
Revenue	2	1,343		1,286	
Expenses	3	(1,505)		(1,489)	
Interest payable and similar charges		(1)		(1)	
Net expense before taxation		(163)		(204)	
Taxation	4	(198)		(187)	
Net expense after taxation			(361)		(391)
Total return before distributions			(2,161)		31,324
Distributions	5		(5)		(28)
Change in net assets attributable to shareholders from investment activities			(2,166)		31,296

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2022

	2022		2021	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		139,952		126,685
Amounts receivable on the issue of shares	95,799		88,937	
Amounts payable on the cancellation of shares	(98,605)		(106,994)	
		(2,806)		(18,057)
Dilution adjustment		71		-
Change in net assets attributable to shareholders from investment activities (see above)		(2,166)		31,296
Retained distribution on accumulation shares		1		28
Closing net assets attributable to shareholders		135,052		139,952

Financial Statements

Continued

Balance Sheet

As at 31 July 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			130,029		140,587
Current assets:					
Debtors	6	7,260		243	
Cash and bank balances	7	209		198	
			7,469		441
Total assets			137,498		141,028
Liabilities:					
Creditors	8	(2,446)		(1,076)	
			(2,446)		(1,076)
Total liabilities			(2,446)		(1,076)
Net assets attributable to shareholders			135,052		139,952

Notes to the Financial Statements

1 Net Capital (Losses)/Gains

	2022 £'000	2021 £'000
Non-derivative securities	(1,870)	32,089
Forward currency contracts	-	(5)
Other gains/(losses)	85	(369)
Transaction charges	(15)	-
Net capital (losses)/gains	(1,800)	31,715

2 Revenue

	2022 £'000	2021 £'000
Bank and margin interest	12	5
Overseas dividends	1,330	1,247
Overseas REITs	1	34
Total revenue	1,343	1,286

3 Expenses

	2022 £'000	2021 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	1,390	1,328
General administration charge*	109	-
Operating, administrative and servicing fees	-	161
	1,499	1,489
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fees	6	-
	6	-
Total expenses	1,505	1,489

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

* The fixed general administration charge was introduced from 1 August 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian. The audit fee for the year, including VAT, was £8,460 (2021: £8,389).

Notes to the Financial Statements

Continued

4 Taxation

	2022 £'000	2021 £'000
(a) Analysis of charge in year		
Overseas taxes	198	187
Total taxation (note 4b)	198	187

(b) Factors affecting current tax charge for the year

The tax assessed for the year is greater than (2021: greater than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

Net expense before taxation	(163)	(204)
Corporation tax at 20% (2021: 20%)	(33)	(41)
Effects of:		
Revenue not subject to taxation	(266)	(249)
Overseas taxes	198	187
Overseas tax expensed	-	(1)
Excess allowable expenses	299	291
Total tax charge for year (note 4a)	198	187

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 £7,889,000 (2021: £7,590,000) 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)

	2022 £'000	2021 £'000
Distribution	1	28
Add: Income deducted on cancellation of shares	7	3
Deduct: Income received on issue of shares	(3)	(3)
Total distributions for the year	5	28

Movement between net expense and distributions

Net expense after taxation	(361)	(391)
Shortfall transfer from capital to revenue	366	419
Total distributions for the year	5	28

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

Notes to the Financial Statements

Continued

6 Debtors

	2022 £'000	2021 £'000
Accrued revenue	51	114
Amounts receivable from the ACD for the issue of shares	7,209	129
Total debtors	7,260	243

7 Liquidity

	2022 £'000	2021 £'000
Cash and bank balances		
Cash at bank	209	198
	209	198
Aberdeen Standard Liquidity Fund (Lux) - US Dollar Fund Z1 Inc*	447	1,925
Net liquidity	656	2,123

* 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

	2022 £'000	2021 £'000
Accrued expenses payable to ACD	118	118
Accrued expenses payable to the Depositary or associates of the Depositary	2	-
Amounts payable to the ACD for cancellation of shares	2,326	943
Other accrued expenses	-	15
Total creditors	2,446	1,076

9 Related Party Transactions

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

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

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

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

Notes to the Financial Statements

Continued

10 Portfolio Transaction Costs

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

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

	Purchases		Sales	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trades in the year				
Equities	97,062	101,671	104,277	118,818
Trades in the year before transaction costs	97,062	101,671	104,277	118,818
Commissions				
Equities	38	37	(43)	(43)
Total commissions	38	37	(43)	(43)
Taxes				
Equities	-	-	(1)	(2)
Total taxes	-	-	(1)	(2)
Total transaction costs	38	37	(44)	(45)
Total net trades in the year after transaction costs	97,100	101,708	104,233	118,773

	Purchases		Sales	
	2022 %	2021 %	2022 %	2021 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.04	0.04	0.04	0.04

	2022 %	2021 %
Total transaction costs expressed as a percentage of net asset value		
Commissions	0.06	0.06

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.06% (2021: 0.05%), this is representative of the average spread on the assets held during the year.

Notes to the Financial Statements

Continued

11 Shares in Issue Reconciliation

	Opening shares 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
A Accumulation	2,051,056	1,758,774	(1,693,757)	(10,353)	2,105,720
I Accumulation	1,267,336	701,483	(673,232)	9,261	1,304,848
M Accumulation	36,033	3,732	(11,253)	-	28,512
Z Accumulation	1,803,661	39,277	(1,835,103)	-	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).

	2022 £'000	2022 £'000	2022 £'000	2021 £'000	2021 £'000	2021 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	129,582	-	-	138,662	-	-
Collective Investment Schemes	-	447	-	-	1,925	-
Total investment assets	129,582	447	-	138,662	1,925	-

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 2022 £'000	Net foreign currency exposure 2021 £'000
	Canadian Dollar	5,754
US Dollar	124,532	135,813
Total	130,286	140,898

At 31 July 2022, 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 £6,514,000 (2021: £7,045,000).

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 2022, 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 £6,501,000 (2021: £7,029,000).

Financial derivatives instrument risk

The fund had no exposure to derivatives as at 31 July 2022 (2021: £Nil).

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2022 £2,446,000 (2021: £1,076,000).

14 Subsequent Events

The ACD intends to merge the abrdn American Equity Fund in 2023.

Distribution Table

For the year ended 31 July 2022 (in pence per share)

Final dividend distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 July 2022

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
A Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
I Accumulation				
Group 1	0.0882	-	0.0882	-
Group 2	-	0.0882	0.0882	-
M Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Z Accumulation				
Group 1	2.4500	-	2.4500	1.5540
Group 2	2.4500	-	2.4500	1.5540

Equalisation

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

abrdrn Asia Pacific and Japan Equity Fund

For the year ended 31 July 2022

Investment Objective

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

Performance Target: To achieve the return of the MSCI AC Asia Pacific Index plus 3% per annum over rolling three year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

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

Investment Policy

Portfolio Securities

- The fund invests at least 70% in equities and equity related securities of companies listed, incorporated or domiciled in Asia Pacific including Japan countries, or companies that derive a significant proportion of their revenues or profits or have a significant proportion of their assets there.
- The fund may also invest in other funds (including those managed by abrdrn), money-market instruments, and cash.

Management Process

- The management team use their discretion (active management) to maintain a diverse asset mix at country, sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the Performance Target, the MSCI AC Asia Pacific Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index, is not ordinarily expected exceed 12.5%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the MSCI AC Asia Pacific Index.

Derivatives and Techniques

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

- Derivative usage in the fund is expected to be very limited. Where derivatives are used, this would mainly be in response to significant inflows into the fund so that in these instances, cash can be invested while maintaining the fund's existing allocations to company shares.

Performance Review

For the year ended 31 July 2022, the value of abrdrn Asia Pacific and Japan Equity Fund – A Accumulation Shares decreased by 10.05% compared to a decrease of 4.56% in the performance target, the MSCI AC Asia Pacific Index.

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

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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

It has been a challenging twelve months for Asian equities. The first half of the period saw market sentiment dominated by the Covid-19 pandemic, regulatory uncertainties and property woes in China. Investors began to see the signs of rising inflation, which fuelled fears that central banks would have to raise interest rates further and faster than previously expected. This triggered a sharp rotation from growth to value stocks. Many of those fears became reality in the second half of the period, which was dominated by the Russian invasion of Ukraine and the

abrdn Asia Pacific and Japan Equity Fund

Continued

many consequences that followed. Prime among those was a sharp rise in commodity prices which caused a further increase in inflation and led to many central banks raising interest rates sharply, led by the US Federal Reserve.

Shares in Japan ended the period slightly down, with investors concerned about the global macroeconomic backdrop of rising inflation and rate hikes by many central banks. The Indian market rebounded strongly in 2021 but gave up some of the gains in the first half of 2022 as commodity prices and input costs rose. On a more positive note, there was some respite towards the end of the period as investors welcomed a loosening of monetary policy in China, coupled with the government's pledges and support measures to bolster economic growth.

Portfolio Activity and Review

The fund lagged its benchmark, driven largely by negative stock selection in Japan and Australia. The losses were partially mitigated by our underweight position to China.

At the sector level, information technology was the biggest detractor from performance during the period, with some companies affected by investors switching out of growth stocks and into those offering more value. Singapore internet company Sea and Australian software group Megaport were both affected by this trend. It became clear that the change in the latter's sales strategy was likely to drag on its growth outlook in the short term, delaying its profitability expectations. We exited both companies but would not rule out reinvesting in Sea in future.

In South Korea, internet company Kakao Corporation retreated on concerns about increased political and regulatory scrutiny, while chemicals producer LG Chem was hit by the move away from growth stocks. Samsung Electronics fell back in the second half of the year as rising interest rates led to fears of an economic slowdown which could result in a drop in demand for personal electronic devices, especially smartphones. In Japan, Keyence and Recruit Holdings were both hit by investors taking profits. The latter also fell back due to concerns that earnings from its online job listings business had peaked.

In China, GDS Holdings hampered performance as the data centre operator weakened along with the broader softening in investor sentiment towards the Chinese internet sector. Conversely, the underweight to Alibaba, which was plagued by regulatory uncertainties, proved positive. The positions in property developer China Resources Land and cement producer China Conch Venture were also favourable. The former advanced on market expectations that it would be a beneficiary of industry consolidation, given its state-owned enterprise

status and established expertise in multi-use and large-scale projects, while the latter was buoyed by rising cement prices.

Communication services was another weak sector, mainly due to stock selection. Tencent underperformed after its fourth-quarter numbers missed expectations and it provided conservative guidance.

On a more positive note, the position in Tokio Marine mitigated losses as the insurer was buoyed by the announcement of another share buyback. Another positive contributor to performance was Bank Central Asia. The Indonesian bank's solid results highlighted robust underlying business momentum. India was one of the strongest markets during the year, although poor stock selection made it a negative contributor. Not owning Reliance Industries was a drag on returns as it benefitted from the rising oil price. However, the largest fast-moving consumer goods company in the country, Hindustan Unilever, fared well due to improving growth expectations and market share gains.

In key portfolio activity, we took the opportunity to introduce some quality companies where we see clearer growth trajectories and which are well placed to ride on structurally growing areas, such as renewable energy. This will also help us mitigate the downside risk to growth from inflation.

Aside from the 14 stocks added in the first six months, we added a further six positions to the fund during the second half. These included Zhongsheng Group, which is China's leading automotive dealer and has a strong portfolio of premium car brands. It benefits from recurring cashflows derived from its aftersales business and its scale advantage, with the ability to make accretive acquisitions.

We also introduced Power Grid Corporation of India, which forms the backbone of India's electricity infrastructure. It plans and manages the national grid network, along with several regional ones, and transmits about half of the electricity that is used domestically. Power Grid is poised to play a key role in the growth of renewable energy delivery to the grid over the next few decades. Hong Kong-listed Techtronic Industries (TTI) is an industry leader in cordless power tools. TTI is heavily focused on innovation and is in a strong position to continue to grow its total addressable market, which should help it benefit from the higher penetration of cordless tools globally. Its management team has demonstrated its superior execution ability through exceptional sales performance and gross profit margin expansion over many years.

We initiated positions in two Japanese stocks. Oriental Land operates Tokyo Disney Resort as well as hotels and restaurants within the complex. The resort has the

abrdrn Asia Pacific and Japan Equity Fund

Continued

potential to attract more visitors by exploiting its scale and expanding its accommodation capacity. Mitsui Fudosan is a major real estate group with roots in Tokyo's Nihonbashi district. Its core businesses include property sales, leasing and management, and it is the leading industry player in the real estate investment trust space. More recently, it has focused on overseas growth. The company has also developed cross-asset synergies between its non-office assets, resulting in increased tenant retention. Management has demonstrated good capital management, including a more visible plan on how it intends to return some to shareholders.

Finally, we received shares in Australian energy group Woodside through a corporate action. Woodside has low-cost, high-margin operations and is financially resilient, with relatively low emissions. The current macroeconomic conditions should support elevated pricing through the medium term.

We also divested a number of positions in the second half, including our small position in LG Energy Solutions on valuation grounds. We also sold our positions in Wanhua Chemical, Kansai Paint, Siam Cement, Sysmex, Samsung SDI, China Resources Gas and Makita Corporation due to better opportunities elsewhere.

In the final quarter of the year, we also exited Fisher & Paykel, Amada, Fanuc, Koito, Shenzhou, Hangzhou Tigermed Consulting, Megaport and GDS in order to take advantage of better opportunities elsewhere. We sold our position in Xero in view of the mixed outlook for the company, especially given the challenging short-term environment in its key UK market.

Portfolio Outlook and Strategy

The outlook for Asian equities depends largely on how inflationary and recession risks develop and influence sentiment from here on. We see investors remaining cautious towards export-oriented economies and markets with high valuations. The intent of global policymakers to dampen rising prices by slowing economic growth, along with the resurgence in Covid-19 cases in parts of China, are significant for Japanese corporates, many of which are part of global supply chains. However, these concerns can also provide real investment opportunities.

China is looking increasingly appealing after the recent sell-off, and in view of the economic reopening following the recent Covid-19 lockdowns. Any sustainable recovery, however, will hinge on more clarity around the country's 'zero-Covid' strategy. In Australia, there is increasing evidence of consumer belt tightening, which is likely to translate into a demand slowdown. If cost pressures

continue to rise, the risk of stagflation increases and an economic recession is likely to follow. This clearly has potential implications for corporate earnings and stock valuations.

However, many Asian economies are latecomers to the economic reopening compared to most of the developed world, so we would expect a recovery in consumer spending to support growth in the short to medium term. Already, we are seeing tourism make a comeback in countries like Thailand. Overall valuations look attractive, too. While growth and inflation headwinds prevail, one could argue that some of the risk has already been priced in.

We remain positioned around structural growth themes like domestic consumption, technology and green energy. Indeed, many of our holdings in these areas now look even more attractive to us given the recent sharp rotation away from growth stocks. Our focus remains on quality companies with strong balance sheets and sustainable earnings prospects that can emerge stronger in tough times.

Asia Pacific Equity Team

August 2022

abrdrn Asia Pacific and Japan Equity Fund

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Risk and Reward Profile

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

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

Risk and reward indicator table as at 31 July 2022.

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

- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- The fund invests in emerging market equities and/or bonds. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- The fund may invest in companies with Variable Interest Entity (VIE) structures in order to gain exposure to industries with foreign ownership restrictions. There is a risk that investments in these structures may be adversely affected by changes in the legal and regulatory framework.
- Investing in China A shares involves special considerations and risks, including greater price volatility, a less developed regulatory and legal framework, exchange rate risk/controls, settlement, tax, quota, liquidity and regulatory risks.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

Comparative Tables

A Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	310.50	267.00	260.68
Return before operating charges*	(27.51)	48.29	10.34
Operating charges	(4.00)	(4.79)	(4.02)
Return after operating charges*	(31.51)	43.50	6.32
Distributions	(0.88)	-	(1.33)
Retained distributions on accumulation shares	0.88	-	1.33
Closing net asset value per share	278.99	310.50	267.00
* after direct transaction costs of:	0.21	0.24	0.17
Performance			
Return after charges	(10.15%)	16.29%	2.42%
Other information			
Closing net asset value (£'000)	25,890	31,915	37,701
Closing number of shares	9,279,825	10,278,606	14,120,069
Operating charges	1.32%	1.54%	1.58%
Direct transaction costs	0.07%	0.07%	0.07%
Prices			
Highest share price	336.1	346.2	281.1
Lowest share price	264.1	270.5	213.4

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

	2022	2021	2020
I Accumulation	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	209.97	179.75	174.70
Return before operating charges*	(18.66)	32.51	6.99
Operating charges	(1.79)	(2.29)	(1.94)
Return after operating charges*	(20.45)	30.22	5.05
Distributions	(1.54)	(0.97)	(1.66)
Retained distributions on accumulation shares	1.54	0.97	1.66
Closing net asset value per share	189.52	209.97	179.75
* after direct transaction costs of:	0.14	0.16	0.11
Performance			
Return after charges	(9.74%)	16.81%	2.89%
Other information			
Closing net asset value (£'000)	74,817	88,758	80,867
Closing number of shares	39,477,688	42,271,003	44,989,209
Operating charges	0.87%	1.09%	1.13%
Direct transaction costs	0.07%	0.07%	0.07%
Prices			
Highest share price	227.5	233.6	189.2
Lowest share price	179.3	182.1	143.4

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	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	141.20	120.94	117.50
Return before operating charges*	(12.55)	21.87	4.79
Operating charges	(1.27)	(1.61)	(1.35)
Return after operating charges*	(13.82)	20.26	3.44
Distributions	(0.97)	(0.58)	(1.25)
Retained distributions on accumulation shares	0.97	0.58	1.25
Closing net asset value per share	127.38	141.20	120.94
* after direct transaction costs of:	0.10	0.11	0.08
Performance			
Return after charges	(9.79%)	16.75%	2.93%
Other information			
Closing net asset value (£'000)	223	173	176
Closing number of shares	175,446	122,711	146,106
Operating charges	0.92%	1.14%	1.18%
Direct transaction costs	0.07%	0.07%	0.07%
Prices			
Highest share price	153.0	157.1	127.3
Lowest share price	120.5	122.5	96.51

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.

Portfolio Statement

As at 31 July 2022

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (97.63%)		100,225	99.30
European Equities (1.51%)		1,483	1.47
Netherlands (1.51%)		1,483	1.47
2,890	ASM International	724	0.72
1,625	ASML	759	0.75
Japanese Equities (29.77%)		30,853	30.57
19,500	As One	755	0.75
53,100	Asahi	1,511	1.50
41,800	Asahi Intecc	630	0.62
119,100	Astellas Pharma	1,531	1.52
50,100	Chugai Pharmaceutical	1,152	1.14
34,100	Daiichi Sankyo	739	0.73
6,500	Daikin Industries	930	0.92
21,300	Denso	947	0.94
17,100	Hoya	1,398	1.38
66,500	Japan Exchange	864	0.86
6,400	Keyence	2,063	2.04
39,100	MISUMI	791	0.78
58,800	Mitsui Fudosan	1,073	1.06
19,400	Murata Manufacturing	924	0.92
27,400	NEC	826	0.82
90,500	Nippon Paint	563	0.56
75,000	Nippon Sanso	1,032	1.02
5,700	Nitori	494	0.49
15,500	Olympus	269	0.27
4,500	Oriental Land	558	0.55
20,400	Otsuka	519	0.51
59,700	Recruit	1,822	1.80
15,500	Seven & i	518	0.51
14,600	Shin-Etsu Chemical	1,523	1.51
15,500	Shiseido	520	0.52
28,800	Sony	2,074	2.06
33,600	Tokio Marine	1,607	1.59
191,300	Toyota Motor	2,518	2.50
38,400	Welcia	702	0.70

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Pacific Basin Equities (65.39%)		67,118	66.50
Australia (10.86%)		12,511	12.40
52,722	Aristocrat Leisure	1,068	1.06
16,654	BHP	369	0.37
77,492	BHP (UK listing)	1,742	1.73
11,414	Cochlear	1,396	1.38
10,922	CSL	1,816	1.80
88,064	Goodman REIT	1,046	1.04
20,839	HUB24	290	0.29
14,886	Macquarie	1,547	1.53
88,837	National Australia Bank	1,560	1.54
100,597	OZ Minerals	1,085	1.07
18,100	Woodside Energy	332	0.33
14,002	Woodside Energy (UK listing)	260	0.26
China (16.53%)		17,051	16.89
119,600	Alibaba	1,164	1.15
274,000	China Merchants Bank 'A'	1,171	1.16
34,900	China Tourism Duty Free 'A'	892	0.88
19,600	Contemporary Amperex Technology 'A'	1,214	1.20
128,700	GDS 'A'	351	0.35
13,974	GDS ADR	317	0.31
104,000	Glodon 'A'	588	0.58
45,311	JD.com 'A'	1,108	1.10
125,148	LONGi Green Energy Technology 'A'	938	0.93
255,360	NARI Technology 'A'	908	0.90
86,800	Shenzhen Inovance Technology 'A'	699	0.69
23,800	Shenzhen Mindray Bio-Medical Electronics 'A'	839	0.83
58,731	Sungrow Power Supply 'A'	886	0.88
95,500	Tencent	3,062	3.03
122,500	Wuxi Biologics (Cayman)	954	0.95
131,300	Yonyou Network Technology 'A'	334	0.33
30,400	Yunnan Energy New Material 'A'	792	0.79
178,000	Zhongsheng	834	0.83

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Hong Kong (5.76%)		5,510	5.46
240,800	AIA	1,988	1.97
453,800	Budweiser Brewing	1,030	1.02
248,000	China Resources Land	849	0.84
22,448	Hong Kong Exchanges & Clearing	842	0.84
88,000	Techtronic Industries	801	0.79
India (7.40%)		9,468	9.38
50,195	Hindustan Unilever	1,368	1.35
79,883	Housing Development Finance	1,974	1.96
53,748	Kotak Mahindra Bank	1,008	1.00
13,349	Maruti Suzuki India	1,212	1.20
409,412	Power Grid Corp of India	908	0.90
56,356	SBI Life Insurance	755	0.75
29,551	Tata Consultancy Services	1,010	1.00
18,224	UltraTech Cement	1,233	1.22
Indonesia (1.42%)		1,603	1.59
3,940,000	Bank Central Asia	1,603	1.59
Macau (0.75%)		447	0.44
232,400	Sands China	447	0.44
New Zealand (2.64%)		557	0.55
148,079	Auckland International Airport	557	0.55
Philippines (1.25%)		948	0.94
1,377,700	Ayala Land REIT	517	0.51
312,541	Bank of the Philippine Islands	431	0.43

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Singapore (2.94%)		2,830	2.81
94,484	DBS	1,770	1.76
152,748	Oversea-Chinese Banking	1,060	1.05
South Korea (9.32%)		7,520	7.45
12,286	Kakao	580	0.58
4,331	LG Chemical	1,647	1.63
1,814	Samsung Biologics	990	0.98
119,694	Samsung Electronics (Preference)	4,303	4.26
Taiwan (6.22%)		7,882	7.81
123,000	Delta Electronics	870	0.86
449,000	Hon Hai Precision	1,336	1.33
407,504	Taiwan Semiconductor Manufacturing	5,676	5.62
Thailand (0.30%)		791	0.78
242,900	Kasikornbank (Alien Market)	791	0.78
UK Equities (0.96%)		771	0.76
Basic Materials (0.96%)		771	0.76
15,653	Rio Tinto	771	0.76
Total investment assets		100,225	99.30
Net other assets		705	0.70
Total Net Assets		100,930	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 2021.

Financial Statements

Statement of Total Return

For the year ended 31 July 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital (losses)/gains	1		(12,523)		20,587
Revenue	2	1,977		2,218	
Expenses	3	(1,112)		(1,598)	
Net revenue before taxation		865		620	
Taxation	4	(175)		(439)	
Net revenue after taxation			690		181
Total return before distributions			(11,833)		20,768
Distributions	5		(722)		(423)
Change in net assets attributable to shareholders from investment activities			(12,555)		20,345

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2022

	2022		2021	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		120,846		118,744
Amounts receivable on the issue of shares	22,935		17,505	
Amounts payable on the cancellation of shares	(30,988)		(36,158)	
		(8,053)		(18,653)
Change in net assets attributable to shareholders from investment activities (see above)		(12,555)		20,345
Retained distribution on accumulation shares		692		410
Closing net assets attributable to shareholders		100,930		120,846

Financial Statements

Continued

Balance Sheet

As at 31 July 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			100,225		117,982
Current assets:					
Debtors	6	660		2,203	
Cash and bank balances		748		1,544	
			1,408		3,747
Total assets			101,633		121,729
Liabilities:					
Provisions for liabilities	7		(188)		(251)
Creditors	8	(515)		(632)	
			(515)		(632)
Total liabilities			(703)		(883)
Net assets attributable to shareholders			100,930		120,846

Notes to the Financial Statements

1 Net Capital (Losses)/Gains

	2022 £'000	2021 £'000
Non-derivative securities	(12,496)	20,675
Forward currency contracts	-	10
Other gains/(losses)	1	(98)
Transaction charges	(28)	-
Net capital (losses)/gains	(12,523)	20,587

2 Revenue

	2022 £'000	2021 £'000
Income from Overseas Collective Investment Schemes		
Franked income	-	111
Overseas dividends	1,663	1,892
Overseas REIT	15	16
Stocklending revenue	2	-
UK dividends	297	199
Total revenue	1,977	2,218

3 Expenses

	2022 £'000	2021 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	999	1,440
General administration charge*	92	-
Operating, administrative and servicing fees	-	158
	1,091	1,598
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Revenue collection expenses	1	-
Safe custody fees	20	-
	21	-
Total expenses	1,112	1,598

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

* The fixed general administration charge was introduced from 1 August 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian. The audit fee for the year, including VAT, was £8,460 (2021: £8,389).

Notes to the Financial Statements

Continued

4 Taxation

	2022 £'000	2021 £'000
(a) Analysis of charge in year		
Overseas taxes	143	199
Overseas capital gains tax	95	57
Total current tax	238	256
Deferred tax (note 4c)	(63)	183
Total taxation (note 4b)	175	439

(b) Factors affecting current tax charge for the year

The tax assessed for the year is greater than (2021: greater than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

Net revenue before taxation	865	620
Corporation tax at 20% (2021: 20%)	173	124
Effects of:		
Revenue not subject to taxation	(393)	(441)
Overseas taxes	143	199
Excess allowable expenses	220	317
Overseas capital gains tax	95	57
Deferred tax charge in statement of total return for year	(63)	183
Total tax charge for year (note 4a)	175	439

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	251	68
Deferred tax charge in statement of total return for year (note 4a)	(63)	183
Provision at the end of the year	188	251

(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 £6,900,000 (2021: £6,680,000) 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)

	2022 £'000	2021 £'000
Distribution	692	410
Add: Income deducted on cancellation of shares	71	25
Deduct: Income received on issue of shares	(41)	(12)
Total distributions for the year	722	423
Movement between net revenue and distributions		
Net revenue after taxation	690	181
Overseas capital gains tax on realised gains	95	57
Shortfall transfer from capital to revenue	-	2
Overseas deferred capital gains tax on unrealised gains	(63)	183
Total distributions for the year	722	423

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

6 Debtors

	2022 £'000	2021 £'000
Accrued revenue	122	153
Amounts receivable from the ACD for the issue of shares	-	500
Overseas withholding tax recoverable	53	30
Sales awaiting settlement	485	1,520
Total debtors	660	2,203

7 Provisions for Liabilities

	2022 £'000	2021 £'000
The provisions for liabilities comprise:		
Overseas capital gains tax	188	251
Total provisions for liabilities	188	251

Notes to the Financial Statements

Continued

8 Creditors

	2022 £'000	2021 £'000
Accrued expenses payable to ACD	81	96
Accrued expenses payable to the Depositary or associates of the Depositary	3	-
Amounts payable to the ACD for cancellation of shares	431	303
Other accrued expenses	-	13
Purchases awaiting settlement	-	220
Total creditors	515	632

9 Related Party Transactions

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

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

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

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

10 Portfolio Transaction Costs

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

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

	Purchases		Sales	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trades in the year				
Equities	34,541	44,692	39,935	54,014
Collective investment schemes	-	-	-	10,785
Corporate actions	55	-	-	-
Trades in the year before transaction costs	34,596	44,692	39,935	64,799
Commissions				
Equities	17	25	(15)	(19)
Total commissions	17	25	(15)	(19)

Notes to the Financial Statements

Continued

	Purchases		Sales	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trades in the year				
Taxes				
Equities	12	16	(37)	(42)
Total taxes	12	16	(37)	(42)
Total transaction costs	29	41	(52)	(61)
Total net trades in the year after transaction costs	34,625	44,733	39,883	64,738

	Purchases		Sales	
	2022 %	2021 %	2022 %	2021 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.05	0.06	0.04	0.03
Taxes				
Equities	0.03	0.04	0.09	0.08

	2022 %	2021 %
Total transaction costs expressed as a percentage of net asset value		
Commissions	0.03	0.03
Taxes	0.04	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 0.21% (2021: 0.26%), this is representative of the average spread on the assets held during the year.

11 Shares in Issue Reconciliation

	Opening shares 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
A Accumulation	10,278,606	4,495,507	(5,113,767)	(380,521)	9,279,825
I Accumulation	42,271,003	4,411,684	(7,766,390)	561,391	39,477,688
M Accumulation	122,711	54,039	(1,304)	-	175,446

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).

	2022	2022	2022	2021	2021	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	100,225	-	-	117,982	-	-
Total investment assets	100,225	-	-	117,982	-	-

13 Risk Management Policies and Disclosures

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

Foreign currency risk

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

Currency	Net foreign	Net foreign
	currency exposure	currency exposure
	2022	2021
	£'000	£'000
Australian Dollar	11,073	14,704
China Renminbi	9,261	7,218
Euro	1,484	1,825
Hong Kong Dollar	13,462	19,968
Indian Rupee	9,783	9,994
Indonesian Rupiah	1,603	1,718
Japanese Yen	30,887	36,915
Philippines Peso	948	1,509
Singapore Dollar	2,830	2,464
South Korean Won	7,544	11,293
Taiwan Dollar	8,172	7,561
Thai Baht	791	360
US Dollar	330	2,310
Total	98,168	117,839

At 31 July 2022, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £4,908,000 (2021: £5,892,000).

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 2022, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £5,011,000 (2021: £5,899,000).

Financial derivatives instrument risk

The fund had no exposure to derivatives as at 31 July 2022 (2021: £Nil).

Bilateral agreements

The fund receives 85% of the revenue returns from stock lending. The gross earnings for the year are £2,000 (2021: £Nil) and expenses paid to the lending agent, Securities Finance Trust Company, are £Nil (2021: £Nil).

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2022 £703,000 (2021: £883,000).

14 Subsequent Events

The ACD intends to merge the abrdn Asia Pacific and Japan Equity Fund in 2023.

Distribution Table

For the year ended 31 July 2022 (in pence per share)

Final dividend distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 July 2022

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
A Accumulation				
Group 1	0.8791	-	0.8791	-
Group 2	0.6120	0.2671	0.8791	-
I Accumulation				
Group 1	1.5411	-	1.5411	0.9691
Group 2	0.9518	0.5893	1.5411	0.9691
M Accumulation				
Group 1	0.9675	-	0.9675	0.5812
Group 2	0.6144	0.3531	0.9675	0.5812

Equalisation

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

abrdrn Asia Pacific Equity Fund

For the year ended 31 July 2022

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 abrdrn), money-market instruments, and cash.

Management Process

- The management team use their discretion (active management) to maintain a diverse asset mix at country, sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the Performance Target, the MSCI AC Asia Pacific 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 2022, the value of abrdrn Asia Pacific Equity Fund – A Accumulation Shares decreased by 8.14% compared to a decrease of 5.90% in the performance target, the MSCI AC Asia Pacific ex Japan Index.

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

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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.

abrdn Asia Pacific Equity Fund

Continued

Market Review

It has been a challenging twelve months for Asian equities. The first half of the period saw market sentiment dominated by the Covid-19 pandemic, regulatory uncertainties and property woes in China. Investors began to see the signs of rising inflation, which fuelled fears that central banks would have to raise interest rates further and faster than previously expected. This triggered a sharp rotation from growth to value stocks.

Many of those fears became reality in the second half of the period, which was dominated by the Russian invasion of Ukraine and the many consequences that followed. Prime among those was a sharp rise in commodity prices which caused a further increase in inflation and led to many central banks raising interest rates sharply, led by the US Federal Reserve. Fears about regulatory tightening in China, worrying headlines about the country's ailing property developers, and a resurgence in Covid-19 outbreaks in some parts of the country also weighed on sentiment. On a more positive note, there was some respite in mid-2022 as investors welcomed a loosening of monetary policy in China, coupled with the government's pledges and support measures to bolster economic growth.

Portfolio Activity and Review

The fund underperformed the benchmark, largely driven by poor stock selection in Australia and our underweight position to that market.

The financial sector overall was a detractor from performance. Not holding Australian banks Commonwealth Bank of Australia and Westpac proved costly as they outperformed on the back of the reopening of the domestic economy. However, one of the top contributors in the period was Indonesia's Bank Central Asia, which was boosted by solid results showing robust underlying business momentum. Singapore banks DBS Group and Oversea-Chinese Banking Corporation also benefited from recovering economies, helping to mitigate some of the wider sector underperformance.

Renewed concerns about increased regulation had an impact on sentiment towards the Chinese internet sector. Tencent was affected by that and underperformed after its fourth-quarter numbers missed expectations and it provided conservative guidance. Data centre operator GDS Holdings and Sea were also affected, and we exited the latter towards the end of the period.

Other key detractors were Korean chemicals producer LG Chem, which declined amid the rotation away from growth stocks, and Sands China, which struggled on lacklustre sentiment towards the Macau gaming

sector. We exited the latter over the period. In India, underperformance was due to poor stock selection and resulted partially from stocks we did not hold, such as benchmark heavyweight Reliance Industries which performed strongly.

In country terms, China was the biggest contributor as Covid-19 restrictions eased in mid-2022 and the economy began to reopen. New measures announced by the central government to support economic growth also boosted market sentiment. The beneficiaries included drinks groups Kweichow Moutai and Budweiser APAC. China Resources Land advanced on expectations that it will be a beneficiary of industry consolidation, given its state-owned enterprise status and established expertise in multi-use and large-scale projects.

Good stock selection in China was a significant contributor to performance. The underweight to Alibaba, which was plagued by regulatory uncertainties, proved positive, as did not holding the electric car manufacturer NIO. Rising cement prices lifted China Conch Venture and not holding electric vehicle maker Nio was also favourable. Our overweight position in SBI Life Insurance proved beneficial as the stock gained after posting solid results in the period, while its Hong Kong-based peer AIA Group gained on improved sentiment following the economic reopening in China.

In portfolio activity, the market volatility created price disconnects that we were able to exploit through a refocus on quality and fundamentals in stock selection. We took the opportunity to introduce some quality companies where we see clearer growth trajectories and which are well placed to ride on structurally growing areas, such as renewable energy. This will also help us mitigate the downside risks to growth from inflation.

Aside from the ten stocks added in the first six months, we added a further eight positions to the Fund during the second half. These included two new Chinese holdings, Contemporary Amperex Technology Company (CATL) and Zhongsheng Group. We purchased CATL to gain greater exposure to the demand for electric car batteries in China, where the company has a dominant market share and an impressive local supply chain. Zhongsheng Group is the country's leading automotive dealer and has a strong portfolio of premium car brands. It benefits from recurring cashflows derived from its aftersales business and its scale advantage, with the ability to make accretive acquisitions.

We also introduced two new Indian stocks. Power Grid Corporation of India forms the backbone of India's electricity infrastructure. It plans and manages the national grid network, along with several regional ones, and transmits about half of the electricity that is used

abrdrn Asia Pacific Equity Fund

Continued

domestically. Power Grid is poised to play a key role in the growth of renewable energy delivery to the grid over the next few decades as the government plans ambitious renewable targets for the electricity sector. Infosys is one of India's best software developers, which continues to impress with its sustainable business model, strong management team and solid balance sheet.

Two new banks were also added to the Fund, National Australia Bank (NAB) and Kasikornbank. We purchased NAB as our expectation of an improving economic backdrop supports a more favourable lending environment, which should translate into provision releases and increased dividends. Thailand's Kasikornbank is a leader in digitalisation, technology and ESG among its domestic peers. It also leads in the small and medium-enterprise lending market. We expect it to be among the key beneficiaries of a reopening of the country, although the rebound in tourism has been delayed in the short term by the Omicron variant.

We also added Hong Kong-listed Techtronic Industries (TTI), which is an industry leader in cordless power tools. TTI is heavily focused on innovation and is in a strong position to continue to grow its total addressable market, which should enable it to benefit from the higher penetration of cordless tools globally. Its management team has demonstrated its superior execution ability through exceptional sales performance and gross profit margin expansion over many years.

Finally, we received shares in Australian energy group Woodside through a corporate action. Woodside has low-cost, high-margin operations and is financially resilient, with relatively low emissions. The current macroeconomic conditions should support elevated pricing through the medium term.

Against this, we divested our positions in China Resources Gas, Samsung SDI and Wanhua Chemical in view of better opportunities elsewhere across the region. We also sold our small holding in LG Energy Solution. We had participated in the company's initial public offering but received a suboptimal allocation due to it being heavily oversubscribed. Given the stock's subsequent sharp rise following listing, we exited our position on valuation grounds.

We sold our position in Shenzhou International as it was a low-conviction holding, and also divested our position in Xero due to the mixed outlook for the company, especially the challenging short-term environment in its key UK market. We also exited Hangzhou Tigermed Consulting in order to reinvest the proceeds in better opportunities available elsewhere in Asia.

Portfolio Outlook and Strategy

The outlook for Asian equities depends largely on how inflationary and recessionary risks develop and influence sentiment from here on. We see investors remaining cautious towards export-oriented economies and markets with high valuations. China currently represents a real countercyclical opportunity, with expectations of growth and recent accommodative monetary policy by Beijing set to percolate through the economy. This is in stark contrast to large developed markets and their central banks which are raising interest rates to tackle soaring inflation while, at the same time, trying to avoid increasing the risk of recession.

More broadly, in comparison with much of the developed world, many Asian economies are latecomers to post-pandemic economic reopening, so we would expect growth in the short to medium term to benefit from a recovery in consumer spending, for instance. Already, we are seeing tourism make a comeback in countries like Thailand.

We remain positioned around structural growth themes like domestic consumption, technology and green energy. Indeed, many of our holdings in these areas now look even more attractive to us, given the recent sharp rotation away from growth stocks. Our focus remains on quality companies with strong balance sheets and sustainable earnings prospects that can emerge stronger from tough times.

Asia Pacific Equity Team

August 2022

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 2022.

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

- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- The fund invests in emerging market equities and/or bonds. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- The fund may invest in companies with Variable Interest Entity (VIE) structures in order to gain exposure to industries with foreign ownership restrictions. There is a risk that investments in these structures may be adversely affected by changes in the legal and regulatory framework.
- Investing in China A shares involves special considerations and risks, including greater price volatility, a less developed regulatory and legal framework, exchange rate risk/controls, settlement, tax, quota, liquidity and regulatory risks.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

Comparative Tables

A Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	351.86	301.17	298.48
Return before operating charges*	(25.14)	56.28	7.37
Operating charges	(4.47)	(5.59)	(4.68)
Return after operating charges*	(29.61)	50.69	2.69
Distributions	(1.63)	-	(1.38)
Retained distributions on accumulation shares	1.63	-	1.38
Closing net asset value per share	322.25	351.86	301.17
* after direct transaction costs of:	0.33	0.39	0.28
Performance			
Return after charges	(8.42%)	16.83%	0.90%
Other information			
Closing net asset value (£'000)	229,814	267,455	241,441
Closing number of shares	71,314,836	76,011,182	80,168,848
Operating charges	1.31%	1.59%	1.65%
Direct transaction costs	0.09%	0.11%	0.10%
Prices			
Highest share price	371.1	400.7	312.9
Lowest share price	306.0	302.8	238.6

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

	2022	2021	2020
A Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	313.01	267.91	266.75
Return before operating charges*	(22.37)	50.09	6.58
Operating charges	(3.97)	(4.99)	(4.18)
Return after operating charges*	(26.34)	45.10	2.40
Distributions	(1.45)	-	(1.24)
Closing net asset value per share	285.22	313.01	267.91
* after direct transaction costs of:	0.29	0.34	0.25
Performance			
Return after charges	(8.42%)	16.83%	0.90%
Other information			
Closing net asset value (£'000)	23,041	25,850	20,691
Closing number of shares	8,078,025	8,258,508	7,723,137
Operating charges	1.31%	1.59%	1.65%
Direct transaction costs	0.09%	0.11%	0.10%
Prices			
Highest share price	330.1	356.5	279.7
Lowest share price	272.2	269.3	213.2

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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

	2022	2021	2020
I Accumulation	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	387.39	330.09	325.67
Return before operating charges*	(27.76)	61.71	8.14
Operating charges	(3.23)	(4.41)	(3.72)
Return after operating charges*	(30.99)	57.30	4.42
Distributions	(3.50)	(1.66)	(2.91)
Retained distributions on accumulation shares	3.50	1.66	2.91
Closing net asset value per share	356.40	387.39	330.09
* after direct transaction costs of:	0.36	0.42	0.31
Performance			
Return after charges	(8.00%)	17.36%	1.36%
Other information			
Closing net asset value (£'000)	357,552	419,416	406,008
Closing number of shares	100,324,357	108,266,155	122,999,423
Operating charges	0.86%	1.14%	1.20%
Direct transaction costs	0.09%	0.11%	0.10%
Prices			
Highest share price	408.8	440.3	342.9
Lowest share price	338.0	331.8	261.0

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

	2022	2021	2020
I Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	178.86	153.06	152.36
Return before operating charges*	(12.83)	28.62	3.80
Operating charges	(1.49)	(2.05)	(1.74)
Return after operating charges*	(14.32)	26.57	2.06
Distributions	(1.61)	(0.77)	(1.36)
Closing net asset value per share	162.93	178.86	153.06
* after direct transaction costs of:	0.17	0.20	0.14
Performance			
Return after charges	(8.01%)	17.36%	1.35%
Other information			
Closing net asset value (£'000)	26,193	37,161	29,594
Closing number of shares	16,076,119	20,777,099	19,334,319
Operating charges	0.86%	1.14%	1.20%
Direct transaction costs	0.09%	0.11%	0.10%
Prices			
Highest share price	188.7	204.2	160.4
Lowest share price	156.1	153.9	122.1

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

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

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

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

Comparative Tables

Continued

K Accumulation ^A	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	125.92	106.80	100.00 ^B
Return before operating charges*	(9.05)	19.97	7.46
Operating charges	(0.74)	(0.85)	(0.66)
Return after operating charges*	(9.79)	19.12	6.80
Distributions	(1.44)	(1.11)	(1.34)
Retained distributions on accumulation shares	1.44	1.11	1.34
Closing net asset value per share	116.13	125.92	106.80
* after direct transaction costs of:	0.12	0.14	0.09
Performance			
Return after charges	(7.77%)	17.90%	6.80%
Other information			
Closing net asset value (£'000)	291,966	292,391	279,034
Closing number of shares	251,405,124	232,206,205	261,260,300
Operating charges	0.61%	0.68%	0.69%
Direct transaction costs	0.09%	0.11%	0.10%
Prices			
Highest share price	132.9	142.9	110.9
Lowest share price	110.1	107.4	84.31

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

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

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

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

^A K Accumulation share class was launched on 15 August 2019.

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

Comparative Tables

Continued

M Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	141.58	120.68	118.82
Return before operating charges*	(10.15)	22.59	3.26
Operating charges	(1.25)	(1.69)	(1.40)
Return after operating charges*	(11.40)	20.90	1.86
Distributions	(1.21)	(0.54)	(0.87)
Retained distributions on accumulation shares	1.21	0.54	0.87
Closing net asset value per share	130.18	141.58	120.68
* after direct transaction costs of:	0.13	0.16	0.11
Performance			
Return after charges	(8.05%)	17.32%	1.57%
Other information			
Closing net asset value (£'000)	69	75	83
Closing number of shares	52,681	52,749	68,730
Operating charges	0.91%	1.19%	1.25%
Direct transaction costs	0.09%	0.11%	0.10%
Prices			
Highest share price	149.4	160.9	125.4
Lowest share price	123.5	121.3	95.45

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

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

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

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

Comparative Tables

Continued

M Income	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	138.07	118.16	117.28
Return before operating charges*	(9.88)	22.08	3.11
Operating charges	(1.22)	(1.64)	(1.38)
Return after operating charges*	(11.10)	20.44	1.73
Distributions	(1.18)	(0.53)	(0.85)
Closing net asset value per share	125.79	138.07	118.16
* after direct transaction costs of:	0.13	0.15	0.11
Performance			
Return after charges	(8.04%)	17.30%	1.48%
Other information			
Closing net asset value (£'000)	23	25	22
Closing number of shares	18,269	18,265	18,224
Operating charges	0.91%	1.19%	1.25%
Direct transaction costs	0.09%	0.11%	0.10%
Prices			
Highest share price	145.7	157.6	123.6
Lowest share price	120.4	118.8	94.13

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

Z Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	444.64	375.26	366.55
Return before operating charges*	(31.99)	70.18	9.40
Operating charges	(0.46)	(0.80)	(0.69)
Return after operating charges*	(32.45)	69.38	8.71
Distributions	(7.29)	(6.14)	(6.81)
Retained distributions on accumulation shares	7.29	6.14	6.81
Closing net asset value per share	412.19	444.64	375.26
* after direct transaction costs of:	0.42	0.48	0.35
Performance			
Return after charges	(7.30%)	18.49%	2.38%
Other information			
Closing net asset value (£'000)	5,873	9,111	8,861
Closing number of shares	1,424,934	2,048,883	2,361,364
Operating charges	0.11%	0.18%	0.20%
Direct transaction costs	0.09%	0.11%	0.10%
Prices			
Highest share price	469.5	503.3	389.8
Lowest share price	389.9	377.3	295.7

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 2022

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (97.24%)		921,113	98.56
European Equities (2.88%)		20,053	2.14
Netherlands (2.88%)		20,053	2.14
26,746	ASM International	6,703	0.71
28,596	ASML	13,350	1.43
Pacific Basin Equities (91.13%)		877,601	93.91
Australia (10.34%)		137,846	14.75
596,903	Aristocrat Leisure	12,095	1.29
213,579	BHP	4,730	0.51
1,317,830	BHP (UK listing)	29,625	3.17
141,036	Cochlear	17,253	1.85
174,125	CSL	28,955	3.10
655,100	Goodman REIT	7,781	0.83
785,110	National Australia Bank	13,791	1.48
1,310,479	OZ Minerals	14,135	1.51
275,400	Woodside Energy	5,054	0.54
238,133	Woodside Energy (UK listing)	4,427	0.47
China (23.85%)		217,517	23.28
2,037,700	Alibaba	19,828	2.12
3,779,646	China Merchants Bank 'A'	16,150	1.73
530,202	China Tourism Duty Free 'A'	13,559	1.45
144,652	Contemporary Amperex Technology 'A'	8,963	0.96
1,615,300	GDS 'A'	4,400	0.47
65,297	GDS ADR	1,482	0.16
841,000	Glodon 'A'	4,751	0.51
501,138	JD.com 'A'	12,252	1.31
61,823	Kweichow Moutai 'A'	14,297	1.53
1,662,962	LONGi Green Energy Technology 'A'	12,461	1.33
2,796,440	NARI Technology 'A'	9,939	1.07
719,162	Shenzhen Inovance Technology 'A'	5,793	0.62
299,800	Shenzhen Mindray Bio-Medical Electronics 'A'	10,575	1.13
619,682	Sungrow Power Supply 'A'	9,352	1.00

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,105,500	Tencent	35,444	3.79
1,488,000	Wuxi Biologics (Cayman)	11,592	1.24
1,799,000	Yonyou Network Technology 'A'	4,570	0.49
526,720	Yunnan Energy New Material 'A'	13,730	1.47
1,788,500	Zhongsheng	8,379	0.90
Hong Kong (10.52%)		95,721	10.24
5,699,400	AIA	47,054	5.03
6,034,300	Budweiser Brewing	13,693	1.47
2,526,000	China Resources Land	8,651	0.93
498,878	Hong Kong Exchanges & Clearing	18,718	2.00
835,500	Techtronic Industries	7,605	0.81
India (11.09%)		141,140	15.10
618,229	Hindustan Unilever	16,853	1.80
1,364,735	Housing Development Finance	33,725	3.61
686,427	Infosys	10,984	1.18
634,277	Kotak Mahindra Bank	11,891	1.27
118,145	Maruti Suzuki India	10,726	1.15
5,535,400	Power Grid Corp of India	12,277	1.31
1,471,263	SBI Life Insurance	19,719	2.11
464,363	Tata Consultancy Services	15,871	1.70
134,457	UltraTech Cement	9,094	0.97
Indonesia (1.87%)		24,793	2.65
60,948,600	Bank Central Asia	24,793	2.65
Macau (0.96%)		-	-
New Zealand (1.58%)		-	-

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Philippines (1.21%)		12,169	1.30
18,857,040	Ayala Land REIT	7,076	0.76
3,695,682	Bank of the Philippine Islands	5,093	0.54
Singapore (4.84%)		49,692	5.32
1,473,098	DBS	27,599	2.95
3,182,718	Oversea-Chinese Banking	22,093	2.37
South Korea (13.80%)		90,161	9.65
155,872	Kakao	7,357	0.79
40,552	LG Chemical	15,426	1.65
24,923	Samsung Biologics	13,607	1.46
1,495,532	Samsung Electronics (Preference)	53,771	5.75
Taiwan (10.54%)		95,541	10.23
1,417,000	Delta Electronics	10,023	1.08
4,782,000	Hon Hai Precision	14,225	1.52
5,118,827	Taiwan Semiconductor Manufacturing	71,293	7.63
Thailand (0.53%)		13,021	1.39
2,614,400	Kasikornbank (Alien Market)	8,512	0.91
542,100	Siam Cement (Alien Market)	4,509	0.48
UK Equities (3.23%)		23,459	2.51
Basic Materials (1.27%)		7,011	0.75
142,392	Rio Tinto	7,011	0.75
Financials (1.96%)		16,448	1.76
5,017,000	abrdn Asia Focus+	12,693	1.36
634,378	abrdn China Investment+	3,755	0.40

Portfolio Statement

As at 31 July 2022 continued

Investment	Market value £'000	Percentage of total net assets
Collective Investment Schemes (0.50%)	-	-
Total investment assets	921,113	98.56
Net other assets	13,418	1.44
Total Net Assets	934,531	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 2021.
+ Managed by subsidiaries of abrdn plc.

Financial Statements

Statement of Total Return

For the year ended 31 July 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital (losses)/gains	1		(89,908)		167,410
Revenue	2	18,985		18,921	
Expenses	3	(8,968)		(12,278)	
Interest payable and similar charges		(1)		(2)	
Net revenue before taxation		10,016		6,641	
Taxation	4	(1,677)		(4,867)	
Net revenue after taxation			8,339		1,774
Total return before distributions			(81,569)		169,184
Distributions	5		(8,854)		(4,811)
Change in net assets attributable to shareholders from investment activities			(90,423)		164,373

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2022

	2022		2021	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		1,051,484		985,734
Amounts receivable on the issue of shares	39,430		42,656	
Amounts payable on the cancellation of shares	(74,365)		(145,962)	
		(34,935)		(103,306)
Dilution adjustment		-		172
Change in net assets attributable to shareholders from investment activities (see above)		(90,423)		164,373
Retained distribution on accumulation shares		8,405		4,511
Closing net assets attributable to shareholders		934,531		1,051,484

Financial Statements

Continued

Balance Sheet

As at 31 July 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			921,113		1,027,772
Current assets:					
Debtors	6	4,640		8,317	
Cash and bank balances		12,577		19,904	
			17,217		28,221
Total assets			938,330		1,055,993
Liabilities:					
Provisions for liabilities	7		(2,249)		(2,471)
Creditors	8	(1,173)		(1,878)	
Distribution payable		(377)		(160)	
			(1,550)		(2,038)
Total liabilities			(3,799)		(4,509)
Net assets attributable to shareholders			934,531		1,051,484

Notes to the Financial Statements

1 Net Capital (Losses)/Gains

	2022 £'000	2021 £'000
Non-derivative securities	(89,226)	167,928
Forward currency contracts	-	97
Other losses	(637)	(615)
Transaction charges	(45)	-
Net capital (losses)/gains	(89,908)	167,410

2 Revenue

	2022 £'000	2021 £'000
Income from Overseas Collective Investment Schemes		
Franked income	-	981
Overseas dividends	13,990	15,401
Overseas REIT	108	138
Stocklending revenue	-	23
UK dividends	4,887	2,378
Total revenue	18,985	18,921

3 Expenses

	2022 £'000	2021 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	7,965	10,411
General administration charge*	801	-
Operating, administrative and servicing fees	-	1,867
	8,766	12,278
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Revenue collection expenses	2	-
Safe custody fees	200	-
	202	-
Total expenses	8,968	12,278

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

* The fixed general administration charge was introduced from 1 August 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian. The audit fee for the year, including VAT, was £8,460 (2021: £8,389).

Notes to the Financial Statements

Continued

4 Taxation

	2022 £'000	2021 £'000
(a) Analysis of charge in year		
Overseas taxes	1,162	1,904
Overseas capital gain tax	737	658
Total current tax	1,899	2,562
Deferred tax (note 4c)	(222)	2,305
Total taxation (note 4b)	1,677	4,867

(b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2021: greater than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

Net revenue before taxation	10,016	6,641
Corporation tax at 20% (2021: 20%)	2,003	1,328
Effects of:		
Revenue not subject to taxation	(3,764)	(3,752)
Overseas taxes	1,162	1,904
Overseas tax expensed	(1)	(2)
Excess allowable expenses	1,762	2,426
Overseas capital gains tax	737	658
Deferred tax	(222)	2,305
Total tax charge for year (note 4a)	1,677	4,867

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	2,471	166
Deferred tax (credit)/charge in statement of total return for year (note 4a)	(222)	2,305
Provision at the end of the year	2,249	2,471

(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 £55,059,000 (2021: £53,298,000) 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)

	2022 £'000	2021 £'000
Distribution	8,782	4,671
Add: Income deducted on cancellation of shares	339	216
Deduct: Income received on issue of shares	(267)	(76)
Total distributions for the year	8,854	4,811
Movement between net revenue and distributions		
Net revenue after taxation	8,339	1,771
Overseas capital gains tax on realised gains	737	658
Shortfall transfer from capital to revenue	-	74
Overseas deferred capital gains tax on unrealised gains	(222)	2,308
Total distributions for the year	8,854	4,811

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

6 Debtors

	2022 £'000	2021 £'000
Accrued revenue	3,857	4,411
Amounts receivable from the ACD for the issue of shares	4	1,537
Overseas withholding tax recoverable	779	458
Sales awaiting settlement	-	1,911
Total debtors	4,640	8,317

7 Provisions for Liabilities

	2022 £'000	2021 £'000
The provisions for liabilities comprise:		
Overseas capital gains tax	2,249	2,471
Total provisions for liabilities	2,249	2,471

Notes to the Financial Statements

Continued

8 Creditors

	2022 £'000	2021 £'000
Accrued expenses payable to ACD	691	744
Accrued expenses payable to the Depositary or associates of the Depositary	19	-
Amounts payable to the ACD for cancellation of shares	462	455
Other accrued expenses	1	159
Purchases awaiting settlement	-	520
Total creditors	1,173	1,878

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 during the year, or in the prior year.

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

	Purchases		Sales	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trades in the year				
Equities	319,190	395,906	332,742	401,220
Collective investment schemes	-	-	5,414	102,088
Corporate actions	614	-	-	-
Trades in the year before transaction costs	319,804	395,906	338,156	503,308
Commissions				
Equities	176	259	(160)	(208)
Total commissions	176	259	(160)	(208)

Notes to the Financial Statements

Continued

	Purchases		Sales	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Taxes				
Equities	189	267	(426)	(472)
Total taxes	189	267	(426)	(472)
Total transaction costs	365	526	(586)	(680)
Total net trades in the year after transaction costs	320,169	396,432	337,570	502,628

	Purchases		Sales	
	2022 %	2021 %	2022 %	2021 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.06	0.07	0.05	0.05
Taxes				
Equities	0.06	0.07	0.13	0.12

	2022 %	2021 %
	Total transaction costs expressed as a percentage of net asset value	
Commissions	0.03	0.04
Taxes	0.06	0.07

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.22% (2021: 0.21%), this is representative of the average spread on the assets held during the year.

11 Shares in Issue Reconciliation

	Opening shares 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
A Accumulation	76,011,182	749,377	(4,805,886)	(639,837)	71,314,836
A Income	8,258,508	68,092	(200,234)	(48,341)	8,078,025
I Accumulation	108,266,155	560,333	(9,082,125)	579,994	100,324,357
I Income	20,777,099	394,732	(5,180,077)	84,365	16,076,119
K Accumulation	232,206,205	28,013,773	(8,814,854)	-	251,405,124
M Accumulation	52,749	427	(495)	-	52,681
M Income	18,265	46	(42)	-	18,269
Z Accumulation	2,048,883	255,139	(879,088)	-	1,424,934

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).

	2022	2022	2022	2021	2021	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	921,113	-	-	1,022,476	-	-
Collective Investment Schemes	-	-	-	-	5,296	-
Total investment assets	921,113	-	-	1,022,476	5,296	-

13 Risk Management Policies and Disclosures

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

Foreign currency risk

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

Currency	Net foreign	Net foreign
	currency exposure	currency exposure
	2022	2021
	£'000	£'000
Australian Dollar	103,842	97,545
China Renminbi	124,140	96,221
Euro	20,076	30,217
Hong Kong Dollar	187,965	269,367
Indian Rupee	139,143	125,261
Indonesian Rupiah	24,792	19,651
Philippines Peso	12,168	12,653
Singapore Dollar	49,692	41,571
South Korean Won	90,450	145,513
Taiwan Dollar	99,530	111,410
Thai Baht	13,021	5,529
US Dollar	1,423	21,978
Total	866,242	976,916

At 31 July 2022, 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 £43,312,000 (2021: £48,846,000).

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 2022, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £46,056,000 (2021: £51,389,000).

Financial derivatives instrument risk

The fund had no exposure to derivatives as at 31 July 2022 (2021: £Nil).

Counterparty risk

Bilateral agreements

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

All stock lending is conducted by the stocklending agent on behalf of the fund using a standard agreement with available counterparties. It is collateralised daily with a right of recall within 24 hours.

At the year end the fund held no positions. This is consistent with the prior year.

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

The fund receives 85% of the revenue returns from stock lending. The gross earnings for the year are £Nil (2021: £27,000) and expenses paid to the lending agent, Securities Finance Trust Company, are £Nil (2021: £4,000).

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2022 £3,799,000 (2021: £4,509,000).

Distribution Table

For the year ended 31 July 2022 (in pence per share)

Final dividend distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 July 2022

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
A Accumulation				
Group 1	1.6299	-	1.6299	-
Group 2	0.8936	0.7363	1.6299	-
A Income				
Group 1	1.4502	-	1.4502	-
Group 2	0.7626	0.6876	1.4502	-
I Accumulation				
Group 1	3.4957	-	3.4957	1.6628
Group 2	1.9584	1.5373	3.4957	1.6628
I Income				
Group 1	1.6140	-	1.6140	0.7716
Group 2	0.9448	0.6692	1.6140	0.7716
K Accumulation				
Group 1	1.4445	-	1.4445	1.1131
Group 2	0.6362	0.8083	1.4445	1.1131
M Accumulation				
Group 1	1.2090	-	1.2090	0.5369
Group 2	0.6591	0.5499	1.2090	0.5369
M Income				
Group 1	1.1836	-	1.1836	0.5255
Group 2	0.7593	0.4243	1.1836	0.5255
Z Accumulation				
Group 1	7.2865	-	7.2865	6.1363
Group 2	2.7480	4.5385	7.2865	6.1363

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 2022

Investment Objective

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

Performance Target: To achieve the return of the MSCI China A Onshore Index, plus 3% per annum over rolling three year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

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

Investment Policy

Portfolio Securities

- The fund will invest at least 70% in China A equities of companies listed on Chinese Stock Exchanges authorised by the China Securities Regulatory Commission. The fund may also invest in China A equities through RQFII, the Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect programme in equities and equity related securities.
- The fund may also invest in China B equities, China H equities and participator notes.
- The fund may also invest in other funds (including those managed by abrdn), money-market instruments, and cash.

Management Process

- The management team use their discretion (active management) to maintain a diverse asset mix at sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the Performance Target, the MSCI China A Onshore Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index, is not ordinarily expected to exceed 12.5%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the MSCI China A Onshore Index.

Derivatives and Techniques

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

Performance Review

For the year ended 31 July 2022, the value of abrdn China A Share Equity Fund – M Accumulation Shares decreased by 5.65% compared to a decrease of 2.60% in the performance target, the MSCI China A Onshore Index.

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

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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.

abrdn China A Share Equity Fund

Continued

Market Review

It was a somewhat uncomfortable 12 months for investors in Chinese stock markets marked by major falls in the A-share market in 2022 and high levels of volatility. Widespread disruption caused by the Chinese government's draconian zero-Covid policy, which saw lockdowns of key cities such as Shanghai despite relatively low numbers of Covid cases, contributed to faltering Chinese economic growth.

Meanwhile, certain sectors of the Chinese economy found themselves in the regulatory crosshairs. Education, technology, property and gaming companies all fell foul of government crackdowns designed to rebalance the economy and promote social goals. The Chinese government has recently begun to ease the regulatory pressure on these important parts of the economy as it tries to restore growth to target levels and boost the country's stumbling stock markets.

The property sector was also buffeted by a growing crisis at Evergrande, a heavily indebted commercial property developer which was once the country's largest operator. It caused concern when it defaulted on its overseas bonds, prompting fears over the company's survival and worries that contagion may spread across the Chinese property sector. Towards the end of the period, reports that Chinese homeowners were suspending mortgage payments in growing numbers added to tensions in the real estate sector.

By sector, the energy sector, which carries only a small weighting in the Fund's benchmark, soared after global energy prices surged following Russia's invasion of Ukraine in February. The large consumer staples sector fared well, while the industrials and consumer discretionary sectors also outperformed. In contrast, the healthcare and information technology sectors struggled.

Portfolio Activity and Review

The fund fell over the 12 months and underperformed the benchmark.

The bulk of the fund's underperformance stemmed from sector allocation effects. The portfolio's lack of exposure to the strong-performing energy and utilities sectors detracted from relative performance, as did being overweight the consumer discretionary sector. Stock selection was a minor drag upon overall performance, with weakness in the portfolio's financials and real estate holdings overshadowing positive stock picking in industrials and healthcare.

On a stock-specific basis, Kweichow Moutai, a global leader in Chinese hard liquor, added value after strong operational performance. It was also aided by market hopes for more market-driven initiatives under its new chairman. LONGi Green Energy Technology benefited from the reaffirmation of policy support in renewable energy by Chinese and EU governments and the US government pausing new tariffs on solar imports for two years. Proya Cosmetics was boosted by healthy second-quarter operating data. Meanwhile, Nari Technology was helped by the recovery in grid capex growth post-Covid and the further release of renewables and infrastructure policies.

Turning to the laggards, Aier Eye Hospital Group suffered from ongoing flare-ups in Covid-19 cases that caused disruption to hospital visits. Hangzhou Tigermed Consulting was hurt by weak sentiment towards the biotechnology sector stemming from rumours saying that the US might place Chinese biotech companies on its entity list. Glodon and China Vanke were affected by weak market sentiment towards property-related stocks, with tighter real estate policies, worries over market contagion given Evergrande's issues and more recent concerns about mortgage payment suspensions weighing on their share prices.

In key portfolio activity, we initiated a position in Maxscend Microelectronics, a hardware component maker for customers in the automotive, smartphone and infrastructure sectors. This added to the Fund's exposure to the 'digital' theme, an area where we continue to see good opportunities for growth. We also established positions in SG Micro and Naura Technology Group. Both are leaders in China's semiconductor industry, on which we have a positive long-term view.

In terms of sales, we sold out of Beijing Sinnet in April. The company's execution was below expectations and considering the opportunity cost given the lack of visibility on its potential growth turnaround, we decided to exit the position. We invested the cash into other companies with better track records and growth visibility within technology.

Portfolio Outlook and Strategy

The market has been volatile during recent months amid news flow surrounding Covid-19 policies, mortgage boycotts and geopolitics. Nevertheless, we believe the recovery is underway, but it is likely to be a bumpy one. This is due to a lack of clarity on China's dynamic 'zero-Covid' strategy and markets demanding to see more results from economic stimulus measures.

abrdn China A Share Equity Fund

Continued

We assume any decisions around the evolution of the 'zero-Covid' strategy are more likely to happen after the 20th National Congress of the Chinese Communist Party in October and November. We also believe the government has the levers to stabilise the real estate situation, which is an important pillar of economic recovery.

Meanwhile, Chinese companies will start to report first-half results in August, when investor focus should gradually switch back to company fundamentals. We remain optimistic over the relative earnings resilience of our holdings in the upcoming result season. As such, we remain constructive on the economic outlook and our portfolio's performance for the second half of 2022.

Asia Pacific Equity Team

August 2022

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 2022.

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.
- 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

I Accumulation ^A	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	130.84	120.37	100.00 ^B
Return before operating charges*	(6.51)	12.17	21.66
Operating charges	(1.52)	(1.70)	(1.29)
Return after operating charges*	(8.03)	10.47	20.37
Distributions	(0.18)	(0.20)	(0.55)
Retained distributions on accumulation shares	0.18	0.20	0.55
Closing net asset value per share	122.81	130.84	120.37
* after direct transaction costs of:	0.12	0.16	0.21
Performance			
Return after charges	(6.14%)	8.70%	20.37%
Other information			
Closing net asset value (£'000)	5,969	6,385	2,129
Closing number of shares	4,860,057	4,880,268	1,768,187
Operating charges	1.17%	1.19%	1.19%
Direct transaction costs	0.09%	0.11%	0.19%
Prices			
Highest share price	148.1	172.1	125.9
Lowest share price	109.0	120.7	90.52

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

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

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

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

^A I Accumulation share class was launched on 20 August 2019.

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

Comparative Tables

Continued

K Accumulation ^A	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	132.01	120.89	100.00 ^B
Return before operating charges*	(6.57)	12.10	21.55
Operating charges	(0.89)	(0.98)	(0.66)
Return after operating charges*	(7.46)	11.12	20.89
Distributions	(0.84)	(0.41)	(1.01)
Retained distributions on accumulation shares	0.84	0.41	1.01
Closing net asset value per share	124.55	132.01	120.89
* after direct transaction costs of:	0.12	0.16	0.19
Performance			
Return after charges	(5.65%)	9.20%	20.89%
Other information			
Closing net asset value (£'000)	1	1	1
Closing number of shares	1,000	1,000	1,000
Operating charges	0.67%	0.69%	0.69%
Direct transaction costs	0.09%	0.11%	0.19%
Prices			
Highest share price	149.7	173.2	126.4
Lowest share price	110.4	121.2	90.70

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

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

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

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

^A K Accumulation share class was launched on 20 August 2019.

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

Comparative Tables

Continued

M Accumulation ^A	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	130.71	120.31	100.00 ^B
Return before operating charges*	(6.51)	12.18	21.57
Operating charges	(1.58)	(1.78)	(1.26)
Return after operating charges*	(8.09)	10.40	20.31
Distributions	(0.15)	-	(0.99)
Retained distributions on accumulation shares	0.15	-	0.99
Closing net asset value per share	122.62	130.71	120.31
* after direct transaction costs of:	0.12	0.16	0.20
Performance			
Return after charges	(6.19%)	8.64%	20.31%
Other information			
Closing net asset value (£'000)	1,547	1,827	882
Closing number of shares	1,261,767	1,397,435	733,305
Operating charges	1.22%	1.24%	1.24%
Direct transaction costs	0.09%	0.11%	0.19%
Prices			
Highest share price	147.9	171.9	125.9
Lowest share price	108.8	120.6	90.49

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

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

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

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

^A Z Accumulation share class was launched on 20 August 2019.

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

Comparative Tables

Continued

Z Accumulation ^A	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	133.42	121.52	100.00 ^B
Return before operating charges*	(6.71)	12.17	21.70
Operating charges	(0.23)	(0.27)	(0.18)
Return after operating charges*	(6.94)	11.90	21.52
Distributions	(1.49)	(1.18)	(1.56)
Retained distributions on accumulation shares	1.49	1.18	1.56
Closing net asset value per share	126.48	133.42	121.52
* after direct transaction costs of:	0.12	0.16	0.19
Performance			
Return after charges	(5.20%)	9.79%	21.52%
Other information			
Closing net asset value (£'000)	6,324	6,671	6,076
Closing number of shares	5,000,000	5,000,000	5,000,000
Operating charges	0.17%	0.19%	0.19%
Direct transaction costs	0.09%	0.11%	0.19%
Prices			
Highest share price	151.6	174.7	127.1
Lowest share price	112.0	121.9	90.94

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

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

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

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

^A M Accumulation share class was launched on 20 August 2019.

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

Portfolio Statement

As at 31 July 2022

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (95.59%)		13,447	97.15
Pacific Basin Equities (95.59%)		13,447	97.15
China (95.59%)		13,447	97.15
91,772	Aier Eye Hospital 'A'	339	2.45
46,400	Anhui Conch Cement 'A'	184	1.33
110,760	Bank of Ningbo 'A'	421	3.04
90,800	By-health 'A'	204	1.48
127,300	Centre Testing International 'A'	318	2.30
35,431	Chacha Food 'A'	206	1.49
21,700	China International Capital 'A'	112	0.81
103,200	China International Capital 'H'	156	1.12
158,700	China Merchants Bank 'A'	677	4.89
26,793	China Tourism Duty Free 'A'	684	4.94
13,600	China Vanke 'A'	28	0.21
184,100	China Vanke 'H'	288	2.08
9,300	Contemporary Ampere Technology 'A'	576	4.16
33,435	Foshan Haitian Flavouring & Food 'A'	334	2.41
69,300	Fuyao Glass Industry 'A'	346	2.50
62,000	Glodon 'A'	350	2.53
77,300	Guangzhou Baiyun International Airport 'A'	122	0.88
25,000	Hangzhou Tigermed Consulting 'A'	310	2.24
12,000	Hangzhou Tigermed Consulting 'H'	102	0.74
58,840	Hundsun Technologies 'A'	304	2.20
73,200	Inner Mongolia Yili Industrial 'A'	319	2.31
62,040	Jiangsu Hengrui Medicine 'A'	266	1.92
4,800	Kweichow Moutai 'A'	1,109	8.01
68,608	LONGi Green Energy Technology 'A'	513	3.71
70,200	Luxshare Precision Industry 'A'	290	2.09
10,267	Maxscend Microelectronics 'A'	120	0.87
74,200	Midea 'A'	496	3.59
79,228	NARI Technology 'A'	281	2.03
4,100	NAURA Technology 'A'	127	0.91
228,400	Ping An Bank 'A'	352	2.54
64,900	Ping An Insurance 'A'	333	2.40
12,020	Proya Cosmetics 'A'	258	1.86
9,000	SG Micro 'A'	176	1.27

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
19,800	Shanghai International Airport 'A'	124	0.90
59,100	Shanghai M&G Stationery 'A'	327	2.36
28,100	Shenzhen Inovance Technology 'A'	226	1.63
13,300	Shenzhen Mindray Bio-Medical Electronics 'A'	469	3.39
17,500	Sungrow Power Supply 'A'	264	1.91
112,386	Venustech 'A'	252	1.82
20,900	Wanhua Chemical 'A'	213	1.54
11,300	Wuliangye Yibin 'A'	245	1.77
103,291	Yonyou Network Technology 'A'	262	1.89
14,000	Yunnan Energy New Material 'A'	364	2.63
Collective Investment Schemes (0.73%)		108	0.78
108	Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund Z1 Inc+	108	0.78
Total investment assets		13,555	97.93
Net other assets		286	2.07
Total Net Assets		13,841	100.00

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

The percentage figures in brackets show the comparative holding as at 31 July 2021.

+ Managed by subsidiaries of abrdn plc.

Financial Statements

Statement of Total Return

For the year ended 31 July 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(899)		(134)
Revenue	2	209		171	
Expenses	3	(103)		(87)	
Net revenue before taxation		106		84	
Taxation	4	(21)		(17)	
Net revenue after taxation			85		67
Total return before distributions			(814)		(67)
Distributions	5		(85)		(68)
Change in net assets attributable to shareholders from investment activities			(899)		(135)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2022

	2022		2021	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		14,884		9,088
Amounts receivable on the issue of shares	2,073		7,666	
Amounts payable on the cancellation of shares	(2,302)		(1,806)	
		(229)		5,860
Dilution adjustment		-		2
Change in net assets attributable to shareholders from investment activities (see above)		(899)		(135)
Retained distribution on accumulation shares		85		69
Closing net assets attributable to shareholders		13,841		14,884

Financial Statements

Continued

Balance Sheet

As at 31 July 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			13,555		14,336
Current assets:					
Debtors	6	27		201	
Cash and bank balances	7	274		505	
			301		706
Total assets			13,856		15,042
Liabilities:					
Creditors	8	(15)		(158)	
			(15)		(158)
Total liabilities			(15)		(158)
Net assets attributable to shareholders			13,841		14,884

Notes to the Financial Statements

1 Net Capital Losses

	2022 £'000	2021 £'000
Non-derivative securities	(881)	(128)
Forward currency contracts	-	(1)
Other losses	(8)	(5)
Transaction charges	(10)	-
Net capital losses	(899)	(134)

2 Revenue

	2022 £'000	2021 £'000
Bank and margin interest	1	-
Overseas dividends	208	171
Total revenue	209	171

3 Expenses

	2022 £'000	2021 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	86	61
Dealing charge	1	-
General administration charge*	12	-
Operating, administrative and servicing fees	-	26
	99	87
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fees	4	-
	4	-
Total expenses	103	87

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

* The fixed general administration charge was introduced from 1 August 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian. The audit fee for the year, including VAT, was £8,460 (2021: £8,389).

Notes to the Financial Statements

Continued

4 Taxation

	2022 £'000	2021 £'000
(a) Analysis of charge in year		
Overseas taxes	21	17
Total taxation (note 4b)	21	17

(b) Factors affecting current tax charge for the year

The tax assessed for the year is equal to (2021: equal to) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

Net revenue before taxation	106	84
Corporation tax at 20% (2021: 20%)	21	17
Effects of:		
Revenue not subject to taxation	(42)	(34)
Overseas taxes	21	17
Excess allowable expenses	21	17
Total tax charge for year (note 4a)	21	17

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

(c) Factors that may affect future tax charge

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £41,000 (2021: £20,000) 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)

	2022 £'000	2021 £'000
Distribution	85	69
Deduct: Income received on issue of shares	-	(1)
Total distributions for the year	85	68
Movement between net revenue and distributions		
Net revenue after taxation	85	67
Shortfall transfer from capital to revenue	-	1
Total distributions for the year	85	68

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

Notes to the Financial Statements

Continued

6 Debtors

	2022 £'000	2021 £'000
Accrued revenue	23	19
Amounts receivable from the ACD for the issue of shares	4	182
Total debtors	27	201

7 Liquidity

	2022 £'000	2021 £'000
Cash and bank balances		
Cash at bank	274	505
	274	505
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	108	108
Net liquidity	382	613

* 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

	2022 £'000	2021 £'000
Accrued expenses payable to ACD	8	7
Accrued expenses payable to the Depositary or associates of the Depositary	1	-
Amounts payable to the ACD for cancellation of shares	6	111
Other accrued expenses	-	3
Purchases awaiting settlement	-	37
Total creditors	15	158

9 Related Party Transactions

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

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

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

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

Notes to the Financial Statements

Continued

10 Portfolio Transaction Costs

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

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

	Purchases		Sales	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trades in the year				
Equities	4,487	8,342	4,401	2,733
Trades in the year before transaction costs	4,487	8,342	4,401	2,733
Commissions				
Equities	4	8	(4)	(3)
Total commissions	4	8	(4)	(3)
Taxes				
Equities	1	1	(5)	(3)
Total taxes	1	1	(5)	(3)
Total transaction costs	5	9	(9)	(6)
Total net trades in the year after transaction costs	4,492	8,351	4,392	2,727

	Purchases		Sales	
	2022 %	2021 %	2022 %	2021 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.09	0.10	0.09	0.10
Taxes				
Equities	0.02	0.02	0.11	0.11

	2022	2021
	%	%
Total transaction costs expressed as a percentage of net asset value		
Commissions	0.05	0.08
Taxes	0.04	0.03

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.05% (2021: 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 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
I Accumulation	4,880,268	1,109,444	(1,134,674)	5,019	4,860,057
K Accumulation	1,000	-	-	-	1,000
M Accumulation	1,397,435	476,498	(607,141)	(5,025)	1,261,767
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).

	2022 £'000	2022 £'000	2022 £'000	2021 £'000	2021 £'000	2021 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	13,447	-	-	14,228	-	-
Collective Investment Schemes	-	108	-	-	108	-
Total investment assets	13,447	108	-	14,228	108	-

13 Risk Management Policies and Disclosures

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

Foreign currency risk

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

Currency	Net foreign currency exposure 2022 £'000	Net foreign currency exposure 2021 £'000
China Renminbi	12,923	13,592
Hong Kong Dollar	569	686
Total	13,492	14,278

At 31 July 2022, 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 £675,000 (2021: £714,000).

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 2022, 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 £678,000 (2021: £717,000).

Financial derivatives instrument risk

The fund had no exposure to derivatives as at 31 July 2022 (2021: £Nil).

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2022 £15,000 (2021: £158,000).

Distribution Table

For the year ended 31 July 2022 (in pence per share)

Final dividend distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 July 2022

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
I Accumulation				
Group 1	0.1750	-	0.1750	0.2008
Group 2	0.1677	0.0073	0.1750	0.2008
K Accumulation				
Group 1	0.8370	-	0.8370	0.4070
Group 2	0.8370	-	0.8370	0.4070
M Accumulation				
Group 1	0.1517	-	0.1517	-
Group 2	0.1442	0.0075	0.1517	-
Z Accumulation				
Group 1	1.4907	-	1.4907	1.1808
Group 2	1.4907	-	1.4907	1.1808

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 Corporate Bond Fund

For the year ended 31 July 2022

Investment Objective

To generate income and some growth over the long term (5 years or more) by investing in Sterling denominated investment grade corporate bonds.

Performance Target: To achieve the return of the iBoxx Sterling Collateralized & Corporates 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 60% in Sterling denominated 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 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 bonds and derivatives after analysing companies prospects and creditworthiness alongside global economic and market conditions.
- In seeking to achieve the performance target, the iBoxx Sterling Collateralized & Corporates Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 3.5%. Due the fund's risk constraints, the intention is that the fund's performance profile will not deviate significantly from the iBoxx Sterling Collateralized & Corporates Index over the longer 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 or reduce cost and/or generate extra income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivatives include instruments used to manage expected changes in interest rates, inflation, currencies or creditworthiness of corporations or governments.

Performance Review

For the year ended 31 July 2022, the value of abrdn Corporate Bond Fund - A Accumulation Shares decreased by 14.09% compared to a decrease of 13.06% in the performance target, the iBoxx Sterling Collateralized & Corporates Index.

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

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

Market Review

Corporate bond prices fell over the period, with spreads widening and government bond yields rising substantially. The US Federal Reserve and Bank of England both raised rates several times over the period, with the European Central Bank (ECB) making its first rise in July. Bonds rose somewhat in late 2021, although markets were volatile, but fell heavily in the opening quarter of 2022. The worsening Ukraine conflict dominated market attention, particularly following Russia's full-scale invasion on 24 February. In general, Europe is seen as more economically exposed to the conflict than other parts of the world. This is because it relies quite heavily on Russia for its energy imports, as well as significant other trade and financial linkages. Gilt yields peaked in June over 2.6%, but had fallen below 1.9% by the end of the period. Selling was motivated by investor fears of slowing global economies leading to recession. Riskier high yield bonds were hit harder than investment grade bonds, amid growing expectations of a global economic slowdown that would impact highly indebted, weaker and less creditworthy companies the most. Rising rates have a bigger negative effect on long-dated issues than shorter maturity bonds.

abrdn Corporate Bond Fund

Continued

Portfolio Activity and Review

In the primary market and towards the end of the period, we bought Toyota and the attractively-priced corporate hybrids of Barclays. In the secondary market, we bought housing bonds, including Wreckin Housing Group and London & Quadrant. We also bought Heathrow Airport and sold Gatwick. Later in the period, we sold British American Tobacco and our gilt holdings.

Portfolio Outlook and Strategy

High inflation, the conflict in Ukraine and the tightening policies of the central banks have made conditions tough for credit. It is likely that inflation will persist longer than many had hoped. The global economy faces multiple headwinds; our new base scenario ends with recession. Our baseline envisages further sharp interest rate hikes and tighter financial conditions causing a recession. A contraction in the US would have large negative global growth spillover, especially when combined with rapid tightening in a number of other developed and emerging economies.

The pound sterling credit market has outperformed other markets. Most notable of these is the euro market, where negative technicals remain around the ECB ending its corporate bond buying programme and the effect this will have on the market, particularly when issuance picks up. Valuations are approaching levels where we see good long-term risk-reward payoff.

Sterling IG and Aggregate Team

August 2022

abrdn Corporate Bond Fund

Continued

Risk and Reward Profile

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

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

Risk and reward indicator table as at 31 July 2022.

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

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

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

Comparative Tables

A Accumulation	2022	2021	2020
	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	190.78	184.34	173.71
Return before operating charges*	(24.39)	8.44	12.48
Operating charges	(1.90)	(2.00)	(1.85)
Return after operating charges*	(26.29)	6.44	10.63
Distributions	(4.18)	(3.63)	(3.62)
Retained distributions on accumulation shares	4.18	3.63	3.62
Closing net asset value per share	164.49	190.78	184.34
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(13.78%)	3.49%	6.12%
Other information			
Closing net asset value (£'000)	1,978	2,788	7,997
Closing number of shares	1,202,118	1,461,261	4,338,132
Operating charges	1.05%	1.07%	1.04%
Direct transaction costs	-	-	-
Prices			
Highest share price	192.7	193.5	185.6
Lowest share price	159.5	182.7	159.3

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	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	125.04	123.53	118.78
Return before operating charges*	(15.82)	5.23	8.45
Operating charges	(1.23)	(1.33)	(1.25)
Return after operating charges*	(17.05)	3.90	7.20
Distributions	(2.72)	(2.39)	(2.45)
Closing net asset value per share	105.27	125.04	123.53
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(13.64%)	3.16%	6.06%
Other information			
Closing net asset value (£'000)	2,066	2,332	306,068
Closing number of shares	1,962,875	1,865,182	247,766,425
Operating charges	1.05%	1.07%	1.04%
Direct transaction costs	-	-	-
Prices			
Highest share price	126.3	129.0	124.9
Lowest share price	102.7	121.4	107.8

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	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	223.63	215.11	201.80
Return before operating charges*	(28.69)	9.87	14.54
Operating charges	(1.27)	(1.35)	(1.23)
Return after operating charges*	(29.96)	8.52	13.31
Distributions	(5.87)	(5.24)	(5.14)
Retained distributions on accumulation shares	5.87	5.24	5.14
Closing net asset value per share	193.67	223.63	215.11
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(13.40%)	3.96%	6.60%
Other information			
Closing net asset value (£'000)	11,145	13,096	38,205
Closing number of shares	5,754,498	5,856,075	17,760,419
Operating charges	0.60%	0.62%	0.59%
Direct transaction costs	-	-	-
Prices			
Highest share price	225.9	226.2	216.5
Lowest share price	187.7	213.3	185.6

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

	2022	2021	2020
I Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	129.50	127.56	122.64
Return before operating charges*	(16.40)	5.81	8.76
Operating charges	(0.73)	(0.80)	(0.74)
Return after operating charges*	(17.13)	5.01	8.02
Distributions	(3.36)	(3.07)	(3.10)
Closing net asset value per share	109.01	129.50	127.56
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(13.23%)	3.93%	6.54%
Other information			
Closing net asset value (£'000)	36,243	45,747	12,972
Closing number of shares	33,247,167	35,325,934	10,169,380
Operating charges	0.60%	0.62%	0.59%
Direct transaction costs	-	-	-
Prices			
Highest share price	130.8	133.3	129.1
Lowest share price	106.5	125.5	111.4

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

	2022	2021	2020
I Gross Accumulation	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	255.47	245.76	230.55
Return before operating charges*	(32.77)	11.27	16.61
Operating charges	(1.45)	(1.56)	(1.40)
Return after operating charges*	(34.22)	9.71	15.21
Distributions	(6.70)	(6.01)	(5.87)
Retained distributions on accumulation shares	6.70	6.01	5.87
Closing net asset value per share	221.25	255.47	245.76
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(13.39%)	3.95%	6.60%
Other information			
Closing net asset value (£'000)	480	654	654
Closing number of shares	216,800	256,107	266,141
Operating charges	0.60%	0.62%	0.59%
Direct transaction costs	-	-	-
Prices			
Highest share price	258.1	258.4	247.4
Lowest share price	214.4	243.7	212.0

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

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

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

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

Comparative Tables

Continued

M Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	121.19	116.63	109.33
Return before operating charges*	(15.53)	5.36	8.02
Operating charges	(0.75)	(0.80)	(0.72)
Return after operating charges*	(16.28)	4.56	7.30
Distributions	(3.13)	(2.76)	(2.58)
Retained distributions on accumulation shares	3.13	2.76	2.58
Closing net asset value per share	104.91	121.19	116.63
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(13.43%)	3.91%	6.68%
Other information			
Closing net asset value (£'000)	18	21	26
Closing number of shares	17,453	17,494	21,834
Operating charges	0.65%	0.67%	0.64%
Direct transaction costs	-	-	-
Prices			
Highest share price	122.4	122.6	117.4
Lowest share price	101.7	115.7	100.7

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

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

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

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

Comparative Tables

Continued

M Income	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	113.13	111.42	106.84
Return before operating charges*	(14.31)	5.32	7.90
Operating charges	(0.68)	(0.76)	(0.70)
Return after operating charges*	(14.99)	4.56	7.20
Distributions	(2.94)	(2.85)	(2.62)
Closing net asset value per share	95.20	113.13	111.42
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(13.25%)	4.09%	6.74%
Other information			
Closing net asset value (£'000)	1	1	1
Closing number of shares	928	928	928
Operating charges	0.65%	0.67%	0.64%
Direct transaction costs	-	-	-
Prices			
Highest share price	114.3	116.5	112.8
Lowest share price	92.99	109.6	97.30

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

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

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

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

Comparative Tables

Continued

P Income	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	122.19	120.34	115.70
Return before operating charges*	(15.78)	5.49	8.26
Operating charges	(0.42)	(0.45)	(0.40)
Return after operating charges*	(16.20)	5.04	7.86
Distributions	(3.16)	(3.19)	(3.22)
Closing net asset value per share	102.83	122.19	120.34
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(13.26%)	4.19%	6.79%
Other information			
Closing net asset value (£'000)	197	41,676	83,161
Closing number of shares	191,856	34,109,140	69,106,228
Operating charges	0.35%	0.37%	0.34%
Direct transaction costs	-	-	-
Prices			
Highest share price	123.5	125.8	121.9
Lowest share price	100.5	118.4	105.1

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

	2022	2021	2020
P Gross Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	125.88	123.99	119.21
Return before operating charges*	(15.95)	5.66	8.50
Operating charges	(0.42)	(0.46)	(0.41)
Return after operating charges*	(16.37)	5.20	8.09
Distributions	(3.56)	(3.31)	(3.31)
Closing net asset value per share	105.95	125.88	123.99
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(13.00%)	4.19%	6.79%
Other information			
Closing net asset value (£'000)	17	90	2,761
Closing number of shares	16,090	71,422	2,227,019
Operating charges	0.35%	0.37%	0.34%
Direct transaction costs	-	-	-
Prices			
Highest share price	127.2	129.6	125.6
Lowest share price	103.5	122.0	108.3

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

Q Income	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	121.75	120.33	115.68
Return before operating charges*	(15.42)	5.17	8.27
Operating charges	(0.34)	(0.36)	(0.32)
Return after operating charges*	(15.76)	4.81	7.95
Distributions	(3.51)	(3.39)	(3.30)
Closing net asset value per share	102.48	121.75	120.33
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(12.94%)	4.00%	6.87%
Other information			
Closing net asset value (£'000)	1,821	6,906	343,936
Closing number of shares	1,777,179	5,671,837	285,839,321
Operating charges	0.29%	0.30%	0.27%
Direct transaction costs	-	-	-
Prices			
Highest share price	123.0	125.8	121.9
Lowest share price	100.1	118.4	105.1

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

	2020
Q Gross Income^A	pence per share
Change in net assets per share	
Opening net asset value per share	119.22
Return before operating charges*	7.88
Operating charges	(0.33)
Return after operating charges*	7.55
Distributions	(2.57)
Redemption value as at 14 July 2020	(124.20)
Closing net asset value per share	-
* after direct transaction costs of:	-
Performance	
Return after charges	6.33%
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	0.27%
Direct transaction costs	-
Prices	
Highest share price	125.1
Lowest share price	108.3

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

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

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

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

^A Q Gross Income share class was closed on 14 July 2020.

Comparative Tables

Continued

Z Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	250.70	239.95	223.97
Return before operating charges*	(32.24)	11.04	16.19
Operating charges	(0.24)	(0.29)	(0.21)
Return after operating charges*	(32.48)	10.75	15.98
Distributions	(7.78)	(7.09)	(6.87)
Retained distributions on accumulation shares	7.78	7.09	6.87
Closing net asset value per share	218.22	250.70	239.95
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(12.96%)	4.48%	7.13%
Other information			
Closing net asset value (£'000)	59,459	65,656	159,389
Closing number of shares	27,247,156	26,189,242	66,427,040
Operating charges	0.10%	0.12%	0.09%
Direct transaction costs	-	-	-
Prices			
Highest share price	253.4	252.8	241.5
Lowest share price	211.4	238.1	206.6

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 2022

Holding	Investment	Market value £'000	Percentage of total net assets
Bonds (91.82%)		104,481	92.11
Euro Denominated Bonds (1.54%)		1,123	0.99
Corporate Bonds (1.54%)		1,123	0.99
less than 5 years to maturity			
12,850,000	Lehman Brothers 4.625% 2019**	-	-
1,000,000	Cromwell EREIT 2.125% 2025	713	0.63
Perpetual			
600,000	Deutsche Bank 4.625% fixed to floating Perpetual	410	0.36
Sterling Denominated Bonds (86.62%)		98,042	86.43
Corporate Bonds (86.44%)		92,523	81.57
less than 5 years to maturity			
1,000,000	America Movil 5% 2026	1,067	0.94
1,000,000	CaixaBank 1.5% fixed to floating 2026	912	0.80
849,000	Co-Operative Bank Finance 6% fixed to floating 2027	796	0.70
983,000	Ford Motor Credit 2.748% 2024	922	0.81
1,355,000	Hammerson REIT 6% 2026	1,266	1.12
975,000	Heathrow Funding 6.75% 2026	1,088	0.96
2,659,000	HSBC 2.256% fixed to floating 2026	2,529	2.23
1,200,000	Informa 3.125% 2026	1,161	1.02
1,700,000	Metrocentre Finance REIT 8.75% 2023	896	0.79
687,000	Toyota Finance Australia 3.92% 2027	706	0.62
1,653,000	Westfield Stratford City Finance 2 1.642% 2026	1,573	1.39
between 5 and 10 years to maturity			
316,000	Anglian Water Osprey Financing 2% 2028	279	0.25
842,000	AT&T 4.375% 2029	880	0.78
2,600,000	Athene Global Funding 1.875% 2028	2,291	2.02
448,000	Berkeley 2.5% 2031	335	0.30
1,500,000	BNP Paribas 2% fixed to floating 2031	1,355	1.19
1,000,000	BNP Paribas 2.875% 2029	953	0.84
1,000,000	Cooperatieve Rabobank 1.875% fixed to floating 2028	929	0.82
1,000,000	CPUK Finance 3.69% 2028	980	0.86

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
446,000	Credit Suisse 2.125% fixed to floating 2029	375	0.33
1,200,000	Danske Bank 2.25% fixed to floating 2028	1,107	0.98
2,200,000	Digital Stout REIT 3.75% 2030	2,095	1.85
1,500,000	Fiserv 3% 2031	1,402	1.24
681,000	General Motors Financial 1.55% 2027	590	0.52
1,359,000	Heathrow Funding 6.45% 2031	1,608	1.42
2,500,000	Meadowhall Finance 4.986% 2032	1,530	1.35
1,140,000	Meadowhall Finance 4.988% 2032	720	0.64
1,245,000	MPT Operating Partnership REIT 3.692% 2028	1,089	0.96
798,000	National Australia Bank 1.699% fixed to floating 2031	707	0.62
2,374,000	Next 3.625% 2028	2,206	1.95
862,000	Pension Insurance 4.625% 2031	791	0.70
2,000,000	Premiertel 6.175% 2032	1,720	1.52
698,000	Smith (DS) 2.875% 2029	642	0.57
1,450,000	Trafford Centre Finance 7.03% 2029	575	0.51
826,000	Virgin Money UK 5.125% fixed to floating 2030	811	0.71
1,800,000	Virgin Money UK 7.875% fixed to floating 2028	1,845	1.63
1,824,000	Workspace REIT 2.25% 2028	1,524	1.34
between 10 and 15 years to maturity			
820,000	Annington Funding 3.685% 2034	756	0.67
235,000	Bazalgette Finance 2.75% 2034	216	0.19
1,500,000	Broadgate Financing 5.098% 2033	1,425	1.26
1,472,000	Comcast 1.875% 2036	1,223	1.08
1,500,000	E.ON International Finance 4.75% 2034	1,591	1.40
1,740,000	Enel 5.75% 2037	1,966	1.73
600,000	Gatwick Funding 4.625% 2034	607	0.53
1,458,000	Greene King Finance FRN 2033	867	0.76
730,000	JPMorgan Chase 1.895% fixed to floating 2033	641	0.56
1,888,000	Lloyds Banking 2.707% fixed to floating 2035	1,595	1.41
500,000	Metropolitan Housing Trust 1.875% 2036	403	0.35
793,000	Southern Gas Networks 3.1% 2036	695	0.61
2,130,000	Thames Water Utilities Finance 4.375% 2034	2,219	1.96
1,260,000	Welltower REIT 4.5% 2034	1,250	1.10
669,000	Yorkshire Water Finance 1.75% 2032	575	0.51

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
between 15 and 25 years to maturity			
1,000,000	AT&T 7% 2040	1,312	1.16
507,000	Diageo Finance 2.75% 2038	460	0.41
400,000	EDF 5.5% 2041	454	0.40
650,000	Eversholt Funding 3.529% 2042	582	0.51
300,000	London & Quadrant Housing Trust 5.5% 2040	360	0.32
274,000	McDonald's 3.75% 2038	273	0.24
370,000	Midland Heart Capital 5.087% 2044	431	0.38
253,000	Morhomes 3.4% 2038	236	0.21
1,000,000	National Grid Electricity Transmission 2% 2040	730	0.64
333,000	Prologis International Funding II 3% 2042	278	0.23
1,744,000	RMPA Services 5.337% 2038	1,403	1.24
1,938,000	Tesco Property Finance 3 5.744% 2040	1,925	1.70
1,900,000	Verizon Communications 1.875% 2038	1,434	1.26
600,000	Wheatley Capital 4.375% 2044	635	0.56
600,000	Yorkshire Housing Finance 4.125% 2044	616	0.54
greater than 25 years to maturity			
497,000	Annington Funding 2.924% 2051	355	0.31
1,400,000	Aviva 4.375% fixed to floating 2049	1,360	1.20
400,000	Blend Funding 2.922% 2054	331	0.29
400,000	Blend Funding 3.459% 2047	371	0.33
300,000	Bromford Housing 3.125% 2048	267	0.24
1,242,000	Channel Link Enterprises Finance 3.043% fixed to floating 2050	1,164	1.03
900,000	Citizen Treasury 3.25% 2048	831	0.73
600,000	Dignity Finance 4.6956% 2049	527	0.46
400,000	EDF 6% 2114	465	0.41
500,000	Engie 5% 2060	560	0.49
1,000,000	NGG Finance 5.625% fixed to floating 2073	956	0.84
1,130,000	Ørsted 2.5% fixed to floating 3021	829	0.73
800,000	Sanctuary Capital 2.375% 2050	591	0.52
500,000	University of Oxford 2.544% 2117	382	0.34
509,000	Vattenfall 2.5% fixed to floating 2083	411	0.36
600,000	Vodafone 3.375% 2049	510	0.45
700,000	Wellcome Trust 2.517% 2118	529	0.47
500,000	Wrekin Housing 2.5% 2048	388	0.34

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Perpetual			
1,233,000	Barclays 6.375% fixed to floating Perpetual	1,165	1.03
467,000	Barclays 8.875% fixed to floating Perpetual	489	0.43
500,000	EDF 5.875% fixed to floating Perpetual	440	0.39
1,000,000	EDF 6% fixed to floating Perpetual	932	0.82
2,304,000	HSBC 5.875% fixed to floating Perpetual	2,220	1.96
1,100,000	Lloyds Bank 11.75% Perpetual	2,035	1.79
799,000	National Express 4.25% fixed to floating Perpetual	714	0.63
1,211,000	NatWest 4.5% fixed to floating Perpetual	992	0.87
826,000	NatWest 5.125% fixed to floating Perpetual	733	0.65
2,559,000	NatWest FRN Perpetual	2,563	2.26
Government Bonds (0.18%)		5,519	4.86
less than 5 years to maturity			
1,000,000	UK (Govt of) 1% 2024	988	0.87
1,000,000	UK (Govt of) 1.25% 2027	984	0.87
between 15 and 25 years to maturity			
2,600,000	UK (Govt of) 4.25% 2040	3,306	2.91
greater than 25 years to maturity			
296,000	Mexico (United Mexican States) 5.625% 2114	241	0.21
US Dollar Denominated Bonds (3.66%)		5,316	4.69
Corporate Bonds (3.66%)		5,316	4.69
between 5 and 10 years to maturity			
1,600,000	Ford Motor Credit 2.9% 2028	1,149	1.01
Perpetual			
2,410,000	Australia & New Zealand Banking FRN Perpetual	1,367	1.21
3,000,000	AXA 6.379% fixed to floating Perpetual	2,800	2.47
Collective Investment Schemes (7.50%)		6,135	5.41
897,062	ASI European High Yield Bond Fund Z Acc+	1,138	1.00
2,906,002	ASI Strategic Bond Fund Z Acc+	4,997	4.41

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Derivatives (-0.83%)		(193)	(0.17)
Credit Default Swaps (-0.97%)		(10)	(0.01)
EUR 4,000,000	Buy iTraxx Europe Series 37 20/06/2027 5%	(4)	-
EUR 5,000,000	Buy iTraxx Europe Series 37 20/06/2027 5%	(8)	(0.01)
EUR 2,000,000	Sell Tesco Senior 20/06/2026 1%	2	-
Forward Currency Contracts (-0.03%)		(168)	(0.15)
	Buy GBP 62,363 Sell EUR 73,000 08/09/2022	1	-
	Buy GBP 1,366,772 Sell EUR 1,599,000 08/09/2022	20	0.02
	Buy GBP 5,851,191 Sell USD 7,365,000 08/09/2022	(189)	(0.17)
	Buy USD 100,000 Sell GBP 81,597 08/09/2022	-	-
Futures (0.17%)		(15)	(0.01)
50	Long Gilt Future 28/09/2022	(4)	-
(11)	Short US 10 Year Note (CBT) Future 21/09/2022	(11)	(0.01)
Total investment assets and liabilities		110,423	97.35
Net other assets		3,002	2.65
Total Net Assets		113,425	100.00

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

The percentage figures in brackets show the comparative holding as at 31 July 2021.

+ Managed by subsidiaries of abrdn plc.

** Defaulted.

Financial Statements

Statement of Total Return

For the year ended 31 July 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital (losses)/gains	1		(21,896)		113
Revenue	2	4,507		13,941	
Expenses	3	(470)		(2,031)	
Interest payable and similar charges	4	(7)		(15)	
Net revenue before taxation		4,030		11,895	
Taxation	5	-		-	
Net revenue after taxation			4,030		11,895
Total return before distributions			(17,866)		12,008
Distributions	6		(4,030)		(11,895)
Change in net assets attributable to shareholders from investment activities			(21,896)		113

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2022

	2022		2021	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		178,967		955,170
Amounts receivable on the issue of shares	17,401		63,613	
Amounts payable on the cancellation of shares	(63,727)		(844,172)	
		(46,326)		(780,559)
Dilution adjustment		194		1,816
Change in net assets attributable to shareholders from investment activities (see above)		(21,896)		113
Retained distribution on accumulation shares		2,478		2,420
Unclaimed distributions		8		7
Closing net assets attributable to shareholders		113,425		178,967

Financial Statements

Continued

Balance Sheet

As at 31 July 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			110,639		178,363
Current assets:					
Debtors	7	1,876		2,020	
Cash and bank balances	8	2,566		2,626	
			4,442		4,646
Total assets			115,081		183,009
Liabilities:					
Investment liabilities			(216)		(2,102)
Bank overdrafts	8	(100)		(120)	
Creditors	9	(1,030)		(1,196)	
Distribution payable		(310)		(624)	
			(1,440)		(1,940)
Total liabilities			(1,656)		(4,042)
Net assets attributable to shareholders			113,425		178,967

Notes to the Financial Statements

1 Net Capital (Losses)/Gains

	2022 £'000	2021 £'000
Non-derivative securities	(20,326)	1,879
Derivative contracts	(741)	(1,965)
Forward currency contracts	(840)	394
Other gains/(losses)	14	(195)
Transaction charges	(3)	-
Net capital (losses)/gains	(21,896)	113

2 Revenue

	2022 £'000	2021 £'000
Bank and margin interest	1	1
Income from UK Collective Investment Schemes		
Interest income	359	956
Interest on debt securities	4,144	12,842
Stocklending revenue	3	18
UK dividends	-	124
Total revenue	4,507	13,941

3 Expenses

	2022 £'000	2021 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	355	1,658
General administration charge*	105	-
Operating, administrative and servicing fees	-	373
	460	2,031
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Depositary's fees	1	-
Safe custody fees	9	-
	10	-
Total expenses	470	2,031

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

* The fixed general administration charge was introduced from 1 August 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian.

The audit fee for the year, including VAT, was £10,860 (2021: £10,743).

Notes to the Financial Statements

Continued

4 Interest Payable and Similar Charges

	2022 £'000	2021 £'000
Derivative expense	6	11
Interest payable	1	4
Total interest payable & similar charges	7	15

5 Taxation

	2022 £'000	2021 £'000
(a) Analysis of charge in year		
Total taxation (note 5b)	-	-

(b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2021: 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	4,030	11,895
Corporation tax at 20% (2021: 20%)	806	2,379
Effects of:		
Revenue not subject to taxation	-	(25)
Distributions treated as tax deductible	(806)	(2,354)
Total tax charge for year (note 5a)	-	-

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

(c) Factors that may affect future tax charge

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

6 Distributions

	2022 £'000	2021 £'000
First interim distribution	987	3,771
Second interim distribution	1,075	3,411
Third interim distribution	871	1,315
Final distribution	942	1,202
	3,875	9,699
Add: Income deducted on cancellation of shares	242	2,398
Deduct: Income received on issue of shares	(87)	(202)
Total distributions for the year	4,030	11,895

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

Notes to the Financial Statements

Continued

7 Debtors

	2022 £'000	2021 £'000
Accrued revenue	1,366	2,000
Amounts receivable from the ACD for the issue of shares	510	20
Total debtors	1,876	2,020

8 Liquidity

	2022 £'000	2021 £'000
Cash and bank balances		
Cash at bank	2,249	316
Cash at broker	317	490
Collateral cash pledged to counterparties [~]	-	1,820
	2,566	2,626
Bank overdrafts		
Collateral cash pledged by counterparties [^]	(100)	(120)
	(100)	(120)
Net liquidity	2,466	2,506

[~] 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.

[^] This reflects cash the fund has taken receipt of to support in the money derivative positions and mitigate counterparty risk to the fund.

9 Creditors

	2022 £'000	2021 £'000
Accrued expenses payable to ACD	31	41
Accrued expenses payable to the Depositary or associates of the Depositary	1	-
Amounts payable to the ACD for cancellation of shares	83	1,139
Other accrued expenses	-	16
Purchases awaiting settlement	915	-
Total creditors	1,030	1,196

10 Related Party Transactions

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

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

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

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

Notes to the Financial Statements

Continued

11 Portfolio Transaction Costs

There are no transaction costs associated with the purchases or sales of bonds, 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	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trades in the year				
Bonds	49,397	165,040	89,358	904,725
Equities	-	-	-	4,148
Collective investment schemes	-	-	6,414	24,036
Trades in the year before transaction costs	49,397	165,040	95,772	932,909
Total net trades in the year after transaction costs	49,397	165,040	95,772	932,909

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 0.91% (2021: 0.90%), this is representative of the average spread on the assets held during the year.

12 Shares in Issue Reconciliation

	Opening shares 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
A Accumulation	1,461,261	153,980	(410,091)	(3,032)	1,202,118
A Income	1,865,182	406,589	(291,969)	(16,927)	1,962,875
I Accumulation	5,856,075	1,548,769	(1,657,116)	6,770	5,754,498
I Income	35,325,934	122,717	(2,277,094)	75,610	33,247,167
I Gross Accumulation	256,107	15,037	(54,344)	-	216,800
M Accumulation	17,494	1,115	(1,156)	-	17,453
M Income	928	-	-	-	928
P Income	34,109,140	-	(33,821,746)	(95,538)	191,856
P Gross Income	71,422	-	(54,455)	(877)	16,090
Q Income	5,671,837	-	(3,920,625)	25,967	1,777,179
Z Accumulation	26,189,242	5,689,775	(4,631,861)	-	27,247,156

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).

	2022	2022	2022	2021	2021	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Bonds	5,278	99,203	-	-	164,321	-
Collective Investment Schemes	-	6,135	-	-	13,413	-
Derivatives	-	23	-	417	212	-
Total investment assets	5,278	105,361	-	417	177,946	-
Fair value of investment liabilities						
Derivatives	(15)	(201)	-	(105)	(1,997)	-
Total investment liabilities	(15)	(201)	-	(105)	(1,997)	-

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.

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
2022				
Currency				
UK Sterling	5,892	94,612	13,800	114,304
Euro	-	1,123	(1,400)	(277)
US Dollar	1,371	3,949	(5,922)	(602)
Total	7,263	99,684	6,478	113,425

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
2021				
Currency				
UK Sterling	9,063	148,350	24,189	181,602
Euro	46	2,757	(4,944)	(2,141)
US Dollar	1,709	4,902	(7,105)	(494)
Total	10,818	156,009	12,140	178,967

Other price risk

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

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

VaR

The table below indicates the VaR of the fund's financial instruments, measured as the potential one month loss (Prior year this was based on a 5 day loss) in value from adverse changes in equity prices, interest rates, inflation rates and foreign currency exchange rates, with a 99 percent confidence level. Calculated on this basis, the table indicates that the net value of the fund's financial assets and liabilities could be expected to change by more than the stated amount on only two days out of 200, in response to either price, interest rate, inflation or foreign currency exchange rate changes.

2022	Minimum	Maximum	Average
VaR 99% 1 Month	4.58%	5.49%	4.99%
2021	Minimum	Maximum	Average
VaR 99% 1 Month	1.95%	2.62%	2.39%

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 %
2022		
Investment grade securities	90,551	79.84
Below investment grade securities	13,034	11.48
Unrated securities	896	0.79
Total value of securities	104,481	92.11
	Market value £'000	Percentage of total net assets %
2021		
Investment grade securities	139,995	78.22
Below investment grade securities	24,007	13.41
Unrated securities	319	0.18
Total value of securities	164,321	91.81

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:

	2022		2021	
	Market exposure £'000	Market value £'000	Market exposure £'000	Market value £'000
Leveraged instruments				
Forward currency contracts	7,531	(168)	23,730	(52)
Futures	7,003	(15)	27,172	312
Swaps	9,248	(10)	20,621	(1,733)
Total market exposure	23,782	(193)	71,523	(1,473)

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

2022 Broker or exchange exposure	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
Bank of America Merrill Lynch	(15)	317	-	302	0.27
	(15)	317	-	302	0.27

2021 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	312	490	-	802	0.45
	312	490	-	802	0.45

Bilateral agreements

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

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

All stock lending is conducted by the stocklending agent on behalf of the fund using a standard agreement with available counterparties. It is collateralised daily with a right of recall within 24 hours.

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

2022 Counterparties	Collateral (held)/pledged					
	Swaps £'000	Forwards £'000	Stock on loan £'000	Cash £'000	Stock £'000	Net exposure £'000
Bank of America Merrill Lynch	-	-	-	-	-	-
Barclays	(8)	-	-	(100)	-	(108)
Citigroup	(4)	20	-	-	-	16
JP Morgan	2	-	-	-	-	2
Royal Bank of Canada	-	(189)	-	-	-	(189)
UBS	-	1	-	-	-	1
Total	(10)	(168)	-	(100)	-	(278)

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

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

The fund receives 85% of the revenue returns from stock lending. The gross earnings for the year are £4,000 (2021: £21,000) and expenses paid to the lending agent, Securities Finance Trust Company, are £1,000 (2021: £3,000).

Notes to the Financial Statements

Continued

2021 Counterparties	Swaps £'000	Forwards £'000	Stock on loan* £'000	Collateral (held)/pledged		Net exposure £'000
				Cash £'000	Stock £'000	
Bank of Nova Scotia	-	-	1,619	-	(1,785)	(166)
Barclays	-	(13)	567	-	(630)	(76)
BNP Paribas	-	(36)	-	-	-	(36)
Deutsche Bank	-	(5)	-	-	-	(5)
Goldman Sachs	(1,853)	-	1,250	1,820	(1,365)	(148)
JP Morgan	120	-	-	(120)	-	-
Morgan Stanley	-	(90)	-	-	-	(90)
RBC Dominion Securities	-	10	-	-	-	10
Royal Bank of Canada	-	82	-	-	-	82
Total	(1,733)	(52)	3,436	1,700	(3,780)	(429)

* 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 SFTR Issuers 2021	Type	Collateral Stock £'000
Germany (Federal Republic of)	Bond	(1,238)
France (Republic of)	Bond	(1,270)
United States Treasury Notes	Bond	(676)
Netherlands (Kingdom of)	Bond	(595)
Australia (Gov't of)	Bond	(1)
		(3,780)

Liquidity risk

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

2022	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
Derivatives					
Investment liabilities	-	204	12	-	216
Non-derivatives					
Other creditors	-	1,030	-	-	1,030
Bank overdrafts	100	-	-	-	100
Distribution payable	-	310	-	-	310
Total financial liabilities	100	1,544	12	-	1,656

Notes to the Financial Statements

Continued

2021	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
Derivatives					
Investment liabilities	-	249	1,853	-	2,102
Non-derivatives					
Other creditors	-	1,196	-	-	1,196
Bank overdrafts	120	-	-	-	120
Distribution payable	-	624	-	-	624
Total financial liabilities	120	2,069	1,853	-	4,042

15 Subsequent Events

The ACD intends to merge the abrdn Corporate Bond Fund in 2023.

Distribution Tables

For the year ended 31 July 2022 (in pence per share)

First interim interest distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 October 2021

	Revenue	Equalisation	Distribution paid 31/01/22	Distribution paid 29/01/21
A Accumulation				
Group 1	0.9560	-	0.9560	0.9724
Group 2	0.7290	0.2270	0.9560	0.9724
A Income				
Group 1	0.6262	-	0.6262	0.6501
Group 2	0.4522	0.1740	0.6262	0.6501
I Accumulation				
Group 1	1.3736	-	1.3736	1.3799
Group 2	0.5005	0.8731	1.3736	1.3799
I Income				
Group 1	0.7954	-	0.7954	0.8187
Group 2	0.4091	0.3863	0.7954	0.8187
I Gross Accumulation				
Group 1	1.5692	-	1.5692	1.5773
Group 2	0.7511	0.8181	1.5692	1.5773
M Accumulation				
Group 1	0.7279	-	0.7279	0.7343
Group 2	0.7279	-	0.7279	0.7343
M Income				
Group 1	0.7111	-	0.7111	0.7585
Group 2	0.7111	-	0.7111	0.7585
P Income				
Group 1	0.8280	-	0.8280	0.8487
Group 2	0.8280	-	0.8280	0.8487
P Gross Income				
Group 1	0.8537	-	0.8537	0.8745
Group 2	0.8537	-	0.8537	0.8745
Q Income				
Group 1	0.8431	-	0.8431	0.8700
Group 2	0.8431	-	0.8431	0.8700
Z Accumulation				
Group 1	1.8557	-	1.8557	1.8438
Group 2	1.1276	0.7281	1.8557	1.8438

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Second interim interest distribution

Group 1 – shares purchased prior to 1 November 2021

Group 2 – shares purchased between 1 November 2021 and 31 January 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
A Accumulation				
Group 1	1.2015	-	1.2015	0.8867
Group 2	0.4248	0.7767	1.2015	0.8867
A Income				
Group 1	0.7836	-	0.7836	0.5908
Group 2	0.2377	0.5459	0.7836	0.5908
I Accumulation				
Group 1	1.6653	-	1.6653	1.2884
Group 2	1.0780	0.5873	1.6653	1.2884
I Income				
Group 1	0.9565	-	0.9565	0.7592
Group 2	0.3617	0.5948	0.9565	0.7592
I Gross Accumulation				
Group 1	1.8986	-	1.8986	1.4719
Group 2	1.5124	0.3862	1.8986	1.4719
M Accumulation				
Group 1	0.8853	-	0.8853	0.6835
Group 2	0.0384	0.8469	0.8853	0.6835
M Income				
Group 1	0.8631	-	0.8631	0.7090
Group 2	0.8631	-	0.8631	0.7090
P Income				
Group 1	0.6791	-	0.6791	0.7940
Group 2	0.6791	-	0.6791	0.7940
P Gross Income				
Group 1	0.9950	-	0.9950	0.8182
Group 2	0.9950	-	0.9950	0.8182
Q Income				
Group 1	0.9874	-	0.9874	0.8161
Group 2	0.9874	-	0.9874	0.8161
Z Accumulation				
Group 1	2.1795	-	2.1795	1.7519
Group 2	0.4993	1.6802	2.1795	1.7519

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Third interim interest distribution

Group 1 – shares purchased prior to 1 February 2022

Group 2 – shares purchased between 1 February 2022 and 30 April 2022

	Revenue	Equalisation	Distribution paid 29/07/22	Distribution paid 30/07/21
A Accumulation				
Group 1	0.9549	-	0.9549	0.8224
Group 2	0.4323	0.5226	0.9549	0.8224
A Income				
Group 1	0.6187	-	0.6187	0.5217
Group 2	0.2808	0.3379	0.6187	0.5217
I Accumulation				
Group 1	1.3500	-	1.3500	1.2151
Group 2	0.7123	0.6377	1.3500	1.2151
I Income				
Group 1	0.7709	-	0.7709	0.7048
Group 2	0.5423	0.2286	0.7709	0.7048
I Gross Accumulation				
Group 1	1.5423	-	1.5423	1.4097
Group 2	1.0740	0.4683	1.5423	1.4097
M Accumulation				
Group 1	0.7200	-	0.7200	0.6163
Group 2	0.7200	-	0.7200	0.6163
M Income				
Group 1	0.6928	-	0.6928	0.6475
Group 2	0.6928	-	0.6928	0.6475
P Income				
Group 1	0.7956	-	0.7956	0.7290
Group 2	0.7956	-	0.7956	0.7290
P Gross Income				
Group 1	0.8219	-	0.8219	0.7579
Group 2	0.8219	-	0.8219	0.7579
Q Income				
Group 1	0.8091	-	0.8091	0.7712
Group 2	0.8091	-	0.8091	0.7712
Z Accumulation				
Group 1	1.8023	-	1.8023	1.6555
Group 2	0.4766	1.3257	1.8023	1.6555

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Final interest distribution

Group 1 – shares purchased prior to 1 May 2022

Group 2 – shares purchased between 1 May 2022 and 31 July 2022

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
A Accumulation				
Group 1	1.0718	-	1.0718	0.9443
Group 2	0.7737	0.2981	1.0718	0.9443
A Income				
Group 1	0.6905	-	0.6905	0.6301
Group 2	0.2495	0.4410	0.6905	0.6301
I Accumulation				
Group 1	1.4803	-	1.4803	1.3597
Group 2	0.7467	0.7336	1.4803	1.3597
I Income				
Group 1	0.8404	-	0.8404	0.7917
Group 2	0.3267	0.5137	0.8404	0.7917
I Gross Accumulation				
Group 1	1.6924	-	1.6924	1.5486
Group 2	0.9120	0.7804	1.6924	1.5486
M Accumulation				
Group 1	0.7925	-	0.7925	0.7219
Group 2	0.6833	0.1092	0.7925	0.7219
M Income				
Group 1	0.6723	-	0.6723	0.7370
Group 2	0.6723	-	0.6723	0.7370
P Income				
Group 1	0.8538	-	0.8538	0.8185
Group 2	0.8538	-	0.8538	0.8185
P Gross Income				
Group 1	0.8883	-	0.8883	0.8572
Group 2	0.8883	-	0.8883	0.8572
Q Income				
Group 1	0.8697	-	0.8697	0.9304
Group 2	0.8697	-	0.8697	0.9304
Z Accumulation				
Group 1	1.9454	-	1.9454	1.8352
Group 2	0.5130	1.4324	1.9454	1.8352

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 Income Fund

For the year ended 31 July 2022

Investment Objective

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

Performance Target: To exceed the return of SONIA by 5% per annum over rolling five year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

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

Investment Policy

Portfolio Securities

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

Management Process

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

Derivatives and Techniques

- The fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Where derivatives are used, this would mainly be in response to significant inflows into the fund so that in these instances, cash can be invested while maintaining the fund's existing allocations to company shares or management of currency risk.
- Some underlying funds invested in by the fund may use derivatives more extensively. Derivatives may be used within underlying funds to generate growth if market prices are expected to rise ("long positions") or fall ("short positions").

Performance Review

For the year ended 31 July 2022, the value of abrdn Diversified Income Fund – A Accumulation Shares decreased by 1.71% compared with an increase of 0.45% in the performance target, 1 Month GBP LIBOR.

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

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

Market Review

After a broadly positive first half of the reporting period, financial markets declined sharply in the second half of the year as investors factored in the potential impact of a number of negative risk factors. These included the invasion of Ukraine by Russia in late February, persistently high inflation, increasing central bank action to curtail inflation and the risk of recession as a result of more aggressive central bank action. This resulted in falling equity valuations but also falling bond prices as yields moved sharply higher.

Asset-backed securities were not initially impacted by rising yields as a floating rate asset class but were impacted towards the end of the reporting period by widening spreads on recessionary concerns. Emerging Market debt, measured against our funding basket, was primarily impacted by write-downs to the Russian and Ukrainian bonds held. We have written the value of the Russian bonds down to zero but retain the claim to these assets should they in due course have any value. Excluding this, Emerging Market debt produced a relatively resilient return.

abrdn Diversified Income Fund

Continued

Lastly a number of our alternative asset classes performed well. Infrastructure benefited from stable income as well as positive inflation linkage in cashflows while specialist property also performed positively on aggregate.

Portfolio Activity

The main asset allocation changes were a reduction in our exposure to listed equity and increased allocation to local currency Emerging Market debt and infrastructure. We also modestly reduced our allocation to asset-backed securities and added to property and special opportunities.

The reduction in our equity allocation primarily came in the first half of the reporting period and reflected lower long-term returns following strong performance in 2021 and rising risks from factors such as more persistent inflation and rising interest rates. In contrast, Emerging Market debt had seen yields increase which presented more attractive long-term returns.

Our higher allocation to infrastructure primarily reflected attractive opportunities to add to investments which in many cases have positive attributes such as reliable long-term income streams, direct or indirect inflation linkage and often limited economic sensitivity. We added three new positions during the period through SDCL Energy Efficiency, Pantheon Infrastructure and Harmony Energy Income Trust.

Our allocation to special opportunities increased as we introduced two precious metals royalty companies, Franco Nevada and Wheaton Precious Metals. We believe that these highly cash generative businesses are able to deliver attractive returns over the long term whilst having the potential to perform well in certain risk-off scenarios.

Lastly, in May, we moved our long JPY position from 5% to 2.5% and introduced a 2.5% long USD position. We believe that this alteration to the allocation can help reduce portfolio volatility in a broader range of risk-off scenarios.

Portfolio Outlook and Strategy

The outlook for the global economy faces multiple headwinds with our baseline scenario now ending in a recession. We expect inflation to moderate in this outcome, but in the near term, risk remains to the upside for both inflation and monetary policy. We do not believe markets have fully priced in this more negative scenario. In equities, valuations have fallen, but earnings expectations have not yet come under the pressure we expect. Interest rate markets are reflecting a significant tightening in many countries, but risks remain elevated until inflation has clearly peaked.

Many alternative asset classes are relatively unaffected by this turn in the cycle. Some have revenues with direct links to inflation or have limited economic sensitivity, for example. As such, we remain relatively cautious on many traditional asset classes and see more compelling return prospects in a number of alternative asset classes.

Overall, we believe the portfolio is positioned to deliver a highly attractive medium-term return delivered in a relatively smooth fashion.

Diversified Assets Team

August 2022

abrdn Diversified Income Fund

Continued

Risk and Reward Profile

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

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

Risk and reward indicator table as at 31 July 2022.

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

- The fund invests in emerging market equities and/or bonds. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- The fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.
- The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- Dividend payment policies of the REITs in which the fund invests are not representative of the dividend payment policy of the fund.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

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

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

Inflation reduces the buying power of your investment and income. The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

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

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

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

Comparative Tables

A Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	242.33	210.42	219.79
Return before operating charges*	(6.03)	34.66	(6.75)
Operating charges	(3.95)	(2.75)	(2.62)
Return after operating charges*	(9.98)	31.91	(9.37)
Distributions	(10.67)	(10.31)	(10.11)
Retained distributions on accumulation shares	10.67	10.31	10.11
Closing net asset value per share	232.35	242.33	210.42
* after direct transaction costs of:	0.21	0.24	0.23
Performance			
Return after charges	(4.12%)	15.16%	(4.26%)
Other information			
Closing net asset value (£'000)	14,611	16,322	16,931
Closing number of shares	6,288,636	6,735,685	8,046,482
Operating charges	1.63%	1.22%	1.22%
Direct transaction costs	0.09%	0.11%	0.11%
Prices			
Highest share price	250.0	243.0	228.6
Lowest share price	230.0	211.6	182.0

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.

Comparative Tables

Continued

A Income	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	121.17	110.06	120.54
Return before operating charges*	(2.84)	17.73	(3.65)
Operating charges	(1.94)	(1.41)	(1.40)
Return after operating charges*	(4.78)	16.32	(5.05)
Distributions	(5.23)	(5.21)	(5.43)
Closing net asset value per share	111.16	121.17	110.06
* after direct transaction costs of:	0.10	0.12	0.12
Performance			
Return after charges	(3.94%)	14.83%	(4.19%)
Other information			
Closing net asset value (£'000)	673	799	880
Closing number of shares	605,249	659,648	799,509
Operating charges	1.63%	1.22%	1.22%
Direct transaction costs	0.09%	0.11%	0.11%
Prices			
Highest share price	123.2	121.6	122.7
Lowest share price	110.4	110.5	97.21

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.

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

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Comparative Tables

Continued

	2022	2021	2020
I Accumulation	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	155.02	134.13	139.62
Return before operating charges*	(4.01)	22.00	(4.44)
Operating charges	(1.83)	(1.11)	(1.05)
Return after operating charges*	(5.84)	20.89	(5.49)
Distributions	(6.70)	(6.45)	(6.31)
Retained distributions on accumulation shares	6.70	6.45	6.31
Closing net asset value per share	149.18	155.02	134.13
* after direct transaction costs of:	0.14	0.15	0.15
Performance			
Return after charges	(3.77%)	15.57%	(3.93%)
Other information			
Closing net asset value (£'000)	27,083	23,026	24,278
Closing number of shares	18,154,626	14,853,223	18,100,510
Operating charges	1.18%	0.77%	0.77%
Direct transaction costs	0.09%	0.11%	0.11%
Prices			
Highest share price	160.1	155.4	145.5
Lowest share price	147.6	134.9	115.9

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

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

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

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

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

Comparative Tables

Continued

	2022	2021	2020
I Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	108.00	97.71	106.54
Return before operating charges*	(2.66)	15.69	(3.34)
Operating charges	(1.25)	(0.79)	(0.78)
Return after operating charges*	(3.91)	14.90	(4.12)
Distributions	(4.57)	(4.61)	(4.71)
Closing net asset value per share	99.52	108.00	97.71
* after direct transaction costs of:	0.09	0.11	0.11
Performance			
Return after charges	(3.62%)	15.25%	(3.87%)
Other information			
Closing net asset value (£'000)	125,340	143,455	130,653
Closing number of shares	125,942,256	132,829,429	133,714,603
Operating charges	1.18%	0.77%	0.77%
Direct transaction costs	0.09%	0.11%	0.11%
Prices			
Highest share price	109.8	108.4	108.6
Lowest share price	98.79	98.16	86.11

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

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

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

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

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

Comparative Tables

Continued

M Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	114.58	99.17	103.28
Return before operating charges*	(2.90)	16.29	(3.31)
Operating charges	(1.41)	(0.88)	(0.80)
Return after operating charges*	(4.31)	15.41	(4.11)
Distributions	(4.96)	(4.79)	(4.51)
Retained distributions on accumulation shares	4.96	4.79	4.51
Closing net asset value per share	110.27	114.58	99.17
* after direct transaction costs of:	0.10	0.11	0.10
Performance			
Return after charges	(3.76%)	15.54%	(3.98%)
Other information			
Closing net asset value (£'000)	302	318	277
Closing number of shares	274,136	277,951	278,942
Operating charges	1.23%	0.82%	0.82%
Direct transaction costs	0.09%	0.11%	0.11%
Prices			
Highest share price	118.4	114.9	107.6
Lowest share price	109.1	99.73	85.66

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

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

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

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

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

Comparative Tables

Continued

M Income	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	101.82	92.17	100.39
Return before operating charges*	(2.43)	14.80	(3.20)
Operating charges	(1.20)	(0.80)	(0.74)
Return after operating charges*	(3.63)	14.00	(3.94)
Distributions	(4.35)	(4.35)	(4.28)
Closing net asset value per share	93.84	101.82	92.17
* after direct transaction costs of:	0.09	0.10	0.10
Performance			
Return after charges	(3.57%)	15.19%	(3.92%)
Other information			
Closing net asset value (£'000)	909	31	28
Closing number of shares	968,866	30,731	30,837
Operating charges	1.23%	0.82%	0.82%
Direct transaction costs	0.09%	0.11%	0.11%
Prices			
Highest share price	103.6	102.2	102.2
Lowest share price	93.15	92.58	81.10

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.

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

Comparative Tables

Continued

Z Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	260.79	224.57	232.63
Return before operating charges*	(7.11)	36.63	(7.67)
Operating charges	(1.52)	(0.41)	(0.39)
Return after operating charges*	(8.63)	36.22	(8.06)
Distributions	(10.97)	(10.52)	(10.26)
Retained distributions on accumulation shares	10.97	10.52	10.26
Closing net asset value per share	252.16	260.79	224.57
* after direct transaction costs of:	0.23	0.26	0.24
Performance			
Return after charges	(3.31%)	16.13%	(3.46%)
Other information			
Closing net asset value (£'000)	2,663	3,400	4,372
Closing number of shares	1,055,600	1,303,569	1,947,112
Operating charges	0.58%	0.17%	0.17%
Direct transaction costs	0.09%	0.11%	0.11%
Prices			
Highest share price	270.0	261.5	243.1
Lowest share price	249.4	225.9	193.6

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.

Portfolio Statement

As at 31 July 2022

Holding	Investment	Market value £'000	Percentage of total net assets
Bonds (24.13%)		45,543	26.54
Brazilian Real Denominated Bonds (2.24%)		5,338	3.11
Government Bonds (2.24%)		5,338	3.11
less than 5 years to maturity			
130,000	Brazil (Fed Rep of) 6% 2023	82	0.05
5,243,000	Brazil (Fed Rep of) 10% 2023	817	0.48
13,922,000	Brazil (Fed Rep of) 10% 2025	2,080	1.21
between 5 and 10 years to maturity			
17,463,000	Brazil (Fed Rep of) 10% 2031	2,359	1.37
Chilean Peso Denominated Bonds (0.50%)		2,253	1.32
Government Bonds (0.50%)		2,253	1.32
less than 5 years to maturity			
1,300,000,000	Chile (Republic of) 5.8% 2024	1,144	0.67
between 5 and 10 years to maturity			
1,000,000,000	Chile (Republic of) 2.3% 2028	697	0.41
520,000,000	Chile (Republic of) 4.7% 2030	412	0.24
Colombian Peso Denominated Bonds (1.42%)		3,476	2.03
Government Bonds (1.42%)		3,476	2.03
less than 5 years to maturity			
5,757,200,000	Colombia (Republic of) 7.5% 2026	935	0.54
5,454,600,000	Colombia (Republic of) 10% 2024	1,004	0.59
between 5 and 10 years to maturity			
735,000,000	Colombia (Republic of) 7% 2031	100	0.06
9,998,900,000	Colombia (Republic of) 7% 2031 (Issue March 2021)	1,368	0.80
between 10 and 15 years to maturity			
543,300,000	Colombia (Republic of) 7.25% 2034	69	0.04

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Czech Koruna Denominated Bonds (0.92%)		1,949	1.14
Government Bonds (0.92%)		1,949	1.14
less than 5 years to maturity			
22,840,000	Czech Republic (Govt of) 0.45% 2023	722	0.42
19,260,000	Czech Republic (Govt of) 1% 2026	560	0.33
between 5 and 10 years to maturity			
8,740,000	Czech Republic (Govt of) 0.95% 2030	234	0.14
between 10 and 15 years to maturity			
15,710,000	Czech Republic (Govt of) 2% 2033	433	0.25
Egyptian Pound Denominated Bonds (0.44%)		-	-
Government Bonds (0.44%)		-	-
Euro Denominated Bonds (3.49%)		6,255	3.64
Corporate Bonds (3.40%)		5,926	3.45
between 5 and 10 years to maturity			
309,000	Aqueduct European CLO 4-2019 FRN 2032 'E'	211	0.12
160,000	Contego CLO VII FRN 2032 'E'	110	0.06
232,000	Last Mile Securities 2021 FRN 2031 'B'	184	0.11
1,153,000	Pietra Nera FRN 2030	907	0.53
747,000	Taurus 2021-3 DEU FRN 2030	595	0.35
between 10 and 15 years to maturity			
691,000	Aqueduct European CLO 3-2019 FRN 2034 'E'	443	0.26
587,000	Aqueduct European CLO 5-2020 FRN 2034 'ER'	376	0.22
303,000	ARBOUR CLO VIII DAC FRN 2034 'ER'	197	0.11
456,000	Aurium CLO VI FRN 2034	294	0.17
1,155,000	CVC Cordatus Loan Fund XIX FRN 2033	776	0.45
963,000	Fair Oaks Loan Funding III FRN 2034 'ER'	618	0.36
697,000	Henley CLO IV FRN 2034	442	0.26
679,000	Providus CLO IV DAC FRN 2034	440	0.26
528,000	Providus CLO V DAC FRN 2035	333	0.19

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Government Bonds (0.09%)		329	0.19
less than 5 years to maturity			
566,000	Tunisia (Republic of) 6.75% 2023	329	0.19
Hungarian Forint Denominated Bonds (0.31%)		-	-
Government Bonds (0.31%)		-	-
Indian Rupee Denominated Bonds (0.43%)		500	0.29
Corporate Bonds (0.06%)		208	0.12
less than 5 years to maturity			
20,000,000	Housing Development Finance 8.75% 2023	208	0.12
Government Bonds (0.37%)		292	0.17
less than 5 years to maturity			
28,160,000	Gujarat (State of) 7.2% 2027	292	0.17
Indonesian Rupiah Denominated Bonds (2.37%)		5,978	3.48
Government Bonds (2.37%)		5,978	3.48
less than 5 years to maturity			
17,980,000,000	Indonesia (Republic of) 5.5% 2026	960	0.56
19,236,000,000	Indonesia (Republic of) 6.5% 2025	1,072	0.62
23,899,000,000	Indonesia (Republic of) 7% 2027	1,333	0.78
between 5 and 10 years to maturity			
15,059,000,000	Indonesia (Republic of) 6.125% 2028	802	0.47
5,076,000,000	Indonesia (Republic of) 6.5% 2031	267	0.16
5,503,000,000	Indonesia (Republic of) 9% 2029	335	0.19
6,413,000,000	Indonesia (Republic of) 9.5% 2031	402	0.23
between 10 and 15 years to maturity			
13,672,000,000	Indonesia (Republic of) 8.375% 2034	807	0.47

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Kazakhstani Tenge Denominated Bonds (0.12%)		323	0.19
Corporate Bonds (0.12%)		258	0.15
less than 5 years to maturity			
50,000,000	Development Bank of Kazakhstan 8.95% 2023	74	0.04
135,500,000	Development Bank of Kazakhstan 10.95% 2026	184	0.11
Government Bonds (0.00%)		65	0.04
less than 5 years to maturity			
100,000,000	Eurasian Development Bank 10% 2024	65	0.04
Malaysian Ringgit Denominated Bonds (1.12%)		3,085	1.80
Government Bonds (1.12%)		3,085	1.80
less than 5 years to maturity			
925,000	Malaysia (Govt of) 3.478% 2024	171	0.10
2,342,000	Malaysia (Govt of) 3.9% 2026	435	0.25
between 5 and 10 years to maturity			
4,871,000	Malaysia (Govt of) 3.733% 2028	890	0.52
1,513,000	Malaysia (Govt of) 4.232% 2031	284	0.17
1,550,000	Malaysia (Govt of) 4.498% 2030	297	0.17
between 10 and 15 years to maturity			
2,955,000	Malaysia (Govt of) 3.828% 2034	527	0.31
2,661,000	Malaysia (Govt of) 3.844% 2033	481	0.28
Mexican Peso Denominated Bonds (2.73%)		4,836	2.82
Corporate Bonds (0.21%)		545	0.32
less than 5 years to maturity			
14,751,000	Petroleos Mexicanos 7.19% 2024	545	0.32

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Government Bonds (2.52%)		4,291	2.50
less than 5 years to maturity			
29,039,600	Mexico (United Mexican States) 5.75% 2026	1,067	0.62
61,548,500	Mexico (United Mexican States) 10% 2024	2,536	1.48
between 5 and 10 years to maturity			
9,932,200	Mexico (United Mexican States) 7.75% 2031	380	0.22
between 15 and 25 years to maturity			
8,441,100	Mexico (United Mexican States) 7.75% 2042	308	0.18
Peruvian Sol Denominated Bonds (0.52%)		1,531	0.89
Government Bonds (0.52%)		1,531	0.89
less than 5 years to maturity			
1,777,000	Peru (Republic of) 5.7% 2024	367	0.21
between 5 and 10 years to maturity			
3,600,000	Peru (Republic of) 6.95% 2031	697	0.41
between 10 and 15 years to maturity			
160,000	Peru (Republic of) 6.15% 2032	29	0.02
between 15 and 25 years to maturity			
2,391,000	Peru (Republic of) 6.9% 2037	438	0.25
Polish Zloty Denominated Bonds (0.31%)		567	0.33
Government Bonds (0.31%)		567	0.33
between 5 and 10 years to maturity			
3,169,000	Poland (Republic of) 5.75% 2029	567	0.33

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Romanian Leu Denominated Bonds (0.17%)		380	0.22
Government Bonds (0.17%)		380	0.22
less than 5 years to maturity			
2,525,000	Romania (Republic of) 3.65% 2025	380	0.22
Russian Ruble Denominated Bonds (1.44%)		-	-
Government Bonds (1.44%)		-	-
less than 5 years to maturity			
32,798,000	Russia (Govt of) 7.75% 2026+++	-	-
between 5 and 10 years to maturity			
209,196,000	Russia (Govt of) 6.9% 2029+++	-	-
between 10 and 15 years to maturity			
117,610,000	Russia (Govt of) 7.7% 2033+++	-	-
South African Rand Denominated Bonds (1.70%)		5,516	3.21
Government Bonds (1.70%)		5,516	3.21
less than 5 years to maturity			
19,170,000	South Africa (Republic of) 7.75% 2023	959	0.56
between 5 and 10 years to maturity			
15,100,000	South Africa (Republic of) 8% 2030	661	0.38
5,300,000	South Africa (Republic of) 8.25% 2032	224	0.13
between 10 and 15 years to maturity			
51,502,741	South Africa (Republic of) 6.25% 2036	1,704	0.99
3,700,000	South Africa (Republic of) 8.5% 2037	149	0.09
between 15 and 25 years to maturity			
16,868,600	South Africa (Republic of) 6.5% 2041	533	0.31
11,683,900	South Africa (Republic of) 8.75% 2044	463	0.27
20,042,400	South Africa (Republic of) 9% 2040	823	0.48

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Sterling Denominated Bonds (2.10%)		1,245	0.73
Corporate Bonds (2.10%)		1,245	0.73
less than 5 years to maturity			
210,000	PCL Funding IV FRN 2024 'C'	209	0.12
between 5 and 10 years to maturity			
179,000	Taurus 2021-1 UK FRN 2031	167	0.10
greater than 25 years to maturity			
898,000	Stratton Mortgage Funding 2020 -1 FRN 2052 'C'	869	0.51
Thai Baht Denominated Bonds (0.64%)		1,441	0.84
Government Bonds (0.64%)		1,441	0.84
less than 5 years to maturity			
42,415,000	Thailand (Kingdom of) 2% 2022	951	0.55
between 5 and 10 years to maturity			
10,773,000	Thailand (Kingdom of) 3.775% 2032	266	0.16
between 15 and 25 years to maturity			
10,000,000	Thailand (Kingdom of) 3.3% 2038	224	0.13
Ukrainian Hryvnia Denominated Bonds (0.28%)		109	0.06
Government Bonds (0.28%)		109	0.06
less than 5 years to maturity			
12,095,000	Ukraine (Republic of) 9.79% 2027	76	0.04
3,518,000	Ukraine (Republic of) 15.84% 2025	33	0.02
Uruguayan Peso Denominated Bonds (0.19%)		761	0.44
Government Bonds (0.19%)		761	0.44
between 5 and 10 years to maturity			
2,435,358	Uruguay (Republic of) 4.375% 2028	120	0.07
14,918,750	Uruguay (Republic of) 8.25% 2031	248	0.14
22,160,000	Uruguay (Republic of) 8.5% 2028	393	0.23

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
US Dollar Denominated Bonds (0.69%)		-	-
Government Bonds (0.69%)		-	-
Equities (62.10%)		101,370	59.08
Emerging Market Equities (0.28%)		150	0.10
Argentina (0.04%)		9	0.01
14	MercadoLibre	9	0.01
Brazil (0.07%)		44	0.03
14,300	B3 SA – Brasil Bolsa Balcao	25	0.02
1,100	Banco Santander Brasil	5	-
2,600	Gerdau (Preference)	10	0.01
600	Telefonica Brasil	4	-
Chile (0.02%)		9	0.01
768	Antofagasta	9	0.01
Israel (0.01%)		-	-
Russia (0.05%)		-	-
5,920	Alrosa+++	-	-
865	Magnit GDR+++	-	-
1,415	Mobile TeleSystems ADR+++	-	-
842	Polymetal International+++	-	-
78	Polyus+++	-	-
9,700	Sberbank of Russia+++	-	-
South Africa (0.09%)		88	0.05
152	Anglo American Platinum	10	0.01
1,981	Gold Fields	15	0.01
9,271	Growthpoint Properties REIT	6	-
1,876	Impala Platinum	17	0.01

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
148	Kumba Iron Ore	4	-
1,017	MultiChoice	6	-
6,679	Sibanye Stillwater	13	0.01
1,606	Vodacom	11	0.01
2,332	Woolworths	6	-
European Equities (7.67%)		7,146	4.16
Austria (0.03%)		-	-
Belgium (0.01%)		25	0.01
574	KBC	25	0.01
Czech (0.03%)		-	-
Denmark (0.62%)		294	0.17
10	A.P. Moller-Maersk 'B'	22	0.01
199	Chr Hansen	11	0.01
253	Coloplast 'B'	24	0.01
1,369	Novo Nordisk 'B'	132	0.08
467	Novozymes 'B'	25	0.01
364	Ørsted	35	0.02
2,099	Vestas Wind Systems	45	0.03
Finland (0.49%)		165	0.10
613	Kesko 'B'	12	0.01
923	Neste	39	0.02
6,956	Nordea Bank	56	0.03
287	Orion 'B'	11	0.01
1,413	Stora Enso 'R'	18	0.01
1,131	UPM-Kymmene	29	0.02
France (1.23%)		618	0.36
152	Amundi	7	-
3,679	AXA	69	0.04

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
511	Bouygues	13	0.01
659	Bureau Veritas	15	0.01
191	Capgemini	30	0.02
141	Covivio REIT	7	-
1,203	Danone	54	0.03
205	Eiffage	16	0.01
124	Gecina REIT	10	0.01
986	Getlink	16	0.01
43	Kering	20	0.01
459	Legrand	31	0.02
40	L'Oreal	12	0.01
69	LVMH Moet Hennessy Louis Vuitton	39	0.02
1,060	Orange	9	-
904	Schneider Electric	102	0.06
2,792	TotalEnergies	117	0.07
199	Veolia Environment	4	-
595	Vinci	47	0.03
Germany (1.10%)		453	0.26
120	Adidas	17	0.01
70	Allianz	10	0.01
347	Brenntag	20	0.01
423	Covestro	12	0.01
1,106	Deutsche Post	36	0.02
1,304	Deutsche Telekom	20	0.01
1,285	E.ON	10	-
451	Evonik Industries	8	-
1,403	Infineon Technologies	31	0.02
618	Mercedes-Benz	30	0.02
153	Muenchener Rueckversicherungs-Gesellschaft	28	0.02
141	SAP	11	0.01
46	Sartorius (Preference)	17	0.01
554	Siemens	50	0.03
112,779	Sirius Real Estate	108	0.06
2,501	Telefonica Deutschland	5	-
1,477	Vonovia	40	0.02

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Greece (0.00%)		6	-
554	OPAP	6	-
Ireland (1.81%)		3,638	2.12
574	Accenture 'A'	144	0.08
3,177,637	Greencoat Renewables++	3,219	1.88
7,680	Keywords Studios++	193	0.11
210	Medtronic	16	0.01
306	Smurfit Kappa	9	0.01
470	Trane Technologies	57	0.03
Italy (0.38%)		98	0.06
2,270	Assicurazioni Generali	28	0.02
730	FincoBank	7	-
32,479	Intesa Sanpaolo	47	0.03
606	Prysmian	16	0.01
Luxembourg (0.22%)		-	-
Netherlands (0.28%)		211	0.12
419	Akzo Nobel	23	0.01
123	ASML	57	0.03
339	Koninklijke DSM	44	0.03
7,718	Koninklijke KPN	21	0.01
1,863	Koninklijke Philips	32	0.02
641	NN	25	0.01
229	Randstad	9	0.01
Norway (0.08%)		139	0.08
289	Aker BP	8	-
452	Aker BP (Swedish listing)	13	0.01
1,951	DNB Bank	31	0.02
638	Equinor	20	0.01

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
480	Gjensidige Forsikring	8	0.01
1,009	Mowi	19	0.01
3,138	Norsk Hydro	17	0.01
226	Schibsted 'A'	3	-
237	Schibsted 'B'	3	-
1,681	Telenor	17	0.01
Portugal (0.01%)		11	0.01
1,252	Galp Energia	11	0.01
Romania (0.00%)		5	-
1,024	NEPI Rockcastle	5	-
Spain (0.34%)		139	0.08
603	Enagas	10	0.01
865	Ferrovial	19	0.01
2,142	Industria de Diseno Textil	43	0.02
411	Naturgy Energy	10	0.01
1,076	Red Electrica	17	0.01
10,978	Telefonica	40	0.02
Sweden (0.25%)		82	0.05
1,204	Atlas Copco 'A'	12	0.01
641	Boliden	18	0.01
564	Electrolux 'B'	7	-
476	Orron Energy	-	-
1,109	Skandinaviska Enskilda Banken 'A'	10	0.01
2,838	Telefonaktiebolaget LMEricsson 'B'	18	0.01
5,503	Telia	17	0.01
Switzerland (0.79%)		1,262	0.74
2,924	ABB	73	0.04
378	Adecco	11	0.01

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
174	Cie Financiere Richemont	17	0.01
72	Geberit	31	0.02
9	Givaudan	26	0.01
2,579	Glencore	12	0.01
391	Logitech International	18	0.01
982	Nestle	99	0.06
1,144	Novartis	81	0.05
656	Partners	584	0.34
143	Roche (Participating certificate)	39	0.02
14	SGS	28	0.02
152	Sika	31	0.02
628	Swiss Re	39	0.02
478	TE Connectivity	53	0.03
116	Vifor Pharma	17	0.01
289	Zurich Insurance	103	0.06
Japanese Equities (1.11%)		1,171	0.68
500	AEON	8	-
3,900	Astellas Pharma	50	0.03
1,000	Bridgestone	32	0.02
2,000	Canon	39	0.02
200	Daito Trust Construction	15	0.01
300	Denso	13	0.01
500	Eisai	19	0.01
6,900	ENEOS	22	0.01
100	Fujitsu	11	0.01
100	GMO Payment Gateway	7	-
200	Hitachi	8	-
2,200	Inpex	20	0.01
1,300	Isuzu Motors	12	0.01
2,600	ITOCHU	62	0.04
800	Kao	29	0.02
1,100	KDDI	29	0.02
1,900	Kirin	26	0.01
200	Komatsu	4	-
600	Lixil	10	0.01
2,500	Mitsubishi	61	0.04

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,100	Mitsubishi Chemical	5	-
3,100	Mitsui	56	0.03
4,830	Mizuho Financial	47	0.03
500	NEC	15	0.01
200	Nintendo	74	0.04
200	Nitto Denko	11	0.01
10	Nomura Real Estate Master Fund REIT	10	0.01
2,100	ORIX	31	0.02
6	Orix JREIT	7	-
600	SBI	10	-
900	Sekisui Chemical	10	0.01
1,500	Sekisui House	22	0.01
300	Shionogi	13	0.01
6,000	SoftBank	57	0.03
600	Sompo	22	0.01
2,500	Sumitomo	29	0.02
1,600	Sumitomo Mitsui Financial	40	0.02
300	Sysmex	17	0.01
3,500	Takeda Pharmaceutical	85	0.05
300	Tokyo Electron	85	0.05
800	Toshiba	27	0.02
5,700	Z	16	0.01
300	ZOZO	5	-
North America Equities (13.41%)		17,699	10.32
Bermuda (0.27%)		57	0.03
1,289,440	Blue Capital Alternative Income Fund*	-	-
49,901	Blue Capital Reinsurance	5	-
11,181	Catco Reinsurance Opportunities Fund	11	0.01
8,363	Catco Reinsurance Opportunities Fund 'C'	41	0.02
Canada (1.11%)		3,497	2.04
227	Agnico Eagle Mines	8	-
234	BCE	10	0.01
11,806	Brookfield Asset Management 'A'	480	0.28
913	Cameco	19	0.01

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
137	Canadian Tire 'A'	14	0.01
2,294	Enbridge	84	0.05
11,300	Franco-Nevada	1,182	0.69
635	Keyera	13	0.01
1,655	Lundin Mining	8	-
637	Magna International	33	0.02
2,101	Manulife Financial	31	0.02
531	Northland Power	14	0.01
915	Nutrien	64	0.04
5,016	Onex	218	0.13
603	Pan American Silver	10	0.01
1,196	Pembina Pipeline	37	0.02
622	Restaurant Brands International	27	0.02
249	Ritchie Bros Auctioneers	15	0.01
642	Saputo	13	0.01
190	Shopify 'A'	5	-
1,045	TELUS	20	0.01
284	Thomson Reuters	26	0.01
1,383	Toronto-Dominion Bank	74	0.04
38,134	Wheaton Precious Metals	1,068	0.62
246	WSP Global	24	0.01
Mexico (0.04%)		44	0.03
10,700	Fibra Uno Administracion REIT	9	0.01
6,000	Grupo Financiero Banorte 'O'	28	0.02
2,200	Wal-Mart de Mexico	7	-
United States (11.99%)		14,101	8.22
132	3M	16	0.01
329	Abbott Laboratories	29	0.02
751	AbbVie	89	0.05
446	Activision Blizzard	29	0.02
102	Advanced Micro Devices	8	-
269	Agilent Technologies	30	0.02
249	Alexandria Real Estate Equities REIT	34	0.02
828	Ally Financial	22	0.01

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
3,280	Alphabet 'A'	313	0.18
2,432	Amazon.com	269	0.16
107	American Express	14	0.01
397	American Water Works	51	0.03
634	Amgen	129	0.08
346	Analog Devices	49	0.03
3,327	Annaly Capital Management REIT	19	0.01
12,742	Apollo Global Management	597	0.35
6,659	Apple	889	0.52
682	Applied Materials	59	0.03
8,084	Ares Capital	129	0.06
4,375	AT&T	67	0.04
353	Automatic Data Processing	70	0.04
305	AvalonBay Communities REIT	54	0.03
1,362	Baker Hughes	29	0.02
421	Bank of America	12	0.01
83	Berkshire Hathaway 'B'	20	0.01
517	Best Buy	33	0.02
85	Bio-Techne	27	0.02
195	BlackRock	107	0.06
833	Blackstone	70	0.04
6,342	Blackstone Secured Lending Fund	122	0.07
94	Block	6	-
532	BorgWarner	17	0.01
325	Boston Properties REIT	24	0.01
873	Bristol-Myers Squibb	53	0.03
278	Broadcom	122	0.07
235	Broadridge Financial Solutions	31	0.02
323	Brown-Forman 'B'	20	0.01
183,684	Burford Capital++	1,616	0.94
450	Campbell Soup	18	0.01
482	Cardinal Health	24	0.01
348	Carlyle	11	0.01
507	Caterpillar	83	0.05
131	Church & Dwight	9	-
46	Cigna	10	0.01
4,000	Cisco Systems	149	0.09
1,047	Citigroup	45	0.03

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
140	CME	23	0.01
1,096	Cognizant Technology Solutions 'A'	61	0.03
1,255	Colgate-Palmolive	81	0.05
429	Conagra Brands	12	0.01
957	Corteva	45	0.03
304	Cummins	55	0.03
281	CVS Health	22	0.01
64	Darden Restaurants	7	-
32	Deere	9	-
1,033	Dow	45	0.03
419	DuPont de Nemours	21	0.01
793	Eaton	97	0.06
1,273	eBay	51	0.03
301	Ecolab	41	0.02
121	Electronic Arts	13	0.01
85	Elevance Health	33	0.02
167	Eli Lilly	45	0.03
707	Equity Residential REIT	45	0.03
58	Erie Indemnity 'A'	10	0.01
555	Essential Utilities	24	0.01
72	Essex Property REIT	17	0.01
80	Etsy	7	-
434	Eversource Energy	31	0.02
184	Extra Space Storage REIT	29	0.02
268	Fastenal	11	0.01
819	Fifth Third Bancorp	23	0.01
308	FMC	28	0.02
15,622	FS KKR Capital	278	0.16
1,322	General Mills	81	0.05
1,330	Gilead Sciences	65	0.04
97	Goldman Sachs	27	0.02
1,044	Halliburton	25	0.01
315	Hasbro	20	0.01
225	HCA Healthcare	39	0.02
574	Healthpeak Properties REIT	13	0.01
2,804	Hewlett Packard Enterprise	33	0.02
351	Home Depot	87	0.05
297	Hormel Foods	12	0.01

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
2,451	HP	67	0.04
34	Humana	13	0.01
3,032	Huntington Bancshares	33	0.02
2,623	Intel	78	0.04
1,151	International Business Machines	123	0.07
327	International Flavors & Fragrances	33	0.02
852	International Paper	30	0.02
945	Interpublic	23	0.01
304	Intuit	114	0.07
662	Iron Mountain REIT	26	0.01
263	JM Smucker	29	0.02
413	Johnson & Johnson	59	0.03
1,529	Johnson Controls International	68	0.04
1,704	JPMorgan Chase	161	0.09
669	Juniper Networks	15	0.01
537	Kellogg	33	0.02
276	Kimberly-Clark	30	0.02
12,313	KKR	561	0.33
125	KLA	39	0.02
948	Kraft Heinz	29	0.02
149	Lam Research	61	0.04
144	Lear	18	0.01
59	Lennox International	12	0.01
783	Lowe's	123	0.07
1,402	Lumen Technologies	13	0.01
696	Marsh & McLennan	94	0.05
209	Marvell Technology	10	0.01
566	Masco	26	0.01
372	Mastercard 'A'	108	0.06
544	McCormick	39	0.02
153	McDonald's	33	0.02
1,020	Merck	75	0.04
441	Meta Platforms	58	0.03
388	MGM Resorts International	10	0.01
2,965	Microsoft	683	0.40
68	Moderna	9	0.01
839	Mondelez International 'A'	44	0.02
340	Moody's	87	0.05

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
501	Morgan Stanley	35	0.02
802	Mosaic	35	0.02
207	Motorola Solutions	41	0.02
177	MSCI	70	0.04
240	Nasdaq	36	0.02
509	NetApp	30	0.02
36	Netflix	7	-
861	Newell Brands	14	0.01
1,715	Newmont	64	0.04
338	NIKE 'B'	32	0.02
1,335	NortonLifeLock	27	0.02
1,204	NVIDIA	179	0.10
29,751	Oaktree Specialty Lending	172	0.10
265	ONEOK	13	0.01
355	Paramount Global 'B'	7	-
60	PayPal	4	-
267	PepsiCo	38	0.02
4,060	Pfizer	168	0.10
177	Phillips 66	13	0.01
97	PNC Financial Services	13	0.01
297	PPG Industries	32	0.02
448	Principal Financial	25	0.01
262	Procter & Gamble	30	0.02
1,020	Progressive	96	0.06
1,050	Prologis REIT	114	0.07
825	Prudential Financial	68	0.04
574	Qualcomm	68	0.04
380	Regency Centers REIT	20	0.01
1,782	Regions Financial	31	0.02
282	ResMed	56	0.03
180	Robert Half International	12	0.01
83	Rockwell Automation	17	0.01
347	S&P Global	107	0.06
1,589	Schlumberger	48	0.03
468	Seagate Technology	31	0.02
19,403	Sixth Street Specialty Lending	306	0.18
188	Snap 'A'	2	-
1,882	Starbucks	131	0.08

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
42	STERIS	8	-
471	T Rowe Price	48	0.03
263	Target	35	0.02
305	Tesla	223	0.13
908	Texas Instruments	133	0.08
14	Thermo Fisher Scientific	7	-
131	TransUnion	9	-
2,145	Truist Financial	89	0.05
44	Twilio 'A'	3	-
661	UDR REIT	26	0.02
639	Union Pacific	119	0.07
569	United Parcel Service 'B'	91	0.05
340	UnitedHealth	151	0.09
850	Valero Energy	77	0.05
845	Ventas REIT	37	0.02
3,657	Verizon Communications	139	0.08
727	VF	27	0.01
320	Visa 'A'	56	0.03
393	Vornado Realty REIT	10	0.01
92	W.W. Grainger	41	0.02
261	Walgreens Boots Alliance	8	-
121	WalMart	13	0.01
837	Waste Management	113	0.07
120	West Pharmaceutical Services	34	0.02
399	Westinghouse Air Brake Technologies	31	0.02
411	WestRock	14	0.01
1,635	Weyerhaeuser REIT	49	0.03
128	Whirlpool	18	0.01
397	Williams	11	0.01
317	Yum! Brands	32	0.02
Pacific Basin Equities (1.69%)		1,663	0.96
Australia (0.39%)		436	0.25
2,646	APA	17	0.01
4,879	Aurizon	11	0.01
3,498	Brambles	23	0.01
2,866	Coles	31	0.02

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
923	Commonwealth Bank of Australia	53	0.03
2,730	Dexus REIT	15	0.01
3,696	Fortescue Metals	39	0.02
4,193	GPT REIT	11	-
6,670	Medibank	13	0.01
8,468	Mirvac REIT	10	-
353	Ramsay Health Care	14	0.01
5,965	Stockland REIT	13	0.01
3,063	Suncorp	20	0.01
29,503	Tabcorp	17	0.01
10,112	Telstra	23	0.01
5,225	Transurban	43	0.02
1,717	Treasury Wine Estates	12	0.01
9,701	Vicinity Centres REIT	11	0.01
1,812	Wesfarmers	48	0.03
1,000	Westpac Banking	12	0.01
China (0.35%)		340	0.20
2,336	Alibaba	23	0.01
1,000	ANTA Sports Products	9	0.01
5,000	China Medical System	7	-
7,200	China Pacific Insurance 'H'	13	0.01
6,000	COSCO Shipping 'H'	7	0.01
19,000	Country Garden	6	-
5,000	Country Garden Services	9	0.01
17,000	CRRC 'H'	5	-
20,000	CSPC Pharmaceutical	18	0.01
137	Daqo New Energy ADR	7	-
1,120	Ganfeng Lithium 'H'	8	0.01
5,500	Great Wall Motor 'H'	7	-
114	JD.com 'A'	3	-
2,600	Kingsoft	7	-
18,000	Lenovo	14	0.01
2,500	Li Ning	17	0.01
500	Meituan 'B'	9	0.01
183	NetEase ADR	14	0.01

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
480	NIO ADR	8	0.01
4,500	Ping An Insurance 'H'	22	0.01
1,200	Shenzhou International	10	0.01
1,800	Tencent	58	0.03
6,000	Weichai Power 'H'	7	-
1,200	WuXi AppTec 'H'	12	0.01
2,000	Yadea	4	-
904	Yum China	36	0.02
Hong Kong (0.10%)		128	0.07
7,000	Geely Automobile	11	0.01
1,900	Hong Kong Exchanges & Clearing	71	0.04
4,500	Link REIT	31	0.02
8,000	Sino Land	10	-
1,000	Swire Pacific 'A'	5	-
India (0.12%)		110	0.06
1,549	Axis Bank	12	0.01
1,156	Dabur India	7	-
1,449	DLF	6	-
184	Info Edge India	8	0.01
3,411	Infosys	55	0.03
1,832	Mahindra & Mahindra	22	0.01
Indonesia (0.00%)		4	-
17,800	Unilever Indonesia	4	-
Malaysia (0.02%)		25	0.01
5,800	Hartalega	3	-
8,400	Malayan Banking	14	0.01
4,200	RHB Bank	5	-
17,500	Top Glove	3	-

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
New Zealand (0.02%)		21	0.01
3,462	Meridian Energy	9	-
4,453	Spark New Zealand	12	0.01
Philippines (0.01%)		-	-
Singapore (0.10%)		63	0.04
2,000	DBS	37	0.02
128	JOYY ADR	3	-
806	Oversea-Chinese Banking	6	0.01
11,100	Singapore Telecommunications	17	0.01
South Korea (0.14%)		150	0.09
211	Hyundai Engineering & Construction	6	-
5	Hyundai Engineering & Construction (Preference)	-	-
44	Hyundai Glovis	5	-
135	Hyundai Mobis	19	0.01
412	Kia	21	0.01
23	LG Household & Health Care	11	0.01
1,341	Samsung Electronics	52	0.03
201	Samsung Life Insurance	8	0.01
62	Samsung SDI	22	0.01
105	S-Oil	6	0.01
Taiwan (0.43%)		369	0.22
20,000	AU Optronics	7	-
17,000	Cathay Financial	21	0.01
3,150	Chailease	18	0.01
41,000	CTBC Financial	26	0.02
4,000	Delta Electronics	28	0.02
5,000	Far EasTone Telecommunications	10	0.01
16,453	Fubon Financial	25	0.02
1,000	Hotai Motor	17	0.01

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
22,000	Innolux	6	-
6,000	Lite-On Technology	11	0.01
1,000	MediaTek	19	0.01
1,000	Novatek Microelectronics	7	-
3,000	Ruentex Development	5	-
25,000	SinoPac Financial	12	0.01
7,000	Taiwan Semiconductor Manufacturing	97	0.06
1,000	Unimicron Technology	4	-
11,000	Uni-President Enterprises	21	0.01
21,000	United Microelectronics	23	0.01
21,000	Yuanta Financial	12	0.01
Thailand (0.01%)		17	0.01
3,400	PTT Exploration & Production (Alien Market)	12	0.01
5,600	PTT Global Chemical (Alien Market)	5	-
UK Equities (37.94%)		73,541	42.86
Basic Materials (0.26%)		268	0.16
2,791	Anglo American	82	0.05
5,297	Hill & Smith	70	0.04
461	Johnson Matthey	10	0.01
355	Linde	88	0.05
372	Rio Tinto	18	0.01
Consumer Discretionary (0.65%)		1,368	0.80
2,284	Barratt Developments	11	0.01
291	Berkeley	12	0.01
948	Burberry	17	0.01
7,069	CVS++	121	0.07
28,664	Dr. Martens	74	0.04
7,547	Dunelm	64	0.04
6,359	Focusrite++	70	0.04
7,269	Future	133	0.08
1,431	Games Workshop	111	0.06

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
4,975	GlobalData++	47	0.03
47,037	Hollywood Bowl	94	0.05
70,821	JD Sports Fashion	92	0.05
5,873	Jet2++	54	0.03
5,022	Kingfisher	13	0.01
9,662	Next Fifteen Communications++	99	0.06
767	Persimmon	14	0.01
29,936	Pets at Home	98	0.06
684	RELX	17	0.01
8,674	Taylor Wimpey	11	-
15,119	Team17++	66	0.04
16,900	Watches of Switzerland	150	0.09
Consumer Staples (0.28%)		387	0.22
273	Coca-Cola Europacific Partners	12	0.01
2,157	Cranswick	72	0.04
5,666	Greggs	115	0.07
7,672	Hilton Food	85	0.05
13,249	Hotel Chocolat++	18	0.01
95	Reckitt Benckiser	6	-
4,124	Sainsbury (J)	9	-
1,744	Unilever	70	0.04
Energy (0.07%)		155	0.09
22,799	BP	91	0.05
16,902	Serica Energy++	64	0.04
Financials (27.64%)		52,258	30.46
66,798	3i	848	0.49
869,893	3i Infrastructure	2,910	1.70
939,291	Aberdeen Diversified Income and Growth Trust+	902	0.53
459	Admiral	9	0.01
24,852	AJ Bell	78	0.05
3,350	Alpha FX++	61	0.04

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
203,768	Apax Global Alpha	344	0.20
1,465,994	Aquila European Renewables Income Fund	1,232	0.72
4,790,207	BioPharma Credit	3,743	2.18
737,000	Blackstone Loan Financing	449	0.26
1,329,415	Bluefield Solar Income Fund	1,788	1.04
2,440,500	Cordiant Digital Infrastructure	2,599	1.52
910,811	CVC Income & Growth	858	0.50
1,389,101	Fair Oaks Income	547	0.32
1,169,136	Foresight Solar Fund	1,431	0.83
1,662,062	GCP Asset Backed Income Fund	1,526	0.89
875,975	GCP Infrastructure Investments	997	0.58
2,213,931	Greencoat UK Wind	3,407	1.99
1,032,126	Gresham House Energy Storage Fund	1,646	0.96
17,357	HarbourVest Global Private Equity	417	0.24
802,000	Harmony Energy Income Trust	882	0.51
39,673	HgCapital Trust	149	0.09
1,948,829	HICL Infrastructure	3,375	1.97
145,457	Honeycomb Investment Trust	1,306	0.76
15,327	Impax Asset Management++	110	0.06
40,896	Intermediate Capital	622	0.36
1,480,074	International Public Partnerships	2,410	1.41
731,126	JLEN Environmental Assets	908	0.53
17,223	JTC	128	0.07
5,869	Legal & General	15	0.01
5,279	Liontrust Asset Management	55	0.03
5,882	M&G	13	0.01
36,797	Molten Ventures	176	0.10
1,534,304	NextEnergy Solar Fund	1,731	1.01
16,017	OSB	84	0.05
1,269,000	Pantheon Infrastructure	1,326	0.77
253,800	Pantheon Infrastructure (Rights)	6	-
190,481	Pantheon International	492	0.29
61,299	Petershill Partners	143	0.08
1,821,276	Renewables Infrastructure	2,510	1.46
1,987,983	Round Hill Music Royalty Fund	1,599	0.93
974,230	Sdcl Energy Efficiency Income Trust	1,196	0.70
2,169,772	Sequoia Economic Infrastructure Income Fund	1,905	1.11

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,460,715	SLF Realisation Fund	94	0.06
1,034,582	SLF Realisation Fund 'C'	70	0.04
62,916	SME Credit Realisation Fund	60	0.03
443	St James's Place	5	-
1,324,644	Tufton Oceanic Assets	1,327	0.77
2,449,341	TwentyFour Income Fund	2,474	1.44
1,805,000	US Solar Fund	1,295	0.76
Health Care (0.26%)		267	0.15
222	AstraZeneca	24	0.01
2,597	Craneware++	49	0.03
2,138	Dechra Pharmaceuticals	79	0.05
1,459	Genus	41	0.02
3,524	GSK	61	0.03
4,405	Haleon	13	0.01
Industrials (0.54%)		689	0.40
56,108	Chemring	194	0.11
11,235	FDM	103	0.06
17,648	Genuit	75	0.04
377	Intertek	16	0.01
33,016	Marshalls	163	0.10
26,683	Midwich++	138	0.08
Real Estate (7.38%)		16,471	9.60
3,698,900	Assura REIT	2,539	1.48
1,397,969	Civitas Social Housing REIT	1,156	0.67
1,831,500	Home REIT	2,176	1.27
237,000	Industrials REIT	397	0.23
658,200	Primary Health Properties REIT	971	0.57
1,604,058	PRS REIT	1,761	1.03
824,000	Residential Secure Income REIT	906	0.53
13,090	Safestore REIT	149	0.09
827	Segro REIT	9	-

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,315,039	Supermarket Income REIT	1,690	0.98
1,463,119	Target Healthcare REIT	1,680	0.98
1,342,985	Triple Point Social Housing REIT	1,250	0.73
680,349	Tritax Big Box REIT	1,341	0.78
252,171	Urban Logistics REIT	446	0.26
Technology (0.65%)		1,248	0.73
3,789	Alphawave IP	5	-
21,506	Auction Technology	214	0.12
9,936	Auto Trader	63	0.04
289	AVEVA	7	-
25,732	Big Technologies++	67	0.04
49,370	Bytes Technology	223	0.13
6,964	Computacenter	181	0.11
16,818	DiscoverIE	127	0.07
16,397	GB++	83	0.05
14,633	Kainos	200	0.12
5,568	Softcat	78	0.05
Telecommunications (0.18%)		395	0.23
5,844	Gamma Communication++	65	0.04
26,433	Spirent Communications	74	0.04
8,277	Telecom Plus	186	0.11
58,130	Vodafone	70	0.04
Utilities (0.03%)		35	0.02
569	Severn Trent	17	0.01
1,695	United Utilities	18	0.01
Collective Investment Schemes (8.74%)		14,363	8.37
3,267	Alpha UCITS SICAV - Fair Oaks Dynamic Credit Fund L2 GBP	2,774	1.62
10,254,196	MI Twentyfour Asset Backed Opportunities Fund I Inc	9,163	5.34

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
237,421	Neuberger Berman CLO Income Fund I2 Inc	1,914	1.11
119,420	Oakley Capital Investments	512	0.30
Derivatives (0.39%)		(760)	(0.44)
Exchange Traded Options (-0.11%)		-	-
Forward Currency Contracts (0.48%)		(821)	(0.48)
	Buy AUD 563,000 Sell GBP 321,006 08/09/2022	2	-
	Buy AUD 739,000 Sell GBP 416,752 08/09/2022	7	0.01
	Buy CAD 616,000 Sell GBP 387,127 08/09/2022	7	0.01
	Buy CAD 753,000 Sell GBP 484,284 08/09/2022	(3)	-
	Buy EUR 70,000 Sell GBP 59,718 08/09/2022	(1)	-
	Buy EUR 79,000 Sell GBP 68,710 08/09/2022	(2)	-
	Buy EUR 289,000 Sell GBP 250,971 08/09/2022	(8)	-
	Buy EUR 417,000 Sell GBP 360,861 08/09/2022	(10)	(0.01)
	Buy EUR 665,000 Sell GBP 574,729 08/09/2022	(15)	(0.01)
	Buy GBP 9,343,498 Sell AUD 16,391,000 08/09/2022	(63)	(0.04)
	Buy GBP 8,837,819 Sell CAD 14,092,000 08/09/2022	(172)	(0.10)
	Buy GBP 242,289 Sell EUR 283,000 08/09/2022	4	-
	Buy GBP 14,657,544 Sell EUR 17,148,000 08/09/2022	214	0.12
	Buy GBP 9,108,172 Sell NOK 107,943,000 08/09/2022	(66)	(0.04)
	Buy GBP 9,018,898 Sell NZD 17,496,000 08/09/2022	(9)	(0.01)
	Buy GBP 298,997 Sell SEK 3,695,000 08/09/2022	-	-
	Buy GBP 8,811,819 Sell SEK 108,628,000 08/09/2022	22	0.01
	Buy GBP 30,861 Sell USD 38,000 08/09/2022	-	-
	Buy GBP 91,858 Sell USD 110,000 08/09/2022	2	-
	Buy GBP 330,543 Sell USD 394,000 08/09/2022	7	0.01
	Buy GBP 553,695 Sell USD 680,000 08/09/2022	(4)	-
	Buy GBP 874,800 Sell USD 1,064,000 08/09/2022	2	-
	Buy GBP 1,257,978 Sell USD 1,584,000 08/09/2022	(41)	(0.02)
	Buy GBP 21,035,745 Sell USD 26,501,000 08/09/2022	(699)	(0.41)
	Buy JPY 506,986,000 Sell GBP 3,143,791 08/09/2022	(13)	(0.01)
	Buy NOK 4,128,000 Sell GBP 343,288 08/09/2022	8	0.01
	Buy NOK 5,615,000 Sell GBP 461,033 08/09/2022	16	0.01
	Buy NZD 557,000 Sell GBP 287,839 08/09/2022	-	-
	Buy NZD 1,035,000 Sell GBP 528,834 08/09/2022	5	-
	Buy SEK 3,878,000 Sell GBP 313,720 08/09/2022	-	-

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
	Buy SEK 5,173,000 Sell GBP 414,695 08/09/2022	4	-
	Buy USD 55,000 Sell GBP 45,634 08/09/2022	(1)	-
	Buy USD 90,000 Sell GBP 71,566 08/09/2022	2	-
	Buy USD 165,000 Sell GBP 136,479 08/09/2022	(1)	-
	Buy USD 172,000 Sell GBP 140,079 08/09/2022	1	-
	Buy USD 261,000 Sell GBP 207,170 08/09/2022	7	0.01
	Buy USD 393,000 Sell GBP 320,603 08/09/2022	2	-
	Buy USD 556,000 Sell GBP 468,927 08/09/2022	(13)	(0.01)
	Buy USD 692,000 Sell GBP 572,385 08/09/2022	(5)	-
	Buy USD 744,000 Sell GBP 604,180 08/09/2022	6	-
	Buy USD 2,206,000 Sell GBP 1,822,610 08/09/2022	(13)	(0.01)
Futures (0.02%)		61	0.04
48	Long Euro Stoxx 50 Future 16/09/2022	88	0.05
13	Long FTSE 100 Index Future 16/09/2022	31	0.02
15	Long S&P 500 E-mini Future 16/09/2022	186	0.11
15	Long S&P 500 Micro E-mini Future 16/09/2022	20	0.01
(132)	Short FTSE 250 Index Future 16/09/2022	(264)	(0.15)
Total investment assets and liabilities		160,516	93.55
Net other assets		11,065	6.45
Total Net Assets		171,581	100.00

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

The percentage figures in brackets show the comparative holding as at 31 July 2021.

+ Managed by subsidiaries of abrdn plc.

** AIM listed.

+++ Priced per abrdn FVC.

* Delisted.

Financial Statements

Statement of Total Return

For the year ended 31 July 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital (losses)/gains	1		(13,505)		19,344
Revenue	2	8,998		9,062	
Expenses	3	(1,253)		(1,312)	
Interest payable and similar charges		(1)		(2)	
Net revenue before taxation		7,744		7,748	
Taxation	4	(1,078)		(1,026)	
Net revenue after taxation			6,666		6,722
Total return before distributions			(6,839)		26,066
Distributions	5		(7,912)		(8,026)
Change in net assets attributable to shareholders from investment activities			(14,751)		18,040

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2022

	2022		2021	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		187,351		177,419
Amounts receivable on the issue of shares	19,095		14,898	
Amounts payable on the cancellation of shares	(21,887)		(25,021)	
		(2,792)		(10,123)
Dilution adjustment		-		40
Change in net assets attributable to shareholders from investment activities (see above)		(14,751)		18,040
Retained distribution on accumulation shares		1,773		1,975
Closing net assets attributable to shareholders		171,581		187,351

Financial Statements

Continued

Balance Sheet

As at 31 July 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			161,919		179,439
Current assets:					
Debtors	6	1,931		2,652	
Cash and bank balances	7	11,970		7,522	
			13,901		10,174
Total assets			175,820		189,613
Liabilities:					
Investment liabilities			(1,403)		(774)
Provisions for liabilities	8		(9)		-
Bank overdrafts	7	-		(36)	
Creditors	9	(2,416)		(963)	
Distribution payable		(411)		(489)	
			(2,827)		(1,488)
Total liabilities			(4,239)		(2,262)
Net assets attributable to shareholders			171,581		187,351

Notes to the Financial Statements

1 Net Capital (Losses)/Gains

	2022 £'000	2021 £'000
Non-derivative securities	(7,312)	17,811
Derivative contracts	(59)	(1,510)
Forward currency contracts	(6,134)	3,148
Other gains/(losses)	70	(104)
Transaction charges	(70)	(1)
Net capital (losses)/gains	(13,505)	19,344

2 Revenue

	2022 £'000	2021 £'000
ACD fee rebates on collective investment scheme holdings	9	10
Derivative revenue	615	1,112
Income from Overseas Collective Investment Schemes		
Unfranked income	426	858
Income from UK Collective Investment Schemes		
Interest income	524	242
Interest on debt securities	3,624	3,010
Overseas dividends	785	1,041
Overseas REIT	23	37
Stocklending revenue	1	1
UK dividends	2,393	2,364
UK REIT	598	387
Total revenue	8,998	9,062

3 Expenses

	2022 £'000	2021 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	1,155	1,133
Dealing charge	1	-
General administration charge*	73	-
Operating, administrative and servicing fees	-	179
	1,229	1,312

Notes to the Financial Statements

Continued

	2022 £'000	2021 £'000
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fees	24	-
	24	-
Total expenses	1,253	1,312

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

* The fixed general administration charge was introduced from 1 August 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian. The audit fee for the year, including VAT, was £8,460 (2021: £8,389).

4 Taxation

	2022 £'000	2021 £'000
(a) Analysis of charge in year		
Corporation tax	936	875
Double taxation relief	(71)	(48)
Adjustments in respect of prior periods	-	(25)
Overseas taxes	195	232
Overseas capital gains tax	9	13
Total current tax	1,069	1,047
Deferred tax (note 4c)	9	(21)
Total taxation (note 4b)	1,078	1,026

(b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2021: 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:

	2022	2021
Net revenue before taxation	7,744	7,748
Corporation tax at 20% (2021: 20%)	1,549	1,550
Effects of:		
Revenue not subject to taxation	(613)	(675)
Overseas taxes	195	232
Double taxation relief	(71)	(48)
Adjustments in respect of prior periods	-	(25)
Overseas capital gains tax	9	13
Deferred tax charge in statement of total return for year	9	(21)
Total tax charge for year (note 4a)	1,078	1,026

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

	2022 £'000	2021 £'000
(c) Deferred tax		
Deferred tax charge at the start of the year	-	21
Deferred tax charge in statement of total return for year (note 4a)	9	(21)
Provision at the end of the year	9	-

(d) Factors that may affect future tax charge

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

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

	2022 £'000	2021 £'000
First interim distribution	712	665
Second interim distribution	698	674
Third interim distribution	697	658
Fourth interim distribution	705	678
Fifth interim distribution	720	680
Sixth interim distribution	595	672
Seventh interim distribution	525	662
Eighth interim distribution	610	658
Ninth interim distribution	654	671
Tenth interim distribution	807	677
Eleventh interim distribution	619	692
Final distribution	558	643
	7,900	8,030
Add: Income deducted on cancellation of shares	45	20
Deduct: Income received on issue of shares	(33)	(24)
Total distributions for the year	7,912	8,026
Movement between net revenue and distributions		
Net revenue after taxation	6,666	6,722
Expenses charged to capital	1,228	1,312
Overseas capital gains tax on realised gains	9	13
Overseas deferred capital gains tax on unrealised gains	9	(21)
Total distributions for the year	7,912	8,026

Notes to the Financial Statements

Continued

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

	2022 £'000	2021 £'000
Accrued revenue	1,236	979
Amounts receivable from brokers on options	-	94
Amounts receivable from the ACD for the issue of shares	338	1,432
Management fee rebate receivable	-	1
Overseas withholding tax recoverable	86	82
Sales awaiting settlement	271	64
Total debtors	1,931	2,652

7 Liquidity

	2022 £'000	2021 £'000
Cash and bank balances		
Cash at bank	11,098	1,087
Cash at broker	872	6,435
	11,970	7,522
Bank overdrafts		
Overdraft at bank	-	(36)
	-	(36)
Net liquidity	11,970	7,486

8 Provisions for Liabilities

	2022 £'000	2021 £'000
The provisions for liabilities comprise:		
Overseas capital gains tax	9	-
Total provisions for liabilities	9	-

Notes to the Financial Statements

Continued

9 Creditors

	2022 £'000	2021 £'000
Accrued expenses payable to ACD	97	99
Accrued expenses payable to the Depositary or associates of the Depositary	15	-
Amounts payable to the ACD for cancellation of shares	1	61
Corporation tax payable	456	464
Other accrued expenses	-	16
Purchases awaiting settlement	1,847	323
Total creditors	2,416	963

10 Related Party Transactions

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

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

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

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

11 Portfolio Transaction Costs

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	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trades in the year				
Bonds	32,878	40,079	29,615	41,292
Equities	54,672	72,599	70,389	80,458
Collective investment schemes	876	7,548	1,044	8,367
Corporate actions	149	174	1,372	2,101
Trades in the year before transaction costs	88,575	120,400	102,420	132,218

Notes to the Financial Statements

Continued

Trades in the year	Purchases		Sales	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Commissions				
Equities	23	27	(60)	(65)
Collective investment schemes	-	1	-	-
Total commissions	23	28	(60)	(65)
Taxes				
Equities	73	87	(3)	(3)
Collective investment schemes	1	2	-	(7)
Total taxes	74	89	(3)	(10)
Total transaction costs	97	117	(63)	(75)
Total net trades in the year after transaction costs	88,672	120,517	102,357	132,143

Total transaction costs expressed as a percentage of asset type cost	Purchases		Sales	
	2022 %	2021 %	2022 %	2021 %
Commissions				
Equities	0.04	0.04	0.08	0.08
Collective investment schemes	0.02	0.01	0.02	0.01
Taxes				
Equities	0.13	0.12	-	-
Collective investment schemes	0.07	0.02	-	0.09

Total transaction costs expressed as a percentage of net asset value	2022 %	2021 %
Commissions	0.05	0.05
Taxes	0.04	0.06

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.72% (2021: 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 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
A Accumulation	6,735,685	300,248	(723,655)	(23,642)	6,288,636
A Income	659,648	60,963	(115,362)	-	605,249
I Accumulation	14,853,223	5,522,946	(2,261,054)	39,511	18,154,626
I Income	132,829,429	8,330,343	(15,217,516)	-	125,942,256
M Accumulation	277,951	-	(965)	(2,850)	274,136
M Income	30,731	983,115	(44,980)	-	968,866
Z Accumulation	1,303,569	74,542	(322,213)	(298)	1,055,600

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).

	2022 £'000	2022 £'000	2022 £'000	2021 £'000	2021 £'000	2021 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Bonds	-	45,543	-	-	45,210	-
Equities*	101,370	-	-	116,328	-	14
Collective Investment Schemes	-	14,363	-	-	16,379	-
Derivatives	325	318	-	109	1,399	-
Total investment assets	101,695	60,224	-	116,437	62,988	14
Fair value of investment liabilities						
Derivatives	(264)	(1,139)	-	(295)	(479)	-
Total investment liabilities	(264)	(1,139)	-	(295)	(479)	-

* Due to an asset in the portfolio being unlisted at the prior year end date, this is reflected in Level 3 of the fair value hierarchy. The valuation has been reviewed by the ACD FVP committee.

14 Risk Management Policies and Disclosures

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

Foreign currency risk

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

Notes to the Financial Statements

Continued

Interest rate risk

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

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

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

2022	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
Currency				
UK Sterling	12,782	-	145,218	158,000
Australian Dollar	-	-	(8,220)	(8,220)
Brazilian Real	-	5,384	5,549	10,933
Canadian Dollar	1	-	(4,635)	(4,634)
Chilean Peso	-	2,279	12	2,291
Colombian Peso	-	3,477	(73)	3,404
Czech Koruna	8	1,949	(124)	1,833
Danish Krone	-	-	295	295
Egyptian Pound	2	-	-	2
Euro	6,128	329	(6,733)	(276)
Hong Kong Dollar	2	-	403	405
Indian Rupee	47	501	116	664
Indonesian Rupiah	1	5,978	(308)	5,671
Japanese Yen	-	-	4,302	4,302
Kazakhstan Tenge	-	323	9	332
Malaysian Ringgit	-	3,085	(124)	2,961
Mexican Peso	1	4,836	(140)	4,697
New Zealand Dollar	-	-	(8,186)	(8,186)
Norwegian Krone	-	-	(8,217)	(8,217)
Peruvian New Sol	-	1,531	52	1,583
Polish Zloty	-	567	55	622
Romanian Leu	16	380	-	396
Singapore Dollar	-	-	60	60
South Africa Rand	-	5,516	13	5,529
South Korean Won	-	-	151	151
Swedish Krona	-	-	(8,207)	(8,207)
Swiss Franc	-	-	1,194	1,194
Taiwan Dollar	2	-	382	384

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
2022				
Thai Baht	-	1,440	22	1,462
Ukraine Hryvna	-	109	29	138
Uruguay Peso	120	641	19	780
US Dollar	150	-	1,082	1,232
Total	19,260	38,325	113,996	171,581

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
2021				
Currency				
UK Sterling	7,225	-	171,944	179,169
Australian Dollar	-	-	(7,911)	(7,911)
Brazilian Real	124	4,071	112	4,307
Canadian Dollar	1	-	(6,028)	(6,027)
Chilean Peso	331	601	12	944
Colombian Peso	60	2,652	87	2,799
Czech Koruna	-	1,727	11	1,738
Danish Krone	-	-	1,165	1,165
Egyptian Pound	-	822	34	856
Euro	5,814	1,107	(8,665)	(1,744)
Hong Kong Dollar	1	-	681	682
Hungarian Forint	-	588	9	597
Indian Rupee	67	798	240	1,105
Indonesian Rupiah	-	4,445	69	4,514
Israeli Shekel	-	-	26	26
Japanese Yen	-	-	9,072	9,072
Kazakhstan Tenge	-	231	6	237
Malaysian Ringgit	-	2,101	50	2,151
Mexican Peso	-	5,117	146	5,263
New Zealand Dollar	-	-	(8,114)	(8,114)
Norwegian Krone	-	-	(7,784)	(7,784)
Peruvian New Sol	-	968	26	994
Philippines Peso	-	-	10	10
Polish Zloty	-	584	50	634

Notes to the Financial Statements

Continued

2021	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
Romanian Leu	12	326	-	338
Russian Ruble	-	2,697	115	2,812
Singapore Dollar	-	-	185	185
South Africa Rand	-	3,189	177	3,366
South Korean Won	-	-	259	259
Swedish Krona	-	-	(7,639)	(7,639)
Swiss Franc	1	-	1,375	1,376
Taiwan Dollar	-	-	812	812
Thai Baht	-	1,205	20	1,225
Ukraine Hryvna	-	517	31	548
Uruguay Peso	102	251	7	360
US Dollar	3,671	1,290	(5,935)	(974)
Total	17,409	35,287	134,655	187,351

Other price risk

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

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

VaR

The table below indicates the VaR of the fund's financial instruments, measured as the potential one month loss (Prior year this was based on a 5 day loss) in value from adverse changes in equity prices, interest rates, inflation rates and foreign currency exchange rates, with a 99 percent confidence level. Calculated on this basis, the table indicates that the net value of the fund's financial assets and liabilities could be expected to change by more than the stated amount on only two days out of 200, in response to either price, interest rate, inflation or foreign currency exchange rate changes.

2022	Minimum	Maximum	Average
VaR 99% 1 Month	4.39%	5.90%	5.22%
2021	Minimum	Maximum	Average
VaR 99% 1 Month	2.46%	3.12%	2.87%

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 %
2022		
Investment grade securities	24,276	14.16
Below investment grade securities	15,525	9.03
Unrated securities	5,742	3.35
Total value of securities	45,543	26.54
	Market value £'000	Percentage of total net assets %
2021		
Investment grade securities	28,367	15.13
Below investment grade securities	13,813	7.38
Unrated securities	3,030	1.62
Total value of securities	45,210	24.13

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:

	2022		2021	
	Market exposure £'000	Market value £'000	Market exposure £'000	Market value £'000
Leveraged instruments				
Exchange traded options	-	-	23,044	(215)
Forward currency contracts	98,088	(821)	113,213	920
Futures	10,575	61	11,238	29
Total market exposure	108,663	(760)	147,495	734

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

	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
2022					
Broker or exchange exposure					
Bank of America Merrill Lynch	61	872	-	933	0.54
	61	872	-	933	0.54
2021					
Broker or exchange exposure					
Bank of America Merrill Lynch	(186)	6,435	-	6,249	3.34
	(186)	6,435	-	6,249	3.34

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.

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

The fund receives 85% of the revenue returns from stock lending. The gross earnings for the year are £1,000 (2021: £1,000) and expenses paid to the lending agent, Securities Finance Trust Company, are £Nil (2021: £Nil).

Notes to the Financial Statements

Continued

2021 Counterparties	Forwards £'000	Collateral (held)/pledged		Net exposure £'000
		Cash £'000	Stock £'000	
Barclays	4	-	-	4
BNP Paribas	(7)	-	-	(7)
Citigroup	(1)	-	-	(1)
Credit Agricole	(2)	-	-	(2)
Goldman Sachs	9	-	-	9
HSBC	301	-	-	301
JP Morgan	95	-	-	95
Morgan Stanley	(297)	-	-	(297)
RBC Dominion	229	-	-	229
Royal Bank of Canada	6	-	-	6
Societe Generale	5	-	-	5
Standard Chartered	421	-	-	421
Statestreet	6	-	-	6
UBS	151	-	-	151
Total	920	-	-	920

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2022 £4,239,000 (2021: £2,262,000).

Distribution Tables

For the year ended 31 July 2022 (in pence per share)

First interim dividend distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 August 2021

	Revenue	Equalisation	Distribution paid 30/09/21	Distribution paid 30/09/20
A Accumulation				
Group 1	0.9244	-	0.9244	0.8049
Group 2	0.8155	0.1089	0.9244	0.8049
A Income				
Group 1	0.4622	-	0.4622	0.4210
Group 2	0.3823	0.0799	0.4622	0.4210
I Accumulation				
Group 1	0.5915	-	0.5915	0.5132
Group 2	0.3664	0.2251	0.5915	0.5132
I Income				
Group 1	0.4121	-	0.4121	0.3739
Group 2	0.2511	0.1610	0.4121	0.3739
M Accumulation				
Group 1	0.4372	-	0.4372	0.3795
Group 2	0.4372	-	0.4372	0.3795
M Income				
Group 1	0.3885	-	0.3885	0.3527
Group 2	0.2062	0.1823	0.3885	0.3527
Z Accumulation				
Group 1	0.9956	-	0.9956	0.8598
Group 2	0.5771	0.4185	0.9956	0.8598

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Second interim dividend distribution

Group 1 – shares purchased prior to 1 September 2021

Group 2 – shares purchased between 1 September 2021 and 30 September 2021

	Revenue	Equalisation	Distribution paid 29/10/21	Distribution paid 30/10/20
A Accumulation				
Group 1	0.9096	-	0.9096	0.8022
Group 2	0.8021	0.1075	0.9096	0.8022
A Income				
Group 1	0.4531	-	0.4531	0.4180
Group 2	0.4228	0.0303	0.4531	0.4180
I Accumulation				
Group 1	0.5822	-	0.5822	0.5116
Group 2	0.5409	0.0413	0.5822	0.5116
I Income				
Group 1	0.4041	-	0.4041	0.3713
Group 2	0.2953	0.1088	0.4041	0.3713
M Accumulation				
Group 1	0.4303	-	0.4303	0.3782
Group 2	0.4303	-	0.4303	0.3782
M Income				
Group 1	0.3809	-	0.3809	0.3502
Group 2	0.3809	-	0.3809	0.3502
Z Accumulation				
Group 1	0.9803	-	0.9803	0.8573
Group 2	0.9643	0.0160	0.9803	0.8573

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Third interim dividend distribution

Group 1 – shares purchased prior to 1 October 2021

Group 2 – shares purchased between 1 October 2021 and 31 October 2021

	Revenue	Equalisation	Distribution paid 30/11/21	Distribution paid 30/11/20
A Accumulation				
Group 1	0.9116	-	0.9116	0.8009
Group 2	0.6054	0.3062	0.9116	0.8009
A Income				
Group 1	0.4524	-	0.4524	0.4158
Group 2	0.1900	0.2624	0.4524	0.4158
I Accumulation				
Group 1	0.5837	-	0.5837	0.5110
Group 2	0.3740	0.2097	0.5837	0.5110
I Income				
Group 1	0.4036	-	0.4036	0.3694
Group 2	0.2814	0.1222	0.4036	0.3694
M Accumulation				
Group 1	0.4314	-	0.4314	0.3777
Group 2	0.4314	-	0.4314	0.3777
M Income				
Group 1	0.3805	-	0.3805	0.3484
Group 2	0.2391	0.1414	0.3805	0.3484
Z Accumulation				
Group 1	0.9832	-	0.9832	0.8566
Group 2	0.8800	0.1032	0.9832	0.8566

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Fourth interim dividend distribution

Group 1 – shares purchased prior to 1 November 2021

Group 2 – shares purchased between 1 November 2021 and 30 November 2021

	Revenue	Equalisation	Distribution paid 31/12/21	Distribution paid 31/12/20
A Accumulation				
Group 1	0.9197	-	0.9197	0.8374
Group 2	0.5348	0.3849	0.9197	0.8374
A Income				
Group 1	0.4547	-	0.4547	0.4330
Group 2	0.2210	0.2337	0.4547	0.4330
I Accumulation				
Group 1	0.5891	-	0.5891	0.5344
Group 2	0.2771	0.3120	0.5891	0.5344
I Income				
Group 1	0.4058	-	0.4058	0.3849
Group 2	0.3404	0.0654	0.4058	0.3849
M Accumulation				
Group 1	0.4354	-	0.4354	0.3951
Group 2	0.4354	-	0.4354	0.3951
M Income				
Group 1	0.3825	-	0.3825	0.3630
Group 2	0.2564	0.1261	0.3825	0.3630
Z Accumulation				
Group 1	0.9926	-	0.9926	0.8962
Group 2	0.9512	0.0414	0.9926	0.8962

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Fifth interim dividend distribution

Group 1 – shares purchased prior to 1 December 2021

Group 2 – shares purchased between 1 December 2021 and 31 December 2021

	Revenue	Equalisation	Distribution paid 31/01/22	Distribution paid 29/01/21
A Accumulation				
Group 1	0.9348	-	0.9348	0.8479
Group 2	0.4074	0.5274	0.9348	0.8479
A Income				
Group 1	0.4604	-	0.4604	0.4369
Group 2	0.2139	0.2465	0.4604	0.4369
I Accumulation				
Group 1	0.5989	-	0.5989	0.5413
Group 2	0.2645	0.3344	0.5989	0.5413
I Income				
Group 1	0.4110	-	0.4110	0.3884
Group 2	0.1712	0.2398	0.4110	0.3884
M Accumulation				
Group 1	0.4426	-	0.4426	0.4001
Group 2	0.4426	-	0.4426	0.4001
M Income				
Group 1	0.3875	-	0.3875	0.3663
Group 2	0.1677	0.2198	0.3875	0.3663
Z Accumulation				
Group 1	1.0096	-	1.0096	0.9081
Group 2	0.6766	0.3330	1.0096	0.9081

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Sixth interim dividend distribution

Group 1 – shares purchased prior to 1 January 2022

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

	Revenue	Equalisation	Distribution paid 28/02/22	Distribution paid 26/02/21
A Accumulation				
Group 1	0.8832	-	0.8832	0.8496
Group 2	0.6853	0.1979	0.8832	0.8496
A Income				
Group 1	0.4361	-	0.4361	0.4360
Group 2	0.3199	0.1162	0.4361	0.4360
I Accumulation				
Group 1	0.4943	-	0.4943	0.5425
Group 2	0.3030	0.1913	0.4943	0.5425
I Income				
Group 1	0.3362	-	0.3362	0.3878
Group 2	0.2462	0.0900	0.3362	0.3878
M Accumulation				
Group 1	0.3710	-	0.3710	0.4010
Group 2	0.3710	-	0.3710	0.4010
M Income				
Group 1	0.3221	-	0.3221	0.3657
Group 2	0.0503	0.2718	0.3221	0.3657
Z Accumulation				
Group 1	0.6742	-	0.6742	0.9105
Group 2	0.6172	0.0570	0.6742	0.9105

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Seventh interim dividend distribution

Group 1 – shares purchased prior to 1 February 2022

Group 2 – shares purchased between 1 February 2022 and 28 February 2022

	Revenue	Equalisation	Distribution paid 31/03/22	Distribution paid 31/03/21
A Accumulation				
Group 1	0.6971	-	0.6971	0.8465
Group 2	0.1200	0.5771	0.6971	0.8465
A Income				
Group 1	0.3411	-	0.3411	0.4329
Group 2	0.2041	0.1370	0.3411	0.4329
I Accumulation				
Group 1	0.4359	-	0.4359	0.5407
Group 2	0.1729	0.2630	0.4359	0.5407
I Income				
Group 1	0.2974	-	0.2974	0.3851
Group 2	0.1087	0.1887	0.2974	0.3851
M Accumulation				
Group 1	0.3233	-	0.3233	0.3997
Group 2	0.3233	-	0.3233	0.3997
M Income				
Group 1	0.2923	-	0.2923	0.3632
Group 2	0.0476	0.2447	0.2923	0.3632
Z Accumulation				
Group 1	0.7093	-	0.7093	0.9078
Group 2	0.5482	0.1611	0.7093	0.9078

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Eighth interim dividend distribution

Group 1 – shares purchased prior to 1 March 2022

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

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
A Accumulation				
Group 1	0.8172	-	0.8172	0.8504
Group 2	0.7539	0.0633	0.8172	0.8504
A Income				
Group 1	0.3987	-	0.3987	0.4332
Group 2	0.1380	0.2607	0.3987	0.4332
I Accumulation				
Group 1	0.5122	-	0.5122	0.5434
Group 2	0.0910	0.4212	0.5122	0.5434
I Income				
Group 1	0.3478	-	0.3478	0.3855
Group 2	0.1912	0.1566	0.3478	0.3855
M Accumulation				
Group 1	0.3793	-	0.3793	0.4016
Group 2	0.3793	-	0.3793	0.4016
M Income				
Group 1	0.3269	-	0.3269	0.3636
Group 2	0.1564	0.1705	0.3269	0.3636
Z Accumulation				
Group 1	0.8383	-	0.8383	0.9127
Group 2	0.0218	0.8165	0.8383	0.9127

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Ninth interim dividend distribution

Group 1 – shares purchased prior to 1 April 2022

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

	Revenue	Equalisation	Distribution paid 31/05/22	Distribution paid 28/05/21
A Accumulation				
Group 1	0.8951	-	0.8951	0.8711
Group 2	0.5006	0.3945	0.8951	0.8711
A Income				
Group 1	0.4348	-	0.4348	0.4421
Group 2	0.2831	0.1517	0.4348	0.4421
I Accumulation				
Group 1	0.5625	-	0.5625	0.5568
Group 2	0.2180	0.3445	0.5625	0.5568
I Income				
Group 1	0.3812	-	0.3812	0.3936
Group 2	0.2029	0.1783	0.3812	0.3936
M Accumulation				
Group 1	0.4167	-	0.4167	0.4115
Group 2	0.4167	-	0.4167	0.4115
M Income				
Group 1	0.3610	-	0.3610	0.3711
Group 2	0.2637	0.0973	0.3610	0.3711
Z Accumulation				
Group 1	0.9234	-	0.9234	0.9356
Group 2	0.6294	0.2940	0.9234	0.9356

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Tenth interim dividend distribution

Group 1 – shares purchased prior to 1 May 2022

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

	Revenue	Equalisation	Distribution paid 30/06/22	Distribution paid 30/06/21
A Accumulation				
Group 1	1.1135	-	1.1135	0.8843
Group 2	0.2522	0.8613	1.1135	0.8843
A Income				
Group 1	0.5391	-	0.5391	0.4471
Group 2	0.3381	0.2010	0.5391	0.4471
I Accumulation				
Group 1	0.7028	-	0.7028	0.5653
Group 2	0.1398	0.5630	0.7028	0.5653
I Income				
Group 1	0.4744	-	0.4744	0.3981
Group 2	0.1662	0.3082	0.4744	0.3981
M Accumulation				
Group 1	0.5205	-	0.5205	0.4179
Group 2	0.5205	-	0.5205	0.4179
M Income				
Group 1	0.4470	-	0.4470	0.3754
Group 2	0.1833	0.2637	0.4470	0.3754
Z Accumulation				
Group 1	1.1604	-	1.1604	0.9504
Group 2	0.4406	0.7198	1.1604	0.9504

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Eleventh interim dividend distribution

Group 1 – shares purchased prior to 1 June 2022

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

	Revenue	Equalisation	Distribution paid 29/07/22	Distribution paid 30/07/21
A Accumulation				
Group 1	0.8894	-	0.8894	0.8951
Group 2	0.5914	0.2980	0.8894	0.8951
A Income				
Group 1	0.4283	-	0.4283	0.4509
Group 2	0.2805	0.1478	0.4283	0.4509
I Accumulation				
Group 1	0.5594	-	0.5594	0.5724
Group 2	0.3706	0.1888	0.5594	0.5724
I Income				
Group 1	0.3760	-	0.3760	0.4016
Group 2	0.1820	0.1940	0.3760	0.4016
M Accumulation				
Group 1	0.4144	-	0.4144	0.4231
Group 2	0.4144	-	0.4144	0.4231
M Income				
Group 1	0.3563	-	0.3563	0.3787
Group 2	0.1493	0.2070	0.3563	0.3787
Z Accumulation				
Group 1	0.9196	-	0.9196	0.9627
Group 2	0.5693	0.3503	0.9196	0.9627

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Final dividend distribution

Group 1 – shares purchased prior to 1 July 2022

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

	Revenue	Equalisation	Distribution paid 31/08/22	Distribution paid 31/08/21
A Accumulation				
Group 1	0.7707	-	0.7707	1.0200
Group 2	0.4145	0.3562	0.7707	1.0200
A Income				
Group 1	0.3695	-	0.3695	0.4408
Group 2	0.0483	0.3212	0.3695	0.4408
I Accumulation				
Group 1	0.4889	-	0.4889	0.5174
Group 2	0.2505	0.2384	0.4889	0.5174
I Income				
Group 1	0.3221	-	0.3221	0.3660
Group 2	0.1649	0.1572	0.3221	0.3660
M Accumulation				
Group 1	0.3588	-	0.3588	0.4050
Group 2	0.3588	-	0.3588	0.4050
M Income				
Group 1	0.3195	-	0.3195	0.3512
Group 2	0.1494	0.1701	0.3195	0.3512
Z Accumulation				
Group 1	0.7864	-	0.7864	0.5617
Group 2	0.5562	0.2302	0.7864	0.5617

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 2022

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 2022, the value of abrdn Emerging Markets Equity Fund - A Accumulation Shares decreased by 18.41% compared to a decrease of 8.33% in the performance target, the MSCI Emerging Markets Index.

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

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

abrdn Emerging Markets Equity Fund

Continued

Market Review

Emerging market equities retreated over the 12 months under review. The Covid-19 pandemic and its repercussions dominated sentiment at the start of the period, as investors fretted over the spread of the Delta variant and the tightening of lockdown restrictions. The discovery of the highly contagious Omicron strain added to the cautious mood, though fears subsided after it appeared less severe than initially thought.

Risk aversion resurfaced at the end of 2021 on the back of the "Powell pivot", which saw the US Federal Reserve move abruptly towards monetary policy tightening. Investors rotated out of growth into value stocks, with low-quality, highly leveraged businesses dominating the market at the start of 2022.

Compounding investors' concerns was Russia's invasion of Ukraine in late February, which sent already elevated energy and commodity prices surging on fears of supply disruption, exacerbating inflation. Sentiment turned increasingly pessimistic as central banks ramped up their policy tightening trajectories, triggering fears of a global recession. Towards the period-end, oil and commodity prices faltered due to the relatively weak outlook for global demand.

Also keeping markets on edge were several negative developments in China, including regulatory scrutiny across sectors, the country's property sector woes and tensions with the US. In addition, Beijing's zero-Covid policy and temporary lockdowns of major cities like Shanghai amid fresh coronavirus outbreaks led to indiscriminate selling of Chinese equities.

Against this backdrop, commodity exporters, barring Russia, were broadly resilient. Resource-rich Latin America and Middle Eastern oil-producing nations outperformed, though they gave back some of their gains towards the period-end on mounting growth risks. Conversely, Russian valuations collapsed following the invasion. In emerging Asia, Chinese equities lagged, but losses were mitigated by strong policy support, easing Covid-related restrictions as the period progressed and relatively contained inflation. Technology-heavy markets in South Korea and Taiwan fell on higher interest rates and growing recession fears.

Portfolio Activity and Review

The fund trailed its benchmark, driven in part by the Russia-Ukraine conflict. Revaluing our Russian holdings, particularly Novatek and Lukoil, to zero was a material detractor. We took that decision due to stringent capital controls in Russia and Western sanctions on Moscow, which made it impossible to realise any value from our investments. Equally, not holding former index

heavyweight Gazprom was positive. Prior to the invasion, we had an overweight position in Russia and holdings in three domestic Russian companies, which we mostly exited in the second half of February 2022. Heading into the crisis, Russia had been a compelling bottom-up story in the emerging markets universe.

Meanwhile, the surge in energy prices benefited oil exporters in the Middle East, where the Fund does not have exposure due to difficulties finding quality companies. While share prices there saw some reversal between April and June, the region still detracted from overall performance. Likewise, South Africa, which is a beneficiary of higher commodity prices, weighed on performance following weakness in base metal prices towards the period-end. Latin America, which also gained from the disruptive spike in commodity prices, lagged as prices pulled back.

The broad market rotation from growth towards value stocks further hampered performance. Digital consumer companies, Sea, MercadoLibre and Allegro lagged; we exited Allegro over the period. Sea was also hurt by concerns over moderating gaming revenues.

In China, positive allocation was offset by negative currency effect and stock selection. Covid-19 lockdowns dented sentiment towards consumer discretionary stocks, including apparel maker Shenzhou International and gaming company Sands China, which we divested. Conversely, the Fund's renewables exposures, NARI Technology and LONGi Green Energy, contributed positively. Our conviction in the structural growth opportunity around renewables remains high, further underpinned by strong policy support domestically and Europe's strategy to reduce its energy dependence on Russia and to decarbonise.

Elsewhere in Asia, Indonesia's Bank Central Asia and Bank Rakyat were buoyed by the domestic reopening and economic recovery. Meanwhile, Indian equities came under pressure amid monetary tightening to bring down inflation. However, they rebounded sharply at the period-end after the central government reduced its windfall tax on domestic crude oil owing to weakness in global energy prices. SBI Life Insurance fared well after market incumbent LIC went public, removing a perceived overhang on the sector. We believe SBI Life is well-positioned for growth in India's still-nascent insurance sector. Tata Consultancy Services also added value, outperforming its competitors, as Indian IT services companies sold off on the rising risk of recession in the US.

In addition to the portfolio activity mentioned in the interim review, there were several key trades over the period. In China, we added e-commerce company JD.com, an attractive consumption play with a strong established

abrdn Emerging Markets Equity Fund

Continued

moat, and Shenzhen Mindray Bio-Medical Electronics, one of the country's largest medical device makers, given its premium brand, established distribution network and solid commitment to research and development. Elsewhere in Asia, we introduced South Korea-based Samsung Engineering, a leading engineering construction and management services business that is set to benefit from a rising hydrocarbon investment cycle and from its efforts to develop and commercialise net zero technologies. In Thailand, we initiated PTT Exploration and Production, a major oil and gas exploration and production operator with one of the lowest cash costs. The company is targeting a 25% reduction in greenhouse gas intensity by 2030. Another new addition was Kasikornbank, an attractively valued banking franchise with strong digital offerings and a beneficiary of the ongoing economic reopening post Covid-19 restrictions.

Outside Asia, we established two new positions in South Africa. Sanlam is a multi-line insurer with a skew to life insurance. It has been gaining market share and is well positioned to benefit from the rising interest rate environment. Leading telco Vodacom Group is in an attractive place to increase growth and returns, given its incumbent position in a capital-intensive market. In Latin America, we bought Banco Santander Chile, one of the largest banks in Chile in terms of total assets, loans and deposits. The lender has best-in-class operational metrics and a management team with a world-class environmental, social and governance agenda. We also introduced Raia Drogasil, a leading pharmaceutical retailer in Brazil with strong e-commerce growth prospects and a sound digitalisation strategy.

Against this, besides our Russian holdings, we exited Allegro, China Conch Venture, China Resources Gas, GDS Holdings, Hangzhou Tigermed Consulting, Li Ning, Samsung SDI and Sands China. We divested LG Energy Solution on the back of its significant price appreciation following its initial public offering (IPO), given our small IPO allocation. We also sold Prosus and rotated exposure into our direct holding in Tencent.

Portfolio Outlook and Strategy

After a rough start to the year, dominated by Russia's invasion of Ukraine, and the subsequent supply shock in markets, emerging markets face risks from higher inflation and a tighter financial environment. While the US continues to unwind years of loose monetary policies, emerging markets have been well ahead of the curve. This cycle, emerging economies' currency reserves and current account positions are also in much better shape than before, and their central banks are closer to ending their tightening cycle. Meanwhile, the potential for a counter-cyclical recovery in China remains. Policymakers

have room to stimulate the economy as inflation remains relatively low. Ongoing relaxation of the zero-Covid policy over time should also be hugely stimulative for the economy. Separately, increasing investments into renewables companies should benefit emerging market companies, which dominate in many renewable energy sources.

The portfolio remains focused on businesses that have discernible quality characteristics, including sustainable free cash flow generation and earnings growth, pricing power and low debt levels. Such characteristics should help businesses manage this period of supply disruption and cost pressure.

Global Emerging Markets Equity Team

August 2022

abrdn Emerging Markets Equity Fund

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Risk and Reward Profile

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

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

Risk and reward indicator table as at 31 July 2022.

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

- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- The fund invests in emerging market equities and/or bonds. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- The fund may invest in companies with Variable Interest Entity (VIE) structures in order to gain exposure to industries with foreign ownership restrictions. There is a risk that investments in these structures may be adversely affected by changes in the legal and regulatory framework.
- Investing in China A shares involves special considerations and risks, including greater price volatility, a less developed regulatory and legal framework, exchange rate risk/controls, settlement, tax, quota, liquidity and regulatory risks.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

Comparative Tables

A Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	894.47	738.23	771.39
Return before operating charges*	(149.93)	170.39	(21.40)
Operating charges	(10.96)	(14.15)	(11.76)
Return after operating charges*	(160.89)	156.24	(33.16)
Distributions	(5.90)	(1.80)	(1.33)
Retained distributions on accumulation shares	5.90	1.80	1.33
Closing net asset value per share	733.58	894.47	738.23
* after direct transaction costs of:	1.00	0.91	0.71
Performance			
Return after charges	(17.99%)	21.16%	(4.30%)
Other information			
Closing net asset value (£'000)	229,720	315,514	286,682
Closing number of shares	31,314,860	35,274,020	38,833,931
Operating charges	1.32%	1.60%	1.65%
Direct transaction costs	0.12%	0.10%	0.10%
Prices			
Highest share price	940.6	1,028	789.4
Lowest share price	709.2	742.4	574.8

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

G Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	134.50	110.52	114.97
Return before operating charges*	(22.61)	25.49	(3.17)
Operating charges	(1.08)	(1.51)	(1.28)
Return after operating charges*	(23.69)	23.98	(4.45)
Distributions	(1.45)	(0.87)	(0.68)
Retained distributions on accumulation shares	1.45	0.87	0.68
Closing net asset value per share	110.81	134.50	110.52
* after direct transaction costs of:	0.15	0.14	0.11
Performance			
Return after charges	(17.61%)	21.70%	(3.87%)
Other information			
Closing net asset value (£'000)	12,011	20,938	38,494
Closing number of shares	10,839,312	15,566,628	34,831,050
Operating charges	0.87%	1.15%	1.20%
Direct transaction costs	0.12%	0.10%	0.10%
Prices			
Highest share price	141.5	154.3	117.9
Lowest share price	107.0	111.2	85.91

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

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

Operating charges are expenses associated with the maintenance and administration of the fund on a day to 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	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	999.50	821.23	854.29
Return before operating charges*	(168.00)	189.61	(23.56)
Operating charges	(8.07)	(11.34)	(9.50)
Return after operating charges*	(176.07)	178.27	(33.06)
Distributions	(10.80)	(6.49)	(5.04)
Retained distributions on accumulation shares	10.80	6.49	5.04
Closing net asset value per share	823.43	999.50	821.23
* after direct transaction costs of:	1.12	1.02	0.79
Performance			
Return after charges	(17.62%)	21.71%	(3.87%)
Other information			
Closing net asset value (£'000)	357,391	472,929	448,110
Closing number of shares	43,402,802	47,316,396	54,565,409
Operating charges	0.87%	1.15%	1.20%
Direct transaction costs	0.12%	0.10%	0.10%
Prices			
Highest share price	1,051	1,146	875.9
Lowest share price	795.3	826.0	638.4

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

	2022	2021	2020
I Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	925.53	765.40	801.13
Return before operating charges*	(155.58)	176.76	(22.10)
Operating charges	(7.46)	(10.57)	(8.90)
Return after operating charges*	(163.04)	166.19	(31.00)
Distributions	(10.00)	(6.06)	(4.73)
Closing net asset value per share	752.49	925.53	765.40
* after direct transaction costs of:	1.04	0.95	0.74
Performance			
Return after charges	(17.62%)	21.71%	(3.87%)
Other information			
Closing net asset value (£'000)	2,128	2,628	2,262
Closing number of shares	282,745	283,969	295,600
Operating charges	0.87%	1.15%	1.20%
Direct transaction costs	0.12%	0.10%	0.10%
Prices			
Highest share price	973.7	1069	821.4
Lowest share price	736.5	769.9	598.7

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 ^A	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	123.37	101.01	100.00 ^B
Return before operating charges*	(20.76)	23.31	1.74
Operating charges	(0.82)	(0.95)	(0.73)
Return after operating charges*	(21.58)	22.36	1.01
Distributions	(1.51)	(1.23)	(0.96)
Retained distributions on accumulation shares	1.51	1.23	0.96
Closing net asset value per share	101.79	123.37	101.01
* after direct transaction costs of:	0.14	0.12	0.09
Performance			
Return after charges	(17.49%)	22.14%	1.01%
Other information			
Closing net asset value (£'000)	107,094	130,018	128,231
Closing number of shares	105,210,333	105,386,673	126,953,346
Operating charges	0.72%	0.79%	0.80%
Direct transaction costs	0.12%	0.10%	0.10%
Prices			
Highest share price	129.8	141.3	107.5
Lowest share price	98.28	101.6	78.41

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

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

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

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

^A K Accumulation share class was launched on 15 August 2019.

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

Comparative Tables

Continued

M Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	139.46	114.65	118.91
Return before operating charges*	(23.43)	26.46	(2.93)
Operating charges	(1.19)	(1.65)	(1.33)
Return after operating charges*	(24.62)	24.81	(4.26)
Distributions	(1.44)	(0.83)	(0.57)
Retained distributions on accumulation shares	1.44	0.83	0.57
Closing net asset value per share	114.84	139.46	114.65
* after direct transaction costs of:	0.16	0.14	0.11
Performance			
Return after charges	(17.65%)	21.64%	(3.58%)
Other information			
Closing net asset value (£'000)	181	226	203
Closing number of shares	157,258	161,761	176,916
Operating charges	0.92%	1.20%	1.25%
Direct transaction costs	0.12%	0.10%	0.10%
Prices			
Highest share price	146.7	160.0	122.3
Lowest share price	110.9	115.3	89.14

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

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

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

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

Comparative Tables

Continued

M Income	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	136.44	112.88	117.55
Return before operating charges*	(22.89)	25.97	(2.89)
Operating charges	(1.16)	(1.62)	(1.35)
Return after operating charges*	(24.05)	24.35	(4.24)
Distributions	(1.50)	(0.79)	(0.43)
Closing net asset value per share	110.89	136.44	112.88
* after direct transaction costs of:	0.15	0.14	0.11
Performance			
Return after charges	(17.63%)	21.57%	(3.61%)
Other information			
Closing net asset value (£'000)	1	1	1
Closing number of shares	908	908	908
Operating charges	0.92%	1.20%	1.25%
Direct transaction costs	0.12%	0.10%	0.10%
Prices			
Highest share price	143.5	157.5	121.0
Lowest share price	108.5	113.5	88.15

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

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

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

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

Comparative Tables

Continued

Z Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	1,148.12	934.45	962.57
Return before operating charges*	(193.02)	215.78	(26.32)
Operating charges	(1.29)	(2.11)	(1.80)
Return after operating charges*	(194.31)	213.67	(28.12)
Distributions	(20.52)	(18.10)	(14.46)
Retained distributions on accumulation shares	20.52	18.10	14.46
Closing net asset value per share	953.81	1,148.12	934.45
* after direct transaction costs of:	1.35	1.17	0.89
Performance			
Return after charges	(16.92%)	22.87%	(2.92%)
Other information			
Closing net asset value (£'000)	21,546	151,876	129,622
Closing number of shares	2,258,988	13,228,270	13,871,429
Operating charges	0.12%	0.19%	0.20%
Direct transaction costs	0.12%	0.10%	0.10%
Prices			
Highest share price	1,209	1,312	991.3
Lowest share price	919.7	940.0	723.7

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 2022

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (98.93%)		719,944	98.61
Europe, Middle East & Africa Equities (13.74%)		58,842	8.06
Cyprus (0.51%)		-	-
Chile (0.00%)		6,335	0.87
493,121	Banco Santander Chile ADR	6,335	0.87
Netherlands (2.71%)		13,511	1.85
21,694	ASM International	5,437	0.74
17,294	ASML	8,074	1.11
Peru (0.00%)		3,976	0.54
37,430	Credicorp	3,976	0.54
Poland (0.86%)		-	-
Russia (4.98%)		-	-
283,971	Lukoil ADR+++	-	-
1,062,488	Novatek+++	-	-
1,812,963	Sberbank of Russia+++	-	-
South Africa (3.19%)		22,985	3.15
199,579	Anglo American Platinum	12,632	1.73
2,586,275	Sanlam	7,020	0.96
485,274	Vodacom	3,333	0.46
United Kingdom (1.49%)		12,035	1.65
770,423	Mondi	12,035	1.65

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Latin American Equities (11.86%)		96,088	13.16
Argentina (1.20%)		11,225	1.54
38,833	Globant	6,351	0.87
7,290	MercadoLibre	4,874	0.67
Brazil (6.28%)		38,340	5.25
3,791,098	B3 SA - Brasil Bolsa Balcao	6,658	0.91
5,127,664	Banco Bradesco ADR	13,975	1.91
1,749,275	Raia Drogasil	5,806	0.80
2,461,021	Rumo	6,836	0.94
1,140,684	WEG	5,065	0.69
Mexico (4.38%)		46,523	6.37
199,914	Fomento Economico Mexicano ADR	10,173	1.39
342,245	Grupo Aeroportuario del Sureste 'B'	5,318	0.73
3,297,345	Grupo Financiero Banorte 'O'	15,471	2.12
4,773,166	Grupo México	15,561	2.13
Pacific Basin Equities (73.33%)		565,014	77.39
China (28.00%)		211,008	28.90
3,268,600	Alibaba	31,805	4.36
3,046,500	China Merchants Bank 'H'	13,508	1.85
378,152	China Tourism Duty Free 'A'	9,670	1.32
737,360	Foshan Haitian Flavouring & Food 'A'	7,367	1.01
629,328	JD.com 'A'	15,386	2.11
35,958	Kweichow Moutai 'A'	8,315	1.14
1,941,664	LONGi Green Energy Technology 'A'	14,549	1.99
1,349,075	Midea 'A'	9,035	1.24
3,451,319	NARI Technology 'A'	12,266	1.68
224,000	Shenzhen Mindray Bio-Medical Electronics 'A'	7,901	1.08
699,500	Shenzhou International	6,035	0.83

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
575,168	Sungrow Power Supply 'A'	8,680	1.19
1,090,300	Tencent	34,957	4.79
1,602,000	Wuxi Biologics (Cayman)	12,481	1.71
1,564,843	Yonyou Network Technology 'A'	3,975	0.54
260,813	Yunnan Energy New Material 'A'	6,798	0.93
1,767,500	Zhongsheng	8,280	1.13
Hong Kong (6.36%)		40,632	5.57
1,557,400	AIA	12,858	1.76
4,561,200	Budweiser Brewing	10,350	1.42
2,322,000	China Resources Land	7,952	1.09
252,456	Hong Kong Exchanges & Clearing	9,472	1.30
India (10.75%)		106,634	14.61
441,776	Hindustan Unilever	12,043	1.65
1,016,431	Housing Development Finance	25,118	3.44
796,321	Kotak Mahindra Bank	14,929	2.05
72,626	Maruti Suzuki India	6,594	0.90
4,413,223	Power Grid Corp of India	9,788	1.34
1,233,114	SBI Life Insurance	16,527	2.26
415,541	Tata Consultancy Services	14,203	1.95
109,893	UltraTech Cement	7,432	1.02
Indonesia (1.96%)		25,339	3.47
36,736,800	Bank Central Asia	14,944	2.05
43,177,904	Bank Rakyat Indonesia Persero	10,395	1.42
Macau (1.14%)		-	-
Philippines (0.45%)		4,397	0.60
3,190,935	Bank of the Philippine Islands	4,397	0.60

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Singapore (0.78%)		3,550	0.49
56,698	Sea ADR	3,550	0.49
South Korea (12.97%)		70,900	9.71
40,888	LG Chemical	15,554	2.13
1,365,889	Samsung Electronics (Preference)	49,109	6.73
503,589	Samsung Engineering	6,237	0.85
Taiwan (10.92%)		82,525	11.30
1,148,000	Delta Electronics	8,120	1.11
4,062,000	Hon Hai Precision	12,083	1.65
4,474,718	Taiwan Semiconductor Manufacturing	62,322	8.54
Thailand (0.00%)		20,029	2.74
2,307,300	Kasikornbank (Alien Market)	7,512	1.03
3,464,600	PTT Exploration & Production (Alien Market)	12,517	1.71
Collective Investment Schemes (0.61%)		-	-
Total investment assets		719,944	98.61
Net other assets		10,128	1.39
Total Net Assets		730,072	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 2021.

+++ Priced per abrdn FVC.

Financial Statements

Statement of Total Return

For the year ended 31 July 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital (losses)/gains	1		(171,917)		215,531
Revenue	2	19,994		22,869	
Expenses	3	(8,479)		(12,534)	
Interest payable and similar charges		(10)		(5)	
Net revenue before taxation		11,505		10,330	
Taxation	4	(2,327)		(5,367)	
Net revenue after taxation			9,178		4,963
Total return before distributions			(162,739)		220,494
Distributions	5		(9,761)		(7,757)
Change in net assets attributable to shareholders from investment activities			(172,500)		212,737

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2022

	2022		2021	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		1,094,130		1,033,605
Amounts receivable on the issue of shares	28,676		4,513	
Amounts payable on the cancellation of shares	(229,453)		(164,539)	
		(200,777)		(160,026)
Dilution adjustment		235		-
Capacity Management Charge		241		279
Change in net assets attributable to shareholders from investment activities (see above)		(172,500)		212,737
Retained distribution on accumulation shares		8,743		7,535
Closing net assets attributable to shareholders		730,072		1,094,130

Financial Statements

Continued

Balance Sheet

As at 31 July 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			719,944		1,089,095
Current assets:					
Debtors	6	2,923		3,670	
Cash and bank balances	7	12,125		11,068	
			15,048		14,738
Total assets			734,992		1,103,833
Liabilities:					
Provisions for liabilities	8		(2,844)		(4,008)
Bank overdrafts	7	-		(5)	
Creditors	9	(2,048)		(5,673)	
Distribution payable		(28)		(17)	
			(2,076)		(5,695)
Total liabilities			(4,920)		(9,703)
Net assets attributable to shareholders			730,072		1,094,130

Notes to the Financial Statements

1 Net Capital (Losses)/Gains

	2022 £'000	2021 £'000
Non-derivative securities	(171,950)	216,162
Forward currency contracts	-	(7)
Other gains/(losses)	86	(624)
Transaction charges	(53)	-
Net capital (losses)/gains	(171,917)	215,531

2 Revenue

	2022 £'000	2021 £'000
Bank and margin interest	28	18
Income from Overseas Collective Investment Schemes		
Franked income	-	722
Overseas dividends	19,933	21,614
Stocklending revenue	33	75
UK dividends	-	440
Total revenue	19,994	22,869

3 Expenses

	2022 £'000	2021 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	7,426	10,501
General administration charge*	722	-
Operating, administrative and servicing fees	9	2,033
	8,157	12,534
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Revenue collection expenses	110	-
Safe custody fees	211	-
	321	-
Other:		
Professional fees	1	-
	1	-
Total expenses	8,479	12,534

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

* The fixed general administration charge was introduced from 1 August 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian. The audit fee for the year, including VAT, was £8,460 (2021: £8,389).

Notes to the Financial Statements

Continued

4 Taxation

	2022 £'000	2021 £'000
(a) Analysis of charge in year		
Adjustments in respect of prior periods	-	9
Overseas taxes	1,744	2,564
Overseas capital gains tax	1,747	849
Total current tax	3,491	3,422
Deferred tax (note 4c)	(1,164)	1,945
Total taxation (note 4b)	2,327	5,367

(b) Factors affecting current tax charge for the year

The tax assessed for the year is greater than (2021: greater than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

Net revenue before taxation	11,505	10,330
Corporation tax at 20% (2021: 20%)	2,301	2,066
Effects of:		
Revenue not subject to taxation	(3,906)	(3,989)
Overseas taxes	1,744	2,564
Overseas tax expensed	(12)	(70)
Excess allowable expenses	1,617	1,993
Adjustments in respect of prior periods	-	9
Overseas capital gains tax	1,747	849
Deferred tax	(1,164)	1,945
Total tax charge for year (note 4a)	2,327	5,367

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	4,008	2,063
Deferred tax (credit)/charge in statement of total return for year (note 4a)	(1,164)	1,945
Provision at the end of the year	2,844	4,008

(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 £51,374,000 (2021: £49,757,000) 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)

	2022 £'000	2021 £'000
Distribution	8,771	7,552
Add: Income deducted on cancellation of shares	1,152	225
Deduct: Income received on issue of shares	(162)	(20)
Total distributions for the year	9,761	7,757
Movement between net revenue and distributions		
Net revenue after taxation	9,178	4,963
Overseas capital gains tax on realised gains	1,747	849
Overseas deferred capital gains tax on unrealised gains	(1,164)	1,945
Total distributions for the year	9,761	7,757

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

6 Debtors

	2022 £'000	2021 £'000
Accrued revenue	2,067	2,792
Overseas withholding tax recoverable	856	504
Sales awaiting settlement	-	374
Total debtors	2,923	3,670

7 Liquidity

	2022 £'000	2021 £'000
Cash and bank balances		
Cash at bank	12,125	11,068
	12,125	11,068
Bank overdrafts		
Overdraft at bank	-	(5)
	-	(5)
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	-	6,719
Net liquidity	12,125	17,782

* 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 Provisions for Liabilities

	2022 £'000	2021 £'000
The provisions for liabilities comprise:		
Overseas capital gains tax	2,844	4,008
Total provisions for liabilities	2,844	4,008

9 Creditors

	2022 £'000	2021 £'000
Accrued expenses payable to ACD	580	736
Accrued expenses payable to the Depositary or associates of the Depositary	19	-
Amounts payable to the ACD for cancellation of shares	896	1,166
Other accrued expenses	-	104
Purchases awaiting settlement	553	3,667
Total creditors	2,048	5,673

10 Related Party Transactions

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

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

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

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

11 Portfolio Transaction Costs

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

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

	Purchases		Sales	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trades in the year				
Equities	258,095	343,003	451,565	428,284
Collective investment schemes	-	-	-	76,556
Corporate actions	1,801	-	-	-
Trades in the year before transaction costs	259,896	343,003	451,565	504,840

Notes to the Financial Statements

Continued

	Purchases		Sales	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trades in the year				
Commissions				
Equities	161	253	(207)	(232)
Total commissions	161	253	(207)	(232)
Taxes				
Equities	176	217	(539)	(483)
Total taxes	176	217	(539)	(483)
Total transaction costs	337	470	(746)	(715)
Total net trades in the year after transaction costs	260,233	343,473	450,819	504,125

	Purchases		Sales	
	2022 %	2021 %	2022 %	2021 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.06	0.07	0.05	0.05
Taxes				
Equities	0.07	0.06	0.12	0.11

	2022 %	2021 %
Total transaction costs expressed as a percentage of net asset value		
Commissions	0.04	0.04
Taxes	0.08	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 0.14% (2021: 0.11%), this is representative of the average spread on the assets held during the year.

12 Shares in Issue Reconciliation

	Opening shares 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
A Accumulation	35,274,020	27,249	(3,696,816)	(289,593)	31,314,860
G Accumulation	15,566,628	28,104	(4,755,420)	-	10,839,312
I Accumulation	47,316,396	576,792	(4,749,032)	258,646	43,402,802
I Income	283,969	48,627	(49,851)	-	282,745
K Accumulation	105,386,673	17,409,748	(17,586,088)	-	105,210,333

Notes to the Financial Statements

Continued

	Opening shares 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
M Accumulation	161,761	14,668	(19,171)	-	157,258
M Income	908	-	-	-	908
Z Accumulation	13,228,270	245,150	(11,214,432)	-	2,258,988

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).

	2022 £'000	2022 £'000	2022 £'000	2021 £'000	2021 £'000	2021 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	719,944	-	-	1,082,376	-	-
Collective Investment Schemes	-	-	-	-	6,719	-
Total investment assets	719,944	-	-	1,082,376	6,719	-

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 2022 £'000	Net foreign currency exposure 2021 £'000
Brazilian Real	24,413	20,527
China Renminbi	88,556	104,200
Euro	13,527	29,658
Hong Kong Dollar	163,903	283,882
Indian Rupee	106,618	121,991
Indonesian Rupiah	26,329	21,412
Mexican Peso	36,350	33,421
Philippines Peso	4,397	4,890

Notes to the Financial Statements

Continued

Currency	Net foreign currency exposure	Net foreign currency exposure
	2022 £'000	2021 £'000
Polish Zloty	-	9,401
Russian Ruble	-	33,416
South Africa Rand	34,466	51,265
South Korean Won	71,175	139,388
Taiwan Dollar	86,131	120,378
Thai Baht	20,029	-
US Dollar	49,430	111,589
Total	725,324	1,085,418

At 31 July 2022, 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 £36,266,000 (2021: £54,271,000).

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 2022, 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 £35,997,000 (2021: £54,455,000).

Financial derivatives instrument risk

The fund had no exposure to derivatives as at 31 July 2022 (2021: £Nil).

Counterparty risk

Bilateral agreements

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

All stock lending is conducted by the stocklending agent on behalf of the fund using a standard agreement with available counterparties. It is collateralised daily with a right of recall within 24 hours.

At the year end the fund held no positions with those presented being only in respect of the prior year end.

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 £39,000 (2021: £88,000) and expenses paid to the lending agent, Securities Finance Trust Company, are £6,000 (2021: £13,000).

Notes to the Financial Statements

Continued

2021 Counterparties	Stock on loan* £'000	Collateral (held)/pledged		Net exposure £'000
		Cash £'000	Stock* £'000	
Citigroup	13,279	-	(13,947)	(668)
Total	13,279	-	(13,947)	(668)

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

Top SFTR Issuers 2021	Type	Collateral Stock £'000
Germany (Fed Rep of)	Bond	(4,649)
France (Gov't of)	Bond	(4,649)
US Treasury	Bond	(4,556)
Sweden (Kingdom of)	Bond	(93)
		(13,947)

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2022 £4,920,000 (2021: £9,703,000).

Distribution Table

For the year ended 31 July 2022 (in pence per share)

Final dividend distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 July 2022

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
A Accumulation				
Group 1	5.9017	-	5.9017	1.7950
Group 2	3.7105	2.1912	5.9017	1.7950
G Accumulation				
Group 1	1.4527	-	1.4527	0.8749
Group 2	0.6861	0.7666	1.4527	0.8749
I Accumulation				
Group 1	10.7984	-	10.7984	6.4885
Group 2	7.6442	3.1542	10.7984	6.4885
I Income				
Group 1	10.0000	-	10.0000	6.0558
Group 2	5.8821	4.1179	10.0000	6.0558
K Accumulation				
Group 1	1.5064	-	1.5064	1.2327
Group 2	0.8085	0.6979	1.5064	1.2327
M Accumulation				
Group 1	1.4417	-	1.4417	0.8304
Group 2	0.6936	0.7481	1.4417	0.8304
M Income				
Group 1	1.4969	-	1.4969	0.7919
Group 2	1.4969	-	1.4969	0.7919
Z Accumulation				
Group 1	20.5245	-	20.5245	18.1046
Group 2	14.6784	5.8461	20.5245	18.1046

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 2022

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 2022, the value of abrdn Europe ex UK Equity Fund – A Accumulation Shares decreased by 11.45% compared with a decrease of 7.00% in the performance target, the FTSE World Europe ex UK Index.

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

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

Market Review

European shares (excluding the UK) fell over the past 12 months. The region's equity markets were buffeted by surging inflation, the prospect of higher interest rates and the shock of the Ukraine war and its serious consequences for European energy supplies.

Early in the period, the region's equity markets performed well despite ongoing lockdown measures and rising Covid-19 cases. After rising for seven consecutive months, European shares finally fell in September. European markets recovered in October, before being hit in November by the Omicron scare. European stocks then rallied in December but sold off sharply alongside global markets in January on the prospect of higher interest rates. January saw the largest one-month rotation from growth/quality to value in nearly 20 years. This weakness extended into February after Russia invaded Ukraine towards the end of the month. European shares edged higher in March on hopes of a negotiated settlement to the conflict, before falling again in April and May and suffering a major sell-off in June. July brought some relief in the form of a minor rebound.

abrdn Europe ex UK Equity Fund

Continued

Portfolio Activity

In terms of performance, style factors for most of the period were unhelpful for our strategy, as changing interest-rate expectations led investors to rotate from high growth stocks into companies that may see higher earnings from higher interest rates in the short term. Given that we tend to find few high-quality companies consistent with our strategy in the more cyclical and inflation-sensitive sectors, such as banks, energy and commodities, which led markets through this period, we would generally expect to have lagged such a sharp early-cycle recovery.

However, performance improved towards the end of the period, as rising risks to global growth led investors to rotate from cyclicals and towards defensives. Falling yields saw valuations of higher growth stocks – many of which we have added capital to in recent months – begin to recover. Stock-specific drivers were also material, as many of our portfolio companies delivered stronger-than-expected second-quarter earnings.

On a stock-specific basis, the largest detractor from returns was Schibsted. Its share price fell in keeping with the broader technology sector, as well as on concerns around front-loading investment that could weight on short-term growth and margins. The company is looking to step up efforts to develop transactional tools for its online classifieds businesses. We think this is a sensible strategic decision that will enhance growth long term and have therefore topped up our position. Fund distribution platform Allfunds suffered from the rotation out of growth stocks over most of the period, as well as weak markets and low client inflows. After strong performance in 2021, CDMO manufacturer Polypeptide's shares de-rated alongside other peers in the pharmaceutical ingredients market, as well as other high-growth longer-duration assets. The company also suffered following a profit warning in July on its first-half results due to a delay in high-margin Covid-related revenues and inflationary pressures. We view these issues as largely due to phasing effects, whereas the mid-term outlook is intact, given the company's strong position in the fast-growing niche peptide CDMO market.

Conversely, Novo Nordisk was the best contributor over the 12-month period. It delivered defensive growth over the period, driven by the diabetes treatment leader's GLP-1 franchise. The company held an encouraging capital markets day, reiterating its confidence in mid-term growth targets, updating on its early-stage pipeline efforts and revising forecasts higher in obesity after strong launch trends for the new drug Wegovy. Its stock also performed well after the American Diabetes Association conference in June brought additional focus to the size of the potential obesity treatment opportunity, following strong data from

both Novo and its competitor Eli Lilly. German financial services provider Deutsche Boerse was also positive for returns. It benefited from rising volatility and interest-rate expectations, leading to significant cyclical tailwinds, driving up earnings expectations. Other contributors included luxury goods company LVMH, beverage company Pernod-Ricard and employee benefits platform Edenred.

Portfolio Outlook and Strategy

2022 has been tough for equity markets amid a hawkish shift for central banks as they grapple with inflation, on top of a highly complex geopolitical situation involving not only the Russian-Ukrainian conflict but growing tensions elsewhere between the US and China. There remain a number of challenges for investors to contend with as we progress through the second half, particularly as risks of a recession have materially increased.

The sharp contraction in valuations seen over the year to date (YTD) means valuations have retraced to historical averages despite resilient earnings, while real yields are also back in the range seen in 2013-2020. This suggests to us that a large part of the move higher in yields and associated equity valuation risk is now behind us, and a slowdown in the global economy is likely to become the greater concern for equity investors. Certainly, a major slowdown is not yet reflected in analyst earnings growth expectations, which have come under greater scrutiny through the recent results season, while a good chunk of the market's earnings forecasts is also being supported by short-term commodity tailwinds.

In such an environment, with the balance of risks shifting towards earnings delivery and use of leverage, we view the case for our quality-led approach as stronger than ever. Our focus on the highest-quality companies in Europe translates into businesses with resilient revenues and conservative financing, features that are highly prized when uncertainty surfaces. We may not know exactly how the economic or geopolitical landscape will unfold, but we do know that our companies are in a strong position to grow and generate high returns into the future. We have proven that our 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. With global growth slowing, that is especially true of 2022 onwards; the Fund has forecast earnings growth in 2022 well ahead of the market growth of high-single digits following recent earnings downgrades. This dynamic has again been clearly evident throughout second-quarter reporting.

abrdn Europe ex UK Equity Fund

Continued

Our strategy is thus unchanged. We have great confidence in the outlook for the businesses we own in the Fund and despite weaker share prices very little has changed in the earnings potential and growth opportunities for the companies we invest in.

Our focus, as ever, remains on what we can control – researching, engaging with, and investing in great companies at attractive prices. Indeed, after the sharp rotation YTD, implied returns are now looking as attractive as they have done for many years, and we see extremely compelling upside potential in multiple holdings at current levels. We are confident that the portfolio is well balanced, enabling participation in the upside but with powerful protection on the downside as well, as evidenced over the past five years through a range of market conditions. We will remain alive to the unfolding risks and opportunities, and as the external environment changes, we will continue to look to adapt the portfolio's positioning accordingly.

European Equities Team

August 2022

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 2022.

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

- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

Comparative Tables

A Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	292.12	247.05	234.56
Return before operating charges*	(28.68)	48.55	15.55
Operating charges	(3.59)	(3.48)	(3.06)
Return after operating charges*	(32.27)	45.07	12.49
Distributions	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	259.85	292.12	247.05
* after direct transaction costs of:	0.12	0.21	0.21
Performance			
Return after charges	(11.05%)	18.24%	5.32%
Other information			
Closing net asset value (£'000)	145,969	174,206	157,587
Closing number of shares	56,173,158	59,635,607	63,787,758
Operating charges	1.29%	1.32%	1.32%
Direct transaction costs	0.04%	0.08%	0.09%
Prices			
Highest share price	317.9	294.4	259.3
Lowest share price	228.4	237.4	183.9

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

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

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

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

Comparative Tables

Continued

I Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	292.89	246.60	233.08
Return before operating charges*	(28.82)	48.60	15.54
Operating charges	(2.35)	(2.31)	(2.02)
Return after operating charges*	(31.17)	46.29	13.52
Distributions	(0.74)	(0.54)	(1.00)
Retained distributions on accumulation shares	0.74	0.54	1.00
Closing net asset value per share	261.72	292.89	246.60
* after direct transaction costs of:	0.12	0.21	0.21
Performance			
Return after charges	(10.64%)	18.77%	5.80%
Other information			
Closing net asset value (£'000)	319,113	393,102	251,173
Closing number of shares	121,928,199	134,213,065	101,856,237
Operating charges	0.84%	0.87%	0.87%
Direct transaction costs	0.04%	0.08%	0.09%
Prices			
Highest share price	319.2	295.2	258.8
Lowest share price	229.9	237.2	183.2

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	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	154.54	130.18	122.93
Return before operating charges*	(15.20)	25.64	8.37
Operating charges	(1.31)	(1.28)	(1.12)
Return after operating charges*	(16.51)	24.36	7.25
Distributions	(0.28)	(0.04)	(0.68)
Retained distributions on accumulation shares	0.28	0.04	0.68
Closing net asset value per share	138.03	154.54	130.18
* after direct transaction costs of:	0.06	0.11	0.11
Performance			
Return after charges	(10.68%)	18.71%	5.90%
Other information			
Closing net asset value (£'000)	332	361	375
Closing number of shares	240,406	233,748	287,765
Operating charges	0.89%	0.92%	0.92%
Direct transaction costs	0.04%	0.08%	0.09%
Prices			
Highest share price	168.4	155.7	136.6
Lowest share price	121.3	125.2	96.74

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

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

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

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

Comparative Tables

Continued

Z Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	358.84	299.86	281.31
Return before operating charges*	(35.52)	59.37	18.89
Operating charges	(0.32)	(0.39)	(0.34)
Return after operating charges*	(35.84)	58.98	18.55
Distributions	(3.49)	(2.79)	(3.08)
Retained distributions on accumulation shares	3.49	2.79	3.08
Closing net asset value per share	323.00	358.84	299.86
* after direct transaction costs of:	0.15	0.25	0.26
Performance			
Return after charges	(9.99%)	19.67%	6.59%
Other information			
Closing net asset value (£'000)	2,918	7,166	7,002
Closing number of shares	903,536	1,997,058	2,335,070
Operating charges	0.09%	0.12%	0.12%
Direct transaction costs	0.04%	0.08%	0.09%
Prices			
Highest share price	391.9	361.5	314.7
Lowest share price	283.5	289.0	222.2

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

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

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

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

Portfolio Statement

As at 31 July 2022

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (98.88%)		463,556	98.98
European Equities (98.88%)		449,199	95.91
Belgium (0.00%)		12,409	2.65
690,997	Azelis	12,409	2.65
Denmark (7.24%)		48,328	10.32
321,080	Novo Nordisk 'B'	30,932	6.61
181,508	Ørsted	17,396	3.71
France (20.88%)		117,114	25.01
426,333	Dassault Systemes	14,932	3.19
369,692	Edenred	15,565	3.32
50,555	L'Oreal	15,643	3.34
35,496	LVMH	20,131	4.30
126,855	Pernod Ricard	20,423	4.36
129,216	Schneider Electric	14,613	3.12
452,944	Ubisoft Entertainment	15,807	3.38
Germany (17.89%)		58,908	12.58
145,501	Deutsche Boerse	20,868	4.45
119,432	Hannover Rueck	13,851	2.96
199,791	Knorr-Bremse	9,769	2.09
262,981	Nemetschek	14,420	3.08
Ireland (1.69%)		-	-
Italy (5.11%)		11,169	2.38
412,437	Amplifon	11,169	2.38
Netherlands (20.60%)		90,008	19.22
14,961	Adyen	21,938	4.69
69,300	ASML	32,352	6.91

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
130,619	Heineken	10,553	2.25
194,425	Prosus	10,397	2.22
165,798	Wolters Kluwer	14,768	3.15
Norway (3.08%)		12,662	2.70
863,631	Schibsted 'B'	12,662	2.70
Spain (2.34%)		-	-
Sweden (2.58%)		13,221	2.82
1,563,762	Atlas Copco 'B'	13,221	2.82
Switzerland (17.47%)		85,380	18.23
29,347	Lonza	14,587	3.12
172,216	Nestle	17,295	3.69
16,608	Partners	14,792	3.16
277,819	PolyPeptide	10,785	2.30
57,965	Sika	11,696	2.50
147,227	Straumann	16,225	3.46
UK Equities (0.00%)		14,357	3.07
Financials (0.00%)		14,357	3.07
2,080,088	Allfunds	14,357	3.07
Collective Investment Schemes (0.22%)		10	-
10	Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund Z1 Inc+	10	-
Total investment assets		463,566	98.98
Net other assets		4,766	1.02
Total Net Assets		468,332	100.00

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2021.

+ Managed by subsidiaries of abrdn plc.

Financial Statements

Statement of Total Return

For the year ended 31 July 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital (losses)/gains	1		(56,646)		87,052
Revenue	2	6,535		6,211	
Expenses	3	(5,028)		(4,976)	
Interest payable and similar charges		(3)		(1)	
Net revenue before taxation		1,504		1,234	
Taxation	4	(830)		(929)	
Net revenue after taxation			674		305
Total return before distributions			(55,972)		87,357
Distributions	5		(988)		(880)
Change in net assets attributable to shareholders from investment activities			(56,960)		86,477

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2022

	2022		2021	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		574,835		416,137
Amounts receivable on the issue of shares	28,051		137,199	
Amounts payable on the cancellation of shares	(78,530)		(65,893)	
		(50,479)		71,306
Dilution adjustment		-		134
Change in net assets attributable to shareholders from investment activities (see above)		(56,960)		86,477
Retained distribution on accumulation shares		936		781
Closing net assets attributable to shareholders		468,332		574,835

Financial Statements

Continued

Balance Sheet

As at 31 July 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			463,566		569,651
Current assets:					
Debtors	6	974		773	
Cash and bank balances	7	4,470		5,173	
			5,444		5,946
Total assets			469,010		575,597
Liabilities:					
Creditors	8	(678)		(762)	
			(678)		(762)
Total liabilities			(678)		(762)
Net assets attributable to shareholders			468,332		574,835

Notes to the Financial Statements

1 Net Capital (Losses)/Gains

	2022 £'000	2021 £'000
Non-derivative securities	(56,723)	86,711
Forward currency contracts	-	36
Other gains	93	305
Transaction charges	(16)	-
Net capital (losses)/gains	(56,646)	87,052

2 Revenue

	2022 £'000	2021 £'000
Bank and margin interest	3	4
Overseas dividends	6,532	6,207
Total revenue	6,535	6,211

3 Expenses

	2022 £'000	2021 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	4,567	4,383
General administration charge*	414	-
Operating, administrative and servicing fees	-	593
	4,981	4,976
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fees	47	-
	47	-
Total expenses	5,028	4,976

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

* The fixed general administration charge was introduced from 1 August 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian. The audit fee for the year, including VAT, was £8,460 (2021: £8,389).

Notes to the Financial Statements

Continued

4 Taxation

	2022 £'000	2021 £'000
(a) Analysis of charge in year		
Overseas taxes	830	929
Total taxation (note 4b)	830	929

(b) Factors affecting current tax charge for the year

The tax assessed for the year is greater than (2021: greater than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

Net revenue before taxation	1,504	1,234
Corporation tax at 20% (2021: 20%)	301	247
Effects of:		
Revenue not subject to taxation	(1,307)	(1,241)
Overseas taxes	830	929
Excess allowable expenses	1,006	994
Total tax charge for year (note 4a)	830	929

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

(c) Factors that may affect future tax charge

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £8,909,000 (2021: £7,903,000) 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)

	2022 £'000	2021 £'000
Distribution	936	781
Add: Income deducted on cancellation of shares	63	101
Deduct: Income received on issue of shares	(11)	(2)
Total distributions for the year	988	880
Movement between net revenue and distributions		
Net revenue after taxation	674	305
Shortfall transfer from capital to revenue	314	575
Total distributions for the year	988	880

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

Notes to the Financial Statements

Continued

6 Debtors

	2022 £'000	2021 £'000
Overseas withholding tax recoverable	974	773
Total debtors	974	773

7 Liquidity

	2022 £'000	2021 £'000
Cash and bank balances		
Cash at bank	4,470	5,173
	4,470	5,173
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	10	1,276
Net liquidity	4,480	6,449

* 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

	2022 £'000	2021 £'000
Accrued expenses payable to ACD	365	424
Accrued expenses payable to the Depositary or associates of the Depositary	6	-
Amounts payable to the ACD for cancellation of shares	307	280
Other accrued expenses	-	58
Total creditors	678	762

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

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

	Purchases		Sales	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trades in the year				
Equities	132,273	241,870	180,375	159,066
Corporate actions	-	-	211	-
Trades in the year before transaction costs	132,273	241,870	180,586	159,066
Commissions				
Equities	78	97	(80)	(89)
Total commissions	78	97	(80)	(89)
Taxes				
Equities	59	203	-	-
Total taxes	59	203	-	-
Total transaction costs	137	300	(80)	(89)
Total net trades in the year after transaction costs	132,410	242,170	180,506	158,977
	Purchases		Sales	
	2022 %	2021 %	2022 %	2021 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.06	0.04	0.04	0.06
Taxes				
Equities	0.04	0.08	-	-
Total transaction costs expressed as a percentage of net asset value			2022 %	2021 %
Commissions			0.03	0.04
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 0.07% (2021: 0.05%), this is representative of the average spread on the assets held during the year.

Notes to the Financial Statements

Continued

11 Shares in Issue Reconciliation

	Opening shares 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
A Accumulation	59,635,607	80,531	(3,295,120)	(247,860)	56,173,158
I Accumulation	134,213,065	10,442,882	(22,974,480)	246,732	121,928,199
M Accumulation	233,748	28,946	(22,288)	-	240,406
Z Accumulation	1,997,058	313,980	(1,407,502)	-	903,536

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).

	2022 £'000	2022 £'000	2022 £'000	2021 £'000	2021 £'000	2021 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	463,556	-	-	568,375	-	-
Collective Investment Schemes	-	10	-	-	1,276	-
Total investment assets	463,556	10	-	568,375	1,276	-

13 Risk Management Policies and Disclosures

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

Foreign currency risk

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

Notes to the Financial Statements

Continued

Currency	Net foreign currency exposure	Net foreign currency exposure
	2022 £'000	2021 £'000
Danish Krone	48,598	41,807
Euro	304,739	394,406
Norwegian Krone	12,687	17,715
Swedish Krona	13,221	14,840
Swiss Franc	85,380	100,397
Total	464,625	569,165

At 31 July 2022, 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 £23,231,000 (2021: £28,458,000).

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 2022, 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 £23,178,000 (2021: £28,483,000).

Financial derivatives instrument risk

The fund had no exposure to derivatives as at 31 July 2022 (2021: £Nil).

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2022 £678,000 (2021: £762,000).

Distribution Table

For the year ended 31 July 2022 (in pence per share)

Final dividend distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 July 2022

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
A Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
I Accumulation				
Group 1	0.7409	-	0.7409	0.5405
Group 2	0.6269	0.1140	0.7409	0.5405
M Accumulation				
Group 1	0.2769	-	0.2769	0.0447
Group 2	0.0581	0.2188	0.2769	0.0447
Z Accumulation				
Group 1	3.4895	-	3.4895	2.7915
Group 2	3.1147	0.3748	3.4895	2.7915

Equalisation

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

abrdn European High Yield Bond Fund

For the year ended 31 July 2022

Investment Objective

To generate income and some growth over the long term (5 years or more) by investing in Sterling and Euro denominated sub-investment grade (high yield) corporate bonds.

Performance Target: To achieve the return of the ICE BofAML European Currency High Yield Constrained Index (Hedged to GBP) plus 1.25% per annum (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

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

Investment Policy

Portfolio Securities

- The fund will invest at least 70% in Sterling and Euro denominated sub-investment grade corporate bonds.
- The fund may also invest in bonds issued anywhere in the world by governments and corporations, such as sub-sovereigns, investment grade, inflation-linked, convertible, asset backed and mortgage-backed bonds.
- The fund may also invest in other funds (including those managed by abrdn), money-market instruments, and cash.

Management Process

- The management team use their discretion (active management) to identify bonds and derivatives after analysing companies prospects and creditworthiness alongside global economic and market conditions.
- In seeking to achieve the performance target, the ICE BofAML European Currency High Yield Constrained Index (Hedged to GBP) is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 4.50%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the ICE BofAML European Currency High Yield Constrained Index (Hedged to GBP).

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

Derivatives and Techniques

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

Performance Review

For the year ended 31 July 2022, the value of abrdn European High Yield Bond Fund – A Accumulation Shares decreased by 9.29% compared to a decrease of 10.05% in the performance target, the ICE BofAML European Currency High Yield Constrained Index (Hedged to GBP).

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

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

Market Review

The high-yield (HY) bond market has endured an extremely tough year, as a combination of escalating inflation and rising interest rates have proven highly challenging for bond investors. As economies reopened after the pandemic, Covid-19 disrupted global supply chains as they came under stress amid rebounding demand, while labour shortages in many economies compounded price pressures. The war in Ukraine further aggravated inflation, with dramatic consequences for energy and food prices. Investors became increasingly concerned that interest rates in Western economies would need to rise faster and further than previously anticipated to combat this growing inflation problem. Riskier HY bonds were especially weak, amid growing expectations of a global economic slowdown that would impact highly indebted, weaker and less creditworthy companies the most – the European HY market experienced one of its worst months on record in June.

It was a more positive story earlier in the review period. Fears over the impact of Covid-19 on the credit market, particularly HY bonds, had subsided by the early summer of 2021. Economies had emerged from the first lockdown and the major central banks were purchasing corporate bonds through their stimulus programmes. As government bond yields stabilised, corporate bonds performed relatively well through August, even after the US Federal

abrdn European High Yield Bond Fund

Continued

Reserve said it would begin offloading corporate bonds bought through its pandemic support plan. However, corporate bonds fell in September, as minutes from the central bank's rate-setting committee suggested an increasingly hawkish approach from policymakers. Against a backdrop of continuing market volatility, bonds recovered in the final quarter of 2021, only to fall heavily in the first half of 2022. However, July saw HY bonds enjoy some respite with a positive return for the month.

Portfolio Activity and Review

Early in the period, we bought new-issue bonds from specialist lender Pinewood and Sherwood, which owns British private equity firm TDR. In the secondary market, we bought the bonds of lender Together, as well as European property company Adler, which we have sold down more recently. Towards the end of the period, we bought the corporate hybrids of EDF, which is being renationalised by the French state. We also purchased the bonds of tyre maker Goodyear.

On the sell side and early in the period, we sold telecommunications company Arqiva and Italian bank Monte dei Paschi di Siena. More recently, we sold technology conglomerate SoftBank and CIRSA, which runs casinos and gambling ventures in Spain and Latin America.

Portfolio Outlook and Strategy

The last month of the period has seen the technical picture in HY completely reverse, as buyers outnumber sellers by a significant margin. Liquidity at a market level has improved materially, and HY mutual funds have seen a net inflow for the first week nearly five months. We think the second half of this year will generate a positive return as interest-rate risk declines and recessionary fears are alleviated. However, we will continue to use strength to reduce credit risk in the fund ahead of what we think could be another tough year for markets in 2023.

Euro HY and Global Leverage Loans Team

August 2022

abrdn European High Yield 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 2022.

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

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

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

Comparative Tables

A Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	157.53	141.21	140.90
Return before operating charges*	(12.91)	18.23	2.08
Operating charges	(1.92)	(1.91)	(1.77)
Return after operating charges*	(14.83)	16.32	0.31
Distributions	(7.84)	(7.64)	(7.09)
Retained distributions on accumulation shares	7.84	7.64	7.09
Closing net asset value per share	142.70	157.53	141.21
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(9.41%)	11.56%	0.22%
Other information			
Closing net asset value (£'000)	1,800	2,230	2,114
Closing number of shares	1,261,654	1,415,427	1,496,940
Operating charges	1.25%	1.26%	1.26%
Direct transaction costs	-	-	-
Prices			
Highest share price	159.8	158.1	148.4
Lowest share price	136.7	142.3	117.6

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	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	86.35	81.41	85.48
Return before operating charges*	(6.82)	10.33	1.18
Operating charges	(1.03)	(1.08)	(1.05)
Return after operating charges*	(7.85)	9.25	0.13
Distributions	(4.20)	(4.31)	(4.20)
Closing net asset value per share	74.30	86.35	81.41
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(9.09%)	11.36%	0.15%
Other information			
Closing net asset value (£'000)	4,201	5,086	5,116
Closing number of shares	5,654,394	5,889,176	6,284,076
Operating charges	1.25%	1.26%	1.26%
Direct transaction costs	-	-	-
Prices			
Highest share price	87.22	87.36	87.94
Lowest share price	71.49	81.73	69.44

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

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

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

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

Comparative Tables

Continued

I Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	164.68	146.95	145.98
Return before operating charges*	(13.54)	19.01	2.15
Operating charges	(1.29)	(1.28)	(1.18)
Return after operating charges*	(14.83)	17.73	0.97
Distributions	(8.22)	(7.97)	(7.36)
Retained distributions on accumulation shares	8.22	7.97	7.36
Closing net asset value per share	149.85	164.68	146.95
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(9.01%)	12.07%	0.66%
Other information			
Closing net asset value (£'000)	9,254	13,040	13,226
Closing number of shares	6,175,199	7,918,714	9,000,236
Operating charges	0.80%	0.81%	0.81%
Direct transaction costs	-	-	-
Prices			
Highest share price	167.1	165.2	154.1
Lowest share price	143.5	148.1	122.2

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

	2022	2021	2020
I Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	101.55	95.31	99.62
Return before operating charges*	(8.04)	12.10	1.39
Operating charges	(0.78)	(0.81)	(0.79)
Return after operating charges*	(8.82)	11.29	0.60
Distributions	(4.95)	(5.05)	(4.91)
Closing net asset value per share	87.78	101.55	95.31
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(8.69%)	11.85%	0.60%
Other information			
Closing net asset value (£'000)	15,253	21,121	21,263
Closing number of shares	17,376,545	20,797,996	22,308,951
Operating charges	0.80%	0.81%	0.81%
Direct transaction costs	-	-	-
Prices			
Highest share price	102.6	102.7	102.7
Lowest share price	84.43	95.79	81.16

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

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

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

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

Comparative Tables

Continued

M Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	118.98	106.23	105.37
Return before operating charges*	(9.71)	13.73	1.74
Operating charges	(0.99)	(0.98)	(0.88)
Return after operating charges*	(10.70)	12.75	0.86
Distributions	(5.94)	(5.71)	(5.36)
Retained distributions on accumulation shares	5.94	5.71	5.36
Closing net asset value per share	108.28	118.98	106.23
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(8.99%)	12.00%	0.82%
Other information			
Closing net asset value (£'000)	9	10	9
Closing number of shares	8,161	8,186	8,212
Operating charges	0.85%	0.86%	0.86%
Direct transaction costs	-	-	-
Prices			
Highest share price	120.7	119.4	111.4
Lowest share price	103.7	107.0	88.33

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

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

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

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

Comparative Tables

Continued

M Income	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	103.75	97.38	101.82
Return before operating charges*	(8.15)	12.48	1.49
Operating charges	(0.84)	(0.88)	(0.85)
Return after operating charges*	(8.99)	11.60	0.64
Distributions	(5.07)	(5.23)	(5.08)
Closing net asset value per share	89.69	103.75	97.38
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(8.67%)	11.91%	0.63%
Other information			
Closing net asset value (£'000)	1	1	1
Closing number of shares	975	975	975
Operating charges	0.85%	0.86%	0.86%
Direct transaction costs	-	-	-
Prices			
Highest share price	104.9	104.9	105.0
Lowest share price	86.25	97.87	82.94

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

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

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

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

Comparative Tables

Continued

Z Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	138.73	122.93	121.26
Return before operating charges*	(11.47)	15.94	1.80
Operating charges	(0.14)	(0.14)	(0.13)
Return after operating charges*	(11.61)	15.80	1.67
Distributions	(6.94)	(6.69)	(6.14)
Retained distributions on accumulation shares	6.94	6.69	6.14
Closing net asset value per share	127.12	138.73	122.93
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(8.37%)	12.85%	1.38%
Other information			
Closing net asset value (£'000)	1,140	1,714	9,905
Closing number of shares	897,062	1,235,803	8,057,919
Operating charges	0.10%	0.11%	0.11%
Direct transaction costs	-	-	-
Prices			
Highest share price	141.1	139.2	128.5
Lowest share price	121.7	123.9	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.

Portfolio Statement

As at 31 July 2022

Holding	Investment	Market value £'000	Percentage of total net assets
Bonds (97.12%)		29,151	92.08
Euro Denominated Bonds (69.93%)		21,888	69.14
Corporate Bonds (69.93%)		21,888	69.14
less than 5 years to maturity			
102,000	Adevinta 2.625% 2025	81	0.26
413,000	Aggreko 5.25% 2026	304	0.96
247,000	Allwyn International 4.125% 2024	201	0.64
877,000	Altice France 8% 2027	640	2.02
200,000	ARD Finance 5% 2027	125	0.40
182,000	Ardagh Packaging Finance 2.125% 2026	129	0.41
480,000	Banff Merger Sub 8.375% 2026	371	1.17
330,000	Carnival 10.125% 2026	290	0.92
200,000	Casino Guichard Perrachon 4.048% 2026	111	0.35
100,000	Cirsa Finance International 6.25% 2023	69	0.22
239,000	CT Investment 5.5% 2026	170	0.54
396,000	Cullinan Holdco 4.625% 2026	277	0.88
100,000	Darling Global Finance 3.625% 2026	79	0.25
300,000	DDM Debt 9% 2026	212	0.67
643,000	Diocle FRN 2026	368	1.16
450,000	eG Global Finance 4.375% 2025	345	1.09
150,000	Faurecia 2.375% 2027	103	0.32
150,000	Faurecia 3.125% 2026	117	0.37
505,000	Galapagos 5.375% 2021*	-	-
320,000	Gamma Bidco 6.25% 2025	256	0.81
281,000	Garfunkelux Holdco 3 6.75% 2025	203	0.64
179,000	Golden Goose FRN 2027	131	0.41
229,000	Gruenenthal 3.625% 2026	181	0.57
100,000	HSE Finance 5.625% 2026	60	0.19
108,000	HSE Finance FRN 2026	74	0.23
343,000	HT Troplast 9.25% 2025	257	0.81
150,000	IHO Verwaltungs 3.875% 2027	103	0.32
207,000	Iliad 5.125% 2026	168	0.53
389,000	INEOS Finance 3.375% 2026	308	0.97
440,000	INEOS Styrolution 2.25% 2027	302	0.95
171,000	International Game Technology 3.5% 2024	143	0.45
100,000	Intrum 3.5% 2026	72	0.23
284,000	Intrum 4.875% 2025	224	0.71

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
215,000	IQVIA 1.75% 2026	170	0.54
229,000	Jaguar Land Rover Automotive 6.875% 2026	173	0.55
317,000	Kedrion 3.375% 2026	238	0.75
100,000	Kleopatra Finco 4.25% 2026	71	0.23
110,000	La Financiere Atalian 4% 2024	89	0.28
329,713	LHMC Finco 2 7.25% 2025	235	0.74
290,000	Loxam 3.75% 2026	223	0.70
400,000	Matterhorn Telecom 3.125% 2026	307	0.97
200,000	Monitchem HoldCo 3 FRN 2025	165	0.52
189,000	Motion Finco 7% 2025	154	0.49
100,000	MPT Operating Partnership REIT 3.325% 2025	82	0.26
378,000	Nassa Topco 2.875% 2024	301	0.95
342,000	Nidda Healthcare 3.5% 2024	267	0.84
120,000	OCI 3.625% 2025	90	0.28
290,000	PrestigeBidCo FRN 2027	217	0.68
144,000	Rolls-Royce 4.625% 2026	118	0.37
175,000	Samvardhana Motherson Automotive Systems 1.8% 2024	134	0.42
250,000	Sazka 9% 2021**	-	-
430,000	Schaeffler 2.875% 2027	338	1.07
256,000	Sigma Holdco 5.75% 2026	134	0.42
500,000	Summer BC HoldCo 5.75% 2026	389	1.23
100,000	Summer BidCo 9% 2025	73	0.23
400,000	Summer BidCo 9% 2025 (Frankfurt Exchange)	300	0.95
436,000	Techem Verwaltungsgesellschaft 674 6% 2026	295	0.93
361,000	Techem Verwaltungsgesellschaft 675 2% 2025	279	0.88
1,062,000	Teva Pharmaceutical Finance Netherlands II 4.5% 2025	889	2.81
336,000	TK Elevator Midco 4.375% 2027	258	0.82
114,000	TK Elevator Midco FRN 2027	92	0.29
300,000	United 4.875% 2024	241	0.76
400,000	Verisure 3.25% 2027	295	0.93
384,000	Victoria 3.625% 2026	276	0.87
300,000	ZF Europe Finance 2% 2026	224	0.71
200,000	ZF Finance 2% 2027	141	0.45
between 5 and 10 years to maturity			
600,000	Altice Finco 4.75% 2028	409	1.29
170,000	Ashland Services 2% 2028	122	0.39
160,000	Atlantia 1.875% 2028	112	0.35

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
605,000	Autostrade per l'Italia 2% 2028	442	1.40
170,000	Banca Monte dei Paschi di Siena FRN 2028	74	0.23
220,000	CAB SELAS 3.375% 2028	161	0.51
332,000	Chrome Bidco 3.5% 2028	247	0.78
215,000	Chrome Holdco 5% 2029	142	0.45
239,000	Cidron Aida Finco 5% 2028	177	0.56
272,000	Dufry One 3.375% 2028	195	0.62
180,000	Faurecia 3.75% 2028	130	0.41
245,000	Goodyear Europe 2.75% 2028	171	0.54
114,000	Graphic Packaging International 2.625% 2029	80	0.25
100,000	Grifols 2.25% 2027	75	0.24
167,000	Gruenthal 4.125% 2028	127	0.40
177,000	IMA Industria Macchine Automatiche 3.75% 2028	122	0.38
151,000	IMA Industria Macchine Automatiche FRN 2028	116	0.37
110,000	Jaguar Land Rover Automotive 4.5% 2028	69	0.22
295,000	Leather 2 FRN 2028	198	0.62
170,000	Mobilux Finance 4.25% 2028	104	0.33
270,000	Nobel Bidco 3.125% 2028	171	0.54
123,000	Nomad Foods Bondco 2.5% 2028	87	0.27
130,000	Novelis Sheet Ingot 3.375% 2029	91	0.29
494,000	Organon 2.875% 2028	377	1.19
156,000	Paprec 3.5% 2028	108	0.34
1,000,000	Petroleos Mexicanos 4.75% 2029	658	2.08
200,000	Schaeffler 3.375% 2028	148	0.47
227,000	SoftBank 5% 2028	162	0.51
226,000	SoftBank 5.25% 2027	169	0.53
147,000	United 5.25% 2030	96	0.30
344,000	Verisure Midholding 5.25% 2029	242	0.76
300,000	ZF Europe Finance 2.5% 2027	215	0.68
474,000	Ziggo Bond 3.375% 2030	309	0.98
Perpetual			
400,000	Abanca Corp Bancaria 6% fixed to floating Perpetual	303	0.96
200,000	Abertis Infraestructuras Finance 3.248% fixed to floating Perpetual	150	0.48
400,000	Banco Santander 4.375% fixed to floating Perpetual	300	0.95
400,000	EDF 5% fixed to floating Perpetual	319	1.01
400,000	EDF 5.375% fixed to floating Perpetual	331	1.05

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
353,118	Stichting 6.5% Perpetual	317	1.00
100,000	Telefonica Europe 3% fixed to floating Perpetual	82	0.26
300,000	UniCredit FRN Perpetual	248	0.78
Sterling Denominated Bonds (25.95%)		7,062	22.31
Corporate Bonds (25.95%)		7,062	22.31
less than 5 years to maturity			
200,000	Ardagh Packaging Finance 4.75% 2027	149	0.47
210,000	Bellis Acquisition 3.25% 2026	170	0.54
493,000	Bellis Acquisition 4.5% 2026	408	1.29
216,000	Constellation Automotive Financing 4.875% 2027	172	0.54
633,000	Encore Capital 5.375% 2026	594	1.87
450,349	EnQuest 7% 2023	433	1.37
450,000	Garfunkelux Holdco 3 7.75% 2025	389	1.23
100,000	Jaguar Land Rover Automotive 3.875% 2023	98	0.31
136,000	Jerrold Finco 4.875% 2026	117	0.37
300,000	Jerrold Finco 5.25% 2027	264	0.83
128,000	Kane Bidco 6.5% 2027	113	0.35
294,000	Premier Foods Finance 3.5% 2026	265	0.84
103,000	Punch Finance 6.125% 2026	90	0.29
481,000	Sherwood Financing 6% 2026	386	1.22
431,000	TalkTalk Telecom 3.875% 2025	380	1.20
338,000	Thames Water Kemble Finance 4.625% 2026	297	0.94
384,000	Very 6.5% 2026	300	0.95
122,000	Wheel Bidco 6.75% 2026	101	0.32
between 5 and 10 years to maturity			
271,000	B&M European Value Retail 4% 2028	222	0.70
313,000	Cidron Aida Finco 6.25% 2028	270	0.85
100,000	Encore Capital 4.25% 2028	82	0.26
307,000	Pinewood Finance 3.625% 2027	259	0.82
494,000	Rolls-Royce 5.75% 2027	464	1.46
589,000	Virgin Media Vendor Financing Notes III 4.875% 2028	512	1.62

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Perpetual			
200,000	Barclays 6.375% fixed to floating Perpetual	189	0.60
100,000	Deutsche Bank 7.125% fixed to floating Perpetual	91	0.29
276,000	National Express 4.25% fixed to floating Perpetual	247	0.78
US Dollar Denominated Bonds (1.24%)		201	0.63
Corporate Bonds (1.24%)		201	0.63
less than 5 years to maturity			
252,000	Ithaca Energy North Sea 9% 2026	201	0.63
Equities (0.00%)		-	-
European Equities (0.00%)		-	-
Luxembourg (0.00%)		-	-
26,196	BrightHouse**	-	-
Derivatives (0.53%)		312	0.99
Forward Currency Contracts (0.53%)		312	0.99
	Buy GBP 114,403 Sell EUR 134,000 25/08/2022	1	0.01
	Buy GBP 338,936 Sell EUR 400,000 25/08/2022	2	-
	Buy GBP 552,784 Sell EUR 650,000 25/08/2022	6	0.02
	Buy GBP 22,100,431 Sell EUR 25,900,000 25/08/2022	300	0.95
	Buy GBP 182,707 Sell USD 219,000 25/08/2022	3	0.01
Total investment assets		29,463	93.07
Net other assets		2,195	6.93
Total Net Assets		31,658	100.00

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities or approved derivatives within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2021.

* Defaulted.

** Delisted.

Financial Statements

Statement of Total Return

For the year ended 31 July 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital (losses)/gains	1		(5,082)		3,443
Revenue	2	1,985		2,430	
Expenses	3	(324)		(385)	
Interest payable and similar charges		(3)		(2)	
Net revenue before taxation		1,658		2,043	
Taxation	4	-		3	
Net revenue after taxation			1,658		2,046
Total return before distributions			(3,424)		5,489
Distributions	5		(1,979)		(2,379)
Change in net assets attributable to shareholders from investment activities			(5,403)		3,110

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2022

	2022		2021	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		43,202		51,634
Amounts receivable on the issue of shares	1,908		4,210	
Amounts payable on the cancellation of shares	(8,807)		(16,826)	
		(6,899)		(12,616)
Dilution adjustment		9		59
Change in net assets attributable to shareholders from investment activities (see above)		(5,403)		3,110
Retained distribution on accumulation shares		749		1,015
Closing net assets attributable to shareholders		31,658		43,202

Financial Statements

Continued

Balance Sheet

As at 31 July 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			29,463		42,188
Current assets:					
Debtors	6	441		536	
Cash and bank balances		1,889		1,122	
			2,330		1,658
Total assets			31,793		43,846
Liabilities:					
Creditors	7	(48)		(542)	
Distribution payable		(87)		(102)	
			(135)		(644)
Total liabilities			(135)		(644)
Net assets attributable to shareholders			31,658		43,202

Notes to the Financial Statements

1 Net Capital (Losses)/Gains

	2022 £'000	2021 £'000
Non-derivative securities	(5,618)	1,454
Forward currency contracts	535	2,002
Other gains/(losses)	6	(13)
Transaction charges	(5)	-
Net capital (losses)/gains	(5,082)	3,443

2 Revenue

	2022 £'000	2021 £'000
Interest on debt securities	1,926	2,367
Stocklending revenue	59	63
Total revenue	1,985	2,430

3 Expenses

	2022 £'000	2021 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	291	333
General administration charge*	31	-
Operating, administrative and servicing fees	-	52
	322	385
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fees	2	-
	2	-
Total expenses	324	385

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

* The fixed general administration charge was introduced from 1 August 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian. The audit fee for the year, including VAT, was £10,860 (2021: £10,743).

Notes to the Financial Statements

Continued

4 Taxation

	2022 £'000	2021 £'000
(a) Analysis of charge in year		
Overseas taxes	-	(3)
Total taxation (note 4b)	-	(3)

(b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2021: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

Net revenue before taxation	1,658	2,043
Corporation tax at 20% (2021: 20%)	331	409
Effects of:		
Overseas taxes	-	(3)
Distributions treated as tax deductible	(331)	(409)
Total tax charge for year (note 4a)	-	(3)

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

(c) Factors that may affect future tax charge

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

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

	2022 £'000	2021 £'000
First interim distribution	177	223
Second interim distribution	186	222
Third interim distribution	160	219
Fourth interim distribution	189	197
Fifth interim distribution	191	223
Sixth interim distribution	185	194
Seventh interim distribution	149	173
Eighth interim distribution	159	188
Ninth interim distribution	147	194
Tenth interim distribution	140	176
Eleventh interim distribution	141	172
Final distribution	143	168
	1,967	2,349
Add: Income deducted on cancellation of shares	17	38
Deduct: Income received on issue of shares	(5)	(8)
Total distributions for the year	1,979	2,379

Notes to the Financial Statements

Continued

	2022	2021
	£'000	£'000
Movement between net revenue and distributions		
Net revenue after taxation	1,658	2,046
Expenses charged to capital	322	333
Undistributed revenue carried forward	(1)	-
Total distributions for the year	1,979	2,379

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

	2022	2021
	£'000	£'000
Accrued revenue	422	517
Amounts receivable from the ACD for the issue of shares	19	19
Total debtors	441	536

7 Creditors

	2022	2021
	£'000	£'000
Accrued expenses payable to ACD	22	28
Accrued expenses payable to the Depositary or associates of the Depositary	1	-
Amounts payable to the ACD for cancellation of shares	25	26
Other accrued expenses	-	4
Purchases awaiting settlement	-	484
Total creditors	48	542

Notes to the Financial Statements

Continued

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

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

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

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

Trades in the year	Purchases		Sales	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Bonds	9,954	25,428	17,186	35,517
Trades in the year before transaction costs	9,954	25,428	17,186	35,517
Total net trades in the year after transaction costs	9,954	25,428	17,186	35,517

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 1.46% (2021: 0.82%), this is representative of the average spread on the assets held during the year.

10 Shares in Issue Reconciliation

	Opening shares 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
A Accumulation	1,415,427	34,827	(188,600)	-	1,261,654
A Income	5,889,176	101,307	(334,464)	(1,625)	5,654,394
I Accumulation	7,918,714	452,437	(2,195,952)	-	6,175,199
I Income	20,797,996	1,068,047	(4,490,878)	1,380	17,376,545
M Accumulation	8,186	-	(25)	-	8,161
M Income	975	-	-	-	975
Z Accumulation	1,235,803	-	(338,741)	-	897,062

Notes to the Financial Statements

Continued

11 Fair Value Hierarchy

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

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

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

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

	2022	2022	2022	2021	2021	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Bonds	-	29,151	-	-	41,960	-
Derivatives	-	312	-	-	228	-
Total investment assets	-	29,463	-	-	42,188	-

12 Risk Management Policies and Disclosures

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

Foreign currency risk

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

Interest rate risk

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

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

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

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
2022				
Currency				
UK Sterling	1,234	7,060	23,296	31,590
Euro	2,336	20,208	(22,498)	46
US Dollar	-	201	(179)	22
Total	3,570	27,469	619	31,658

Notes to the Financial Statements

Continued

2021	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
Currency				
UK Sterling	1,100	11,212	30,750	43,062
Euro	1,089	29,143	(30,118)	114
US Dollar	-	538	(512)	26
Total	2,189	40,893	120	43,202

Other price risk

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

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

VaR

The table below indicates the VaR of the fund's financial instruments, measured as the potential one month loss (Prior year this was based on a 5 day loss) in value from adverse changes in equity prices, interest rates, inflation rates and foreign currency exchange rates, with a 99 percent confidence level. Calculated on this basis, the table indicates that the net value of the fund's financial assets and liabilities could be expected to change by more than the stated amount on only two days out of 200, in response to either price, interest rate, inflation or foreign currency exchange rate changes.

2022	Minimum	Maximum	Average
VaR 99% 1 Month	2.06%	2.65%	2.38%

2021	Minimum	Maximum	Average
VaR 99% 1 Month	1.08%	1.69%	1.38%

Counterparty risk

Credit quality of debt security investment assets

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

2022	Market value £'000	Percentage of total net assets %
Investment grade securities	90	0.28
Below investment grade securities	28,744	90.80
Unrated securities	317	1.00
Total value of securities	29,151	92.08

Notes to the Financial Statements

Continued

2021	Market value £'000	Percentage of total net assets %
Investment grade securities	-	-
Below investment grade securities	40,939	94.75
Unrated securities	1,021	2.36
Total value of securities	41,960	97.12

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:

	2022		2021	
	Market exposure £'000	Market value £'000	Market exposure £'000	Market value £'000
Leveraged instruments				
Forward currency contracts	22,977	312	31,094	228
Total market exposure	22,977	312	31,094	228

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

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

Counterparty risk

Bilateral agreements

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

All stock lending is conducted by the stocklending agent on behalf of the fund using a standard agreement with available counterparties. It is collateralised daily with a right of recall within 24 hours.

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

2022 Counterparties	Forwards £'000	Stock on loan £'000	Collateral (held)/pledged		Net exposure £'000
			Cash £'000	Stock £'000	
Bank of America Merrill Lynch	3	-	-	-	3
HSBC	300	-	-	-	300
Societe Generale	2	-	-	-	2
Standard Chartered	1	-	-	-	1
UBS	6	-	-	-	6
Total	312	-	-	-	312

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 £69,000 (2021: £74,000) and expenses paid to the lending agent, Securities Finance Trust Company, are £10,000 (2021: £11,000).

Notes to the Financial Statements

Continued

2021 Counterparties	Forwards £'000	Stock on loan* £'000	Collateral (held)/pledged		Net exposure £'000
			Cash £'000	Stock* £'000	
BNP Paribas	5	4,458	-	(4,725)	(262)
Morgan Stanley	221	-	-	-	221
Royal Bank of Canada	2	-	-	-	2
Total	228	4,458	-	(4,725)	(39)

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

Top SFTR Issuers

2021	Type	Collateral Stock £'000
Germany (Federal Republic of)	Bond	(1,654)
France (Republic of)	Bond	(1,590)
Grand Duchy of Luxe	Bond	(1,204)
Netherlands (Kingdom of)	Bond	(277)
		(4,725)

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2022 £135,000 (2021: £644,000).

13 Subsequent Events

The ACD intends to merge the abrdn European High Yield Fund in 2023.

Distribution Tables

For the year ended 31 July 2022 (in pence per share)

First interim interest distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 August 2021

	Revenue	Equalisation	Distribution paid 30/09/21	Distribution paid 30/09/20
A Accumulation				
Group 1	0.6527	-	0.6527	0.6293
Group 2	0.4195	0.2332	0.6527	0.6293
A Income				
Group 1	0.3577	-	0.3577	0.3627
Group 2	0.1481	0.2096	0.3577	0.3627
I Accumulation				
Group 1	0.6824	-	0.6824	0.6551
Group 2	0.4220	0.2604	0.6824	0.6551
I Income				
Group 1	0.4208	-	0.4208	0.4247
Group 2	0.1805	0.2403	0.4208	0.4247
M Accumulation				
Group 1	0.4930	-	0.4930	0.4683
Group 2	0.4930	-	0.4930	0.4683
M Income				
Group 1	0.4295	-	0.4295	0.4418
Group 2	0.4295	-	0.4295	0.4418
Z Accumulation				
Group 1	0.5750	-	0.5750	0.5482
Group 2	0.5750	-	0.5750	0.5482

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Second interim interest distribution

Group 1 – shares purchased prior to 1 September 2021

Group 2 – shares purchased between 1 September 2021 and 30 September 2021

	Revenue	Equalisation	Distribution paid 29/10/21	Distribution paid 30/10/20
A Accumulation				
Group 1	0.6881	-	0.6881	0.6677
Group 2	0.2691	0.4190	0.6881	0.6677
A Income				
Group 1	0.3757	-	0.3757	0.3836
Group 2	0.2454	0.1303	0.3757	0.3836
I Accumulation				
Group 1	0.7196	-	0.7196	0.6954
Group 2	0.2783	0.4413	0.7196	0.6954
I Income				
Group 1	0.4421	-	0.4421	0.4493
Group 2	0.2403	0.2018	0.4421	0.4493
M Accumulation				
Group 1	0.5200	-	0.5200	0.4976
Group 2	0.5200	-	0.5200	0.4976
M Income				
Group 1	0.4541	-	0.4541	0.4674
Group 2	0.4541	-	0.4541	0.4674
Z Accumulation				
Group 1	0.6069	-	0.6069	0.5845
Group 2	0.6069	-	0.6069	0.5845

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Third interim interest distribution

Group 1 – shares purchased prior to 1 October 2021

Group 2 – shares purchased between 1 October 2021 and 31 October 2021

	Revenue	Equalisation	Distribution paid 30/11/21	Distribution paid 30/11/20
A Accumulation				
Group 1	0.5955	-	0.5955	0.6601
Group 2	0.3918	0.2037	0.5955	0.6601
A Income				
Group 1	0.3236	-	0.3236	0.3771
Group 2	0.0860	0.2376	0.3236	0.3771
I Accumulation				
Group 1	0.6230	-	0.6230	0.6873
Group 2	0.2514	0.3716	0.6230	0.6873
I Income				
Group 1	0.3810	-	0.3810	0.4419
Group 2	0.2013	0.1797	0.3810	0.4419
M Accumulation				
Group 1	0.4509	-	0.4509	0.4921
Group 2	0.4509	-	0.4509	0.4921
M Income				
Group 1	0.3905	-	0.3905	0.4592
Group 2	0.3905	-	0.3905	0.4592
Z Accumulation				
Group 1	0.5255	-	0.5255	0.5759
Group 2	0.5255	-	0.5255	0.5759

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Fourth interim interest distribution

Group 1 – shares purchased prior to 1 November 2021

Group 2 – shares purchased between 1 November 2021 and 30 November 2021

	Revenue	Equalisation	Distribution paid 31/12/21	Distribution paid 31/12/20
A Accumulation				
Group 1	0.7062	-	0.7062	0.5968
Group 2	0.3437	0.3625	0.7062	0.5968
A Income				
Group 1	0.3824	-	0.3824	0.3394
Group 2	0.2018	0.1806	0.3824	0.3394
I Accumulation				
Group 1	0.7392	-	0.7392	0.6220
Group 2	0.2212	0.5180	0.7392	0.6220
I Income				
Group 1	0.4503	-	0.4503	0.3978
Group 2	0.1792	0.2711	0.4503	0.3978
M Accumulation				
Group 1	0.5349	-	0.5349	0.4446
Group 2	0.5349	-	0.5349	0.4446
M Income				
Group 1	0.4623	-	0.4623	0.4100
Group 2	0.4623	-	0.4623	0.4100
Z Accumulation				
Group 1	0.6240	-	0.6240	0.5213
Group 2	0.6240	-	0.6240	0.5213

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Fifth interim interest distribution

Group 1 – shares purchased prior to 1 December 2021

Group 2 – shares purchased between 1 December 2021 and 31 December 2021

	Revenue	Equalisation	Distribution paid 31/01/22	Distribution paid 29/01/21
A Accumulation				
Group 1	0.7267	-	0.7267	0.6736
Group 2	0.6031	0.1236	0.7267	0.6736
A Income				
Group 1	0.3918	-	0.3918	0.3811
Group 2	0.2229	0.1689	0.3918	0.3811
I Accumulation				
Group 1	0.7609	-	0.7609	0.7020
Group 2	0.2679	0.4930	0.7609	0.7020
I Income				
Group 1	0.4615	-	0.4615	0.4475
Group 2	0.2430	0.2185	0.4615	0.4475
M Accumulation				
Group 1	0.5500	-	0.5500	0.5032
Group 2	0.5500	-	0.5500	0.5032
M Income				
Group 1	0.4736	-	0.4736	0.4623
Group 2	0.4736	-	0.4736	0.4623
Z Accumulation				
Group 1	0.6427	-	0.6427	0.5889
Group 2	0.6427	-	0.6427	0.5889

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Sixth interim interest distribution

Group 1 – shares purchased prior to 1 January 2022

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

	Revenue	Equalisation	Distribution paid 28/02/22	Distribution paid 26/02/21
A Accumulation				
Group 1	0.7128	-	0.7128	0.6420
Group 2	0.5158	0.1970	0.7128	0.6420
A Income				
Group 1	0.3825	-	0.3825	0.3619
Group 2	0.2053	0.1772	0.3825	0.3619
I Accumulation				
Group 1	0.7468	-	0.7468	0.6703
Group 2	0.4413	0.3055	0.7468	0.6703
I Income				
Group 1	0.4507	-	0.4507	0.4247
Group 2	0.2049	0.2458	0.4507	0.4247
M Accumulation				
Group 1	0.5398	-	0.5398	0.4788
Group 2	0.5398	-	0.5398	0.4788
M Income				
Group 1	0.4613	-	0.4613	0.4346
Group 2	0.4613	-	0.4613	0.4346
Z Accumulation				
Group 1	0.6311	-	0.6311	0.5711
Group 2	0.6311	-	0.6311	0.5711

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Seventh interim interest distribution

Group 1 – shares purchased prior to 1 February 2022

Group 2 – shares purchased between 1 February 2022 and 28 February 2022

	Revenue	Equalisation	Distribution paid 31/03/22	Distribution paid 31/03/21
A Accumulation				
Group 1	0.6156	-	0.6156	0.5748
Group 2	0.5154	0.1002	0.6156	0.5748
A Income				
Group 1	0.3289	-	0.3289	0.3230
Group 2	0.1814	0.1475	0.3289	0.3230
I Accumulation				
Group 1	0.6449	-	0.6449	0.6001
Group 2	0.0911	0.5538	0.6449	0.6001
I Income				
Group 1	0.3874	-	0.3874	0.3790
Group 2	0.2402	0.1472	0.3874	0.3790
M Accumulation				
Group 1	0.4662	-	0.4662	0.4296
Group 2	0.4662	-	0.4662	0.4296
M Income				
Group 1	0.3967	-	0.3967	0.3915
Group 2	0.3967	-	0.3967	0.3915
Z Accumulation				
Group 1	0.5455	-	0.5455	0.5039
Group 2	0.5455	-	0.5455	0.5039

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Eighth interim interest distribution

Group 1 – shares purchased prior to 1 March 2022

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

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
A Accumulation				
Group 1	0.6626	-	0.6626	0.6463
Group 2	0.5490	0.1136	0.6626	0.6463
A Income				
Group 1	0.3525	-	0.3525	0.3623
Group 2	0.1610	0.1915	0.3525	0.3623
I Accumulation				
Group 1	0.6946	-	0.6946	0.6751
Group 2	0.2317	0.4629	0.6946	0.6751
I Income				
Group 1	0.4157	-	0.4157	0.4251
Group 2	0.1141	0.3016	0.4157	0.4251
M Accumulation				
Group 1	0.5021	-	0.5021	0.4832
Group 2	0.5021	-	0.5021	0.4832
M Income				
Group 1	0.4254	-	0.4254	0.4408
Group 2	0.4254	-	0.4254	0.4408
Z Accumulation				
Group 1	0.5874	-	0.5874	0.5549
Group 2	0.5874	-	0.5874	0.5549

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Ninth interim interest distribution

Group 1 – shares purchased prior to 1 April 2022

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

	Revenue	Equalisation	Distribution paid 31/05/22	Distribution paid 28/05/21
A Accumulation				
Group 1	0.6233	-	0.6233	0.6872
Group 2	0.5149	0.1084	0.6233	0.6872
A Income				
Group 1	0.3301	-	0.3301	0.3829
Group 2	0.2564	0.0737	0.3301	0.3829
I Accumulation				
Group 1	0.6536	-	0.6536	0.7174
Group 2	0.2870	0.3666	0.6536	0.7174
I Income				
Group 1	0.3895	-	0.3895	0.4496
Group 2	0.2020	0.1875	0.3895	0.4496
M Accumulation				
Group 1	0.4730	-	0.4730	0.5137
Group 2	0.4730	-	0.4730	0.5137
M Income				
Group 1	0.3987	-	0.3987	0.4643
Group 2	0.3987	-	0.3987	0.4643
Z Accumulation				
Group 1	0.5503	-	0.5503	0.6031
Group 2	0.5503	-	0.5503	0.6031

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Tenth interim interest distribution

Group 1 – shares purchased prior to 1 May 2022

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

	Revenue	Equalisation	Distribution paid 30/06/22	Distribution paid 30/06/21
A Accumulation				
Group 1	0.5984	-	0.5984	0.6320
Group 2	0.4422	0.1562	0.5984	0.6320
A Income				
Group 1	0.3158	-	0.3158	0.3505
Group 2	0.1468	0.1690	0.3158	0.3505
I Accumulation				
Group 1	0.6282	-	0.6282	0.6600
Group 2	0.3291	0.2991	0.6282	0.6600
I Income				
Group 1	0.3726	-	0.3726	0.4119
Group 2	0.1541	0.2185	0.3726	0.4119
M Accumulation				
Group 1	0.4539	-	0.4539	0.4725
Group 2	0.4539	-	0.4539	0.4725
M Income				
Group 1	0.3833	-	0.3833	0.4274
Group 2	0.3833	-	0.3833	0.4274
Z Accumulation				
Group 1	0.5319	-	0.5319	0.5550
Group 2	0.5319	-	0.5319	0.5550

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Eleventh interim interest distribution

Group 1 – shares purchased prior to 1 June 2022

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

	Revenue	Equalisation	Distribution paid 29/07/22	Distribution paid 30/07/21
A Accumulation				
Group 1	0.6200	-	0.6200	0.6238
Group 2	0.4713	0.1487	0.6200	0.6238
A Income				
Group 1	0.3257	-	0.3257	0.3446
Group 2	0.1677	0.1580	0.3257	0.3446
I Accumulation				
Group 1	0.6506	-	0.6506	0.6516
Group 2	0.2515	0.3991	0.6506	0.6516
I Income				
Group 1	0.3846	-	0.3846	0.4050
Group 2	0.1502	0.2344	0.3846	0.4050
M Accumulation				
Group 1	0.4706	-	0.4706	0.4661
Group 2	0.4706	-	0.4706	0.4661
M Income				
Group 1	0.3946	-	0.3946	0.4203
Group 2	0.3946	-	0.3946	0.4203
Z Accumulation				
Group 1	0.5515	-	0.5515	0.5484
Group 2	0.5515	-	0.5515	0.5484

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Final interest distribution

Group 1 – shares purchased prior to 1 July 2022

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

	Revenue	Equalisation	Distribution paid 31/08/22	Distribution paid 31/08/21
A Accumulation				
Group 1	0.6416	-	0.6416	0.6108
Group 2	0.5138	0.1278	0.6416	0.6108
A Income				
Group 1	0.3355	-	0.3355	0.3362
Group 2	0.1330	0.2025	0.3355	0.3362
I Accumulation				
Group 1	0.6735	-	0.6735	0.6384
Group 2	0.4255	0.2480	0.6735	0.6384
I Income				
Group 1	0.3962	-	0.3962	0.3952
Group 2	0.1429	0.2533	0.3962	0.3952
M Accumulation				
Group 1	0.4869	-	0.4869	0.4563
Group 2	0.4869	-	0.4869	0.4563
M Income				
Group 1	0.4008	-	0.4008	0.4080
Group 2	0.4008	-	0.4008	0.4080
Z Accumulation				
Group 1	0.5712	-	0.5712	0.5376
Group 2	0.5712	-	0.5712	0.5376

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 2022

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 2022, the value of abrdn European Real Estate Share Fund – A Accumulation Shares decreased by 17.27% compared to a decrease of 19.92% in the performance target, the FTSE EPRA Nareit Europe (UK Restricted) 10% Capped Index.

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

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

Market Review

UK and European real estate equities finished lower over the period with the fund's benchmark return of -19.92%. This compared with the strong prior year benchmark return of +24.77%.

Whereas the prior year saw markets supported by accommodative monetary and fiscal policy, and vaccine progress, the latest period witnessed a number of headwinds. Late 2021 saw a combination of volatility due to rising Covid-19 cases due to the Omicron variant, together with cost inflation as supply chains struggled to respond to rising demand and inventory restocking. Equities sold off further at the start of 2022 due to the Russia invasion of Ukraine, and then again towards the end of the period due to rapidly higher inflation (hitting a 40-year high in June of 9.4% in the UK and 8.6% in the eurozone) and concurrent concerns over the trajectory for interest rates.

The Bank of England (BoE) reacted to spiking inflation with five consecutive interest rate rises to the end of July and the prospect of further interest rate rises ahead. The European Central Bank (ECB) kept its main interest rate unchanged at ultra-low levels for much longer, before finally increasing rates by 0.5% in July, its first rate rise in over 11 years.

Conditions in the underlying property market were healthy, with rising values across most key residential and commercial segments in the UK and Europe, including a very strong 21.5% total return for UK commercial real estate over the 12 months to the end of July. The broad trend was for industrial to outperform, fuelled by continued pent-up demand for logistics space due to e-commerce

abrdn European Real Estate Share Fund

Continued

and supply-chain trends, whereas the office segment lagged on the back of higher interest rate and a weak trend in terms of the return-to-work.

Capital market activity was initially brisk – with takeovers of listed players including industrial developer St Modwen Properties by Blackstone at the start of the period, then later for office specialists Alstria Office in Germany and Hibernia in Ireland by Brookfields, and Deutsche Europshop by its founding family. In recent months higher debt financing costs together with uncertainty over the trajectory of property values has prompted a sharp slowdown in activity.

Portfolio Activity and Review

The fund delivered a year of solid relative outperformance, well ahead of our 3% outperformance target on a gross-of-fees basis.

Both sector allocation and stock selection aided performance. In particular the overweight to self-storage, primarily the position in Shurgard Self-Storage which benefited from rising demand and its prudent balance-sheet profile, and the overweight to industrials – in particular SEGRO, Catena, and Industrials REIT as they benefited from rising rents and capital values. The fund also benefited from takeover interest for two of our office positions – Alstria Office REIT in Germany and Hibernia REIT in Ireland, both sold to Brookfield, at attractive share price premiums. An increased overweight exposure to the United Kingdom was a net positive due to the above mentioned positions in SEGRO and Industrials REIT as well as a number of other specialists such as student landlord Unite Group, healthcare landlord Assura, and self-storage provider Safestore.

Laggards included the positions in housebuilders Countryside Properties and Instone Real Estate, both of which lagged due to falling demand for new housing. The fund is overweight TAG Immobilien, an owner and developer of housing in German and Poland which fell sharply on concerns regarding its expansion into Poland. In aggregate the fund performed relatively well regarding its exposure to the large German residential sub-sector due to being underweight.

In portfolio activity we introduced three new names. UK housebuilder Countryside, which offers differentiated exposure in the space due to a model where it commonly partners with local councils to develop housing for a mixture of build-to-sell and build-to-rent. Industrial REIT, which has evolved into a multi-let industrial owner that has good potential for accretive medium-term growth as the business matures. The final new introduction was Safestore, which we funded by exiting peer Big Yellow, due to the former's higher continental European exposure, which opens up greater growth optionality.

Funding for the above came primarily through the proceeds from selling the positions in office landlords Alstria Office and Hibernia REIT in response to well-priced takeover offers. We also exited the position in LondonMetric after a strong share price performance left the valuation looking more fair-value.

The net impact on positioning was to further increase the Fund's underweight to the office segment, whilst increasing exposure (and remaining overweight) to logistics and self-storage. The fund remains underweight the challenged retail segment with almost no exposure and there was no change in our overweights to the student and estate agency specialists.

Portfolio Outlook and Strategy

We anticipate a tougher real estate market backdrop for the year ahead – with higher interest rates by Central Banks across Europe triggering an outward shift in property yields and lower capital values for a period of time. Much of this is however reflected in what are now very depressed equity market valuations with the large majority of shares trading at significant discounts to net asset value.

On a medium-term view, we expect inflation to trend down sharply by late 2023 as a result of the actions taken together with a weaker economic backdrop. We therefore forecast that interest rate expectations will moderate, creating the conditions for a recovery in property values which should also be supportive for listed-property share prices. Any such recovery is, of course, unpredictable, especially given the degree to which inflation has overshot its target in the near term.

Our focus, as ever, remains on what we can control – researching, engaging with and investing in good quality property shares. As part of this, we believe our focus on favourable supply-demand fundamentals and sustainable cash flows should stand our holdings in good stead in a higher inflation environment. Further, we believe many of our holdings are well placed to deliver growing income streams, regardless of the timing of interest-rate rises. Recent volatility, while painful, is typical at the early stages of rate-tightening cycles and ultimately presents us with the opportunity to enhance the future returns potential of the portfolio.

European Equity Team

August 2022

abrdrn 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 2022.

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

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

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

Comparative Tables

A Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	293.26	238.78	236.08
Return before operating charges*	(47.15)	57.81	5.84
Operating charges	(3.57)	(3.33)	(3.14)
Return after operating charges*	(50.72)	54.48	2.70
Distributions	(7.11)	(6.29)	(6.95)
Retained distributions on accumulation shares	7.11	6.29	6.95
Closing net asset value per share	242.54	293.26	238.78
* after direct transaction costs of:	0.16	0.09	0.09
Performance			
Return after charges	(17.30%)	22.82%	1.14%
Other information			
Closing net asset value (£'000)	3,861	5,629	5,196
Closing number of shares	1,591,771	1,919,388	2,176,170
Operating charges	1.30%	1.30%	1.30%
Direct transaction costs	0.05%	0.04%	0.04%
Prices			
Highest share price	307.8	293.6	276.2
Lowest share price	217.2	231.4	184.2

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

	2022	2021	2020
A Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	163.45	136.14	138.51
Return before operating charges*	(26.12)	32.78	3.53
Operating charges	(2.00)	(1.90)	(1.84)
Return after operating charges*	(28.12)	30.88	1.69
Distributions	(3.94)	(3.57)	(4.06)
Closing net asset value per share	131.39	163.45	136.14
* after direct transaction costs of:	0.09	0.05	0.05
Performance			
Return after charges	(17.20%)	22.68%	1.22%
Other information			
Closing net asset value (£'000)	249	494	418
Closing number of shares	189,195	302,431	306,991
Operating charges	1.30%	1.30%	1.30%
Direct transaction costs	0.05%	0.04%	0.04%
Prices			
Highest share price	171.6	166.2	161.2
Lowest share price	120.3	131.9	107.5

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

Operating charges are expenses associated with the maintenance and administration of the fund on a day to 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	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	234.74	190.32	187.45
Return before operating charges*	(37.94)	46.16	4.50
Operating charges	(1.87)	(1.74)	(1.63)
Return after operating charges*	(39.81)	44.42	2.87
Distributions	(5.70)	(5.03)	(5.54)
Retained distributions on accumulation shares	5.70	5.03	5.54
Closing net asset value per share	194.93	234.74	190.32
* after direct transaction costs of:	0.13	0.07	0.07
Performance			
Return after charges	(16.96%)	23.34%	1.53%
Other information			
Closing net asset value (£'000)	44,271	60,868	54,992
Closing number of shares	22,711,257	25,930,326	28,893,727
Operating charges	0.85%	0.85%	0.85%
Direct transaction costs	0.05%	0.04%	0.04%
Prices			
Highest share price	246.5	235.0	219.8
Lowest share price	174.5	184.7	146.7

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

	2022	2021	2020
I Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	146.46	121.46	123.09
Return before operating charges*	(23.63)	29.30	3.06
Operating charges	(1.15)	(1.11)	(1.07)
Return after operating charges*	(24.78)	28.19	1.99
Distributions	(3.54)	(3.19)	(3.62)
Closing net asset value per share	118.14	146.46	121.46
* after direct transaction costs of:	0.08	0.04	0.05
Performance			
Return after charges	(16.92%)	23.21%	1.62%
Other information			
Closing net asset value (£'000)	9,989	11,532	9,493
Closing number of shares	8,454,830	7,873,953	7,815,789
Operating charges	0.85%	0.85%	0.85%
Direct transaction costs	0.05%	0.04%	0.04%
Prices			
Highest share price	153.8	148.9	143.6
Lowest share price	108.2	117.8	95.83

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	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	140.99	114.39	112.56
Return before operating charges*	(22.75)	27.71	2.81
Operating charges	(1.19)	(1.11)	(0.98)
Return after operating charges*	(23.94)	26.60	1.83
Distributions	(3.42)	(2.97)	(3.35)
Retained distributions on accumulation shares	3.42	2.97	3.35
Closing net asset value per share	117.05	140.99	114.39
* after direct transaction costs of:	0.08	0.04	0.04
Performance			
Return after charges	(16.98%)	23.25%	1.63%
Other information			
Closing net asset value (£'000)	17	21	17
Closing number of shares	15,024	15,073	15,125
Operating charges	0.90%	0.90%	0.90%
Direct transaction costs	0.05%	0.04%	0.04%
Prices			
Highest share price	148.1	141.1	132.2
Lowest share price	104.8	111.0	88.18

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

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

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

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

Comparative Tables

Continued

M Income	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	130.73	108.37	109.73
Return before operating charges*	(21.01)	26.31	2.93
Operating charges	(1.10)	(1.05)	(1.01)
Return after operating charges*	(22.11)	25.26	1.92
Distributions	(3.17)	(2.90)	(3.28)
Closing net asset value per share	105.45	130.73	108.37
* after direct transaction costs of:	0.07	0.04	0.04
Performance			
Return after charges	(16.91%)	23.31%	1.75%
Other information			
Closing net asset value (£'000)	1	1	1
Closing number of shares	888	888	888
Operating charges	0.90%	0.90%	0.90%
Direct transaction costs	0.05%	0.04%	0.04%
Prices			
Highest share price	137.3	132.9	128.2
Lowest share price	96.58	105.2	85.52

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

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

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

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

Comparative Tables

Continued

Z Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	353.46	284.66	278.62
Return before operating charges*	(57.84)	69.11	6.33
Operating charges	(0.32)	(0.31)	(0.29)
Return after operating charges*	(58.16)	68.80	6.04
Distributions	(8.62)	(7.55)	(8.26)
Retained distributions on accumulation shares	8.62	7.55	8.26
Closing net asset value per share	295.30	353.46	284.66
* after direct transaction costs of:	0.19	0.10	0.11
Performance			
Return after charges	(16.45%)	24.17%	2.17%
Other information			
Closing net asset value (£'000)	33,836	42,042	37,798
Closing number of shares	11,458,107	11,894,406	13,278,212
Operating charges	0.10%	0.10%	0.10%
Direct transaction costs	0.05%	0.04%	0.04%
Prices			
Highest share price	371.4	353.7	328.0
Lowest share price	264.4	276.7	218.9

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

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

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

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

Portfolio Statement

As at 31 July 2022

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (97.72%)		91,781	99.52
European Equities (76.00%)		63,864	69.25
Austria (1.63%)		1,582	1.72
59,276	CA Immobilien Anlagen	1,582	1.72
Belgium (11.98%)		12,806	13.89
34,807	Aedifica REIT	2,967	3.22
132,345	Shurgard Self Storage	5,585	6.06
152,701	Warehouses De Pauw REIT	4,254	4.61
Finland (2.93%)		2,842	3.08
193,276	Kojamo	2,842	3.08
France (2.75%)		2,502	2.71
29,764	Gecina REIT	2,502	2.71
Germany (30.40%)		19,466	21.11
155,268	Instone REIT	1,381	1.50
42,688	LEG Immobilien	3,174	3.44
106,456	PATRIZIA	1,128	1.22
31,001	Scout24	1,452	1.58
4,635,864	Sirius Real Estate	4,423	4.80
232,503	TAG Immobilien	2,094	2.27
213,292	Vonovia	5,814	6.30
Ireland (1.20%)		-	-
Netherlands (3.87%)		4,231	4.59
401,310	CTP	4,231	4.59

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Spain (7.66%)		7,388	8.00
85,139	Cellnex Telecom	3,120	3.38
299,605	Inmobiliaria Colonial Socimi REIT	1,627	1.76
301,491	Merlin Properties REIT	2,641	2.86
Sweden (9.81%)		8,643	9.37
174,413	Castellum	2,284	2.47
120,689	Catena	4,535	4.92
217,093	Fabege	1,824	1.98
Switzerland (3.77%)		4,404	4.78
14,891	Flughafen Zurich	2,025	2.20
24,296	PSP Swiss Property	2,379	2.58
UK Equities (21.72%)		27,917	30.27
Consumer Discretionary (0.00%)		1,628	1.76
561,443	Countryside Partnerships	1,628	1.76
Real Estate (21.72%)		26,289	28.51
5,795,149	Assura REIT	3,978	4.31
1,926,869	Industrials REIT	3,228	3.50
291,355	Rightmove	1,863	2.02
335,727	Safestore REIT	3,824	4.15
162,273	Savills	1,929	2.09
647,083	Segro REIT	7,082	7.68
376,747	Unite REIT	4,385	4.76

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Collective Investment Schemes (1.92%)		354	0.38
354	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc+	354	0.38
Total investment assets		92,135	99.90
Net other assets		89	0.10
Total Net Assets		92,224	100.00

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules.
The percentage figures in brackets show the comparative holding as at 31 July 2021.

+ Managed by subsidiaries of abrdn plc.

Financial Statements

Statement of Total Return

For the year ended 31 July 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital (losses)/gains	1		(22,724)		21,474
Revenue	2	3,188		2,930	
Expenses	3	(669)		(700)	
Interest payable and similar charges		(1)		-	
Net revenue before taxation		2,518		2,230	
Taxation	4	(204)		(74)	
Net revenue after taxation			2,314		2,156
Total return before distributions			(20,410)		23,630
Distributions	5		(2,862)		(2,687)
Change in net assets attributable to shareholders from investment activities			(23,272)		20,943

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2022

	2022		2021	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		120,587		107,915
Amounts receivable on the issue of shares	14,835		19,197	
Amounts payable on the cancellation of shares	(22,329)		(29,902)	
		(7,494)		(10,705)
Dilution adjustment		(35)		-
Change in net assets attributable to shareholders from investment activities (see above)		(23,272)		20,943
Retained distribution on accumulation shares		2,438		2,434
Closing net assets attributable to shareholders		92,224		120,587

Financial Statements

Continued

Balance Sheet

As at 31 July 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			92,135		120,151
Current assets:					
Debtors	6	1,456		518	
Cash and bank balances	7	379		451	
			1,835		969
Total assets			93,970		121,120
Liabilities:					
Bank overdrafts	7	(38)		-	
Creditors	8	(1,478)		(347)	
Distribution payable		(230)		(186)	
			(1,746)		(533)
Total liabilities			(1,746)		(533)
Net assets attributable to shareholders			92,224		120,587

Notes to the Financial Statements

1 Net Capital (Losses)/Gains

	2022 £'000	2021 £'000
Non-derivative securities	(22,707)	21,450
Other (losses)/gains	(9)	24
Transaction charges	(8)	-
Net capital (losses)/gains	(22,724)	21,474

2 Revenue

	2022 £'000	2021 £'000
Bank and margin interest	4	3
Overseas dividends	2,210	2,151
Stocklending revenue	6	7
UK dividends	410	390
UK REIT	558	379
Total revenue	3,188	2,930

3 Expenses

	2022 £'000	2021 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	570	586
General administration charge*	89	-
Operating, administrative and servicing fees	-	114
	659	700
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fees	10	-
	10	-
Total expenses	669	700

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

* The fixed general administration charge was introduced from 1 August 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian. The audit fee for the year, including VAT, was £8,460 (2021: £8,389).

Notes to the Financial Statements

Continued

4 Taxation

	2022 £'000	2021 £'000
(a) Analysis of charge in year		
Overseas taxes	204	74
Total taxation (note 4b)	204	74

(b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2021: 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:

	2022	2021
Net revenue before taxation	2,518	2,230
Corporation tax at 20% (2021: 20%)	504	446
Effects of:		
Revenue not subject to taxation	(525)	(508)
Overseas taxes	204	74
Excess allowable expenses	21	62
Total tax charge for year (note 4a)	204	74

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 £118,000 (2021: £97,000) 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)

	2022 £'000	2021 £'000
Interim distribution	725	864
Final distribution	2,033	1,841
	2,758	2,705
Add: Income deducted on cancellation of shares	187	112
Deduct: Income received on issue of shares	(83)	(130)
Total distributions for the year	2,862	2,687
Movement between net revenue and distributions		
Net revenue after taxation	2,314	2,156
Expenses charged to capital	659	586
Tax relief on expenses charged to capital	(111)	(55)
Total distributions for the year	2,862	2,687

Notes to the Financial Statements

Continued

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

	2022 £'000	2021 £'000
Accrued revenue	235	113
Amounts receivable from the ACD for the issue of shares	65	269
Overseas withholding tax recoverable	218	136
Sales awaiting settlement	938	-
Total debtors	1,456	518

7 Liquidity

	2022 £'000	2021 £'000
Cash and bank balances		
Cash at bank	379	451
	379	451
Bank overdrafts		
Overdraft at bank	(38)	-
	(38)	-
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund*	354	2,320
Net liquidity	695	2,771

* 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

	2022 £'000	2021 £'000
Accrued expenses payable to ACD	44	51
Accrued expenses payable to the Depositary or associates of the Depositary	2	-
Amounts payable to the ACD for cancellation of shares	1,432	286
Other accrued expenses	-	10
Total creditors	1,478	347

Notes to the Financial Statements

Continued

9 Related Party Transactions

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

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

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

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

10 Portfolio Transaction Costs

	Purchases		Sales	
	2022	2021	2022	2021
Trades in the year	£'000	£'000	£'000	£'000
Equities	14,597	25,089	20,079	36,807
Corporate actions	2,073	1,322	-	72
Trades in the year before transaction costs	16,670	26,411	20,079	36,879
Commissions				
Equities	10	12	(16)	(17)
Total commissions	10	12	(16)	(17)
Taxes				
Equities	38	9	-	-
Total taxes	38	9	-	-
Total transaction costs	48	21	(16)	(17)
Total net trades in the year after transaction costs	16,718	26,432	20,063	36,862
	Purchases		Sales	
	2022	2021	2022	2021
	%	%	%	%
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.07	0.05	0.08	0.05
Taxes				
Equities	0.26	0.05	-	-

Notes to the Financial Statements

Continued

	2022 %	2021 %
Total transaction costs expressed as a percentage of net asset value		
Commissions	0.02	0.03
Taxes	0.03	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 0.25% (2021: 0.14%), this is representative of the average spread on the assets held during the year.

11 Shares in Issue Reconciliation

	Opening shares 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
A Accumulation	1,919,388	71,458	(389,769)	(9,306)	1,591,771
A Income	302,431	8,338	(101,582)	(19,992)	189,195
I Accumulation	25,930,326	2,864,244	(6,094,919)	11,606	22,711,257
I Income	7,873,953	3,021,427	(2,462,807)	22,257	8,454,830
M Accumulation	15,073	-	(49)	-	15,024
M Income	888	-	-	-	888
Z Accumulation	11,894,406	1,186,597	(1,622,896)	-	11,458,107

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).

	2022 £'000 Level 1	2022 £'000 Level 2	2022 £'000 Level 3	2021 £'000 Level 1	2021 £'000 Level 2	2021 £'000 Level 3
Fair value of investment assets						
Equities	91,781	-	-	117,831	-	-
Collective Investment Schemes	-	354	-	-	2,320	-
Total investment assets	91,781	354	-	117,831	2,320	-

Notes to the Financial Statements

Continued

13 Risk Management Policies and Disclosures

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

Foreign currency risk

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

Currency	Net foreign currency exposure	Net foreign currency exposure
	2022 £'000	2021 £'000
Euro	47,186	68,835
Swedish Krona	8,735	11,824
Swiss Franc	4,452	4,542
Total	60,373	85,201

At 31 July 2022, 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 £3,019,000 (2021: £4,260,000).

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 2022, 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 £4,607,000 (2021: £6,008,000).

Financial derivatives instrument risk

The fund had no exposure to derivatives as at 31 July 2022 (2021: £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.

All stock lending is conducted by the stocklending agent on behalf of the fund using a standard agreement with available counterparties. It is collateralised daily with a right of recall within 24 hours.

At the year end the fund held no positions with those presented being only in respect of the prior year end.

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 £7,000 (2021: £8,000) and expenses paid to the lending agent, Securities Finance Trust Company, are £1,000 (2021: £1,000).

Notes to the Financial Statements

Continued

2021 Counterparties	Stock on loan* £'000	Collateral (held)/pledged		Net exposure £'000
		Cash £'000	Stock* £'000	
Barclays Capital Securities	3,061	-	3,348	6,409
Total	3,061	-	3,348	6,409

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

Top Ten SFTR Issuers 2021	Type	Collateral Stock £'000
Crown Cast	Equity	(310)
Essex Property Storage	Equity	(310)
Extra Space Storage	Equity	(310)
Federal Realty	Equity	(310)
Host Hotel	Equity	(310)
Prologis	Equity	(310)
Public Storage	Equity	(310)
Realty Income	Equity	(310)
SBA Communications	Equity	(310)
Ventas Inc	Equity	(310)
Combined issuers outside top 10	Equity	(248)
		(3,348)

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2022 £1,746,000 (2021: £533,000).

Distribution Tables

For the year ended 31 July 2022 (in pence per share)

Interim dividend distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 January 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
A Accumulation				
Group 1	1.7670	-	1.7670	1.8143
Group 2	1.0307	0.7363	1.7670	1.8143
A Income				
Group 1	0.9850	-	0.9850	1.0340
Group 2	0.5875	0.3975	0.9850	1.0340
I Accumulation				
Group 1	1.4159	-	1.4159	1.4450
Group 2	0.7091	0.7068	1.4159	1.4450
I Income				
Group 1	0.8834	-	0.8834	0.9223
Group 2	0.4443	0.4391	0.8834	0.9223
M Accumulation				
Group 1	0.8499	-	0.8499	0.8436
Group 2	0.8499	-	0.8499	0.8436
M Income				
Group 1	0.7957	-	0.7957	0.8520
Group 2	0.7957	-	0.7957	0.8520
Z Accumulation				
Group 1	2.1359	-	2.1359	2.1663
Group 2	1.3652	0.7707	2.1359	2.1663

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Final dividend distribution

Group 1 – shares purchased prior to 1 February 2022

Group 2 – shares purchased between 1 February 2022 and 31 July 2022

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
A Accumulation				
Group 1	5.3385	-	5.3385	4.4769
Group 2	3.9144	1.4241	5.3385	4.4769
A Income				
Group 1	2.9569	-	2.9569	2.5338
Group 2	1.9838	0.9731	2.9569	2.5338
I Accumulation				
Group 1	4.2868	-	4.2868	3.5820
Group 2	2.4692	1.8176	4.2868	3.5820
I Income				
Group 1	2.6575	-	2.6575	2.2683
Group 2	1.5601	1.0974	2.6575	2.2683
M Accumulation				
Group 1	2.5718	-	2.5718	2.1245
Group 2	2.5718	-	2.5718	2.1245
M Income				
Group 1	2.3738	-	2.3738	2.0474
Group 2	2.3738	-	2.3738	2.0474
Z Accumulation				
Group 1	6.4879	-	6.4879	5.3817
Group 2	2.4779	4.0100	6.4879	5.3817

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 2022

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 EMIX Smaller European Companies 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 EMIX Smaller European Companies 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 EMIX Smaller European Companies Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation

("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 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 2022, the value of abrdn European Smaller Companies Equity Fund – A Accumulation Shares decreased by 18.99% compared to a decrease of 14.89% in the performance target, the EMIX Smaller European Companies Index.

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

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

Market Review

The period started shakily with investors worried that the spread of the Delta variant of Covid-19 would hamper a global economic recovery. Whilst markets did recover somewhat towards the end of 2021, the new year brought with it further headwinds in the form of Russia's invasion of Ukraine, high inflation and tightening monetary policy globally. Europe was one of the hardest-hit regions as its proximity to the Russia-Ukraine conflict weighed on its economy. The loss of gas supplies from Russia caused considerable problems for European economies, particularly Germany, which was among the main laggards over the 12 months. Towards the end of the period, ongoing fears over high inflation and the risk of a global recession weighed on sentiment. Annual eurozone consumer price inflation hit new records, with higher food and energy prices hurting European consumers.

abrdn European Smaller Companies Fund

Continued

The European Central Bank increased interest rates by 50 bps in July 2022, which was ahead of expectations, and unveiled a new crisis management tool. Equities did, however, rebound in July as early company earnings for the second quarter were generally better than expected.

UK stocks fell sharply following the Bank of England (BoE)'s warning about the risk of a recession in 2023, with BoE governor Andrew Bailey stating that the central bank expects a "very sharp slowdown in activity". Looking at factor styles, growth stocks underperformed in the rising-rate environment. Consumer discretionary stocks led the market weakness with the cyclical sector affected by rising consumer prices. Telecommunications, energy and utilities were the only sectors to generate a positive return as investors gravitated towards more stable and cash-generative parts of the market.

Portfolio Activity and Review

Portfolio activity was muted over the period. We started a position in France-listed liquefied natural gas (LNG) design business, GTT. It is the global market leader in the design and engineering of LNG carriers, with 80% market share. GTT's technology is patented and very difficult to replicate, and contracts are sticky, hence barriers to entry are high. The company's growth is primarily driven by long-term demand for LNG as a sustainable fuel source (favourable CO₂ emissions versus other fossil fuels). We believe dependency on Russian energy will reduce in the near to medium term, providing further upside to orders. Additional catalysts include the use of LNG as a fuel and monetisation of GTT's hydrogen business. The company has received an 'A' MSCI ESG score.

We exited a small position in France-listed nursing home operator Orpea following a review of the holding. The company had been subject to several allegations that resulted in the departure of the CEO. Considerable damage has been done to Orpea's reputation, which will impact occupancy levels and growth.

We exited our holding in German connectors business, Norma Group. Concerns rose around its ability to deal with input price inflation and the supervisory board's early termination of the CEO's contract.

Portfolio Outlook and Strategy

Although the outlook for the remainder of 2022 continues to be challenging on a geopolitical and economic front, most of our portfolio companies have delivered solid interim results that, for us, confirm that the medium-term investment case remains intact. Operationally, they continue to deliver. We believe the market will increasingly discriminate between companies that deliver on growth plans and those that don't – particularly as we move into a weaker economic environment. We remain convinced that a portfolio of quality companies will outperform in these conditions.

Smaller Companies Equity Team

August 2022

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 2022.

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

- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- The shares of small and mid-cap companies may be less liquid and more volatile than those of larger companies.
- The fund invests in emerging market equities and/or bonds. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

Comparative Tables

A Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	2,625.85	1,881.16	1,811.44
Return before operating charges*	(457.20)	773.52	92.79
Operating charges	(31.54)	(28.83)	(23.07)
Return after operating charges*	(488.74)	744.69	69.72
Distributions	(8.21)	(0.66)	-
Retained distributions on accumulation shares	8.21	0.66	-
Closing net asset value per share	2,137.11	2,625.85	1,881.16
* after direct transaction costs of:	2.09	0.92	0.39
Performance			
Return after charges	(18.61%)	39.59%	3.85%
Other information			
Closing net asset value (£'000)	36,364	47,358	34,716
Closing number of shares	1,701,572	1,803,528	1,845,463
Operating charges	1.30%	1.32%	1.32%
Direct transaction costs	0.09%	0.04%	0.02%
Prices			
Highest share price	2,839	2,625	1,934
Lowest share price	1,902	1,905	1,291

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

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

Operating charges are expenses associated with the maintenance and administration of the fund on a day to 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	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	327.04	233.23	223.58
Return before operating charges*	(57.10)	96.18	11.53
Operating charges	(2.57)	(2.37)	(1.88)
Return after operating charges*	(59.67)	93.81	9.65
Distributions	(2.44)	(1.31)	(0.70)
Retained distributions on accumulation shares	2.44	1.31	0.70
Closing net asset value per share	267.37	327.04	233.23
* after direct transaction costs of:	0.26	0.12	0.05
Performance			
Return after charges	(18.25%)	40.22%	4.32%
Other information			
Closing net asset value (£'000)	48,207	48,597	27,056
Closing number of shares	18,030,045	14,859,827	11,600,106
Operating charges	0.85%	0.87%	0.87%
Direct transaction costs	0.09%	0.04%	0.02%
Prices			
Highest share price	354.0	327.0	239.7
Lowest share price	237.9	236.2	159.8

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

K Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	258.18	183.99	176.26
Return before operating charges*	(45.10)	75.90	9.10
Operating charges	(1.85)	(1.71)	(1.37)
Return after operating charges*	(46.95)	74.19	7.73
Distributions	(2.08)	(1.19)	(0.67)
Retained distributions on accumulation shares	2.08	1.19	0.67
Closing net asset value per share	211.23	258.18	183.99
* after direct transaction costs of:	0.21	0.09	0.04
Performance			
Return after charges	(18.18%)	40.32%	4.39%
Other information			
Closing net asset value (£'000)	242	362	304
Closing number of shares	114,331	140,161	165,473
Operating charges	0.78%	0.80%	0.80%
Direct transaction costs	0.09%	0.04%	0.02%
Prices			
Highest share price	279.6	258.1	189.1
Lowest share price	187.9	186.3	126.0

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

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

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

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

Comparative Tables

Continued

M Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	178.21	127.16	121.76
Return before operating charges*	(31.11)	52.41	6.46
Operating charges	(1.48)	(1.36)	(1.06)
Return after operating charges*	(32.59)	51.05	5.40
Distributions	(1.25)	(0.64)	(0.35)
Retained distributions on accumulation shares	1.25	0.64	0.35
Closing net asset value per share	145.62	178.21	127.16
* after direct transaction costs of:	0.14	0.06	0.03
Performance			
Return after charges	(18.29%)	40.15%	4.43%
Other information			
Closing net asset value (£'000)	194	224	162
Closing number of shares	133,493	125,591	127,038
Operating charges	0.90%	0.92%	0.92%
Direct transaction costs	0.09%	0.04%	0.02%
Prices			
Highest share price	192.9	178.2	130.7
Lowest share price	129.6	128.8	87.14

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.

Portfolio Statement

As at 31 July 2022

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (93.51%)		84,620	99.54
European Equities (68.83%)		59,756	70.29
Austria (1.77%)		2,001	2.35
29,200	DO & CO	2,001	2.35
Belgium (0.66%)		537	0.63
42,935	Fagron	537	0.63
Denmark (1.05%)		801	0.94
50,943	Scandinavian Tobacco 'A'	801	0.94
Finland (1.41%)		889	1.05
44,000	Kesko	889	1.05
France (7.77%)		8,641	10.17
18,534	Gaztransport Et Technigaz	2,083	2.45
106,041	Interparfums	4,364	5.14
8,001	Teleperformance	2,194	2.58
Germany (13.65%)		10,525	12.38
9,419	Amadeus Fire	862	1.01
46,285	CTS Eventim	2,086	2.45
33,666	Dermapharm	1,551	1.82
27,113	Jungheinrich (Preference)	601	0.71
37,650	Nemetschek	2,064	2.43
1,461	New Work	160	0.19
47,804	Norma	734	0.86
59,000	PATRIZIA	625	0.74
3,232	Rational	1,842	2.17

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Ireland (0.99%)		717	0.84
84,842	Grafton	717	0.84
Italy (13.18%)		10,723	12.62
63,357	Amplifon	1,716	2.02
114,969	Azimut	1,646	1.94
58,188	Brunello Cucinelli	2,754	3.24
167,168	FinecoBank	1,692	1.99
34,508	Interpump	1,205	1.42
15,887	Reply	1,710	2.01
Norway (1.75%)		1,549	1.82
105,377	Borregaard	1,549	1.82
Spain (2.01%)		2,883	3.39
82,931	CIE Automotive	1,782	2.10
59,093	Fluidra	903	1.06
3,638	Vidrala	198	0.23
Sweden (13.80%)		11,588	13.63
149,200	AddLife 'B'	2,095	2.47
291,893	AddTech 'B'	4,092	4.81
180,000	Coor Service Management	1,224	1.44
363,000	Lagercrantz 'B'	3,248	3.82
53,439	Troax	929	1.09
Switzerland (10.79%)		8,902	10.47
19,772	Bachem	1,089	1.28
3,516	Burckhardt Compression	1,298	1.53
453	Interroll	979	1.15
5,985	Komax	1,324	1.56

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
8,160	Tecan	2,368	2.78
9,100	Temenos	589	0.69
18,750	VZ	1,255	1.48
North American Equities (0.00%)		-	-
United States (0.00%)		-	-
3,184,500	Ashurst Technology ^Ω	-	-
UK Equities (24.68%)		24,864	29.25
Basic Materials (1.78%)		3,317	3.90
92,549	Hill & Smith	1,216	1.43
363,975	Synthomer	849	1.00
65,003	Victrex	1,252	1.47
Consumer Discretionary (1.97%)		2,280	2.68
16,690	Games Workshop	1,292	1.52
90,622	YouGov ⁺⁺	988	1.16
Financials (3.53%)		2,570	3.02
31,500	Close Brothers	349	0.41
65,329	Impax Asset Management ⁺⁺	468	0.55
115,274	Intermediate Capital	1,753	2.06
Health Care (6.54%)		4,582	5.39
100,500	Abcam ⁺⁺	1,230	1.45
71,500	Dechra Pharmaceuticals	2,633	3.10
25,354	Genus	719	0.84
Industrials (8.15%)		10,544	12.41
93,763	Diploma	2,574	3.03
112,000	Euromoney Institutional Investor	1,622	1.91

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
206,965	Marshalls	1,024	1.20
65,188	Morgan Sindall	1,317	1.55
97,500	Oxford Instruments	2,223	2.62
51,000	Ultra Electronics	1,784	2.10
Technology (2.71%)		1,571	1.85
66,676	AVEVA	1,571	1.85
Collective Investment Schemes (6.81%)		-	-
Total investment assets		84,620	99.54
Net other assets		387	0.46
Total Net Assets		85,007	100.00

All investments are listed on recognised stock exchanges and are approved securities within the meaning of the FCA rules unless otherwise stated.

The percentage figures in brackets show the comparative holding as at 31 July 2021.

++ AIM listed.

Ω Unapproved/unquoted security.

Financial Statements

Statement of Total Return

For the year ended 31 July 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital (losses)/gains	1		(23,126)		25,511
Revenue	2	1,735		1,063	
Expenses	3	(1,042)		(829)	
Interest payable and similar charges		(1)		-	
Net revenue before taxation		692		234	
Taxation	4	(62)		(61)	
Net revenue after taxation			630		173
Total return before distributions			(22,496)		25,684
Distributions	5		(630)		(173)
Change in net assets attributable to shareholders from investment activities			(23,126)		25,511

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2022

	2022		2021	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		96,541		62,238
Amounts receivable on the issue of shares	36,650		18,948	
Amounts payable on the cancellation of shares	(25,661)		(10,365)	
		10,989		8,583
Dilution adjustment		20		-
Change in net assets attributable to shareholders from investment activities (see above)		(23,126)		25,511
Retained distribution on accumulation shares		583		209
Closing net assets attributable to shareholders		85,007		96,541

Financial Statements

Continued

Balance Sheet

As at 31 July 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			84,620		96,848
Current assets:					
Debtors	6	327		1,067	
Cash and bank balances	7	289		476	
			616		1,543
Total assets			85,236		98,391
Liabilities:					
Creditors	8	(229)		(1,850)	
			(229)		(1,850)
Total liabilities			(229)		(1,850)
Net assets attributable to shareholders			85,007		96,541

Notes to the Financial Statements

1 Net Capital (Losses)/Gains

	2022 £'000	2021 £'000
Non-derivative securities	(23,111)	25,538
Forward currency contracts	-	(1)
Other losses	(2)	(26)
Transaction charges	(13)	-
Net capital (losses)/gains	(23,126)	25,511

2 Revenue

	2022 £'000	2021 £'000
Bank and margin interest	14	3
Overseas dividends	1,061	734
Stocklending revenue	-	15
UK dividends	660	311
Total revenue	1,735	1,063

3 Expenses

	2022 £'000	2021 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	952	739
General administration charge*	81	-
Operating, administrative and servicing fees	-	90
	1,033	829
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fees	9	-
	9	-
Total expenses	1,042	829

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

* The fixed general administration charge was introduced from 1 August 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian. The audit fee for the year, including VAT, was £8,460 (2021: £8,389).

Notes to the Financial Statements

Continued

4 Taxation

	2022 £'000	2021 £'000
(a) Analysis of charge in year		
Overseas taxes	62	61
Total taxation (note 4b)	62	61

(b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2021: more 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	692	234
Corporation tax at 20% (2021: 20%)	138	47
Effects of:		
Revenue not subject to taxation	(344)	(209)
Overseas taxes	62	61
Excess allowable expenses	206	162
Total tax charge for year (note 4a)	62	61

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

(c) Factors that may affect future tax charge

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £2,490,000 (2021: £2,285,000) 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

	2022 £'000	2021 £'000
Distribution	583	209
Add: Income deducted on cancellation of shares	53	10
Deduct: Income received on issue of shares	(6)	(46)
Total distributions for the year	630	173

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

Notes to the Financial Statements

Continued

6 Debtors

	2022 £'000	2021 £'000
Accrued revenue	96	50
Amounts receivable from the ACD for the issue of shares	-	897
Overseas withholding tax recoverable	156	120
Sales awaiting settlement	75	-
Total debtors	327	1,067

7 Liquidity

	2022 £'000	2021 £'000
Cash and bank balances		
Cash at bank	289	476
	289	476
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	-	6,569
Net liquidity	289	7,045

* 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

	2022 £'000	2021 £'000
Accrued expenses payable to ACD	71	75
Accrued expenses payable to the Depositary or associates of the Depositary	2	-
Amounts payable to the ACD for cancellation of shares	87	-
Other accrued expenses	-	9
Purchases awaiting settlement	69	1,766
Total creditors	229	1,850

9 Related Party Transactions

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

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

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

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

Notes to the Financial Statements

Continued

10 Portfolio Transaction Costs

	Purchases		Sales	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trades in the year				
Equities	25,758	12,524	8,499	7,933
Corporate actions	104	-	-	404
Trades in the year before transaction costs	25,862	12,524	8,499	8,337
Commissions				
Equities	19	12	(9)	(8)
Total commissions	19	12	(9)	(8)
Taxes				
Equities	59	11	-	-
Total taxes	59	11	-	-
Total transaction costs	78	23	(9)	(8)
Total net trades in the year after transaction costs	25,940	12,547	8,490	8,329
	Purchases		Sales	
	2022 %	2021 %	2022 %	2021 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.07	0.10	0.10	0.10
Taxes				
Equities	0.23	0.09	-	-
			2022 %	2021 %
Total transaction costs expressed as a percentage of net asset value				
Commissions			0.03	0.03
Taxes			0.06	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 0.29% (2021: 0.17%), 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 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
A Accumulation	1,803,528	57,244	(141,021)	(18,179)	1,701,572
I Accumulation	14,859,827	10,790,676	(7,766,066)	145,608	18,030,045
K Accumulation	140,161	-	(25,830)	-	114,331
M Accumulation	125,591	11,304	(3,402)	-	133,493

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).

	2022 £'000	2022 £'000	2022 £'000	2021 £'000	2021 £'000	2021 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	84,620	-	-	90,279	-	-
Collective Investment Schemes	-	-	-	-	6,569	-
Total investment assets	84,620	-	-	90,279	6,569	-

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 2022 £'000	Net foreign currency exposure 2021 £'000
Currency		
Danish Krone	851	1,058
Euro	36,300	38,190
Norwegian Krone	1,554	1,689
Swedish Krona	11,577	13,320
Swiss Franc	8,933	9,924
Total	59,215	64,181

Notes to the Financial Statements

Continued

At 31 July 2022, 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 £2,961,000 (2021: £3,209,000).

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 2022, 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 £4,231,000 (2021: £4,842,000).

Financial derivatives instrument risk

The fund had no exposure to derivatives as at 31 July 2022 (2021: £Nil).

Counterparty risk

Bilateral agreements

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

All stock lending is conducted by the stocklending agent on behalf of the fund using a standard agreement with available counterparties. It is collateralised daily with a right of recall within 24 hours.

At the year end the fund held no positions. This is consistent with the prior year.

The fund receives 85% of the revenue returns from stock lending. The gross earnings for the year are £Nil (2021: £18,000) and expenses paid to the lending agent, Securities Finance Trust Company, are £Nil (2021: £3,000).

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2022 £229,000 (2021: £1,850,000).

Distribution Table

For the year ended 31 July 2022 (in pence per share)

Final dividend distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 July 2022

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
A Accumulation				
Group 1	8.2084	-	8.2084	0.6597
Group 2	8.0788	0.1296	8.2084	0.6597
I Accumulation				
Group 1	2.4390	-	2.4390	1.3080
Group 2	2.3246	0.1144	2.4390	1.3080
K Accumulation				
Group 1	2.0842	-	2.0842	1.1862
Group 2	2.0842	-	2.0842	1.1862
M Accumulation				
Group 1	1.2450	-	1.2450	0.6371
Group 2	1.2368	0.0082	1.2450	0.6371

Equalisation

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

abrdrn Global Equity Fund

For the year ended 31 July 2022

Investment Objective

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

Performance Target: To achieve the return of the MSCI AC World Index plus 3% per annum over rolling three year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

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

Investment Policy

Portfolio Securities

- The fund will invest at least 80% in equities and equity related securities of companies listed on global stock exchanges.
- The fund may also invest in other funds (including those managed by abrdrn), money-market instruments, and cash.

Management Process

- The management team use their discretion (active management) to maintain a diverse asset mix at country, sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the Performance Target, the MSCI AC World Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 9%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the index.

Derivatives and Techniques

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

Performance Review

For the year ended 31 July 2022, the value of abrdrn Global Equity Fund – A Income Shares decreased by 0.23% compared to a decrease of 2.75% in the performance target, the MSCI AC World Index.

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

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

Market Review

Global equity markets rose slightly in aggregate in sterling terms over the period. The UK and US performed well, but most other markets declined, with China, emerging markets and Asia Pacific (excluding Japan) among the weakest. The recovery from Covid-19-induced lockdown restrictions and the collapse of economic activity slowed as supply-chain disruptions, higher inflation and tightening global monetary policy weighed on markets.

Early in the period, investors grew worried that the spread of the Delta variant, alongside global supply-chain issues, would hamper a global economic recovery. Markets recovered following the discovery of the Omicron variant in November, but they fell again in 2022 as central banks tightened monetary policy and following the Russian invasion of Ukraine. In response to the conflict, Europe was

abrdn Global Equity Fund

Continued

one of the hardest-hit regions, along with Russia, which faced sanctions from many western countries. While the conflict continued throughout March, investor confidence recovered from the initial shock, and global markets generally bounced back, with US equities particularly strong. However, global stocks declined in the final few months, as ongoing fears over high inflation and the risk of a global recession weighed on sentiment. Equities rebounded in July, as positive corporate results gave investors renewed confidence.

Portfolio Activity and Review

Our lack of exposure to Apple, the largest index constituent, had the biggest negative effect on relative returns as it performed strongly over the review period. Meanwhile, despite Autodesk, the computer aided design software developer, meeting its earnings target, its shares sold off sharply after management gave a disappointing earnings outlook. Genus was affected during the period by Chinese pig prices, which continued to be low, causing producers to cut back on orders that weighed on revenues and earnings. The business also has a 10% operating profit exposure to Russia. There was some disappointment in the market that no Tencent games were included in the latest batch of new licenses approved in China. Regulatory pressures also remained an overhang.

A panel of the European Medicines Agency recommended the expanded approval of AstraZeneca's blockbuster cancer drug Lynparza. It is now approved for use in a breast cancer subtype. Costco Wholesale's resilient business model helped its shares to do relatively well during a period that saw spikes in equity market volatility. Critical to its stability is its membership model that requires shoppers to pay annual fees to gain access to the company's warehouses. US-based pharmaceutical company AbbVie also performed well. Investors reacted positively to its guidance for post-Humira growth, supported by a very bullish outlook on expected sales for Rinvoq, regardless of US Food and Drug Administration warnings. Lastly, Zurich Insurance Group benefitted from a recovery in the pricing environment in its commercial insurance business after a lacklustre period.

In portfolio activity, we introduced the following stocks, which are a sample that reflect our thinking: Mastercard, our preferred company between the two global payment giants, due to its larger advisory business and greater exposure to countries where cash-to-card conversion is at an earlier stage. Tetra Tech, a global leader in engineering consultancy to water, environment and infrastructure projects. It stands to benefit from increased expenditure on its area of expertise. The company has a healthy balance sheet, with improving margins from its move to higher-end services. Adyen, a high-quality, well-established payment

solutions company with excellent long-term growth opportunities ahead and a switch from Visa, which is no longer covered. The recent market rotation away from high-growth, high-valuation companies provided a decent entry point. Icon, a provider of clinical research services to the pharmaceuticals industry. The business has a solid track record and reputation within the industry. Icon is well positioned to benefit from the continued outsourcing of clinical trials, particularly from their increasing complexity. Furthermore, its acquisition of PRA Health Sciences enhances the company's growth opportunities.

Against these, we sold the following holdings, which are a sample that reflect our thinking: Visa, as we switched our holding into Mastercard, our preferred company between the two global payment giants due to its larger advisory business and greater exposure to countries where cash-to-card conversion is at an earlier stage. Autodesk, which cut guidance as it struggled with cyclical end-markets. We were concerned that consensus free cash flow forecasts out to 2024 were too high as the transition from three-year contracts to annual contracts has not been well explained by the management team. PepsiCo, which looked expensive following a rerate on the back of good performance. Divesting also reduced the heavy overweight to the consumer staples sector, bringing a better balance to the fund. Derivative exchange group CME, which looked expensive relative to other opportunities.

Portfolio Outlook and Strategy

Global equity markets continue to face a number of headwinds, from rising inflation and tightening monetary policy to supply-chain disruptions and high commodity prices, not to mention the ongoing impact of Russia's war with Ukraine. While Covid-19 remains present, it is hoped that the world can gradually learn to live with the virus this year. Whether central banks can successfully manage the trade-off between rising inflation and slowing growth is also key going forward.

Through all of these macroeconomic-related uncertainties, we continue to focus on 'bottom-up', fundamental research. We are finding companies with enduring competitive advantages and healthy balance sheets that are doing business sustainably, and which we believe are best positioned to manage financial pressures through to times of greater market stability. Periods of market weakness represent an opportunity for the long-term investor. We reiterate the importance of a diversified portfolio, with a 'bottom-up' investment approach focused on quality characteristics.

Global Equity Team

August 2022

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 2022.

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

- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- The fund invests in emerging market equities and/or bonds. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- The fund may invest in companies with Variable Interest Entity (VIE) structures in order to gain exposure to industries with foreign ownership restrictions. There is a risk that investments in these structures may be adversely affected by changes in the legal and regulatory framework.
- Investing in China A shares involves special considerations and risks, including greater price volatility, a less developed regulatory and legal framework, exchange rate risk/controls, settlement, tax, quota, liquidity and regulatory risks.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

Comparative Tables

A Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	343.48	269.31	274.56
Return before operating charges*	6.42	78.87	(1.08)
Operating charges	(4.46)	(4.70)	(4.17)
Return after operating charges*	1.96	74.17	(5.25)
Distributions	-	-	(0.11)
Retained distributions on accumulation shares	-	-	0.11
Closing net asset value per share	345.44	343.48	269.31
* after direct transaction costs of:	0.12	0.19	0.20
Performance			
Return after charges	0.57%	27.54%	(1.91%)
Other information			
Closing net asset value (£'000)	116,694	113,835	88,178
Closing number of shares	33,781,599	33,142,002	32,742,468
Operating charges	1.29%	1.53%	1.57%
Direct transaction costs	0.03%	0.06%	0.08%
Prices			
Highest share price	373.2	345.4	288.3
Lowest share price	308.3	270.7	218.5

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

	2022	2021	2020
A Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	291.46	228.52	233.08
Return before operating charges*	5.44	66.92	(0.93)
Operating charges	(3.78)	(3.98)	(3.54)
Return after operating charges*	1.66	62.94	(4.47)
Distributions	-	-	(0.09)
Closing net asset value per share	293.12	291.46	228.52
* after direct transaction costs of:	0.10	0.16	0.17
Performance			
Return after charges	0.57%	27.54%	(1.92%)
Other information			
Closing net asset value (£'000)	34,281	34,904	28,545
Closing number of shares	11,695,365	11,975,670	12,491,107
Operating charges	1.29%	1.53%	1.57%
Direct transaction costs	0.03%	0.06%	0.08%
Prices			
Highest share price	316.6	293.1	244.7
Lowest share price	261.6	229.7	185.4

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

	2022	2021	2020
I Accumulation	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	366.20	285.84	290.10
Return before operating charges*	6.85	83.87	(1.11)
Operating charges	(3.10)	(3.51)	(3.15)
Return after operating charges*	3.75	80.36	(4.26)
Distributions	(1.62)	-	(1.38)
Retained distributions on accumulation shares	1.62	-	1.38
Closing net asset value per share	369.95	366.20	285.84
* after direct transaction costs of:	0.12	0.21	0.21
Performance			
Return after charges	1.02%	28.11%	(1.47%)
Other information			
Closing net asset value (£'000)	82,285	93,301	85,146
Closing number of shares	22,241,994	25,478,433	29,788,534
Operating charges	0.84%	1.08%	1.12%
Direct transaction costs	0.03%	0.06%	0.08%
Prices			
Highest share price	398.5	368.2	305.3
Lowest share price	330.0	287.3	231.5

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

	2022	2021	2020
I Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	205.75	160.60	163.78
Return before operating charges*	3.85	47.12	(0.62)
Operating charges	(1.74)	(1.97)	(1.78)
Return after operating charges*	2.11	45.15	(2.40)
Distributions	(0.91)	-	(0.78)
Closing net asset value per share	206.95	205.75	160.60
* after direct transaction costs of:	0.07	0.12	0.12
Performance			
Return after charges	1.03%	28.11%	(1.47%)
Other information			
Closing net asset value (£'000)	8,021	8,518	7,979
Closing number of shares	3,875,681	4,140,091	4,968,476
Operating charges	0.84%	1.08%	1.12%
Direct transaction costs	0.03%	0.06%	0.08%
Prices			
Highest share price	223.9	206.9	172.3
Lowest share price	185.3	161.4	130.4

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

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

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

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

Comparative Tables

Continued

L Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	165.83	129.11	130.72
Return before operating charges*	3.10	37.94	(0.51)
Operating charges	(0.99)	(1.22)	(1.10)
Return after operating charges*	2.11	36.72	(1.61)
Distributions	(1.15)	(0.36)	(0.94)
Retained distributions on accumulation shares	1.15	0.36	0.94
Closing net asset value per share	167.94	165.83	129.11
* after direct transaction costs of:	0.06	0.09	0.10
Performance			
Return after charges	1.27%	28.44%	(1.23%)
Other information			
Closing net asset value (£'000)	29	29	22
Closing number of shares	17,318	17,318	17,318
Operating charges	0.59%	0.83%	0.87%
Direct transaction costs	0.03%	0.06%	0.08%
Prices			
Highest share price	180.6	166.7	137.7
Lowest share price	149.7	129.8	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

L Income	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	159.19	124.22	126.67
Return before operating charges*	2.98	36.50	(0.47)
Operating charges	(0.95)	(1.18)	(1.07)
Return after operating charges*	2.03	35.32	(1.54)
Distributions	(1.11)	(0.35)	(0.91)
Closing net asset value per share	160.11	159.19	124.22
* after direct transaction costs of:	0.05	0.09	0.09
Performance			
Return after charges	1.28%	28.43%	(1.22%)
Other information			
Closing net asset value (£'000)	1,528	1,532	1,196
Closing number of shares	954,547	962,600	962,600
Operating charges	0.59%	0.83%	0.87%
Direct transaction costs	0.03%	0.06%	0.08%
Prices			
Highest share price	173.4	160.4	133.5
Lowest share price	143.5	124.9	100.9

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	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	143.09	111.74	113.14
Return before operating charges*	2.67	32.79	(0.14)
Operating charges	(1.28)	(1.44)	(1.26)
Return after operating charges*	1.39	31.35	(1.40)
Distributions	(0.56)	-	(1.68)
Retained distributions on accumulation shares	0.56	-	1.68
Closing net asset value per share	144.48	143.09	111.74
* after direct transaction costs of:	0.05	0.08	0.08
Performance			
Return after charges	0.97%	28.06%	(1.24%)
Other information			
Closing net asset value (£'000)	317	297	225
Closing number of shares	219,283	207,762	201,533
Operating charges	0.89%	1.13%	1.17%
Direct transaction costs	0.03%	0.06%	0.08%
Prices			
Highest share price	155.7	143.9	119.4
Lowest share price	128.9	112.3	90.52

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

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

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

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

Comparative Tables

Continued

	2022	2021	2020
M Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	138.93	108.52	111.51
Return before operating charges*	2.61	31.81	(0.11)
Operating charges	(1.25)	(1.40)	(1.23)
Return after operating charges*	1.36	30.41	(1.34)
Distributions	(0.55)	-	(1.65)
Closing net asset value per share	139.74	138.93	108.52
* after direct transaction costs of:	0.05	0.08	0.08
Performance			
Return after charges	0.98%	28.02%	(1.20%)
Other information			
Closing net asset value (£'000)	51	54	42
Closing number of shares	36,262	38,663	38,581
Operating charges	0.89%	1.13%	1.17%
Direct transaction costs	0.03%	0.06%	0.08%
Prices			
Highest share price	151.2	139.7	117.7
Lowest share price	125.1	109.1	88.53

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.

Portfolio Statement

As at 31 July 2022

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (97.49%)		236,273	97.15
Emerging Market Equities (1.06%)		2,147	0.88
Brazil (1.06%)		2,147	0.88
646,700	Raia Drogasil	2,147	0.88
European Equities (21.48%)		67,553	27.78
Denmark (3.19%)		10,603	4.36
13,213	Genmab	3,872	1.59
69,870	Novo Nordisk 'B'	6,731	2.77
France (5.65%)		16,532	6.80
50,700	Danone	2,294	0.94
13,660	LVMH	7,747	3.19
57,400	Schneider Electric	6,491	2.67
Ireland (0.00%)		4,337	1.78
21,900	ICON	4,337	1.78
Netherlands (4.60%)		16,030	6.59
3,301	Adyen	4,840	1.99
9,830	ASML	4,589	1.89
81,700	Heineken	6,601	2.71
Sweden (2.00%)		4,668	1.92
488,800	Atlas Copco 'A'	4,668	1.92
Switzerland (6.04%)		15,383	6.33
69,200	Nestle	6,950	2.86
13,800	Roche (Participating certificate)	3,755	1.55
13,070	Zurich Insurance	4,678	1.92

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Japanese Equities (3.76%)		9,178	3.77
18,800	Keyence	6,059	2.49
29,900	Shin-Etsu Chemical	3,119	1.28
North American Equities (42.66%)		96,841	39.82
United States (42.66%)		96,841	39.82
43,200	AbbVie	5,091	2.09
72,600	Alphabet 'A'	6,932	2.85
89,400	Amazon.com	9,904	4.07
183,900	Boston Scientific	6,197	2.55
39,600	Bristol-Myers Squibb	2,399	0.99
8,050	Costco Wholesale	3,576	1.47
52,000	Emerson Electric	3,845	1.58
27,976	Estee Lauder 'A'	6,272	2.58
71,200	Intercontinental Exchange	5,961	2.45
124,600	Las Vegas Sands	3,856	1.59
19,176	Mastercard 'A'	5,570	2.29
47,660	Microsoft	10,983	4.52
68,300	NIKE 'B'	6,443	2.65
39,200	Procter & Gamble	4,472	1.84
12,130	S&P Global	3,749	1.54
39,484	Tetra Tech	4,968	2.04
131,900	TJX	6,623	2.72
Pacific Basin Equities (15.53%)		31,643	13.01
Australia (2.60%)		2,251	0.92
189,500	Goodman REIT	2,251	0.92
China (2.66%)		4,511	1.85
140,700	Tencent	4,511	1.85
Hong Kong (3.36%)		7,783	3.20
942,700	AIA	7,783	3.20

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
India (1.88%)		5,002	2.06
202,400	Housing Development Finance	5,002	2.06
Singapore (1.93%)		4,760	1.96
685,667	Oversea-Chinese Banking	4,760	1.96
Taiwan (3.10%)		7,336	3.02
526,705	Taiwan Semiconductor Manufacturing	7,336	3.02
UK Equities (13.00%)		28,911	11.89
Basic Materials (3.69%)		9,752	4.01
67,056	Croda International	5,016	2.06
19,100	Linde	4,736	1.95
Consumer Staples (2.98%)		6,991	2.87
180,100	Diageo	6,991	2.87
Health Care (6.33%)		12,168	5.01
66,122	AstraZeneca	7,169	2.95
65,100	Dechra Pharmaceuticals	2,397	0.99
91,760	Genus	2,602	1.07
1,500	Sinclair Research	-	-
Collective Investment Schemes (2.71%)		3,624	1.49
3,624	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc+	3,624	1.49
Total investment assets		239,897	98.64
Net other assets		3,309	1.36
Total Net Assets		243,206	100.00

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2021.

+ Managed by subsidiaries of abrdn plc.

Financial Statements

Statement of Total Return

For the year ended 31 July 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains	1		1,381		58,099
Revenue	2	3,526		2,857	
Expenses	3	(2,735)		(3,132)	
Net revenue/(expense) before taxation		791		(275)	
Taxation	4	(381)		(334)	
Net revenue/(expense) after taxation			410		(609)
Total return before distributions			1,791		57,490
Distributions	5		(432)		(7)
Change in net assets attributable to shareholders from investment activities			1,359		57,483

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2022

	2022		2021	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		252,470		211,333
Amounts receivable on the issue of shares	24,202		22,102	
Amounts payable on the cancellation of shares	(35,193)		(38,452)	
		(10,991)		(16,350)
Change in net assets attributable to shareholders from investment activities (see above)		1,359		57,483
Retained distribution on accumulation shares		364		-
Unclaimed distributions		4		4
Closing net assets attributable to shareholders		243,206		252,470

Financial Statements

Continued

Balance Sheet

As at 31 July 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			239,897		252,980
Current assets:					
Debtors	6	2,621		4,161	
Cash and bank balances	7	1,252		1,186	
			3,873		5,347
Total assets			243,770		258,327
Liabilities:					
Provisions for liabilities	8		-		(1)
Bank overdrafts	7	(5)		-	
Creditors	9	(517)		(5,853)	
Distribution payable		(42)		(3)	
			(564)		(5,856)
Total liabilities			(564)		(5,857)
Net assets attributable to shareholders			243,206		252,470

Notes to the Financial Statements

1 Net Capital Gains

	2022 £'000	2021 £'000
Non-derivative securities	1,507	58,290
Forward currency contracts	-	15
Other losses	(118)	(206)
Transaction charges	(8)	-
Net capital gains	1,381	58,099

2 Revenue

	2022 £'000	2021 £'000
Bank and margin interest	16	4
Overseas dividends	3,044	2,462
Overseas REIT	35	19
UK dividends	431	372
Total revenue	3,526	2,857

3 Expenses

	2022 £'000	2021 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	2,518	2,850
General administration charge*	198	-
Operating, administrative and servicing fees	-	282
	2,716	3,132
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fees	19	-
	19	-
Total expenses	2,735	3,132

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

* The fixed general administration charge was introduced from 1 August 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian. The audit fee for the year, including VAT, was £8,460 (2021: £8,389).

Notes to the Financial Statements

Continued

4 Taxation

	2022 £'000	2021 £'000
(a) Analysis of charge in year		
Overseas taxes	382	333
Total current tax	382	333
Deferred tax (note 4c)	(1)	1
Total taxation (note 4b)	381	334

(b) Factors affecting current tax charge for the year

The tax assessed for the year is greater than (2021: greater than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

Net revenue/(expense) before taxation	791	(275)
Corporation tax at 20% (2021: 20%)	158	(55)
Effects of:		
Revenue not subject to taxation	(688)	(565)
Overseas taxes	382	333
Overseas tax expensed	(1)	(1)
Excess allowable expenses	531	621
Deferred tax	(1)	1
Total tax charge for year (note 4a)	381	334

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	1	-
Deferred tax charge in statement of total return for year (note 4a)	(1)	1
Provision at the end of the year	-	1

(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 £12,623,000 (2021: £12,092,000) 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/(expense) and distributions)

	2022 £'000	2021 £'000
Interim distribution	31	-
Final distribution	379	3
	410	3
Add: Income deducted on cancellation of shares	31	4
Deduct: Income received on issue of shares	(9)	-
Total distributions for the year	432	7
Movement between net revenue/(expense) and distributions		
Net revenue/(expense) after taxation	410	(609)
Shortfall transfer from capital to revenue	23	615
Overseas deferred capital gains tax on unrealised gains	(1)	1
Total distributions for the year	432	7

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

6 Debtors

	2022 £'000	2021 £'000
Accrued revenue	144	147
Amounts receivable from the ACD for the issue of shares	2,380	-
Overseas withholding tax recoverable	97	83
Sales awaiting settlement	-	3,931
Total debtors	2,621	4,161

7 Liquidity

	2022 £'000	2021 £'000
Cash and bank balances		
Cash at bank	1,252	1,186
	1,252	1,186
Bank overdrafts		
Overdraft at bank	(5)	-
	(5)	-
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund*	3,624	6,841
Net liquidity	4,871	8,027

* 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

	2022	2021
	£'000	£'000
The provisions for liabilities comprise:		
Overseas capital gains tax	-	1
Total provisions for liabilities	-	1

9 Creditors

	2022	2021
	£'000	£'000
Accrued expenses payable to ACD	216	220
Accrued expenses payable to the Depositary or associates of the Depositary	2	-
Amounts payable to the ACD for cancellation of shares	299	410
Other accrued expenses	-	26
Purchases awaiting settlement	-	5,197
Total creditors	517	5,853

10 Related Party Transactions

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

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

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

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

11 Portfolio Transaction Costs

	Purchases		Sales	
	2022	2021	2022	2021
Trades in the year	£'000	£'000	£'000	£'000
Equities	49,266	66,083	60,636	89,470
Corporate actions	-	-	79	-
Trades in the year before transaction costs	49,266	66,083	60,715	89,470
Commissions				
Equities	24	30	(28)	(38)
Total commissions	24	30	(28)	(38)

Notes to the Financial Statements

Continued

	Purchases		Sales	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trades in the year				
Taxes				
Equities	27	61	(4)	(20)
Total taxes	27	61	(4)	(20)
Total transaction costs	51	91	(32)	(58)
Total net trades in the year after transaction costs	49,317	66,174	60,683	89,412

	Purchases		Sales	
	2022 %	2021 %	2022 %	2021 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.05	0.05	0.05	0.04
Taxes				
Equities	0.06	0.09	0.01	0.02

	2022 %	2021 %
Total transaction costs expressed as a percentage of net asset value		
Commissions	0.02	0.03
Taxes	0.01	0.03

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.07% (2021: 0.07%), this is representative of the average spread on the assets held during the year.

12 Shares in Issue Reconciliation

	Opening shares 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
A Accumulation	33,142,002	6,627,475	(5,835,400)	(152,478)	33,781,599
A Income	11,975,670	38,978	(275,928)	(43,355)	11,695,365
I Accumulation	25,478,433	324,982	(3,704,133)	142,712	22,241,994
I Income	4,140,091	166,727	(492,423)	61,286	3,875,681
L Accumulation	17,318	-	-	-	17,318
L Income	962,600	-	(8,053)	-	954,547
M Accumulation	207,762	14,852	(3,331)	-	219,283
M Income	38,663	7	(2,408)	-	36,262

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).

	2022	2022	2022	2021	2021	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	236,273	-	-	246,139	-	-
Collective Investment Schemes	-	3,624	-	-	6,841	-
Total investment assets	236,273	3,624	-	246,139	6,841	-

14 Risk Management Policies and Disclosures

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

Foreign currency risk

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

Currency	Net foreign	Net foreign
	currency exposure	currency exposure
	2022	2021
	£'000	£'000
Australian Dollar	2,264	6,585
Brazilian Real	2,158	2,679
Danish Krone	10,617	8,060
Euro	32,587	25,901
Hong Kong Dollar	12,294	13,808
Indian Rupee	5,013	4,796
Japanese Yen	9,178	9,491
Singapore Dollar	4,760	4,869
Swedish Krona	4,668	5,051
Swiss Franc	15,383	15,784
Taiwan Dollar	7,378	7,856
US Dollar	106,035	111,229
Total	212,335	216,109

At 31 July 2022, 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 £10,617,000 (2021: £10,805,000).

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 2022, 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 £11,995,000 (2021: £12,649,000).

Financial derivatives instrument risk

The fund had no exposure to derivatives as at 31 July 2022 (2021: £Nil).

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2022 £564,000 (2021: £5,857,000).

15 Subsequent Events

The ACD intends to merge the abrdn Global Equity Fund in 2023.

Distribution Tables

For the year ended 31 July 2022 (in pence per share)

Interim dividend distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 January 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
A Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
A Income				
Group 1	-	-	-	-
Group 2	-	-	-	-
I Accumulation				
Group 1	0.1092	-	0.1092	-
Group 2	-	0.1092	0.1092	-
I Income				
Group 1	0.0614	-	0.0614	-
Group 2	-	0.0614	0.0614	-
L Accumulation				
Group 1	0.2622	-	0.2622	0.0347
Group 2	0.2622	-	0.2622	0.0347
L Income				
Group 1	0.2555	-	0.2555	0.0342
Group 2	0.2555	-	0.2555	0.0342
M Accumulation				
Group 1	0.0056	-	0.0056	-
Group 2	-	0.0056	0.0056	-
M Income				
Group 1	0.0055	-	0.0055	-
Group 2	-	0.0055	0.0055	-

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Final dividend distribution

Group 1 – shares purchased prior to 1 February 2022

Group 2 – shares purchased between 1 February 2022 and 31 July 2022

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
A Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
A Income				
Group 1	-	-	-	-
Group 2	-	-	-	-
I Accumulation				
Group 1	1.5135	-	1.5135	-
Group 2	0.5594	0.9541	1.5135	-
I Income				
Group 1	0.8504	-	0.8504	-
Group 2	0.3923	0.4581	0.8504	-
L Accumulation				
Group 1	0.8854	-	0.8854	0.3280
Group 2	0.8854	-	0.8854	0.3280
L Income				
Group 1	0.8511	-	0.8511	0.3160
Group 2	0.8511	-	0.8511	0.3160
M Accumulation				
Group 1	0.5564	-	0.5564	-
Group 2	-	0.5564	0.5564	-
M Income				
Group 1	0.5409	-	0.5409	-
Group 2	0.5409	-	0.5409	-

Equalisation

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

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

abrdn Global Sustainable and Responsible Investment Equity Fund

For the year ended 31 July 2022

Investment Objective

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

Performance Target: To achieve the return of the MSCI AC World Index plus 3% per annum over rolling three year periods (before charges).

The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

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

Investment Policy

Portfolio Securities

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

Management Process

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

Derivatives and Techniques

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

Performance Review

For the year ended 31 July 2022, the value of abrdn Global Sustainable and Responsible Investment Equity Fund- A Income Shares decreased by 9.04% compared to an increase of 2.74% in the performance target, the MSCI AC World Index.

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

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abrdn Global 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.

Market Review

Global equity markets fell in aggregate over the period. The UK and US performed well, but most other markets declined, with China, emerging markets and Asia Pacific (excluding Japan) among the weakest. The recovery from Covid-19-induced lockdown restrictions and the collapse of economic activity slowed as supply-chain disruptions, higher inflation and tightening global monetary policy weighed on markets.

Early in the period, investors grew worried that the spread of the Delta variant, alongside global supply-chain issues, would hamper a global economic recovery. Markets recovered following the discovery of the Omicron variant in November, but they fell again in 2022 as central banks tightened monetary policy and following the Russian invasion of Ukraine. In response to the conflict, Europe was one of the hardest-hit regions, along with Russia, which faced sanctions from many western countries. While the conflict continued throughout March, investor confidence recovered from the initial shock, and global markets generally bounced back, with US equities particularly strong. However, global stocks declined in the final few months, as ongoing fears over high inflation and the risk of a global recession weighed on sentiment. Equities rebounded in July, as positive corporate results gave investors renewed confidence.

Portfolio Activity and Review

At the stock level, fears of a US recession weighed on digital shopping platform Shopify's multiple as investors begin to price in a downturn in consumer spending, which would weigh on growth. Furthermore, Shopify continues to invest behind its logistics offering, and while this is the right focus as it gains scale, the timing in the cycle disappointed investors. Meanwhile, despite Autodesk, the computer aided design software developer, meeting its third-quarter earnings target, its shares sold off sharply after management gave a disappointing earnings outlook. Outdoor sports products and luggage manufacturer Thule Group weakened on fears of an unwind of Covid-19-driven demand and the threat of a recession, which would further limit customer purchasing power. Despite the company's plans to expand into two new categories, as well as its mass affluent client base and health focus, the shares have derated sharply. Our lack of exposure to Apple, the largest index constituent, also had a negative effect on relative returns as it performed strongly over the review period.

On the positive side, DBS, the Singaporean bank, is the most interest-rate sensitive bank in the region and stands to benefit disproportionately from the upcycle in interest rates. With several hikes expected in 2023, the bank should see strong earnings growth over the coming years. Nvidia benefitted from strong quarterly earnings performance and forward-looking commentary that alleviated concerns that the semiconductor cycle would turn over sooner and more aggressively. The company is positioned within favourable end-markets, such as industrial and automotive, which should fare better than others, such as personal electronics. Amazon.com, which the Fund does not own, reported weaker-than-expected results due to a combination of lower retail growth and higher costs. Some of the retail weakness is due to economic reopenings, which are affecting the wider e-commerce industry, with investors worried about the medium-term growth outlook for online retail. On the cost side, higher fuel and labour costs affected Amazon, as well as an underutilisation of its newer warehouses.

In portfolio activity, we introduced the following holdings, which are a sample that reflect our thinking: DBS, as this Singaporean bank offers exposure to a rising US yield curve and structural growth in intra-Asian trade. UnitedHealth Group, the leading US managed healthcare business. Medicare Advantage growth and ongoing strong growth from implementing value-based care at Optumcare should allow the company to meet its guidance of 13-16% per annum earnings growth. Procter & Gamble, a position which we funded by selling Colgate-Palmolive given the former's superior brand equity and

abrdn Global Sustainable and Responsible Investment Equity Fund

Continued

improved operational performance. Accenture, the leading consultancy business, given we are confident about the company's long-term growth prospects.

Against these, we sold the following, which are a sample that reflect our thinking: Autodesk, the design software business, due to renewed worries regarding the company's cash flow profile and the downside risk to its guidance. Intuit, as we sold the position to fund other investment opportunities. We recycled the proceeds into high conviction companies, such as Crown Holdings, Baxter International and UnitedHealth Group. Trane Technologies, which we switched into JCI. We are more comfortable about the latter's end-market exposure in a down cycle, with a greater weight to commercial. Both companies offer key solutions in reducing emissions within the building and construction sector. PepsiCo, the snack and soft drinks business, to take profits and due to finding better opportunities elsewhere.

Portfolio Outlook and Strategy

Global equity markets continue to face a number of headwinds, from rising inflation and tightening monetary policy to supply-chain disruptions and high commodity prices, not to mention the ongoing impact of Russia's war with Ukraine. While Covid-19 remains present, it is hoped that the world can gradually learn to live with the virus this year. Whether central banks can successfully manage the trade-off between rising inflation and slowing growth is also key going forward.

Through all of these macroeconomic-related uncertainties, we continue to focus on 'bottom-up', fundamental research. We are finding companies with enduring competitive advantages and healthy balance sheets that are doing business sustainably, and which we believe are best positioned to manage financial pressures through to times of greater market stability. Periods of market weakness represent an opportunity for the long-term investor. We reiterate the importance of a diversified portfolio, with a 'bottom-up' investment approach focused on quality characteristics.

Global Equity Team

August 2022

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 2022.

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

- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- Applying ESG and sustainability criteria in the investment process may result in the exclusion of securities within the fund's benchmark or universe of potential investments. The interpretation of ESG and sustainability criteria is subjective meaning that the fund may invest in companies which similar funds do not (and thus perform differently) and which do not align with the personal views of any individual investor.
- The fund invests in emerging market equities and/or bonds. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- The fund may invest in companies with Variable Interest Entity (VIE) structures in order to gain exposure to industries with foreign ownership restrictions. There is a risk that investments in these structures may be adversely affected by changes in the legal and regulatory framework.
- Investing in China A shares involves special considerations and risks, including greater price volatility, a less developed regulatory and legal framework, exchange rate risk/controls, settlement, tax, quota, liquidity and regulatory risks.

- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

Comparative Tables

A Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	352.07	271.93	272.86
Return before operating charges*	(25.79)	84.97	3.24
Operating charges	(4.40)	(4.83)	(4.17)
Return after operating charges*	(30.19)	80.14	(0.93)
Distributions	-	-	(0.02)
Retained distributions on accumulation shares	-	-	0.02
Closing net asset value per share	321.88	352.07	271.93
* after direct transaction costs of:	0.19	0.43	0.16
Performance			
Return after charges	(8.57%)	29.47%	(0.34%)
Other information			
Closing net asset value (£'000)	39,607	40,275	33,627
Closing number of shares	12,304,975	11,439,607	12,366,156
Operating charges	1.29%	1.53%	1.57%
Direct transaction costs	0.06%	0.13%	0.06%
Prices			
Highest share price	391.2	355.4	286.8
Lowest share price	284.2	273.4	213.1

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

A Income	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	262.03	202.41	203.12
Return before operating charges*	(19.16)	63.19	2.41
Operating charges	(3.31)	(3.57)	(3.10)
Return after operating charges*	(22.47)	59.62	(0.69)
Distributions	-	-	(0.02)
Closing net asset value per share	239.56	262.03	202.41
* after direct transaction costs of:	0.14	0.32	0.12
Performance			
Return after charges	(8.58%)	29.46%	(0.34%)
Other information			
Closing net asset value (£'000)	5,932	9,250	8,633
Closing number of shares	2,476,176	3,530,048	4,265,232
Operating charges	1.29%	1.53%	1.57%
Direct transaction costs	0.06%	0.13%	0.06%
Prices			
Highest share price	291.2	264.5	213.5
Lowest share price	211.6	202.5	158.6

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	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	409.41	314.80	314.46
Return before operating charges*	(30.05)	98.57	3.77
Operating charges	(3.35)	(3.96)	(3.43)
Return after operating charges*	(33.40)	94.61	0.34
Distributions	(1.52)	-	(1.41)
Retained distributions on accumulation shares	1.52	-	1.41
Closing net asset value per share	376.01	409.41	314.80
* after direct transaction costs of:	0.22	0.50	0.19
Performance			
Return after charges	(8.16%)	30.05%	0.11%
Other information			
Closing net asset value (£'000)	85,560	92,220	67,359
Closing number of shares	22,754,608	22,525,034	21,397,763
Operating charges	0.84%	1.08%	1.12%
Direct transaction costs	0.06%	0.13%	0.06%
Prices			
Highest share price	455.6	413.3	331.3
Lowest share price	331.9	316.5	246.3

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

	2022	2021	2020
I Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	285.96	219.91	220.66
Return before operating charges*	(21.01)	68.79	2.64
Operating charges	(2.34)	(2.74)	(2.40)
Return after operating charges*	(23.35)	66.05	0.24
Distributions	(1.08)	-	(0.99)
Closing net asset value per share	261.53	285.96	219.91
* after direct transaction costs of:	0.15	0.35	0.13
Performance			
Return after charges	(8.17%)	30.04%	0.11%
Other information			
Closing net asset value (£'000)	31,490	34,980	31,522
Closing number of shares	12,040,652	12,232,612	14,333,807
Operating charges	0.84%	1.08%	1.12%
Direct transaction costs	0.06%	0.13%	0.06%
Prices			
Highest share price	318.2	288.7	232.4
Lowest share price	231.8	220.0	172.4

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	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	151.02	116.18	115.92
Return before operating charges*	(11.09)	36.37	1.56
Operating charges	(1.31)	(1.53)	(1.30)
Return after operating charges*	(12.40)	34.84	0.26
Distributions	(0.48)	-	(0.36)
Retained distributions on accumulation shares	0.48	-	0.36
Closing net asset value per share	138.62	151.02	116.18
* after direct transaction costs of:	0.08	0.18	0.07
Performance			
Return after charges	(8.21%)	29.99%	0.22%
Other information			
Closing net asset value (£'000)	1,109	1,352	1,208
Closing number of shares	800,116	895,243	1,040,123
Operating charges	0.89%	1.13%	1.17%
Direct transaction costs	0.06%	0.13%	0.06%
Prices			
Highest share price	168.0	152.5	122.3
Lowest share price	122.4	116.8	90.91

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

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

Operating charges are expenses associated with the maintenance and administration of the fund on a day to 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	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	149.13	114.74	114.82
Return before operating charges*	(10.94)	35.90	1.57
Operating charges	(1.29)	(1.51)	(1.27)
Return after operating charges*	(12.23)	34.39	0.30
Distributions	(0.49)	-	(0.38)
Closing net asset value per share	136.41	149.13	114.74
* after direct transaction costs of:	0.08	0.18	0.07
Performance			
Return after charges	(8.20%)	29.97%	0.26%
Other information			
Closing net asset value (£'000)	21	24	18
Closing number of shares	15,792	15,843	15,870
Operating charges	0.89%	1.13%	1.17%
Direct transaction costs	0.06%	0.13%	0.06%
Prices			
Highest share price	165.9	150.5	121.2
Lowest share price	120.8	114.8	89.98

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

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

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

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

Portfolio Statement

As at 31 July 2022

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (97.38%)		157,869	96.43
Emerging Market Equities (2.32%)		3,044	1.86
Brazil (2.32%)		3,044	1.86
917,000	Raia Drogasil	3,044	1.86
European Equities (26.41%)		38,741	23.66
Denmark (0.00%)		5,462	3.34
24,600	Ørsted	2,358	1.44
166,036	Tryg	3,104	1.90
France (6.29%)		9,922	6.05
18,800	L'Oreal	5,817	3.54
36,300	Schneider Electric	4,105	2.51
Germany (2.76%)		-	-
Ireland (5.14%)		6,164	3.77
13,390	Accenture 'A'	3,366	2.06
32,500	Aptiv	2,798	1.71
Italy (2.05%)		-	-
Netherlands (5.28%)		7,465	4.56
9,113	ASML	4,254	2.60
24,500	Koninklijke DSM	3,211	1.96
Sweden (2.45%)		5,811	3.55
424,000	Atlas Copco 'A'	4,050	2.47
74,300	Thule	1,761	1.08

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Switzerland (2.44%)		3,917	2.39
39,000	Nestle	3,917	2.39
Japanese Equities (2.27%)		5,597	3.42
104,300	Chugai Pharmaceutical	2,399	1.47
44,400	Sony	3,198	1.95
North American Equities (36.91%)		65,225	39.83
Canada (2.98%)		6,715	4.10
230,007	CI Financial	2,164	1.32
17,865	Lululemon Athletica	4,551	2.78
United States (33.93%)		58,510	35.73
51,878	Baxter International	2,498	1.53
33,300	Bristol-Myers Squibb	2,018	1.23
40,624	Crown	3,388	2.07
29,000	Ecolab	3,932	2.40
70,705	Johnson Controls International	3,129	1.91
15,522	Mastercard 'A'	4,509	2.75
31,900	Microsoft	7,352	4.49
38,200	NextEra Energy	2,650	1.62
23,250	Norfolk Southern	4,794	2.93
27,043	NVIDIA	4,031	2.46
36,080	Procter & Gamble	4,116	2.51
9,100	ResMed	1,795	1.10
45,156	Schwab (Charles)	2,560	1.56
31,700	Tetra Tech	3,988	2.44
55,911	TJX	2,807	1.71
11,094	UnitedHealth	4,943	3.02

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Pacific Basin Equities (19.21%)		30,720	18.77
Australia (8.09%)		10,422	6.37
32,600	Cochlear	3,988	2.44
321,900	Goodman REIT	3,823	2.34
858,100	Steadfast	2,611	1.59
China (2.07%)		1,659	1.01
213,000	Wuxi Biologics (Cayman)	1,659	1.01
Hong Kong (2.33%)		4,534	2.77
549,200	AIA	4,534	2.77
India (2.39%)		4,105	2.51
166,100	Housing Development Finance	4,105	2.51
New Zealand (2.39%)		-	-
Singapore (0.00%)		5,615	3.43
299,700	DBS	5,615	3.43
Taiwan (1.94%)		5,615	3.43
43,451	Taiwan Semiconductor Manufacturing ADR	3,155	1.93
UK Equities (10.26%)		15,772	9.64
Basic Materials (2.99%)		6,624	4.05
57,700	Croda International	4,316	2.64
9,300	Linde	2,308	1.41
Health Care (2.50%)		3,299	2.02
89,600	Dechra Pharmaceuticals	3,299	2.02

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Industrials (2.17%)		3,066	1.87
25,700	Spirax-Sarco Engineering	3,066	1.87
Technology (2.60%)		2,783	1.70
118,121	AVEVA	2,783	1.70
Collective Investment Schemes (0.64%)		-	-
Total investment assets		157,869	96.43
Net other assets		5,850	3.57
Total Net Assets		163,719	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 2021.

Financial Statements

Statement of Total Return

For the year ended 31 July 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital (losses)/gains	1		(18,143)		41,963
Revenue	2	2,411		1,883	
Expenses	3	(1,721)		(1,942)	
Interest payable and similar charges		-		(43)	
Net revenue/(expense) before taxation		690		(102)	
Taxation	4	(197)		(269)	
Net revenue/(expense) after taxation			493		(371)
Total return before distributions			(17,650)		41,592
Distributions	5		(513)		(1)
Change in net assets attributable to shareholders from investment activities			(18,163)		41,591

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2022

	2022		2021	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		178,101		142,367
Amounts receivable on the issue of shares	34,260		21,096	
Amounts payable on the cancellation of shares	(30,828)		(26,953)	
		3,432		(5,857)
Change in net assets attributable to shareholders from investment activities (see above)		(18,163)		41,591
Retained distribution on accumulation shares		349		-
Closing net assets attributable to shareholders		163,719		178,101

Financial Statements

Continued

Balance Sheet

As at 31 July 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			157,869		174,578
Current assets:					
Debtors	6	4,425		3,352	
Cash and bank balances	7	2,595		440	
			7,020		3,792
Total assets			164,889		178,370
Liabilities:					
Provisions for liabilities	8		(71)		(88)
Creditors	9	(969)		(181)	
Distribution payable		(130)		-	
			(1,099)		(181)
Total liabilities			(1,170)		(269)
Net assets attributable to shareholders			163,719		178,101

Notes to the Financial Statements

1 Net Capital (Losses)/Gains

	2022 £'000	2021 £'000
Non-derivative securities	(18,258)	41,919
Forward currency contracts	-	4
Other gains	124	40
Transaction charges	(9)	-
Net capital (losses)/gains	(18,143)	41,963

2 Revenue

	2022 £'000	2021 £'000
Bank and margin interest	1	3
Overseas dividends	2,174	1,725
Overseas REIT	56	66
Stocklending revenue	1	25
UK dividends	179	64
Total revenue	2,411	1,883

3 Expenses

	2022 £'000	2021 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	1,563	1,748
Dealing charge	1	-
General administration charge*	144	-
Operating, administrative and servicing fees	-	194
	1,708	1,942
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fees	13	-
	13	-
Total expenses	1,721	1,942

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

* The fixed general administration charge was introduced from 1 August 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian. The audit fee for the year, including VAT, was £8,460 (2021: £8,389).

Notes to the Financial Statements

Continued

4 Taxation

	2022 £'000	2021 £'000
(a) Analysis of charge in year		
Overseas taxes	210	161
Overseas capital gains tax	4	20
Total current tax	214	181
Deferred tax (note 4c)	(17)	88
Total taxation (note 4b)	197	269

(b) Factors affecting current tax charge for the year

The tax assessed for the year is greater than (2021: greater than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

Net revenue/(expense) before taxation	690	(102)
Corporation tax at 20% (2021: 20%)	138	(20)
Effects of:		
Revenue not subject to taxation	(434)	(354)
Overseas taxes	210	161
Overseas tax expensed	(1)	(2)
Excess allowable expenses	297	376
Overseas capital gains tax	4	20
Deferred Tax	(17)	88
Total tax charge for year (note 4a)	197	269

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

(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 £6,147,000 (2021: £5,849,000) 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/(expense) and distributions)

	2022 £'000	2021 £'000
Interim distribution	-	-
Final distribution	478	-
	478	-
Add: Income deducted on cancellation of shares	46	1
Deduct: Income received on issue of shares	(11)	-
Total distributions for the year	513	1
Movement between net revenue/(expense) and distributions		
Net revenue/(expense) after taxation	493	(371)
Overseas capital gains tax on realised gains	4	20
Overseas deferred capital gains tax on unrealised gains	(17)	88
Shortfall transfer from capital to revenue	33	264
Total distributions for the year	513	1

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

6 Debtors

	2022 £'000	2021 £'000
Accrued revenue	139	800
Amounts receivable from the ACD for the issue of shares	570	2,095
Overseas withholding tax recoverable	147	92
Sales awaiting settlement	3,569	365
Total debtors	4,425	3,352

7 Liquidity

	2022 £'000	2021 £'000
Cash and bank balances		
Cash at bank	2,595	440
	2,595	440
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	-	1,145
Net liquidity	2,595	1,585

* 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

	2022	2021
	£'000	£'000
The provisions for liabilities comprise:		
Overseas capital gains tax	71	88
Total provisions for liabilities	71	88

9 Creditors

	2022	2021
	£'000	£'000
Accrued expenses payable to ACD	127	133
Accrued expenses payable to the Depositary or associates of the Depositary	2	-
Amounts payable to the ACD for cancellation of shares	160	30
Other accrued expenses	680	18
Total creditors	969	181

10 Related Party Transactions

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

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

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

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

11 Portfolio Transaction Costs

	Purchases		Sales	
	2022	2021	2022	2021
Trades in the year	£'000	£'000	£'000	£'000
Equities	97,448	124,066	94,783	130,752
Corporate actions	-	1,798	69	25
Trades in the year before transaction costs	97,448	125,864	94,852	130,777
Commissions				
Equities	47	33	(41)	(35)
Total commissions	47	33	(41)	(35)

Notes to the Financial Statements

Continued

	Purchases		Sales	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trades in the year				
Taxes				
Equities	7	114	(4)	(37)
Total taxes	7	114	(4)	(37)
Total transaction costs	54	147	(45)	(72)
Total net trades in the year after transaction costs	97,502	126,011	94,807	130,705

	Purchases		Sales	
	2022 %	2021 %	2022 %	2021 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.05	0.03	0.04	0.03
Taxes				
Equities	0.01	0.09	-	0.03

	2022 %	2021 %
Total transaction costs expressed as a percentage of net asset value		
Commissions	0.05	0.04
Taxes	0.01	0.09

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.16% (2021: 0.17%), this is representative of the average spread on the assets held during the year.

12 Shares in Issue Reconciliation

	Opening shares 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
A Accumulation	11,439,607	1,368,892	(461,930)	(41,594)	12,304,975
A Income	3,530,048	112,789	(560,436)	(606,225)	2,476,176
I Accumulation	22,525,034	3,256,670	(3,062,794)	35,698	22,754,608
I Income	12,232,612	5,495,030	(6,241,301)	554,311	12,040,652
M Accumulation	895,243	2,930	(98,057)	-	800,116
M Income	15,843	-	(51)	-	15,792

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).

	2022	2022	2022	2021	2021	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	157,869	-	-	173,433	-	-
Collective Investment Schemes	-	-	-	-	1,145	-
Total investment assets	157,869	-	-	173,433	1,145	-

14 Risk Management Policies and Disclosures

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

Foreign currency risk

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

Currency	Net foreign	Net foreign
	currency	currency
	exposure	exposure
	2022	2021
	£'000	£'000
Australian Dollar	10,444	19,041
Brazilian Real	3,065	4,151
Canadian Dollar	2,164	-
Danish Krone	5,472	-
Euro	19,784	29,236
Hong Kong Dollar	6,194	7,835
Indian Rupee	4,044	4,212
Japanese Yen	5,621	4,072
Singapore Dollar	5,615	-
Swedish Krona	5,811	4,359
Swiss Franc	3,917	4,351
Taiwan Dollar	13	12
US Dollar	75,338	79,037
Total	147,482	156,306

Notes to the Financial Statements

Continued

At 31 July 2022, 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 £7,374,000 (2021: £7,815,000).

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 2022, 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 £7,893,000 (2021: £8,729,000).

Financial derivatives instrument risk

The fund had no exposure to derivatives as at 31 July 2022 (2021: £Nil).

Bilateral agreements

The fund receives 85% of the revenue returns from stock lending. The gross earnings for the year are £1,000 (2021: £29,000) and expenses paid to the lending agent, Securities Finance Trust Company, are £Nil (2021: £4,000).

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2022 £1,170,000 (2021: £269,000).

Distribution Tables

For the year ended 31 July 2022 (in pence per share)

Interim dividend distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 January 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
A Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
A Income				
Group 1	-	-	-	-
Group 2	-	-	-	-
I Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
I Income				
Group 1	-	-	-	-
Group 2	-	-	-	-
M Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
M Income				
Group 1	-	-	-	-
Group 2	-	-	-	-

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Final dividend distribution

Group 1 – shares purchased prior to 1 February 2022

Group 2 – shares purchased between 1 February 2022 and 31 July 2022

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
A Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
A Income				
Group 1	-	-	-	-
Group 2	-	-	-	-
I Accumulation				
Group 1	1.5156	-	1.5156	-
Group 2	0.9122	0.6034	1.5156	-
I Income				
Group 1	1.0767	-	1.0767	-
Group 2	0.8135	0.2632	1.0767	-
M Accumulation				
Group 1	0.4832	-	0.4832	-
Group 2	0.3194	0.1638	0.4832	-
M Income				
Group 1	0.4867	-	0.4867	-
Group 2	0.4867	-	0.4867	-

Equalisation

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

abrdrn Japanese Equity Fund

For the year ended 31 July 2022

Investment Objective

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

Performance Target: To achieve the return of the MSCI Japan Index, plus 3% per annum over rolling three year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

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

Investment Policy

Portfolio Securities

- The fund will invest at least 70% in equities and equity related securities of companies listed, incorporated or domiciled in Japan or companies that derive a significant proportion of their revenues or profits from Japanese operations or have a significant proportion of their assets there.
- The fund may also invest in other funds (including those managed by abrdrn), money-market instruments and cash.

Management Process

- The management team use their discretion (active management) to maintain a diverse asset mix at sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the Performance Target, the MSCI Japan Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 10%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the index.

Derivatives and Techniques

- The fund may use derivatives to reduce risk, to reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivative usage in the fund is expected to be very limited. Where derivatives are used, this would mainly be

in response to significant inflows into the fund so that in these instances, cash can be invested while maintaining the fund's existing allocations to company shares.

Performance Review

For the year ended 31 July 2022, the value of abrdrn Japanese Equity Fund – A Accumulation Shares decreased by 10.54% compared to a decrease of 1.71% in the performance target, the MSCI Japan Index.

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

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

Market Review

Japanese shares fell over the 12 months, in an overall volatile period for global stock markets. Broadly speaking, selling pressure came from international fears over high inflation and concerns that central bank overreactions, particularly from the US Federal Reserve, would push economies into recession. There were some rises in May as China began to relax its tight Covid-19 lockdown policies. Additionally, April's US inflation figure, published in May, had suggested that prices may be stabilising, but these hopes were short-lived.

abrdn Japanese Equity Fund

Continued

Covid-19 was a dominant factor early in the period. The Japanese Government declared an emergency lockdown in Tokyo and other economic hubs. The Covid-19 infection rate rose last summer, led by the more infectious Delta variant. Cases spiked in August after the end of the 2020 Summer Olympics, peaking at around 26,000 cases per day. However, this declined sharply to less than 2,000 cases at the end of September. After a slow start, Japan's vaccination campaign gathered speed in the third quarter of 2021. However, the new Omicron variant was first identified in late November and quickly spread globally. Though Japan had reopened its borders, it reversed these changes in late November. Cases surged early in 2022, while the Government began a drive for booster shots. Japan's quasi-state of emergency was lifted in 18 prefectures, including Tokyo and Osaka, on 22 March 2022, following a decline in new Covid-19 infections and an easing strain on hospitals.

The yen weakened substantially in the period, with the US dollar surpassing ¥135 – a level not seen since 1998. The sliding currency has pushed up prices of imported goods. However, Bank of Japan (BoJ) Governor Kuroda has blamed recent inflation almost entirely on high energy prices. The BoJ held rates throughout the period and Kuroda has repeatedly committed to maintaining the bank's loose monetary policy: to buy bonds to keep yields within the bank's target range. While inflation remains lower than in other developed economies, prices are rising in Japan. May's core consumer price inflation reading stood at 2.1%, above the BoJ's 2% target. While Japan's consumer confidence slid in May, the au Jibun Bank Flash Japan Composite Purchasing Managers' Index showed further growth in the services sector. The report also indicated a slight further deterioration in the manufacturing sector.

Strong corporate results were supportive for Japanese stocks. In the most recent quarter, many companies reported profit increases and a large number have announced stock buyback programmes. However, supply chain issues and rising raw material costs have remained a feature in some earnings statements. One positive factor has been the reopening of Japan's economy after continual waves of Covid-19 infections and concerns of the burden on its healthcare system. Japan's quasi-state of emergency was finally lifted in the period, following a decline in new Covid-19 infections and an easing strain on hospitals. Japan has also relaxed its border controls.

On the political front, the Liberal Democratic Party's (LDP) won the leadership race of the LDP to become Japan's new prime minister on 4 October 2021. The LDP comfortably retained power in the election during the third quarter of 2021. Prime Minister Kishida has recently

unveiled several key policies. These include a ¥13.2 trillion spending plan to cushion the blow of rising energy costs and promote long-term reforms, and a 'broad framework' for economic reform. The broad framework policy highlights key areas of growth and investment for Japan, including human capital, technology, supporting start-ups and digital policy. Decarbonisation and energy policies were other themes of the framework. Over the month, Japan's energy minister committed to cutting coal power generation and restarting idle nuclear power plants. So far, however, there have been no commitments to build new nuclear facilities. To investors' relief, previously mooted, less market-friendly tax and share buyback restrictions were omitted from the policy. Further details are expected following the House of Councillors election, which took place shortly after the period ended. The incumbent LDP won a landslide victory, after the assassination of former leader and prime minister Shinzo Abe.

Portfolio Activity and Review

At the individual stock level, the biggest detractor was Koito Manufacturing. The car parts manufacturer has been negatively affected by the prolonged production adjustment by automakers. The power tool supplier Makita fell as the business has suffered with rising logistical, and other, costs. Brewer Asahi Group also underperformed over the period. The stock dropped as investors grew concerned about cost inflation and slowing demand in the European market.

On the upside, the top performer was insurance company Tokio Marine Holdings, which rose after the announcement of its multiple stock buybacks over the period. Communication services provider KDDI advanced on good results and an expansion of its buyback programme. In property, Tokyu Fudosan outperformed, having posted good results and due to investor optimism over its medium-term plan.

During the period, we sold holdings including Honda-affiliated car parts maker Stanley Electric, medical equipment maker Sysmex, electronics components supplier Murata Manufacturing, baby products maker Pigeon, car auction facility operator USS and cloud accounting software provider Freee due to better opportunities elsewhere.

With the proceeds, we initiated positions in Ibiden, AGC, Ajinomoto, Mitsui Fudosan, Olympus and Nomura Research Institute. Ibiden is a manufacturer of packaging substrates that protect semiconductors. We expect a rapidly growing end-market, new design expectations and a shift to higher value package substrates to fuel the company's growth. AGC is a leading maker of glass

abrdrn Japanese Equity Fund

Continued

products, chemicals and electronics that has been using cash generated by cash cow businesses to invest in structural growth opportunities, such as pharmaceutical development and manufacturing outsourcing, EUV masks blanks, and glass and display products for next-generation vehicles. Ajinomoto is Japan's largest producer of seasonings, which has a strong sales and product development capability. Mitsui Fudosan is one of the major real estate developers in Japan, managing to outgrow peers despite making substantial investments for future growth. Olympus is a leader in gastrointestinal endoscopes with more than 70% global market share, enabled by improvements in its products based on customer feedback. This comes as a benefit of the company's extensive infrastructure investments in its service and training centres. Nomura Research Institute is a system integrator with a vertically integrated business model; this gives it a meaningful edge as its consulting arm can funnel potential mandates to its system integration business.

Portfolio Outlook and Strategy

After a challenging first six months of 2022, the outlook for Japanese equities depends largely on the balance between inflation and the intent of global policymakers to dampen rising prices by slowing economic growth. Increasing Covid-19 infection rates globally will continue to impact the full recovery of economic activity, particularly in China. This casts a pall over Japanese corporates, many of which are dependent on global growth and are part of global supply chains. These concerns, however, also offer us real opportunities. Stocks leveraged to China look increasingly appealing in light of economic reopenings and any potential stimulus following the recent lockdowns. Companies with more dynamic management teams and strong franchises have navigated through similar challenges in the past and have emerged stronger. With this backdrop, and with the rotation in markets earlier in the year, valuations for these well-run businesses have fallen sharply. However, commentary from companies suggests that business fundamentals remain sound. We continue to position the portfolio to benefit from the changing landscape.

Asia Pacific Equity Team

August 2022

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 2022.

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

- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

Comparative Tables

A Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	270.83	240.45	232.43
Return before operating charges*	(25.08)	34.02	11.16
Operating charges	(3.48)	(3.64)	(3.14)
Return after operating charges*	(28.56)	30.38	8.02
Distributions	(0.79)	(0.19)	(0.67)
Retained distributions on accumulation shares	0.79	0.19	0.67
Closing net asset value per share	242.27	270.83	240.45
* after direct transaction costs of:	0.06	0.09	0.07
Performance			
Return after charges	(10.55%)	12.63%	3.45%
Other information			
Closing net asset value (£'000)	9,464	12,178	9,855
Closing number of shares	3,906,248	4,496,647	4,098,326
Operating charges	1.31%	1.32%	1.32%
Direct transaction costs	0.02%	0.03%	0.03%
Prices			
Highest share price	314.2	303.0	262.5
Lowest share price	218.8	246.9	190.1

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

	2022	2021	2020
I Accumulation	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	297.56	263.04	253.11
Return before operating charges*	(27.66)	37.15	12.19
Operating charges	(2.52)	(2.63)	(2.26)
Return after operating charges*	(30.18)	34.52	9.93
Distributions	(2.21)	(1.60)	(1.92)
Retained distributions on accumulation shares	2.21	1.60	1.92
Closing net asset value per share	267.38	297.56	263.04
* after direct transaction costs of:	0.07	0.10	0.08
Performance			
Return after charges	(10.14%)	13.12%	3.92%
Other information			
Closing net asset value (£'000)	39,698	50,372	44,982
Closing number of shares	14,847,105	16,928,044	17,101,036
Operating charges	0.86%	0.87%	0.87%
Direct transaction costs	0.02%	0.03%	0.03%
Prices			
Highest share price	345.4	332.2	287.0
Lowest share price	241.3	270.1	207.6

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	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	126.54	111.90	107.53
Return before operating charges*	(11.76)	15.82	5.40
Operating charges	(1.13)	(1.18)	(1.03)
Return after operating charges*	(12.89)	14.64	4.37
Distributions	(0.87)	(0.59)	(0.78)
Retained distributions on accumulation shares	0.87	0.59	0.78
Closing net asset value per share	113.65	126.54	111.90
* after direct transaction costs of:	0.03	0.04	0.03
Performance			
Return after charges	(10.19%)	13.08%	4.06%
Other information			
Closing net asset value (£'000)	61	68	72
Closing number of shares	53,497	53,680	64,362
Operating charges	0.91%	0.92%	0.92%
Direct transaction costs	0.02%	0.03%	0.03%
Prices			
Highest share price	146.9	141.3	122.1
Lowest share price	102.6	114.9	88.33

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

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

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

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

Comparative Tables

Continued

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

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

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

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

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

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

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

Portfolio Statement

As at 31 July 2022

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (98.70%)		62,347	98.79
Japanese Equities (98.70%)		62,347	98.79
Communication Services (2.94%)		3,520	5.58
123,000	KDDI	3,245	5.14
95,300	Z	275	0.44
Consumer Discretionary (21.04%)		9,547	15.13
36,600	Denso	1,627	2.58
15,400	Koito Manufacturing	412	0.65
9,000	Nitori	779	1.24
21,400	Open House	762	1.21
33,400	Sony	2,406	3.81
224,400	Toyota Motor	2,954	4.68
6,800	Workman	267	0.42
9,800	Yamaha	340	0.54
Consumer Staples (7.99%)		7,039	11.15
104,900	Ajinomoto	2,260	3.58
77,500	Asahi	2,205	3.49
18,400	Seven & i	615	0.97
9,900	Shiseido	332	0.53
89,000	Welcia	1,627	2.58
Financials (7.37%)		6,190	9.81
63,200	Japan Exchange	821	1.30
77,400	Tokio Marine	3,702	5.87
32,000	Tokyo Century	921	1.46
26,800	Zenkoku Hosho	746	1.18
Health Care (10.81%)		11,169	17.70
16,700	As One	646	1.02
76,100	Asahi Intecc	1,147	1.82

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
152,800	Astellas Pharma	1,964	3.11
133,400	Chugai Pharmaceutical	3,068	4.86
39,500	Daiichi Sankyo	856	1.36
23,500	Hoya	1,921	3.05
90,300	Olympus	1,567	2.48
Industrials (20.18%)		8,698	13.78
21,000	AGC	624	0.99
65,500	Amada	430	0.68
7,400	Daifuku	385	0.61
15,820	Daikin Industries	2,263	3.58
2,700	FANUC	379	0.60
8,400	Makita	167	0.27
79,700	MISUMI	1,613	2.55
47,700	MonotaRO	694	1.10
22,300	Nabtesco	434	0.69
50,800	Nihon M&A Center	550	0.87
38,000	Recruit	1,159	1.84
Information Technology (16.49%)		8,186	12.97
9,100	Advantest	440	0.70
10,000	Ibiden	240	0.38
7,928	Keyence	2,555	4.05
44,000	NEC	1,326	2.10
38,600	Nomura Research Institute	947	1.50
31,700	Otsuka	807	1.28
51,600	Renesas Electronics	401	0.63
5,200	Tokyo Electron	1,470	2.33
Materials (9.11%)		4,171	6.61
41,600	Kansai Paint	487	0.77
195,800	Nippon Paint	1,217	1.93
51,900	Nippon Sanso	714	1.13
16,800	Shin-Etsu Chemical	1,753	2.78

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Real Estate (2.77%)		3,827	6.06
83,200	Mitsui Fudosan	1,519	2.40
523,100	Tokyu Fudosan	2,308	3.66
Collective Investment Schemes (0.00%)		1	-
1	Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund Z1 Inc+	1	-
Total investment assets		62,348	98.79
Net other assets		760	1.21
Total Net Assets		63,108	100.00

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2021.

+ Managed by subsidiaries of abrdn plc.

Financial Statements

Statement of Total Return

For the year ended 31 July 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital (losses)/gains	1		(9,775)		7,017
Revenue	2	1,235		947	
Expenses	3	(550)		(593)	
Net revenue before taxation		685		354	
Taxation	4	(124)		(73)	
Net revenue after taxation			561		281
Total return before distributions			(9,214)		7,298
Distributions	5		(561)		(281)
Change in net assets attributable to shareholders from investment activities			(9,775)		7,017

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2022

	2022		2021	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		62,618		54,909
Amounts receivable on the issue of shares	26,640		27,839	
Amounts payable on the cancellation of shares	(34,353)		(27,426)	
Amounts receivable on inspecie transfers	17,475		-	
		9,762		413
Change in net assets attributable to shareholders from investment activities (see above)		(9,775)		7,017
Retained distribution on accumulation shares		503		279
Closing net assets attributable to shareholders		63,108		62,618

Financial Statements

Continued

Balance Sheet

As at 31 July 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			62,348		61,802
Current assets:					
Debtors	6	161		886	
Cash and bank balances	7	717		81	
			878		967
Total assets			63,226		62,769
Liabilities:					
Creditors	8	(118)		(151)	
			(118)		(151)
Total liabilities			(118)		(151)
Net assets attributable to shareholders			63,108		62,618

Notes to the Financial Statements

1 Net Capital (Losses)/Gains

	2022 £'000	2021 £'000
Non-derivative securities	(9,710)	7,073
Forward currency contracts	-	8
Other losses	(46)	(64)
Transaction charges	(19)	-
Net capital (losses)/gains	(9,775)	7,017

2 Revenue

	2022 £'000	2021 £'000
Overseas dividends	1,227	940
Stocklending revenue	8	7
Total revenue	1,235	947

3 Expenses

	2022 £'000	2021 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	493	518
General administration charge*	49	-
Operating, administrative and servicing fees	-	75
	542	593
Payable to the Depository or associates of the Depository, and agents of either of them:		
Safe custody fees	8	-
	8	-
Total expenses	550	593

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

* The fixed general administration charge was introduced from 1 August 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian. The audit fee for the year, including VAT, was £8,460 (2021: £8,389).

Notes to the Financial Statements

Continued

4 Taxation

	2022 £'000	2021 £'000
(a) Analysis of charge in year		
Overseas taxes	124	73
Total taxation (note 4b)	124	73

(b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2021: greater than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

Net revenue before taxation	685	354
Corporation tax at 20% (2021: 20%)	137	71
Effects of:		
Revenue not subject to taxation	(246)	(188)
Overseas taxes	124	73
Excess allowable expenses	109	117
Total tax charge for year (note 4a)	124	73

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 £9,781,000 (2021: £9,672,000) 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

	2022 £'000	2021 £'000
Distribution	503	279
Add: Income deducted on cancellation of shares	118	67
Deduct: Income received on issue of shares	(60)	(65)
Total distributions for the year	561	281

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

Notes to the Financial Statements

Continued

6 Debtors

	2022 £'000	2021 £'000
Accrued revenue	85	51
Amounts receivable from the ACD for the issue of shares	-	734
Sales awaiting settlement	76	101
Total debtors	161	886

7 Liquidity

	2022 £'000	2021 £'000
Cash and bank balances		
Cash at bank	717	81
	717	81
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	1	1
Net liquidity	718	82

* 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

	2022 £'000	2021 £'000
Accrued expenses payable to ACD	37	44
Accrued expenses payable to the Depositary or associates of the Depositary	2	-
Amounts payable to the ACD for cancellation of shares	79	100
Other accrued expenses	-	7
Total creditors	118	151

9 Related Party Transactions

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

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

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

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

Notes to the Financial Statements

Continued

10 Portfolio Transaction Costs

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

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

	Purchases		Sales	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trades in the year				
Equities	33,982	40,370	41,067	40,254
Inspecie transactions	17,323	-	-	-
Trades in the year before transaction costs	51,305	40,370	41,067	40,254
Commissions				
Equities	7	10	(9)	(11)
Total commissions	7	10	(9)	(11)
Total transaction costs	7	10	(9)	(11)
Total net trades in the year after transaction costs	51,312	40,380	41,058	40,243
	Purchases		Sales	
	2022 %	2021 %	2022 %	2021 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.02	0.02	0.02	0.03
Total transaction costs expressed as a percentage of net asset value			2022 %	2021 %
	Commissions		0.02	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 0.20% (2021: 0.22%), 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 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
A Accumulation	4,496,647	5,791,546	(6,361,317)	(20,628)	3,906,248
I Accumulation	16,928,044	3,890,360	(5,990,031)	18,732	14,847,105
M Accumulation	53,680	7	(190)	-	53,497
Z Accumulation	-	16,660,870	(415,189)	-	16,245,681

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).

	2022 £'000	2022 £'000	2022 £'000	2021 £'000	2021 £'000	2021 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	62,347	-	-	61,801	-	-
Collective Investment Schemes	-	1	-	-	1	-
Total investment assets	62,347	1	-	61,801	1	-

13 Risk Management Policies and Disclosures

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

Foreign currency risk

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

Currency	Net foreign currency exposure	Net foreign currency exposure
	2022 £'000	2021 £'000
Japanese Yen	62,517	61,953
Total	62,517	61,953

At 31 July 2022, 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 £3,126,000 (2021: £3,098,000).

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 2022, 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 £3,117,000 (2021: £3,090,000).

Financial derivatives instrument risk

The fund had no exposure to derivatives as at 31 July 2022 (2021: £Nil).

Counterparty risk

Bilateral agreements

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

All stock lending is conducted by the stocklending agent on behalf of the fund using a standard agreement with available counterparties. It is collateralised daily with a right of recall within 24 hours.

At the year end the fund held no positions with those presented being only in respect of the prior year end.

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 £9,000 (2021: £8,000) and expenses paid to the lending agent, Securities Finance Trust Company, are £1,000 (2021: £1,000).

2021 Counterparties	Stock on loan* £'000	Collateral (held)/pledged		Net exposure £'000
		Cash £'000	Stock* £'000	
UBS	281	-	(324)	(43)
Total	281	-	(324)	(43)

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

Top Ten SFTR Issuers 2021	Type	Collateral Stock £'000
American Tower	Equity	(30)
Crown Castle International	Equity	(30)
Extra Space Storage	Equity	(30)
Healthpeak Properties	Equity	(30)
Linde	Equity	(30)
Prologis	Equity	(30)
Public Storage	Equity	(30)

Notes to the Financial Statements

Continued

Top Ten SFTR Issuers 2021	Type	Collateral Stock £'000
Simon Property	Equity	(30)
Vornado Realty	Equity	(30)
Welltower	Equity	(30)
Combined issuers outside top 10	Equity	(24)
		(324)

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2022 £118,000 (2021: £151,000).

Distribution Table

For the year ended 31 July 2022 (in pence per share)

Final dividend distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 July 2022

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
A Accumulation				
Group 1	0.7870	-	0.7870	0.1943
Group 2	0.4458	0.3412	0.7870	0.1943
I Accumulation				
Group 1	2.2058	-	2.2058	1.5953
Group 2	1.2067	0.9991	2.2058	1.5953
M Accumulation				
Group 1	0.8724	-	0.8724	0.5948
Group 2	0.5301	0.3423	0.8724	0.5948
Z Accumulation				
Group 1	0.8880	-	0.8880	-
Group 2	0.8840	0.0040	0.8880	-

Equalisation

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

abrdrn Latin American Equity Fund

For the year ended 31 July 2022

Investment Objective

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

Performance Target: To achieve the return of the MSCI EM Latin America 10/40 Net Total Return Index plus 3% per annum over rolling three year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

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

Investment Policy

Portfolio Securities

- The fund will invest at least 70% in equities and equity related securities of companies listed, incorporated or domiciled in Latin American countries or companies that derive a significant proportion of their revenues or profits from Latin American operations or have a significant proportion of their assets there.
- The fund may also invest in other funds (including those managed by abrdrn), money-market instruments and cash.

Management Process

- The management team use their discretion (active management) to maintain a diverse asset mix at country, sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the Performance Target, the MSCI EM Latin America 10/40 Net Total Return Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 12.5%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the index.

Derivatives and Techniques

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

- Derivative usage in the fund is expected to be very limited. Where derivatives are used, this would mainly be in response to significant inflows into the fund so that in these instances, cash can be invested while maintaining the fund's existing allocations to company shares.

Performance Review

For the year ended 31 July 2022, the value of abrdrn Latin American Equity Fund – A Accumulation Shares decreased by 9.73% compared to an increase of 5.12% in the performance target, the MSCI EM Latin America 10/40 Net Total Return Index.

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

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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

Latin American markets rose robustly over the review period, thanks to the stellar performances of the region's energy and commodity companies. The period was marked by intensifying price pressures as the region, and the world, began its post-pandemic recovery. As economies reopened and consumer demand returned, inflation became a key driver of market events. Steepening inflation, already since 2021, was exacerbated in February

abrdn Latin American Equity Fund

Continued

2022 by Russia's invasion of Ukraine. The ensuing sanctions on Russia's export of oil and commodities led to the prices of these resources skyrocketing. By March, a month into the invasion, oil prices had soared to their highest levels since 2008. This turned out to be a boon for resource rich countries in Latin America, in particular Brazil and Chile.

In reaction to inflationary pressures, which hurt consumer demand, central banks in the region began to limit liquidity in the market by raising interest rates. Latin America's central banks were ahead of their peers in other parts of the globe, having begun their monetary policy tightening towards the end of 2021. This meant that while most equity markets towards the end of the review period were rocked by the US Federal Reserve's aggressive rate increases, Latin American stocks were far more resilient, having already priced in monetary tightening since late 2021; and even earlier for Brazilian equities.

On the political front, the period was a busy one for Latin American investors. Major political events in Chile, Colombia, Peru and Argentina led to investors taking a more cautious approach towards these regional markets. Dominant right-wing parties were voted out in favour in Chile and Colombia, and replaced by leftist, socially-oriented leadership. Meanwhile, Brazil's presidential election campaigning over the period have been intense and have left investors uncertain. However, despite the political upheavals in the region, Latin American stocks generally had a robust year and emerged top of their asset class.

Portfolio Activity and Review

In key portfolio changes, besides 3R Petroluem, Credicorp, Klabin and Raizen that we introduced in the first half of the period, in the second half, we took advantage of attractive valuations to initiate two new holdings in Brazil. Firstly, Assai, a leading cash and carry Brazilian retailer that we think is well-positioned to capture consumers' changing habits; and Telefonica Brasil, the leading Brazilian telco that is benefitting from an improving competitive and regulatory environment.

Against these, we exited GetNinjas to reduce our exposure to growth names, and sold ecommerce retailer Mobly due to a challenging backdrop. We also exited holdings where our conviction had waned and to fund more compelling opportunities elsewhere. These included Arco, Magazine Luiza, Omega, Parque Arauco, as well as Weg, and Sequoia which were sub-scale positions.

Portfolio Outlook and Strategy

We are cautiously optimistic about the near-term outlook for Latin American stocks. With the region's busy election season drawing to a close, we expect capital to return to Latin America as investors start to regain confidence in the respective new administrations. At the time of writing, Brazil voted in a new president, its former President Luiz Inácio Lula da Silva, who defeated the incumbent Jair Bolsonaro by less than two percentage points.

Amid changing governments and political alliances, we have observed that fiscal policies in the region have been disciplined, and we believe this will continue. On that front, we are seeing signs that inflation is stabilising, and we expect that by early next year, Latin American central banks should gradually begin loosening interest rates. This will be a challenge for the region, as it will be for central banks around the world – to manage the fine line between keeping inflation in check whilst, at the same time, not holding back economic growth. Additionally, we expect the demand for energy and commodities to remain strong, especially if the Russia-Ukraine conflict remains unresolved. However, we are cognisant of the headwinds, such as slowing demand from China, which has already weighed on GDP growth forecasts for the region, as well as supply chain bottlenecks due to geopolitical uncertainties.

Overall, we continue to believe that over the longer term, Latin America continues to offer several opportunities in underpenetrated sectors. The region could also be a sweet spot to benefit from the energy transition push, given its leading position as a renewable energy and green commodity resource base. Furthermore, our holdings in Latin America are experienced in dealing with inflationary pressures, have solid balance-sheets and have strengthened their positions through efficiency, digitalisation and market-share gains, which bodes well for earnings power. The region trades at record low valuation levels and the significant discount to other emerging markets, suggests the risks are largely discounted, and that the region offers a favourable risk-reward proposition.

Global Emerging Markets Equity Team

August 2022

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 2022.

The fund is rated as 7 because of the extent to which the following risk factors apply:

- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- The fund invests in emerging market equities and/or bonds. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

Comparative Tables

A Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	97.90	85.29	123.54
Return before operating charges*	(5.34)	14.12	(36.60)
Operating charges	(1.46)	(1.51)	(1.65)
Return after operating charges*	(6.80)	12.61	(38.25)
Distributions	(3.89)	(1.37)	(0.71)
Retained distributions on accumulation shares	3.89	1.37	0.71
Closing net asset value per share	91.10	97.90	85.29
* after direct transaction costs of:	0.11	0.08	0.06
Performance			
Return after charges	(6.95%)	14.78%	(30.96%)
Other information			
Closing net asset value (£'000)	16,467	19,685	20,433
Closing number of shares	18,076,353	20,106,920	23,957,959
Operating charges	1.59%	1.64%	1.64%
Direct transaction costs	0.12%	0.09%	0.05%
Prices			
Highest share price	110.7	105.2	124.1
Lowest share price	78.40	77.33	64.47

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

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

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

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

Comparative Tables

Continued

I Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	105.78	91.74	132.30
Return before operating charges*	(5.76)	15.23	(39.28)
Operating charges	(1.13)	(1.19)	(1.28)
Return after operating charges*	(6.89)	14.04	(40.56)
Distributions	(4.66)	(1.92)	(1.25)
Retained distributions on accumulation shares	4.66	1.92	1.25
Closing net asset value per share	98.89	105.78	91.74
* after direct transaction costs of:	0.11	0.09	0.06
Performance			
Return after charges	(6.51%)	15.30%	(30.66%)
Other information			
Closing net asset value (£'000)	65,870	80,979	71,720
Closing number of shares	66,609,994	76,554,693	78,179,826
Operating charges	1.14%	1.19%	1.19%
Direct transaction costs	0.12%	0.09%	0.05%
Prices			
Highest share price	120.0	113.6	132.9
Lowest share price	84.83	83.25	69.24

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

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

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

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

Comparative Tables

Continued

M Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	101.80	88.33	127.21
Return before operating charges*	(5.54)	14.66	(37.79)
Operating charges	(1.14)	(1.19)	(1.09)
Return after operating charges*	(6.68)	13.47	(38.88)
Distributions	(4.44)	(1.81)	(0.90)
Retained distributions on accumulation shares	4.44	1.81	0.90
Closing net asset value per share	95.12	101.80	88.33
* after direct transaction costs of:	0.11	0.09	0.05
Performance			
Return after charges	(6.56%)	15.25%	(30.56%)
Other information			
Closing net asset value (£'000)	5	5	5
Closing number of shares	4,978	4,992	5,005
Operating charges	1.19%	1.24%	1.24%
Direct transaction costs	0.12%	0.09%	0.05%
Prices			
Highest share price	115.5	109.3	127.7
Lowest share price	81.64	80.15	66.66

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

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

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

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

Portfolio Statement

As at 31 July 2022

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (98.37%)		81,625	99.13
Emerging Market Equities (72.68%)		57,794	70.19
Argentina (4.29%)		1,415	1.72
5,307	Globant	868	1.05
818	MercadoLibre	547	0.67
Brazil (59.43%)		50,305	61.09
184,109	3R Petroleum Oleo E Gas	992	1.20
238,877	Arezzo Industria e Comercio	2,983	3.62
723,211	B3 SA - Brasil Bolsa Balcao	1,270	1.54
2,181,837	Banco Bradesco	5,000	6.07
311,797	Bradespar (Preference)	1,110	1.35
970,259	Hapvida Participacoes e Investimentos	946	1.15
589,593	Itaú Unibanco	1,890	2.29
1,046,353	Itaúsa (Preference)	1,428	1.73
658,934	Klabin	2,080	2.53
118,226	Localiza	1,078	1.31
1,701	Lojas Renner	7	0.01
624,495	Multiplan Empreendimentos Imobiliarios	2,354	2.86
1,308,871	Petroleo (Preference)	7,079	8.60
1,043,851	Raia Drogasil	3,465	4.21
1,495,666	Raizen (Preference)	1,044	1.27
481,915	Rumo	1,339	1.63
729,370	Sendas Distribuidora	1,831	2.22
524,266	Telefonica Brasil	3,702	4.49
752,170	TOTVS	3,141	3.81
345,016	Vale	3,811	4.63
194,915	Vale ADR	2,155	2.62
605,004	Wilson Sons	796	0.97
46,423	XP	804	0.98
Chile (7.77%)		4,993	6.07
182,467	Banco Santander Chile ADR	2,344	2.85
747,573	Falabella	1,333	1.62
126,351	Geopark	1,316	1.60

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Peru (1.19%)		1,081	1.31
10,130	Credicorp	1,076	1.31
31,782	Fossal	5	-
North American Equities (25.69%)		23,831	28.94
Bermuda (1.07%)		-	-
Mexico (24.62%)		23,831	28.94
562,037	Arca Continental	3,210	3.90
1,425,755	Corp Inmobiliaria Vesta	2,309	2.80
45,832	Fomento Economico Mexicano ADR	2,332	2.83
57,974	Grupo Aeroportuario del Centro Norte ADR	2,311	2.81
839,665	Grupo Financiero Banorte 'O'	3,940	4.79
852,624	Grupo México	2,780	3.38
387,365	Regional	1,741	2.11
1,738,235	Wal-Mart de Mexico	5,208	6.32
Total investment assets		81,625	99.13
Net other assets		717	0.87
Total Net Assets		82,342	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 2021.

Financial Statements

Statement of Total Return

For the year ended 31 July 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital (losses)/gains	1		(12,568)		12,340
Revenue	2	5,301		3,222	
Expenses	3	(1,061)		(1,247)	
Interest payable and similar charges		(3)		-	
Net revenue before taxation		4,237		1,975	
Taxation	4	(201)		(178)	
Net revenue after taxation			4,036		1,797
Total return before distributions			(8,532)		14,137
Distributions	5		(4,037)		(1,797)
Change in net assets attributable to shareholders from investment activities			(12,569)		12,340

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2022

	2022		2021	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		100,669		92,158
Amounts receivable on the issue of shares	32,929		29,264	
Amounts payable on the cancellation of shares	(42,505)		(34,840)	
		(9,576)		(5,576)
Dilution adjustment		7		-
Change in net assets attributable to shareholders from investment activities (see above)		(12,569)		12,340
Retained distribution on accumulation shares		3,811		1,747
Closing net assets attributable to shareholders		82,342		100,669

Financial Statements

Continued

Balance Sheet

As at 31 July 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			81,625		99,024
Current assets:					
Debtors	6	1,532		252	
Cash and bank balances		185		1,674	
			1,717		1,926
Total assets			83,342		100,950
Liabilities:					
Creditors	7	(1,000)		(281)	
			(1,000)		(281)
Total liabilities			(1,000)		(281)
Net assets attributable to shareholders			82,342		100,669

Notes to the Financial Statements

1 Net Capital (Losses)/Gains

	2022 £'000	2021 £'000
Non-derivative securities	(12,526)	12,394
Other losses	(16)	(54)
Transaction charges	(26)	-
Net capital (losses)/gains	(12,568)	12,340

2 Revenue

	2022 £'000	2021 £'000
Overseas dividends	5,299	3,222
Stocklending revenue	2	-
Total revenue	5,301	3,222

3 Expenses

	2022 £'000	2021 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	965	1,063
General administration charge*	71	-
Operating, administrative and servicing fees	-	184
	1,036	1,247
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Revenue collection expenses	5	-
Safe custody fees	20	-
	25	-
Total expenses	1,061	1,247

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

* The fixed general administration charge was introduced from 1 August 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian. The audit fee for the year, including VAT, was £8,460 (2021: £8,389).

Notes to the Financial Statements

Continued

4 Taxation

	2022 £'000	2021 £'000
(a) Analysis of charge in year		
Overseas taxes	200	178
Overseas capital gains tax	1	-
Total taxation (note 4b)	201	178

(b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2021: 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:

	2022 £'000	2021 £'000
Net revenue before taxation	4,237	1,975
Corporation tax at 20% (2021: 20%)	847	395
Effects of:		
Revenue not subject to taxation	(929)	(499)
Overseas taxes	200	178
Overseas tax expensed	(19)	(24)
Excess allowable expenses	101	128
Overseas capital gains tax	1	-
Total tax charge for year (note 4a)	201	178

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

(c) Factors that may affect future tax charge

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £1,761,000 (2021: £1,660,000) 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)

	2022 £'000	2021 £'000
Distribution	3,811	1,747
Add: Income deducted on cancellation of shares	926	210
Deduct: Income received on issue of shares	(700)	(160)
Total distributions for the year	4,037	1,797
Movement between net revenue and distributions		
Net revenue after taxation	4,036	1,797
Overseas capital gains tax on realised gains	1	-
Total distributions for the year	4,037	1,797

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

Notes to the Financial Statements

Continued

6 Debtors

	2022 £'000	2021 £'000
Accrued revenue	186	67
Amounts receivable from the ACD for the issue of shares	546	30
Sales awaiting settlement	800	155
Total debtors	1,532	252

7 Creditors

	2022 £'000	2021 £'000
Accrued expenses payable to ACD	80	97
Accrued expenses payable to the Depositary or associates of the Depositary	4	-
Amounts payable to the ACD for cancellation of shares	48	11
Other accrued expenses	-	17
Purchases awaiting settlement	868	156
Total creditors	1,000	281

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	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trades in the year				
Equities	59,118	56,193	63,693	60,685
Corporate actions	-	-	236	-
Trades in the year before transaction costs	59,118	56,193	63,929	60,685
Commissions				
Equities	40	31	(38)	(38)
Total commissions	40	31	(38)	(38)

Notes to the Financial Statements

Continued

	Purchases		Sales	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trades in the year				
Taxes				
Equities	11	8	(11)	(10)
Total taxes	11	8	(11)	(10)
Total transaction costs	51	39	(49)	(48)
Total net trades in the year after transaction costs	59,169	56,232	63,880	60,637

	Purchases		Sales	
	2022 %	2021 %	2022 %	2021 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.07	0.06	0.06	0.06
Taxes				
Equities	0.02	0.01	0.02	0.02

	2022 %	2021 %
Total transaction costs expressed as a percentage of net asset value		
Commissions	0.09	0.07
Taxes	0.03	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 0.16% (2021: 0.19%), this is representative of the average spread on the assets held during the year.

10 Shares in Issue Reconciliation

	Opening shares 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
A Accumulation	20,106,920	13,999,870	(15,903,850)	(126,587)	18,076,353
I Accumulation	76,554,693	20,176,676	(30,238,325)	116,950	66,609,994
M Accumulation	4,992	-	(14)	-	4,978

Notes to the Financial Statements

Continued

11 Fair Value Hierarchy

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

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

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

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

	2022	2022	2022	2021	2021	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	81,625	-	-	99,024	-	-
Total investment assets	81,625	-	-	99,024	-	-

12 Risk Management Policies and Disclosures

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

Foreign currency risk

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

Currency	Net foreign	Net foreign
	currency	currency
	exposure	exposure
	2022	2021
	£'000	£'000
Brazilian Real	47,041	51,101
Chilean Peso	1,334	4,741
Mexican Peso	19,188	18,235
Peruvian New Sol	5	847
US Dollar	14,188	24,172
Total	81,756	99,096

At 31 July 2022, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £4,088,000 (2021: £4,955,000).

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 2022, 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 £4,081,000 (2021: £4,951,000).

Financial derivatives instrument risk

The fund had no exposure to derivatives as at 31 July 2022 (2021: £Nil).

Counterparty risk

Bilateral agreements

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

All stock lending is conducted by the stocklending agent on behalf of the fund using a standard agreement with available counterparties. It is collateralised daily with a right of recall within 24 hours.

At the year end the fund held no positions with those presented being only in respect of the prior year end.

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 £2,000 (2021: £Nil) and expenses paid to the lending agent, Securities Finance Trust Company, are £Nil (2021: £Nil).

2021 Counterparties	Stock on loan* £'000	Collateral (held)/pledged		Net exposure £'000
		Cash £'000	Stock* £'000	
Barclays	2,503	-	(2,808)	(305)
Total	2,503	-	(2,808)	(305)

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

Top Ten SFTR Issuers 2021	Type	Collateral Stock £'000
Prologis	Equity	(260)
Ventas	Equity	(260)
Host Hotels & Resorts	Equity	(260)
Realty Income	Equity	(260)
AvalonBay Communities	Equity	(260)
Crown Castle	Equity	(260)
Federal Realty	Equity	(260)
SBA Communications	Equity	(260)
Amer Tower	Equity	(258)
Essex Property	Equity	(236)
Combined issuers outside top 10	Equity	(234)
		(2,808)

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2022 £1,000,000 (2021: £281,000).

Distribution Table

For the year ended 31 July 2022 (in pence per share)

Final dividend distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 July 2022

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
A Accumulation				
Group 1	3.8935	-	3.8935	1.3660
Group 2	2.6590	1.2345	3.8935	1.3660
I Accumulation				
Group 1	4.6644	-	4.6644	1.9235
Group 2	2.2742	2.3902	4.6644	1.9235
M Accumulation				
Group 1	4.4387	-	4.4387	1.8102
Group 2	4.4387	-	4.4387	1.8102

Equalisation

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

abrdrn Multi-Asset Fund

For the year ended 31 July 2022

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 abrdrn), money-market instruments, and cash.

Management Process

- The management team use their discretion (active management) to identify the investments they believe are most appropriate for the fund's objective.
- Their primary focus is on asset allocation and stock selection using research techniques to select individual holdings. The research process is focused on identifying companies where the management team have a different view of a company's prospects to that of the market, and which align with their views regarding future economic and business conditions.
- The composite index is used as a reference point for portfolio construction and as a basis for setting risk constraints. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the composite Index. The fund will also be subject to constraints such that the fund's allocation to equities will be limited to the equity parameters of the Investment Association's Mixed Investment 40-85% Shares Sector Average Returns Index.

Derivatives and Techniques

- The fund may use derivatives to reduce risk, to reduce cost and/or generate additional income or consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivatives include instruments used to express short term and long term views reflecting expected changes in interest rates, company share prices, inflation, currencies or creditworthiness of corporations or governments.
- The fund may also invest in other funds which may use derivatives extensively although these investments shall be in line with fund's overall risk profile.

Performance Review

For the year ended 31 July 2022, the value of abrdrn Multi-Asset Fund - A Accumulation Shares decreased by 6.08% compared to an increase of 1.11% 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% 7 DAY GBP LIBOR, 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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abrdn Multi-Asset 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.

Market Review

Global equity markets fell in aggregate over the period. The UK and US performed well, but most other markets declined, with China, emerging markets and Asia Pacific (excluding Japan) among the weakest. The recovery from Covid-19-induced lockdown restrictions and the collapse of economic activity slowed as supply-chain disruptions, higher inflation and tightening global monetary policy weighed on markets.

Early in the period, investors grew worried that the spread of the Covid-19 Delta variant, alongside global supply-chain issues, would hamper a global economic recovery. Markets recovered following the discovery of the Omicron variant in November, but they fell again in 2022 as central banks tightened monetary policy and following the Russian invasion of Ukraine. In response to the conflict, Europe was one of the hardest-hit regions, along with Russia, which faced sanctions from western countries. While the conflict continued throughout March, investor confidence recovered from the initial shock, and global markets generally bounced back, with US equities particularly strong. However, global stocks declined in the final few months, as ongoing fears over high inflation and the risk of a global recession weighed on sentiment. Equities rebounded in July, as positive corporate results gave investors renewed confidence.

In fixed income, most government bond prices fell over the period. Optimism around vaccines and concerns that the economic recovery will fuel sharp rises in inflation led to weakness in government bonds throughout the period. Despite expectations of a withdrawal of central bank support, the spread of the Omicron variant left investors preferring the safety of government debt once again. However, central banks acted to control inflation by reducing policy support and hiking interest rates in the second half of the period. As a result, investors sold government bonds, pushing yields higher. Corporate bonds fell over the period, as investor fears over the withdrawal of central bank support increased.

Portfolio Activity

The fund underperformed its comparator benchmark over the review period. The exposure to equities weighed on performance, mainly driven by negative stock selection in UK equities, while our overseas equities exposure was also detrimental (despite positive stock selection in North America). Our alternatives exposure was positive overall,

with positive stock selection outweighing the negative impact of our underweight positioning. Although returns from government bonds were negative overall, the fund's tactical underweight exposure proved additive.

The fund's return from UK equities was negative (in contrast to the benchmark), given negative stock selection. Within UK equities, it was a tough period for long-term quality tilted strategies, with sentiment rotating away from highly favoured growth stocks, amid rising interest rates, into value stocks. The Russia-Ukraine conflict has also led to surging commodity prices, with the oil and gas and mining sectors benefitting from the conflict. From a sector perspective our overweight position in technology and consumer discretionary, as well as a lack of exposure to energy and mining companies, weighed heavily on returns. We also suffered from weakness in cattle breeding and agricultural consultancy company Genus, greetings card provider Moonpig and industrial software company AVEVA, which were some of the biggest detractors from returns. Marshalls and Watches of Switzerland detracted; both companies reported healthy growth in trading during the period but suffered a derating as investors became ever more cautious on the consumer outlook. However, takeover interest in Euromoney Institutional Investor and HomeServe benefitted the strategy.

Overseas equities generated positive performance over the period but detracted slightly from fund performance in relative terms. North America was the top performer within overseas equities. Within US equities, exposure to the energy sector proved positive, particularly positions in ExxonMobil and EOG Resources, amid the strong rise in oil prices over the period. The US equities composite value strategy performed well due to the sell-off in non-value growth stocks. Momentum based strategies also performed well. From a stock-specific view, an underweight to Netflix was positive; the share price came under severe pressure as subscriber numbers fell for the first time in a decade. An underweight to Meta was also beneficial. Conversely, positioning in financials weighed on performance, particularly the underweight holding in Berkshire Hathaway, as did exposure to the healthcare equipment & services and underweight to consumer services subsectors. European equity performance was broadly in line with the market.

The fund's investments in Japan and Asia Pacific ex Japan weighed on relative performance. Japanese equities fell as the fall-out from geopolitical tension in Europe dampened investor sentiment globally and led to higher energy and commodity prices, which posed a risk to the Japanese economy. Within Japanese equities, the selection effect eroded performance, particularly within industrials, healthcare and consumer discretionary. In terms of individual stocks, medical wiring and catheter

abrdn Multi-Asset Fund

Continued

manufacturer Asahi Intecc fell on profit-taking and investor concerns over a slow recovery in the company's devices used in surgeries. Japanese equities also suffered from profit-taking on core companies, which had performed well over the longer-term, such as Misumi Group and Hoya.

In the first quarter of 2022, Asian equities suffered from being underweight Australia, which was among the stronger markets during the period, and a shift from growth to value stocks. Additionally, higher conviction companies in India came under pressure from profit-taking, such as Sungrow Power Supply and LONGi Green Energy. In the second quarter, underweight positioning in China, one of the only positive returning regions, detracted from the fund's performance. Cyclical stocks, such as Australia's OZ Minerals, were weak as fears mounted over a weaker price for copper. Overweight technology hardware also detracted, given concerns over a potential drop in demand for electronic devices.

Alternative assets gained slightly over the 12 months, with strong returns for hedge funds outweighing losses for private equity and infrastructure at the benchmark level. For the fund, positive selection in the latter two areas offset a lack of exposure to hedge funds and negative selection in the absolute return category.

Renewable infrastructure companies generally performed well, driven by increasing short-term power price forecasts, while higher and more persistent inflation also positively affected revenues derived from inflation-linked subsidies. Despite weaker share price performance from social infrastructure, both HICL and 3i announced full-year results of 12.8% and 17% net asset value total returns respectively. This emphasised strong underlying asset class performance and reinforces their attractive diversification properties away from more traditional asset classes.

Within absolute return, our global focused strategy made strong gains in exposures to commodities, quality equities relative value and systematic FX strategies. However, this was more than countered by losses in Asia and broader emerging market bonds, Mexican government bonds, and Chinese and broader global equity strategies.

Moving to fixed income, the fund's lower bond allocation relative to the comparator benchmark helped overall performance, as fixed income delivered negative returns for the period. UK gilt yields moved upwards over the period, particularly from the start of 2022, as inflation pushed higher, and central banks tightened monetary policy. Growth is now slowing rapidly as a direct response to the real income squeeze facing consumers, reduced fiscal support and the threat of significantly higher interest rates, which will squeeze domestic consumption even harder. This may force a policy rethink, which could mean

interest rates do not rise as fast as the market expects from this point. However, this does not necessarily mean that it is time to call an end to higher yields.

Portfolio Outlook and Strategy

Looking ahead, recession is now our base case, induced by central banks tightening policy too aggressively as they attempt to bring down inflation. However, we expect any recession to be mild and short-lived. We expect global inflation to remain elevated through 2022, although a favourable base effect should push year-on-year inflation lower over the coming 12 months. We expect tighter monetary policy as a result, with the BoE cognisant of the squeeze on real incomes. As such, our economists expect the Base Rate to reach 2% over the next year; markets have priced in closer to 3.25% over the same time frame.

Fixed income markets have been pulled in both directions by the conflicting forces of higher inflation and mounting expectations of a recession; so far, the inflation argument has been more persuasive. Yields have already risen aggressively. However, an anticipated world of negative economic growth and falling inflation, albeit at a slow rate, could support bonds. That said, there still may be upward pressure on yields from inflation in the near term.

The macroeconomic and monetary environment is clearly a headwind for equity markets. However, corporate earnings have been resilient so far. We are looking out for increased dispersion in analysts' forecasts, a precursor to earnings downgrades, as a signal to reduce equity risk further from already underweight levels.

Asset Allocation Solutions Team

August 2022

abrdn Multi-Asset Fund

Continued

Risk and Reward Profile

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

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

Risk and reward indicator table as at 31 July 2022.

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	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	341.00	290.90	297.21
Return before operating charges*	(14.82)	54.39	(2.20)
Operating charges	(5.30)	(4.29)	(4.11)
Return after operating charges*	(20.12)	50.10	(6.31)
Distributions	(1.68)	(0.95)	(2.27)
Retained distributions on accumulation shares	1.68	0.95	2.27
Closing net asset value per share	320.88	341.00	290.90
* after direct transaction costs of:	0.21	0.28	0.34
Performance			
Return after charges	(5.90%)	17.22%	(2.12%)
Other information			
Closing net asset value (£'000)	78,720	88,822	77,896
Closing number of shares	24,532,408	26,047,011	26,777,736
Operating charges	1.59%	1.35%	1.41%
Direct transaction costs	0.07%	0.09%	0.12%
Prices			
Highest share price	357.1	342.0	312.9
Lowest share price	298.2	292.8	235.6

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

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

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

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

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

Comparative Tables

Continued

A Income	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	280.44	239.90	247.02
Return before operating charges*	(12.19)	44.85	(1.82)
Operating charges	(4.35)	(3.53)	(3.42)
Return after operating charges*	(16.54)	41.32	(5.24)
Distributions	(1.38)	(0.78)	(1.88)
Closing net asset value per share	262.52	280.44	239.90
* after direct transaction costs of:	0.17	0.23	0.28
Performance			
Return after charges	(5.90%)	17.22%	(2.12%)
Other information			
Closing net asset value (£'000)	3,306	3,709	3,547
Closing number of shares	1,259,312	1,322,413	1,478,378
Operating charges	1.59%	1.35%	1.41%
Direct transaction costs	0.07%	0.09%	0.12%
Prices			
Highest share price	293.7	282.0	259.8
Lowest share price	245.1	241.4	195.6

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

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

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

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

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

Comparative Tables

Continued

I Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	375.86	319.20	324.65
Return before operating charges*	(16.38)	59.81	(2.39)
Operating charges	(4.20)	(3.15)	(3.06)
Return after operating charges*	(20.58)	56.66	(5.45)
Distributions	(3.51)	(2.62)	(3.93)
Retained distributions on accumulation shares	3.51	2.62	3.93
Closing net asset value per share	355.28	375.86	319.20
* after direct transaction costs of:	0.23	0.31	0.37
Performance			
Return after charges	(5.48%)	17.75%	(1.68%)
Other information			
Closing net asset value (£'000)	48,646	54,957	49,789
Closing number of shares	13,692,426	14,621,685	15,598,089
Operating charges	1.14%	0.90%	0.96%
Direct transaction costs	0.07%	0.09%	0.12%
Prices			
Highest share price	394.4	376.9	342.7
Lowest share price	330.1	321.2	258.1

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.

Comparative Tables

Continued

	2022	2021	2020
I Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	165.70	141.73	145.92
Return before operating charges*	(7.21)	26.53	(1.05)
Operating charges	(1.85)	(1.40)	(1.38)
Return after operating charges*	(9.06)	25.13	(2.43)
Distributions	(1.54)	(1.16)	(1.76)
Closing net asset value per share	155.10	165.70	141.73
* after direct transaction costs of:	0.10	0.14	0.17
Performance			
Return after charges	(5.47%)	17.73%	(1.67%)
Other information			
Closing net asset value (£'000)	9,485	11,090	9,997
Closing number of shares	6,115,439	6,692,710	7,053,478
Operating charges	1.14%	0.90%	0.96%
Direct transaction costs	0.07%	0.09%	0.12%
Prices			
Highest share price	173.9	167.0	153.5
Lowest share price	145.0	142.6	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.

Comparative Tables

Continued

M Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	131.72	111.92	113.75
Return before operating charges*	(5.74)	20.96	(0.72)
Operating charges	(1.53)	(1.16)	(1.11)
Return after operating charges*	(7.27)	19.80	(1.83)
Distributions	(1.16)	(0.86)	(1.31)
Retained distributions on accumulation shares	1.16	0.86	1.31
Closing net asset value per share	124.45	131.72	111.92
* after direct transaction costs of:	0.08	0.11	0.13
Performance			
Return after charges	(5.52%)	17.69%	(1.61%)
Other information			
Closing net asset value (£'000)	303	323	276
Closing number of shares	243,042	245,438	246,316
Operating charges	1.19%	0.95%	1.01%
Direct transaction costs	0.07%	0.09%	0.12%
Prices			
Highest share price	138.2	132.1	120.2
Lowest share price	115.6	112.6	90.52

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

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

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

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

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

Comparative Tables

Continued

M Income	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	128.05	109.54	112.55
Return before operating charges*	(5.52)	20.62	(0.64)
Operating charges	(1.49)	(1.14)	(1.12)
Return after operating charges*	(7.01)	19.48	(1.76)
Distributions	(1.17)	(0.97)	(1.25)
Closing net asset value per share	119.87	128.05	109.54
* after direct transaction costs of:	0.08	0.11	0.13
Performance			
Return after charges	(5.47%)	17.78%	(1.56%)
Other information			
Closing net asset value (£'000)	1	1	1
Closing number of shares	915	915	915
Operating charges	1.19%	0.95%	1.01%
Direct transaction costs	0.07%	0.09%	0.12%
Prices			
Highest share price	134.4	129.1	118.6
Lowest share price	112.1	110.2	89.37

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

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

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

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

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

Portfolio Statement

As at 31 July 2022

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (50.61%)		75,761	53.94
European Equities (0.99%)		3,328	2.37
Ireland (0.00%)		2,132	1.52
49,257	Experian	1,410	1.00
713,059	Greencoat Renewables++	722	0.52
Switzerland (0.99%)		1,196	0.85
59,458	Coca-Cola HBC	1,196	0.85
North America Equities (0.00%)		1,097	0.78
Bermuda (0.00%)		1,097	0.78
122,948	Hiscox	1,097	0.78
UK Equities (49.62%)		71,336	50.79
Basic Materials (2.51%)		2,075	1.48
149,366	Bodycote	895	0.64
15,776	Croda International	1,180	0.84
Consumer Discretionary (7.40%)		7,923	5.64
308,777	Countryside Partnerships	895	0.64
158,681	Howden Joinery	1,073	0.76
517,767	Moonpig	1,074	0.77
403,149	Pets at Home	1,321	0.94
96,273	RELX	2,335	1.66
138,170	Watches of Switzerland	1,225	0.87
Consumer Staples (4.00%)		5,281	3.76
92,635	Diageo	3,596	2.56
42,093	Unilever	1,685	1.20

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Financials (16.54%)		26,826	19.10
377,176	3i Infrastructure	1,262	0.90
242,126	Aberdeen Diversified Income and Growth Trust+	232	0.16
139,339	Aberdeen Private Equity Fund+	3	-
469,695	abrdn Private Equity Opportunities Trust+	2,339	1.66
460,479	Ashmore	993	0.71
1,099,547	BioPharma Credit	859	0.61
171,785	Close Brothers	1,905	1.36
880,872	Foresight Solar Fund	1,078	0.77
727,911	GCP Asset Backed Income Fund	668	0.47
1,165,360	Greencoat UK Wind	1,793	1.28
1,350,839	HICL Infrastructure	2,340	1.67
769	HIE VenturesΩ	-	-
23,756	London Stock Exchange	1,900	1.35
256,239	OSB	1,348	0.96
652,680	Pantheon Infrastructure	682	0.49
1,021,777	Pantheon International	2,641	1.88
188,917	Prudential	1,900	1.35
1,240,886	Renewables Infrastructure	1,710	1.22
520,911	Round Hill Music Royalty Fund	419	0.30
1,082,451	Sequoia Economic Infrastructure Income Fund	950	0.68
227,584	Standard Chartered	1,284	0.91
519,688	Tufton Oceanic Assets	520	0.37
Health Care (6.60%)		7,604	5.41
46,544	AstraZeneca	5,046	3.59
32,292	Dechra Pharmaceuticals	1,189	0.85
48,277	Genus	1,369	0.97
Industrials (5.49%)		12,060	8.59
23,162	Ashtead	1,063	0.76
138,747	Euromoney Institutional Investor	2,009	1.43
47,374	Halma	1,089	0.77

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
247,118	Marshalls	1,223	0.87
71,679	Mondi	1,110	0.79
47,531	Oxford Instruments	1,084	0.77
259,359	Rentokil Initial	1,403	1.00
112,512	RS	1,161	0.83
114,882	Weir	1,918	1.37
Real Estate (1.94%)		2,400	1.71
594,089	Tritax Big Box REIT	1,171	0.84
105,571	Unite REIT	1,229	0.87
Technology (4.45%)		4,748	3.38
254,785	Auto Trader	1,604	1.14
93,003	AVEVA	2,191	1.56
68,377	Softcat	953	0.68
Telecommunications (0.69%)		2,419	1.72
107,746	Telecom Plus	2,419	1.72
Collective Investment Schemes (46.89%)		62,139	44.24
855	Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund Z1 Inc+	855	0.61
19,850,660	ASI (AAM) Sterling Government Bond Fund Z Acc+	20,333	14.48
279,249	ASI Absolute Return Global Bond Strategies Fund SICAV Z Acc+	3,211	2.29
6,191,036	ASI American Equity Enhanced Index Fund X Acc+	16,824	11.98
5,114,876	ASI American Equity Tracker Fund X Acc+	8,326	5.93
281,618	ASI Asia Pacific Equity Fund Z Acc+	1,159	0.82
372,752	ASI Europe ex UK Equity Fund Z Acc+	1,198	0.85
1,484,586	ASI European Equity Enhanced Index Fund X Acc+	2,298	1.64
57,727	ASI Global Corporate Bond Fund SICAV Z Acc USD+	730	0.52
367,118	ASI Global Focused Strategies Fund SICAV Z Acc Hdg+	4,348	3.09
309,642	ASI Japanese Sustainable Equity Fund SICAV Z Acc+	2,857	2.03

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
	Derivatives (0.00%)	18	0.01
	Futures (0.00%)	18	0.01
	7 Long US 10 Year Note (CBT) Future 21/09/2022	18	0.01
	Total investment assets	137,918	98.19
	Net other assets	2,543	1.81
	Total Net Assets	140,461	100.00

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

The percentage figures in brackets show the comparative holding as at 31 July 2021.

+ Managed by subsidiaries of abrdn plc.

++ AIM listed.

Ω Unapproved/unquoted security.

Financial Statements

Statement of Total Return

For the year ended 31 July 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital (losses)/gains	1		(9,973)		23,598
Revenue	2	2,684		2,422	
Expenses	3	(1,659)		(1,692)	
Net revenue before taxation		1,025		730	
Taxation	4	12		4	
Net revenue after taxation			1,037		734
Total return before distributions			(8,936)		24,332
Distributions	5		(1,037)		(734)
Change in net assets attributable to shareholders from investment activities			(9,973)		23,598

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2022

	2022		2021	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		158,902		141,506
Amounts receivable on the issue of shares	3,664		5,737	
Amounts payable on the cancellation of shares	(13,037)		(12,576)	
		(9,373)		(6,839)
Change in net assets attributable to shareholders from investment activities (see above)		(9,973)		23,598
Retained distribution on accumulation shares		905		637
Closing net assets attributable to shareholders		140,461		158,902

Financial Statements

Continued

Balance Sheet

As at 31 July 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			137,918		154,940
Current assets:					
Debtors	6	237		328	
Cash and bank balances	7	3,274		4,480	
			3,511		4,808
Total assets			141,429		159,748
Liabilities:					
Investment liabilities			-		(4)
Creditors	8	(892)		(780)	
Distribution payable		(76)		(62)	
			(968)		(842)
Total liabilities			(968)		(846)
Net assets attributable to shareholders			140,461		158,902

Notes to the Financial Statements

1 Net Capital (Losses)/Gains

	2022 £'000	2021 £'000
Non-derivative securities	(9,922)	23,555
Derivative contracts	25	49
Forward currency contracts	(47)	(4)
Other losses	(23)	(2)
Transaction charges	(6)	-
Net capital (losses)/gains	(9,973)	23,598

2 Revenue

	2022 £'000	2021 £'000
ACD fee rebates on collective investment scheme holdings	86	60
Bank and margin interest	4	-
Income from Overseas Collective Investment Schemes		
Unfranked income	170	197
Income from UK Collective Investment Schemes		
Franked income	435	429
Unfranked income	3	2
Interest income	123	139
Interest on debt securities	55	12
Overseas dividends	41	32
Stocklending revenue	1	-
UK dividends	1,687	1,497
UK REIT	79	54
Total revenue	2,684	2,422

3 Expenses

	2022 £'000	2021 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	1,525	1,539
General administration charge*	121	-
Operating, administrative and servicing fees	-	153
	1,646	1,692

Notes to the Financial Statements

Continued

	2022 £'000	2021 £'000
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fees	13	-
	13	-
Total expenses	1,659	1,692

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

* The fixed general administration charge was introduced from 1 August 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian. The audit fee for the year, including VAT, was £8,460 (2021: £8,389).

4 Taxation

	2022 £'000	2021 £'000
(a) Analysis of charge in year		
Adjustments in respect of prior periods	-	(2)
Overseas taxes	(12)	(2)
Total taxation (note 4b)	(12)	(4)

(b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2021: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

Net revenue before taxation	1,025	730
Corporation tax at 20% (2021: 20%)	205	146
Effects of:		
Revenue not subject to taxation	(433)	(392)
Overseas taxes	(12)	(2)
Excess allowable expenses	228	246
Adjustments in respect of prior periods	-	(2)
Total tax charge for year (note 4a)	(12)	(4)

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

(c) Factors that may affect future tax charge

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £8,684,000 (2021: £8,456,000) 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

	2022 £'000	2021 £'000
Interim distribution	288	173
Final distribution	731	553
	1,019	726
Add: Income deducted on cancellation of shares	25	13
Deduct: Income received on issue of shares	(7)	(5)
Total distributions for the year	1,037	734

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

6 Debtors

	2022 £'000	2021 £'000
Accrued revenue	134	86
Amounts receivable from the ACD for the issue of shares	95	19
Management fee rebate receivable	-	5
Overseas withholding tax recoverable	8	1
Sales awaiting settlement	-	217
Total debtors	237	328

7 Liquidity

	2022 £'000	2021 £'000
Cash and bank balances		
Cash at bank	3,273	4,480
Cash at broker	1	-
	3,274	4,480
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund*	855	480
Aberdeen Standard Liquidity Fund (Lux) - Ultra Short Duration Sterling Fund Z2 Acc*	-	839
Net liquidity	4,129	5,799

* 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

	2022 £'000	2021 £'000
Accrued expenses payable to ACD	126	137
Accrued expenses payable to the Depositary or associates of the Depositary	2	-
Amounts payable to the ACD for cancellation of shares	64	257
Other accrued expenses	-	13
Purchases awaiting settlement	700	373
Total creditors	892	780

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	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trades in the year				
Equities	19,593	23,037	18,176	32,860
Collective investment schemes	24,192	24,361	33,889	22,822
Corporate actions	-	693	-	-
Trades in the year before transaction costs	43,785	48,091	52,065	55,682
Commissions				
Equities	12	13	(11)	(21)
Total commissions	12	13	(11)	(21)

Notes to the Financial Statements

Continued

	Purchases		Sales	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trades in the year				
Taxes				
Equities	70	101	-	-
Total taxes	70	101	-	-
Total transaction costs	82	114	(11)	(21)
Total net trades in the year after transaction costs	43,867	48,205	52,054	55,661

	Purchases		Sales	
	2022 %	2021 %	2022 %	2021 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.06	0.06	0.06	0.06
Taxes				
Equities	0.36	0.44	-	-

	2022 %	2021 %
Total transaction costs expressed as a percentage of net asset value		
Commissions	0.02	0.02
Taxes	0.05	0.07

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.15% (2021: 0.12%), this is representative of the average spread on the assets held during the year.

11 Shares in Issue Reconciliation

	Opening shares 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
A Accumulation	26,047,011	581,189	(2,023,204)	(72,588)	24,532,408
A Income	1,322,413	16,308	(79,409)	-	1,259,312
I Accumulation	14,621,685	387,935	(1,382,907)	65,713	13,692,426
I Income	6,692,710	153,562	(730,833)	-	6,115,439
M Accumulation	245,438	4	(2,400)	-	243,042
M Income	915	-	-	-	915

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).

	2022	2022	2022	2021	2021	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	75,761	-	-	80,430	-	-
Collective Investment Schemes	-	62,139	-	-	74,510	-
Derivatives	18	-	-	-	-	-
Total investment assets	75,779	62,139	-	80,430	74,510	-
Fair value of investment liabilities						
Derivatives	-	-	-	(4)	-	-
Total investment liabilities	-	-	-	(4)	-	-

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.

VaR

The table below indicates the VaR of the fund's financial instruments, measured as the potential one month loss (Prior year this was based on a 5 day loss) in value from adverse changes in equity prices, interest rates, inflation rates and foreign currency exchange rates, with a 99 percent confidence level. Calculated on this basis, the table indicates that the net value of the fund's financial assets and liabilities could be expected to change by more than the stated amount on only two days out of 200, in response to either price, interest rate, inflation or foreign currency exchange rate changes.

Notes to the Financial Statements

Continued

2022	Minimum	Maximum	Average
VaR 99% 1 Month	8.09%	9.28%	8.71%

2021	Minimum	Maximum	Average
VaR 99% 1 Month	3.93%	4.61%	4.26%

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:

	2022		2021	
	Market exposure £'000	Market value £'000	Market exposure £'000	Market value £'000
Leveraged instruments				
Forward currency contracts	-	-	789	(4)
Futures	696	18	-	-
Total market exposure	696	18	789	(4)

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. At the prior year end there was no exposure.

2022	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
Broker or exchange exposure					
Bank of America Merrill Lynch	18	1	-	19	0.01
	18	1	-	19	0.01

Bilateral agreements

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

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

At the year end the fund held no positions with those presented being only in respect of the prior year end.

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.

The fund receives 85% of the revenue returns from stock lending. The gross earnings for the year are £1,000 (2021: £Nil) and expenses paid to the lending agent, Securities Finance Trust Company, are £Nil (2021: £Nil).

Notes to the Financial Statements

Continued

2021 Counterparties	Forwards £'000	Collateral (held)/pledged		Net exposure £'000
		Cash £'000	Stock £'000	
RBC Dominion	(4)	-	-	(4)
Total	(4)	-	-	(4)

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

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2022 £968,000 (2021: £846,000).

Distribution Tables

For the year ended 31 July 2022 (in pence per share)

Interim dividend distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 January 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
A Accumulation				
Group 1	0.3007	-	0.3007	0.0675
Group 2	0.0419	0.2588	0.3007	0.0675
A Income				
Group 1	0.2473	-	0.2473	0.0555
Group 2	0.0139	0.2334	0.2473	0.0555
I Accumulation				
Group 1	1.2007	-	1.2007	0.8402
Group 2	0.3340	0.8667	1.2007	0.8402
I Income				
Group 1	0.5293	-	0.5293	0.3731
Group 2	0.2322	0.2971	0.5293	0.3731
M Accumulation				
Group 1	0.3872	-	0.3872	0.2647
Group 2	0.0038	0.3834	0.3872	0.2647
M Income				
Group 1	0.4097	-	0.4097	0.3114
Group 2	0.4097	-	0.4097	0.3114

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Final dividend distribution

Group 1 – shares purchased prior to 1 February 2022

Group 2 – shares purchased between 1 February 2022 and 31 July 2022

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
A Accumulation				
Group 1	1.3758	-	1.3758	0.8793
Group 2	0.9825	0.3933	1.3758	0.8793
A Income				
Group 1	1.1306	-	1.1306	0.7250
Group 2	0.7178	0.4128	1.1306	0.7250
I Accumulation				
Group 1	2.3050	-	2.3050	1.7762
Group 2	1.4691	0.8359	2.3050	1.7762
I Income				
Group 1	1.0130	-	1.0130	0.7868
Group 2	0.6829	0.3301	1.0130	0.7868
M Accumulation				
Group 1	0.7770	-	0.7770	0.5909
Group 2	0.7770	-	0.7770	0.5909
M Income				
Group 1	0.7649	-	0.7649	0.6578
Group 2	0.7649	-	0.7649	0.6578

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 2022

Investment Objective

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

Performance Target: To achieve the return of the iBoxx Sterling Overall Index plus 1% per annum (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

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

Investment Policy

Portfolio Securities

- The fund will invest at least 80% in Sterling denominated government, sub-sovereign and investment grade corporate bonds.
- The fund may also invest in bonds issued anywhere in the world by governments and corporations, such as sub-sovereigns, sub-investment grade, inflation-linked, convertible, asset backed and mortgage-backed bonds. The fund has some flexibility to seek returns from currencies.
- The fund may also invest in other funds (including those managed by abrdn), money-market instruments and cash.

Management Process

- The management team use their discretion (active management) to identify bonds and derivatives after analysing companies prospects and creditworthiness alongside global economic and market conditions. They make flexible allocations using bonds and derivatives.
- In seeking to achieve the performance target, the iBoxx Sterling Overall Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 3.50%. Due to the fund's risk constraints the intention is that the fund's performance will not deviate significantly from that of the index over the long term.

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

Derivatives and Techniques

- The fund will make routine use of derivatives to reduce risk, to reduce cost and/or generate extra income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivatives can be used to generate growth, consistent with the fund's risk profile, if market prices are expected to rise ("long positions") or fall ("short positions"). These positions can be used in overseas markets.
- Derivatives include instruments used to manage expected changes in interest rates, inflation, currencies or creditworthiness of corporations or governments.

Performance Review

For the year ended 31 July 2022, the value of abrdn Sterling Bond Fund – A Accumulation Shares decreased by 15.82% compared to a decrease of 13.66% in the performance target, the iBoxx Sterling Overall Index.

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

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

Market Review

There were significant swings in government bond markets during the review period. Inflation dominated the headlines, with energy prices surging amid the global reopening of trade lines and bottlenecks in supply chains. Natural gas supply fears seemed particularly acute. All of this continued to challenge the 'transitory inflation' narrative.

Investors were forced to grapple with a changing economic landscape; the emergence of the Omicron variant of Covid-19; and a generally much more hawkish tone from central banks. Support from quantitative easing (QE) drove yields lower in early August, but subsequent rhetoric from central banks tested investor confidence. Discussions focused on the eventual removal of support as economies continued their post-pandemic recovery. The Bank of England (BoE) shocked markets, signalling that higher interest rates could arise even before the end of its QE programme. The market took this as a signal that November could be a 'live' meeting for a potential rate hike. Having initially looked to price a move in May 2022, markets rushed to more accurately reflect this new information and gilts sold off aggressively. However, this proved to be one of several communication missteps from the BoE. Confusion and anger followed the 7-2

abrdn Sterling Bond Fund

Continued

vote to hold policy rates steady as the market became extremely volatile and sharply reversed prior weakness. Gilts continued to rally strongly into December, driven by Omicron fears. Then, in another surprise, the BoE voted 8-1 to hike policy rates 15 basis points (bps) to 0.25% at the December meeting. This marked the beginning of a period of weakness for UK government bonds; 10-year gilt yields rose by around 0.3% to finish 2021 close to unchanged. With the weakness in gilts led by short-dated maturities, the yield curve flattened aggressively.

The first six months of 2022 were difficult for government bonds. Inflation continued to exceed expectations, eliciting what felt like a unanimous response from global monetary leaders. Central banks would rather move quickly to rein in rapidly increasing prices than risk long-term inflation expectations rising further. Bonds sold off aggressively as investors attempted to recalibrate how fast and how high monetary policy might go to halt the inflationary advance. UK 10-year yields rose dramatically. The BoE has seemed more cautious than other central banks on the impact of interest rate rises on consumers. While some members of the Monetary Policy Committee (MPC) voted for a faster pace of hikes, most favoured a continuation of 25bps increments to the cash rate as the policy rate was adjusted upwards by 50bps over the quarter to 1.25%. Nevertheless, yields moved aggressively higher as the global bond rout dominated any domestic policy decisions. It was all change in July, however, with a sustained rally across global developed market government bonds. Yield levels retreated from the year-to-date highs reached in mid-June, and the benchmark 10-year UK government bond yield moved below 2%. While the FTSE Gilt All Maturities index produced a positive total return of 2.62%, the year-to-date figure for 2022 was left in deeply negative territory.

Corporate bond prices fell over the period. Higher quality bonds generally underperformed riskier, high yield issues. Short-dated bonds fell less than longer-dated bonds while sterling bonds underperformed global bonds. Globally, bond prices rose early on, even as the US Federal Reserve (Fed) said it would begin offloading corporate bonds bought through its pandemic support plan. However, corporate bonds fell in September as minutes from the Fed's rate-setting committee suggested an increasingly hawkish approach from policymakers. Towards the end of January, major central banks started to taper their pandemic-era market support programmes and the BoE raised rates. Spreads in both euro and sterling-denominated investment grade markets moved wider between January and June. The events in Ukraine rocked confidence in all markets, and the threat of tighter monetary policy caused concern. There was some much-needed respite in July, but the prospect of economic slowdown is still weighing on all markets, threatening a further challenge to risk assets.

Portfolio Activity and Review

While the fund's relative duration stance, country spread bias, yield curve and relative value strategies all made positive contributions to performance in the early part of the review period, some of these gains were offset by a negative contribution from inflation strategies. A short relative duration stance was positive, as yields rose sharply in September. This rise was driven by a combination of rising inflation, a hawkish change in tone from major central banks, and declining fears of economic disruption from another wave of Covid-19 infections. Country spread strategies also contributed. Our short duration strategy in gilts, and cross-market shorts in the UK versus Germany, generated excess returns. Gilts led the weakness in government bond markets. The fund participated in several yield curve strategies, which were collectively positive. Our US Treasury curve flattener and tactical UK curve steepeners generated excess returns. Yield curve strategies in Europe and Australia made small negative contributions. Inflation strategies were disappointing, with the UK retail price inflation market being dragged higher by the sharp rise in energy prices, despite the already elevated implied inflation profile.

In the final months of 2021, excess returns were negative. A strong positive contribution from active duration strategies was offset by active yield curve, inflation, and cross-market strategies. We were positioned for a steeper yield curve in UK and European government bonds. This was negative, as both yield curves bull flattened because of Omicron fears. However, our decision to position for a flatter yield curve in US Treasuries was positive. Our overweight in Canadian government bonds relative to US Treasuries was negative. So, too, was our short position in UK inflation; market positioning, illiquidity, and energy price fears drove the market to fresh highs.

Curve trading and inflation positions were disappointing in the first three months of 2022. We exited all inflation positions as the outlook became too uncertain. Across curve strategies, two positions hurt performance. The short-dated forward steepening strategy in the UK suffered as the MPC pushed front-dated expectations to extremes. Our European curve strategy suffered as consistent pressure on the 15-year part of the curve (a combination of position unwinds and institutional paying flow) caused it to significantly underperform compared to the 30-year area. Short duration positions in the UK and US added to performance. The fund benefitted from our gilt relative value strategies; a gilt butterfly trade (long UK Treasuries 2046 versus UK Treasuries 2042 and UK Treasuries 2050) made a good contribution. Asset swap trading suffered as swaps underperformed cash bonds on the back of hawkish MPC comments. The corporate bond portfolio delivered a negative total return. Higher

abrdn Sterling Bond Fund

Continued

quality credit outperformed as more cyclical areas of the market lagged; higher commodity prices, and the greater risk of economic slowdown, were priced in. Sectors such as financials, energy, and consumer goods underperformed while healthcare and telecoms were strong. Long-dated credit benefitted from strong demand as insurance buyers were attracted by the higher yields available.

Between April and June, fund performance was flat versus the benchmark. However, the review period was characterised by violent swings in yields and curves. Gilt asset swap positions suffered as swaps materially underperformed cash bond equivalents. Duration and cross market trading was positive, with losses coming from gilt relative value strategies and curve positions. The portfolio began building long duration exposure in the front end of the UK yield curve. These positions suffered significantly as market expectations for policy rates surged. However, tactical trading in futures helped mitigate losses as yields moved higher, allowing the fund to pivot longer and shorter and capture some of the swings in yields as the quarter progressed. Long Australian duration versus the US also performed well. A tactical short in UK gilts versus German bunds performed well. In curve trading, our strategic trades underperformed, though this was partially offset by some good tactical trading. The credit portfolio underperformed. Long positions in the banking and property sectors adversely affected returns. Credit quality remains strong in both sectors, and we are not seeing any undue evidence of stress in the fund's holdings.

The credit portfolio staged something of a recovery in July. Exposure to lower-quality investment grade markets boosted returns. Financials were the major contributor; bonds issued by Credit Suisse, Société Générale and Barclays were all strong performers. Cyclical corporates also performed well. Ford, Carnival and Goodyear led the way. UK real estate company Hammerson, which has exposure to the retail sector, was a notable underperformer in the recovery.

Portfolio Outlook and Strategy

Bond market conditions are challenging: volatility is elevated, and liquidity is thin. We expect this to continue throughout August. Despite the July rally, both the sterling and euro markets continue to trade wide of long-term averages. Both look cheap compared to US dollar-denominated investment-grade credit. The relative value across currencies can be explained to some extent by the energy crisis, which is more acutely felt in Europe than in the US. A hard landing and/or more volatility in financial markets would probably cause further widening in credit spreads. For the time being, however, market participants appear to be pricing a slowdown in economic

activity without a major economic shock. Inflation and the response of central banks will continue to be key for the coming months. Consumers are feeling the impact of higher utility and energy bills across the world, and consumer-facing industries appear to be the most vulnerable.

Sterling IG and Aggregate Team

August 2022

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 2022.

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

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

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

Comparative Tables

A Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	175.18	181.08	167.29
Return before operating charges*	(24.76)	(4.04)	15.63
Operating charges	(1.69)	(1.86)	(1.84)
Return after operating charges*	(26.45)	(5.90)	13.79
Distributions	(0.63)	(0.31)	(0.82)
Retained distributions on accumulation shares	0.63	0.31	0.82
Closing net asset value per share	148.73	175.18	181.08
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(15.10%)	(3.26%)	8.24%
Other information			
Closing net asset value (£'000)	4,363	5,610	5,639
Closing number of shares	2,933,623	3,202,500	3,113,815
Operating charges	1.04%	1.06%	1.06%
Direct transaction costs	-	-	-
Prices			
Highest share price	176.7	182.3	185.0
Lowest share price	141.0	167.9	161.8

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

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

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

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

Comparative Tables

Continued

A Income	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	132.07	136.76	126.93
Return before operating charges*	(18.65)	(3.05)	11.84
Operating charges	(1.28)	(1.41)	(1.39)
Return after operating charges*	(19.93)	(4.46)	10.45
Distributions	(0.48)	(0.23)	(0.62)
Closing net asset value per share	111.66	132.07	136.76
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(15.09%)	(3.26%)	8.23%
Other information			
Closing net asset value (£'000)	1,403	1,792	1,946
Closing number of shares	1,256,220	1,357,154	1,422,523
Operating charges	1.04%	1.06%	1.06%
Direct transaction costs	-	-	-
Prices			
Highest share price	133.2	137.7	140.1
Lowest share price	106.2	126.7	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

I Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	139.85	143.92	132.36
Return before operating charges*	(19.80)	(3.21)	12.42
Operating charges	(0.78)	(0.86)	(0.86)
Return after operating charges*	(20.58)	(4.07)	11.56
Distributions	(1.09)	(0.88)	(1.27)
Retained distributions on accumulation shares	1.09	0.88	1.27
Closing net asset value per share	119.27	139.85	143.92
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(14.72%)	(2.83%)	8.73%
Other information			
Closing net asset value (£'000)	1,739	6,820	21,308
Closing number of shares	1,458,233	4,876,465	14,805,852
Operating charges	0.59%	0.61%	0.61%
Direct transaction costs	-	-	-
Prices			
Highest share price	141.1	145.1	146.8
Lowest share price	113.0	133.9	128.4

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

	2022	2021	2020
I Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	126.55	131.04	121.61
Return before operating charges*	(17.90)	(2.91)	11.36
Operating charges	(0.69)	(0.78)	(0.77)
Return after operating charges*	(18.59)	(3.69)	10.59
Distributions	(0.99)	(0.80)	(1.16)
Closing net asset value per share	106.97	126.55	131.04
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(14.69%)	(2.82%)	8.71%
Other information			
Closing net asset value (£'000)	46	68	90
Closing number of shares	43,239	53,592	68,674
Operating charges	0.59%	0.61%	0.61%
Direct transaction costs	-	-	-
Prices			
Highest share price	127.6	132.2	134.2
Lowest share price	101.9	121.5	117.4

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

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

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

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

Comparative Tables

Continued

L Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	111.77	114.90	105.57
Return before operating charges*	(15.84)	(2.55)	9.89
Operating charges	(0.51)	(0.58)	(0.56)
Return after operating charges*	(16.35)	(3.13)	9.33
Distributions	(0.98)	(0.81)	(1.12)
Retained distributions on accumulation shares	0.98	0.81	1.12
Closing net asset value per share	95.42	111.77	114.90
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(14.63%)	(2.72%)	8.84%
Other information			
Closing net asset value (£'000)	18	21	776
Closing number of shares	18,937	18,937	675,057
Operating charges	0.49%	0.51%	0.51%
Direct transaction costs	-	-	-
Prices			
Highest share price	112.7	115.9	117.2
Lowest share price	90.40	107.0	102.4

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

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

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

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

Comparative Tables

Continued

L Income	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	105.35	109.09	101.24
Return before operating charges*	(14.90)	(2.43)	9.46
Operating charges	(0.48)	(0.54)	(0.54)
Return after operating charges*	(15.38)	(2.97)	8.92
Distributions	(0.92)	(0.77)	(1.07)
Closing net asset value per share	89.05	105.35	109.09
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(14.60%)	(2.72%)	8.81%
Other information			
Closing net asset value (£'000)	10	20	20
Closing number of shares	10,832	18,495	18,495
Operating charges	0.49%	0.51%	0.51%
Direct transaction costs	-	-	-
Prices			
Highest share price	106.3	110.1	111.8
Lowest share price	84.87	101.2	97.73

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

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

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

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

Comparative Tables

Continued

M Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	117.21	120.40	110.27
Return before operating charges*	(16.51)	(2.42)	10.90
Operating charges	(0.70)	(0.77)	(0.77)
Return after operating charges*	(17.21)	(3.19)	10.13
Distributions	(0.96)	(0.94)	(1.11)
Retained distributions on accumulation shares	0.96	0.94	1.11
Closing net asset value per share	100.00	117.21	120.40
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(14.68%)	(2.65%)	9.19%
Other information			
Closing net asset value (£'000)	1	1	1
Closing number of shares	902	902	902
Operating charges	0.64%	0.66%	0.66%
Direct transaction costs	-	-	-
Prices			
Highest share price	118.2	121.5	122.7
Lowest share price	94.81	112.2	107.3

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

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

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

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

Comparative Tables

Continued

M Income	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	113.24	117.24	108.42
Return before operating charges*	(15.96)	(2.33)	10.67
Operating charges	(0.67)	(0.75)	(0.75)
Return after operating charges*	(16.63)	(3.08)	9.92
Distributions	(0.91)	(0.92)	(1.10)
Closing net asset value per share	95.70	113.24	117.24
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(14.69%)	(2.63%)	9.15%
Other information			
Closing net asset value (£'000)	1	1	1
Closing number of shares	915	915	915
Operating charges	0.64%	0.66%	0.66%
Direct transaction costs	-	-	-
Prices			
Highest share price	114.2	118.3	120.1
Lowest share price	91.20	108.8	105.0

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

Z Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	202.97	207.83	190.19
Return before operating charges*	(28.83)	(4.64)	17.86
Operating charges	(0.17)	(0.22)	(0.22)
Return after operating charges*	(29.00)	(4.86)	17.64
Distributions	(2.54)	(2.28)	(2.82)
Retained distributions on accumulation shares	2.54	2.28	2.82
Closing net asset value per share	173.97	202.97	207.83
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(14.29%)	(2.34%)	9.27%
Other information			
Closing net asset value (£'000)	143,443	135,776	137,109
Closing number of shares	82,451,273	66,893,797	65,972,451
Operating charges	0.09%	0.11%	0.11%
Direct transaction costs	-	-	-
Prices			
Highest share price	204.8	210.0	211.6
Lowest share price	164.7	194.1	185.0

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 2022

Holding	Investment	Market value £'000	Percentage of total net assets
Bonds (98.98%)		139,082	92.10
Australian Dollar Denominated Bonds (1.79%)			
Government Bonds (1.79%)		-	-
Euro Denominated Bonds (2.25%)			
Corporate Bonds (0.95%)		977	0.65
less than 5 years to maturity			
500,000	Cromwell EREIT 2.125% 2025	357	0.24
greater than 25 years to maturity			
270,000	Channel Link Enterprises Finance 2.706% fixed to floating 2050	222	0.15
Perpetual			
200,000	Telefonica Europe 3.875% fixed to floating Perpetual	157	0.10
300,000	Volkswagen International Finance 3.5% fixed to floating Perpetual	241	0.16
Government Bonds (1.30%)		1,753	1.16
greater than 25 years to maturity			
2,841,265	European Union 0.7% 2051	1,753	1.16
Sterling Denominated Bonds (94.30%)		135,611	89.80
Corporate Bonds (26.93%)		35,141	23.27
less than 5 years to maturity			
200,000	ABN AMRO Bank 1.375% 2025	192	0.13
200,000	Banco Santander 1.5% 2026	183	0.12
100,000	Banco Santander 3.125% fixed to floating 2026	97	0.06
300,000	Bank of America 2.3% 2025	292	0.19
100,000	Barclays 1.7% fixed to floating 2026	92	0.06
276,000	Barclays 3% 2026	266	0.18
350,000	Barclays 3.25% 2027	339	0.22
418,000	BAT International Finance 4% 2026	407	0.27
127,000	Bellis Acquisition 3.25% 2026	103	0.07
903,000	BNG Bank 1.625% 2025	885	0.59
100,000	BUPA Finance 5% 2026	101	0.07

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
100,000	CaixaBank 1.5% fixed to floating 2026	91	0.06
152,000	Citigroup 1.75% 2026	141	0.09
287,000	Citigroup 5.15% 2026	304	0.20
200,000	DNB Bank 2.625% fixed to floating 2026	196	0.13
350,000	Enel Finance International 5.625% 2024	364	0.24
200,000	General Motors Financial 2.25% 2024	192	0.13
69,000	Hammerson REIT 6% 2026	64	0.04
400,000	Heathrow Funding 6.75% 2026	446	0.30
335,000	HSBC 2.256% fixed to floating 2026	319	0.21
169,000	KFW 1.125% 2025	164	0.11
341,000	Lloyds Bank 7.625% 2025	372	0.25
173,000	Lloyds Banking 1.875% fixed to floating 2026	165	0.11
100,000	Metrocentre Finance REIT 8.75% 2023	53	0.03
200,000	National Grid Electricity Transmission 1.375% 2026	187	0.12
500,000	National Grid Electricity Transmission 4% 2027	515	0.34
400,000	New York Life Global Funding 1.25% 2026	371	0.25
300,000	New York Life Global Funding 1.75% 2022	299	0.20
450,000	Northumbrian Water Finance 1.625% 2026	426	0.28
100,000	Phoenix 6.625% 2025	104	0.07
100,000	Realty Income REIT 1.875% 2027	93	0.06
100,000	Scottish Widows 5.5% 2023	101	0.07
143,000	Severn Trent Utilities Finance 1.625% 2022	142	0.09
200,000	Southern Gas Networks 2.5% 2025	198	0.13
153,000	Southern Water Services Finance 1.625% 2027	142	0.09
160,000	Stagecoach 4% 2025	157	0.10
170,000	TotalEnergies Capital International 1.25% 2024	164	0.11
240,000	Toyota Finance Australia 3.92% 2027	247	0.16
200,000	Virgin Media Secured Finance 5% 2027	189	0.13
200,000	Virgin Money UK 3.375 fixed to floating 2026	191	0.13
123,000	Volkswagen Financial Services 2.25% 2025	118	0.08
100,000	Western Power Distribution South West 5.875% 2027	111	0.07
157,000	Westfield Stratford City Finance No 2 1.642% 2026	149	0.10
between 5 and 10 years to maturity			
60,000	America Movil 5.75% 2030	69	0.05
100,000	Anglian Water Osprey Financing 2% 2028	88	0.06
134,000	APA Infrastructure 3.125% 2031	122	0.08

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
100,000	Assura Financing REIT 1.5% 2030	85	0.06
188,000	AT&T 4.375% 2029	196	0.13
279,000	Athene Global Funding 1.875% 2028	246	0.16
203,000	Bank of America 3.584% fixed to floating 2031	202	0.13
109,000	Berkeley 2.5% 2031	82	0.05
200,000	BNP Paribas 1.25% 2031	164	0.11
100,000	BNP Paribas 2% fixed to floating 2031	90	0.06
300,000	BNP Paribas 2.875% 2029	286	0.19
100,000	Cie de Saint-Gobain 4.625% 2029	105	0.07
71,000	Comcast 5.5% 2029	82	0.05
240,000	Cooperatieve Rabobank 4.625% 2029	244	0.16
170,000	CPUK Finance 3.69% 2028	167	0.11
134,000	Credit Suisse 2.125% fixed to floating 2029	113	0.07
335,000	Credit Suisse 2.25% fixed to floating 2028	295	0.20
100,000	CRH Finance UK 4.125% 2029	102	0.07
268,000	Danske Bank 2.25% fixed to floating 2028	247	0.16
200,000	Deutsche Bank 1.875% fixed to floating 2028	171	0.11
318,000	Digital Stout REIT 3.75% 2030	303	0.20
200,000	Fidelity National Information Services 2.25% 2029	181	0.12
124,000	Fiserv 3% 2031	116	0.08
150,000	Grainger 3% 2030	129	0.09
300,000	Great Rolling Stock 6.5% 2031	265	0.18
304,000	Hammerson REIT 7.25% 2028	289	0.19
100,000	Heathrow Funding 2.625% 2028	90	0.06
200,000	HSBC 6.75% 2028	221	0.15
500,000	KFW 0.75% 2027	463	0.31
285,000	London & Quadrant Housing Trust 2.625% 2028	281	0.19
263,000	MPT Operating Partnership REIT 3.375% 2030	213	0.14
103,000	MPT Operating Partnership REIT 3.692% 2028	90	0.06
203,000	National Australia Bank 1.699% fixed to floating 2031	180	0.12
118,000	National Express 2.375% 2028	107	0.07
224,000	National Grid Electricity Transmission 1.125% 2028	198	0.13
183,000	NatWest 2.057% fixed to floating 2028	166	0.11
100,000	NatWest 2.105% fixed to floating 2031	89	0.06
325,000	NatWest 3.622% fixed to floating 2030	313	0.21
600,000	Next 3.625% 2028	558	0.37
250,000	Northern Powergrid Yorkshire 4.375% 2032	270	0.18

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
100,000	Orange 3.25% 2032	99	0.07
192,000	Pension Insurance 4.625% 2031	176	0.12
160,000	Premiertel 6.175% 2032	138	0.09
153,000	Prologis International Funding II 2.75% 2032	141	0.09
228,000	Santander UK 2.421% fixed to floating 2029	209	0.14
111,000	Smith (DS) 2.875% 2029	102	0.07
100,000	SP Transimission 2% 2031	90	0.06
100,000	Thames Water Utilities Finance 2.625% 2032	91	0.06
50,000	Time Warner Cable 5.75% 2031	53	0.03
100,000	TotalEnergies Capital International 1.405% 2031	88	0.06
140,000	Trafford Centre Finance 7.03%% 2029	55	0.04
167,000	Unite REIT 3.5% 2028	161	0.11
219,000	Verizon Communications 1.125% 2028	192	0.13
100,000	Verizon Communications 2.5% 2031	92	0.06
300,000	Virgin Money UK 2.625% fixed to floating 2031	266	0.18
200,000	Volkswagen Financial Services 2.125% 2028	179	0.12
362,000	Welltower REIT 4.8% 2028	380	0.25
200,000	Wessex Water Services Finance 1.5% 2029	177	0.12
350,000	Workspace REIT 2.25% 2028	292	0.19
100,000	Yorkshire Building Society 3.511% fixed to floating 2030	95	0.06
between 10 and 15 years to maturity			
155,000	Anheuser-Busch InBev 2.85% 2037	136	0.09
160,000	Annington Funding 2.308% 2032	134	0.09
300,000	Banco Santander 2.25% fixed to floating 2032	259	0.17
100,000	Barclays 3.25% 2033	91	0.06
100,000	BG Energy Capital 5% 2036	109	0.07
200,000	Broadgate Financing 5.098% 2033	190	0.13
100,000	Comcast 1.875% 2036	83	0.05
118,000	DWR Cymru Financing UK 2.375% 2034	101	0.07
100,000	Eastern Power Networks 6.25% 2036	126	0.08
400,000	EDF 6.125% 2034	476	0.32
150,000	Enel 5.75% 2037	169	0.11
54,000	Greene King Finance FRN 2033	32	0.02
332,000	Lloyds Banking 2.707% fixed to floating 2035	280	0.19
200,000	Manchester Airport 4.75% 2034	212	0.14
100,000	Metropolitan Housing Trust 1.875% 2036	81	0.05

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
100,000	Northern Electric Finance 5.125% 2035	113	0.07
120,000	Scotland Gas Networks 4.875% 2034	129	0.09
150,000	Segro REIT 5.75% 2035	177	0.12
200,000	Southern Electric Power Distribution 4.625% 2037	209	0.14
100,000	Southern Gas Networks 3.1% 2036	88	0.06
243,000	Southern Water Services Finance 3% 2037	213	0.14
120,000	Standard Chartered 5.125% 2034	124	0.08
100,000	Wells Fargo 4.875% 2035	103	0.07
126,000	Yorkshire Water Finance 1.75% 2032	108	0.07
between 15 and 25 years to maturity			
200,000	America Movil 4.375% 2041	201	0.13
240,000	Annington Funding 3.935% 2047	208	0.14
150,000	Apple 3.6% 2042	157	0.10
200,000	Aspire Defence Finance 4.674% 2040 'A'	188	0.12
200,000	Aspire Defence Finance 4.674% 2040 'B'	188	0.12
100,000	Aster Treasury 4.5% 2043	110	0.07
150,000	AT&T 7% 2040	197	0.13
100,000	Berkshire Hathaway Finance 2.375% 2039	85	0.06
100,000	BHP Billiton Finance 4.3% 2042	103	0.07
100,000	Cadent Finance 2.75% 2046	75	0.05
150,000	Circle Anglia Social Housing 7.25% 2038	213	0.14
70,000	Citigroup 7.375% 2039	102	0.07
135,000	Connect Plus M25 Issuer 2.607% 2039	117	0.08
178,000	Diageo Finance 2.75% 2038	161	0.11
250,000	E.ON International Finance 6.125% 2039	300	0.20
250,000	E.ON International Finance 6.75% 2039	316	0.21
210,000	Eversholt Funding 2.742% 2040	177	0.12
100,000	Eversholt Funding 3.529% 2042	90	0.06
200,000	Gatwick Funding 2.625% 2046	140	0.09
150,000	GlaxoSmithKline Capital 4.25% 2045	167	0.11
150,000	GlaxoSmithKline Capital 5.25% 2042	187	0.12
150,000	HSBC 6% 2040	159	0.11
100,000	LiveWest Treasury 2.25% 2043	79	0.05
100,000	McDonald's 3.75% 2038	100	0.07
190,000	Morhomes 3.4% 2038	177	0.12
300,000	National Grid Electricity Transmission 2% 2040	219	0.14

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
200,000	Orbit Capital 3.5% 2045	184	0.12
100,000	Paragon Treasury 3.625% 2047	96	0.06
112,000	Prologis International Funding II 3% 2042	93	0.06
100,000	Severn Trent Utilities Finance 4.875% 2042	113	0.07
100,000	TC Dudgeon Ofco 3.158% 2038	91	0.06
160,000	Tesco Property Finance 1 7.6227% 2039	158	0.10
108,000	Tesco Property Finance 3 5.744% 2040	107	0.07
200,000	Tesco Property Finance 4 5.8006% 2040	202	0.13
100,000	Tesco Property Finance 5 5.6611% 2041	102	0.07
200,000	Thames Water Utilities Finance 5.125% 2037	220	0.15
220,000	Transport for London 3.875% 2042	213	0.14
176,000	United Utilities Water Finance 1.875% 2042	130	0.09
200,000	UPP Bond 1 Issuer 4.9023% 2040	187	0.12
100,000	Western Power Distribution South Wales 5.75% 2040	118	0.08
100,000	Western Power Distribution South West 5.75% 2040	118	0.08
greater than 25 years to maturity			
100,000	Aviva 4% fixed to floating 2055	86	0.06
200,000	Aviva 5.125% fixed to floating 2050	199	0.13
200,000	AXA 5.625% fixed to floating 2054	204	0.13
200,000	Berkshire Hathaway Finance 2.625% 2059	158	0.10
353,000	Blend Funding 3.459% 2047	328	0.22
100,000	Channel Link Enterprises Finance 3.043% fixed to floating 2050	94	0.06
100,000	Citizen Treasury 3.25% 2048	92	0.06
50,000	Dignity Finance 4.6956% 2049	44	0.03
100,000	EDF 6% 2114	116	0.08
100,000	Engie 5% 2060	112	0.07
190,000	Income Contingent Student Loans 2 2007-2009 2.5% 2058	129	0.09
70,000	LCR Finance 5.1% 2051	102	0.07
100,000	M&G 5.56% fixed to floating 2055	95	0.06
139,000	M&G 5.625% fixed to floating 2051	139	0.09
200,000	Notting Hill Genesis 4.375% 2054	217	0.14
100,000	Peabody Capital No 2 3.25% 2048	88	0.06
250,000	Precise Mortgage Funding 2018-2B FRN 2055	94	0.06
100,000	University of Oxford 2.544% 2117	76	0.05
100,000	Vodafone 3% 2056	78	0.05
100,000	Vodafone 3.375% 2049	85	0.06

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
100,000	Wellcome Trust 2.517% 2118	76	0.05
100,000	Wrekin Housing 2.5% 2048	78	0.05
Perpetual			
330,000	Aviva FRN Perpetual	329	0.22
200,000	AXA 6.6862% fixed to floating Perpetual	208	0.14
401,000	Barclays 6.375% fixed to floating Perpetual	379	0.25
122,000	BP Capital Markets 4.25% fixed to floating Perpetual	113	0.07
200,000	EDF 6% fixed to floating Perpetual	186	0.12
200,000	HSBC 5.875% fixed to floating Perpetual	193	0.13
100,000	National Express 4.25% fixed to floating Perpetual	89	0.06
200,000	NatWest 5.125% fixed to floating Perpetual	178	0.12
200,000	Zurich Finance UK FRN Perpetual	199	0.13
Government Bonds (67.37%)		100,470	66.53
less than 5 years to maturity			
500,000	European Investment Bank 0.875% 2026	477	0.32
137,000	European Investment Bank 1.125% 2025	133	0.09
100,000	FMS Wertmanagement 1.375% 2025	98	0.07
236,000	International Bank for Reconstruction & Development 0.5% 2023	232	0.15
193,000	Kommunekredit 0.375% 2024	185	0.12
61,000	Nordic Investment Bank 1.125% 2025	59	0.04
385,000	Ontario Teachers' Finance Trust 1.125% 2026	368	0.24
298,000	PRS Finance 1.75% 2026	275	0.18
200,000	Saxony-Anhalt (State of) 2.125% 2024	198	0.13
4,109,600	UK (Govt of) 0.125% 2023	4,080	2.70
2,312,700	UK (Govt of) 0.125% 2024	2,252	1.49
104,800	UK (Govt of) 0.125% 2026	100	0.07
3,901,700	UK (Govt of) 0.25% 2025	3,756	2.49
2,088,900	UK (Govt of) 0.375% 2026	1,977	1.31
824,600	UK (Govt of) 0.625% 2025	802	0.53
2,904,900	UK (Govt of) 0.75% 2023	2,876	1.90
2,959,700	UK (Govt of) 1.25% 2027	2,912	1.93
1,336,000	UK (Govt of) 2% 2025	1,350	0.89
2,188,033	UK (Govt of) 2.25% 2023	2,199	1.46
1,513,100	UK (Govt of) 5% 2025	1,640	1.09

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
between 5 and 10 years to maturity			
621,000	CPPIB Capital 1.25% 2027	588	0.39
565,000	PRS Finance 2% 2029	553	0.37
1,855,300	UK (Govt of) 0.125% 2028	1,713	1.13
923,200	UK (Govt of) 0.25% 2031	802	0.53
976,900	UK (Govt of) 0.375% 2030	875	0.58
365,000	UK (Govt of) 0.5% 2029	338	0.22
2,748,700	UK (Govt of) 0.875% 2029	2,601	1.72
2,401,441	UK (Govt of) 1.625% 2028	2,408	1.59
1,645,700	UK (Govt of) 4.25% 2027	1,859	1.23
1,885,900	UK (Govt of) 4.75% 2030	2,330	1.54
1,210,800	UK (Govt of) 6% 2028	1,529	1.01
between 10 and 15 years to maturity			
6,445,400	UK (Govt of) 0.625% 2035	5,273	3.49
3,909,300	UK (Govt of) 0.875% 2033	3,469	2.30
919,700	UK (Govt of) 4.25% 2036	1,137	0.75
2,284,600	UK (Govt of) 4.5% 2034	2,872	1.90
between 15 and 25 years to maturity			
1,190,400	UK (Govt of) 0.875% 2046	858	0.57
996,600	UK (Govt of) 1.125% 2039	829	0.55
756,900	UK (Govt of) 1.25% 2041	622	0.41
802,612	UK (Govt of) 1.5% 2047	660	0.44
1,932,300	UK (Govt of) 1.75% 2037	1,793	1.19
1,797,600	UK (Govt of) 3.25% 2044	2,028	1.34
1,816,400	UK (Govt of) 3.5% 2045	2,131	1.41
1,650,200	UK (Govt of) 4.25% 2039	2,082	1.38
2,674,100	UK (Govt of) 4.25% 2040	3,400	2.25
1,797,300	UK (Govt of) 4.25% 2046	2,374	1.57
4,646,334	UK (Govt of) 4.5% 2042	6,172	4.09
1,739,900	UK (Govt of) 4.75% 2038	2,316	1.53
greater than 25 years to maturity			
745,000	CPPIB Capital 1.625% 2071	474	0.31
150,000	European Investment Bank 4.625% 2054	209	0.14
616,400	UK (Govt of) 0.625% 2050	395	0.26

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
521,300	UK (Govt of) 1.125% 2073	350	0.23
4,222,500	UK (Govt of) 1.25% 2051	3,211	2.13
890,600	UK (Govt of) 1.5% 2053	721	0.48
1,374,000	UK (Govt of) 1.625% 2054	1,147	0.76
1,167,500	UK (Govt of) 1.625% 2071	956	0.63
1,885,600	UK (Govt of) 1.75% 2049	1,639	1.09
2,810,898	UK (Govt of) 1.75% 2057	2,426	1.61
1,311,237	UK (Govt of) 2.5% 2065	1,396	0.93
1,307,212	UK (Govt of) 3.5% 2068	1,760	1.17
1,709,600	UK (Govt of) 3.75% 2052	2,204	1.46
574,300	UK (Govt of) 4% 2060	817	0.54
1,313,272	UK (Govt of) 4.25% 2049	1,781	1.18
978,100	UK (Govt of) 4.25% 2055	1,403	0.93
US Dollar Denominated Bonds (0.64%)		741	0.49
Corporate Bonds (0.64%)		741	0.49
between 5 and 10 years to maturity			
452,000	AT&T 2.75% 2031	333	0.22
238,000	Dresdner Funding Trust I 8.151% 2031	215	0.14
greater than 25 years to maturity			
280,000	Verizon Communications 3.55% 2051	193	0.13
Derivatives (-0.42%)		(1,596)	(1.06)
Forward Currency Contracts (0.07%)		(2)	-
	Buy AUD 587,000 Sell GBP 338,771 08/09/2022	(2)	-
	Buy EUR 170,000 Sell GBP 144,484 08/09/2022	(1)	-
	Buy EUR 423,000 Sell GBP 362,499 08/09/2022	(6)	-
	Buy GBP 463,588 Sell AUD 822,000 08/09/2022	(8)	(0.01)
	Buy GBP 397,580 Sell EUR 464,000 08/09/2022	7	-
	Buy GBP 1,044,525 Sell EUR 1,222,000 08/09/2022	15	0.01
	Buy GBP 1,627,476 Sell EUR 1,904,000 08/09/2022	24	0.02
	Buy GBP 104,216 Sell USD 131,293 08/09/2022	(4)	-
	Buy GBP 800,915 Sell USD 1,009,000 08/09/2022	(27)	(0.02)

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Futures (-0.01%)		(528)	(0.35)
157	Long US 2 Year Note (CBT) Future 30/09/2022	92	0.06
78	Long US 5 Year Note (CBT) Future 30/09/2022	119	0.08
(13)	Short Euro-Buxl 30 Year Future 08/09/2022	(177)	(0.12)
(79)	Short Long Gilt Future 28/09/2022	(161)	(0.11)
(111)	Short US 10 Year Ultra Future 21/09/2022	(401)	(0.26)
Inflation Swaps (-0.34%)		-	-
Interest Rate Swaps (-0.14%)		(1,066)	(0.71)
EUR 2,935,000	Pay fixed 0.0473% receive floating EURIBOR 18/09/2055	819	0.54
EUR 7,591,000	Pay floating EURIBOR receive fixed 0.15% 18/09/2035	(1,048)	(0.69)
GBP 10,931,500	Pay floating GBP-SONIA receive fixed 0.592% 14/07/2025	(366)	(0.24)
GBP 17,076,500	Pay floating GBP-SONIA receive fixed 1.5933% 01/02/2024	(189)	(0.13)
GBP 17,076,500	Pay floating GBP-SONIA receive fixed 1.6088% 01/02/2024	(187)	(0.12)
GBP 5,730,000	Pay floating GBP-SONIA receive fixed 1.746% 03/02/2024	(55)	(0.04)
GBP 16,075,000	Pay floating GBP-SONIA receive fixed 2.3963% 11/05/2024	(40)	(0.03)
Total investment assets and liabilities		137,486	91.04
Net other assets		13,538	8.96
Total Net Assets		151,024	100.00

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities or approved derivatives within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2021.

Financial Statements

Statement of Total Return

For the year ended 31 July 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(25,437)		(5,456)
Revenue	2	2,164		1,918	
Expenses	3	(205)		(306)	
Interest payable and similar charges	4	(33)		(12)	
Net revenue before taxation		1,926		1,600	
Taxation	5	-		-	
Net revenue after taxation			1,926		1,600
Total return before distributions			(23,511)		(3,856)
Distributions	6		(1,926)		(1,600)
Change in net assets attributable to shareholders from investment activities			(25,437)		(5,456)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2022

	2022		2021	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		150,109		166,890
Amounts receivable on the issue of shares	32,259		16,289	
Amounts payable on the cancellation of shares	(7,992)		(29,206)	
		24,267		(12,917)
Dilution adjustment		31		31
Change in net assets attributable to shareholders from investment activities (see above)		(25,437)		(5,456)
Retained distribution on accumulation shares		2,054		1,561
Closing net assets attributable to shareholders		151,024		150,109

Financial Statements

Continued

Balance Sheet

As at 31 July 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			140,158		149,820
Current assets:					
Debtors	7	905		1,000	
Cash and bank balances	8	15,178		1,642	
			16,083		2,642
Total assets			156,241		152,462
Liabilities:					
Investment liabilities			(2,672)		(1,876)
Bank overdrafts	8	-		(410)	
Creditors	9	(2,540)		(65)	
Distribution payable		(5)		(2)	
			(2,545)		(477)
Total liabilities			(5,217)		(2,353)
Net assets attributable to shareholders			151,024		150,109

Notes to the Financial Statements

1 Net Capital Losses

	2022 £'000	2021 £'000
Non-derivative securities	(24,518)	(4,865)
Derivative contracts	(717)	(849)
Forward currency contracts	(215)	275
Other gains/(losses)	23	(17)
Transaction charges	(10)	-
Net capital losses	(25,437)	(5,456)

2 Revenue

	2022 £'000	2021 £'000
Bank and margin interest	5	-
Interest on debt securities	2,158	1,916
Stocklending revenue	1	2
Total revenue	2,164	1,918

3 Expenses

	2022 £'000	2021 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	80	137
General administration charge*	119	-
Operating, administrative and servicing fees	-	169
	199	306
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fees	6	-
	6	-
Total expenses	205	306

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

* The fixed general administration charge was introduced from 1 August 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian. The audit fee for the year, including VAT, was £10,860 (2021: £10,743).

Notes to the Financial Statements

Continued

4 Interest Payable and Similar Charges

	2022 £'000	2021 £'000
Derivative expense	32	-
Interest payable	1	12
Total interest payable & similar charges	33	12

5 Taxation

	2022 £'000	2021 £'000
(a) Analysis of charge in year		
Total taxation (note 5b)	-	-

(b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2021: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

Net revenue before taxation	1,926	1,600
Corporation tax at 20% (2021: 20%)	385	320
Effects of:		
Distributions treated as tax deductible	(385)	(320)
Total tax charge for year (note 5a)	-	-

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

(c) Factors that may affect future tax charge

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

6 Distributions

	2022 £'000	2021 £'000
Interim distribution	897	802
Final distribution	1,164	763
	2,061	1,565
Add: Income deducted on cancellation of shares	16	60
Deduct: Income received on issue of shares	(151)	(25)
Total distributions for the year	1,926	1,600

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

Notes to the Financial Statements

Continued

7 Debtors

	2022 £'000	2021 £'000
Accrued revenue	905	870
Amounts receivable from the ACD for the issue of shares	-	7
Sales awaiting settlement	-	123
Total debtors	905	1,000

8 Liquidity

	2022 £'000	2021 £'000
Cash and bank balances		
Cash at bank	12,448	-
Cash at broker	1,580	962
Collateral cash pledged to counterparties [~]	1,150	680
	15,178	1,642
Bank overdrafts		
Overdraft at bank	-	(410)
	-	(410)
Net liquidity	15,178	1,232

[~] 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

	2022 £'000	2021 £'000
Accrued expenses payable to ACD	15	9
Accrued expenses payable to the Depositary or associates of the Depositary	1	-
Amounts payable to the ACD for cancellation of shares	12	42
Other accrued expenses	-	14
Purchases awaiting settlement	2,512	-
Total creditors	2,540	65

10 Related Party Transactions

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

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

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 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.

	Purchases		Sales	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trades in the year				
Bonds	197,618	185,670	181,531	189,052
Trades in the year before transaction costs	197,618	185,670	181,531	189,052
Total net trades in the year after transaction costs	197,618	185,670	181,531	189,052

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 0.31% (2021: 0.28%), this is representative of the average spread on the assets held during the year.

12 Shares in Issue Reconciliation

	Opening shares 2021	Creations during the year	Cancellations during the year	Closing shares 2022
A Accumulation	3,202,500	244,742	(513,619)	2,933,623
A Income	1,357,154	3	(100,937)	1,256,220
I Accumulation	4,876,465	179,004	(3,597,236)	1,458,233
I Income	53,592	1,038	(11,391)	43,239
L Accumulation	18,937	-	-	18,937
L Income	18,495	-	(7,663)	10,832
M Accumulation	902	-	-	902
M Income	915	-	-	915
Z Accumulation	66,893,797	16,725,716	(1,168,240)	82,451,273

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.

Notes to the Financial Statements

Continued

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).

	2022 £'000	2022 £'000	2022 £'000	2021 £'000	2021 £'000	2021 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Bonds	99,740	39,342	-	102,559	46,025	-
Derivatives	211	865	-	304	932	-
Total investment assets	99,951	40,207	-	102,863	46,957	-
Fair value of investment liabilities						
Derivatives	(739)	(1,933)	-	(325)	(1,551)	-
Total investment liabilities	(739)	(1,933)	-	(325)	(1,551)	-

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:

2022	Floating rate financial assets/ (liabilities) £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
Currency				
UK Sterling	14,341	134,957	1,771	151,069
Australian Dollar	274	-	(135)	139
Euro	(57)	2,730	(2,686)	(13)
US Dollar	208	741	(1,120)	(171)
Total	14,766	138,428	(2,170)	151,024

Notes to the Financial Statements

Continued

2021	Floating rate financial assets/ (liabilities) £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
Currency				
UK Sterling	678	141,325	8,549	150,552
Australian Dollar	780	2,686	(2,825)	641
Canadian Dollar	(236)	-	(371)	(607)
Euro	81	3,382	(3,060)	403
US Dollar	(555)	956	(1,281)	(880)
Total	748	148,349	1,012	150,109

Other price risk

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

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

VaR

The table below indicates the VaR of the fund's financial instruments, measured as the potential one month loss (Prior year this was based on a 5 day loss) in value from adverse changes in equity prices, interest rates, inflation rates and foreign currency exchange rates, with a 99 percent confidence level. Calculated on this basis, the table indicates that the net value of the fund's financial assets and liabilities could be expected to change by more than the stated amount on only two days out of 200, in response to either price, interest rate, inflation or foreign currency exchange rate changes.

2022	Minimum	Maximum	Average
VaR 99% 1 Month	4.46%	5.92%	4.88%

2021	Minimum	Maximum	Average
VaR 99% 1 Month	2.10%	2.58%	2.38%

Counterparty risk

Credit quality of debt security investment assets

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

2022	Market value £'000	Percentage of total net assets %
Investment grade securities	137,210	90.87
Below investment grade securities	1,819	1.20
Unrated securities	53	0.03
Total value of securities	139,082	92.10

Notes to the Financial Statements

Continued

2021	Market value £'000	Percentage of total net assets %
Investment grade securities	141,730	94.44
Below investment grade securities	5,163	3.42
Unrated securities	1,691	1.12
Total value of securities	148,584	98.98

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:

	2022		2021	
	Market exposure £'000	Market value £'000	Market exposure £'000	Market value £'000
Leveraged instruments				
Forward currency contracts	5,267	(2)	7,544	100
Futures	57,732	(528)	50,844	(21)
Swaps	75,739	(1,066)	146,710	(719)
Total market exposure	138,738	(1,596)	205,098	(640)

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.

	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
2022					
Broker or exchange exposure					
Bank of America Merrill Lynch	(528)	1,580	-	1,052	0.70
	(528)	1,580	-	1,052	0.70
2021					
Broker or exchange exposure					
Bank of America Merrill Lynch	(21)	962	-	941	0.63
	(21)	962	-	941	0.63

Notes to the Financial Statements

Continued

Bilateral agreements

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

All stock lending is conducted by the stocklending agent on behalf of the fund using a standard agreement with available counterparties. It is collateralised daily with a right of recall within 24 hours.

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

2022 Counterparties	Swaps £'000	Forwards £'000	Collateral (held)/pledged		Net exposure £'000
			Cash £'000	Stock £'000	
Bank of America Merrill Lynch	-	(1)	-	-	(1)
Barclays	(595)	(7)	610	-	8
Citigroup	(244)	39	260	-	55
Goldman Sachs	(40)	-	50	-	10
JP Morgan	(187)	-	230	-	43
Royal Bank of Canada	-	(31)	-	-	(31)
StateStreet	-	(2)	-	-	(2)
Total	(1,066)	(2)	1,150	-	82

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

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

The fund receives 85% of the revenue returns from stock lending. The gross earnings for the year are £1,000 (2021: £2,000) and expenses paid to the lending agent, Securities Finance Trust Company, are £Nil (2021: £Nil).

2021 Counterparties	Swaps £'000	Forwards £'000	Collateral (held)/pledged		Net exposure £'000
			Cash £'000	Stock £'000	
Bank of America Merrill Lynch	-	1	-	-	1
Barclays	(447)	-	410	-	(37)
Citigroup	(36)	5	-	-	(31)
Morgan Stanley	-	(17)	-	-	(17)
RBC Dominion Securities	-	16	-	-	16
Royal Bank of Canada	(236)	-	270	-	34
Standard Chartered	-	76	-	-	76
UBS	-	19	-	-	19
Total	(719)	100	680	-	61

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

Notes to the Financial Statements

Continued

Liquidity risk

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

2022	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
Derivatives					
Investment liabilities	-	787	837	1,048	2,672
Non-derivatives					
Other creditors	-	2,540	-	-	2,540
Distribution payable	-	5	-	-	5
Total financial liabilities	-	3,332	837	1,048	5,217
2021	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
Derivatives					
Investment liabilities	-	342	791	743	1,876
Non-derivatives					
Other creditors	-	65	-	-	65
Bank overdrafts	410	-	-	-	410
Distribution payable	-	2	-	-	2
Total financial liabilities	410	409	791	743	2,353

Distribution Tables

For the year ended 31 July 2022 (in pence per share)

Interim interest distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 January 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
A Accumulation				
Group 1	0.1761	-	0.1761	0.1703
Group 2	0.0391	0.1370	0.1761	0.1703
A Income				
Group 1	0.1328	-	0.1328	0.1286
Group 2	0.0647	0.0681	0.1328	0.1286
I Accumulation				
Group 1	0.4520	-	0.4520	0.4592
Group 2	0.2029	0.2491	0.4520	0.4592
I Income				
Group 1	0.4077	-	0.4077	0.4181
Group 2	0.2918	0.1159	0.4077	0.4181
L Accumulation				
Group 1	0.4179	-	0.4179	0.4236
Group 2	0.4179	-	0.4179	0.4236
L Income				
Group 1	0.3936	-	0.3936	0.4026
Group 2	0.3936	-	0.3936	0.4026
M Accumulation				
Group 1	0.4370	-	0.4370	0.4736
Group 2	0.4370	-	0.4370	0.4736
M Income				
Group 1	0.4227	-	0.4227	0.4730
Group 2	0.4227	-	0.4227	0.4730
Z Accumulation				
Group 1	1.1589	-	1.1589	1.1837
Group 2	0.2553	0.9036	1.1589	1.1837

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Final interest distribution

Group 1 – shares purchased prior to 1 February 2022

Group 2 – shares purchased between 1 February 2022 and 31 July 2022

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
A Accumulation				
Group 1	0.4584	-	0.4584	0.1400
Group 2	0.2927	0.1657	0.4584	0.1400
A Income				
Group 1	0.3453	-	0.3453	0.1057
Group 2	0.3453	-	0.3453	0.1057
I Accumulation				
Group 1	0.6410	-	0.6410	0.4181
Group 2	0.1781	0.4629	0.6410	0.4181
I Income				
Group 1	0.5786	-	0.5786	0.3783
Group 2	0.2708	0.3078	0.5786	0.3783
L Accumulation				
Group 1	0.5602	-	0.5602	0.3905
Group 2	0.5602	-	0.5602	0.3905
L Income				
Group 1	0.5269	-	0.5269	0.3669
Group 2	0.5269	-	0.5269	0.3669
M Accumulation				
Group 1	0.5268	-	0.5268	0.4658
Group 2	0.5268	-	0.5268	0.4658
M Income				
Group 1	0.4905	-	0.4905	0.4500
Group 2	0.4905	-	0.4905	0.4500
Z Accumulation				
Group 1	1.3778	-	1.3778	1.1009
Group 2	0.4881	0.8897	1.3778	1.1009

Equalisation

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

abrdrn Sterling Inflation-Linked Bond Fund

For the year ended 31 July 2022

Investment Objective

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

Performance Target: To achieve the return of the FTSE Actuaries UK Index Linked Gilts Over 5 years Index plus 0.5% per annum (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

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

Investment Policy

Portfolio Securities

- The fund invests at least 80% in inflation-linked government bonds issued or guaranteed by the UK Government.
- The fund may also invest in inflation-linked and non inflation-linked investment grade corporate bonds and sub-sovereigns issued anywhere in the world. The fund will employ techniques to reduce (hedge) risk related to currency movements on non-Sterling bonds.
- The fund may also invest in other funds (including those managed by abrdrn), money-market instruments, and cash.

Management Process

- The management team use their discretion (active management) to identify investments after analysing individual bonds and derivatives alongside global economic and market conditions.
- In seeking to achieve the performance target, the FTSE Actuaries UK Index Linked Gilts Over 5 years Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 1.70%. Due to the fund's risk constraints the intention is that the fund's performance will not deviate significantly from that of the index over the long term.

Derivatives and Techniques

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

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

Performance Review

For the year ended 31 July 2022, the value of abrdrn Sterling Inflation-Linked Bond Fund – A Accumulation Shares decreased by 23.69% compared to a decrease of 19.87% in the performance target, the FTSE Actuaries UK Index Linked Gilts over 5 years Index.

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

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

Market Review

Market volatility has been a constant throughout the review period. This was caused by a myriad of competing headlines and data points as markets attempted to deal with increasing uncertainty around the economic outlook and central bank policy. Government bond markets initially rallied amid some aggressive intra-day swings; the traditionally quieter summer months meant relatively thin liquidity conditions, exacerbating moves.

Central bankers across many developed economies began to voice their wariness over the inflation landscape. Chaos in natural gas markets resulted in a spike in UK and European inflation. Rhetoric from the Bank of England (BoE) led the market to reassess how its Monetary Policy Committee might react to a dangerous mix of rising prices alongside the removal of fiscal support.

Towards the end of 2021, eye-wateringly high inflation coincided with big moves in energy commodities and a resurgence of Covid-19 fears. The BoE was widely criticised for leading the market to price an imminent rate hike at its November meeting, before failing to deliver and keeping rates on hold. Its credibility was further damaged when it proceeded to raise the Bank Rate to 0.25% at the December meeting, with far less indication that it would do so.

Early in 2022, while Russia's invasion of Ukraine dominated news headlines, the outlook for government bond markets was more heavily influenced by central banks' actions. Inflation continued to exceed expectations, eliciting

abrdn Sterling Inflation-Linked Bond Fund

Continued

a vigorous response from global monetary leaders. Central banks would rather move quickly to rein in rapidly increasing prices than risk long-term inflation expectations rising further. However, there were differences in the approach to combatting inflation. In the US, the Federal Open Markets Committee signalled its unease with inflation and the need to tighten policy rapidly. However, in Europe, the underlying backdrop looked somewhat different. The Eurozone labour market retained a degree of slack, and the growth backdrop looked far more precarious, given Europe's proximity to the conflict. The European Central Bank's task was to manage the wind-down of its pandemic emergency purchase programme, to move away from asset purchases and to discuss rate hikes against an uncertain geopolitical backdrop and in the face of high inflation. Meanwhile, in the UK, the BoE was less coherent in its outlook and messaging, the concern being that swift policy removal risked precipitating a recession.

While all the major asset classes delivered negative returns between January and June, July delivered a sustained rally across global developed market government bonds, with yield levels retreating from the year-to-date highs reached in mid-June. Nevertheless, the year-to-date performance for bond markets remains in deeply negative territory.

Portfolio Activity and Review

Throughout the period, the fund held a long position in 30-year US inflation, where the costs of inflation protection at the long end looked relatively cheap. This position underperformed in June after inflation pricing fell back sharply but recovered in July. Conversely, the fund's underweight in 10-year Treasury-Inflation Protected Securities (TIPS) was positive as yields sold off sharply. We have maintained our underweight position here as, given the US backdrop, the fundamental outlook for TIPS remains weak. Given the enormous uncertainties around future growth and inflation, we are unwilling to take significant risk positions in the European market. In the UK, we remain neutral in our outright duration and inflation positioning, with some modest curve positions, which aim to take advantage of perceived relative mispricing.

We maintained our long position in New Zealand real yields, as we thought the aggressively hawkish outlook of the Reserve Bank of New Zealand would struggle to be realised, and that these bonds offered value when compared to other developed market index-linked bonds over the medium term. Later in the review period this position detracted, as New Zealand real yields were dragged higher by the global rise in yields. This position remains a diversifier to the fund, which is predominantly underweight duration, and benefitted in July from the global rally in government bonds.

At the beginning of January, we removed our long 10-year German bunds position. This had acted as a counterweight to some of our short duration positions previously, but we felt it was increasingly vulnerable to a pronounced sell-off alongside other bond markets. In mid-April, we entered a butterfly curve trade – long UK 2047 index-linked gilts versus 2044 and 2050 linkers. The 2047 index-linked gilts underperformed on the curve, creating an attractive yield pick-up. We took profits on our long Canadian dollar versus US one-year/two-year interest rate swaps.

In the final month of the review period, we added to our position in US 30-year real yields. We took profit on our one-year/one-year UK interest rate swaps. We initiated a 10-year/30-year flattener in UK index-linked bonds after a recent steepening offered value. We switched our short position in 10-year US TIPS to a 10-year nominal short. After breakeven inflation pricing fell, we felt the short-duration view was better expressed in nominal yields. Towards the end of July, we increased our short position in US 10-year nominal bond futures. Finally, we removed the 10-year/30-year UK flattener at a small loss as the curve continued to steepen.

Portfolio Outlook and Strategy

We continue to assess the outlook over the next six months as highly uncertain, as central banks weigh up the need to address current elevated inflation levels against the future growth and inflation outlook as tighter policy begins to be felt. Market volatility looks set to remain elevated over the coming months, and we remain pragmatic on our duration positioning given the magnitude of moves. We continue to hold our overweight in New Zealand index-linked bonds, where we see value relative to US bond markets; we are short 10-year US bond futures.

Inflation Team

August 2022

abrdrn Sterling Inflation-Linked Bond Fund

Continued

Risk and Reward Profile

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

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 2022.

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

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

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

Comparative Tables

A Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	294.53	292.95	271.47
Return before operating charges*	(59.69)	4.15	24.08
Operating charges	(2.18)	(2.57)	(2.60)
Return after operating charges*	(61.87)	1.58	21.48
Distributions	(4.04)	(0.55)	(1.03)
Retained distributions on accumulation shares	4.04	0.55	1.03
Closing net asset value per share	232.66	294.53	292.95
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(21.01%)	0.54%	7.91%
Other information			
Closing net asset value (£'000)	1,020	1,455	1,640
Closing number of shares	438,498	493,977	559,896
Operating charges	0.79%	0.93%	0.95%
Direct transaction costs	-	-	-
Prices			
Highest share price	317.3	296.9	293.6
Lowest share price	210.7	255.3	225.9

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

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

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

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

Comparative Tables

Continued

A Income	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	236.80	235.97	219.48
Return before operating charges*	(47.82)	3.34	19.42
Operating charges	(1.75)	(2.07)	(2.10)
Return after operating charges*	(49.57)	1.27	17.32
Distributions	(3.24)	(0.44)	(0.83)
Closing net asset value per share	183.99	236.80	235.97
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(20.93%)	0.54%	7.89%
Other information			
Closing net asset value (£'000)	271	395	404
Closing number of shares	147,092	166,673	171,355
Operating charges	0.79%	0.93%	0.95%
Direct transaction costs	-	-	-
Prices			
Highest share price	255.1	239.1	237.2
Lowest share price	168.6	205.5	182.2

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

	2022	2021	2020
I Accumulation	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	260.12	257.57	237.61
Return before operating charges*	(53.01)	3.69	21.16
Operating charges	(0.69)	(1.14)	(1.20)
Return after operating charges*	(53.70)	2.55	19.96
Distributions	(4.80)	(1.60)	(1.99)
Retained distributions on accumulation shares	4.80	1.60	1.99
Closing net asset value per share	206.42	260.12	257.57
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(20.64%)	0.99%	8.40%
Other information			
Closing net asset value (£'000)	11,838	7,009	5,411
Closing number of shares	5,735,267	2,694,651	2,100,916
Operating charges	0.29%	0.47%	0.50%
Direct transaction costs	-	-	-
Prices			
Highest share price	280.7	262.2	258.1
Lowest share price	186.9	225.0	198.3

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

	2022	2021	2020
I Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	170.64	170.03	158.13
Return before operating charges*	(34.54)	2.42	14.02
Operating charges	(0.46)	(0.75)	(0.80)
Return after operating charges*	(35.00)	1.67	13.22
Distributions	(3.13)	(1.06)	(1.32)
Closing net asset value per share	132.51	170.64	170.03
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(20.51%)	0.98%	8.36%
Other information			
Closing net asset value (£'000)	812	888	1,168
Closing number of shares	613,022	520,245	686,973
Operating charges	0.29%	0.47%	0.50%
Direct transaction costs	-	-	-
Prices			
Highest share price	184.1	172.6	171.0
Lowest share price	121.7	148.1	131.3

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

K Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	152.23	150.65	138.90
Return before operating charges*	(30.94)	2.19	12.38
Operating charges	(0.34)	(0.61)	(0.63)
Return after operating charges*	(31.28)	1.58	11.75
Distributions	(2.89)	(1.02)	(1.23)
Retained distributions on accumulation shares	2.89	1.02	1.23
Closing net asset value per share	120.95	152.23	150.65
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(20.55%)	1.05%	8.46%
Other information			
Closing net asset value (£'000)	5	26	3,023
Closing number of shares	4,056	17,427	2,006,271
Operating charges	0.24%	0.42%	0.45%
Direct transaction costs	-	-	-
Prices			
Highest share price	164.3	153.5	150.9
Lowest share price	109.5	131.6	116.0

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

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

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

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

Comparative Tables

Continued

M Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	126.12	124.82	115.08
Return before operating charges*	(25.53)	1.91	10.37
Operating charges	(0.40)	(0.61)	(0.63)
Return after operating charges*	(25.93)	1.30	9.74
Distributions	(2.32)	(0.82)	(0.75)
Retained distributions on accumulation shares	2.32	0.82	0.75
Closing net asset value per share	100.19	126.12	124.82
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(20.56%)	1.04%	8.46%
Other information			
Closing net asset value (£'000)	1	1	1
Closing number of shares	906	906	906
Operating charges	0.34%	0.52%	0.55%
Direct transaction costs	-	-	-
Prices			
Highest share price	136.1	127.2	125.1
Lowest share price	90.61	109.1	96.04

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

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

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

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

Comparative Tables

Continued

M Income	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	124.03	123.56	114.64
Return before operating charges*	(24.97)	1.89	10.30
Operating charges	(0.39)	(0.61)	(0.63)
Return after operating charges*	(25.36)	1.28	9.67
Distributions	(2.30)	(0.81)	(0.75)
Closing net asset value per share	96.37	124.03	123.56
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(20.45%)	1.04%	8.44%
Other information			
Closing net asset value (£'000)	1	1	1
Closing number of shares	909	909	909
Operating charges	0.34%	0.52%	0.55%
Direct transaction costs	-	-	-
Prices			
Highest share price	133.8	125.5	124.3
Lowest share price	88.46	107.7	95.43

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

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

Operating charges are expenses associated with the maintenance and administration of the fund on a day to 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	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	340.94	336.33	309.03
Return before operating charges*	(69.45)	4.93	27.61
Operating charges	(0.28)	(0.32)	(0.31)
Return after operating charges*	(69.73)	4.61	27.30
Distributions	(6.94)	(3.27)	(3.84)
Retained distributions on accumulation shares	6.94	3.27	3.84
Closing net asset value per share	271.21	340.94	336.33
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(20.45%)	1.37%	8.83%
Other information			
Closing net asset value (£'000)	33,353	38,677	30,540
Closing number of shares	12,297,873	11,344,134	9,080,284
Operating charges	0.09%	0.10%	0.10%
Direct transaction costs	-	-	-
Prices			
Highest share price	368.2	343.7	336.9
Lowest share price	245.4	294.5	258.5

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

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

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

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

Portfolio Statement

As at 31 July 2022

Holding	Investment	Market value £'000	Percentage of total net assets
Bonds (99.34%)		46,760	98.86
New Zealand Dollar Denominated Bonds (2.15%)		1,217	2.57
Government Bonds (2.15%)		1,217	2.57
between 10 and 15 years to maturity			
1,859,000	New Zealand (Govt of) 2.5% Index-Linked 2035	1,217	2.57
Sterling Denominated Bonds (96.49%)		45,317	95.81
Government Bonds (96.49%)		45,317	95.81
between 5 and 10 years to maturity			
473,300	UK (Govt of) 0.125% Index-Linked 2028	654	1.38
1,874,100	UK (Govt of) 0.125% Index-Linked 2029	3,068	6.49
846,300	UK (Govt of) 0.125% Index-Linked 2031	1,175	2.48
652,500	UK (Govt of) 1.25% Index-Linked 2027	1,354	2.86
9,000	UK (Govt of) 4.125% Index-Linked 2030	34	0.07
between 10 and 15 years to maturity			
822,000	UK (Govt of) 0.125% Index-Linked 2036	1,332	2.82
969,433	UK (Govt of) 0.75% Index-Linked 2034	1,829	3.87
972,600	UK (Govt of) 1.25% Index-Linked 2032	2,031	4.29
603,500	UK (Govt of) 2% Index-Linked 2035	1,722	3.64
between 15 and 25 years to maturity			
956,300	UK (Govt of) 0.125% Index-Linked 2041	1,476	3.12
624,900	UK (Govt of) 0.125% Index-Linked 2044	1,116	2.36
1,289,800	UK (Govt of) 0.125% Index-Linked 2046	2,185	4.62
1,353,257	UK (Govt of) 0.625% Index-Linked 2040	2,869	6.07
1,257,140	UK (Govt of) 0.625% Index-Linked 2042	2,803	5.93
885,152	UK (Govt of) 1.125% Index-Linked 2037	2,114	4.47
greater than 25 years to maturity			
1,278,043	UK (Govt of) 0.125% Index-Linked 2048	2,054	4.34
919,200	UK (Govt of) 0.125% Index-Linked 2056	1,621	3.43
800,100	UK (Govt of) 0.125% Index-Linked 2058	1,477	3.12
589,000	UK (Govt of) 0.125% Index-Linked 2065	1,154	2.44

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
805,291	UK (Govt of) 0.125% Index-Linked 2068	1,703	3.60
66,300	UK (Govt of) 0.125% Index-Linked 2073	126	0.27
912,631	UK (Govt of) 0.25% Index-Linked 2052	1,756	3.71
1,348,231	UK (Govt of) 0.375% Index-Linked 2062	3,003	6.35
733,800	UK (Govt of) 0.5% Index-Linked 2050	1,670	3.53
1,333,100	UK (Govt of) 0.75% Index-Linked 2047	3,216	6.80
558,445	UK (Govt of) 1.25% Index-Linked 2055	1,775	3.75
US Dollar Denominated Bonds (0.70%)		226	0.48
Government Bonds (0.70%)		226	0.48
between 15 and 25 years to maturity			
227,700	US Treasury 0.75% Index-Linked 2045	226	0.48
Derivatives (-0.16%)		7	0.01
Forward Currency Contracts (0.02%)		-	-
	Buy CAD 109,000 Sell GBP 69,788 08/09/2022	-	-
	Buy CAD 218,000 Sell GBP 140,399 08/09/2022	(1)	-
	Buy GBP 69,250 Sell CAD 109,000 08/09/2022	(1)	-
	Buy GBP 69,555 Sell CAD 109,000 08/09/2022	-	-
	Buy GBP 69,663 Sell CAD 109,000 08/09/2022	-	-
	Buy GBP 143,942 Sell NZD 279,000 08/09/2022	-	-
	Buy GBP 1,050,555 Sell NZD 2,038,000 08/09/2022	(1)	-
	Buy GBP 193,298 Sell USD 235,000 08/09/2022	1	-
	Buy USD 106,000 Sell GBP 84,542 08/09/2022	2	-
Futures (0.06%)		(35)	(0.08)
(16)	Short US 10 Year Ultra Future 21/09/2022	(35)	(0.08)
Inflation Swaps (-0.15%)		42	0.09
USD 81,558.35	Pay fixed 2.311% receive floating USCPI 12/07/2051	24	0.05
USD 1,00,821.21	Pay fixed 2.42% receive floating USCPI 09/09/2025	18	0.04

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Interest Rate Swaps (-0.09%)		-	-
Total investment assets and liabilities		46,767	98.87
Net other assets		534	1.13
Total Net Assets		47,301	100.00

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities or approved derivatives within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2021.

Financial Statements

Statement of Total Return

For the year ended 31 July 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital (losses)/gains	1		(11,228)		563
Revenue	2	1,079		472	
Expenses	3	(73)		(85)	
Interest payable and similar charges		-		(2)	
Net revenue before taxation		1,006		385	
Taxation	4	-		-	
Net revenue after taxation			1,006		385
Total return before distributions			(10,222)		948
Distributions	5		(1,006)		(385)
Change in net assets attributable to shareholders from investment activities			(11,228)		563

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2022

	2022		2021	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		48,452		42,188
Amounts receivable on the issue of shares	16,458		11,824	
Amounts payable on the cancellation of shares	(7,492)		(6,526)	
		8,966		5,298
Dilution adjustment		40		9
Change in net assets attributable to shareholders from investment activities (see above)		(11,228)		563
Retained distribution on accumulation shares		1,071		394
Closing net assets attributable to shareholders		47,301		48,452

Financial Statements

Continued

Balance Sheet

As at 31 July 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			46,805		48,185
Current assets:					
Debtors	6	844		158	
Cash and bank balances	7	483		267	
			1,327		425
Total assets			48,132		48,610
Liabilities:					
Investment liabilities			(38)		(128)
Bank overdrafts	7	-		(3)	
Creditors	8	(778)		(23)	
Distribution payable		(15)		(4)	
			(793)		(30)
Total liabilities			(831)		(158)
Net assets attributable to shareholders			47,301		48,452

Notes to the Financial Statements

1 Net Capital (Losses)/Gains

	2022 £'000	2021 £'000
Non-derivative securities	(11,266)	565
Derivative contracts	79	(59)
Forward currency contracts	(48)	65
Other gains/(losses)	9	(8)
Transaction charges	(2)	-
Net capital (losses)/gains	(11,228)	563

2 Revenue

	2022 £'000	2021 £'000
Interest on debt securities	1,079	472
Total revenue	1,079	472

3 Expenses

	2022 £'000	2021 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	34	43
General administration charge*	38	-
Operating, administrative and servicing fees	-	42
	72	85
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	1	-
	1	-
Total expenses	73	85

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

* The fixed general administration charge was introduced from 1 August 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian. The audit fee for the year, including VAT, was £10,860 (2021: £10,743).

Notes to the Financial Statements

Continued

4 Taxation

	2022 £'000	2021 £'000
(a) Analysis of charge in year		
Total taxation (note 4b)	-	-

(b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2021: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

Net revenue before taxation	1,006	385
Corporation tax at 20% (2021: 20%)	201	77
Effects of:		
Excess allowable expenses	989	240
UK Indexation relief	(1,190)	(317)
Total tax charge for year (note 4a)	-	-

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

(c) Factors that may affect future tax charge

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £1,311,000 (2021: £322,000) 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

	2022 £'000	2021 £'000
Interim distribution	396	170
Final distribution	698	231
	1,094	401
Add: Income deducted on cancellation of shares	43	12
Deduct: Income received on issue of shares	(131)	(28)
Total distributions for the year	1,006	385

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

6 Debtors

	2022 £'000	2021 £'000
Accrued revenue	42	31
Amounts receivable from the ACD for the issue of shares	802	127
Total debtors	844	158

Notes to the Financial Statements

Continued

7 Liquidity

	2022 £'000	2021 £'000
Cash and bank balances		
Cash at bank	414	267
Cash at broker	69	-
	483	267
Bank overdrafts		
Overdraft at broker	-	(3)
	-	(3)
Net liquidity	483	264

8 Creditors

	2022 £'000	2021 £'000
Accrued expenses payable to ACD	6	2
Amounts payable to the ACD for cancellation of shares	18	17
Other accrued expenses	-	4
Purchases awaiting settlement	754	-
Total creditors	778	23

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 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	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trades in the year				
Bonds	18,442	20,966	9,458	15,353
Trades in the year before transaction costs	18,442	20,966	9,458	15,353
Total net trades in the year after transaction costs	18,442	20,966	9,458	15,353

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% (2021: 0.24%), this is representative of the average spread on the assets held during the year.

11 Shares in Issue Reconciliation

	Opening shares 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
A Accumulation	493,977	119,095	(174,574)	-	438,498
A Income	166,673	13,780	(31,916)	(1,445)	147,092
I Accumulation	2,694,651	3,665,540	(624,924)	-	5,735,267
I Income	520,245	493,566	(402,791)	2,002	613,022
K Accumulation	17,427	-	(13,371)	-	4,056
M Accumulation	906	-	-	-	906
M Income	909	-	-	-	909
Z Accumulation	11,344,134	2,465,394	(1,511,655)	-	12,297,873

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).

	2022 £'000	2022 £'000	2022 £'000	2021 £'000	2021 £'000	2021 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Bonds	45,543	1,217	-	47,092	1,040	-
Derivatives	-	45	-	27	26	-
Total investment assets	45,543	1,262	-	47,119	1,066	-
Fair value of investment liabilities						
Derivatives	(35)	(3)	-	-	(128)	-
Total investment liabilities	(35)	(3)	-	-	(128)	-

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
2022				
Currency				
UK Sterling	45,770	-	1,349	47,119
New Zealand Dollar	1,217	-	(1,192)	25
US Dollar	298	-	(141)	157
Total	47,285	-	16	47,301

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
2021				
Currency				
UK Sterling	46,429	550	1,506	48,485
Canadian Dollar	4	-	-	4
Euro	2	-	(25)	(23)
New Zealand Dollar	1,040	-	(1,004)	36
US Dollar	257	-	(307)	(50)
Total	47,732	550	170	48,452

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's financial instruments, measured as the potential one month loss (Prior year this was based on a 5 day loss) in value from adverse changes in equity prices, interest rates, inflation rates and foreign currency exchange rates, with a 99 percent confidence level. Calculated on this basis, the table indicates that the net value of the fund's financial assets and liabilities could be expected to change by more than the stated amount on only two days out of 200, in response to either price, interest rate, inflation or foreign currency exchange rate changes.

2022	Minimum	Maximum	Average
VaR 99% 1 Month	10.12%	11.30%	10.73%

2021	Minimum	Maximum	Average
VaR 99% 1 Month	4.88%	5.29%	5.13%

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.

2022	Market value £'000	Percentage of total net assets %
Investment grade securities	46,760	98.86
Below investment grade securities	-	-
Unrated securities	-	-
Total value of securities	46,760	98.86

2021	Market value £'000	Percentage of total net assets %
Investment grade securities	48,132	99.34
Below investment grade securities	-	-
Unrated securities	-	-
Total value of securities	48,132	99.34

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:

	2022		2021	
	Market exposure £'000	Market value £'000	Market exposure £'000	Market value £'000
Leveraged instruments				
Forward currency contracts	1,893	-	1,365	12
Futures	1,724	(35)	1,053	27
Swaps	380	42	7,853	(114)
Total market exposure	3,997	7	10,271	(75)

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.

2022 Broker or exchange exposure	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
Bank of America Merrill Lynch	(35)	69	-	34	0.07
	(35)	69	-	34	0.07

2021 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	27	(3)	-	24	0.04
	27	(3)	-	24	0.04

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.

2022 Counterparties	Collateral (held)/pledged					Net exposure £'000
	Swaps £'000	Forwards £'000	Cash £'000	Stock £'000		
Bank of America Merrill Lynch	-	2	-	-		2
JP Morgan	-	(1)	-	-		(1)
Royal Bank of Canada	-	1	-	-		1
Standard Chartered	-	(2)	-	-		(2)
UBS	42	-	-	-		42
Total	42	-	-	-		42

Collateral positions for Swaps 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

2021 Counterparties	Collateral (held)/pledged				Net exposure £'000
	Swaps £'000	Forwards £'000	Cash £'000	Stock £'000	
Barclays	(103)	-	-	-	(103)
Morgan Stanley	-	12	-	-	12
UBS	(11)	-	-	-	(11)
Total	(114)	12	-	-	(102)

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.

2022	Over one year but not more than five years				Total £'000
	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	
Derivatives					
Investment liabilities	-	38	-	-	38
Non-derivatives					
Other creditors	-	778	-	-	778
Distribution payable	-	15	-	-	15
Total financial liabilities	-	831	-	-	831

2021	Over one year but not more than five years				Total £'000
	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	
Derivatives					
Investment liabilities	-	4	38	86	128
Non-derivatives					
Other creditors	-	23	-	-	23
Bank overdrafts	3	-	-	-	3
Distribution payable	-	4	-	-	4
Total financial liabilities	3	31	38	86	158

Distribution Tables

For the year ended 31 July 2022 (in pence per share)

Interim interest distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 January 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
A Accumulation				
Group 1	1.3909	-	1.3909	0.1071
Group 2	0.8864	0.5045	1.3909	0.1071
A Income				
Group 1	1.1185	-	1.1185	0.0861
Group 2	0.4498	0.6687	1.1185	0.0861
I Accumulation				
Group 1	1.8935	-	1.8935	0.6572
Group 2	0.8974	0.9961	1.8935	0.6572
I Income				
Group 1	1.2422	-	1.2422	0.4338
Group 2	0.7009	0.5413	1.2422	0.4338
K Accumulation				
Group 1	1.1527	-	1.1527	0.4300
Group 2	1.1527	-	1.1527	0.4300
M Accumulation				
Group 1	0.8854	-	0.8854	0.3632
Group 2	0.8854	-	0.8854	0.3632
M Income				
Group 1	0.8779	-	0.8779	0.3630
Group 2	0.8779	-	0.8779	0.3630
Z Accumulation				
Group 1	2.8314	-	2.8314	1.5131
Group 2	1.8537	0.9777	2.8314	1.5131

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Final interest distribution

Group 1 – shares purchased prior to 1 February 2022

Group 2 – shares purchased between 1 February 2022 and 31 July 2022

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
A Accumulation				
Group 1	2.6455	-	2.6455	0.4420
Group 2	1.4801	1.1654	2.6455	0.4420
A Income				
Group 1	2.1170	-	2.1170	0.3564
Group 2	1.6708	0.4462	2.1170	0.3564
I Accumulation				
Group 1	2.9039	-	2.9039	0.9474
Group 2	1.7607	1.1432	2.9039	0.9474
I Income				
Group 1	1.8907	-	1.8907	0.6240
Group 2	1.1795	0.7112	1.8907	0.6240
K Accumulation				
Group 1	1.7382	-	1.7382	0.5899
Group 2	1.7382	-	1.7382	0.5899
M Accumulation				
Group 1	1.4297	-	1.4297	0.4559
Group 2	1.4297	-	1.4297	0.4559
M Income				
Group 1	1.4236	-	1.4236	0.4477
Group 2	1.4236	-	1.4236	0.4477
Z Accumulation				
Group 1	4.1057	-	4.1057	1.7579
Group 2	0.6674	3.4383	4.1057	1.7579

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 Long Dated Government Bond Fund

For the year ended 31 July 2022

Investment Objective

To generate income and some growth over the long term (5 years or more) by investing in UK Government bonds with a maturity of 10 years or longer.

Performance Target: To achieve the return of the FTSE Actuaries UK Conventional Gilts All Stocks Over 15 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 ten years or longer.
- 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 All Stocks Over 15 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 active nature of the management process 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 2022, the value of abrdn Sterling Long Dated Government Bond Fund – A Accumulation Shares decreased by 26.52% compared to a decrease of 24.03% in the performance target, the FTSE Actuaries UK Conventional Gilts All Stocks Over 15 Years Index.

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

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

Market Review

The review period has been a difficult one for government bonds. There have been significant swings in the market. Inflation dominated headlines, with energy prices surging amid the global reopening of trade lines and bottlenecks in supply chains. Natural gas supply fears seemed particularly acute. In February 2022, the tragic outbreak of war in Ukraine cast a shadow over future global economic activity.

Investors have been forced to grapple with a changing economic landscape; the emergence of the Omicron variant of Covid-19; and a generally much more hawkish tone from central banks. Support from quantitative easing (QE) drove yields lower in early August, but subsequent rhetoric from central banks tested investor confidence. Discussions focused on the eventual removal of support as economies continued their post-pandemic recovery. The Bank of England (BoE) shocked markets, signalling that higher interest rates could arise even before the end of its QE programme. The market took this as a signal that November could be a 'live' meeting for a potential rate hike. Having initially looked to price a move in May

abrdn Sterling Long Dated Government Bond Fund

Continued

2022, markets rushed to more accurately reflect this new information and gilts sold off aggressively. However, this proved to be one of several communication missteps by the BoE. Confusion and anger followed the 7-2 vote to hold policy rates steady as the market became extremely volatile and sharply reversed prior weakness. Gilts continued to rally strongly into December, driven by Omicron fears. Then, in another surprise, the BoE voted 8-1 to hike the policy rate 15 basis points to 0.25% at the December meeting. This marked the beginning of a period of weakness for UK government bonds; 10-year gilt yields rose by around 0.3% to finish 2021 close to unchanged. With the weakness in gilts led by short-dated maturities, the yield curve flattened aggressively.

The first six months of 2022 were difficult for government bonds. Inflation continued to exceed expectations, eliciting what felt like a unanimous response from global monetary leaders. Central banks would rather move quickly to rein in rapidly increasing prices than risk long-term inflation expectations rising further. Fears of a wage/price spiral were frequently cited in central bank communications.

While the outbreak of war in Ukraine in February initially caused a repricing in bond yields, the inflationary impact subsequently dominated central bank thinking. Bonds sold off aggressively as investors attempted to recalibrate how fast and how high monetary policy might go to halt the inflationary advance. UK 10-year yields rose dramatically. The BoE has seemed more cautious than other central banks on the impact of interest rate rises on consumers. While some members of the Monetary Policy Committee (MPC) voted for a faster pace of hikes, most favoured a continuation of 25 basis point (bps) increments to the cash rate as the policy rate was adjusted upwards by 50bps over the quarter to 1.25%. Nevertheless, yields moved aggressively higher as the global bond rout dominated any domestic policy decisions.

It was all change in July, however, with a sustained rally across global developed market government bonds. Yield levels retreated from the year-to-date highs reached in mid-June, and the benchmark 10-year UK government bond yield moved below 2%. While the FTSE Gilt All Maturities Index produced a positive total return of 2.62%, it nevertheless left the year-to-date figure for 2022 in deeply negative territory.

Portfolio Activity and Review

Overall, it has been a tricky period for government bond trading, with extreme moves across curves globally. At the start of the review period, government bond yields were trading close to six-month lows. We established a significant short relative duration stance via underweights

in UK gilts, based on our anticipated path for monetary policy in the face of rising inflation expectations. The BoE appeared increasingly concerned about inflationary pressures; accordingly, a shift to a more hawkish monetary policy stance appeared inevitable, bringing higher nominal gilt yields. However, the emergence of the Omicron variant, in conjunction with a significant reduction in the gilt supply remit for the remainder of the fiscal year, caused gilt yields to return close to the lows of 2020 because of risk-off sentiment. Although this was challenging for our short duration strategy, we increased its scale in mid-December, as we remained convinced that lockdowns would not return and that the rebound in the economy would continue, meaning central banks would be forced into tightening monetary policy. That decision paid dividends into the end of the calendar year and the first quarter of 2022 as UK government bonds began a precipitous decline, driving yields significantly higher over the remainder of the review period.

Having entered calendar year 2022 with a significant short duration position relative to benchmark, we decided to reduce this strategy during February, taking the view that yields had repriced enough and the implied tightening from central banks would be enough to control inflation. At this stage, the fund added an overweight position in short-dated UK government bonds, leaving it close to neutral relative duration and with a curve-steepening bias. With the breakout of war in Ukraine driving food and energy prices to record highs, this strategy proved incorrect as inflation spiked and central banks adopted an ever more hawkish tone to their communication, bear flattening the yield curve. Although we reduced risk and adopted underweight positions in liquid 10y UK government bonds to offset some of the risk, these violent moves in bond markets in response to the fallout from the Russia-Ukraine war caused a period of relative underperformance for the fund. During the review period, the fund also held various off-benchmark strategies, most notably yield curve flatteners in US Treasuries, and yield curve steepeners in European government bonds. The fund also participated in a cross-market strategy to hold overweight off-benchmark positions in Australian government bonds relative to both US Treasuries and UK government bonds.

Looking at performance over the review period, the fund generated positive excess returns from a range of gilt relative value, cross-market, and most notably duration strategies. However, yield curve and particularly inflation strategies proved disappointing, with the latter generating the bulk of negative excess returns versus the benchmark over the period in question. Overall, as a result the fund generated negative excess returns versus the benchmark over the 12-month period in question. On a total return basis, the fund generated significant negative

abrDn Sterling Long Dated Government Bond Fund

Continued

performance, with all government bonds as an asset class in precipitous decline due to higher inflation, greater net bond supply, and a complete reversal in central bank monetary policy from near-zero policy rates and asset purchases to sharply rising policy rates and balance sheet reduction.

Portfolio Outlook and Strategy

The tone of the market is mainly being set by economic data and market positioning. It is also being guided by the actions of other global central markets, primarily the European Central Bank and the US Federal Reserve. In the UK, there has been an observable loss of momentum across a range of housing market data, retail sales, and business and consumer confidence indices. Bond market conditions are challenging; volatility is elevated, and liquidity is thin. We expect this to continue over the months to come. Inflation and the response of central banks will continue to be key for the coming months. Consumers are feeling the impact of higher utility and energy bills across the world, and consumer-facing industries appear to be the most vulnerable. We ended the quarter with interest rates at 1.25%. How quickly the MPC hikes rates remains the key focus of the market. Opinions vary but further hikes are extremely likely. Inflation continues to build with a peak of 10% expected in October, so employment data is being closely watched for signs of inflation expectations.

Pan Euro Macro Team

August 2022

abrdn Sterling Long Dated Government Bond Fund

Continued

Risk and Reward Profile

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

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

Risk and reward indicator table as at 31 July 2022.

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

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

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

Comparative Tables

A Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	130.77	141.21	121.80
Return before operating charges*	(31.60)	(9.25)	20.66
Operating charges	(0.94)	(1.19)	(1.25)
Return after operating charges*	(32.54)	(10.44)	19.41
Distributions	(0.39)	-	(0.30)
Retained distributions on accumulation shares	0.39	-	0.30
Closing net asset value per share	98.23	130.77	141.21
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(24.88%)	(7.39%)	15.94%
Other information			
Closing net asset value (£'000)	23	35	46
Closing number of shares	23,148	27,208	32,402
Operating charges	0.81%	0.92%	0.95%
Direct transaction costs	-	-	-
Prices			
Highest share price	135.9	141.2	148.9
Lowest share price	90.05	118.9	121.0

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

	2022	2021	2020
I Accumulation	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	356.83	383.60	329.38
Return before operating charges*	(86.46)	(25.11)	56.03
Operating charges	(0.99)	(1.66)	(1.81)
Return after operating charges*	(87.45)	(26.77)	54.22
Distributions	(2.67)	(1.54)	(2.42)
Retained distributions on accumulation shares	2.67	1.54	2.42
Closing net asset value per share	269.38	356.83	383.60
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(24.51%)	(6.98%)	16.46%
Other information			
Closing net asset value (£'000)	4,670	8,266	10,326
Closing number of shares	1,733,711	2,316,560	2,691,929
Operating charges	0.31%	0.47%	0.50%
Direct transaction costs	-	-	-
Prices			
Highest share price	371.4	383.6	403.8
Lowest share price	246.8	323.9	328.0

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	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	361.03	387.91	332.91
Return before operating charges*	(87.48)	(25.35)	56.62
Operating charges	(0.85)	(1.53)	(1.62)
Return after operating charges*	(88.33)	(26.88)	55.00
Distributions	(2.86)	(1.73)	(2.63)
Retained distributions on accumulation shares	2.86	1.73	2.63
Closing net asset value per share	272.70	361.03	387.91
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(24.47%)	(6.93%)	16.52%
Other information			
Closing net asset value (£'000)	405	717	3,598
Closing number of shares	148,452	198,624	927,531
Operating charges	0.26%	0.42%	0.45%
Direct transaction costs	-	-	-
Prices			
Highest share price	375.9	387.9	408.2
Lowest share price	249.9	327.6	331.6

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

K Income	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	116.59	125.87	108.80
Return before operating charges*	(28.19)	(8.24)	18.46
Operating charges	(0.28)	(0.48)	(0.53)
Return after operating charges*	(28.47)	(8.72)	17.93
Distributions	(0.92)	(0.56)	(0.86)
Closing net asset value per share	87.20	116.59	125.87
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(24.42%)	(6.93%)	16.48%
Other information			
Closing net asset value (£'000)	135	450	510
Closing number of shares	155,314	385,774	405,549
Operating charges	0.26%	0.42%	0.45%
Direct transaction costs	-	-	-
Prices			
Highest share price	121.4	125.9	132.8
Lowest share price	80.38	106.1	107.9

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	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	127.51	136.99	117.25
Return before operating charges*	(30.76)	(8.83)	20.45
Operating charges	(0.41)	(0.65)	(0.71)
Return after operating charges*	(31.17)	(9.48)	19.74
Distributions	(0.95)	(0.60)	(0.97)
Retained distributions on accumulation shares	0.95	0.60	0.97
Closing net asset value per share	96.34	127.51	136.99
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(24.45%)	(6.92%)	16.84%
Other information			
Closing net asset value (£'000)	1	1	1
Closing number of shares	851	851	851
Operating charges	0.36%	0.52%	0.55%
Direct transaction costs	-	-	-
Prices			
Highest share price	132.7	137.0	144.1
Lowest share price	88.22	115.7	117.1

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	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	289.52	310.10	265.20
Return before operating charges*	(70.21)	(20.29)	45.18
Operating charges	(0.29)	(0.29)	(0.28)
Return after operating charges*	(70.50)	(20.58)	44.90
Distributions	(2.68)	(2.30)	(3.11)
Retained distributions on accumulation shares	2.68	2.30	3.11
Closing net asset value per share	219.02	289.52	310.10
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(24.35%)	(6.64%)	16.93%
Other information			
Closing net asset value (£'000)	5,764	6,178	7,673
Closing number of shares	2,631,755	2,133,732	2,474,297
Operating charges	0.11%	0.10%	0.10%
Direct transaction costs	-	-	-
Prices			
Highest share price	301.6	310.1	325.9
Lowest share price	200.6	262.4	264.5

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

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

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

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

Portfolio Statement

As at 31 July 2022

Holding	Investment	Market value £'000	Percentage of total net assets
Bonds (99.52%)		10,802	98.22
Australian Dollar Denominated Bonds (1.21%)		-	-
Government Bonds (1.21%)		-	-
Euro Denominated Bonds (0.84%)		135	1.23
Government Bonds (0.84%)		135	1.23
greater than 25 years to maturity			
218,619	European Union 0.7% 2051	135	1.23
Sterling Denominated Bonds (97.47%)		10,667	96.99
Government Bonds (97.47%)		10,667	96.99
between 15 and 25 years to maturity			
301,500	UK (Govt of) 0.875% 2046	217	1.98
381,100	UK (Govt of) 1.125% 2039	317	2.88
1,217,731	UK (Govt of) 1.25% 2041	1,001	9.10
341,536	UK (Govt of) 1.5% 2047	281	2.55
118,054	UK (Govt of) 1.75% 2037	110	1.00
464,700	UK (Govt of) 3.25% 2044	524	4.77
481,265	UK (Govt of) 3.5% 2045	565	5.13
149,100	UK (Govt of) 4.25% 2039	188	1.71
425,327	UK (Govt of) 4.25% 2040	541	4.92
404,900	UK (Govt of) 4.25% 2046	535	4.86
741,848	UK (Govt of) 4.5% 2042	985	8.96
11,600	UK (Govt of) 4.75% 2038	15	0.14
greater than 25 years to maturity			
249,163	UK (Govt of) 0.5% 2061	136	1.24
12,500	UK (Govt of) 0.625% 2050	8	0.07
160,100	UK (Govt of) 1.125% 2073	108	0.98
959,100	UK (Govt of) 1.25% 2051	729	6.63
107,800	UK (Govt of) 1.5% 2053	87	0.79
244,899	UK (Govt of) 1.625% 2054	205	1.86
387,056	UK (Govt of) 1.625% 2071	317	2.88

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
490,046	UK (Govt of) 1.75% 2049	426	3.87
593,429	UK (Govt of) 1.75% 2057	512	4.66
333,562	UK (Govt of) 2.5% 2065	355	3.23
336,341	UK (Govt of) 3.5% 2068	453	4.12
407,154	UK (Govt of) 3.75% 2052	525	4.77
264,400	UK (Govt of) 4% 2060	376	3.42
349,200	UK (Govt of) 4.25% 2049	474	4.31
472,064	UK (Govt of) 4.25% 2055	677	6.16
Derivatives (-0.38%)		(52)	(0.47)
Forward Currency Contracts (0.04%)		2	0.02
	Buy AUD 28,000 Sell GBP 16,159 08/09/2022	-	-
	Buy EUR 18,000 Sell GBP 15,298 08/09/2022	-	-
	Buy EUR 37,000 Sell GBP 31,708 08/09/2022	(1)	-
	Buy GBP 23,687 Sell AUD 42,000 08/09/2022	-	-
	Buy GBP 30,846 Sell EUR 36,000 08/09/2022	1	-
	Buy GBP 129,800 Sell EUR 152,000 08/09/2022	2	0.02
	Buy GBP 6,419 Sell USD 8,090 08/09/2022	-	-
Futures (0.00%)		(25)	(0.23)
9	Long US 2 Year Note (CBT) Future 30/09/2022	5	0.05
4	Long US 5 Year Note (CBT) Future 30/09/2022	5	0.04
(1)	Short Euro-Buxl 30 Year Future 08/09/2022	(13)	(0.12)
(1)	Short Long Gilt Future 28/09/2022	(2)	(0.02)
(6)	Short US 10 Year Ultra Future 21/09/2022	(20)	(0.18)
Inflation Swaps (-0.27%)		-	-
Interest Rate Swaps (-0.15%)		(29)	(0.26)
EUR 183,000	Pay fixed 0.0473% receive floating EURIBOR 18/09/2055	51	0.46
GBP 810,000	Pay floating GBP-SONIA receive fixed 1.6088% 01/02/2024	(9)	(0.08)
GBP 2,095,000	Pay floating GBP-SONIA receive fixed 2.3963% 11/05/2024	(5)	(0.05)
EUR 473,000	Pay floating EURIBOR receive fixed 0.15% 18/09/2035	(66)	(0.59)

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Total investment assets and liabilities		10,750	97.75
Net other assets		248	2.25
Total Net Assets		10,998	100.00

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities or approved derivatives within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2021.

Financial Statements

Statement of Total Return

For the year ended 31 July 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(3,877)		(1,700)
Revenue	2	158		164	
Expenses	3	(23)		(60)	
Interest payable and similar charges		(4)		(1)	
Net revenue before taxation		131		103	
Taxation	4	-		-	
Net revenue after taxation			131		103
Total return before distributions			(3,746)		(1,597)
Distributions	5		(131)		(103)
Change in net assets attributable to shareholders from investment activities			(3,877)		(1,700)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2022

	2022		2021	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		15,647		22,154
Amounts receivable on the issue of shares	4,388		4,468	
Amounts payable on the cancellation of shares	(5,285)		(9,371)	
		(897)		(4,903)
Dilution adjustment		2		2
Change in net assets attributable to shareholders from investment activities (see above)		(3,877)		(1,700)
Retained distribution on accumulation shares		123		94
Closing net assets attributable to shareholders		10,998		15,647

Financial Statements

Continued

Balance Sheet

As at 31 July 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			10,866		15,665
Current assets:					
Debtors	6	52		47	
Cash and bank balances	7	217		121	
			269		168
Total assets			11,135		15,833
Liabilities:					
Investment liabilities			(116)		(153)
Creditors	8	(20)		(32)	
Distribution payable		(1)		(1)	
			(21)		(33)
Total liabilities			(137)		(186)
Net assets attributable to shareholders			10,998		15,647

Notes to the Financial Statements

1 Net Capital Losses

	2022 £'000	2021 £'000
Non-derivative securities	(3,804)	(1,632)
Derivative contracts	(62)	(78)
Forward currency contracts	(8)	10
Other gains	3	-
Transaction charges	(6)	-
Net capital losses	(3,877)	(1,700)

2 Revenue

	2022 £'000	2021 £'000
Interest on debt securities	158	164
Total revenue	158	164

3 Expenses

	2022 £'000	2021 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	15	42
General administration charge*	8	-
Operating, administrative and servicing fees	-	18
Total expenses	23	60

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

* The fixed general administration charge was introduced from 1 August 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian. The audit fee for the year, including VAT, was £10,860 (2021: £10,743).

Notes to the Financial Statements

Continued

4 Taxation

	2022 £'000	2021 £'000
(a) Analysis of charge in year		
Total taxation (note 4b)	-	-

(b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2021: 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	131	103
Corporation tax at 20% (2021: 20%)	26	21
Effects of:		
Distributions treated as tax deductible	(26)	(21)
Total tax charge for year (note 4a)	-	-

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

(c) Factors that may affect future tax charge

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

5 Distributions

	2022 £'000	2021 £'000
Interim distribution	57	50
Final distribution	68	47
	125	97
Add: Income deducted on cancellation of shares	13	11
Deduct: Income received on issue of shares	(7)	(5)
Total distributions for the year	131	103

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

6 Debtors

	2022 £'000	2021 £'000
Accrued revenue	39	39
Amounts receivable from the ACD for the issue of shares	13	8
Total debtors	52	47

Notes to the Financial Statements

Continued

7 Liquidity

	2022 £'000	2021 £'000
Cash and bank balances		
Cash at bank	24	48
Cash at broker	83	73
Collateral cash pledged to counterparties [~]	110	-
Net liquidity	217	121

[~] 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

	2022 £'000	2021 £'000
Accrued expenses payable to ACD	1	2
Amounts payable to the ACD for cancellation of shares	19	29
Other accrued expenses	-	1
Total creditors	20	32

9 Related Party Transactions

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

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

10 Portfolio Transaction Costs

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

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

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

Notes to the Financial Statements

Continued

	Purchases		Sales	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trades in the year				
Bonds	16,525	13,174	17,386	17,432
Trades in the year before transaction costs	16,525	13,174	17,386	17,432
Total net trades in the year after transaction costs	16,525	13,174	17,386	17,432

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 0.24% (2021: 0.11%), this is representative of the average spread on the assets held during the year.

11 Shares in Issue Reconciliation

	Opening shares 2021	Creations during the year	Cancellations during the year	Closing shares 2022
A Accumulation	27,208	68,772	(72,832)	23,148
I Accumulation	2,316,560	462,900	(1,045,749)	1,733,711
K Accumulation	198,624	37	(50,209)	148,452
K Income	385,774	243	(230,703)	155,314
M Accumulation	851	-	-	851
Z Accumulation	2,133,732	1,043,149	(545,126)	2,631,755

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).

	2022 £'000	2022 £'000	2022 £'000	2021 £'000	2021 £'000	2021 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Bonds	10,667	135	-	15,382	189	-
Derivatives	10	54	-	23	71	-
Total investment assets	10,677	189	-	15,405	260	-
Fair value of investment liabilities						
Derivatives	(35)	(81)	-	(23)	(130)	-
Total investment liabilities	(35)	(81)	-	(23)	(130)	-

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
2022				
Currency				
UK Sterling	173	10,667	157	10,997
Australian Dollar	15	-	(8)	7
Euro	(10)	135	(125)	-
US Dollar	10	-	(16)	(6)
Total	188	10,802	8	10,998
	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
2021				
Currency				
UK Sterling	53	15,250	375	15,678
Australian Dollar	51	189	(213)	27
Canadian Dollar	(24)	-	-	(24)
Euro	14	132	(125)	21
US Dollar	(39)	-	(16)	(55)
Total	55	15,571	21	15,647

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's financial instruments, measured as the potential one month loss (Prior year this was based on a 5 day loss) in value from adverse changes in equity prices, interest rates, inflation rates and foreign currency exchange rates, with a 99 percent confidence level. Calculated on this basis, the table indicates that the net value of the fund's financial assets and liabilities could be expected to change by more than the stated amount on only two days out of 200, in response to either price, interest rate, inflation or foreign currency exchange rate changes.

2022	Minimum	Maximum	Average
VaR 99% 1 Month	8.75%	10.41%	9.54%

2021	Minimum	Maximum	Average
VaR 99% 1 Month	4.16%	4.64%	4.37%

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.

2022	Market value £'000	Percentage of total net assets %
Investment grade securities	10,802	98.22
Below investment grade securities	-	-
Unrated securities	-	-
Total value of securities	10,802	98.22

2021	Market value £'000	Percentage of total net assets %
Investment grade securities	15,571	99.52
Below investment grade securities	-	-
Unrated securities	-	-
Total value of securities	15,571	99.52

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:

	2022		2021	
	Market exposure £'000	Market value £'000	Market exposure £'000	Market value £'000
Leveraged instruments				
Forward currency contracts	251	2	353	7
Futures	2,849	(25)	3,804	-
Swaps	3,457	(29)	12,359	(66)
Total market exposure	6,557	(52)	16,516	(59)

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.

2022	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
Broker or exchange exposure					
Bank of America Merrill Lynch	(25)	83	-	58	0.53
	(25)	83	-	58	0.53

2021	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
Broker or exchange exposure					
Bank of America Merrill Lynch	-	73	-	73	0.47
	-	73	-	73	0.47

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.

2022	Collateral (held)/pledged				Net exposure £'000
	Swaps £'000	Forwards £'000	Cash £'000	Stock £'000	
Counterparties					
Barclays	(15)	-	110	-	95
Goldman Sachs	(5)	-	-	-	(5)
JP Morgan	(9)	-	-	-	(9)
Standard Chartered	-	2	-	-	2
Total	(29)	2	110	-	83

Notes to the Financial Statements

Continued

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

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

2021 Counterparties	Swaps £'000	Forwards £'000	Collateral (held)/pledged		Net exposure £'000
			Cash £'000	Stock £'000	
Barclays	(38)	-	-	-	(38)
Citigroup	(4)	-	-	-	(4)
Royal Bank of Canada	(24)	1	-	-	(23)
Standard Chartered	-	5	-	-	5
UBS	-	1	-	-	1
Total	(66)	7	-	-	(59)

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.

2022	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
Derivatives					
Investment liabilities	-	36	14	66	116
Non-derivatives					
Other creditors	-	20	-	-	20
Distribution payable	-	1	-	-	1
Total financial liabilities	-	57	14	66	137

2021	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
Derivatives					
Investment liabilities	-	24	72	57	153
Non-derivatives					
Other creditors	-	32	-	-	32
Distribution payable	-	1	-	-	1
Total financial liabilities	-	57	72	57	186

14 Subsequent Events

The ACD intends to close the abrdn Sterling Long Dated Government Bond Fund in 2023.

Distribution Tables

For the year ended 31 July 2022 (in pence per share)

Interim interest distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 January 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
A Accumulation				
Group 1	0.1014	-	0.1014	-
Group 2	0.0409	0.0605	0.1014	-
I Accumulation				
Group 1	1.1509	-	1.1509	0.6997
Group 2	0.7321	0.4188	1.1509	0.6997
K Accumulation				
Group 1	1.2531	-	1.2531	0.8021
Group 2	0.8704	0.3827	1.2531	0.8021
K Income				
Group 1	0.4056	-	0.4056	0.2601
Group 2	0.2748	0.1308	0.4056	0.2601
M Accumulation				
Group 1	0.3761	-	0.3761	0.2950
Group 2	0.3761	-	0.3761	0.2950
Z Accumulation				
Group 1	1.2178	-	1.2178	1.1698
Group 2	0.9090	0.3088	1.2178	1.1698

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Final interest distribution

Group 1 – shares purchased prior to 1 February 2022

Group 2 – shares purchased between 1 February 2022 and 31 July 2022

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
A Accumulation				
Group 1	0.2848	-	0.2848	-
Group 2	0.2413	0.0435	0.2848	-
I Accumulation				
Group 1	1.5182	-	1.5182	0.8369
Group 2	0.8738	0.6444	1.5182	0.8369
K Accumulation				
Group 1	1.6068	-	1.6068	0.9327
Group 2	1.6068	-	1.6068	0.9327
K Income				
Group 1	0.5169	-	0.5169	0.3020
Group 2	0.2596	0.2573	0.5169	0.3020
M Accumulation				
Group 1	0.5701	-	0.5701	0.3009
Group 2	0.5701	-	0.5701	0.3009
Z Accumulation				
Group 1	1.4637	-	1.4637	1.1300
Group 2	0.6854	0.7783	1.4637	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 Sterling Money Market Fund

For the year ended 31 July 2022

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 2022, the value of abrdn Sterling Money Market Fund - A Accumulation Shares increased by 0.27% compared to an increase of 0.42% in the performance target, the 1 Week GBP LIBID.

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

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

Market Review

As 2021 progressed, there was a sense that the Bank of England (BoE) firmly intended to hike interest rates, but with great uncertainty about the timing. A series of messages left the market convinced that a November policy rate hike was inevitable, with only the scale of the move left open for debate. Confusion and anger followed the 7-2 vote to hold policy rates steady as the market became extremely volatile and sharply reversed prior weakness. Gilts continued to rally strongly into December, driven by Omicron fears. Then, in yet another surprise, the BoE voted 8-1 to hike the policy rate 15 basis points (bps) to 0.25% at the December meeting. Broadly speaking, this marked the beginning of a period of weakness for UK government bonds; 10-year gilt yields rose by around 0.3% to finish the quarter close to unchanged. With the weakness in gilts led by short-dated maturities, the yield curve flattened aggressively over the quarter.

Following the interest rate hike in December, we heard very little from the members of the Monetary Policy Committee (MPC). However, the market was comfortable with pricing a full hike at the BoE meeting in early February.

UK money markets started 2022 with a sense that the BoE would likely continue to raise interest rates, but with some uncertainty about the pace. The MPC delivered a 0.25% hike at its 3 February meeting, moving the Base Rate to 0.50%. However, the market's focus was on the 5-4 split within the MPC, where the four dissenters had voted for a 0.50% move, with the minutes noting "further modest tightening is likely to be appropriate". With supply shocks increasing and Russia's invasion of Ukraine in late February, inflationary pressures continued to build. At its March meeting, the MPC increased the Base Rate by another 0.25% to 0.75%, with the vote split 8-1, with the single dissenter voting for no change. Relative to the Sterling Overnight Index Average market pricing, this was seen as a dovish hike given the one vote for unchanged rates. The MPC acknowledged that the Russia-Ukraine conflict had increased its prior expectations for weak growth and high inflation this year, with a "materially larger" growth drag than assumed in February from weaker consumer income. Accordingly, the quarter ended with considerable uncertainty surrounding the global outlook, but with the market pricing in further UK Base Rate increases over the remainder of 2022. A 25bps hike was priced into every MPC meeting for the rest of 2022 and into 2023.

abrdn Sterling Money Market Fund

Continued

The MPC duly delivered another 25bps hike on 5 May. The overall feeling of the accompanying minutes was interpreted as a dovish tilt – hike quicker and stop hiking earlier, thus bringing the terminal rate lower. Market pricing reacted accordingly, removing two of the hikes previously priced in for the second quarter of 2023. On 18 May, it was confirmed that consumer price inflation rose to 9% in April from 7% in March. This prompted the market to add another hike back into the pricing further out the curve. In the first half of June, market expectations of increased hikes continued to build. We ended the quarter at 1.25% and the focus of the market remained the same: how quickly will the MPC hike, and when will they stop?

Although the BoE was not scheduled to meet until early August, the market had already made up its mind that it would follow others with an aggressive policy rate hike of 50bps, pricing in a 90% probability of its largest rise in 27 years. This felt like a natural assumption based upon its change in guidance at the June meeting to include a commitment to act 'forcefully' in response to persistent inflationary pressures. Therefore, where policy rate expectations were lowered in response to weaker incoming data, this was largely taken out of 2023 expectations, with the market pricing in policy rate cuts in the second half of next year.

Portfolio Activity and Review

Inflation expectations have dominated the market environment throughout the period under review. The fund has remained positioned with a limited weighted average maturity and a strong liquidity ladder. This allowed regular trading in short-term money market instruments to reset the portfolio yield to higher available market rates as quickly as possible. On occasion, as market expectations for Base Rate increases accelerated, we added selected positions in six, nine and 12-month tenors in order to lock in higher-yielding positions. More recently, having seen a widening in credit spreads and a move in swap spreads, floating-rate notes have become more attractive, and this is an area we will continue to monitor for investment opportunities.

The fund is well positioned to take advantage of further expected rate rises and rapidly capture the additional returns on offer.

Portfolio Outlook and Strategy

We expect market rates to continue to rise as rate hike expectations gather pace. Further hikes from the BoE are extremely likely given the outlook for inflation and the aggressive actions of the US Federal Reserve. There is even talk of the European Central Bank being forced to hike aggressively. Inflation continues to build with a peak of over 11% expected in October, so employment data is being closely watched for signs of inflation expectations. The market also awaits details of the BoE's plan for unwinding the quantitative easing balance sheet. However, we are mindful that there are still significant headwinds for the economy.

Euro IG and Aggregate Team

August 2022

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 2022.

The fund is rated as 1 because of the extent to which the following risk factors apply:

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

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

Comparative Tables

A Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	113.20	113.26	112.65
Return before operating charges*	0.60	0.22	0.89
Operating charges	(0.28)	(0.28)	(0.28)
Return after operating charges*	0.32	(0.06)	0.61
Distributions	(0.19)	-	(0.42)
Retained distributions on accumulation shares	0.19	-	0.42
Closing net asset value per share	113.52	113.20	113.26
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	0.28%	(0.05%)	0.54%
Other information			
Closing net asset value (£'000)	30,091	27,829	31,897
Closing number of shares	26,507,242	24,583,611	28,161,935
Operating charges	0.25%	0.25%	0.25%
Direct transaction costs	-	-	-
Prices			
Highest share price	113.5	113.3	113.3
Lowest share price	113.2	113.2	112.7

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

	2022	2021	2020
A Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	100.08	100.13	99.96
Return before operating charges*	0.53	0.20	0.79
Operating charges	(0.25)	(0.25)	(0.25)
Return after operating charges*	0.28	(0.05)	0.54
Distributions	(0.15)	-	(0.37)
Closing net asset value per share	100.21	100.08	100.13
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	0.28%	(0.05%)	0.54%
Other information			
Closing net asset value (£'000)	649	791	889
Closing number of shares	647,885	790,273	887,607
Operating charges	0.25%	0.25%	0.25%
Direct transaction costs	-	-	-
Prices			
Highest share price	100.4	100.2	100.2
Lowest share price	100.0	100.1	99.97

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

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

Operating charges are expenses associated with the maintenance and administration of the fund on a day to 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	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	115.44	115.39	114.66
Return before operating charges*	0.62	0.22	0.90
Operating charges	(0.17)	(0.17)	(0.17)
Return after operating charges*	0.45	0.05	0.73
Distributions	(0.31)	(0.01)	(0.54)
Retained distributions on accumulation shares	0.31	0.01	0.54
Closing net asset value per share	115.89	115.44	115.39
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	0.39%	0.04%	0.64%
Other information			
Closing net asset value (£'000)	375,388	374,004	418,301
Closing number of shares	323,928,819	323,969,346	362,501,423
Operating charges	0.15%	0.15%	0.15%
Direct transaction costs	-	-	-
Prices			
Highest share price	115.9	115.5	115.4
Lowest share price	115.4	115.4	114.7

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

	2022	2021	2020
I Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	100.12	100.09	99.92
Return before operating charges*	0.54	0.19	0.79
Operating charges	(0.15)	(0.15)	(0.15)
Return after operating charges*	0.39	0.04	0.64
Distributions	(0.27)	(0.01)	(0.47)
Closing net asset value per share	100.24	100.12	100.09
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	0.39%	0.04%	0.64%
Other information			
Closing net asset value (£'000)	23,077	17,676	19,567
Closing number of shares	23,022,254	17,654,426	19,549,617
Operating charges	0.15%	0.15%	0.15%
Direct transaction costs	-	-	-
Prices			
Highest share price	100.4	100.2	100.1
Lowest share price	100.1	100.1	99.93

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

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

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

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

Comparative Tables

Continued

M Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	100.43	100.43	100.01
Return before operating charges*	0.53	0.20	0.62
Operating charges	(0.20)	(0.20)	(0.20)
Return after operating charges*	0.33	-	0.42
Distributions	(0.21)	-	(0.23)
Retained distributions on accumulation shares	0.21	-	0.23
Closing net asset value per share	100.76	100.43	100.43
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	0.33%	-	0.42%
Other information			
Closing net asset value (£'000)	173	160	156
Closing number of shares	171,767	159,531	155,149
Operating charges	0.20%	0.20%	0.20%
Direct transaction costs	-	-	-
Prices			
Highest share price	100.8	100.5	100.4
Lowest share price	100.4	100.4	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

M Income	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	100.25	100.20	100.01
Return before operating charges*	0.53	0.25	0.61
Operating charges	(0.20)	(0.20)	(0.20)
Return after operating charges*	0.33	0.05	0.41
Distributions	(0.20)	-	(0.22)
Closing net asset value per share	100.38	100.25	100.20
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	0.33%	0.05%	0.41%
Other information			
Closing net asset value (£'000)	1	1	1
Closing number of shares	1,000	1,000	1,000
Operating charges	0.20%	0.20%	0.20%
Direct transaction costs	-	-	-
Prices			
Highest share price	100.6	100.3	100.2
Lowest share price	100.3	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

Z Gross Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	109.03	108.87	108.07
Return before operating charges*	0.57	0.21	0.85
Operating charges	(0.05)	(0.05)	(0.05)
Return after operating charges*	0.52	0.16	0.80
Distributions	(0.40)	(0.04)	(0.62)
Retained distributions on accumulation shares	0.40	0.04	0.62
Closing net asset value per share	109.55	109.03	108.87
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	0.48%	0.15%	0.74%
Other information			
Closing net asset value (£'000)	414	1	80
Closing number of shares	377,660	699	73,942
Operating charges	0.05%	0.05%	0.05%
Direct transaction costs	-	-	-
Prices			
Highest share price	109.5	109.0	108.9
Lowest share price	109.0	108.9	108.1

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Portfolio Statement

As at 31 July 2022

Holding	Investment	Market value £'000	Percentage of total net assets
Sterling Denominated Bonds (7.36%)		34,668	8.07
Corporate Bonds (7.36%)		34,668	8.07
less than 5 years to maturity			
5,000,000	Bank of Montreal FRN 2023	4,996	1.16
3,500,000	Cooperatieve Rabobank 4% 2022	3,507	0.82
1,000,000	Coventry Building Society 1.5% 2023	994	0.23
3,131,000	Coventry Building Society 5.875% 2022	3,146	0.73
8,000,000	HSBC Bank FRN 2022	8,003	1.86
5,000,000	HSBC FRN 2023	5,019	1.17
4,000,000	National Bank of Canada FRN 2023	3,997	0.93
5,000,000	Westpac Banking FRN 2023	5,006	1.17
Money Markets (78.45%)		336,409	78.27
Certificates Of Deposits (66.08%)		287,978	67.00
5,000,000	Bank of America CD 0% 06/10/2022	4,985	1.16
5,000,000	Bank of America CD 0% 31/10/2022	4,977	1.15
5,000,000	Bank of Montreal CD 0% 09/06/2023	4,895	1.14
10,000,000	Barclays Bank CD 0% 20/09/2022	9,977	2.32
2,500,000	Barclays Bank CD 1.5% 09/09/2022	2,500	0.58
8,000,000	BNP Paribas CD 0% 07/10/2022	7,974	1.85
10,000,000	BNP Paribas CD 1.3% 07/02/2023	10,000	2.33
10,000,000	Canadian Imperial Bank of Commerce CD 0% 30/08/2022	9,989	2.32
10,000,000	Citibank CD 1.67% 04/10/2022	10,000	2.33
5,000,000	Commonwealth Bank of Australia CD 0% 22/09/2022	4,990	1.16
5,000,000	Commonwealth Bank of Australia CD 0.52% 13/10/2022	5,000	1.16
15,000,000	Credit Agricole CD 1.36% 16/09/2022	15,000	3.49
4,000,000	DNB Bank CD 0.85% 10/01/2023	4,000	0.93
4,000,000	DZ Bank CD 2.09% 09/05/2023	4,000	0.93
3,000,000	First Abu Dhabi Bank CD 2.72% 14/06/2023	3,000	0.70
10,000,000	Goldman Sachs CD 1.025% 30/11/2022	10,000	2.33
10,000,000	Handelsbanken CD 0% 24/10/2022	9,959	2.32
10,000,000	Handelsbanken CD 1.41% 06/09/2022	10,000	2.33
12,500,000	Korea Development Bank CD 0% 11/10/2022	12,456	2.90
3,000,000	Korea Development Bank CD 0% 18/11/2022	2,994	0.70
5,000,000	Mizuho Bank CD 0% 26/09/2022	4,986	1.16

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
17,500,000	National Bank of Abu Dhabi CD 1.5% 19/09/2022	17,500	4.07
5,000,000	National Bank Of Canada CD 0% 04/01/2023	4,953	1.15
8,000,000	Natixis CD 1.14% 04/08/2022	8,000	1.86
5,000,000	Nordea Bank Finland CD 0% 05/01/2023	4,953	1.15
7,500,000	Norinchukin Bank CD 0% 24/08/2022	7,493	1.74
5,000,000	OP Corporate Bank CD 0% 01/08/2022	5,000	1.16
10,000,000	Rabobank International CD 0% 03/10/2022	9,994	2.33
20,000,000	Royal Bank of Canada CD 0% 21/10/2022	19,935	4.64
11,000,000	Societe Generale CD 1.2% 01/08/2022	11,000	2.56
20,000,000	Sumitomo Mitsui CD 0% 13/09/2022	19,968	4.65
10,000,000	UBS CD 1.41% 14/02/2023	10,000	2.33
17,500,000	Wells Fargo CD 1.54% 05/09/2022	17,500	4.07
Commercial Paper (12.37%)		48,431	11.27
4,500,000	Australia & New Zealand CP 1.9% 04/01/2023	4,455	1.04
5,000,000	BRED Banque Populaire CP 1.81% 07/10/2022	4,994	1.16
15,000,000	DekaBank CP 1.2% 11/08/2022	14,998	3.49
10,000,000	Landesbank Baden-Württemberg CP 1.73% 03/10/2022	9,992	2.33
4,000,000	Legal & General CP 1.3% 10/08/2022	4,000	0.93
5,000,000	PACCAR Financial Europe CP 1.3% 12/08/2022	4,999	1.16
5,000,000	PACCAR Financial Europe CP 1.65% 31/08/2022	4,993	1.16
Collective Investment Schemes (4.21%)		13,000	3.02
13,000	Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund Z1 Inc+	13,000	3.02
Total investment assets		384,077	89.36
Net other assets		45,716	10.64
Total Net Assets		429,793	100.00

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2021.

+ Managed by subsidiaries of abrdn plc.

Financial Statements

Statement of Total Return

For the year ended 31 July 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains	1		499		669
Revenue	2	1,765		247	
Expenses	3	(653)		(727)	
Interest payable and similar charges		(8)		(3)	
Net revenue/(expense) before taxation		1,104		(483)	
Taxation	4	-		-	
Net revenue/(expense) after taxation			1,104		(483)
Total return before distributions			1,603		186
Distributions	5		(1,104)		(40)
Change in net assets attributable to shareholders from investment activities			499		146

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2022

	2022		2021	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		420,462		470,891
Amounts receivable on the issue of shares	115,015		132,592	
Amounts payable on the cancellation of shares	(107,245)		(183,208)	
		7,770		(50,616)
Dilution adjustment		-		3
Change in net assets attributable to shareholders from investment activities (see above)		499		146
Retained distribution on accumulation shares		1,062		38
Closing net assets attributable to shareholders		429,793		420,462

Financial Statements

Continued

Balance Sheet

As at 31 July 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			384,077		378,511
Current assets:					
Debtors	6	807		623	
Cash and bank balances	7	45,324		41,394	
			46,131		42,017
Total assets			430,208		420,528
Liabilities:					
Creditors	8	(370)		(66)	
Distribution payable		(45)		-	
			(415)		(66)
Total liabilities			(415)		(66)
Net assets attributable to shareholders			429,793		420,462

Notes to the Financial Statements

1 Net Capital Gains

	2022 £'000	2021 £'000
Non-derivative securities	504	668
Other gains	-	1
Transaction charges	(5)	-
Net capital gains	499	669

2 Revenue

	2022 £'000	2021 £'000
Bank and margin interest	242	42
Interest on debt securities	644	75
Interest on short term investments	879	130
Total revenue	1,765	247

3 Expenses

	2022 £'000	2021 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	459	495
General administration charge*	172	-
Operating, administrative and servicing fees	-	232
	631	727
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	22	-
	22	-
Total expenses	653	727

Irrecoverable VAT is included in the above expenses, where relevant.

* The fixed general administration charge was introduced from 1 August 2022. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian. The audit fee for the year, including VAT, was £10,860 (2021: £10,743).

Notes to the Financial Statements

Continued

4 Taxation

	2022 £'000	2021 £'000
(a) Analysis of charge in year		
Total taxation (note 4b)	-	-

(b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2021: 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/(expense) before taxation	1,104	(483)
Corporation tax at 20% (2021: 20%)	221	97
Effects of:		
Excess allowable expenses	(97)	(97)
Distributions treated as tax deductible	(124)	-
Total tax charge for year (note 4a)	-	-

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

(c) Factors that may affect future tax charge

At the year end there are no surplus expenses and therefore no deferred tax asset in the current or prior year.

5 Distributions (including the movement between net revenue/(expense) and distributions)

	2022 £'000	2021 £'000
First interim distribution	-	40
Second interim distribution	-	-
Third interim distribution	308	-
Final distribution	814	-
	1,122	40
Add: Income deducted on cancellation of shares	23	6
Deduct: Income received on issue of shares	(41)	(6)
Total distributions for the year	1,104	40
Movement between net revenue/(expense) and distributions		
Net revenue/(expense) after taxation	1,104	(483)
Shortfall transfer from capital to revenue	-	523
Total distributions for the year	1,104	40

Details of the distribution per share are set out in this fund's distribution tables.

Notes to the Financial Statements

Continued

6 Debtors

	2022 £'000	2021 £'000
Accrued revenue	785	270
Amounts receivable from the ACD for the issue of shares	22	353
Total debtors	807	623

7 Liquidity

	2022 £'000	2021 £'000
Cash and bank balances		
Cash at bank	159	394
Deposits with original maturity of less than 3 months	45,165	41,000
	45,324	41,394
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	13,000	17,700
Net liquidity	58,324	59,094

* 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

	2022 £'000	2021 £'000
Accrued expenses payable to ACD	53	38
Accrued expenses payable to the Depositary or associates of the Depositary	3	-
Amounts payable to the ACD for cancellation of shares	314	11
Other accrued expenses	-	17
Total creditors	370	66

9 Related Party Transactions

abrdrn Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to abrdrn Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to abrdrn Fund Managers Limited, in respect of expenses are disclosed in note 3 and any amounts due at the year end in note 8.

Notes to the Financial Statements

Continued

10 Portfolio Transaction Costs

There are no transaction costs associated with the purchases or sales of 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	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Bonds	1,206,548	1,086,014	1,197,063	1,136,590
Trades in the year before transaction costs	1,206,548	1,086,014	1,197,063	1,136,590
Total net trades in the year after transaction costs	1,206,548	1,086,014	1,197,063	1,136,590

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% (2021: 0.01%), this is representative of the average spread on the assets held during the year.

11 Shares in Issue Reconciliation

	Opening shares 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
A Accumulation	24,583,611	10,079,219	(7,854,067)	(301,521)	26,507,242
A Income	790,273	47,249	(189,637)	-	647,885
I Accumulation	323,969,346	79,196,914	(79,532,901)	295,460	323,928,819
I Income	17,654,426	11,327,559	(5,959,731)	-	23,022,254
M Accumulation	159,531	48,305	(36,069)	-	171,767
M Income	1,000	-	-	-	1,000
Z Gross Accumulation	699	628,908	(251,947)	-	377,660

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

	2022 £'000	2022 £'000	2022 £'000	2021 £'000	2021 £'000	2021 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Bonds	-	34,668	-	-	30,937	-
Money Market Instruments	-	336,409	-	-	329,874	-
Collective Investment Schemes	-	13,000	-	-	17,700	-
Total investment assets	-	384,077	-	-	378,511	-

13 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

Foreign currency risk

The fund's net exposure to foreign currencies (including any instruments used to hedge against foreign currencies) is not significant. Therefore, the financial statements are not subject to any significant risk of currency movements. This is consistent with the exposure during the prior year.

Interest rate risk

Interest rate risk is an unfavourable change in interest rates that can affect the price of a security, which in turn results in the portfolio experiencing a loss. Interest rate changes not only affect fixed income products but have material impacts on funding arrangements and other asset types.

The following table shows separately the value of investments at fixed interest rates, at variable rates and those that are non-interest bearing instruments.

The interest rate risk profile of the fund's investments at the year end consists of:

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
2022				
Currency				
UK Sterling	85,345	344,056	392	429,793
Total	85,345	344,056	392	429,793

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
2021				
Currency				
UK Sterling	68,717	351,188	557	420,462
Total	68,717	351,188	557	420,462

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 2022, 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 £19,204,000 (2021: £18,926,000).

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 %
2022		
Investment grade securities	34,668	8.07
Below investment grade securities	-	-
Unrated securities	-	-
Total value of securities	34,668	8.07
	Market value £'000	Percentage of total net assets %
2021		
Investment grade securities	30,937	7.36
Below investment grade securities	-	-
Unrated securities	-	-
Total value of securities	30,937	7.36

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 2022 (2021: £Nil).

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2022 £415,000 (2021: £66,000).

Distribution Tables

For the year ended 31 July 2022 (in pence per share)

First interim interest distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 October 2021

	Revenue	Equalisation	Distribution paid 31/01/22	Distribution paid 29/01/21
A Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
A Income				
Group 1	-	-	-	-
Group 2	-	-	-	-
I Accumulation				
Group 1	-	-	-	0.0104
Group 2	-	-	-	0.0104
I Income				
Group 1	-	-	-	0.0091
Group 2	-	-	-	0.0091
M Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
M Income				
Group 1	-	-	-	0.0020
Group 2	-	-	-	0.0020
Z Gross Accumulation				
Group 1	0.0049	-	0.0049	0.0372
Group 2	0.0032	0.0017	0.0049	0.0372

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Second interim interest distribution

Group 1 – shares purchased prior to 1 November 2021

Group 2 – shares purchased between 1 November 2021 and 31 January 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
A Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
A Income				
Group 1	-	-	-	-
Group 2	-	-	-	-
I Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
I Income				
Group 1	-	-	-	-
Group 2	-	-	-	-
M Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
M Income				
Group 1	-	-	-	-
Group 2	-	-	-	-
Z Gross Accumulation				
Group 1	0.0316	-	0.0316	-
Group 2	0.0141	0.0175	0.0316	-

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Third interim interest distribution

Group 1 – shares purchased prior to 1 February 2022

Group 2 – shares purchased between 1 February 2022 and 30 April 2022

	Revenue	Equalisation	Distribution paid 29/07/22	Distribution paid 30/07/21
A Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
A Income				
Group 1	-	-	-	-
Group 2	-	-	-	-
I Accumulation				
Group 1	0.0852	-	0.0852	-
Group 2	0.0628	0.0224	0.0852	-
I Income				
Group 1	0.0741	-	0.0741	-
Group 2	0.0646	0.0095	0.0741	-
M Accumulation				
Group 1	0.0314	-	0.0314	-
Group 2	0.0314	-	0.0314	-
M Income				
Group 1	0.0660	-	0.0660	-
Group 2	0.0660	-	0.0660	-
Z Gross Accumulation				
Group 1	0.1229	-	0.1229	-
Group 2	0.1008	0.0221	0.1229	-

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Final interest distribution

Group 1 – shares purchased prior to 1 May 2022

Group 2 – shares purchased between 1 May 2022 and 31 July 2022

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
A Accumulation				
Group 1	0.1878	-	0.1878	-
Group 2	0.1004	0.0874	0.1878	-
A Income				
Group 1	0.1546	-	0.1546	-
Group 2	0.0572	0.0974	0.1546	-
I Accumulation				
Group 1	0.2217	-	0.2217	-
Group 2	0.1158	0.1059	0.2217	-
I Income				
Group 1	0.1925	-	0.1925	-
Group 2	0.1181	0.0744	0.1925	-
M Accumulation				
Group 1	0.1806	-	0.1806	-
Group 2	0.1523	0.0283	0.1806	-
M Income				
Group 1	0.1300	-	0.1300	-
Group 2	0.1300	-	0.1300	-
Z Gross Accumulation				
Group 1	0.2376	-	0.2376	-
Group 2	0.1574	0.0802	0.2376	-

Equalisation

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

abrdn Sterling Short Dated Corporate Bond Fund

For the year ended 31 July 2022

Investment Objective

To generate income and some growth over the medium term (3 to 5 years) by investing in Sterling denominated investment grade corporate bonds with maturities of up to 5 years.

Performance Target: To achieve the return of the iBoxx Sterling Corporates (1-5 year) Index plus 0.25% per annum (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

Investment Policy

Portfolio Securities

- The fund will invest at least 60% in Sterling denominated investment grade corporate bonds with a maturity of up to 5 years.
- The fund may also invest in bonds of any maturity, issued anywhere in the world by governments and corporations, such as sub-sovereigns, sub-investment grade, inflation-linked, convertible, asset backed and mortgage-backed bonds. The fund will employ techniques to reduce (hedge) risk related to currency movements on non-Sterling bonds.
- The fund may also invest in other funds (including those managed by abrdn) and money-market instruments, and cash.

Management Process

- The management team use their discretion (active management) to identify bonds and derivatives after analysing companies prospects and creditworthiness alongside global economic and market conditions.
- In seeking to achieve the Performance Target, the iBoxx Sterling Corporates (1-5 year) Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 1.5%. Due to the fund's risk constraints the intention is that the fund's performance will not deviate significantly from that of the index over the long term.

Please Note: The fund's ability to buy and sell bonds and the associated costs can be affected during periods of market stress which could include periods where interest rates move sharply.

Derivatives and Techniques

- The fund will routinely use derivatives to reduce risk, reduce cost and/or generate extra income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivatives include instruments used to manage expected changes in interest rates, inflation, currencies or creditworthiness of corporations or governments.

Performance Review

For the year ended 31 July 2022, the value of abrdn Sterling Short Dated Corporate Bond Fund – A Accumulation Shares decreased by 5.11% compared to a decrease of 5.94% in the performance target, iBoxx Sterling Corporates (1-5 year) Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

Market Review

Corporate bond prices fell over the period, with spreads widening and government bond yields rising substantially. The US Federal Reserve and Bank of England both raised rates several times over the period, with the European Central Bank (ECB) making its first rise in July. Bonds rose somewhat in late 2021, although markets were volatile, but fell heavily in the opening quarter of 2022. The worsening Ukraine conflict dominated market attention, particularly following Russia's full-scale invasion on 24 February. In general, Europe is seen as more economically exposed to the conflict than other parts of the world. This is because it relies quite heavily on Russia for its energy imports, as well as significant other trade and financial linkages. Gilt yields peaked in June over 2.6%, but had fallen below 1.9% by the end of the period. Selling was motivated by investor fears of slowing global economies leading to recession. Riskier high yield bonds were hit harder than investment grade bonds, amid growing expectations of a global economic slowdown that would impact highly indebted, weaker and less creditworthy companies the most. Rising rates have a bigger negative effect on long-dated issues than shorter maturity bonds.

abrdn Sterling Short Dated Corporate Bond Fund

Continued

Portfolio Activity and Review

The fund outperformed the benchmark over the period, thanks to strong stock selection, notably through an overweight holding of BBB-rated bonds. In terms of individual securities, the biggest benefit was from zero exposure to Gazprom. Russian issuers fell after the Ukrainian invasion and sanctions were levied on Russian companies. The utilities sector performed well, including Thames Water. We also benefitted from the subordinated financials of Barclays and Zurich Insurance Group.

On the downside, the biggest detractor was the bus and train company Firstgroup. In property, our holdings of Hammerson and Workspace Group weighed on returns. Amid a risk-off environment, the corporate hybrids of BP and SSE also underperformed.

Portfolio Outlook and Strategy

High inflation, the conflict in Ukraine and central banks tightening policy have made tough conditions for credit. It is likely that inflation will persist longer than many hoped. The global economy faces multiple headwinds; our new base scenario ends with recession. Our baseline envisages further sharp interest rate hikes and tighter financial conditions causing a recession. A contraction in the US would have large negative global growth spillover, especially when combined with rapid tightening in a number of other developed and emerging economies.

The pound sterling credit market has outperformed other markets. Most notable of these is the euro market, where negative technicals remain around the ECB ending its corporate bond buying programme and the impact this will have on the market, particularly when issuance picks up. Valuations are approaching levels where we see good long-term risk-reward payoff. We will therefore cautiously look to add risk over the coming months.

Sterling IG and Aggregate Team

August 2022

abrdn Sterling Short Dated Corporate Bond Fund

Continued

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the fund. The table below shows the fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk			Typically higher rewards, higher risk			
←			→			
1	2	3	4	5	6	7

Risk and reward indicator table as at 31 July 2022.

The fund is rated as 3 because of the extent to which the following risk factors apply:

- The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- The fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.
- The fund invests in high yielding bonds which carry a greater risk of default than those with lower yields.
- The fund invests in mortgage and asset-backed securities (which may include collateralised loan, debt or mortgage obligations (respectively CLOs, CDOs or CMOs)). These are subject to prepayment and extension risk and additional liquidity and default risk compared to other credit securities.
- Convertible securities are investments that can be changed into another form upon certain triggers. As such, they can exhibit credit, equity and fixed interest risk. Contingent convertible securities (CoCos) are similar to convertible securities but have additional triggers which mean that they are more vulnerable to losses and volatile price movements and hence become less liquid.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

Comparative Tables

A Accumulation	2022	2021	2020
	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	108.61	105.75	103.69
Return before operating charges*	(4.83)	3.56	2.74
Operating charges	(0.66)	(0.70)	(0.68)
Return after operating charges*	(5.49)	2.86	2.06
Distributions	(1.78)	(1.80)	(1.71)
Retained distributions on accumulation shares	1.78	1.80	1.71
Closing net asset value per share	103.12	108.61	105.75
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(5.05%)	2.70%	1.99%
Other information			
Closing net asset value (£'000)	900	5	5
Closing number of shares	873,060	5,001	5,001
Operating charges	0.64%	0.65%	0.65%
Direct transaction costs	-	-	-
Prices			
Highest share price	108.9	108.8	106.0
Lowest share price	101.1	105.8	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.

Comparative Tables

Continued

A Income	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	101.45	100.43	100.13
Return before operating charges*	(4.48)	3.38	2.59
Operating charges	(0.63)	(0.66)	(0.65)
Return after operating charges*	(5.11)	2.72	1.94
Distributions	(1.64)	(1.70)	(1.64)
Closing net asset value per share	94.70	101.45	100.43
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(5.04%)	2.71%	1.94%
Other information			
Closing net asset value (£'000)	33	35	35
Closing number of shares	34,291	34,291	34,291
Operating charges	0.64%	0.65%	0.65%
Direct transaction costs	-	-	-
Prices			
Highest share price	101.7	102.3	101.1
Lowest share price	93.37	100.5	96.08

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.

Comparative Tables

Continued

I Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	110.13	106.90	104.52
Return before operating charges*	(4.88)	3.61	2.75
Operating charges	(0.37)	(0.38)	(0.37)
Return after operating charges*	(5.25)	3.23	2.38
Distributions	(2.12)	(2.16)	(2.05)
Retained distributions on accumulation shares	2.12	2.16	2.05
Closing net asset value per share	104.88	110.13	106.90
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(4.77%)	3.02%	2.28%
Other information			
Closing net asset value (£'000)	11,095	15,410	18,445
Closing number of shares	10,579,090	13,992,354	17,255,589
Operating charges	0.34%	0.35%	0.35%
Direct transaction costs	-	-	-
Prices			
Highest share price	110.5	110.3	107.2
Lowest share price	102.8	106.9	101.3

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

	2022	2021	2020
I Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	101.41	100.39	100.08
Return before operating charges*	(4.45)	3.37	2.61
Operating charges	(0.34)	(0.35)	(0.35)
Return after operating charges*	(4.79)	3.02	2.26
Distributions	(1.95)	(2.00)	(1.95)
Closing net asset value per share	94.67	101.41	100.39
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(4.72%)	3.01%	2.26%
Other information			
Closing net asset value (£'000)	14,594	10,961	18,610
Closing number of shares	15,415,433	10,808,396	18,537,548
Operating charges	0.34%	0.35%	0.35%
Direct transaction costs	-	-	-
Prices			
Highest share price	101.7	102.3	101.2
Lowest share price	93.38	100.4	96.08

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.

Comparative Tables

Continued

K Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	110.67	107.30	104.81
Return before operating charges*	(4.92)	3.64	2.75
Operating charges	(0.26)	(0.27)	(0.26)
Return after operating charges*	(5.18)	3.37	2.49
Distributions	(2.24)	(2.26)	(2.16)
Retained distributions on accumulation shares	2.24	2.26	2.16
Closing net asset value per share	105.49	110.67	107.30
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(4.68%)	3.14%	2.38%
Other information			
Closing net asset value (£'000)	1,817	2,807	18,202
Closing number of shares	1,722,390	2,536,549	16,962,525
Operating charges	0.24%	0.25%	0.25%
Direct transaction costs	-	-	-
Prices			
Highest share price	111.0	110.9	107.6
Lowest share price	103.4	107.3	101.7

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Comparative Tables

Continued

K Income	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	101.40	100.38	100.08
Return before operating charges*	(4.47)	3.37	2.60
Operating charges	(0.24)	(0.25)	(0.25)
Return after operating charges*	(4.71)	3.12	2.35
Distributions	(2.04)	(2.10)	(2.05)
Closing net asset value per share	94.65	101.40	100.38
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(4.64%)	3.11%	2.35%
Other information			
Closing net asset value (£'000)	5,963	10,520	56,172
Closing number of shares	6,299,812	10,374,670	55,957,531
Operating charges	0.24%	0.25%	0.25%
Direct transaction costs	-	-	-
Prices			
Highest share price	101.7	102.3	101.2
Lowest share price	93.38	100.4	96.08

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.

Comparative Tables

Continued

M Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	109.50	106.32	103.87
Return before operating charges*	(4.78)	3.61	2.87
Operating charges	(0.42)	(0.43)	(0.42)
Return after operating charges*	(5.20)	3.18	2.45
Distributions	(2.10)	(2.11)	(2.16)
Retained distributions on accumulation shares	2.10	2.11	2.16
Closing net asset value per share	104.30	109.50	106.32
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(4.75%)	2.99%	2.36%
Other information			
Closing net asset value (£'000)	1	1	1
Closing number of shares	964	964	964
Operating charges	0.39%	0.40%	0.40%
Direct transaction costs	-	-	-
Prices			
Highest share price	109.8	109.7	106.6
Lowest share price	102.2	106.4	100.8

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	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	103.43	102.39	102.06
Return before operating charges*	(4.50)	3.45	2.86
Operating charges	(0.40)	(0.41)	(0.41)
Return after operating charges*	(4.90)	3.04	2.45
Distributions	(1.97)	(2.00)	(2.12)
Closing net asset value per share	96.56	103.43	102.39
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(4.74%)	2.97%	2.40%
Other information			
Closing net asset value (£'000)	1	1	1
Closing number of shares	979	979	979
Operating charges	0.39%	0.40%	0.40%
Direct transaction costs	-	-	-
Prices			
Highest share price	103.8	104.3	103.2
Lowest share price	95.24	102.4	97.99

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to 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	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	111.70	108.10	105.38
Return before operating charges*	(4.96)	3.66	2.78
Operating charges	(0.04)	(0.06)	(0.06)
Return after operating charges*	(5.00)	3.60	2.72
Distributions	(2.51)	(2.51)	(2.38)
Retained distributions on accumulation shares	2.51	2.51	2.38
Closing net asset value per share	106.70	111.70	108.10
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(4.48%)	3.33%	2.58%
Other information			
Closing net asset value (£'000)	7,580	6	5
Closing number of shares	7,103,913	5,001	5,001
Operating charges	0.04%	0.05%	0.05%
Direct transaction costs	-	-	-
Prices			
Highest share price	112.1	111.9	108.4
Lowest share price	104.6	108.1	102.3

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 2022

Holding	Investment	Market value £'000	Percentage of total net assets
Bonds (97.06%)		41,022	97.71
Sterling Denominated Bonds (92.31%)		39,118	93.17
Corporate Bonds (89.73%)		35,316	84.11
less than 5 years to maturity			
200,000	ABN AMRO Bank 1.375% 2025	192	0.46
100,000	ABP Finance 6.25% 2026	112	0.27
400,000	America Movil 5% 2026	427	1.02
300,000	Anglian Water Osprey Financing 4% 2026	300	0.71
300,000	Annington Funding 2.646% 2025	290	0.69
389,000	APA Infrastructure 4.25% 2024	395	0.94
200,000	AT&T 2.9% 2026	196	0.47
200,000	AT&T 5.5% 2027	218	0.52
200,000	Banco Santander 1.5% 2026	183	0.44
300,000	Banco Santander 2.75% 2023	298	0.71
100,000	Banco Santander 3.125% fixed to floating 2026	97	0.23
200,000	Bank of America 4.25% 2026	208	0.50
400,000	Banque Federative du Credit Mutuel 1.25% 2025	376	0.89
367,000	Barclays 1.7% fixed to floating 2026	339	0.81
374,000	Barclays 3% 2026	360	0.86
381,000	Barclays 3.125% 2024	378	0.90
200,000	Barclays 3.25% 2027	194	0.46
500,000	BAT Capital 2.125% 2025	469	1.12
298,000	Blackstone Property Partners Europe 2% 2025	271	0.65
300,000	BNP Paribas 3.375% 2026	297	0.71
300,000	BPCE 1% 2025	277	0.66
100,000	CaixaBank 1.5% fixed to floating 2026	91	0.22
499,000	Citigroup 5.875% 2024	517	1.23
200,000	Cooperatieve Rabobank 1.25% 2025	190	0.45
350,000	Coventry Building Society 1.5% 2023	348	0.83
250,000	Credit Suisse 1.125% 2025	227	0.54
200,000	Credit Suisse 2.75% 2025	190	0.45
600,000	Deutsche Bank 4% fixed to floating 2026	584	1.39
200,000	Deutsche Pfandbriefbank 1.75% 2022	199	0.47
332,000	DNB Bank 1.375% fixed to floating 2025	318	0.76
300,000	DNB Bank 2.625% fixed to floating 2026	294	0.70
400,000	Eastern Power Networks 5.75% 2024	416	0.99

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
200,000	Electricity North West 8.875% 2026	240	0.57
150,000	Enel Finance International 5.625% 2024	156	0.37
300,000	Ford Motor Credit 4.535% 2025	286	0.68
250,000	Gatwick Funding 6.125% 2026	270	0.64
300,000	General Motors Financial 2.35% 2025	283	0.67
500,000	Go-Ahead 2.5% 2024	484	1.15
400,000	Hammerson REIT 6% 2026	374	0.89
600,000	Heathrow Funding 5.225% 2023	604	1.44
500,000	Heathrow Funding 6.75% 2026	558	1.33
200,000	HSBC 1.75% fixed to floating 2027	184	0.44
505,000	Imperial Brands Finance 8.125% 2024	534	1.27
280,000	Informa 3.125% 2026	271	0.65
400,000	JPMorgan Chase 0.991% fixed to floating 2026	374	0.89
621,000	Lloyds Banking 1.875% fixed to floating 2026	591	1.41
200,000	Motability Operations 4.375% 2027	214	0.51
321,000	MPT Operating Partnership REIT 2.55% 2023	308	0.73
200,000	Muenchener Hypothekenbank 0.5% 2024	192	0.46
300,000	National Grid 3.5% 2026	302	0.72
431,000	NatWest 2.875% fixed to floating 2026	416	0.99
596,000	New York Life Global Funding 1.5% 2027	555	1.32
499,000	New York Life Global Funding 1.625% 2023	490	1.17
373,000	OP Corporate Bank 3.375% 2026	374	0.89
211,000	PACCAR Financial Europe 2.375% 2025	204	0.49
600,000	Pension Insurance 6.5% 2024	621	1.48
100,000	Realty Income REIT 1.875% 2027	93	0.22
360,000	Royal Bank of Canada 1.125% 2025	335	0.80
355,000	Royal Bank of Canada 3.625% June 2027	359	0.85
200,000	Scottish Power UK 6.75% 2023	206	0.49
300,000	Societe Generale 1.875% 2024	289	0.69
300,000	Southern Water Services Finance 6.64% 2026	336	0.80
280,000	Thames Water Utilities Finance 2.375% 2023	276	0.66
168,000	Toronto-Dominion Bank 2.875% 2027	164	0.39
227,000	Toyota Finance Australia 3.92% 2027	233	0.56
500,000	Virgin Money UK 3.375 fixed to floating 2026	479	1.14
500,000	Volkswagen Financial Services 1.875% 2024	476	1.13
500,000	Volkswagen Financial Services 2.125% 2024	483	1.15
300,000	Volkswagen Financial Services 4.25% 2025	301	0.72

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
between 5 and 10 years to maturity			
164,000	American Honda Finance 1.5% 2027	151	0.36
175,000	Australia & New Zealand Banking 1.809% fixed to floating 2031	155	0.37
425,000	Bavarian Sky UK 3 FRN 2028	81	0.19
400,000	BNP Paribas 2% fixed to floating 2031	361	0.86
100,000	CaixaBank 3.5% fixed to floating 2028	96	0.23
200,000	Cooperatieve Rabobank 1.875% fixed to floating 2028	186	0.44
300,000	Credit Suisse 2.25% fixed to floating 2028	264	0.63
573,000	Danske Bank 2.25% fixed to floating 2028	529	1.26
200,000	Deutsche Bank 1.875% fixed to floating 2028	171	0.41
277,000	Diageo Finance 2.375% 2028	270	0.64
152,000	General Motors Financial 1.55% 2027	132	0.31
350,000	HSBC 5.75% 2027	367	0.87
300,000	Lloyds Banking 1.985% fixed to floating 2031	266	0.63
200,000	Lloyds Banking 2% fixed to floating 2028	183	0.44
178,000	National Australia Bank 1.699% fixed to floating 2031	158	0.38
163,000	NatWest 2.057% fixed to floating 2028	148	0.35
400,000	NatWest 2.105% fixed to floating 2031	356	0.85
136,000	NatWest 3.619% fixed to floating 2029	132	0.31
525,000	NatWest 3.622% fixed to floating 2030	505	1.20
200,000	Next 3.625% 2028	186	0.44
200,000	Santander UK 2.421% fixed to floating 2029	183	0.44
200,000	Societe Generale 1.25% 2027	174	0.42
425,000	Thames Water Utilities Finance FRN 2030	426	1.02
488,000	Virgin Money UK 2.625% fixed to floating 2031	432	1.03
100,000	Volkswagen Financial Services 2.125% 2028	90	0.21
170,000	Wells Fargo 3.473% fixed to floating 2028	168	0.40
260,000	Workspace REIT 2.25% 2028	217	0.52
between 10 and 15 years to maturity			
600,000	Aviva 6.125% fixed to floating 2036	631	1.50
300,000	Banco Santander 2.25% fixed to floating 2032	259	0.62
200,000	BPCE 2.5% fixed to floating 2032	178	0.42
200,000	Nordea Bank 1.625% fixed to floating 2032	173	0.41

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
between 15 and 25 years to maturity			
400,000	Legal & General 5.375% fixed to floating 2045	407	0.97
500,000	RMAC 2018-1 FRN 2046	287	0.68
300,000	Yorkshire Water Finance FRN 2046	300	0.71
greater than 25 years to maturity			
400,000	BHP Billiton Finance FRN 2077	401	0.95
218,000	Castell 2021-1 FRN 2053	175	0.42
330,000	NGG Finance 5.625% fixed to floating 2073	315	0.75
400,000	Precise Mortgage Funding 2020-1B FRN 2056	197	0.47
Perpetual			
380,000	Aviva FRN Perpetual	379	0.90
810,000	Barclays Bank 9% Perpetual	903	2.15
500,000	BP Capital Markets 4.25% fixed to floating Perpetual	461	1.10
432,000	Orange FRN Perpetual	434	1.03
400,000	SSE 3.74% fixed to floating Perpetual	368	0.88
900,000	Zurich Finance UK FRN Perpetual	895	2.13
Government Bonds (2.58%)		3,802	9.06
less than 5 years to maturity			
4,000,000	UK (Govt of) 0.125% 2026	3,802	9.06
US Dollar Denominated Bonds (4.75%)		1,904	4.54
Corporate Bonds (4.75%)		1,904	4.54
less than 5 years to maturity			
229,000	Amazon.com 3.3% 2027	189	0.45
700,000	Canadian Natural Resources 2.95% 2023	574	1.37
338,000	Equitable 3.9% 2023	278	0.66
508,000	Penske Truck Leasing 2.7% 2023	414	0.99
350,000	Standard Chartered 3.95% 2023	286	0.68
between 5 and 10 years to maturity			
200,000	ABN AMRO Bank FRN 2028	163	0.39

Portfolio Statement

As at 31 July 2022 continued

Investment	Market value £'000	Percentage of total net assets
Derivatives (-0.07%)	(62)	(0.15)
Forward Currency Contracts (-0.06%)	(59)	(0.14)
Buy GBP 81,392 Sell USD 99,721 08/09/2022	-	-
Buy GBP 1,788,367 Sell USD 2,253,000 08/09/2022	(59)	(0.14)
Futures (-0.01%)	(3)	(0.01)
12 Long Gilt Future 28/09/2022	(1)	-
(5) Short US 5 Year Note (CBT) Future 30/09/2022	(2)	(0.01)
Total investment assets	40,960	97.56
Net other assets	1,024	2.44
Total Net Assets	41,984	100.00

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities or approved derivatives within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2021.

Financial Statements

Statement of Total Return

For the year ended 31 July 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital (losses)/gains	1		(2,511)		887
Revenue	2	874		1,380	
Expenses	3	(116)		(173)	
Interest payable and similar charges		-		(1)	
Net revenue before taxation		758		1,206	
Taxation	4	-		-	
Net revenue after taxation			758		1,206
Total return before distributions			(1,753)		2,093
Distributions	5		(758)		(1,206)
Change in net assets attributable to shareholders from investment activities			(2,511)		887

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2022

	2022		2021	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		39,746		111,476
Amounts receivable on the issue of shares	17,691		18,739	
Amounts payable on the cancellation of shares	(13,318)		(91,936)	
		4,373		(73,197)
Dilution adjustment		13		183
Change in net assets attributable to shareholders from investment activities (see above)		(2,511)		887
Retained distribution on accumulation shares		363		397
Closing net assets attributable to shareholders		41,984		39,746

Financial Statements

Continued

Balance Sheet

As at 31 July 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			41,022		38,578
Current assets:					
Debtors	6	1,240		834	
Cash and bank balances	7	215		613	
			1,455		1,447
Total assets			42,477		40,025
Liabilities:					
Investment liabilities			(62)		(28)
Creditors	8	(303)		(149)	
Distribution payable		(128)		(102)	
			(431)		(251)
Total liabilities			(493)		(279)
Net assets attributable to shareholders			41,984		39,746

Notes to the Financial Statements

1 Net Capital (Losses)/Gains

	2022 £'000	2021 £'000
Non-derivative securities	(2,266)	691
Derivative contracts	(19)	32
Forward currency contracts	(226)	168
Other gains/(losses)	2	(4)
Transaction charges	(2)	-
Net capital (losses)/gains	(2,511)	887

2 Revenue

	2022 £'000	2021 £'000
Interest on debt securities	874	1,380
Total revenue	874	1,380

3 Expenses

	2022 £'000	2021 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	102	144
General administration charge*	11	-
Operating, administrative and servicing fees	-	29
	113	173
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fees	3	-
	3	-
Total expenses	116	173

Irrecoverable VAT is included in the above expenses, where relevant.

* The fixed general administration charge was introduced from 1 August 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian. The audit fee for the year, including VAT, was £10,860 (2021: £10,743).

Notes to the Financial Statements

Continued

4 Taxation

	2022 £'000	2021 £'000
(a) Analysis of charge in year		
Total taxation (note 4b)	-	-

(b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2021: 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	758	1,206
Corporation tax at 20% (2021: 20%)	152	241
Effects of:		
Distributions treated as tax deductible	(152)	(241)
Total tax charge for year (note 4a)	-	-

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

(c) Factors that may affect future tax charge

At the year end there are no surplus expenses and therefore no deferred tax asset in the current or prior year.

5 Distributions

	2022 £'000	2021 £'000
First interim distribution	169	418
Second interim distribution	176	226
Third interim distribution	176	184
Final distribution	264	187
	785	1,015
Add: Income deducted on cancellation of shares	33	237
Deduct: Income received on issue of shares	(60)	(46)
Total distributions for the year	758	1,206

Details of the distribution per share are set out in this fund's distribution tables.

Notes to the Financial Statements

Continued

6 Debtors

	2022 £'000	2021 £'000
Accrued revenue	625	608
Amounts receivable from the ACD for the issue of shares	112	226
Sales waiting settlement	503	-
Total debtors	1,240	834

7 Liquidity

	2022 £'000	2021 £'000
Cash and bank balances		
Cash at bank	170	600
Cash at broker	45	13
Net liquidity	215	613

8 Creditors

	2022 £'000	2021 £'000
Accrued expenses payable to ACD	10	9
Amounts payable to the ACD for cancellation of shares	293	138
Other accrued expenses	-	2
Total creditors	303	149

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.

Trades in the year	Purchases		Sales	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Bonds	24,588	16,501	19,486	85,355
Trades in the year before transaction costs	24,588	16,501	19,486	85,355
Total net trades in the year after transaction costs	24,588	16,501	19,486	85,355

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 0.43% (2021: 0.30%), this is representative of the average spread on the assets held during the year.

11 Shares in Issue Reconciliation

	Opening shares 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
A Accumulation	5,001	868,059	-	-	873,060
A Income	34,291	-	-	-	34,291
I Accumulation	13,992,354	1,567,385	(4,980,649)	-	10,579,090
I Income	10,808,396	7,266,553	(2,706,250)	46,734	15,415,433
K Accumulation	2,536,549	123,959	(938,118)	-	1,722,390
K Income	10,374,670	381,126	(4,409,242)	(46,742)	6,299,812
M Accumulation	964	-	-	-	964
M Income	979	-	-	-	979
Z Accumulation	5,001	7,098,912	-	-	7,103,913

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

	2022 £'000	2022 £'000	2022 £'000	2021 £'000	2021 £'000	2021 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Bonds	3,802	37,220	-	1,024	37,554	-
Total investment assets	3,802	37,220	-	1,024	37,554	-
Fair value of investment liabilities						
Derivatives	(3)	(59)	-	(5)	(23)	-
Total investment liabilities	(3)	(59)	-	(5)	(23)	-

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
2022				
Currency				
UK Sterling	3,798	35,543	2,668	42,009
US Dollar	154	1,741	(1,920)	(25)
Total	3,952	37,284	748	41,984

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
2021				
Currency				
UK Sterling	4,113	33,172	2,330	39,615
US Dollar	16	1,890	(1,775)	131
Total	4,129	35,062	555	39,746

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's financial instruments, measured as the potential one month loss (Prior year this was based on a 5 day loss) in value from adverse changes in equity prices, interest rates, inflation rates and foreign currency exchange rates, with a 99 percent confidence level. Calculated on this basis, the table indicates that the net value of the fund's financial assets and liabilities could be expected to change by more than the stated amount on only two days out of 200, in response to either price, interest rate, inflation or foreign currency exchange rate changes.

2022	Minimum	Maximum	Average
VaR 99% 1 Month	1.55%	2.55%	2.07%

2021	Minimum	Maximum	Average
VaR 99% 1 Month	0.67%	0.98%	0.87%

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.

2022	Market value £'000	Percentage of total net assets %
Investment grade securities	39,111	93.16
Below investment grade securities	1,911	4.55
Total value of securities	41,022	97.71

2021	Market value £'000	Percentage of total net assets %
Investment grade securities	36,515	91.87
Below investment grade securities	2,063	5.19
Total value of securities	38,578	97.06

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:

	2022		2021	
	Market exposure £'000	Market value £'000	Market exposure £'000	Market value £'000
Leveraged instruments				
Forward currency contracts	1,930	(59)	1,787	(23)
Futures	1,885	(3)	891	(5)
Total market exposure	3,815	(62)	2,678	(28)

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.

2022	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
Broker or exchange exposure					
Bank of America Merrill Lynch	(3)	45	-	42	0.10
	(3)	45	-	42	0.10

2021	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
Broker or exchange exposure					
Bank of America Merrill Lynch	(5)	13	-	8	0.02
	(5)	13	-	8	0.02

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.

2022	Forwards £'000	Collateral (held)/pledged		Net exposure £'000
		Cash £'000	Stock £'000	
Counterparties				
Credit Agricole*	-	-	-	-
Royal Bank of Canada	(59)	-	-	(59)
Total	(59)	-	-	(59)

* The market value of forward transactions with Credit Agricole is (£393).

Notes to the Financial Statements

Continued

The Prospectus outlines allowable collateral. There have been no changes in the year.

2021 Counterparties	Forwards £'000	Collateral (held)/pledged		Net exposure £'000
		Cash £'000	Stock £'000	
Morgan Stanley	(23)	-	-	(23)
Total	(23)	-	-	(23)

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2022 £493,000 (2021: £279,000).

14 Subsequent Events

The ACD intends to close the abrdn Sterling Short Dated Corporate Bond Fund in 2023.

Distribution Tables

For the year ended 31 July 2022 (in pence per share)

First interim interest distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 October 2021

	Revenue	Equalisation	Distribution paid 31/01/22	Distribution paid 29/01/21
A Accumulation				
Group 1	0.3995	-	0.3995	0.4499
Group 2	0.1997	0.1998	0.3995	0.4499
A Income				
Group 1	0.3703	-	0.3703	0.4306
Group 2	0.3703	-	0.3703	0.4306
I Accumulation				
Group 1	0.4862	-	0.4862	0.5399
Group 2	0.1779	0.3083	0.4862	0.5399
I Income				
Group 1	0.4476	-	0.4476	0.5065
Group 2	0.2117	0.2359	0.4476	0.5065
K Accumulation				
Group 1	0.5164	-	0.5164	0.5687
Group 2	0.3283	0.1881	0.5164	0.5687
K Income				
Group 1	0.4732	-	0.4732	0.5325
Group 2	0.3525	0.1207	0.4732	0.5325
M Accumulation				
Group 1	0.4791	-	0.4791	0.5237
Group 2	0.4791	-	0.4791	0.5237
M Income				
Group 1	0.4606	-	0.4606	0.5178
Group 2	0.4606	-	0.4606	0.5178
Z Accumulation				
Group 1	0.5818	-	0.5818	0.6274
Group 2	0.5818	-	0.5818	0.6274

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Second interim interest distribution

Group 1 – shares purchased prior to 1 November 2021

Group 2 – shares purchased between 1 November 2021 and 31 January 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
A Accumulation				
Group 1	0.4052	-	0.4052	0.4859
Group 2	0.4052	-	0.4052	0.4859
A Income				
Group 1	0.3770	-	0.3770	0.4625
Group 2	0.3770	-	0.3770	0.4625
I Accumulation				
Group 1	0.4950	-	0.4950	0.5783
Group 2	0.1307	0.3643	0.4950	0.5783
I Income				
Group 1	0.4554	-	0.4554	0.5401
Group 2	0.2447	0.2107	0.4554	0.5401
K Accumulation				
Group 1	0.5239	-	0.5239	0.6083
Group 2	0.1015	0.4224	0.5239	0.6083
K Income				
Group 1	0.4764	-	0.4764	0.5661
Group 2	0.3623	0.1141	0.4764	0.5661
M Accumulation				
Group 1	0.4718	-	0.4718	0.5641
Group 2	0.4718	-	0.4718	0.5641
M Income				
Group 1	0.4596	-	0.4596	0.5362
Group 2	0.4596	-	0.4596	0.5362
Z Accumulation				
Group 1	0.5860	-	0.5860	0.6670
Group 2	0.5860	-	0.5860	0.6670

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Third interim interest distribution

Group 1 – shares purchased prior to 1 February 2022

Group 2 – shares purchased between 1 February 2022 and 30 April 2022

	Revenue	Equalisation	Distribution paid 29/07/22	Distribution paid 30/07/21
A Accumulation				
Group 1	0.4211	-	0.4211	0.4387
Group 2	0.4211	-	0.4211	0.4387
A Income				
Group 1	0.3905	-	0.3905	0.4174
Group 2	0.3905	-	0.3905	0.4174
I Accumulation				
Group 1	0.5069	-	0.5069	0.5364
Group 2	0.1753	0.3316	0.5069	0.5364
I Income				
Group 1	0.4626	-	0.4626	0.4858
Group 2	0.1814	0.2812	0.4626	0.4858
K Accumulation				
Group 1	0.5358	-	0.5358	0.5453
Group 2	0.5358	-	0.5358	0.5453
K Income				
Group 1	0.4862	-	0.4862	0.5087
Group 2	0.2939	0.1923	0.4862	0.5087
M Accumulation				
Group 1	0.4895	-	0.4895	0.5206
Group 2	0.4895	-	0.4895	0.5206
M Income				
Group 1	0.4576	-	0.4576	0.4800
Group 2	0.4576	-	0.4576	0.4800
Z Accumulation				
Group 1	0.5946	-	0.5946	0.6144
Group 2	0.5946	-	0.5946	0.6144

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Final interest distribution

Group 1 – shares purchased prior to 1 May 2022

Group 2 – shares purchased between 1 May 2022 and 31 July 2022

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
A Accumulation				
Group 1	0.5573	-	0.5573	0.4217
Group 2	0.4192	0.1381	0.5573	0.4217
A Income				
Group 1	0.5071	-	0.5071	0.3927
Group 2	0.5071	-	0.5071	0.3927
I Accumulation				
Group 1	0.6365	-	0.6365	0.5085
Group 2	0.3528	0.2837	0.6365	0.5085
I Income				
Group 1	0.5798	-	0.5798	0.4703
Group 2	0.3318	0.2480	0.5798	0.4703
K Accumulation				
Group 1	0.6674	-	0.6674	0.5386
Group 2	0.6674	-	0.6674	0.5386
K Income				
Group 1	0.6028	-	0.6028	0.4957
Group 2	0.4686	0.1342	0.6028	0.4957
M Accumulation				
Group 1	0.6637	-	0.6637	0.4967
Group 2	0.6637	-	0.6637	0.4967
M Income				
Group 1	0.5955	-	0.5955	0.4657
Group 2	0.5955	-	0.5955	0.4657
Z Accumulation				
Group 1	0.7434	-	0.7434	0.5988
Group 2	0.2519	0.4915	0.7434	0.5988

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 2022

Investment Objective

To generate income and some growth over the medium to long term (3 to 5 years) by investing in UK Government bonds with a maturity of up to five years.

Performance Target: To achieve the return of the FTSE Actuaries UK Conventional Gilts up to 5 Years Index plus 0.5% per annum (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

Investment Policy

Portfolio Securities

- The fund invests at least 80% in government bonds issued or guaranteed by the UK Government with a maturity of up to 5 years.
- The fund may also invest in investment grade bonds of any maturity, issued anywhere in the world by governments, sub-sovereigns and corporations including inflation-linked bonds. The fund will employ techniques to reduce (hedge) risk related to currency movements on non-Sterling bonds.
- The fund may also invest in other funds (including those managed by abrdn), money-market instruments, and cash.

Management Process

- The management team use their discretion (active management) to identify investments after analysing individual bonds and derivatives alongside global economic and market conditions.
- In seeking to achieve the Performance Target, the FTSE Actuaries UK Conventional Gilts up to 5 Years Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 1.70%. Due to the fund's risk constraints the intention is that the fund's performance will not deviate significantly from that of the index over the long term.

Derivatives and Techniques

- The fund will make routine use of derivatives to reduce risk, reduce cost and/or generate extra income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").

- Derivatives can be used to generate growth, consistent with the fund's risk profile, if market prices are expected to rise ("long positions") or fall ("short positions"). These positions can be used in overseas markets.
- Derivatives include instruments used to manage expected changes in interest rates, inflation, currencies or creditworthiness of corporations or governments.

Performance Review

For the year ended 31 July 2022, the value of abrdn Sterling Short Term Government Bond Fund – A Accumulation Shares decreased by 3.61% compared to a decrease of 2.53% in the performance target, the FTSE Actuaries UK Conventional Gilts All Stocks up to 5 Years Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

Market Review

The review period has been a difficult one for government bonds. There have been significant swings in the market. Inflation dominated headlines, with energy prices surging amid the global reopening of trade lines and bottlenecks in supply chains. Natural gas supply fears seemed particularly acute. In February 2022, the tragic outbreak of war in Ukraine cast a shadow over future global economic activity.

Investors have been forced to grapple with a changing economic landscape; the emergence of the Omicron variant of Covid-19; and a generally much more hawkish tone from central banks. Support from quantitative easing (QE) drove yields lower in early August, but subsequent rhetoric from central banks tested investor confidence. Discussions focused on the eventual removal of support as economies continued their post-pandemic recovery. The Bank of England (BoE) shocked markets, signalling that higher interest rates could arise even before the end of its QE programme. The market took this as a signal that November could be a 'live' meeting for a potential rate hike. Having initially looked to price a move in May 2022, markets rushed to more accurately reflect this new information and gilts sold off aggressively. However, this proved to be one of several communication missteps by the BoE. Confusion and anger followed the 7-2 vote to hold policy rates steady as the market became extremely volatile and sharply reversed prior weakness. Gilts continued to rally strongly into December, driven by Omicron fears. Then, in another surprise, the BoE voted

abrdn Sterling Short Term Government Bond Fund

Continued

8-1 to hike the policy rate by 15 basis points (bps) to 0.25% at the December meeting. This marked the beginning of a period of weakness for UK government bonds; 10-year gilt yields rose by around 0.3% to finish 2021 close to unchanged. With the weakness in gilts led by short-dated maturities, the yield curve flattened aggressively.

The first six months of 2022 were difficult for government bonds. Inflation continued to exceed expectations, eliciting what felt like a unanimous response from global monetary leaders. Central banks would rather move quickly to rein in rapidly increasing prices than risk long-term inflation expectations rising further. Fears of a wage-price spiral were frequently cited in central bank communications.

While the outbreak of war in Ukraine in February initially caused a repricing in bond yields, the inflationary impact subsequently dominated central bank thinking. Bonds sold off aggressively as investors attempted to recalibrate how fast and how high monetary policy might go to halt the inflationary advance. UK 10-year yields rose dramatically. The BoE has seemed more cautious than other central banks on the impact of interest rate rises on consumers. While some members of the Monetary Policy Committee (MPC) voted for a faster pace of hikes, most favoured a continuation of 25bp increments to the cash rate as the policy rate was adjusted upwards by 50bps over the quarter to 1.25%. Nevertheless, yields moved aggressively higher as the global bond rout dominated any domestic policy decisions.

It was all change in July, however, with a sustained rally across global developed market government bonds. Yield levels retreated from the year-to-date highs reached in mid-June, and the benchmark 10-year UK government bond yield moved below 2%. While the FTSE Gilt All Maturities Index produced a positive total return of 2.62%, it nevertheless left the year-to-date figure for 2022 in deeply negative territory.

Portfolio Activity and Review

In sovereign issues and throughout the period, the fund bought gilts, both on issuance and in the secondary market. In late 2021, we sold long-dated Australian government bonds. We also bought long-dated European Union bonds, which offer good potential for upside. In terms of government-related issuers, we bought Denmark's credit institution KommuneKredit and the Canadian pension funds the Ontario Teacher's Pension Plan and CPP Investments. On the sell side, we recently sold down Dutch bank BNG Bank.

Portfolio Outlook and Strategy

The tone of the market is mainly being set by economic data and market positioning. It is also being guided by the actions of other global central markets, primarily the European Central Bank and the US Federal Reserve. In the UK, there has been an observable loss of momentum across a range of housing market data, retail sales, and business and consumer confidence indices. Bond market conditions are challenging; volatility is elevated, and liquidity is thin. We expect this to continue over the months to come. Inflation and the response of central banks will continue to be key for the coming months. Consumers are feeling the impact of higher utility and energy bills across the world, and consumer-facing industries appear to be the most vulnerable. We ended the quarter with interest rates at 1.25%. How quickly the MPC hikes rates remains the key focus of the market. Opinions vary but further hikes are extremely likely. Inflation continues to build with a peak of 10% expected in October, so employment data is being closely watched for signs of inflation expectations.

Rates Team

August 2022

abrdn Sterling Short Term Government Bond Fund

Continued

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the fund. The table below shows the fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk			Typically higher rewards, higher risk			
←			→			
1	2	3	4	5	6	7

Risk and reward indicator table as at 31 July 2022.

The fund is rated as 2 because of the extent to which the following risk factors apply:

- The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- The fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

Comparative Tables

A Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	128.33	130.22	128.95
Return before operating charges*	(3.66)	(0.87)	2.30
Operating charges	(0.94)	(1.02)	(1.03)
Return after operating charges*	(4.60)	(1.89)	1.27
Distributions	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	123.73	128.33	130.22
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(3.58%)	(1.45%)	0.98%
Other information			
Closing net asset value (£'000)	6,644	9,707	7,513
Closing number of shares	5,369,397	7,564,297	5,769,846
Operating charges	0.75%	0.79%	0.80%
Direct transaction costs	-	-	-
Prices			
Highest share price	128.4	130.3	130.4
Lowest share price	121.4	128.2	127.8

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

	2022	2021	2020
A Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	117.02	118.74	117.58
Return before operating charges*	(3.33)	(0.79)	2.10
Operating charges	(0.86)	(0.93)	(0.94)
Return after operating charges*	(4.19)	(1.72)	1.16
Distributions	-	-	-
Closing net asset value per share	112.83	117.02	118.74
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(3.58%)	(1.45%)	0.99%
Other information			
Closing net asset value (£'000)	515	639	883
Closing number of shares	456,854	546,328	743,548
Operating charges	0.75%	0.79%	0.80%
Direct transaction costs	-	-	-
Prices			
Highest share price	117.1	118.8	118.9
Lowest share price	110.7	116.9	116.6

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

	2022	2021	2020
I Accumulation	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	104.35	105.40	103.91
Return before operating charges*	(2.98)	(0.71)	1.86
Operating charges	(0.25)	(0.34)	(0.37)
Return after operating charges*	(3.23)	(1.05)	1.49
Distributions	(0.04)	(0.04)	(0.23)
Retained distributions on accumulation shares	0.04	0.04	0.23
Closing net asset value per share	101.12	104.35	105.40
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(3.10%)	(1.00%)	1.43%
Other information			
Closing net asset value (£'000)	41,758	97,698	56,580
Closing number of shares	41,295,276	93,621,527	53,679,433
Operating charges	0.25%	0.33%	0.35%
Direct transaction costs	-	-	-
Prices			
Highest share price	104.4	105.5	105.5
Lowest share price	99.13	104.2	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

	2022	2021	2020
I Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	102.14	103.20	101.96
Return before operating charges*	(2.92)	(0.68)	1.82
Operating charges	(0.25)	(0.34)	(0.36)
Return after operating charges*	(3.17)	(1.02)	1.46
Distributions	(0.05)	(0.04)	(0.22)
Closing net asset value per share	98.92	102.14	103.20
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(3.10%)	(0.99%)	1.43%
Other information			
Closing net asset value (£'000)	3,824	6,199	10,953
Closing number of shares	3,865,399	6,069,032	10,613,849
Operating charges	0.25%	0.33%	0.35%
Direct transaction costs	-	-	-
Prices			
Highest share price	102.2	103.3	103.3
Lowest share price	97.02	102.0	101.2

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Comparative Tables

Continued

M Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	102.37	103.42	101.75
Return before operating charges*	(2.84)	(0.65)	2.08
Operating charges	(0.30)	(0.40)	(0.41)
Return after operating charges*	(3.14)	(1.05)	1.67
Distributions	(0.05)	(0.02)	(0.20)
Retained distributions on accumulation shares	0.05	0.02	0.20
Closing net asset value per share	99.23	102.37	103.42
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(3.07%)	(1.02%)	1.64%
Other information			
Closing net asset value (£'000)	1	1	1
Closing number of shares	986	986	986
Operating charges	0.30%	0.38%	0.40%
Direct transaction costs	-	-	-
Prices			
Highest share price	102.4	103.6	103.5
Lowest share price	97.20	102.2	101.3

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	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	101.67	102.75	101.31
Return before operating charges*	(2.92)	(0.67)	2.06
Operating charges	(0.30)	(0.39)	(0.41)
Return after operating charges*	(3.22)	(1.06)	1.65
Distributions	-	(0.02)	(0.21)
Closing net asset value per share	98.45	101.67	102.75
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(3.17%)	(1.03%)	1.63%
Other information			
Closing net asset value (£'000)	1	100	1
Closing number of shares	990	98,483	990
Operating charges	0.30%	0.38%	0.40%
Direct transaction costs	-	-	-
Prices			
Highest share price	101.7	102.9	102.8
Lowest share price	96.53	101.5	100.7

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Comparative Tables

Continued

	2022	2021	2020
P Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	118.02	119.20	117.80
Return before operating charges*	(3.37)	(0.79)	2.08
Operating charges	(0.29)	(0.30)	(0.30)
Return after operating charges*	(3.66)	(1.09)	1.78
Distributions	(0.06)	(0.09)	(0.38)
Closing net asset value per share	114.30	118.02	119.20
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(3.10%)	(0.91%)	1.51%
Other information			
Closing net asset value (£'000)	1,727	1,666	1,431
Closing number of shares	1,510,858	1,411,635	1,200,647
Operating charges	0.25%	0.25%	0.25%
Direct transaction costs	-	-	-
Prices			
Highest share price	118.1	119.4	119.3
Lowest share price	112.1	117.8	116.9

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Comparative Tables

Continued

Z Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	154.90	156.02	153.34
Return before operating charges*	(4.43)	(1.04)	2.76
Operating charges	(0.07)	(0.08)	(0.08)
Return after operating charges*	(4.50)	(1.12)	2.68
Distributions	(0.40)	(0.30)	(0.80)
Retained distributions on accumulation shares	0.40	0.30	0.80
Closing net asset value per share	150.40	154.90	156.02
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(2.91%)	(0.72%)	1.75%
Other information			
Closing net asset value (£'000)	44,136	369	372
Closing number of shares	29,345,276	238,388	238,388
Operating charges	0.05%	0.05%	0.05%
Direct transaction costs	-	-	-
Prices			
Highest share price	155.0	156.3	156.1
Lowest share price	147.4	154.6	152.5

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Portfolio Statement

As at 31 July 2022

Holding	Investment	Market value £'000	Percentage of total net assets
Bonds (98.20%)		96,740	98.11
Australian Dollar Denominated Bonds (1.11%)		-	-
Government Bonds (1.11%)		-	-
Euro Denominated Bonds (0.90%)		539	0.55
Government Bonds (0.90%)		539	0.55
greater than 25 years to maturity			
874,638	European Union 0.7% 2051	539	0.55
Sterling Denominated Bonds (96.19%)		96,201	97.56
Corporate Bonds (1.49%)		598	0.60
less than 5 years to maturity			
507,000	BNG Bank 1.625% 2025	497	0.50
104,000	KFW 1.125% 2025	101	0.10
Government Bonds (94.70%)		95,603	96.96
less than 5 years to maturity			
84,000	European Investment Bank 1.125% 2025	82	0.08
100,000	FMS Wertmanagement 1.375% 2025	98	0.10
214,000	Kommunekredit 0.375% 2024	205	0.21
37,000	Nordic Investment Bank 1.125% 2025	36	0.04
430,000	Ontario Teachers' Finance Trust 1.125% 2026	410	0.42
312,000	PRS Finance 1.75% 2026	288	0.29
6,450,300	UK (Govt of) 0.125% 2023	6,404	6.49
7,220,300	UK (Govt of) 0.125% 2024	7,032	7.13
6,522,446	UK (Govt of) 0.125% 2026	6,200	6.29
3,806,200	UK (Govt of) 0.25% 2025	3,664	3.72
13,528,700	UK (Govt of) 0.375% 2026	12,803	12.98
7,958,090	UK (Govt of) 0.625% 2025	7,743	7.85
6,490,700	UK (Govt of) 0.75% 2023	6,427	6.52
6,582,024	UK (Govt of) 1% 2024	6,504	6.60
8,062,000	UK (Govt of) 1.5% 2026	8,020	8.13
1,114,405	UK (Govt of) 1.75% 2022	1,115	1.13
7,144,913	UK (Govt of) 2% 2025	7,219	7.32

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
6,786,000	UK (Govt of) 2.25% 2023	6,820	6.92
6,613,054	UK (Govt of) 2.75% 2024	6,755	6.85
6,896,177	UK (Govt of) 5% 2025	7,474	7.58
between 5 and 10 years to maturity			
321,000	CPPIB Capital 1.25% 2027	304	0.31
Derivatives (-0.16%)		(371)	(0.38)
Forward Currency Contracts (0.04%)		6	0.01
	Buy EUR 139,500 Sell GBP 119,547 08/09/2022	(2)	-
	Buy EUR 140,000 Sell GBP 118,987 08/09/2022	(1)	-
	Buy GBP 649,507 Sell EUR 759,000 08/09/2022	10	0.01
	Buy GBP 38,427 Sell USD 48,350 08/09/2022	(1)	-
Futures (0.02%)		(116)	(0.12)
75	Long US 2 Year Note (CBT) Future 30/09/2022	45	0.04
37	Long US 5 Year Note (CBT) Future 30/09/2022	56	0.06
(4)	Short Euro-Buxl 30 Year Future 08/09/2022	(52)	(0.05)
(35)	Short Long Gilt Future 28/09/2022	(9)	(0.01)
(53)	Short US 10 Year Ultra Future 21/09/2022	(156)	(0.16)
Inflation Swaps (-0.16%)		-	-
Interest Rate Swaps (-0.06%)		(261)	(0.27)
EUR 874,000	Pay fixed 0.0473% receive floating EURIBOR 18/09/2055	244	0.25
EUR 2,261,000	Pay floating EURIBOR receive fixed 0.15% 18/09/2035	(312)	(0.32)
GBP 2,737,000	Pay floating GBP-SONIA receive fixed 0.936% 22/04/2024	(75)	(0.07)
GBP 5,128,000	Pay floating GBP-SONIA receive fixed 1.5933% 01/02/2024	(57)	(0.06)
GBP 5,128,000	Pay floating GBP-SONIA receive fixed 1.6088% 01/02/2024	(56)	(0.06)

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
GBP 2,241,000	Pay floating GBP-SONIA receive fixed 2.3963% 11/05/2024	(6)	(0.01)
GBP 8,039,000	Pay floating GBP-SONIA receive fixed 2.758% 01/02/2024	1	-
Total investment assets and liabilities		96,369	97.73
Net other assets		2,237	2.27
Total Net Assets		98,606	100.00

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities or approved derivatives within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2021.

Financial Statements

Statement of Total Return

For the year ended 31 July 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(2,541)		(677)
Revenue	2	271		207	
Expenses	3	(237)		(321)	
Interest payable and similar charges		(23)		(5)	
Net revenue/(expense) before taxation		11		(119)	
Taxation	4	-		-	
Net revenue/(expense) after taxation			11		(119)
Total return before distributions			(2,530)		(796)
Distributions	5		(51)		(28)
Change in net assets attributable to shareholders from investment activities			(2,581)		(824)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2022

	2022		2021	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		116,379		77,734
Amounts receivable on the issue of shares	58,956		68,127	
Amounts payable on the cancellation of shares	(74,241)		(28,685)	
		(15,285)		39,442
Dilution adjustment		17		2
Change in net assets attributable to shareholders from investment activities (see above)		(2,581)		(824)
Retained distribution on accumulation shares		76		25
Closing net assets attributable to shareholders		98,606		116,379

Financial Statements

Continued

Balance Sheet

As at 31 July 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			97,096		114,831
Current assets:					
Debtors	6	5,004		698	
Cash and bank balances	7	3,916		1,773	
			8,920		2,471
Total assets			106,016		117,302
Liabilities:					
Investment liabilities			(727)		(728)
Creditors	8	(6,680)		(195)	
Distribution payable		(3)		-	
			(6,683)		(195)
Total liabilities			(7,410)		(923)
Net assets attributable to shareholders			98,606		116,379

Notes to the Financial Statements

1 Net Capital Losses

	2022 £'000	2021 £'000
Non-derivative securities	(2,539)	(473)
Derivative contracts	53	(275)
Forward currency contracts	(63)	78
Other gains/(losses)	12	(7)
Transaction charges	(4)	-
Net capital losses	(2,541)	(677)

2 Revenue

	2022 £'000	2021 £'000
Bank and margin interest	1	-
Interest on debt securities	265	206
Stocklending revenue	5	1
Total revenue	271	207

3 Expenses

	2022 £'000	2021 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	202	277
General administration charge*	33	-
Operating, administrative and servicing fees	-	44
	235	321
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fees	2	-
	2	-
Total expenses	237	321

Irrecoverable VAT is included in the above expenses, where relevant.

* The fixed general administration charge was introduced from 1 August 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian. The audit fee for the year, including VAT, was £10,860 (2021: £10,743).

Notes to the Financial Statements

Continued

4 Taxation

	2022 £'000	2021 £'000
(a) Analysis of charge in year		
Total taxation (note 4b)	-	-

(b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2021: greater than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

Net revenue/(expense) before taxation	11	(119)
Corporation tax at 20% (2021: 20%)	2	(24)
Effects of:		
Excess allowable expenses	(2)	24
Total tax charge for year (note 4a)	-	-

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

(c) Factors that may affect future tax charge

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £22,000 (2021: £24,000) 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/(expense) and distributions)

	2022 £'000	2021 £'000
First interim distribution	2	29
Second interim distribution	-	1
Third interim distribution	1	-
Final distribution	77	-
	80	30
Add: Income deducted on cancellation of shares	1	-
Deduct: Income received on issue of shares	(30)	(2)
Total distributions for the year	51	28
Movement between net revenue/(expense) and distributions		
Net revenue/(expense) after taxation	11	(119)
Shortfall transfer from capital to revenue	40	147
Total distributions for the year	51	28

Details of the distribution per share are set out in this fund's distribution tables.

Notes to the Financial Statements

Continued

6 Debtors

	2022 £'000	2021 £'000
Accrued revenue	408	575
Amounts receivable from the ACD for the issue of shares	16	123
Sales awaiting settlement	4,580	-
Total debtors	5,004	698

7 Liquidity

	2022 £'000	2021 £'000
Cash and bank balances		
Cash at bank	3,415	1,044
Cash at broker	361	469
Collateral cash pledged to counterparties [~]	140	260
Net liquidity	3,916	1,773

[~] 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

	2022 £'000	2021 £'000
Accrued expenses payable to ACD	15	24
Amounts payable to the ACD for cancellation of shares	408	166
Other accrued expenses	-	5
Purchases awaiting settlement	6,257	-
Total creditors	6,680	195

9 Related Party Transactions

abrtn Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to abrtn Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to abrtn Fund Managers Limited, in respect of expenses are disclosed in note 3 and any amounts due at the year end in note 8.

Notes to the Financial Statements

Continued

10 Portfolio Transaction Costs

There are no transaction costs associated with the purchases or sales of bonds and derivatives during the year, or in the prior year.

Bonds are dealt on a spread agreed between buyer and seller with reference to the expected cashflows and current credit profiles.

Derivatives are dealt on a spread agreed between buyer and seller with reference to the underlying investment.

Trades in the year	Purchases		Sales	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Bonds	102,129	118,747	116,341	77,931
Trades in the year before transaction costs	102,129	118,747	116,341	77,931
Total net trades in the year after transaction costs	102,129	118,747	116,341	77,931

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 0.07% (2021: 0.05%), this is representative of the average spread on the assets held during the year.

11 Shares in Issue Reconciliation

	Opening shares 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
A Accumulation	7,564,297	1,741,798	(3,844,815)	(91,883)	5,369,397
A Income	546,328	49,106	(138,580)	-	456,854
I Accumulation	93,621,527	11,225,104	(63,664,074)	112,719	41,295,276
I Income	6,069,032	453,950	(2,657,583)	-	3,865,399
M Accumulation	986	-	-	-	986
M Income	98,483	17,058	(114,551)	-	990
P Income	1,411,635	427,557	(328,334)	-	1,510,858
Z Accumulation	238,388	29,467,360	(360,472)	-	29,345,276

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).

	2022	2022	2022	2021	2021	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Bonds	95,093	1,647	-	111,257	3,027	-
Derivatives	101	255	-	164	383	-
Total investment assets	95,194	1,902	-	111,421	3,410	-
Fair value of investment liabilities						
Derivatives	(217)	(510)	-	(135)	(593)	-
Total investment liabilities	(217)	(510)	-	(135)	(593)	-

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.

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/ (liabilities) £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
2022				
Currency				
UK Sterling	3,646	96,201	(1,240)	98,607
Australian Dollar	140	-	-	140
Euro	(77)	539	(455)	7
US Dollar	(53)	-	(95)	(148)
Total	3,656	96,740	(1,790)	98,606
2021				
Currency				
UK Sterling	1,479	111,938	2,925	116,342
Australian Dollar	311	1,294	(1,339)	266
Canadian Dollar	(83)	-	(71)	(154)
Euro	37	1,052	(891)	198
US Dollar	(232)	-	(41)	(273)
Total	1,512	114,284	583	116,379

Other price risk

The fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Adviser in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

VaR

The table below indicates the VaR of the fund's financial instruments, measured as the potential one month loss (Prior year this was based on a 5 day loss) in value from adverse changes in equity prices, interest rates, inflation rates and foreign currency exchange rates, with a 99 percent confidence level. Calculated on this basis, the table indicates that the net value of the fund's financial assets and liabilities could be expected to change by more than the stated amount on only two days out of 200, in response to either price, interest rate, inflation or foreign currency exchange rate changes.

2022	Minimum	Maximum	Average
VaR 99% 1 Month	0.44%	2.18%	0.86%

Notes to the Financial Statements

Continued

2021	Minimum	Maximum	Average
VaR 99% 1 Month	0.27%	0.55%	0.41%

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.

2022	Market value £'000	Percentage of total net assets %
Investment grade securities	96,740	98.11
Below investment grade securities	-	-
Unrated securities	-	-
Total value of securities	96,740	98.11

2021	Market value £'000	Percentage of total net assets %
Investment grade securities	114,284	98.20
Below investment grade securities	-	-
Unrated securities	-	-
Total value of securities	114,284	98.20

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:

	2022		2021	
	Market exposure £'000	Market value £'000	Market exposure £'000	Market value £'000
Leveraged instruments				
Forward currency contracts	914	6	2,371	51
Futures	26,883	(116)	26,497	29
Swaps	25,909	(261)	60,949	(261)
Total market exposure	53,706	(371)	89,817	(181)

The total market exposure is the sum of the notional derivative contracts on a gross basis with no offsetting.

The fund uses the commitment method to calculate global exposure. Leverage is not significant in this context.

Notes to the Financial Statements

Continued

Counterparty risk

Where the fund enters market transactions this creates concentration risk where a clearing broker operates on an exchange. Where the clearing broker is not solvent the market exposure can be transferred. Exposure is reduced by the daily exchange of margin by both parties held in the name of the depositary. At the year end the fund had the following clearing broker exposure.

2022	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
Broker or exchange exposure					
Bank of America Merrill Lynch	(116)	361	-	245	0.25
	(116)	361	-	245	0.25

2021	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
Broker or exchange exposure					
Bank of America Merrill Lynch	29	469	-	498	0.43
	29	469	-	498	0.43

Bilateral agreements

Where the fund enters bilateral agreements this introduces counterparty risk. Where a counterparty defaults on their obligation, exposure is reduced by the collateral held/pledged by both parties.

Certain derivatives are conducted on a master ISDA (International Swaps and Derivatives Association) agreement. Positions are collateralised daily in line with the agreement including a right of termination at fair value and a right of recall/substitution on any stock collateral within 24 hours.

All stock lending is conducted by the stocklending agent on behalf of the fund using a standard agreement with available counterparties. It is collateralised daily with a right of recall within 24 hours.

At the balance sheet date the fund had the following positions.

2022	Collateral (held)/pledged					Net exposure £'000
	Swaps £'000	Forwards £'000	Cash £'000	Stock £'000		
Counterparties						
Bank of America Merrill Lynch	-	(1)	-	-	(1)	
Barclays	(68)	(2)	80	-	10	
BNP Paribas	(75)	-	-	-	(75)	
Citigroup	(57)	-	60	-	3	
Goldman Sachs	(5)	-	-	-	(5)	
JP Morgan	(56)	-	-	-	(56)	
Natwest Markets	-	10	-	-	10	
UBS	-	(1)	-	-	(1)	
Total	(261)	6	140	-	(115)	

Collateral positions for Swaps are aggregated, not at individual trade level.

The Prospectus outlines allowable collateral. There have been no changes in the year.

The fund receives 85% of the revenue returns from stock lending. The gross earnings for the year are £6,000 (2021: £1,000) and expenses paid to the lending agent, Securities Finance Trust Company, are £1,000 (2021: £Nil).

Notes to the Financial Statements

Continued

2021 Counterparties	Swaps £'000	Forwards £'000	Collateral (held)/pledged		Net exposure £'000
			Cash £'000	Stock £'000	
Barclays	(151)	-	140	-	(11)
Citigroup	(27)	-	-	-	(27)
Morgan Stanley	-	(1)	-	-	(1)
Royal Bank of Canada	(83)	7	120	-	44
Standard Chartered	-	34	-	-	34
UBS	-	11	-	-	11
Total	(261)	51	260	-	50

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.

2022	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
Derivatives					
Investment liabilities	-	221	194	312	727
Non-derivatives					
Other creditors	-	6,680	-	-	6,680
Distribution payable	-	3	-	-	3
Total financial liabilities	-	6,904	194	312	7,410

2021	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
Derivatives					
Investment liabilities	-	136	271	321	728
Non-derivatives					
Other creditors	-	195	-	-	195
Total financial liabilities	-	331	271	321	923

Distribution Tables

For the year ended 31 July 2022 (in pence per share)

First interim interest distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 October 2021

	Revenue	Equalisation	Distribution paid 31/01/22	Distribution paid 29/01/21
A Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
A Income				
Group 1	-	-	-	-
Group 2	-	-	-	-
I Accumulation				
Group 1	0.0015	-	0.0015	0.0375
Group 2	-	0.0015	0.0015	0.0375
I Income				
Group 1	0.0014	-	0.0014	0.0368
Group 2	-	0.0014	0.0014	0.0368
M Accumulation				
Group 1	-	-	-	0.0233
Group 2	-	-	-	0.0233
M Income				
Group 1	-	-	-	0.0202
Group 2	-	-	-	0.0202
P Income				
Group 1	0.0018	-	0.0018	0.0724
Group 2	-	0.0018	0.0018	0.0724
Z Accumulation				
Group 1	0.0803	-	0.0803	0.1734
Group 2	0.0803	-	0.0803	0.1734

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Second interim interest distribution

Group 1 – shares purchased prior to 1 November 2021

Group 2 – shares purchased between 1 November 2021 and 31 January 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
A Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
A Income				
Group 1	-	-	-	-
Group 2	-	-	-	-
I Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
I Income				
Group 1	-	-	-	-
Group 2	-	-	-	-
M Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
M Income				
Group 1	-	-	-	0.0027
Group 2	-	-	-	0.0027
P Income				
Group 1	-	-	-	0.0216
Group 2	-	-	-	0.0216
Z Accumulation				
Group 1	0.0484	-	0.0484	0.1069
Group 2	0.0484	-	0.0484	0.1069

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Third interim interest distribution

Group 1 – shares purchased prior to 1 February 2022

Group 2 – shares purchased between 1 February 2022 and 30 April 2022

	Revenue	Equalisation	Distribution paid 29/07/22	Distribution paid 30/07/21
A Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
A Income				
Group 1	-	-	-	-
Group 2	-	-	-	-
I Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
I Income				
Group 1	-	-	-	-
Group 2	-	-	-	-
M Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
M Income				
Group 1	-	-	-	-
Group 2	-	-	-	-
P Income				
Group 1	-	-	-	-
Group 2	-	-	-	-
Z Accumulation				
Group 1	0.0769	-	0.0769	-
Group 2	0.0243	0.0526	0.0769	-

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Final interest distribution

Group 1 – shares purchased prior to 1 May 2022

Group 2 – shares purchased between 1 May 2022 and 31 July 2022

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
A Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
A Income				
Group 1	-	-	-	-
Group 2	-	-	-	-
I Accumulation				
Group 1	0.0421	-	0.0421	-
Group 2	0.0388	0.0033	0.0421	-
I Income				
Group 1	0.0514	-	0.0514	-
Group 2	0.0315	0.0199	0.0514	-
M Accumulation				
Group 1	0.0497	-	0.0497	-
Group 2	0.0497	-	0.0497	-
M Income				
Group 1	-	-	-	-
Group 2	-	-	-	-
P Income				
Group 1	0.0614	-	0.0614	-
Group 2	0.0544	0.0070	0.0614	-
Z Accumulation				
Group 1	0.1917	-	0.1917	0.0204
Group 2	0.0921	0.0996	0.1917	0.0204

Equalisation

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the holders of these shares as a return of capital.

Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

abrdr Strategic Bond Fund

For the year ended 31 July 2022

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 abrdr) 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 2022, the value of abrdr Strategic Bond Fund – A Accumulation Shares decreased by 11.94% compared to a decrease of 9.02% in the performance target, the IA £ Strategic Bond Sector Average return over 1 year (after charges).

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

Market Review

Corporate bonds have endured an extremely tough year, as a combination of escalating inflation and rising interest rates have proven highly challenging for bond investors. As economies reopened after the pandemic, Covid-19-affected global supply chains came under stress amid rebounding demand, while labour shortages in many economies compounded price pressures. The war in Ukraine further aggravated inflation, with dramatic consequences for energy and food prices. Investors became increasingly concerned that interest rates in western economies would need to rise faster and further than previously anticipated to combat this growing inflation problem. Riskier high-yield (HY) bonds were especially weak amid growing expectations of a global economic slowdown that would impact highly indebted, weaker and less creditworthy companies the most. The European HY market experienced one of its worst months on record in June.

It was a more positive story earlier in the review period. Fears over the impact of Covid-19 on the credit market, particularly HY bonds, had subsided by the early summer of 2021. Economies had emerged from the first lockdown and the major central banks were purchasing corporate bonds through their stimulus programmes. As government

abrdn Strategic Bond Fund

Continued

bond yields stabilised, corporate bonds performed relatively well through to August, even after the US Federal Reserve (Fed) said it would begin offloading corporate bonds bought through its pandemic support plan. However, corporate bonds fell in September, as minutes from the central bank's rate-setting committee suggested an increasingly hawkish approach from policymakers. Bonds recovered in the final quarter of 2021, despite continuing bond market volatility, but have fallen heavily in 2022 to date.

Portfolio Activity and Review

The fund generated a negative return despite relatively defensive positioning. At the start of the period, lower-rated investment-grade areas of the sterling market modestly outperformed the wider market, boosting performance. However, fund performance was adversely affected by a widening in credit spreads and a low duration position as the Covid-19 Omicron variant shocked markets. Nonetheless, a very short duration position has recently benefitted the fund. Markets have suffered from the impacts of the war in Ukraine and the tightening of global monetary policy in response to extremely high inflation data. The fund had no exposure to the conflict region and limited exposure to emerging markets and the worst affected parts of the HY market. As a result, the fund avoided the market's worst outcomes.

The fund is focused on investment-grade credit, where most value is apparent and fundamentals are strong. However, even across this market there has been material re-pricing, especially in sectors such as real estate and banking, in which the fund has reasonable allocations. Credit quality remains strong in both sectors, and we are not seeing any evidence of stress in the fund's holdings. The real estate sector has struggled in recent months. Yields available from investment-grade credit are now materially higher than they have been for some time, but volatility in financial markets is sufficiently elevated to keep investors cautiously positioned.

As policymakers in the central banks of the US, UK and Europe moved to a more hawkish stance during the first half on 2022, bond yields rose and curves flattened. We added to our low duration position as yields reached more attractive levels but the fund's duration was increased as yields rose. This reflects a view that monetary policy tightening, supply chain issues and resulting inflationary pressures are having a material impact on the wider economy. Earlier in 2022, we added deals from NatWest Group, Prologis and GSK Healthcare at attractive levels. More recently, primary issuance has slowed accordingly.

Portfolio Outlook and Strategy

July has been a positive month for global credit, with government bond yields falling and credit spreads retracing some of June's widening. Credit spreads had priced in a recession in June and a complete cut-off of Russian gas. The worst case has not occurred; gas flows have returned after the Nord Stream 1's planned maintenance, albeit at a lower level. We think Russia will continue to use this threat, keeping flows lower to maintain leverage. Dependent countries, like Germany, could eventually see gas rationing if storage levels do not guarantee coverage for the upcoming winter. In the US, strong employment data, with the recently reported robust job numbers, coupled with continued inflationary pressures gives the Fed a green light to continue its tightening path. This has raised concerns that the Fed might over-tighten. We have also started to see some tightening in commercial lending standards (e.g. Commercial & Industrial and Commercial Real Estate), and these tightening trends could become more entrenched in the second half of 2022 as banks proactively plan ahead.

An economic slowdown appears certain. Credit markets have priced in a challenging period, but not a hard landing. Balance sheets remain relatively robust, and this provides some comfort to credit investors. That said, the risks remain elevated and we expect continued volatility. Hedging strategies have been implemented and the focus on investment-grade credit relative to riskier markets should dampen any impact of a negative market environment. Despite the back-up in spreads, we have taken a cautious approach to both emerging markets and HY. In investment-grade, although corporate balance sheets remain relatively robust, there is little doubt that all risk assets remain on the back foot. While spreads offer decent value for the medium term, volatility is likely to persist.

Sterling IG And Aggregate Team

August 2022

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 2022.

The fund is rated as 3 because of the extent to which the following risk factors apply:

- The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- The fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.
- The fund invests in emerging market equities and/or bonds. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- The fund invests in high yielding bonds which carry a greater risk of default than those with lower yields.
- The fund invests in mortgage and asset-backed securities (which may include collateralised loan, debt or mortgage obligations (respectively CLOs, CDOs or CMOs)). These are subject to prepayment and extension risk and additional liquidity and default risk compared to other credit securities.
- Convertible securities are investments that can be changed into another form upon certain triggers. As such, they can exhibit credit, equity and fixed interest risk. Contingent convertible securities (CoCos) are similar to convertible securities but have additional triggers which mean that they are more vulnerable to losses and volatile price movements and hence become less liquid.

- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

Comparative Tables

A Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	173.99	160.69	155.20
Return before operating charges*	(18.92)	15.12	7.15
Operating charges	(1.73)	(1.82)	(1.66)
Return after operating charges*	(20.65)	13.30	5.49
Distributions	(4.33)	(3.79)	(4.05)
Retained distributions on accumulation shares	4.33	3.79	4.05
Closing net asset value per share	153.34	173.99	160.69
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(11.87%)	8.28%	3.54%
Other information			
Closing net asset value (£'000)	1,591	1,507	683
Closing number of shares	1,037,298	866,345	424,843
Operating charges	1.05%	1.07%	1.06%
Direct transaction costs	-	-	-
Prices			
Highest share price	175.6	174.6	163.8
Lowest share price	149.7	161.3	142.6

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Comparative Tables

Continued

	2022	2021	2020
A Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	125.79	118.80	117.72
Return before operating charges*	(13.51)	11.11	5.37
Operating charges	(1.24)	(1.34)	(1.25)
Return after operating charges*	(14.75)	9.77	4.12
Distributions	(3.10)	(2.78)	(3.04)
Closing net asset value per share	107.94	125.79	118.80
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(11.73%)	8.22%	3.50%
Other information			
Closing net asset value (£'000)	25	26	8
Closing number of shares	23,533	20,377	7,005
Operating charges	1.05%	1.07%	1.06%
Direct transaction costs	-	-	-
Prices			
Highest share price	127.0	126.9	122.6
Lowest share price	106.1	119.2	106.8

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	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	183.11	168.36	161.88
Return before operating charges*	(19.96)	15.87	7.48
Operating charges	(1.04)	(1.12)	(1.00)
Return after operating charges*	(21.00)	14.75	6.48
Distributions	(5.36)	(4.77)	(4.97)
Retained distributions on accumulation shares	5.36	4.77	4.97
Closing net asset value per share	162.11	183.11	168.36
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(11.47%)	8.76%	4.00%
Other information			
Closing net asset value (£'000)	17,750	19,899	4,290
Closing number of shares	10,949,520	10,867,133	2,547,813
Operating charges	0.60%	0.62%	0.61%
Direct transaction costs	-	-	-
Prices			
Highest share price	184.9	183.7	171.3
Lowest share price	158.2	169.0	149.2

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

	2022	2021	2020
I Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	125.45	118.48	117.39
Return before operating charges*	(13.48)	11.07	5.37
Operating charges	(0.71)	(0.77)	(0.72)
Return after operating charges*	(14.19)	10.30	4.65
Distributions	(3.63)	(3.33)	(3.56)
Closing net asset value per share	107.63	125.45	118.48
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(11.31%)	8.69%	3.96%
Other information			
Closing net asset value (£'000)	2,924	3,696	2,837
Closing number of shares	2,717,091	2,945,787	2,394,509
Operating charges	0.60%	0.62%	0.61%
Direct transaction costs	-	-	-
Prices			
Highest share price	126.7	126.7	122.3
Lowest share price	105.9	118.9	106.5

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 Gross Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	143.72	132.14	127.05
Return before operating charges*	(15.67)	12.45	5.88
Operating charges	(0.82)	(0.87)	(0.79)
Return after operating charges*	(16.49)	11.58	5.09
Distributions	(4.21)	(3.75)	(3.90)
Retained distributions on accumulation shares	4.21	3.75	3.90
Closing net asset value per share	127.23	143.72	132.14
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(11.47%)	8.76%	4.01%
Other information			
Closing net asset value (£'000)	15,226	17,911	727
Closing number of shares	11,967,090	12,462,542	550,544
Operating charges	0.60%	0.62%	0.61%
Direct transaction costs	-	-	-
Prices			
Highest share price	145.1	144.2	134.5
Lowest share price	124.1	132.6	117.1

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

	2022	2021	2020
I Gross Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	109.19	103.12	102.18
Return before operating charges*	(11.73)	9.64	4.67
Operating charges	(0.62)	(0.67)	(0.63)
Return after operating charges*	(12.35)	8.97	4.04
Distributions	(3.16)	(2.90)	(3.10)
Closing net asset value per share	93.68	109.19	103.12
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(11.31%)	8.70%	3.95%
Other information			
Closing net asset value (£'000)	12,270	15,178	14,378
Closing number of shares	13,097,431	13,900,362	13,942,541
Operating charges	0.60%	0.62%	0.61%
Direct transaction costs	-	-	-
Prices			
Highest share price	110.3	110.3	106.5
Lowest share price	92.17	103.5	92.73

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Comparative Tables

Continued

K Accumulation ^A	2022 pence per share	2021 pence per share
Change in net assets per share		
Opening net asset value per share	101.85	100.00 ^B
Return before operating charges*	(11.12)	2.06
Operating charges	(0.38)	(0.21)
Return after operating charges*	(11.50)	1.85
Distributions	(3.19)	(1.41)
Retained distributions on accumulation shares	3.19	1.41
Closing net asset value per share	90.35	101.85
* after direct transaction costs of:	-	-
Performance		
Return after charges	(11.29%)	1.85%
Other information		
Closing net asset value (£'000)	64,504	14,369
Closing number of shares	71,397,108	14,108,415
Operating charges	0.40%	0.42%
Direct transaction costs	-	-
Prices		
Highest share price	102.9	102.2
Lowest share price	88.13	99.04

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

^A K Accumulation share class was launched on 4 February 2021.

^B The opening net asset value stated is the share class launch price.

Comparative Tables

Continued

K Income ^A	2022 pence per share	2021 pence per share
Change in net assets per share		
Opening net asset value per share	100.41	100.00 ^B
Return before operating charges*	(10.78)	2.04
Operating charges	(0.37)	(0.21)
Return after operating charges*	(11.15)	1.83
Distributions	(3.11)	(1.42)
Closing net asset value per share	86.15	100.41
* after direct transaction costs of:	-	-
Performance		
Return after charges	(11.10%)	1.83%
Other information		
Closing net asset value (£'000)	2,204	1
Closing number of shares	2,559,002	1,000
Operating charges	0.40%	0.42%
Direct transaction costs	-	-
Prices		
Highest share price	101.4	101.4
Lowest share price	84.79	99.03

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

^A K Income share class was launched on 4 February 2021.

^B The opening net asset value stated is the share class launch price.

Comparative Tables

Continued

M Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	121.03	111.27	106.83
Return before operating charges*	(13.17)	10.55	5.16
Operating charges	(0.75)	(0.79)	(0.72)
Return after operating charges*	(13.92)	9.76	4.44
Distributions	(3.52)	(3.18)	(3.09)
Retained distributions on accumulation shares	3.52	3.18	3.09
Closing net asset value per share	107.11	121.03	111.27
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(11.50%)	8.77%	4.16%
Other information			
Closing net asset value (£'000)	1	1	1
Closing number of shares	929	929	929
Operating charges	0.65%	0.67%	0.66%
Direct transaction costs	-	-	-
Prices			
Highest share price	122.2	121.4	113.2
Lowest share price	104.5	111.7	98.56

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Comparative Tables

Continued

M Income	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	111.32	105.14	103.79
Return before operating charges*	(11.93)	10.05	5.02
Operating charges	(0.69)	(0.74)	(0.69)
Return after operating charges*	(12.62)	9.31	4.33
Distributions	(3.21)	(3.13)	(2.98)
Closing net asset value per share	95.49	111.32	105.14
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(11.34%)	8.85%	4.17%
Other information			
Closing net asset value (£'000)	1	1	1
Closing number of shares	953	953	953
Operating charges	0.65%	0.67%	0.66%
Direct transaction costs	-	-	-
Prices			
Highest share price	112.4	112.5	108.6
Lowest share price	93.95	105.5	94.57

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.

Comparative Tables

Continued

Z Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	193.62	177.13	169.47
Return before operating charges*	(21.17)	16.71	7.85
Operating charges	(0.18)	(0.22)	(0.19)
Return after operating charges*	(21.35)	16.49	7.66
Distributions	(6.61)	(5.97)	(6.07)
Retained distributions on accumulation shares	6.61	5.97	6.07
Closing net asset value per share	172.27	193.62	177.13
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(11.03%)	9.31%	4.52%
Other information			
Closing net asset value (£'000)	21,927	30,823	63,214
Closing number of shares	12,727,996	15,918,917	35,687,020
Operating charges	0.10%	0.12%	0.11%
Direct transaction costs	-	-	-
Prices			
Highest share price	195.6	194.3	179.9
Lowest share price	168.0	177.8	156.7

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 2022

Investment	Market value £'000	Percentage of total net assets
Bonds (90.32%)	127,698	92.25
Euro Denominated Bonds (19.63%)	14,775	10.67
Corporate Bonds (19.63%)	14,775	10.67
less than 5 years to maturity		
567,000 Carnival 10.125% 2026	498	0.36
1,700,000 Cromwell EREIT 2.125% 2025	1,213	0.88
750,000 Matterhorn Telecom 3.125% 2026	576	0.41
218,000 Motion Finco 7% 2025	177	0.13
1,374,000 Teva Pharmaceutical Finance Netherlands II 3.75% 2027	1,070	0.77
1,768,000 Verisure 3.25% 2027	1,303	0.94
between 5 and 10 years to maturity		
500,000 CaixaBank 2.25% fixed to floating 2030	399	0.29
700,000 General Motors Financial 0.65% 2028	491	0.35
735,000 Goodyear Europe 2.75% 2028	514	0.37
1,900,000 Novo Banco FRN 2028	1,391	1.01
1,400,000 RCI Banque 2.625% fixed to floating 2030	1,038	0.75
800,000 Syngenta Finance 1.25% 2027	591	0.43
greater than 25 years to maturity		
470,000 Channel Link Enterprises Finance 2.706% fixed to floating 2050	386	0.28
Perpetual		
600,000 Abanca Corp Bancaria 6% fixed to floating Perpetual	454	0.33
900,000 BNP Paribas FRN Perpetual	590	0.43
600,000 CaixaBank 5.25% fixed to floating Perpetual	448	0.32
400,000 Deutsche Bank 4.625% fixed to floating Perpetual	273	0.20
1,276,207 Stichting 6.5% Perpetual	1,147	0.83
1,200,000 Telefonica Europe 2.376% fixed to floating Perpetual	795	0.57
400,000 Unicaja Banco 4.875% fixed to floating Perpetual	268	0.19
1,000,000 Van Lanschot Kempen 6.75% fixed to floating Perpetual	831	0.60
400,000 Volkswagen International Finance 3.5% fixed to floating Perpetual	322	0.23

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Sterling Denominated Bonds (52.19%)		94,506	68.27
Corporate Bonds (51.61%)		70,558	50.97
less than 5 years to maturity			
1,850,000	America Movil 5% 2026	1,974	1.43
1,000,000	Anglian Water Osprey Financing 4% 2026	999	0.72
427,000	Arqiva Broadcast Finance 6.75% 2023	415	0.30
600,000	CaixaBank 1.5% fixed to floating 2026	547	0.40
809,000	Co-Operative Bank Finance 6% fixed to floating 2027	759	0.55
1,123,000	Ford Motor Credit 2.748% 2024	1,054	0.76
750,000	Garfunkelux Holdco 3 7.75% 2025	649	0.47
800,000	General Motors Financial 2.35% 2025	754	0.54
900,000	Go-Ahead 2.5% 2024	871	0.63
800,000	Hammerson REIT 3.5% 2025	698	0.50
800,000	Hammerson REIT 6% 2026	748	0.54
389,000	Jerrold Finco 5.25% 2027	342	0.25
950,000	Metrocentre Finance REIT 8.75% 2023	501	0.36
887,000	Phoenix 6.625% 2025	925	0.67
1,000,000	Stagecoach 4% 2025	981	0.71
600,000	TalkTalk Telecom 3.875% 2025	529	0.38
520,000	Thames Water Kemble Finance 4.625% 2026	457	0.33
800,000	Thames Water Utilities Finance 2.375% 2023	788	0.57
826,000	Toyota Finance Australia 3.92% 2027	849	0.61
726,000	Virgin Media Secured Finance 5% 2027	685	0.50
700,000	Virgin Money UK 4% fixed to floating 2026	684	0.49
between 5 and 10 years to maturity			
600,000	APA Infrastructure 3.125% 2031	545	0.39
786,000	AT&T 4.375% 2029	821	0.59
452,000	Australia & New Zealand Banking 1.809% fixed to floating 2031	402	0.29
1,200,000	Banco Bilbao Vizcaya Argentaria 3.104% fixed to floating 2031	1,090	0.79
514,000	Blackstone Property Partners Europe 4.875% 2032	495	0.36
900,000	BNP Paribas 2% fixed to floating 2031	813	0.59
515,000	Co-Operative Bank Finance 9.5% fixed to floating 2029	484	0.35
900,000	Digital Stout REIT 3.3% 2029	838	0.61
900,000	E.ON International Finance 6.25% 2030	1,059	0.76
887,000	E.ON International Finance 6.375% 2032	1,071	0.77

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,239,000	Enel Finance International 2.875% 2029	1,157	0.84
700,000	Fuller Smith & Turner 6.875% 2028	795	0.57
1,500,000	Heathrow Funding 2.625% 2028	1,355	0.98
902,000	Heathrow Funding 6.45% 2031	1,067	0.77
550,000	HSBC 6.75% 2028	608	0.44
578,000	MPT Operating Partnership REIT 3.375% 2030	469	0.34
484,000	National Australia Bank 1.699% fixed to floating 2031	429	0.31
600,000	NatWest 2.105% fixed to floating 2031	533	0.39
522,000	NatWest 3.619% fixed to floating 2029	506	0.37
192,000	NewRiver REIT 3.5% 2028	166	0.12
2,000,000	Next 3.625% 2028	1,859	1.34
1,314,000	Pension Insurance 4.625% 2031	1,206	0.87
476,000	PepsiCo 3.2% 2029	485	0.35
1,000,000	Pinewood Finance 3.625% 2027	844	0.61
520,000	Premiertel 6.175% 2032	447	0.32
573,000	Prologis International Funding II 2.75% 2032	527	0.38
500,000	RL Finance Bonds No 3 6.125% 2028	525	0.38
1,034,000	Santander UK 2.421% fixed to floating 2029	946	0.68
334,000	Smith (DS) 2.875% 2029	307	0.22
600,000	Trafford Centre Finance 7.03% 2029	238	0.17
1,538,000	Virgin Money UK 5.125% fixed to floating 2030	1,510	1.09
850,000	Vmed O2 UK Financing I 4% 2029	741	0.54
400,000	Volkswagen Financial Services 1.375% 2028	340	0.25
1,000,000	Workspace REIT 2.25% 2028	835	0.60
between 10 and 15 years to maturity			
760,000	Annington Funding 3.685% 2034	701	0.51
1,000,000	Banco Santander 2.25% fixed to floating 2032	865	0.62
478,000	BG Energy Capital 5% 2036	523	0.38
500,000	BPCE 2.5% fixed to floating 2032	445	0.32
600,000	Broadgate Financing 5.098% 2033	570	0.41
800,000	Gatwick Funding 4.625% 2034	810	0.58
2,258,000	Lloyds Banking 2.707% fixed to floating 2035	1,907	1.38
750,000	Manchester Airport 4.75% 2034	794	0.57
1,264,000	Nordea Bank 1.625% fixed to floating 2032	1,091	0.79
348,000	Pension Insurance 3.625% 2032	288	0.21

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
between 15 and 25 years to maturity			
1,212,000	Eversholt Funding 2.742% 2040	1,023	0.74
1,851,000	Eversholt Funding 3.529% 2042	1,658	1.20
2,114,000	Tesco Property Finance 3 5.744% 2040	2,100	1.52
greater than 25 years to maturity			
700,000	Aviva 4% fixed to floating 2055	601	0.43
1,500,000	Aviva 4.375% fixed to floating 2049	1,457	1.05
500,000	AXA 5.625% fixed to floating 2054	509	0.37
170,000	Channel Link Enterprises Finance 3.043% fixed to floating 2050	159	0.12
1,119,000	Ørsted 2.5% fixed to floating 3021	821	0.59
182,000	Vattenfall 2.5% fixed to floating 2083 (German listing)	147	0.11
331,000	Vattenfall 2.5% fixed to floating 2083 (Swedish listing)	267	0.19
Perpetual			
1,000,000	Aviva FRN Perpetual	998	0.72
1,000,000	AXA 6.6862% fixed to floating Perpetual	1,042	0.75
675,000	Barclays 5.875% fixed to floating Perpetual	638	0.46
791,000	Barclays 6.375% fixed to floating Perpetual	747	0.54
952,000	Barclays 8.875% fixed to floating Perpetual	997	0.72
460,000	Barclays Bank 9% Perpetual	513	0.37
1,131,000	BP Capital Markets 4.25% fixed to floating Perpetual	1,043	0.75
500,000	Credit Agricole 7.5% fixed to floating Perpetual	504	0.36
1,500,000	Deutsche Bank 7.125% fixed to floating Perpetual	1,368	0.99
2,400,000	EDF 5.875% fixed to floating Perpetual	2,112	1.53
200,000	Lloyds Bank 11.75% Perpetual	370	0.27
489,000	National Express 4.25% fixed to floating Perpetual	437	0.32
487,000	NatWest 4.5% fixed to floating Perpetual	399	0.29
1,050,000	NatWest 5.125% fixed to floating Perpetual	932	0.67
Government Bonds (0.58%)		23,948	17.30
between 5 and 10 years to maturity			
13,891,500	UK (Govt of) 0.25% 2031	12,066	8.72
12,906,200	UK (Govt of) 1% 2032	11,882	8.58

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
US Dollar Denominated Bonds (18.50%)		18,417	13.31
Corporate Bonds (18.50%)		17,213	12.44
less than 5 years to maturity			
686,000	Amazon.com 3.3% 2027	567	0.41
800,000	CCO 5.125% 2027	642	0.46
713,000	Six Flags Entertainment 5.5% 2027	559	0.40
between 5 and 10 years to maturity			
750,000	Boeing 2.95% 2030	540	0.39
2,600,000	Coinbase Global 3.625% 2031	1,273	0.92
768,000	Ford Motor Credit 2.9% 2028	552	0.40
1,546,000	Howmet Aerospace 3% 2029	1,137	0.82
734,000	Macy's Retail 5.875% 2029	527	0.38
573,000	Marriott Ownership Resorts 4.75% 2028	427	0.31
1,400,000	Petroleos Mexicanos 5.95% 2031	891	0.64
between 10 and 15 years to maturity			
536,000	Omega Healthcare Investors REIT 3.25% 2033	345	0.25
between 15 and 25 years to maturity			
510,000	Broadcom 3.5% 2041	334	0.24
greater than 25 years to maturity			
1,350,000	Koninklijke KPN FRN 2073	1,100	0.80
650,000	Rogers Communications 5.25% fixed to floating 2082	490	0.36
1,500,000	Vodafone 3.25% fixed to floating 2081	1,096	0.79
Perpetual			
880,000	Australia & New Zealand Banking FRN Perpetual	499	0.36
2,160,000	AXA 6.379% fixed to floating Perpetual	2,016	1.46
1,500,000	Credit Suisse 6.25% fixed to floating Perpetual	1,190	0.86
350,000	HSBC FRN Perpetual	221	0.16
1,400,000	ING 3.875% fixed to floating Perpetual	885	0.64
597,000	Societe Generale 4.75% fixed to floating Perpetual	429	0.31
1,000,000	Standard Chartered 7.014% fixed to floating Perpetual	865	0.63
1,100,000	Westpac Banking FRN Perpetual	628	0.45

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Government Bonds (0.00%)		1,204	0.87
greater than 25 years to maturity			
1,900,000	US Treasury 1.875% 2051	1,204	0.87
Collective Investment Schemes (4.52%)		3,589	2.59
136,304	ASI Asian Credit Sustainable Bond Fund SICAV Z Acc USD+	1,291	0.93
148,584	ASI Emerging Markets Total Return Bond Fund SICAV Z Acc USD+	2,298	1.66
Derivatives (-0.55%)		(4,726)	(3.41)
Credit Default Swaps (0.09%)		12	0.01
EUR 1,500,000	Buy iTraxx Europe Series 37 20/06/2027 5%	(2)	-
EUR 3,000,000	Buy iTraxx Europe Series 37 20/06/2027 5%	(5)	-
EUR 20,000,000	Sell iTraxx Europe Series 37 20/06/2027 5%	19	0.01
Forward Currency Contracts (-0.02%)		(645)	(0.46)
	Buy CAD 519,000 Sell GBP 325,491 08/09/2022	6	0.01
	Buy EUR 113,000 Sell GBP 98,379 08/09/2022	(3)	-
	Buy EUR 128,000 Sell GBP 109,625 08/09/2022	(2)	-
	Buy EUR 133,000 Sell GBP 114,438 08/09/2022	(2)	-
	Buy EUR 162,000 Sell GBP 137,500 08/09/2022	(1)	-
	Buy EUR 223,000 Sell GBP 191,726 08/09/2022	(4)	-
	Buy EUR 545,000 Sell GBP 466,606 08/09/2022	(8)	(0.01)
	Buy GBP 716,659 Sell AUD 1,273,000 08/09/2022	(14)	(0.01)
	Buy GBP 1,362,961 Sell AUD 2,391,000 08/09/2022	(9)	(0.01)
	Buy GBP 18,133,027 Sell EUR 21,214,000 08/09/2022	264	0.19
	Buy GBP 209,801 Sell NZD 407,000 08/09/2022	-	-
	Buy GBP 27,225,577 Sell USD 34,299,000 08/09/2022	(905)	(0.65)
	Buy USD 69,000 Sell GBP 57,020 08/09/2022	-	-
	Buy USD 1,242,000 Sell GBP 986,185 08/09/2022	33	0.02

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Futures (-0.42%)		(1,605)	(1.16)
96	Long Australia 10 Year Bond Future 15/09/2022	374	0.27
76	Long US 2 Year Note (CBT) Future 30/09/2022	128	0.09
(105)	Short Euro-Bobl Future 08/09/2022	(239)	(0.17)
(7)	Short Euro Bond Future 08/09/2022	(37)	(0.03)
(27)	Short Euro-Oat Future 08/09/2022	(281)	(0.20)
(242)	Short Long Gilt Future 28/09/2022	(1,037)	(0.75)
(99)	Short US 10 Year Ultra Future 21/09/2022	(513)	(0.37)
Inflation Swaps (-0.24%)		(705)	(0.51)
USD 6,750,000	Pay floating USCPI receive fixed 2.333% 23/02/2031	(705)	(0.51)
Interest Rate Swaps (0.04%)		(1,783)	(1.29)
GBP 1,400,000	Pay fixed 0.366% receive floating GBP-SONIA 26/09/2069	313	0.23
AUD 19,800,000	Pay floating AUD-BBR-BBSW receive fixed 2.705% 03/03/2032	(478)	(0.35)
CAD 32,300,000	Pay floating CAD-BA-CDOR receive fixed 1.295% 03/03/2023	(281)	(0.20)
GBP 4,240,000	Pay floating GBP-SONIA receive fixed 0.42% 12/08/2026	(306)	(0.22)
GBP 17,710,000	Pay floating GBP-SONIA receive fixed 1.049% 07/12/2025	(517)	(0.37)
GBP 16,600,000	Pay floating GBP-SONIA receive fixed 2.543% 06/06/2024	33	0.02
NZD 12,800,000	Pay floating NZD-BKBM receive 2.02% 09/09/2027	(465)	(0.34)
NZD 4,810,000	Pay floating NZD-BKBM receive 2.845% 02/11/2027	(82)	(0.06)
Total investment assets and liabilities		126,561	91.43
Net other assets		11,862	8.57
Total Net Assets		138,423	100.00

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities, regulated collective investment schemes or approved derivatives within the meaning of the FCA rules.

The percentage figures in brackets show the comparative holding as at 31 July 2021.

+ Managed by subsidiaries of abrdn plc.

Financial Statements

Statement of Total Return

For the year ended 31 July 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital (losses)/gains	1		(16,472)		4,739
Revenue	2	4,216		3,081	
Expenses	3	(484)		(353)	
Interest payable and similar charges	4	(62)		(14)	
Net revenue before taxation		3,670		2,714	
Taxation	5	(4)		(1)	
Net revenue after taxation			3,666		2,713
Total return before distributions			(12,806)		7,452
Distributions	6		(3,666)		(2,713)
Change in net assets attributable to shareholders from investment activities			(16,472)		4,739

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2022

	2022		2021	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		103,412		86,139
Amounts receivable on the issue of shares	74,506		62,367	
Amounts payable on the cancellation of shares	(26,494)		(52,186)	
		48,012		10,181
Dilution adjustment		148		127
Change in net assets attributable to shareholders from investment activities (see above)		(16,472)		4,739
Retained distribution on accumulation shares		3,323		2,226
Closing net assets attributable to shareholders		138,423		103,412

Financial Statements

Continued

Balance Sheet

As at 31 July 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			132,457		98,918
Current assets:					
Debtors	7	4,535		1,412	
Cash and bank balances	8	9,866		5,539	
			14,401		6,951
Total assets			146,858		105,869
Liabilities:					
Investment liabilities			(5,896)		(1,414)
Bank overdrafts	8	-		(100)	
Creditors	9	(2,391)		(821)	
Distribution payable		(148)		(122)	
			(2,539)		(1,043)
Total liabilities			(8,435)		(2,457)
Net assets attributable to shareholders			138,423		103,412

Notes to the Financial Statements

1 Net Capital (Losses)/Gains

	2022 £'000	2021 £'000
Non-derivative securities	(12,147)	2,725
Derivative contracts	(1,127)	(136)
Forward currency contracts	(3,201)	2,206
Other gains/(losses)	13	(56)
Transaction charges	(10)	-
Net capital (losses)/gains	(16,472)	4,739

2 Revenue

	2022 £'000	2021 £'000
Bank and margin interest	7	-
Income from Overseas Collective Investment Schemes		
Unfranked income	222	12
Interest on debt securities	3,971	3,062
Stocklending revenue	16	7
Total revenue	4,216	3,081

3 Expenses

	2022 £'000	2021 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	386	251
General administration charge*	91	-
Operating, administrative and servicing fees	-	102
	477	353
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fees	7	-
	7	-
Total expenses	484	353

Irrecoverable VAT is included in the above expenses, where relevant.

* The fixed general administration charge was introduced from 1 August 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian. The audit fee for the year, including VAT, was £10,860 (2021: £10,742).

Notes to the Financial Statements

Continued

4 Interest Payable and Similar Charges

	2022 £'000	2021 £'000
Derivative expense	61	12
Interest payable	1	2
Total interest payable & similar charges	62	14

5 Taxation

	2022 £'000	2021 £'000
(a) Analysis of charge in year		
Corporation tax	1	-
Double taxation relief	(1)	-
Overseas taxes	4	1
Total taxation (note 5b)	4	1

(b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2021: 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	3,670	2,714
Corporation tax at 20% (2021: 20%)	734	543
Effects of:		
Overseas taxes	4	1
Double taxation relief	(1)	-
Distributions treated as tax deductible	(733)	(543)
Total tax charge for year (note 5a)	4	1

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

(c) Factors that may affect future tax charge

At the year end there are no surplus expenses and therefore no deferred tax asset in the current or prior year.

Notes to the Financial Statements

Continued

6 Distributions

	2022 £'000	2021 £'000
First interim distribution	786	624
Second interim distribution	838	706
Third interim distribution	1,060	684
Final distribution	1,219	708
	3,903	2,722
Add: Income deducted on cancellation of shares	110	246
Deduct: Income received on issue of shares	(347)	(255)
Total distributions for the year	3,666	2,713

Details of the distribution per share are set out in this fund's distribution tables.

7 Debtors

	2022 £'000	2021 £'000
Accrued revenue	1,452	1,221
Amounts receivable from the ACD for the issue of shares	265	191
Overseas withholding tax recoverable	3	-
Sales awaiting settlement	2,815	-
Total debtors	4,535	1,412

8 Liquidity

	2022 £'000	2021 £'000
Cash and bank balances		
Cash at bank	3,568	4,459
Cash at broker	3,688	950
Collateral cash pledged to counterparties [~]	2,610	130
	9,866	5,539
Bank overdrafts		
Collateral cash pledged by counterparties [^]	-	(100)
	-	(100)
Net liquidity	9,866	5,439

[~] 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.

[^] This reflects cash the fund has taken receipt of to support in the money derivative positions and mitigate counterparty risk to the fund.

Notes to the Financial Statements

Continued

9 Creditors

	2022 £'000	2021 £'000
Accrued expenses payable to ACD	47	29
Accrued expenses payable to the Depositary or associates of the Depositary	1	-
Amounts payable to the ACD for cancellation of shares	593	47
Other accrued expenses	-	9
Purchases awaiting settlement	1,750	736
Total creditors	2,391	821

10 Related Party Transactions

abrdr Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to abrdr Fund Managers Limited at the end of the accounting year are disclosed in notes 7 and 9.

Amounts payable to abrdr Fund Managers Limited, in respect of expenses are disclosed in note 3 and any amounts due at the year end in note 9.

11 Portfolio Transaction Costs

There are no transaction costs associated with the purchases or sales of bonds, collective investment schemes and derivatives during the year, or in the prior year.

Bonds are dealt on a spread agreed between buyer and seller with reference to the expected cashflows and current credit profiles.

Collective investments operate within the terms of the offer document or prospectus. Typically we do not invest into funds that require an initial charge to be made. The underlying price may contain an estimation of cost known as a dilution levy which is applied from time to time.

Derivatives are dealt on a spread agreed between buyer and seller with reference to the underlying investment.

	Purchases		Sales	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trades in the year				
Bonds	114,038	90,649	67,435	80,660
Collective investment schemes	-	5,584	946	2,238
Trades in the year before transaction costs	114,038	96,233	68,381	82,898
Total net trades in the year after transaction costs	114,038	96,233	68,381	82,898

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 0.74% (2021: 0.60%), 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 2021	Creations during the year	Cancellations during the year	Closing shares 2022
A Accumulation	866,345	488,623	(317,670)	1,037,298
A Income	20,377	16,581	(13,425)	23,533
I Accumulation	10,867,133	7,020,564	(6,938,177)	10,949,520
I Income	2,945,787	505,278	(733,974)	2,717,091
I Gross Accumulation	12,462,542	114,985	(610,437)	11,967,090
I Gross Income	13,900,362	552,751	(1,355,682)	13,097,431
K Accumulation	14,108,415	60,447,051	(3,158,358)	71,397,108
K Income	1,000	2,834,702	(276,700)	2,559,002
M Accumulation	929	-	-	929
M Income	953	-	-	953
Z Accumulation	15,918,917	882,887	(4,073,808)	12,727,996

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).

	2022 £'000 Level 1	2022 £'000 Level 2	2022 £'000 Level 3	2021 £'000 Level 1	2021 £'000 Level 2	2021 £'000 Level 3
Fair value of investment assets						
Bonds	25,152	102,546	-	597	92,806	-
Collective Investment Schemes	-	3,589	-	-	4,676	-
Derivatives	502	668	-	127	712	-
Total investment assets	25,654	106,803	-	724	98,194	-
Fair value of investment liabilities						
Derivatives	(2,107)	(3,789)	-	(567)	(847)	-
Total investment liabilities	(2,107)	(3,789)	-	(567)	(847)	-

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:

2022	Floating rate financial assets/ (liabilities) £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
Currency				
UK Sterling	9,222	93,508	42,922	145,652
Australian Dollar	(504)	-	636	132
Canadian Dollar	(235)	-	332	97
Euro	2,662	12,794	(17,138)	(1,682)
New Zealand Dollar	(547)	-	(210)	(757)
US Dollar	2,207	15,969	(23,195)	(5,019)
Total	12,805	122,271	3,347	138,423

2021	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
Currency				
UK Sterling	5,343	53,523	44,559	103,425
Australian Dollar	-	-	356	356
Canadian Dollar	272	-	58	330
Euro	1,303	19,168	(20,435)	36
New Zealand Dollar	-	-	(204)	(204)
US Dollar	2,847	16,185	(19,563)	(531)
Total	9,765	88,876	4,771	103,412

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's financial instruments, measured as the potential one month loss (Prior year this was based on a 5 day loss) in value from adverse changes in equity prices, interest rates, inflation rates and foreign currency exchange rates, with a 99 percent confidence level. Calculated on this basis, the table indicates that the net value of the fund's financial assets and liabilities could be expected to change by more than the stated amount on only two days out of 200, in response to either price, interest rate, inflation or foreign currency exchange rate changes.

2022	Minimum	Maximum	Average
VaR 99% 1 Month	3.37%	4.77%	3.89%

2021	Minimum	Maximum	Average
VaR 99% 1 Month	1.58%	2.90%	1.93%

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.

2022	Market value £'000	Percentage of total net assets %
Investment grade securities	81,376	58.78
Below investment grade securities	37,286	26.94
Unrated securities	9,036	6.53
Total value of securities	127,698	92.25

2021	Market value £'000	Percentage of total net assets %
Investment grade securities	38,311	37.05
Below investment grade securities	52,359	50.63
Unrated securities	2,733	2.64
Total value of securities	93,403	90.32

Investment grade information used in the above table is based on credit ratings issued by market vendors.

Notes to the Financial Statements

Continued

Financial derivatives instrument risk

These types of transaction can introduce market exposure greater than the market value of the instrument. These transactions exchange benefits with a third party at a future date creating both counterparty and concentration risk. The Investment Adviser's policies for managing these risks are outlined in the fund's prospectus.

At the balance sheet date the fund had the following exposures:

	2022		2021	
	Market exposure £'000	Market value £'000	Market exposure £'000	Market value £'000
Leveraged instruments				
Forward currency contracts	50,818	(645)	59,540	(27)
Futures	74,823	(1,605)	22,783	(440)
Swaps	107,222	(2,476)	62,773	(108)
Total market exposure	232,863	(4,726)	145,096	(575)

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.

2022	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
Broker or exchange exposure					
Bank of America Merrill Lynch	(1,605)	3,688	-	2,083	1.50
	(1,605)	3,688	-	2,083	1.50

2021	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
Broker or exchange exposure					
Bank of America Merrill Lynch	(440)	950	-	510	0.49
	(440)	950	-	510	0.49

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.

2022 Counterparties	Swaps £'000	Forwards £'000	Stock on loan £'000	Collateral (held)/pledged		Net exposure £'000
				Cash £'000	Stock £'000	
Bank of America Merrill Lynch	33	(22)	-	-	-	11
Barclays	(517)	-	-	600	-	83
Citigroup	(705)	264	-	660	-	219
Goldman Sachs	(594)	-	-	530	-	(64)
JP Morgan	19	(4)	-	20	-	35
Royal Bank of Canada	-	(905)	-	-	-	(905)
Standard Chartered	-	33	-	-	-	33
State Street	-	(5)	-	-	-	(5)
UBS	(712)	(6)	-	800	-	82
Total	(2,476)	(645)	-	2,610	-	(511)

Collateral positions for Swaps are aggregated, not at individual trade level.

The Prospectus outlines allowable collateral. There have been no changes in the year.

The fund receives 85% of the revenue returns from stock lending. The gross earnings for the year are £19,000 (2021: £8,000) and expenses paid to the lending agent, Securities Finance Trust Company, are £3,000 (2021: £1,000).

2021 Counterparties	Swaps £'000	Forwards £'000	Stock on loan* £'000	Collateral (held)/pledged		Net exposure £'000
				Cash £'000	Stock* £'000	
Barclays	-	(7)	-	-	-	(7)
Barclays Capital Securities	-	-	823	-	(945)	(122)
BNP Paribas	(34)	-	-	-	-	(34)
Citigroup	(211)	-	-	130	-	(81)
Deutsche Bank	-	(22)	-	-	-	(22)
Goldman Sachs	36	19	-	-	-	55
HSBC	-	12	-	-	-	12
JP Morgan	93	-	-	(80)	-	13
Morgan Stanley	-	(285)	-	-	-	(285)
NatWest	-	3	-	-	-	3
RBC Dominion Securities	-	228	-	-	-	228
Royal Bank of Scotland	-	9	-	-	-	9
Societe Generale Paris	-	(18)	-	-	-	(18)

Notes to the Financial Statements

Continued

2021 Counterparties	Swaps £'000	Forwards £'000	Stock on loan* £'000	Collateral (held)/pledged		Net exposure £'000
				Cash £'000	Stock* £'000	
Standard Chartered	-	37	-	-	-	37
UBS	8	(3)	-	(20)	-	(15)
Total	(108)	(27)	823	30	(945)	(227)

* contains the required disclosures for Concentration Data within Securities Financing Transaction Regulation (SFTR) Disclosures.

Collateral positions for Swaps are aggregated, not at individual trade level.

Top SFTR Issuers 2021	Type	Collateral Stock £'000
Germany (Federal Republic of)	Bond	(315)
France (Republic of)	Bond	(315)
United States Treasury Notes	Bond	(314)
Netherlands (Kingdom of)	Bond	(1)
		(945)

Liquidity risk

The following table provides a maturity analysis of the fund's financial liabilities on a contractual basis.

2022	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
Derivatives					
Investment liabilities	-	3,336	830	1,730	5,896
Non-derivatives					
Other creditors	-	2,391	-	-	2,391
Distribution payable	-	148	-	-	148
Total financial liabilities	-	5,875	830	1,730	8,435

2021	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
Derivatives					
Investment liabilities	-	948	254	212	1,414
Non-derivatives					
Other creditors	-	821	-	-	821
Bank overdrafts	100	-	-	-	100
Distribution payable	-	122	-	-	122
Total financial liabilities	100	1,891	254	212	2,457

Distribution Tables

For the year ended 31 July 2022 (in pence per share)

First interim interest distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 October 2021

	Revenue	Equalisation	Distribution paid 31/01/22	Distribution paid 29/01/21
A Accumulation				
Group 1	0.9511	-	0.9511	0.9667
Group 2	0.4309	0.5202	0.9511	0.9667
A Income				
Group 1	0.6888	-	0.6888	0.7109
Group 2	0.3774	0.3114	0.6888	0.7109
I Accumulation				
Group 1	1.2096	-	1.2096	1.2075
Group 2	0.3584	0.8512	1.2096	1.2075
I Income				
Group 1	0.8288	-	0.8288	0.8497
Group 2	0.3335	0.4953	0.8288	0.8497
I Gross Accumulation				
Group 1	0.9495	-	0.9495	0.9477
Group 2	0.5347	0.4148	0.9495	0.9477
I Gross Income				
Group 1	0.7213	-	0.7213	0.7396
Group 2	0.4141	0.3072	0.7213	0.7396
K Accumulation				
Group 1	0.7243	-	0.7243	-
Group 2	0.1805	0.5438	0.7243	-
K Income				
Group 1	0.7068	-	0.7068	-
Group 2	0.2042	0.5026	0.7068	-
M Accumulation				
Group 1	0.7770	-	0.7770	0.8491
Group 2	0.7770	-	0.7770	0.8491
M Income				
Group 1	0.7553	-	0.7553	0.7962
Group 2	0.7553	-	0.7553	0.7962
Z Accumulation				
Group 1	1.5249	-	1.5249	1.4985
Group 2	1.5249	-	1.5249	1.4985

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Second interim interest distribution

Group 1 – shares purchased prior to 1 November 2021

Group 2 – shares purchased between 1 November 2021 and 31 January 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
A Accumulation				
Group 1	0.9422	-	0.9422	0.9252
Group 2	0.4301	0.5121	0.9422	0.9252
A Income				
Group 1	0.6759	-	0.6759	0.6778
Group 2	0.0194	0.6565	0.6759	0.6778
I Accumulation				
Group 1	1.2048	-	1.2048	1.1748
Group 2	0.4929	0.7119	1.2048	1.1748
I Income				
Group 1	0.8185	-	0.8185	0.8190
Group 2	0.4021	0.4164	0.8185	0.8190
I Gross Accumulation				
Group 1	0.9429	-	0.9429	0.9193
Group 2	0.4976	0.4453	0.9429	0.9193
I Gross Income				
Group 1	0.7112	-	0.7112	0.7124
Group 2	0.3880	0.3232	0.7112	0.7124
K Accumulation				
Group 1	0.7234	-	0.7234	-
Group 2	0.5405	0.1829	0.7234	-
K Income				
Group 1	0.7202	-	0.7202	-
Group 2	0.6238	0.0964	0.7202	-
M Accumulation				
Group 1	0.7576	-	0.7576	0.7845
Group 2	0.7576	-	0.7576	0.7845
M Income				
Group 1	0.7543	-	0.7543	0.7700
Group 2	0.7543	-	0.7543	0.7700
Z Accumulation				
Group 1	1.5102	-	1.5102	1.4705
Group 2	0.2987	1.2115	1.5102	1.4705

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Third interim interest distribution

Group 1 – shares purchased prior to 1 February 2022

Group 2 – shares purchased between 1 February 2022 and 30 April 2022

	Revenue	Equalisation	Distribution paid 29/07/22	Distribution paid 30/07/21
A Accumulation				
Group 1	1.3323	-	1.3323	0.9763
Group 2	1.0794	0.2529	1.3323	0.9763
A Income				
Group 1	0.9513	-	0.9513	0.7188
Group 2	0.4008	0.5505	0.9513	0.7188
I Accumulation				
Group 1	1.5956	-	1.5956	1.2150
Group 2	1.0649	0.5307	1.5956	1.2150
I Income				
Group 1	1.0785	-	1.0785	0.8503
Group 2	0.3194	0.7591	1.0785	0.8503
I Gross Accumulation				
Group 1	1.2525	-	1.2525	0.9605
Group 2	1.1305	0.1220	1.2525	0.9605
I Gross Income				
Group 1	0.9388	-	0.9388	0.7394
Group 2	0.4782	0.4606	0.9388	0.7394
K Accumulation				
Group 1	0.9358	-	0.9358	0.7027
Group 2	0.5212	0.4146	0.9358	0.7027
K Income				
Group 1	0.9092	-	0.9092	0.7100
Group 2	0.5944	0.3148	0.9092	0.7100
M Accumulation				
Group 1	1.0686	-	1.0686	0.7942
Group 2	1.0686	-	1.0686	0.7942
M Income				
Group 1	0.9662	-	0.9662	0.7962
Group 2	0.9662	-	0.9662	0.7962
Z Accumulation				
Group 1	1.9164	-	1.9164	1.5148
Group 2	1.1124	0.8040	1.9164	1.5148

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Final interest distribution

Group 1 – shares purchased prior to 1 May 2022

Group 2 – shares purchased between 1 May 2022 and 31 July 2022

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
A Accumulation				
Group 1	1.1060	-	1.1060	0.9190
Group 2	0.5885	0.5175	1.1060	0.9190
A Income				
Group 1	0.7857	-	0.7857	0.6677
Group 2	0.3932	0.3925	0.7857	0.6677
I Accumulation				
Group 1	1.3476	-	1.3476	1.1738
Group 2	0.5385	0.8091	1.3476	1.1738
I Income				
Group 1	0.9051	-	0.9051	0.8090
Group 2	0.2594	0.6457	0.9051	0.8090
I Gross Accumulation				
Group 1	1.0607	-	1.0607	0.9209
Group 2	0.4706	0.5901	1.0607	0.9209
I Gross Income				
Group 1	0.7878	-	0.7878	0.7042
Group 2	0.3969	0.3909	0.7878	0.7042
K Accumulation				
Group 1	0.8048	-	0.8048	0.7041
Group 2	0.3272	0.4776	0.8048	0.7041
K Income				
Group 1	0.7689	-	0.7689	0.7070
Group 2	0.5884	0.1805	0.7689	0.7070
M Accumulation				
Group 1	0.9136	-	0.9136	0.7565
Group 2	0.9136	-	0.9136	0.7565
M Income				
Group 1	0.7322	-	0.7322	0.7711
Group 2	0.7322	-	0.7322	0.7711
Z Accumulation				
Group 1	1.6535	-	1.6535	1.4827
Group 2	1.6535	-	1.6535	1.4827

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Equalisation

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

abrdrn UK Equity Fund

For the year ended 31 July 2022

Investment Objective

To generate growth over the long term (5 years or more) by investing in UK equities (company shares).

Performance Target: To achieve the return of the FTSE All-Share Index plus 3% per annum over rolling three year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

Investment Policy

Portfolio Securities

- The fund will invest at least 70% in equities and equity related securities of companies listed, incorporated or domiciled in the UK or companies that derive a significant proportion of their revenues or profits from UK operations or have a significant proportion of their assets there.
- The fund may also invest in other funds (including those managed by abrdrn), money-market instruments and cash.

Management Process

- The management team use their discretion (active management) to maintain a diverse asset mix at sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the Performance Target, the FTSE All-Share Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 9%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the index.

Derivatives and Techniques

- The fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").

- Derivative usage in the fund is expected to be very limited. Where derivatives are used, this would mainly be in response to significant inflows into the fund so that in these instances, cash can be invested while maintaining the fund's existing allocations to company shares.

Performance Review

For the year ended 31 July 2022, the value of abrdrn UK Equity Fund – A Income Shares decreased by 10.19% compared to an increase of 5.51% in the performance target, the FTSE All Share Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

Market Review

The UK stock market, as represented by the FTSE All-Share Index, rose over the past 12 months, outperforming many of its international counterparts. The picture was more mixed beneath the positive headline figure, with shares of large FTSE 100 Index companies performing well but shares in the mid-sized companies of the FTSE 250 Index, which are typically more focused on the domestic UK economy falling heavily.

The easing of lockdown restrictions following an effective vaccine rollout built economic and stock market momentum over the summer of 2021 and through till the end of the calendar year, but occasional market sell-offs as Covid-19 cases flared up.

It has been a tough time for global stock markets in 2022, with investors rattled by soaring inflation, rising interest rates and Russia's invasion of Ukraine. However, the UK stock market has displayed relative resilience. It is home to many energy and mining companies, whose shares have benefited from high commodity prices, particularly after the outbreak of war in Eastern Europe.

Inflation has continued to rise in the UK, with annual consumer price inflation climbing steadily to hit a 40-year high of 9.4% in June. The Bank of England (BoE) reacted to spiking inflation with five consecutive interest rate rises to the end of July and the prospect of further interest rate rises ahead.

abrdn UK Equity Fund

Continued

Portfolio Activity and Review

During the past 12 months, the fund has made several transactions. We initiated new positions in Ashtead Group, Experian, Mondi and Oxford Instruments. The Fund also added to current holdings in Close Brothers, Diageo, Genus, Halma, London Stock Exchange, Prudential, Rentokil Initial, Weir Group, among others. Meanwhile, we trimmed our positions in Dechra Pharmaceuticals, Howden Joinery, RS Group, Standard Chartered and Unite Group, among others. Finally, we sold out of Abcam, Asos, Smith & Nephew and WH Smith.

Portfolio Outlook and Strategy

The outlook for the remainder of 2022 continues to be challenging on a geopolitical and economic front. Given the tightening policy backdrop and inflationary challenges coupled with the implications of the conflict in Ukraine, investor worries over a global recession are increasing. Therefore, long-term growth in earnings is still not going to be easy to come by. This was already an issue for many companies in a post-Brexit and post-Covid world which is now being exacerbated by the Ukrainian situation.

We retain a cautious stance given the uncertainty, with the outlook now more balanced than at any time in the past few years. Against this backdrop, we want to ensure our portfolio is poised for a wide range of outcomes rather than just one. Hence, we will not deviate from our philosophy of long-term investing in the best businesses we can find, but with a more balanced portfolio, we would expect to continue to prosper in more difficult market conditions. It also gives us the opportunity to participate a little more in some of the upside scenarios that might develop. We continue to be focused on bottom-up stock picking and ESG integration. We believe companies that actively consider and manage their key environmental, social and governance impacts will be well placed to navigate through uncertain times and harness opportunities.

UK Equity Team

August 2022

abrdn 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 2022.

The fund is rated as 6 because of the extent to which the following risk factors apply:

- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

Comparative Tables

A Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	251.61	201.85	219.23
Return before operating charges*	(21.93)	52.75	(14.63)
Operating charges	(3.00)	(2.99)	(2.75)
Return after operating charges*	(24.93)	49.76	(17.38)
Distributions	(1.49)	(0.84)	(1.22)
Retained distributions on accumulation shares	1.49	0.84	1.22
Closing net asset value per share	226.68	251.61	201.85
* after direct transaction costs of:	0.28	0.44	1.13
Performance			
Return after charges	(9.91%)	24.65%	(7.93%)
Other information			
Closing net asset value (£'000)	75,091	89,925	76,542
Closing number of shares	33,127,322	35,740,575	37,920,768
Operating charges	1.28%	1.30%	1.30%
Direct transaction costs	0.12%	0.19%	0.53%
Prices			
Highest share price	262.9	252.6	238.1
Lowest share price	197.8	203.0	157.8

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Comparative Tables

Continued

A Income	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	195.19	157.12	171.61
Return before operating charges*	(17.01)	41.05	(11.39)
Operating charges	(2.33)	(2.33)	(2.15)
Return after operating charges*	(19.34)	38.72	(13.54)
Distributions	(1.16)	(0.65)	(0.95)
Closing net asset value per share	174.69	195.19	157.12
* after direct transaction costs of:	0.22	0.34	0.88
Performance			
Return after charges	(9.91%)	24.64%	(7.89%)
Other information			
Closing net asset value (£'000)	28,640	34,029	28,796
Closing number of shares	16,394,417	17,433,743	18,327,350
Operating charges	1.28%	1.30%	1.30%
Direct transaction costs	0.12%	0.19%	0.53%
Prices			
Highest share price	204.0	196.5	186.4
Lowest share price	153.3	158.0	123.1

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Highest and Lowest prices are based on official published daily NAVs.

Comparative Tables

Continued

I Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	276.63	220.93	238.88
Return before operating charges*	(24.14)	57.85	(16.02)
Operating charges	(2.14)	(2.15)	(1.93)
Return after operating charges*	(26.28)	55.70	(17.95)
Distributions	(2.80)	(2.06)	(2.37)
Retained distributions on accumulation shares	2.80	2.06	2.37
Closing net asset value per share	250.35	276.63	220.93
* after direct transaction costs of:	0.31	0.48	1.21
Performance			
Return after charges	(9.50%)	25.21%	(7.51%)
Other information			
Closing net asset value (£'000)	344,929	366,614	288,014
Closing number of shares	137,778,973	132,526,992	130,364,641
Operating charges	0.83%	0.85%	0.85%
Direct transaction costs	0.12%	0.19%	0.53%
Prices			
Highest share price	289.2	277.6	260.0
Lowest share price	218.1	222.2	172.4

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The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Comparative Tables

Continued

	2022	2021	2020
I Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	195.10	157.02	171.49
Return before operating charges*	(17.02)	41.06	(11.36)
Operating charges	(1.51)	(1.52)	(1.41)
Return after operating charges*	(18.53)	39.54	(12.77)
Distributions	(1.97)	(1.46)	(1.70)
Closing net asset value per share	174.60	195.10	157.02
* after direct transaction costs of:	0.22	0.34	0.88
Performance			
Return after charges	(9.50%)	25.18%	(7.45%)
Other information			
Closing net asset value (£'000)	10,163	11,619	9,853
Closing number of shares	5,820,624	5,954,997	6,275,169
Operating charges	0.83%	0.85%	0.85%
Direct transaction costs	0.12%	0.19%	0.53%
Prices			
Highest share price	204.0	196.8	186.7
Lowest share price	153.2	157.9	123.1

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	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	166.28	132.70	143.37
Return before operating charges*	(14.50)	34.77	(9.59)
Operating charges	(1.18)	(1.19)	(1.08)
Return after operating charges*	(15.68)	33.58	(10.67)
Distributions	(1.80)	(1.35)	(1.53)
Retained distributions on accumulation shares	1.80	1.35	1.53
Closing net asset value per share	150.60	166.28	132.70
* after direct transaction costs of:	0.19	0.29	0.74
Performance			
Return after charges	(9.43%)	25.31%	(7.44%)
Other information			
Closing net asset value (£'000)	933	1,241	922
Closing number of shares	619,381	746,339	694,467
Operating charges	0.76%	0.78%	0.78%
Direct transaction costs	0.12%	0.19%	0.53%
Prices			
Highest share price	173.9	166.9	156.1
Lowest share price	131.2	133.5	103.5

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Comparative Tables

Continued

L Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	150.76	120.10	129.53
Return before operating charges*	(13.16)	31.48	(8.68)
Operating charges	(0.82)	(0.82)	(0.75)
Return after operating charges*	(13.98)	30.66	(9.43)
Distributions	(1.88)	(1.46)	(1.60)
Retained distributions on accumulation shares	1.88	1.46	1.60
Closing net asset value per share	136.78	150.76	120.10
* after direct transaction costs of:	0.17	0.26	0.67
Performance			
Return after charges	(9.27%)	25.53%	(7.28%)
Other information			
Closing net asset value (£'000)	146	161	140
Closing number of shares	107,076	107,076	116,576
Operating charges	0.58%	0.60%	0.60%
Direct transaction costs	0.12%	0.19%	0.53%
Prices			
Highest share price	157.7	151.3	141.2
Lowest share price	119.0	120.8	93.63

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.

Comparative Tables

Continued

L Income	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	138.58	111.53	121.79
Return before operating charges*	(12.09)	29.17	(8.05)
Operating charges	(0.75)	(0.76)	(0.71)
Return after operating charges*	(12.84)	28.41	(8.76)
Distributions	(1.73)	(1.36)	(1.50)
Closing net asset value per share	124.01	138.58	111.53
* after direct transaction costs of:	0.16	0.24	0.63
Performance			
Return after charges	(9.27%)	25.47%	(7.19%)
Other information			
Closing net asset value (£'000)	39	43	35
Closing number of shares	31,267	31,267	31,267
Operating charges	0.58%	0.60%	0.60%
Direct transaction costs	0.12%	0.19%	0.53%
Prices			
Highest share price	144.9	139.9	132.7
Lowest share price	108.9	112.2	87.44

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Comparative Tables

Continued

M Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	135.99	108.66	117.35
Return before operating charges*	(11.87)	28.45	(7.73)
Operating charges	(1.11)	(1.12)	(0.96)
Return after operating charges*	(12.98)	27.33	(8.69)
Distributions	(1.32)	(0.95)	(1.08)
Retained distributions on accumulation shares	1.32	0.95	1.08
Closing net asset value per share	123.01	135.99	108.66
* after direct transaction costs of:	0.15	0.24	0.57
Performance			
Return after charges	(9.54%)	25.15%	(7.41%)
Other information			
Closing net asset value (£'000)	365	337	281
Closing number of shares	296,763	247,812	258,664
Operating charges	0.88%	0.90%	0.90%
Direct transaction costs	0.12%	0.19%	0.53%
Prices			
Highest share price	142.2	136.5	127.9
Lowest share price	107.2	109.3	84.81

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The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to 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	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	132.21	106.41	116.01
Return before operating charges*	(11.54)	27.82	(7.58)
Operating charges	(1.08)	(1.09)	(0.95)
Return after operating charges*	(12.62)	26.73	(8.53)
Distributions	(1.28)	(0.93)	(1.07)
Closing net asset value per share	118.31	132.21	106.41
* after direct transaction costs of:	0.15	0.23	0.56
Performance			
Return after charges	(9.55%)	25.12%	(7.35%)
Other information			
Closing net asset value (£'000)	32	36	29
Closing number of shares	27,173	27,062	26,985
Operating charges	0.88%	0.90%	0.90%
Direct transaction costs	0.12%	0.19%	0.53%
Prices			
Highest share price	138.2	133.3	126.4
Lowest share price	103.8	107.0	83.43

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The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on 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 2022

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (97.78%)		453,768	98.57
UK Equities (97.78%)		453,768	98.57
Basic Materials (6.19%)		17,573	3.82
1,292,881	Bodycote	7,744	1.68
131,403	Croda International	9,829	2.14
Consumer Discretionary (18.21%)		62,881	13.66
2,453,998	Countryside Partnerships	7,117	1.55
1,232,964	Howden Joinery	8,337	1.81
4,061,214	Moonpig	8,423	1.83
3,217,518	Pets at Home	10,547	2.29
752,040	RELX	18,237	3.96
1,152,831	Watches of Switzerland	10,220	2.22
Consumer Staples (12.42%)		53,140	11.54
498,728	Coca-Cola HBC	10,030	2.18
758,116	Diageo	29,426	6.39
341,829	Unilever	13,684	2.97
Financials (16.86%)		85,008	18.47
3,526,520	Ashmore	7,603	1.65
1,431,135	Close Brothers	15,871	3.45
1,894,500	Epic Brand Investments*	-	-
6,075	HIE Ventures ²	-	-
992,089	Hiscox	8,853	1.92
190,399	London Stock Exchange	15,224	3.31
2,066,973	OSB	10,872	2.36
1,606,803	Prudential	16,156	3.51
1,849,124	Standard Chartered	10,429	2.27

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Health Care (15.89%)		59,861	13.00
379,605	AstraZeneca	41,157	8.94
224,425	Dechra Pharmaceuticals	8,263	1.79
368,152	Genus	10,441	2.27
Industrials (13.39%)		108,876	23.65
202,164	Ashtead	9,279	2.01
1,089,444	Euromoney Institutional Investor	15,775	3.43
401,733	Experian	11,498	2.50
365,766	Halma	8,405	1.83
1,852,276	Marshalls	9,165	1.99
609,719	Mondi	9,445	2.05
392,718	Oxford Instruments	8,954	1.94
2,013,400	Rentokil Initial	10,893	2.37
961,850	RS	9,926	2.16
930,554	Weir	15,536	3.37
Real Estate (2.22%)		9,881	2.15
848,895	Unite REIT	9,881	2.15
Technology (10.97%)		38,538	8.37
2,150,301	Auto Trader	13,534	2.94
732,653	AVEVA	17,261	3.75
555,421	Softcat	7,743	1.68
Telecommunications (1.63%)		18,010	3.91
802,210	Telecom Plus	18,010	3.91
Total investment assets		453,768	98.57
Net other assets		6,570	1.43
Total Net Assets		460,338	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 2021.

* Delisted.

[‡] Unapproved/unquoted security.

Financial Statements

Statement of Total Return

For the year ended 31 July 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital (losses)/gains	1		(52,051)		99,474
Revenue	2	9,077		7,734	
Expenses	3	(4,410)		(4,488)	
Net revenue before taxation		4,667		3,246	
Taxation	4	(48)		34	
Net revenue after taxation			4,619		3,280
Total return before distributions			(47,432)		102,754
Distributions	5		(4,619)		(3,280)
Change in net assets attributable to shareholders from investment activities			(52,051)		99,474

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2022

	2022		2021	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		504,005		404,612
Amounts receivable on the issue of shares	29,496		20,376	
Amounts payable on the cancellation of shares	(25,552)		(23,550)	
		3,944		(3,174)
Dilution adjustment		70		-
Change in net assets attributable to shareholders from investment activities (see above)		(52,051)		99,474
Retained distribution on accumulation shares		4,321		3,056
Unclaimed distributions		49		37
Closing net assets attributable to shareholders		460,338		504,005

Financial Statements

Continued

Balance Sheet

As at 31 July 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			453,768		492,803
Current assets:					
Debtors	6	769		2,290	
Cash and bank balances		6,675		13,360	
			7,444		15,650
Total assets			461,212		508,453
Liabilities:					
Creditors	7	(647)		(4,292)	
Distribution payable		(227)		(156)	
			(874)		(4,448)
Total liabilities			(874)		(4,448)
Net assets attributable to shareholders			460,338		504,005

Notes to the Financial Statements

1 Net Capital (Losses)/Gains

	2022 £'000	2021 £'000
Non-derivative securities	(52,050)	99,470
Other gains	2	4
Transaction charges	(3)	-
Net capital (losses)/gains	(52,051)	99,474

2 Revenue

	2022 £'000	2021 £'000
Overseas dividends	312	240
Stocklending revenue	6	4
UK dividends	8,564	7,368
UK REIT	195	122
Total revenue	9,077	7,734

3 Expenses

	2022 £'000	2021 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	4,023	4,021
General administration charge*	376	-
Operating, administrative and servicing fees	-	467
	4,399	4,488
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fees	11	-
	11	-
Total expenses	4,410	4,488

Irrecoverable VAT is included in the above expenses, where relevant.

* The fixed general administration charge was introduced from 1 August 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian. The audit fee for the year, including VAT, was £8,460 (2021: £8,389).

Notes to the Financial Statements

Continued

4 Taxation

	2022 £'000	2021 £'000
(a) Analysis of charge in year		
Overseas taxes	48	(34)
Total taxation (note 4b)	48	(34)

(b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2021: 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	4,667	3,246
Corporation tax at 20% (2021: 20%)	933	649
Effects of:		
Revenue not subject to taxation	(1,775)	(1,522)
Overseas taxes	48	(34)
Excess allowable expenses	842	873
Total tax charge for year (note 4a)	48	(34)

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

(c) Factors that may affect future tax charge

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £20,105,000 (2021: £19,263,000) 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

	2022 £'000	2021 £'000
Interim distribution	1,457	1,004
Final distribution	3,170	2,255
	4,627	3,259
Add: Income deducted on cancellation of shares	99	55
Deduct: Income received on issue of shares	(107)	(34)
Total distributions for the year	4,619	3,280

Details of the distribution per share are set out in this fund's distribution tables.

Notes to the Financial Statements

Continued

6 Debtors

	2022 £'000	2021 £'000
Accrued revenue	710	587
Amounts receivable from the ACD for the issue of shares	-	36
Overseas withholding tax recoverable	59	-
Sales awaiting settlement	-	1,667
Total debtors	769	2,290

7 Creditors

	2022 £'000	2021 £'000
Accrued expenses payable to ACD	345	367
Accrued expenses payable to the Depositary or associates of the Depositary	1	-
Amounts payable to the ACD for cancellation of shares	301	171
Other accrued expenses	-	43
Purchases awaiting settlement	-	3,711
Total creditors	647	4,292

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	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trades in the year				
Equities	112,041	155,934	99,590	153,925
Corporate actions	-	5,273	-	-
Trades in the year before transaction costs	112,041	161,207	99,590	153,925

Notes to the Financial Statements

Continued

Trades in the year	Purchases		Sales	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Commissions				
Equities	59	84	(60)	(94)
Total commissions	59	84	(60)	(94)
Taxes				
Equities	445	706	-	-
Total taxes	445	706	-	-
Total transaction costs	504	790	(60)	(94)
Total net trades in the year after transaction costs	112,545	161,997	99,530	153,831

Total transaction costs expressed as a percentage of asset type cost	Purchases		Sales	
	2022 %	2021 %	2022 %	2021 %
Commissions				
Equities	0.05	0.05	0.06	0.06
Taxes				
Equities	0.40	0.45	-	-

Total transaction costs expressed as a percentage of net asset value	2022 %	2021 %
	Commissions	0.03
Taxes	0.09	0.15

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.14% (2021: 0.13%), this is representative of the average spread on the assets held during the year.

10 Shares in Issue Reconciliation

	Opening shares 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
A Accumulation	35,740,575	357,801	(2,714,212)	(256,842)	33,127,322
A Income	17,433,743	73,633	(926,004)	(186,955)	16,394,417
I Accumulation	132,526,992	11,685,974	(6,667,241)	233,248	137,778,973
I Income	5,954,997	171,347	(492,643)	186,923	5,820,624

Notes to the Financial Statements

Continued

	Opening shares 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
K Accumulation	746,339	-	(126,958)	-	619,381
L Accumulation	107,076	-	-	-	107,076
L Income	31,267	-	-	-	31,267
M Accumulation	247,812	71,157	(22,206)	-	296,763
M Income	27,062	188	(77)	-	27,173

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).

	2022 £'000	2022 £'000	2022 £'000	2021 £'000	2021 £'000	2021 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	453,768	-	-	492,803	-	-
Total investment assets	453,768	-	-	492,803	-	-

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 2022, 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 £22,688,000 (2021: £24,640,000).

Notes to the Financial Statements

Continued

Financial derivatives instrument risk

The fund had no exposure to derivatives as at 31 July 2022 (2021: £Nil).

Bilateral agreements

The fund receives 85% of the revenue returns from stock lending. The gross earnings for the year are £7,000 (2021: £5,000) and expenses paid to the lending agent, Securities Finance Trust Company, are £1,000 (2021: £1,000).

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2022 £874,000 (2021: £4,448,000).

13 Subsequent Events

The ACD intends to merge the abrdn UK Equity Fund in 2023.

Distribution Tables

For the year ended 31 July 2022 (in pence per share)

Interim dividend distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 January 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
A Accumulation				
Group 1	0.3048	-	0.3048	0.1211
Group 2	-	0.3048	0.3048	0.1211
A Income				
Group 1	0.2365	-	0.2365	0.0943
Group 2	-	0.2365	0.2365	0.0943
I Accumulation				
Group 1	0.9615	-	0.9615	0.6762
Group 2	0.0091	0.9524	0.9615	0.6762
I Income				
Group 1	0.6781	-	0.6781	0.4805
Group 2	0.2086	0.4695	0.6781	0.4805
K Accumulation				
Group 1	0.6403	-	0.6403	0.4605
Group 2	0.6403	-	0.6403	0.4605
L Accumulation				
Group 1	0.7140	-	0.7140	0.5318
Group 2	0.7140	-	0.7140	0.5318
L Income				
Group 1	0.6573	-	0.6573	0.4936
Group 2	0.6573	-	0.6573	0.4936
M Accumulation				
Group 1	0.4388	-	0.4388	0.3028
Group 2	0.1166	0.3222	0.4388	0.3028
M Income				
Group 1	0.4269	-	0.4269	0.2965
Group 2	-	0.4269	0.4269	0.2965

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Final dividend distribution

Group 1 – shares purchased prior to 1 February 2022

Group 2 – shares purchased between 1 February 2022 and 31 July 2022

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
A Accumulation				
Group 1	1.1872	-	1.1872	0.7201
Group 2	0.4382	0.7490	1.1872	0.7201
A Income				
Group 1	0.9193	-	0.9193	0.5600
Group 2	0.3943	0.5250	0.9193	0.5600
I Accumulation				
Group 1	1.8428	-	1.8428	1.3822
Group 2	0.9919	0.8509	1.8428	1.3822
I Income				
Group 1	1.2963	-	1.2963	0.9797
Group 2	0.5439	0.7524	1.2963	0.9797
K Accumulation				
Group 1	1.1622	-	1.1622	0.8907
Group 2	1.1622	-	1.1622	0.8907
L Accumulation				
Group 1	1.1679	-	1.1679	0.9313
Group 2	1.1679	-	1.1679	0.9313
L Income				
Group 1	1.0685	-	1.0685	0.8619
Group 2	1.0685	-	1.0685	0.8619
M Accumulation				
Group 1	0.8806	-	0.8806	0.6471
Group 2	0.6256	0.2550	0.8806	0.6471
M Income				
Group 1	0.8501	-	0.8501	0.6326
Group 2	0.2076	0.6425	0.8501	0.6326

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 2022

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 2022, the value of abrdn UK Income Equity Fund – A Accumulation Shares decreased by 1.56% compared to an increase of 5.51% in the performance target, the FTSE All Share Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

Market Review

The UK stock market, as represented by the FTSE All-Share Index, rose over the past 12 months, outperforming many of its international counterparts. The picture was more mixed beneath the positive headline figure, with shares of large FTSE 100 Index companies performing well but shares in the mid-sized companies of the FTSE 250 Index, which are typically more focused on the domestic UK economy falling heavily.

The easing of lockdown restrictions following an effective vaccine rollout built economic and stock market momentum over the summer of 2021 and through till the end of the calendar year, but occasional market sell-offs as Covid-19 cases flared up.

It has been a tough time for global stock markets in 2022, with investors rattled by soaring inflation, rising interest rates and Russia's invasion of Ukraine. However, the UK stock market has displayed relative resilience. It is home to many energy and mining companies, whose shares have benefited from high commodity prices, particularly after the outbreak of war in Eastern Europe.

Inflation has continued to rise in the UK, with annual consumer price inflation climbing steadily to hit a 40-year high of 9.4% in June. The Bank of England (BoE) reacted to spiking inflation with five consecutive interest rate rises to the end of July and the prospect of further interest rate rises ahead.

abrdn UK Income Equity Fund

For the year ended 31 July 2022

Portfolio Activity and Review

At a stock level, defensive holding SSE was a positive contributor to performance. Safestore performed well on continued robust occupancy data. Meanwhile, Standard Chartered issued strong earnings. On the other hand, negatively contributing to returns was Countryside Partnerships after its shares underperformed, reflecting the wind-down of its housebuilding business. This led to forecasts being reset for the business as it evolves into a standalone partnerships business. A lack of exposure to Shell and British American Tobacco also hurt relative returns.

Portfolio Outlook and Strategy

The outlook for the remainder of 2022 continues to be challenging on a geopolitical and economic front. Given the tightening policy backdrop and inflationary challenges coupled with the implications of the conflict in Ukraine, investor worries over a global recession are increasing. Therefore, long-term growth in earnings is still not going to be easy to come by. This was already an issue for many companies in a post-Brexit and post-Covid world which is now being exacerbated by the Ukrainian situation.

We retain a cautious stance given the uncertainty, with the outlook now more balanced than at any time in the past few years. Against this backdrop, we want to ensure our portfolio is poised for a wide range of outcomes rather than just one. Hence, we will not deviate from our philosophy of long-term investing in the best businesses we can find, but with a more balanced portfolio, we would expect to continue to prosper in more difficult market conditions. It also gives us the opportunity to participate a little more in some of the upside scenarios that might develop. We continue to be focused on bottom-up stock picking and ESG integration. We believe companies that actively consider and manage their key environmental, social and governance impacts will be well placed to navigate through uncertain times and harness opportunities.

We also take comfort that the valuations of UK-listed companies remain attractive on a relative basis, and as a result, we think a fair proportion of the portfolio may be vulnerable to corporate activity. Moreover, the dividend yield of the UK market remains at an appealing premium to other regional equity markets let alone other asset classes. Furthermore, international investors remain underweight the UK providing a further underpin.

UK Equity Team

August 2022

abrdrn UK Income Equity Fund

Continued

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the fund. The table below shows the fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk				Typically higher rewards, higher risk		
←				→		
1	2	3	4	5	6	7

Risk and reward indicator table as at 31 July 2022.

The fund is rated as 6 because of the extent to which the following risk factors apply:

- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector.
- The shares of small and mid-cap companies may be less liquid and more volatile than those of larger companies.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

Comparative Tables

A Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	1,457.95	1,169.92	1,286.23
Return before operating charges*	(0.51)	305.08	(100.01)
Operating charges	(18.58)	(17.05)	(16.30)
Return after operating charges*	(19.09)	288.03	(116.31)
Distributions	(60.50)	(48.05)	(49.07)
Retained distributions on accumulation shares	60.50	48.05	49.07
Closing net asset value per share	1,438.86	1,457.95	1,169.92
* after direct transaction costs of:	1.24	1.49	1.58
Performance			
Return after charges	(1.31%)	24.62%	(9.04%)
Other information			
Closing net asset value (£'000)	55,181	59,010	50,026
Closing number of shares	3,835,059	4,047,479	4,275,993
Operating charges	1.29%	1.30%	1.30%
Direct transaction costs	0.08%	0.11%	0.13%
Prices			
Highest share price	1,521	1,465	1,417
Lowest share price	1,294	1,144	950.3

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	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	398.43	331.07	378.58
Return before operating charges*	(0.20)	85.62	(28.43)
Operating charges	(5.03)	(4.79)	(4.76)
Return after operating charges*	(5.23)	80.83	(33.19)
Distributions	(16.37)	(13.47)	(14.32)
Closing net asset value per share	376.83	398.43	331.07
* after direct transaction costs of:	0.34	0.42	0.46
Performance			
Return after charges	(1.31%)	24.41%	(8.77%)
Other information			
Closing net asset value (£'000)	51,981	57,928	50,825
Closing number of shares	13,794,285	14,538,970	15,351,430
Operating charges	1.29%	1.30%	1.30%
Direct transaction costs	0.08%	0.11%	0.13%
Prices			
Highest share price	415.8	408.4	417.1
Lowest share price	347.0	323.8	275.1

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	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	1,625.12	1,298.29	1,420.98
Return before operating charges*	(0.62)	339.31	(110.88)
Operating charges	(13.49)	(12.48)	(11.81)
Return after operating charges*	(14.11)	326.83	(122.69)
Distributions	(67.57)	(53.44)	(54.33)
Retained distributions on accumulation shares	67.57	53.44	54.33
Closing net asset value per share	1,611.01	1,625.12	1,298.29
* after direct transaction costs of:	1.38	1.67	1.75
Performance			
Return after charges	(0.87%)	25.17%	(8.63%)
Other information			
Closing net asset value (£'000)	42,593	38,143	22,114
Closing number of shares	2,643,866	2,347,079	1,703,296
Operating charges	0.84%	0.85%	0.85%
Direct transaction costs	0.08%	0.11%	0.13%
Prices			
Highest share price	1,696	1,633	1,569
Lowest share price	1,446	1,271	1,053

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Comparative Tables

Continued

	2022	2021	2020
I Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	446.64	369.49	420.59
Return before operating charges*	(0.25)	95.73	(31.69)
Operating charges	(3.68)	(3.51)	(3.47)
Return after operating charges*	(3.93)	92.22	(35.16)
Distributions	(18.38)	(15.07)	(15.94)
Closing net asset value per share	424.33	446.64	369.49
* after direct transaction costs of:	0.38	0.47	0.51
Performance			
Return after charges	(0.88%)	24.96%	(8.36%)
Other information			
Closing net asset value (£'000)	15,507	16,772	13,008
Closing number of shares	3,654,361	3,755,205	3,520,669
Operating charges	0.84%	0.85%	0.85%
Direct transaction costs	0.08%	0.11%	0.13%
Prices			
Highest share price	466.3	457.8	464.3
Lowest share price	390.0	361.7	306.5

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 Income	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	124.37	102.80	116.94
Return before operating charges*	(0.09)	26.66	(8.86)
Operating charges	(0.93)	(0.88)	(0.85)
Return after operating charges*	(1.02)	25.78	(9.71)
Distributions	(5.12)	(4.21)	(4.43)
Closing net asset value per share	118.23	124.37	102.80
* after direct transaction costs of:	0.11	0.13	0.14
Performance			
Return after charges	(0.82%)	25.08%	(8.30%)
Other information			
Closing net asset value (£'000)	96	164	355
Closing number of shares	81,139	131,782	345,248
Operating charges	0.76%	0.78%	0.78%
Direct transaction costs	0.08%	0.11%	0.13%
Prices			
Highest share price	129.9	127.5	129.1
Lowest share price	108.6	100.7	85.26

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.

Comparative Tables

Continued

M Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	129.58	103.60	113.28
Return before operating charges*	0.02	27.02	(8.75)
Operating charges	(1.14)	(1.04)	(0.93)
Return after operating charges*	(1.12)	25.98	(9.68)
Distributions	(5.39)	(4.55)	(3.57)
Retained distributions on accumulation shares	5.39	4.55	3.57
Closing net asset value per share	128.46	129.58	103.60
* after direct transaction costs of:	0.11	0.13	0.13
Performance			
Return after charges	(0.86%)	25.08%	(8.55%)
Other information			
Closing net asset value (£'000)	28	27	34
Closing number of shares	22,047	20,994	33,625
Operating charges	0.89%	0.90%	0.90%
Direct transaction costs	0.08%	0.11%	0.13%
Prices			
Highest share price	135.4	130.4	125.2
Lowest share price	115.3	101.4	84.01

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Comparative Tables

Continued

M Income	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	118.13	97.84	110.50
Return before operating charges*	0.02	25.37	(8.35)
Operating charges	(1.03)	(0.98)	(0.91)
Return after operating charges*	(1.01)	24.39	(9.26)
Distributions	(4.88)	(4.10)	(3.40)
Closing net asset value per share	112.24	118.13	97.84
* after direct transaction costs of:	0.10	0.12	0.13
Performance			
Return after charges	(0.85%)	24.93%	(8.38%)
Other information			
Closing net asset value (£'000)	39	39	47
Closing number of shares	34,446	33,204	48,554
Operating charges	0.89%	0.90%	0.90%
Direct transaction costs	0.08%	0.11%	0.13%
Prices			
Highest share price	124.3	121.7	122.1
Lowest share price	103.2	95.80	80.89

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Comparative Tables

Continued

Z Income ^A	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	121.23	99.62	100.00 ^B
Return before operating charges*	(0.14)	25.80	0.67
Operating charges	(0.10)	(0.11)	(0.03)
Return after operating charges*	(0.24)	25.69	0.64
Distributions	(5.01)	(4.08)	(1.02)
Closing net asset value per share	115.98	121.23	99.62
* after direct transaction costs of:	0.10	0.13	0.03
Performance			
Return after charges	(0.20%)	25.79%	0.64%
Other information			
Closing net asset value (£'000)	8,245	10,466	7,233
Closing number of shares	7,108,815	8,632,853	7,260,428
Operating charges	0.09%	0.10%	0.10%
Direct transaction costs	0.08%	0.11%	0.13%
Prices			
Highest share price	126.8	124.3	105.7
Lowest share price	106.3	97.70	95.94

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

^A Z Income share class was launched on 29 April 2020.

^B The opening net asset value stated is the share class launch price.

Portfolio Statement

As at 31 July 2022

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (100.02%)		169,463	97.58
UK Equities (100.02%)		169,463	97.58
Basic Materials (11.18%)		12,041	6.93
131,000	Anglo American	3,864	2.23
233,600	BHP	5,251	3.02
39,121	Croda International	2,926	1.68
Consumer Discretionary (9.17%)		16,085	9.26
671,000	Countryside Partnerships	1,946	1.12
394,100	Howden Joinery	2,665	1.53
483,465	Moonpig	1,003	0.58
299,274	RELX	7,257	4.18
223,180	Vistry	2,056	1.18
527,700	Watkin Jones++	1,158	0.67
Consumer Staples (13.75%)		21,123	12.16
179,894	Coca-Cola HBC	3,618	2.08
226,890	Diageo	8,807	5.07
62,700	Mowi	1,183	0.68
19,809	Nestle	1,989	1.15
138,037	Unilever	5,526	3.18
Energy (3.78%)		10,098	5.81
1,165,328	BP	4,661	2.68
129,968	TotalEnergies	5,437	3.13
Financials (16.30%)		29,209	16.82
722,000	Ashmore	1,557	0.90
474,800	Chesnara	1,398	0.81
313,900	Close Brothers	3,481	2.01
1,107,300	Direct Line Insurance	2,280	1.31
140,252	Hiscox	1,252	0.72

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
122,479	Intermediate Capital	1,863	1.07
36,074	London Stock Exchange	2,884	1.66
1,689,100	M&G	3,601	2.07
288,291	Nordea Bank (Swedish listing)	2,328	1.34
446,047	OSB	2,346	1.35
324,700	Oversea-Chinese Banking	2,254	1.30
703,069	Standard Chartered	3,965	2.28
Health Care (11.05%)		20,213	11.64
89,631	AstraZeneca	9,718	5.60
1,067,842	ConvaTec	2,435	1.40
33,193	Dechra Pharmaceuticals	1,222	0.70
132,480	GSK	2,288	1.32
165,600	Haleon	483	0.28
29,900	Novo Nordisk	2,881	1.66
113,300	Smith & Nephew	1,186	0.68
Industrials (16.03%)		30,492	17.56
299,000	Euromoney Institutional Investor	4,330	2.49
125,736	Experian	3,599	2.07
400,340	Genuit	1,695	0.98
473,030	Inchcape	3,973	2.29
34,364	Kone	1,287	0.74
505,242	Marshalls	2,500	1.44
112,442	Mondi	1,742	1.00
59,511	Oxford Instruments	1,357	0.78
629,624	Rentokil Initial	3,406	1.96
174,900	RS	1,805	1.04
5,734	VAT	1,359	0.78
145,985	Weir	2,437	1.41
33,000	XP Power	1,002	0.58
Real Estate (7.40%)		9,960	5.74
2,382,283	Assura REIT	1,635	0.94
1,579,225	Industrials REIT	2,645	1.52

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
327,085	Safestore REIT	3,726	2.15
130,440	Sirius Real Estate	124	0.07
157,175	Unite REIT	1,830	1.06
Technology (3.42%)		5,555	3.20
140,910	AVEVA	3,320	1.91
317,418	Sage	2,235	1.29
Telecommunications (2.70%)		2,504	1.44
120,000	Accton Technology	814	0.47
169,925	Telenor	1,690	0.97
Utilities (5.24%)		12,183	7.02
322,740	Drax	2,530	1.46
340,129	National Grid	3,847	2.22
328,470	SSE	5,806	3.34
Collective Investment Schemes (0.00%)		3,336	1.92
3,336	Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund Z1 Inc ⁺	3,336	1.92
Total investment assets		172,799	99.50
Net other assets		871	0.50
Total Net Assets		173,670	100.00

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules.

The percentage figures in brackets show the comparative holding as at 31 July 2021.

⁺ Managed by subsidiaries of abrdn plc.

⁺⁺ AIM listed.

Financial Statements

Statement of Total Return

For the year ended 31 July 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital (losses)/gains	1		(7,903)		32,604
Revenue	2	7,662		6,598	
Expenses	3	(1,919)		(1,853)	
Interest payable and similar charges		(1)		-	
Net revenue before taxation		5,742		4,745	
Taxation	4	(62)		(81)	
Net revenue after taxation			5,680		4,664
Total return before distributions			(2,223)		37,268
Distributions	5		(7,456)		(6,206)
Change in net assets attributable to shareholders from investment activities			(9,679)		31,062

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2022

	2022		2021	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		182,549		143,642
Amounts receivable on the issue of shares	12,753		23,844	
Amounts payable on the cancellation of shares	(16,094)		(19,308)	
		(3,341)		4,536
Dilution adjustment		-		23
Change in net assets attributable to shareholders from investment activities (see above)		(9,679)		31,062
Retained distribution on accumulation shares		4,095		3,227
Unclaimed distributions		46		59
Closing net assets attributable to shareholders		173,670		182,549

Financial Statements

Continued

Balance Sheet

As at 31 July 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			172,799		182,583
Current assets:					
Debtors	6	1,000		1,615	
Cash and bank balances	7	2,044		481	
			3,044		2,096
Total assets			175,843		184,679
Liabilities:					
Bank overdrafts	7	(23)		-	
Creditors	8	(320)		(400)	
Distribution payable		(1,830)		(1,730)	
			(2,173)		(2,130)
Total liabilities			(2,173)		(2,130)
Net assets attributable to shareholders			173,670		182,549

Notes to the Financial Statements

1 Net Capital (Losses)/Gains

	2022 £'000	2021 £'000
Non-derivative securities	(7,878)	32,593
Derivative contracts	-	29
Other losses	(18)	(18)
Transaction charges	(7)	-
Net capital (losses)/gains	(7,903)	32,604

2 Revenue

	2022 £'000	2021 £'000
Bank and margin interest	9	-
Derivative revenue	386	577
Overseas dividends	1,181	766
Stocklending revenue	-	3
UK dividends	5,811	4,959
UK REIT	275	293
Total revenue	7,662	6,598

3 Expenses

	2022 £'000	2021 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	1,771	1,683
General administration charge*	142	-
Operating, administrative and servicing fees	-	170
	1,913	1,853
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fees	6	-
	6	-
Total expenses	1,919	1,853

Irrecoverable VAT is included in the above expenses, where relevant.

* The fixed general administration charge was introduced from 1 August 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian. The audit fee for the year, including VAT, was £8,460 (2021: £8,389).

Notes to the Financial Statements

Continued

4 Taxation

	2022 £'000	2021 £'000
(a) Analysis of charge in year		
Overseas taxes	62	81
Total taxation (note 4b)	62	81

(b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2021: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

Net revenue before taxation	5,742	4,745
Corporation tax at 20% (2021: 20%)	1,148	949
Effects of:		
Revenue not subject to taxation	(1,394)	(1,144)
Overseas taxes	62	81
Excess allowable expenses	246	195
Total tax charge for year (note 4a)	62	81

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

(c) Factors that may affect future tax charge

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £18,536,000 (2021: £18,290,000) 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)

	2022 £'000	2021 £'000
Interim distribution	3,304	2,508
Final distribution	4,134	3,661
	7,438	6,169
Add: Income deducted on cancellation of shares	210	229
Deduct: Income received on issue of shares	(192)	(192)
Total distributions for the year	7,456	6,206
Movement between net revenue and distributions		
Net revenue after taxation	5,680	4,664
Expenses charged to capital	1,913	1,683
Tax relief on expenses charged to capital	(137)	(141)
Total distributions for the year	7,456	6,206

Notes to the Financial Statements

Continued

Expenses taken to capital include the ACD, Registration and 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

	2022 £'000	2021 £'000
Accrued revenue	603	636
Amounts receivable from the ACD for the issue of shares	-	5
Overseas withholding tax recoverable	301	200
Sales awaiting settlement	96	771
United Kingdom income tax recoverable	-	3
Total debtors	1,000	1,615

7 Liquidity

	2022 £'000	2021 £'000
Cash and bank balances		
Cash at bank	2,044	481
	2,044	481
Bank overdrafts		
Overdraft at bank	(23)	-
	(23)	-
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	3,336	1
Net liquidity	5,357	482

* 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

	2022 £'000	2021 £'000
Accrued expenses payable to ACD	153	155
Accrued expenses payable to the Depositary or associates of the Depositary	1	-
Amounts payable to the ACD for cancellation of shares	166	230
Other accrued expenses	-	15
Total creditors	320	400

Notes to the Financial Statements

Continued

9 Related Party Transactions

abrdr Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to abrdr Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to abrdr Fund Managers Limited, in respect of expenses are disclosed in note 3 and any amounts due at the year end in note 8.

10 Portfolio Transaction Costs

	Purchases		Sales	
	2022	2021	2022	2021
Trades in the year	£'000	£'000	£'000	£'000
Equities	33,570	38,628	39,180	30,251
Corporate actions	220	1,680	-	-
Trades in the year before transaction costs	33,790	40,308	39,180	30,251
Commissions				
Equities	19	18	(22)	(16)
Total commissions	19	18	(22)	(16)
Taxes				
Equities	111	159	-	-
Total taxes	111	159	-	-
Total transaction costs	130	177	(22)	(16)
Total net trades in the year after transaction costs	33,920	40,485	39,158	30,235
	Purchases		Sales	
	2022	2021	2022	2021
	%	%	%	%
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.06	0.05	0.06	0.05
Taxes				
Equities	0.33	0.41	-	-

Notes to the Financial Statements

Continued

	2022 %	2021 %
Total transaction costs expressed as a percentage of net asset value		
Commissions	0.02	0.02
Taxes	0.06	0.09

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.15% (2021: 0.10%), this is representative of the average spread on the assets held during the year.

11 Shares in Issue Reconciliation

	Opening shares 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
A Accumulation	4,047,479	23,669	(216,479)	(19,610)	3,835,059
A Income	14,538,970	326,191	(1,042,456)	(28,420)	13,794,285
I Accumulation	2,347,079	602,314	(323,085)	17,558	2,643,866
I Income	3,755,205	355,006	(481,139)	25,289	3,654,361
K Income	131,782	51	(50,694)	-	81,139
M Accumulation	20,994	1,125	(72)	-	22,047
M Income	33,204	1,338	(96)	-	34,446
Z Income	8,632,853	-	(1,524,038)	-	7,108,815

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).

	2022 £'000	2022 £'000	2022 £'000	2021 £'000	2021 £'000	2021 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	169,463	-	-	182,582	-	-
Collective Investment Schemes	-	3,336	-	-	1	-
Total investment assets	169,463	3,336	-	182,582	1	-

Notes to the Financial Statements

Continued

13 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

Foreign currency risk

Fluctuations in the foreign exchange rates can adversely affect the value of a portfolio. The following table details the net exposure to the principal foreign currencies that the fund is exposed to including any instruments used to hedge against foreign currencies, if applicable.

Currency	Net foreign currency exposure	Net foreign currency exposure
	2022 £'000	2021 £'000
Danish Krone	2,954	2,077
Euro	7,008	6,377
Norwegian Krone	2,881	3,656
Singapore Dollar	2,254	-
Swedish Krona	2,328	-
Swiss Franc	3,348	4,366
Taiwan Dollar	816	1,001
Total	21,589	17,477

At 31 July 2022, 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 £1,079,000 (2021: £874,000).

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 2022, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £8,640,000 (2021: £9,129,000).

Financial derivatives instrument risk

The fund had no exposure to derivatives as at 31 July 2022 (2021: £Nil).

Bilateral agreements

The fund receives 85% of the revenue returns from stock lending. The gross earnings for the year are £Nil (2021: £4,000) and expenses paid to the lending agent, Securities Finance Trust Company, are £Nil (2021: £1,000).

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2022 £2,173,000 (2021: £2,130,000).

Distribution Tables

For the year ended 31 July 2022 (in pence per share)

Interim dividend distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 January 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
A Accumulation				
Group 1	26.5830	-	26.5830	19.0675
Group 2	7.1290	19.4540	26.5830	19.0675
A Income				
Group 1	7.2678	-	7.2678	5.3968
Group 2	1.4882	5.7796	7.2678	5.3968
I Accumulation				
Group 1	29.6519	-	29.6519	21.1767
Group 2	7.3555	22.2964	29.6519	21.1767
I Income				
Group 1	8.1529	-	8.1529	6.0278
Group 2	2.1409	6.0120	8.1529	6.0278
K Income				
Group 1	2.2707	-	2.2707	1.6773
Group 2	1.6482	0.6225	2.2707	1.6773
M Accumulation				
Group 1	2.3671	-	2.3671	1.3329
Group 2	0.0352	2.3319	2.3671	1.3329
M Income				
Group 1	2.1701	-	2.1701	1.2595
Group 2	0.4080	1.7621	2.1701	1.2595
Z Income				
Group 1	2.2158	-	2.2158	1.6270
Group 2	2.2158	-	2.2158	1.6270

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Final dividend distribution

Group 1 – shares purchased prior to 1 February 2022

Group 2 – shares purchased between 1 February 2022 and 31 July 2022

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
A Accumulation				
Group 1	33.9149	-	33.9149	28.9858
Group 2	14.8442	19.0707	33.9149	28.9858
A Income				
Group 1	9.0980	-	9.0980	8.0773
Group 2	2.1212	6.9768	9.0980	8.0773
I Accumulation				
Group 1	37.9220	-	37.9220	32.2595
Group 2	15.2163	22.7057	37.9220	32.2595
I Income				
Group 1	10.2307	-	10.2307	9.0417
Group 2	3.4403	6.7904	10.2307	9.0417
K Income				
Group 1	2.8501	-	2.8501	2.5371
Group 2	2.8501	-	2.8501	2.5371
M Accumulation				
Group 1	3.0248	-	3.0248	3.2171
Group 2	0.5423	2.4825	3.0248	3.2171
M Income				
Group 1	2.7071	-	2.7071	2.8441
Group 2	0.5780	2.1291	2.7071	2.8441
Z Income				
Group 1	2.7905	-	2.7905	2.4496
Group 2	2.7905	-	2.7905	2.4496

Equalisation

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the holders of these shares as a return of capital.

Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

abrdrn UK Mid-Cap Equity Fund

For the year ended 31 July 2022

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 abrdrn), money-market instruments, and cash.

Management Process

- The management team use their discretion (active management) to maintain a diverse asset mix at sector and stock level.
- Their primary focus is on stock selection using 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 2022, the value of abrdrn UK Mid-Cap Equity Fund – A Accumulation Shares decreased by 29.53% compared to a decrease of 11.31% in the performance target, the FTSE 250 (ex Investment Trusts) Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

Market Review

The UK stock market, as represented by the FTSE All-Share Index, rose very marginally over the 12 months, outperforming many of its international counterparts. However, this headline figure masks the underlying risk-off trade that has been prevalent since the turn of the year. The FTSE 100 has been resilient due in large part to the heavy weighting in the index to sectors that benefit from high commodity prices and rising interest rates, namely oil and gas and banks. Shares in the mid-sized companies of the FTSE 250 Index, which are typically more focused on the domestic UK economy, have fallen heavily.

UK equities fared well during the first half of the period as an effective vaccine rollout led to an easing of lockdown restrictions and an economic recovery. However, global stock markets have sold off sharply in 2022, with investors rattled by the disruption to global supply chains, soaring inflation, rising interest rates and Russia's invasion of Ukraine. The UK has been no exception, with annual

abrdn UK Mid-Cap Equity Fund

Continued

consumer price inflation climbing steadily to hit a 40-year high of 9.4% in June. The Bank of England (BoE) reacted to spiking inflation with five consecutive interest-rate rises. At the time of writing, the policy rate has been raised another 50 basis points to 1.75%, the highest level since 2009.

Wages are growing but not at a sufficient rate to offset the rise in prices and policy rates, which is putting the squeeze on UK consumer spending.

In other economic news, the manufacturing purchasing managers' index data indicated slowing growth in July, while consumer confidence remained at a record low. Meanwhile, the UK's unemployment rate was stable at 3.8% in the three months to May. UK stock markets have also been affected by political uncertainty, with Boris Johnson resigning as prime minister in early July and triggering a leadership contest in the Conservative Party.

Portfolio Activity and Review

The fund suffered from being overweight consumer discretionary and IT stocks, which due to their cyclicality and relatively high valuations, were the hardest-hit sectors. Stock selection in the consumer space, as well as financials, industrials and telecoms sectors, also dragged on performance, although this was mitigated by selection in the IT segment.

On the stock front, shares of chipmaker Alphawave IP Group fell sharply after a short-selling thesis based around the company's relationships with some of its key customers was published. Our Synthomer holding also underperformed due to concerns around its debt levels, the cyclical nature of its earnings, inflationary pressures and the quality of the new management team's execution. We decided to sell both positions due to lower conviction in the investment cases and identifying better opportunities elsewhere. Another holding to lag the benchmark was Future, despite an encouraging trading update in early February and reporting a strong half-year result in May. The company has been cycling a high-base effect in audience and e-commerce, but this has been more than offset by the strength in digital advertising. Integration of the Dennis acquisition also appears to be tracking well. However, energy and paper cost inflation has weighed on the magazine business and investors are worried about the effect of the consumer squeeze on click-through revenues on transactions, as well as the cyclicality of advertising markets. Elsewhere, Hotel Chocolat underperformed after its earnings were downgraded in anticipation of significant cost headwinds and management commentary on weakening consumer demand and due to the unexpected announcement from management that they are deprioritising the Japan and US businesses in order to pursue a lower-risk strategy. The Japanese business has been significantly

affected by Covid-19. Impax Asset Management also underperformed during the period. Its first-half 2022 results were positive, but conditions became more challenging as the period progressed. While the performance of securities markets has affected Impax's full-year expectations, we believe the company remains competitively positioned on account of its strong distribution relationships.

The losses were mitigated by our position in Chemring. The company provided a solid first-half update and there is good visibility on full-year numbers given revenue already delivered and the healthy order book. Chemring also has a strong balance sheet, with minimal debt, and is forecast to reach a net-cash position, barring further M&A. The war in Ukraine has also heightened geopolitical risks, which should increase government's defence budgets. We have also observed a change in the attitudes of investors towards the ESG aspects of the defence sector, with the recent crisis highlighting the need for this type of spend. Bytes Technology also contributed positively as strong trading updates through the year have driven earnings upgrades. This has been underpinned by buoyant customer demand and a resilience in revenue visibility, given its exposure to recurring software. There remains a strong outlook for technology-infrastructure investment across both public and private sectors, and Bytes continues to win wallet share from its customers. The company is also in a net-cash position, which provides reassurance to both customers and shareholders, and allows them to continue to invest in the business while also paying dividends. Safestore has also continued to enjoy earnings upgrades through the year as high utilisation levels have enabled it to push through rate increases. The structural requirement for storage reduces the degree of cyclicality in the business and makes the company's earnings stream more resilient. Safestore is market leading and it can leverage off its scale in areas such as marketing, which means it is able to take share from smaller operators.

Telecom Plus, which is a holding we added to the fund in recent months, also contributed positively. It is the lowest-cost energy provider in the market on account of its unique model and, with some competitors having gone under, it has a strong market-share opportunity. Its model also enables it to cross-sell its other services. The fund also benefitted from not holding companies that have been hit by travel disruption, such as Wizz Air, easyJet and TUI, as well as Countryside Partnerships, which underperformed due to the wind-down of its housebuilding business.

In addition to the portfolio activity mentioned in the interim report, we added several new positions to the fund. As mentioned above, we opened a position in Telecom Plus and we also purchased technology-based marketing

abrdn UK Mid-Cap Equity Fund

Continued

company Next 15 by participating in the company's placement. Next 15 raised capital in order to acquire Engine Group, a deal we feel will be earnings accretive to the group. We also initiated a new position Alpha FX (AFX), a banking-solutions business focused on providing currency management services to a range of mid to large-sized enterprises. AFX has grown revenues and margins every year since its initial public offering and is seeing major opportunities across all of its businesses. The company has also established another division with Alternative Banking Solution, which helps to diversify its business. We also added a new holding in OneSavings Bank, which is a buy-to-let lender focused on professional landlords. The company continues to take share with traditional banks having exited this market. Further, it has good underlying credit quality, is well-funded and stress tests well to negative macroeconomic scenarios. The final purchase was Serica Energy, a gas producer with high-quality North Sea assets. We believe gas prices are supported by the structural lack of storage in the UK. The company is in a net-cash position, offers good cash generation and has an impressive record of improving assets.

We also topped up our holding in One Savings Bank on a positive read from Paragon's results. We also added to AJ Bell as it is a beneficiary of higher interest rates, and FDM as we are positive on the momentum in the consulting sector. We also increased the positions in Chemring, Watches of Switzerland and Midwich.

At the same time, we sold RWS following the strategy update from the new CEO, which revealed slower growth in the near term, and Diploma in favour of deploying cash into more mid-cap names. We also divested Halfords. The company reported a better-than-expected full-year result but commented that the operating backdrop had deteriorated rapidly in the first six months of the year due largely to rampant cost inflation. Further, the squeeze on discretionary spending, higher fuel prices and foreign exchange has resulted in earnings downgrades.

We reduced our exposure to consumer-exposed names, such as Hollywood Bowl, given the cost-of-living crisis. Other trims included Future, Intermediate Capital, Cranswick and Gamma.

Portfolio Outlook and Strategy

Macroeconomic and geopolitical factors continue to weigh on investor sentiment and the outlook is uncertain. The global economy looks increasingly likely to enter a recessionary environment, or at least a period of low growth.

In a recessionary environment, investors tend to gravitate towards higher quality companies with reliable cash flow streams and solid balance sheets, and companies that can continue to grow. Therefore, our quality focus and ability to identify companies that can deliver sustained earnings growth should be rewarded. We saw some evidence of this during July, with investors reacting in a more rational manner, rewarding companies that have delivered positive earnings updates. We continue to be pleased with the earnings resilience in the portfolio, in a market where earnings downgrades have been intensifying over recent months.

In a recovery period, small and mid-cap companies tend to lead market recovery as they are typically hit harder in the downturn. We believe this could be more pronounced this time round given the scale of underperformance from small and mid-cap stocks. In the UK, this has been magnified by the composition of FTSE 100 Index, which has a high proportion of oil and gas, energy, resources and banks versus other geographies.

History suggests markets turn the economic environment is most painful, and we may still be some months away from this. However, timing that turning point can be very challenging, particularly with the volatility we are seeing in a number of macroeconomic factors, and so we would strongly encourage investors to retain exposure to the UK mid-cap asset class. Investors may continue to be wary of smaller companies while the threat of a recession looms, but history tells us that small and mid-cap companies typically lead the way in the recovery phase of the economic cycle.

Smaller Companies Equity Team

August 2022

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 2022.

The fund is rated as 6 because of the extent to which the following risk factors apply:

- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- The shares of small and mid-cap companies may be less liquid and more volatile than those of larger companies.
- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

Comparative Tables

A Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	354.21	259.03	255.18
Return before operating charges*	(100.50)	99.11	7.15
Operating charges	(3.96)	(3.93)	(3.30)
Return after operating charges*	(104.46)	95.18	3.85
Distributions	(1.68)	(0.21)	(1.07)
Retained distributions on accumulation shares	1.68	0.21	1.07
Closing net asset value per share	249.75	354.21	259.03
* after direct transaction costs of:	0.67	0.77	1.28
Performance			
Return after charges	(29.49%)	36.74%	1.51%
Other information			
Closing net asset value (£'000)	17,881	26,104	18,697
Closing number of shares	7,159,276	7,369,622	7,218,252
Operating charges	1.29%	1.30%	1.30%
Direct transaction costs	0.22%	0.25%	0.50%
Prices			
Highest share price	377.9	353.7	295.3
Lowest share price	224.6	260.8	177.1

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

	2022	2021	2020
A Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	296.04	216.62	214.21
Return before operating charges*	(83.98)	82.87	6.08
Operating charges	(3.31)	(3.28)	(2.77)
Return after operating charges*	(87.29)	79.59	3.31
Distributions	(1.40)	(0.17)	(0.90)
Closing net asset value per share	207.35	296.04	216.62
* after direct transaction costs of:	0.56	0.64	1.07
Performance			
Return after charges	(29.49%)	36.74%	1.55%
Other information			
Closing net asset value (£'000)	3,373	5,339	4,101
Closing number of shares	1,626,869	1,803,463	1,893,056
Operating charges	1.29%	1.30%	1.30%
Direct transaction costs	0.22%	0.25%	0.50%
Prices			
Highest share price	315.8	295.6	247.0
Lowest share price	187.7	218.1	148.1

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Comparative Tables

Continued

	2022	2021	2020
I Accumulation	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	292.87	213.21	209.10
Return before operating charges*	(83.30)	81.82	5.88
Operating charges	(2.13)	(2.16)	(1.77)
Return after operating charges*	(85.43)	79.66	4.11
Distributions	(2.54)	(1.30)	(1.62)
Retained distributions on accumulation shares	2.54	1.30	1.62
Closing net asset value per share	207.44	292.87	213.21
* after direct transaction costs of:	0.55	0.65	1.05
Performance			
Return after charges	(29.17%)	37.36%	1.97%
Other information			
Closing net asset value (£'000)	91,240	126,138	38,105
Closing number of shares	43,984,635	43,069,995	17,872,471
Operating charges	0.84%	0.85%	0.85%
Direct transaction costs	0.22%	0.25%	0.50%
Prices			
Highest share price	312.6	292.4	242.6
Lowest share price	186.5	214.6	145.5

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

	2022	2021	2020
I Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	257.37	188.27	185.94
Return before operating charges*	(73.19)	72.15	5.35
Operating charges	(1.78)	(1.90)	(1.57)
Return after operating charges*	(74.97)	70.25	3.78
Distributions	(2.22)	(1.15)	(1.45)
Closing net asset value per share	180.18	257.37	188.27
* after direct transaction costs of:	0.46	0.57	0.93
Performance			
Return after charges	(29.13%)	37.31%	2.03%
Other information			
Closing net asset value (£'000)	22,317	12,411	4,355
Closing number of shares	12,386,233	4,822,418	2,313,080
Operating charges	0.84%	0.85%	0.85%
Direct transaction costs	0.22%	0.25%	0.50%
Prices			
Highest share price	274.7	257.0	214.5
Lowest share price	163.4	189.5	128.6

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

K Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	208.93	152.00	148.95
Return before operating charges*	(59.51)	58.36	4.19
Operating charges	(1.32)	(1.43)	(1.14)
Return after operating charges*	(60.83)	56.93	3.05
Distributions	(1.95)	(1.06)	(1.28)
Retained distributions on accumulation shares	1.95	1.06	1.28
Closing net asset value per share	148.10	208.93	152.00
* after direct transaction costs of:	0.38	0.47	0.74
Performance			
Return after charges	(29.12%)	37.45%	2.05%
Other information			
Closing net asset value (£'000)	49,784	18,665	1,344
Closing number of shares	33,615,544	8,933,630	884,296
Operating charges	0.76%	0.78%	0.78%
Direct transaction costs	0.22%	0.25%	0.50%
Prices			
Highest share price	223.0	208.6	172.9
Lowest share price	133.2	153.0	103.7

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

	2022
K Income ^A	pence per share
Change in net assets per share	
Opening net asset value per share	100.00 ^B
Return before operating charges*	(12.87)
Operating charges	(0.22)
Return after operating charges*	(13.09)
Distributions	(0.63)
Closing net asset value per share	86.28
* after direct transaction costs of:	0.06
Performance	
Return after charges	(13.09%)
Other information	
Closing net asset value (£'000)	1,193
Closing number of shares	1,382,767
Operating charges	0.76%
Direct transaction costs	0.22%
Prices	
Highest share price	101.3
Lowest share price	78.14

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

^A K Income share class was launched on 30 March 2022.

^B The opening net asset value stated is the share class launch price.

Comparative Tables

Continued

M Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	164.56	119.87	117.48
Return before operating charges*	(46.79)	45.96	3.40
Operating charges	(1.27)	(1.27)	(1.01)
Return after operating charges*	(48.06)	44.69	2.39
Distributions	(1.35)	(0.66)	(0.87)
Retained distributions on accumulation shares	1.35	0.66	0.87
Closing net asset value per share	116.50	164.56	119.87
* after direct transaction costs of:	0.31	0.36	0.56
Performance			
Return after charges	(29.21%)	37.28%	2.03%
Other information			
Closing net asset value (£'000)	25	34	23
Closing number of shares	21,454	20,644	19,118
Operating charges	0.89%	0.90%	0.90%
Direct transaction costs	0.22%	0.25%	0.50%
Prices			
Highest share price	175.6	164.3	136.4
Lowest share price	104.8	120.7	81.82

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.

Comparative Tables

Continued

M Income	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	160.95	117.74	116.12
Return before operating charges*	(45.68)	45.09	3.48
Operating charges	(1.24)	(1.22)	(1.05)
Return after operating charges*	(46.92)	43.87	2.43
Distributions	(1.35)	(0.66)	(0.81)
Closing net asset value per share	112.68	160.95	117.74
* after direct transaction costs of:	0.30	0.35	0.59
Performance			
Return after charges	(29.15%)	37.26%	2.09%
Other information			
Closing net asset value (£'000)	1	2	1
Closing number of shares	885	885	885
Operating charges	0.89%	0.89%	0.90%
Direct transaction costs	0.22%	0.25%	0.50%
Prices			
Highest share price	171.8	160.7	134.2
Lowest share price	102.2	118.5	80.46

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Comparative Tables

Continued

Z Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	438.80	317.07	308.63
Return before operating charges*	(125.33)	122.09	8.75
Operating charges	(0.33)	(0.36)	(0.31)
Return after operating charges*	(125.66)	121.73	8.44
Distributions	(6.69)	(4.73)	(4.73)
Retained distributions on accumulation shares	6.69	4.73	4.73
Closing net asset value per share	313.14	438.80	317.07
* after direct transaction costs of:	0.83	0.93	1.56
Performance			
Return after charges	(28.64%)	38.39%	2.73%
Other information			
Closing net asset value (£'000)	27,445	44,034	59,953
Closing number of shares	8,764,376	10,035,277	18,908,573
Operating charges	0.09%	0.10%	0.10%
Direct transaction costs	0.22%	0.25%	0.50%
Prices			
Highest share price	468.7	438.1	359.6
Lowest share price	281.4	319.2	215.8

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 2022

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (94.79%)		204,575	95.93
UK Equities (94.79%)		204,575	95.93
Basic Materials (4.61%)		3,487	1.63
205,917	Hill & Smith	2,706	1.27
334,888	Synthomer	781	0.36
Consumer Discretionary (22.09%)		56,914	26.69
294,107	CVS++	5,053	2.37
1,048,061	Dr. Martens	2,719	1.27
299,681	Dunelm	2,547	1.20
260,034	Focusrite++	2,854	1.34
270,669	Future	4,945	2.32
56,695	Games Workshop	4,388	2.06
177,610	GlobalData++	1,684	0.79
1,776,135	Hollywood Bowl	3,561	1.67
2,558,518	JD Sports Fashion	3,313	1.55
237,938	Jet2++	2,181	1.02
298,535	Keywords Studios++	7,499	3.52
391,043	Next Fifteen Communications++	3,996	1.87
1,034,337	Pets at Home	3,391	1.59
648,068	Team17++	2,848	1.34
669,491	Watches of Switzerland	5,935	2.78
Consumer Staples (6.53%)		12,437	5.83
106,078	Cranswick	3,541	1.66
226,367	Greggs	4,613	2.16
297,362	Hilton Food	3,277	1.54
731,849	Hotel Chocolat++	1,006	0.47
Energy (0.00%)		2,088	0.98
552,414	Serica Energy++	2,088	0.98

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Financials (13.16%)		26,989	12.66
1,000,527	AJ Bell	3,136	1.47
124,356	Alpha FX++	2,257	1.06
562,679	Impax Asset Management++	4,029	1.89
295,405	Intermediate Capital	4,493	2.11
695,728	JTC	5,169	2.42
212,419	Liontrust Asset Management	2,205	1.03
506,304	Molten Ventures	2,425	1.14
622,595	OSB	3,275	1.54
Health Care (4.45%)		7,035	3.30
104,993	Craneware++	1,969	0.92
92,424	Dechra Pharmaceuticals	3,403	1.60
58,647	Genus	1,663	0.78
Industrials (15.03%)		26,554	12.45
2,222,691	Chemring	7,679	3.60
436,720	FDM	4,022	1.88
713,990	Genuit	3,024	1.42
1,284,173	Marshalls	6,354	2.98
1,057,036	Midwich++	5,475	2.57
Real Estate (3.03%)		10,562	4.95
546,277	Safestore REIT	6,222	2.92
4,548,902	Sirius Real Estate	4,340	2.03
Technology (21.89%)		46,529	21.82
275,288	Alphawave IP	370	0.17
759,560	Auction Technology	7,542	3.54
392,255	Auto Trader	2,469	1.16
855,079	Big Technologies++	2,215	1.04
1,768,471	Bytes Technology	7,976	3.74

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
264,430	Computacenter	6,859	3.22
640,915	DiscoverIE	4,845	2.27
601,585	GB++	3,041	1.42
590,738	Kainos	8,058	3.78
226,232	Softcat	3,154	1.48
Telecommunications (4.00%)		11,980	5.62
281,237	Gamma Communication++	3,111	1.46
989,432	Spirent Communications	2,786	1.31
270,971	Telecom Plus	6,083	2.85
Collective Investment Schemes (4.69%)		7,885	3.70
7,885	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc+	7,885	3.70
Total investment assets		212,460	99.63
Net other assets		799	0.37
Total Net Assets		213,259	100.00

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2021.

+ Managed by subsidiaries of abrdn plc.

++ AIM listed.

Financial Statements

Statement of Total Return

For the year ended 31 July 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital (losses)/gains	1		(88,481)		54,327
Revenue	2	4,577		2,479	
Expenses	3	(1,829)		(1,208)	
Net revenue before taxation		2,748		1,271	
Taxation	4	-		-	
Net revenue after taxation			2,748		1,271
Total return before distributions			(85,733)		55,598
Distributions	5		(2,748)		(1,271)
Change in net assets attributable to shareholders from investment activities			(88,481)		54,327

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2022

	2022		2021	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		232,727		126,579
Amounts receivable on the issue of shares	129,415		121,484	
Amounts payable on the cancellation of shares	(63,355)		(71,521)	
		66,060		49,963
Dilution adjustment		407		533
Change in net assets attributable to shareholders from investment activities (see above)		(88,481)		54,327
Retained distribution on accumulation shares		2,545		1,325
Unclaimed distributions		1		-
Closing net assets attributable to shareholders		213,259		232,727

Financial Statements

Continued

Balance Sheet

As at 31 July 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			212,460		231,522
Current assets:					
Debtors	6	3,346		1,105	
Cash and bank balances	7	310		338	
			3,656		1,443
Total assets			216,116		232,965
Liabilities:					
Creditors	8	(2,631)		(200)	
Distribution payable		(226)		(38)	
			(2,857)		(238)
Total liabilities			(2,857)		(238)
Net assets attributable to shareholders			213,259		232,727

Notes to the Financial Statements

1 Net Capital (Losses)/Gains

	2022 £'000	2021 £'000
Non-derivative securities	(88,471)	54,328
Other losses	-	(1)
Transaction charges	(10)	-
Net capital (losses)/gains	(88,481)	54,327

2 Revenue

	2022 £'000	2021 £'000
Bank and margin interest	45	8
Stocklending revenue	7	8
UK dividends	4,378	2,377
UK REIT	147	86
Total revenue	4,577	2,479

3 Expenses

	2022 £'000	2021 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	1,627	1,027
General administration charge*	195	-
Operating, administrative and servicing fees	-	181
	1,822	1,208
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fees	7	-
	7	-
Total expenses	1,829	1,208

Irrecoverable VAT is included in the above expenses, where relevant.

* The fixed general administration charge was introduced from 1 August 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian. The audit fee for the year, including VAT, was £8,460 (2021: £8,389).

Notes to the Financial Statements

Continued

4 Taxation

	2022 £'000	2021 £'000
(a) Analysis of charge in year		
Total taxation (note 4b)	-	-

(b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2021: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

Net revenue before taxation	2,748	1,271
Corporation tax at 20% (2021: 20%)	550	254
Effects of:		
Revenue not subject to taxation	(876)	(475)
Excess allowable expenses	326	221
Total tax charge for year (note 4a)	-	-

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

(c) Factors that may affect future tax charge

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £5,958,000 (2021: £5,632,000) 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

	2022 £'000	2021 £'000
Interim distribution	881	647
Final distribution	1,927	732
	2,808	1,379
Add: Income deducted on cancellation of shares	195	83
Deduct: Income received on issue of shares	(255)	(191)
Total distributions for the year	2,748	1,271

Details of the distribution per share are set out in this fund's distribution tables.

Notes to the Financial Statements

Continued

6 Debtors

	2022 £'000	2021 £'000
Accrued revenue	858	388
Amounts receivable from the ACD for the issue of shares	242	706
Sales awaiting settlement	2,246	11
Total debtors	3,346	1,105

7 Liquidity

	2022 £'000	2021 £'000
Cash and bank balances		
Cash at bank	310	338
	310	338
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	7,885	10,929
Net liquidity	8,195	11,267

* 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

	2022 £'000	2021 £'000
Accrued expenses payable to ACD	131	122
Accrued expenses payable to the Depositary or associates of the Depositary	1	-
Amounts payable to the ACD for cancellation of shares	1,415	60
Other accrued expenses	-	18
Purchases awaiting settlement	1,084	-
Total creditors	2,631	200

9 Related Party Transactions

abrdr Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to abrdr Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to abrdr Fund Managers Limited, in respect of expenses are disclosed in note 3 and any amounts due at the year end in note 8.

Notes to the Financial Statements

Continued

10 Portfolio Transaction Costs

	Purchases		Sales	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trades in the year				
Equities	130,134	106,109	58,750	61,573
Corporate actions	543	-	-	-
Trades in the year before transaction costs	130,677	106,109	58,750	61,573
Commissions				
Equities	74	61	(37)	(36)
Total commissions	74	61	(37)	(36)
Taxes				
Equities	416	360	-	-
Total taxes	416	360	-	-
Total transaction costs	490	421	(37)	(36)
Total net trades in the year after transaction costs	131,167	106,530	58,713	61,537
	Purchases		Sales	
	2022 %	2021 %	2022 %	2021 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.06	0.06	0.06	0.06
Taxes				
Equities	0.32	0.34	-	-
			2022 %	2021 %
Total transaction costs expressed as a percentage of net asset value				
Commissions			0.05	0.05
Taxes			0.17	0.20

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 0.24% (2021: 0.61%), 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 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
A Accumulation	7,369,622	487,591	(655,527)	(42,410)	7,159,276
A Income	1,803,463	35,102	(186,773)	(24,923)	1,626,869
I Accumulation	43,069,995	14,264,903	(13,401,493)	51,230	43,984,635
I Income	4,822,418	8,367,442	(832,247)	28,620	12,386,233
K Accumulation	8,933,630	24,681,914	-	-	33,615,544
K Income	-	1,382,767	-	-	1,382,767
M Accumulation	20,644	867	(57)	-	21,454
M Income	885	-	-	-	885
Z Accumulation	10,035,277	2,108,794	(3,379,695)	-	8,764,376

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).

	2022 £'000	2022 £'000	2022 £'000	2021 £'000	2021 £'000	2021 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	204,575	-	-	220,593	-	-
Collective Investment Schemes	-	7,885	-	-	10,929	-
Total investment assets	204,575	7,885	-	220,593	10,929	-

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 2022, 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 £10,623,000 (2021: £11,576,000).

Financial derivatives instrument risk

The fund had no exposure to derivatives as at 31 July 2022 (2021: £Nil).

Counterparty risk

Bilateral agreements

Where the fund enters bilateral agreements this introduces counterparty risk. Where a counterparty defaults on their obligation, exposure is reduced by the collateral held/pledged by both parties.

All stock lending is conducted by the stocklending agent on behalf of the fund using a standard agreement with available counterparties. It is collateralised daily with a right of recall within 24 hours.

At the year end the fund held no positions. This is consistent with the prior year.

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 £8,000 (2021: £10,000) and expenses paid to the lending agent, Securities Finance Trust Company, are £1,000 (2021: £2,000).

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2022 £2,857,000 (2021: £238,000).

Distribution Tables

For the year ended 31 July 2022 (in pence per share)

Interim dividend distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 January 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
A Accumulation				
Group 1	0.0938	-	0.0938	-
Group 2	0.0028	0.0910	0.0938	-
A Income				
Group 1	0.0784	-	0.0784	-
Group 2	0.0621	0.0163	0.0784	-
I Accumulation				
Group 1	0.7378	-	0.7378	0.4838
Group 2	0.3750	0.3628	0.7378	0.4838
I Income				
Group 1	0.6482	-	0.6482	0.4279
Group 2	0.3514	0.2968	0.6482	0.4279
K Accumulation				
Group 1	0.6072	-	0.6072	0.4085
Group 2	0.2373	0.3699	0.6072	0.4085
M Accumulation				
Group 1	0.3724	-	0.3724	0.2383
Group 2	0.1931	0.1793	0.3724	0.2383
M Income				
Group 1	0.3660	-	0.3660	0.3219
Group 2	0.3660	-	0.3660	0.3219
Z Accumulation				
Group 1	2.7548	-	2.7548	2.0373
Group 2	0.6943	2.0605	2.7548	2.0373

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Final dividend distribution

Group 1 – shares purchased prior to 1 February 2022

Group 2 – shares purchased between 1 February 2022 and 31 July 2022

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
A Accumulation				
Group 1	1.5828	-	1.5828	0.2142
Group 2	1.0191	0.5637	1.5828	0.2142
A Income				
Group 1	1.3226	-	1.3226	0.1720
Group 2	0.9201	0.4025	1.3226	0.1720
I Accumulation				
Group 1	1.7998	-	1.7998	0.8141
Group 2	1.3497	0.4501	1.7998	0.8141
I Income				
Group 1	1.5767	-	1.5767	0.7176
Group 2	1.0975	0.4792	1.5767	0.7176
K Accumulation				
Group 1	1.3430	-	1.3430	0.6500
Group 2	0.9439	0.3991	1.3430	0.6500
K Income				
Group 1	0.6289	-	0.6289	-
Group 2	0.6030	0.0259	0.6289	-
M Accumulation				
Group 1	0.9816	-	0.9816	0.4185
Group 2	0.6435	0.3381	0.9816	0.4185
M Income				
Group 1	0.9816	-	0.9816	0.3366
Group 2	0.9816	-	0.9816	0.3366
Z Accumulation				
Group 1	3.9318	-	3.9318	2.6908
Group 2	1.4141	2.5177	3.9318	2.6908

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 2022

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 2022, the value of abrdn UK Real Estate Share Fund – A Accumulation Shares decreased by 8.85% compared to a decrease of 5.79% in the performance target, the FTSE 350 Real Estate Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

Market Review

Over the second half of 2021, investors continued to grapple with the economic fallout from the Covid-19 pandemic and increasing concerns about inflation. However, the easing of lockdown restrictions after an effective vaccine rollout maintained the positive economic momentum from earlier in the year. UK property shares continued to perform positively over the second half of 2021. They were helped by robust results reported by almost all companies in the sector (led by standout growth for logistics-owning stocks) and positive, albeit weaker, growth in book values and dividends for the previously hard-hit retail and office landlords.

After a very positive 2021, with the UK-listed property sector returning over 29%, the sector has so far fallen back sharply in 2022 given the deterioration in the economic outlook. The prospect of downgrades to global economic growth, higher-than-expected inflation (exacerbated by Russia's invasion of Ukraine) and interest-rate rises are now widely reflected in listed property valuations. The industrial sector, a previous success story, has recently been especially weak due to fears that tight property yields may expand because of higher interest rates. The negative update from e-commerce tenant Amazon (with the company stating it may have over-expanded in the short term) also caused weakness in the sector. The only relative safe havens have been defensive stocks, which typically have high earnings yields and some degree of pricing power. The recent weak performance of listed property share prices has been in marked contrast to continued healthy data from the underlying property market. This is because the listed market has moved to quickly anticipate and discount potential future headwinds versus the more backwards-looking valuations for the direct market.

abrdrn UK Real Estate Share Fund

Continued

In corporate activity, we saw further signs of sector consolidation, this time via a recommended takeover of small-cap McKay Securities by larger listed office-specialist Workspace. McKay has a good track record but has traded at a persistently wide discount to net asset value, which can be blamed partly on its small size. Elsewhere, there was a well-received equity raise by long-income specialist LXi REIT, which raised £250 million in growth equity in January, whereas the planned initial public offering of a 'co-living' venture by GCP was postponed due to weak investor sentiment after Russia's invasion of Ukraine.

Portfolio Activity and Review

The fund underperformed the benchmark over the year. A non-benchmark exposure to the household goods and home construction sector had the largest negative effect on the fund's return. In addition, stock selection in the real estate investment and services sector was detrimental, although this was partially offset by having an overweight exposure to the sector. On the plus side, the fund's stock selection in real estate investment trusts (REITs) (particularly retail and industrial ones) contributed positively to the fund's return but was partially offset by being underweight in the sector (most notably, by being underweight in diversified REITs).

In terms of the main detractors, our positions in housebuilders Countryside Properties and Bellway were affected by concerns over the health of the UK consumer market, increased interest rates and the prospect of further government taxation of the sector to help fund the remediation of cladding safety issues. Our position in Countryside Properties, which we subsequently sold, notably underperformed after a poor operational performance, which prompted a profit warning and change in management. Positions in both German residential landlord LEG Immobilien and Spanish mobile phone tower specialist Cellnex Telecom also lagged due to their exposure to rising rates. In contrast, our overweight to defensive stalwart Supermarket Income REIT performed well, while being underweight to sector giant SEGRO was also beneficial on a relative basis. A number of dynamic small and mid-cap holdings, such as Urban Logistics REIT and Industrials REIT, also performed well.

In terms of activity, just prior to the start of the period, we sold the position in St Modwen Properties after an attractively priced takeover offer. We also sold Shaftesbury, as its share price rallied sharply. Proceeds from these sales provided ample capital to participate in several attractively priced equity raises. These included the introduction of a new position in Urban Logistics REIT and the support of raises by residential specialist Grainger and industrial landlord and developer Tritax Big Box REIT.

We also specifically reallocated capital from Shaftesbury by topping up its peer Capital & Counties. In addition, we added to housebuilders Countryside Properties and Bellway on weakness and supported favourably priced equity raises by Supermarket Income REIT, Sirius Real Estate, Assura and Urban Logistics. To finance these additions, we took profits in our holdings in flexible office specialist Workspace, self-storage holdings Big Yellow and Safestore, and industrial leader SEGRO. Over the first quarter of 2022, we topped up a number of holdings, including student specialist Unite Group, housebuilder Bellway, healthcare facility landlord Primary Health Properties and logistics developers Tritax Big Box and CTP. During the second quarter, we started to rotate capital away from outperforming defensives, including Supermarket Income, Shurgard Self Storage, GP practice-owner Assura and residential landlord Grainger, into out-of-favour companies, such as hotel landlord Whitbread and German residential specialist LEG Immobilien.

Portfolio Outlook and Activity

At the end of the first quarter, we wrote that we had turned less negative on the total-return prospects of the sector. With a further sharp drop in share prices in the second quarter, this view has been reinforced.

The economic outlook may appear bleak, and it is possible that higher funding costs will push yields up (and, commensurately, property values down) in the near term. However, in a medium-term view, we believe inflation will trend down sharply by late 2023 as a result of the weaker economic backdrop. We also believe that interest rate expectations will moderate, creating the conditions for a recovery in property values and listed-property share prices. Any such recovery in share prices is, of course, unpredictable, especially given the degree to which inflation has overshot its target in the near term.

Good quality, defensive REITs are now trading at only modest premiums compared to their book values, with reasonable, though perhaps not yet exciting, dividend yields. Valuations for more cyclically exposed companies are looking increasingly discounted in terms of price-to-book, dividend yield and implied-yield metrics. Therefore, while our sector-wide view is turning more positive, it is also the case that we are modestly moving the fund away from our overweights to defensive companies and selectively adding to more cyclical and, potentially, more lucrative, share-price-returning property stocks. If share price trends persist, you are likely to see us continue in this direction.

UK Equity Team

August 2022

abrdrn UK Real Estate Share Fund

Continued

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the fund. The table below shows the fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk				Typically higher rewards, higher risk		
←				→		
1	2	3	4	5	6	7

Risk and reward indicator table as at 31 July 2022.

The fund is rated as 6 because of the extent to which the following risk factors apply:

- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector.
- Dividend payment policies of the REITs in which the fund invests are not representative of the dividend payment policy of the fund.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

Comparative Tables

A Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	174.80	132.85	128.52
Return before operating charges*	(12.76)	43.88	6.14
Operating charges	(2.31)	(1.93)	(1.81)
Return after operating charges*	(15.07)	41.95	4.33
Distributions	(3.20)	(1.94)	(1.83)
Retained distributions on accumulation shares	3.20	1.94	1.83
Closing net asset value per share	159.73	174.80	132.85
* after direct transaction costs of:	0.14	0.18	0.12
Performance			
Return after charges	(8.62%)	31.58%	3.37%
Other information			
Closing net asset value (£'000)	79,715	93,429	81,197
Closing number of shares	49,905,352	53,448,815	61,118,713
Operating charges	1.36%	1.30%	1.30%
Direct transaction costs	0.08%	0.12%	0.08%
Prices			
Highest share price	186.3	174.9	163.5
Lowest share price	144.1	129.3	104.2

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Due to new guidance that came into force from 30 June 2022, the charges for underlying Closed Ended Funds held on the fund have now been included in the Operating Charges.

Comparative Tables

Continued

	2022	2021	2020
I Accumulation	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	296.04	224.67	217.10
Return before operating charges*	(23.40)	73.51	9.57
Operating charges	(2.62)	(2.14)	(2.00)
Return after operating charges*	(26.02)	71.37	7.57
Distributions	(4.99)	(3.60)	(3.47)
Retained distributions on accumulation shares	4.99	3.60	3.47
Closing net asset value per share	270.02	296.04	224.67
* after direct transaction costs of:	0.23	0.31	0.20
Performance			
Return after charges	(8.79%)	31.77%	3.49%
Other information			
Closing net asset value (£'000)	251,081	297,574	237,326
Closing number of shares	92,985,502	100,519,027	105,634,038
Operating charges	0.91%	0.85%	0.85%
Direct transaction costs	0.08%	0.12%	0.08%
Prices			
Highest share price	316.0	296.2	276.8
Lowest share price	244.2	218.7	176.0

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.

Comparative Tables

Continued

K Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	174.28	132.19	127.66
Return before operating charges*	(13.81)	43.27	5.60
Operating charges	(1.40)	(1.18)	(1.07)
Return after operating charges*	(15.21)	42.09	4.53
Distributions	(3.04)	(2.22)	(2.12)
Retained distributions on accumulation shares	3.04	2.22	2.12
Closing net asset value per share	159.07	174.28	132.19
* after direct transaction costs of:	0.14	0.19	0.12
Performance			
Return after charges	(8.73%)	31.84%	3.55%
Other information			
Closing net asset value (£'000)	78,499	45,562	14,345
Closing number of shares	49,349,692	26,142,598	10,851,905
Operating charges	0.83%	0.78%	0.78%
Direct transaction costs	0.08%	0.12%	0.08%
Prices			
Highest share price	186.1	174.4	162.8
Lowest share price	143.8	128.7	103.5

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Due to new guidance that came into force from 30 June 2022, the charges for underlying Closed Ended Funds held on the fund have now been included in the Operating Charges.

Comparative Tables

Continued

M Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	148.00	112.37	108.49
Return before operating charges*	(11.72)	36.76	4.88
Operating charges	(1.34)	(1.13)	(1.00)
Return after operating charges*	(13.06)	35.63	3.88
Distributions	(2.42)	(1.77)	(2.43)
Retained distributions on accumulation shares	2.42	1.77	2.43
Closing net asset value per share	134.94	148.00	112.37
* after direct transaction costs of:	0.11	0.16	0.09
Performance			
Return after charges	(8.82%)	31.71%	3.58%
Other information			
Closing net asset value (£'000)	173	52	38
Closing number of shares	128,339	34,831	33,723
Operating charges	0.96%	0.90%	0.90%
Direct transaction costs	0.08%	0.12%	0.08%
Prices			
Highest share price	158.0	148.1	138.5
Lowest share price	122.0	109.4	88.04

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Due to new guidance that came into force from 30 June 2022, the charges for underlying Closed Ended Funds held on the fund have now been included in the Operating Charges.

Comparative Tables

Continued

	2022
Z Accumulation ^A	pence per share
Change in net assets per share	
Opening net asset value per share	100.00 ^B
Return before operating charges*	(11.24)
Operating charges	(0.14)
Return after operating charges*	(11.38)
Distributions	(2.10)
Retained distributions on accumulation shares	2.10
Closing net asset value per share	88.62
* after direct transaction costs of:	0.07
Performance	
Return after charges	(11.38%)
Other information	
Closing net asset value (£'000)	2,659
Closing number of shares	3,000,498
Operating charges	0.16%
Direct transaction costs	0.08%
Prices	
Highest share price	103.4
Lowest share price	80.11

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Due to new guidance that came into force from 30 June 2022, the charges for underlying Closed Ended Funds held on the fund have now been included in the Operating Charges.

^A Z Accumulation share class was launched on 13 August 2021.

^B The opening net asset value stated is the share class launch price.

Portfolio Statement

As at 31 July 2022

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (96.73%)		407,488	98.87
European Equities (16.34%)		63,493	15.41
Belgium (1.68%)		7,472	1.81
177,047	Shurgard Self Storage	7,472	1.81
Germany (8.17%)		29,438	7.15
145,644	LEG Immobilien	10,829	2.63
19,506,000	Sirius Real Estate	18,609	4.52
Netherlands (2.52%)		10,194	2.47
967,000	CTP	10,194	2.47
Spain (1.98%)		7,033	1.71
191,911	Cellnex Telecom	7,033	1.71
Sweden (1.99%)		9,356	2.27
249,000	Catena	9,356	2.27
UK Equities (80.39%)		343,995	83.46
Consumer Discretionary (11.70%)		51,363	12.46
443,626	Bellway	10,847	2.63
5,133,687	Countryside Partnerships	14,888	3.61
730,130	Fuller Smith & Turner	4,644	1.13
4,934,118	Watkin Jones++	10,830	2.63
391,000	Whitbread	10,154	2.46
Real Estate (68.69%)		292,632	71.00
31,332,000	Assura REIT	21,509	5.22
1,301,802	Big Yellow REIT	18,538	4.50
7,740,000	Capital & Counties Properties REIT	11,502	2.79

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
3,241,413	CLS REIT	6,548	1.59
268,625	Derwent London REIT	7,699	1.87
4,617,065	Grainger	13,666	3.32
714,813	Great Portland Estates REIT	4,425	1.07
8,936,697	Industrials REIT	14,969	3.63
9,785,328	LondonMetric Property REIT	24,483	5.94
7,624,712	Primary Health Properties REIT	11,246	2.73
1,660,286	Rightmove	10,616	2.58
1,662,430	Safestore REIT	18,935	4.59
600,414	Savills	7,139	1.73
3,560,000	Segro REIT	38,964	9.45
12,334,000	Supermarket Income REIT	15,849	3.85
8,816,000	Tritax Big Box REIT	17,376	4.22
2,080,000	Unite REIT	24,211	5.87
9,457,000	Urban Logistics REIT	16,739	4.06
1,400,000	Workspace REIT	8,218	1.99
Collective Investment Schemes (2.72%)		271	0.07
271	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc ⁺	271	0.07
Total investment assets		407,759	98.94
Net other assets		4,368	1.06
Total Net Assets		412,127	100.00

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules.

The percentage figures in brackets show the comparative holding as at 31 July 2021.

⁺ Managed by subsidiaries of abrdn plc.

⁺⁺ AIM listed.

Financial Statements

Statement of Total Return

For the year ended 31 July 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital (losses)/gains	1		(51,728)		93,613
Revenue	2	12,220		8,314	
Expenses	3	(4,124)		(3,340)	
Interest payable and similar charges		(1)		-	
Net revenue before taxation		8,095		4,974	
Taxation	4	(2)		(37)	
Net revenue after taxation			8,093		4,937
Total return before distributions			(43,635)		98,550
Distributions	5		(8,093)		(4,937)
Change in net assets attributable to shareholders from investment activities			(51,728)		93,613

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2022

	2022		2021	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		436,617		332,906
Amounts receivable on the issue of shares	117,809		97,502	
Amounts payable on the cancellation of shares	(98,597)		(92,630)	
		19,212		4,872
Dilution adjustment		68		91
Change in net assets attributable to shareholders from investment activities (see above)		(51,728)		93,613
Retained distribution on accumulation shares		7,958		5,135
Closing net assets attributable to shareholders		412,127		436,617

Financial Statements

Continued

Balance Sheet

As at 31 July 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			407,759		434,222
Current assets:					
Debtors	6	3,306		2,468	
Cash and bank balances	7	1,905		2,184	
			5,211		4,652
Total assets			412,970		438,874
Liabilities:					
Bank overdrafts	7	-		(2)	
Creditors	8	(843)		(2,255)	
			(843)		(2,257)
Total liabilities			(843)		(2,257)
Net assets attributable to shareholders			412,127		436,617

Notes to the Financial Statements

1 Net Capital (Losses)/Gains

	2022 £'000	2021 £'000
Non-derivative securities	(51,748)	93,594
Forward currency contracts	-	1
Other gains	27	18
Transaction charges	(7)	-
Net capital (losses)/gains	(51,728)	93,613

2 Revenue

	2022 £'000	2021 £'000
Bank and margin interest	13	3
Overseas dividends	1,069	961
Stocklending revenue	1	12
UK dividends	4,793	3,044
UK REIT	6,344	4,294
Total revenue	12,220	8,314

3 Expenses

	2022 £'000	2021 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	3,741	2,990
General administration charge*	367	-
Operating, administrative and servicing fees	-	350
	4,108	3,340
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fees	16	-
	16	-
Total expenses	4,124	3,340

Irrecoverable VAT is included in the above expenses, where relevant.

* The fixed general administration charge was introduced from 1 August 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian. The audit fee for the year, including VAT, was £8,460 (2021: £8,389).

Notes to the Financial Statements

Continued

4 Taxation

	2022 £'000	2021 £'000
(a) Analysis of charge in year		
Overseas taxes	2	37
Total taxation (note 4b)	2	37

(b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2021: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

Net revenue before taxation	8,095	4,974
Corporation tax at 20% (2021: 20%)	1,619	995
Effects of:		
Revenue not subject to taxation	(1,172)	(801)
Overseas taxes	2	37
Excess allowable expenses	(447)	(194)
Total tax charge for year (note 4a)	2	37

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

(c) Factors that may affect future tax charge

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £2,382,000 (2021: £2,829,000) 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

	2022 £'000	2021 £'000
Interim distribution	2,722	1,623
Final distribution	5,236	3,512
	7,958	5,135
Add: Income deducted on cancellation of shares	457	220
Deduct: Income received on issue of shares	(322)	(418)
Total distributions for the year	8,093	4,937

Details of the distribution per share are set out in this fund's distribution tables.

Notes to the Financial Statements

Continued

6 Debtors

	2022 £'000	2021 £'000
Accrued revenue	1,327	1,222
Amounts receivable from the ACD for the issue of shares	1,970	1,244
Overseas withholding tax recoverable	9	2
Total debtors	3,306	2,468

7 Liquidity

	2022 £'000	2021 £'000
Cash and bank balances		
Cash at bank	1,905	2,184
	1,905	2,184
Bank overdrafts		
Overdraft at bank	-	(2)
	-	(2)
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	271	11,882
Net liquidity	2,176	14,064

* 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

	2022 £'000	2021 £'000
Accrued expenses payable to ACD	297	303
Accrued expenses payable to the Depositary or associates of the Depositary	2	-
Amounts payable to the ACD for cancellation of shares	544	-
Other accrued expenses	-	36
Purchases awaiting settlement	-	1,916
Total creditors	843	2,255

9 Related Party Transactions

abrdrn Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Notes to the Financial Statements

Continued

Any amounts due from or due to abrdrn Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to abrdrn Fund Managers Limited, in respect of expenses are disclosed in note 3 and any amounts due at the year end in note 8.

10 Portfolio Transaction Costs

	Purchases		Sales	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trades in the year				
Equities	99,282	105,858	62,753	108,356
Corporate actions	-	2,136	-	-
Trades in the year before transaction costs	99,282	107,994	62,753	108,356
Commissions				
Equities	41	43	(40)	(58)
Total commissions	41	43	(40)	(58)
Taxes				
Equities	288	331	-	-
Total taxes	288	331	-	-
Total transaction costs	329	374	(40)	(58)
Total net trades in the year after transaction costs	99,611	108,368	62,713	108,298
	Purchases		Sales	
	2022 %	2021 %	2022 %	2021 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.04	0.04	0.06	0.05
Taxes				
Equities	0.29	0.31	-	-
			2022 %	2021 %
Total transaction costs expressed as a percentage of net asset value				
Commissions			0.02	0.03
Taxes			0.06	0.09

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.30% (2021: 0.22%), 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 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
A Accumulation	53,448,815	2,521,621	(5,860,768)	(204,316)	49,905,352
I Accumulation	100,519,027	21,755,662	(26,387,372)	(2,901,815)	92,985,502
K Accumulation	26,142,598	28,485,174	(5,096,820)	(181,260)	49,349,692
M Accumulation	34,831	4,726	(11,908)	100,690	128,339
Z Accumulation	-	7,879	(6,435,560)	9,428,179	3,000,498

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).

	2022 £'000	2022 £'000	2022 £'000	2021 £'000	2021 £'000	2021 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	407,488	-	-	422,340	-	-
Collective Investment Schemes	-	271	-	-	11,882	-
Total investment assets	407,488	271	-	422,340	11,882	-

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 2022 £'000	Net foreign currency exposure 2021 £'000
Euro	35,926	40,650
Swedish Krona	9,356	8,704
Swiss Franc	48	-
Total	45,330	49,354

Notes to the Financial Statements

Continued

At 31 July 2022, 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 £2,267,000 (2021: £2,468,000).

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 2022, 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 £20,388,000 (2021: £21,711,000).

Financial derivatives instrument risk

The fund had no exposure to derivatives as at 31 July 2022 (2021: £Nil).

Counterparty risk

Bilateral agreements

Where the fund enters bilateral agreements this introduces counterparty risk. Where a counterparty defaults on their obligation, exposure is reduced by the collateral held/pledged by both parties.

All stock lending is conducted by the stocklending agent on behalf of the fund using a standard agreement with available counterparties. It is collateralised daily with a right of recall within 24 hours.

At the year end the fund held no positions. This is consistent with the prior year.

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 £1,000 (2021: £14,000) and expenses paid to the lending agent, Securities Finance Trust Company, are £Nil (2021: £2,000).

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2022 £843,000 (2021: £2,257,000).

Distribution Tables

For the year ended 31 July 2022 (in pence per share)

Interim dividend distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 January 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
A Accumulation				
Group 1	0.7630	-	0.7630	0.4355
Group 2	0.5137	0.2493	0.7630	0.4355
I Accumulation				
Group 1	1.7464	-	1.7464	1.2735
Group 2	1.2074	0.5390	1.7464	1.2735
K Accumulation				
Group 1	1.0825	-	1.0825	0.7973
Group 2	0.6332	0.4493	1.0825	0.7973
M Accumulation				
Group 1	0.8434	-	0.8434	0.9758
Group 2	0.5058	0.3376	0.8434	0.9758
Z Accumulation				
Group 1	0.7758	-	0.7758	-
Group 2	0.6695	0.1063	0.7758	-

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Final dividend distribution

Group 1 – shares purchased prior to 1 February 2022

Group 2 – shares purchased between 1 February 2022 and 31 July 2022

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
A Accumulation				
Group 1	2.4357	-	2.4357	1.5047
Group 2	1.7601	0.6756	2.4357	1.5047
I Accumulation				
Group 1	3.2404	-	3.2404	2.3249
Group 2	1.7780	1.4624	3.2404	2.3249
K Accumulation				
Group 1	1.9556	-	1.9556	1.4178
Group 2	1.4762	0.4794	1.9556	1.4178
M Accumulation				
Group 1	1.5772	-	1.5772	0.7928
Group 2	1.0300	0.5472	1.5772	0.7928
Z Accumulation				
Group 1	1.3289	-	1.3289	-
Group 2	0.2119	1.1170	1.3289	-

Equalisation

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

abrdn UK Sustainable and Responsible Investment Equity Fund

For the year ended 31 July 2022

Investment Objective

To generate growth over the long term (5 years or more) by investing in UK equities (company shares), which adhere to the abrdn Sustainable and Responsible Investment Equity Approach.

Performance Target: To achieve the return of the FTSE All-Share Index plus 3% per annum over rolling five year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

Investment Policy

Portfolio Securities

- The fund will invest at least 70% in equities and equity related securities of companies, incorporated or domiciled in the UK or companies having significant operations and/or exposure to the UK.
- The fund may also invest in other funds (including those managed by abrdn), money-market instruments and cash.
- All equity and equity related securities will adhere to the abrdn Sustainable and Responsible Investment Equity Approach available on www.abrdn.com under "Sustainable Investing".
- The abrdn Sustainable and Responsible Investment Equity Approach applies the investment manager's equity investment process, where companies invested in are given an overall quality rating, a component of which is the ESG Quality Rating which enables management teams to identify sustainable leaders and improvers. Leaders are viewed as companies with the best in class ESG credentials or products and services which address global environmental and societal challenges, whilst improvers are typically companies with average governance, ESG management practices and disclosure with potential for improvement.
- An abrdn ESG House Score is also used to identify and exclude companies exposed to the highest ESG risks within high and medium risk sectors.
- In addition a set of company exclusions are applied relating to the principles of the UN Global Compact, tobacco manufacturing, thermal coal, gambling, oil & gas and weapons.

Management Process

- The management team use their discretion (active management) to maintain a diverse asset mix at sector and stock level.
- Engagement with external company management teams is part of the investment process and ongoing stewardship programme which evaluates ownership structures, governance and management quality of those companies.
- Through the application of our abrdn Sustainable and Responsible Investment Equity Approach, the fund is expected to have a lower carbon footprint compared to the FTSE All-Share Index.
- In seeking to achieve the performance target, the FTSE All-Share Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 10%. Due to the active and sustainable and responsible nature of the management process, the fund will not invest in a material number of stocks and sectors in the FTSE All-Share Index. This means the fund's performance profile may deviate significantly from that of the FTSE All-Share Index.

Derivatives and Techniques

- The fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivative usage in the fund is expected to be very limited. Where derivatives are used, this would mainly be in response to significant inflows into the fund so that in these instances, cash can be invested while maintaining the fund's existing allocations to company shares.
- Derivatives are exempt from the abrdn Sustainable and Responsible Investment Equity Approach.

Performance Review

For the year ended 31 July 2022, the value of abrdn UK Responsible Equity Fund – A Accumulation Shares decreased by 12.63% compared to an increase of 5.51% in the performance target, the FTSE All Share Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

abrdn UK Sustainable and Responsible Investment Equity Fund

Continued

Market Review

The UK stock market, as represented by the FTSE All-Share Index, rose by 5.5% over the 12 months, outperforming many of its international counterparts. However, this headline figure masks a growing aversion to risk that has been evident in the market since the turn of the year. The FTSE 100 Index was resilient due in large part to the heavy weighting to sectors that benefit from high commodity prices and rising interest rates, namely oil producers and banks. In contrast, shares in mid-sized companies, which are typically more focused on the domestic UK economy, fell heavily.

UK equities fared well during the first half of the period as an effective vaccine rollout led to an easing of lockdown restrictions and an economic recovery. However, global stock markets have sold off sharply in 2022, with investors rattled by the disruption to global supply chains, as well as soaring inflation, rising interest rates and Russia's invasion of Ukraine. The UK has been no exception, with annual consumer price inflation climbing steadily to hit a 40-year high of 9.4% in June. The Bank of England reacted to spiking inflation with five consecutive interest rate rises. At the time of writing, the policy rate has been raised to 1.75%, the highest level since 2009. Wages are growing but not at a sufficient rate to offset the rise in prices and policy rates, which is putting a squeeze on UK consumer spending.

Economic data towards the end of the period indicated a slowdown in growth, with consumer confidence at a record low. However, the UK's unemployment rate remained stable at 3.8% in the three months to May. UK stock markets have also been affected by political uncertainty, with Boris Johnson resigning as prime minister in early July and triggering a leadership contest in the Conservative Party.

Portfolio Activity and Review

At a stock level, not holding oil and gas companies weighed on returns as the strong rise in the oil price during the period gave certain stocks, including Shell and BP, a significant boost. This was mitigated by our holdings in SSE and Drax Group, which benefited from positive sentiment towards companies using alternative energy sources, such as wind and biomass.

The information technology sector proved to be one of the worst detractors from performance. Shares in Aveva, the engineering software developer, suffered after it reported a widening loss early on in the period. Chipmaker Alphawave IP Group fell sharply after a short-selling thesis was published around the company's relationships with some of its key customers. On the other hand, not holding Scottish Mortgage Investment Trust proved positive as it fell back due to its exposure to the technology sector.

The retail sector, in which we are overweight, suffered as consumers became more cautious with their spending. Online clothing retailer ASOS, in which we have an overweight position, dropped back after it issued a cautious trading update which suggested rising inflation was hampering sales. The group said it was expecting an increase in costs, along with lower demand.

Our overweight position in Countryside Properties weighed on returns as its shares underperformed throughout the period, reflecting the wind-down of its housebuilding business. The company also informed the market in January 2022 that trading was worse than expectations due to a combination of planning delays and poor financial guidance. This resulted in the departure of the CEO, as well as the chair announcing a review of the business.

In the banking sector, the expectation that UK and US interest rates would move higher was beneficial for HSBC, so not holding the stock hurt performance. However, this was mitigated to some extent by our overweight position in Standard Chartered.

Shares in transport group Go-Ahead Group rose sharply after it received a takeover bid from a consortium including an Australian bus operator and a Canadian pension fund. The bid was subsequently recommended by the board.

Portfolio Outlook and Strategy

The outlook continues to be challenging in geopolitical and economic terms. While the Russia-Ukraine conflict has weighed heavily on global markets, it is the ongoing impact of rising global inflation, allied to the response to this from central banks, which is further affecting investor sentiment. The ongoing concerns around rising interest rates and a potential recession are weighing on the market. While we remain mindful of the macroeconomic backdrop and the risks present in the fund, we continue to be focused on bottom-up stock-picking and ESG integration. We believe companies that actively consider and manage their key environmental, social and governance impacts will be well placed to navigate through uncertain times and harness any opportunities. The Fund is looking for high-quality, sustainable leaders and ESG improvers across the UK market, and has a three-to-five-year time horizon. We continue to engage with holdings to understand the key ESG risks and opportunities they face and support positive change.

UK Equity Team

August 2022

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 2022.

The fund is rated as 6 because of the extent to which the following risk factors apply:

- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- Applying ESG and sustainability criteria in the investment process may result in the exclusion of securities within the fund's benchmark or universe of potential investments. The interpretation of ESG and sustainability criteria is subjective meaning that the fund may invest in companies which similar funds do not (and thus perform differently) and which do not align with the personal views of any individual investor.
- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector.
- The shares of small and mid-cap companies may be less liquid and more volatile than those of larger companies.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

Comparative Tables

A Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	258.25	190.64	207.76
Return before operating charges*	(28.07)	70.60	(14.44)
Operating charges	(3.08)	(2.99)	(2.68)
Return after operating charges*	(31.15)	67.61	(17.12)
Distributions	(2.19)	(1.72)	(1.89)
Retained distributions on accumulation shares	2.19	1.72	1.89
Closing net asset value per share	227.10	258.25	190.64
* after direct transaction costs of:	0.26	0.97	0.42
Performance			
Return after charges	(12.06%)	35.46%	(8.24%)
Other information			
Closing net asset value (£'000)	20,691	24,022	18,193
Closing number of shares	9,111,109	9,301,516	9,543,219
Operating charges	1.29%	1.32%	1.32%
Direct transaction costs	0.11%	0.43%	0.21%
Prices			
Highest share price	272.6	260.0	231.3
Lowest share price	201.4	191.9	149.6

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	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	198.07	147.23	161.93
Return before operating charges*	(21.53)	54.51	(11.15)
Operating charges	(2.36)	(2.34)	(2.08)
Return after operating charges*	(23.89)	52.17	(13.23)
Distributions	(1.67)	(1.33)	(1.47)
Closing net asset value per share	172.51	198.07	147.23
* after direct transaction costs of:	0.20	0.76	0.33
Performance			
Return after charges	(12.06%)	35.43%	(8.17%)
Other information			
Closing net asset value (£'000)	227	227	68
Closing number of shares	131,555	114,772	46,291
Operating charges	1.29%	1.32%	1.32%
Direct transaction costs	0.11%	0.43%	0.21%
Prices			
Highest share price	209.0	200.4	179.5
Lowest share price	154.1	148.2	116.1

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	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	227.11	166.89	181.08
Return before operating charges*	(24.72)	61.98	(12.65)
Operating charges	(1.77)	(1.76)	(1.54)
Return after operating charges*	(26.49)	60.22	(14.19)
Distributions	(2.88)	(2.41)	(2.45)
Retained distributions on accumulation shares	2.88	2.41	2.45
Closing net asset value per share	200.62	227.11	166.89
* after direct transaction costs of:	0.23	0.86	0.37
Performance			
Return after charges	(11.66%)	36.08%	(7.84%)
Other information			
Closing net asset value (£'000)	27,877	34,650	15,370
Closing number of shares	13,895,356	15,256,495	9,209,455
Operating charges	0.84%	0.87%	0.87%
Direct transaction costs	0.11%	0.43%	0.21%
Prices			
Highest share price	239.8	228.7	202.0
Lowest share price	177.6	168.0	130.7

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

	2022	2021	2020
I Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	190.00	141.20	155.28
Return before operating charges*	(20.69)	52.35	(10.67)
Operating charges	(1.48)	(1.51)	(1.31)
Return after operating charges*	(22.17)	50.84	(11.98)
Distributions	(2.40)	(2.04)	(2.10)
Closing net asset value per share	165.43	190.00	141.20
* after direct transaction costs of:	0.20	0.74	0.31
Performance			
Return after charges	(11.67%)	36.01%	(7.72%)
Other information			
Closing net asset value (£'000)	13,071	20,345	4,182
Closing number of shares	7,901,512	10,708,242	2,962,049
Operating charges	0.84%	0.87%	0.87%
Direct transaction costs	0.11%	0.43%	0.21%
Prices			
Highest share price	200.6	192.7	172.3
Lowest share price	147.9	142.1	111.4

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 ^A	2022 pence per share	2021 pence per share
Change in net assets per share		
Opening net asset value per share	103.08	100.00 ^B
Return before operating charges*	(11.25)	3.12
Operating charges	(0.44)	(0.04)
Return after operating charges*	(11.69)	3.08
Distributions	(1.66)	(0.17)
Retained distributions on accumulation shares	1.66	0.17
Closing net asset value per share	91.39	103.08
* after direct transaction costs of:	0.11	0.04
Performance		
Return after charges	(11.34%)	3.08%
Other information		
Closing net asset value (£'000)	1	1
Closing number of shares	994	994
Operating charges	0.46%	0.41%
Direct transaction costs	0.11%	0.43%
Prices		
Highest share price	108.9	103.8
Lowest share price	80.78	99.83

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

^A K Accumulation share class was launched on 29 June 2021.

^B The opening net asset value stated is the share class launch price.

Comparative Tables

Continued

M Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	147.49	108.46	117.57
Return before operating charges*	(16.02)	40.26	(8.05)
Operating charges	(1.21)	(1.23)	(1.06)
Return after operating charges*	(17.23)	39.03	(9.11)
Distributions	(1.85)	(1.46)	(1.48)
Retained distributions on accumulation shares	1.85	1.46	1.48
Closing net asset value per share	130.26	147.49	108.46
* after direct transaction costs of:	0.15	0.55	0.24
Performance			
Return after charges	(11.68%)	35.99%	(7.75%)
Other information			
Closing net asset value (£'000)	1	1	1
Closing number of shares	881	881	881
Operating charges	0.89%	0.95%	0.92%
Direct transaction costs	0.11%	0.43%	0.21%
Prices			
Highest share price	155.7	148.5	131.3
Lowest share price	115.3	109.2	84.95

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.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to 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	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	142.23	105.69	116.01
Return before operating charges*	(15.40)	39.16	(7.86)
Operating charges	(1.17)	(1.18)	(1.04)
Return after operating charges*	(16.57)	37.98	(8.90)
Distributions	(1.79)	(1.44)	(1.42)
Closing net asset value per share	123.87	142.23	105.69
* after direct transaction costs of:	0.15	0.54	0.24
Performance			
Return after charges	(11.65%)	35.94%	(7.67%)
Other information			
Closing net asset value (£'000)	1	1	1
Closing number of shares	892	892	892
Operating charges	0.88%	0.94%	0.92%
Direct transaction costs	0.11%	0.43%	0.21%
Prices			
Highest share price	150.2	144.2	128.8
Lowest share price	110.7	106.4	83.37

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on 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 2022

Holding	Investment	Market value £'000	Percentage of total net assets
UK Equities (97.31%)		60,509	97.80
Basic Materials (4.60%)		1,991	3.22
180,480	Bodycote	1,081	1.75
12,163	Croda International	910	1.47
Consumer Discretionary (16.36%)		10,954	17.71
44,412	ASOS	462	0.75
44,116	Bellway	1,079	1.75
426,714	Countryside Partnerships	1,237	2.00
137,804	Dunelm	1,171	1.89
123,226	Go-Ahead	1,824	2.95
196,126	Howden Joinery	1,326	2.14
320,011	Moonpig	664	1.07
88,169	RELX	2,138	3.46
118,799	Watches of Switzerland	1,053	1.70
Consumer Staples (5.00%)		2,988	4.83
51,192	Coca-Cola HBC	1,029	1.66
50,459	Diageo	1,959	3.17
Financials (20.60%)		13,986	22.61
562,156	Ashmore	1,212	1.96
131,462	Close Brothers	1,458	2.36
67,234	Hiscox	600	0.97
96,658	HomeServe	1,137	1.84
49,453	Intermediate Capital	752	1.21
86,599	JTC	643	1.04
3,141,053	Lloyds Banking	1,421	2.30
18,440	London Stock Exchange	1,474	2.38
220,890	OSB	1,162	1.88
175,705	Prudential	1,767	2.86
418,495	Standard Chartered	2,360	3.81

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Health Care (11.37%)		8,488	13.72
45,677	AstraZeneca	4,952	8.00
742,132	ConvaTec	1,692	2.73
30,326	Dechra Pharmaceuticals	1,117	1.81
25,630	Genus	727	1.18
Industrials (23.02%)		11,925	19.27
30,995	Ashtead	1,423	2.30
1,705,271	Coats	1,259	2.03
234,595	DS Smith	683	1.10
60,210	FDM	555	0.90
241,181	Genuit	1,021	1.65
24,024	Halma	552	0.89
225,938	Marshalls	1,118	1.81
97,618	Mondi	1,512	2.44
39,873	Oxford Instruments	909	1.47
167,625	Rentokil Initial	907	1.47
65,980	RS	681	1.10
78,146	Weir	1,305	2.11
Real Estate (2.03%)		2,222	3.59
157,939	British Land REIT	777	1.26
124,171	Unite REIT	1,445	2.33
Technology (11.88%)		4,538	7.33
192,296	Auto Trader	1,210	1.96
76,821	AVEVA	1,810	2.92
85,545	GB++	432	0.70
77,914	Softcat	1,086	1.75

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Utilities (2.45%)		3,417	5.52
154,075	Drax	1,208	1.95
124,969	SSE	2,209	3.57
Total investment assets		60,509	97.80
Net other assets		1,360	2.20
Total Net Assets		61,869	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 2021.
++ AIM listed.

Financial Statements

Statement of Total Return

For the year ended 31 July 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital (losses)/gains	1		(10,954)		15,958
Revenue	2	1,601		1,243	
Expenses	3	(706)		(602)	
Net revenue before taxation		895		641	
Taxation	4	(4)		5	
Net revenue after taxation			891		646
Total return before distributions			(10,063)		16,604
Distributions	5		(891)		(646)
Change in net assets attributable to shareholders from investment activities			(10,954)		15,958

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2022

	2022		2021	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		79,247		37,815
Amounts receivable on the issue of shares	14,085		33,054	
Amounts payable on the cancellation of shares	(21,123)		(8,213)	
		(7,038)		24,841
Dilution adjustment		12		124
Change in net assets attributable to shareholders from investment activities (see above)		(10,954)		15,958
Retained distribution on accumulation shares		602		509
Closing net assets attributable to shareholders		61,869		79,247

Financial Statements

Continued

Balance Sheet

As at 31 July 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			60,509		77,117
Current assets:					
Debtors	6	176		552	
Cash and bank balances		1,486		1,813	
			1,662		2,365
Total assets			62,171		79,482
Liabilities:					
Creditors	7	(170)		(85)	
Distribution payable		(132)		(150)	
			(302)		(235)
Total liabilities			(302)		(235)
Net assets attributable to shareholders			61,869		79,247

Notes to the Financial Statements

1 Net Capital (Losses)/Gains

	2022 £'000	2021 £'000
Non-derivative securities	(10,947)	15,957
Other (losses)/gains	(4)	1
Transaction charges	(3)	-
Net capital (losses)/gains	(10,954)	15,958

2 Revenue

	2022 £'000	2021 £'000
Overseas dividends	35	31
Stocklending revenue	1	-
UK dividends	1,516	1,196
UK REIT	49	16
Total revenue	1,601	1,243

3 Expenses

	2022 £'000	2021 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	646	532
General administration charge*	58	-
Operating, administrative and servicing fees	-	70
	704	602
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fees	2	-
	2	-
Total expenses	706	602

Irrecoverable VAT is included in the above expense, where relevant.

* The fixed general administration charge was introduced from 1 August 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian. The audit fee for the year, including VAT, was £8,460 (2021: £8,389).

Notes to the Financial Statements

Continued

4 Taxation

	2022 £'000	2021 £'000
(a) Analysis of charge in year		
Overseas taxes	4	(5)
Total taxation (note 4b)	4	(5)

(b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2021: 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	895	641
Corporation tax at 20% (2021: 20%)	179	128
Effects of:		
Revenue not subject to taxation	(310)	(245)
Overseas taxes	4	(5)
Excess allowable expenses	131	117
Total tax charge/(credit) for year (note 4a)	4	(5)

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 £971,000 (2021: £839,000) 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

	2022 £'000	2021 £'000
Interim distribution	263	170
Final distribution	566	522
	829	692
Add: Income deducted on cancellation of shares	109	31
Deduct: Income received on issue of shares	(47)	(77)
Total distributions for the year	891	646

Details of the distribution per share are set out in this fund's distribution tables.

Notes to the Financial Statements

Continued

6 Debtors

	2022 £'000	2021 £'000
Accrued revenue	154	306
Amounts receivable from the ACD for the issue of shares	16	246
Overseas withholding tax recoverable	6	-
Total debtors	176	552

7 Creditors

	2022 £'000	2021 £'000
Accrued expenses payable to ACD	49	59
Amounts payable to the ACD for cancellation of shares	121	18
Other accrued expenses	-	8
Total creditors	170	85

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	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trades in the year				
Equities	15,363	46,697	21,211	22,145
Corporate actions	105	605	-	-
Trades in the year before transaction costs	15,468	47,302	21,211	22,145
Commissions				
Equities	8	24	(10)	(11)
Total commissions	8	24	(10)	(11)

Notes to the Financial Statements

Continued

	Purchases		Sales	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trades in the year				
Taxes				
Equities	62	212	-	-
Total taxes	62	212	-	-
Total transaction costs	70	236	(10)	(11)
Total net trades in the year after transaction costs	15,538	47,538	21,201	22,134

	Purchases		Sales	
	2022 %	2021 %	2022 %	2021 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.05	0.05	0.05	0.05
Taxes				
Equities	0.40	0.45	-	-

	2022 %	2021 %
Total transaction costs expressed as a percentage of net asset value		
Commissions	0.02	0.06
Taxes	0.09	0.37

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.15% (2021: 0.11%), this is representative of the average spread on the assets held during the year.

10 Shares in Issue Reconciliation

	Opening shares 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
A Accumulation	9,301,516	121,567	(296,851)	(15,123)	9,111,109
A Income	114,772	33,179	(16,396)	-	131,555
I Accumulation	15,256,495	3,047,757	(4,426,081)	17,185	13,895,356
I Income	10,708,242	3,976,613	(6,783,343)	-	7,901,512
K Accumulation	994	-	-	-	994
M Accumulation	881	-	-	-	881
M Income	892	-	-	-	892

Notes to the Financial Statements

Continued

11 Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2022	2022	2022	2021	2021	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	60,509	-	-	77,117	-	-
Total investment assets	60,509	-	-	77,117	-	-

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 2022, 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 £3,025,000 (2021: £3,856,000).

Financial derivatives instrument risk

The fund had no exposure to derivatives as at 31 July 2022 (2021: £Nil).

Bilateral agreements

The fund receives 85% of the revenue returns from stock lending. The gross earnings for the year are £1,000 (2021: £Nil) and expenses paid to the lending agent, Securities Finance Trust Company, are £Nil (2021: £Nil).

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2022 £302,000 (2021: £235,000).

Distribution Tables

For the year ended 31 July 2022 (in pence per share)

Interim dividend distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 January 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
A Accumulation				
Group 1	0.4417	-	0.4417	0.4013
Group 2	0.0399	0.4018	0.4417	0.4013
A Income				
Group 1	0.3381	-	0.3381	0.3113
Group 2	0.0897	0.2484	0.3381	0.3113
I Accumulation				
Group 1	0.9013	-	0.9013	0.7708
Group 2	0.2932	0.6081	0.9013	0.7708
I Income				
Group 1	0.7540	-	0.7540	0.6521
Group 2	0.2305	0.5235	0.7540	0.6521
K Accumulation				
Group 1	0.6103	-	0.6103	-
Group 2	0.6103	-	0.6103	-
M Accumulation				
Group 1	0.5334	-	0.5334	0.5028
Group 2	0.5334	-	0.5334	0.5028
M Income				
Group 1	0.5170	-	0.5170	0.4901
Group 2	0.5170	-	0.5170	0.4901

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Final dividend distribution

Group 1 – shares purchased prior to 1 February 2022

Group 2 – shares purchased between 1 February 2022 and 31 July 2022

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
A Accumulation				
Group 1	1.7446	-	1.7446	1.3154
Group 2	1.0407	0.7039	1.7446	1.3154
A Income				
Group 1	1.3355	-	1.3355	1.0142
Group 2	0.6156	0.7199	1.3355	1.0142
I Accumulation				
Group 1	1.9750	-	1.9750	1.6352
Group 2	0.9649	1.0101	1.9750	1.6352
I Income				
Group 1	1.6471	-	1.6471	1.3904
Group 2	0.9373	0.7098	1.6471	1.3904
K Accumulation				
Group 1	1.0518	-	1.0518	0.1719
Group 2	1.0518	-	1.0518	0.1719
M Accumulation				
Group 1	1.3133	-	1.3133	0.9614
Group 2	1.3133	-	1.3133	0.9614
M Income				
Group 1	1.2696	-	1.2696	0.9455
Group 2	1.2696	-	1.2696	0.9455

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

For the year ended 31 July 2022

Investment Objective

To generate income and some growth over the long term (5 years or more) by investing in equities (company shares) worldwide.

Performance Target: To exceed the return of the MSCI AC World High Yield Index plus 3% per annum over rolling three year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

Investment Policy

Portfolio Securities

- The fund will invest at least 70% in equities and equity related securities of companies listed on global stock exchanges that offer good sustainable income prospects.
- The fund may also invest in other funds (including those managed by abrdn), money-market instruments, and cash.

Management Process

- The management team use their discretion (active management) to maintain a diverse asset mix at country, sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the Performance Target, the MSCI AC World High Yield Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 9%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the index over the long term.

Derivatives and Techniques

- The fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivative usage in the fund is expected to be very limited. Where derivatives are used, this would mainly be in response to significant inflows into the fund so that in

these instances, cash can be invested while maintaining the fund's existing allocations to company shares.

Performance Review

For the year ended 31 July 2022, the value of abrdn World Equity Income Fund – A Income Shares increased by 10.33% compared to an increase of 2.75% in the performance target, the MSCI AC World High Yield Index benchmark.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

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Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

Market Review

Global equity income markets rose in aggregate over the period. The UK and US performed particularly well, with Europe the weakest region. In general, the recovery from Covid-induced lockdown restrictions and the collapse of economic activity slowed as supply-chain disruption, higher inflation and tightening global monetary policy weighed on markets.

Early in the period, investors grew worried that the spread of the Delta variant, alongside global supply-chain issues, would hamper a global economic recovery. Markets recovered following the discovery of the Omicron variant in November, but they fell again in 2022 as central banks

abrdn World Income Equity Fund

Continued

tightened monetary policy and following the Russian invasion of Ukraine. In response to the conflict, Europe was one of the hardest-hit regions, along with Russia, as many western countries imposed sanctions on the country. While the conflict continued throughout March, investor confidence recovered from the initial shock, and global markets generally bounced back, with US equities particularly strong. However, global stocks declined in the final few months, as ongoing fears over high inflation and the risk of a global recession weighed on sentiment. Equities rebounded in July, as positive corporate results gave investors renewed confidence.

Portfolio Activity and Review

Our exposure to Sociedad Quimica y Minera de Chile positively contributed thanks to the rise in commodity prices over the period. Our position in Canadian fertiliser company Nutrien was another positive contributor. China Resources Land performed well as sentiment towards Chinese stocks improved. As a mall developer, it will be expected to benefit from lockdown restrictions easing and a recovery in retail sales. The company's shares also responded positively to reports that the regulator may exclude some top-tier developers' merger and acquisition loans from China's 'three red lines' metrics on debt. This could enable companies such as China Resources Land to speed up acquisitions should it wish to do so. US-based pharmaceutical company AbbVie performed well. Investors reacted positively to its guidance for post-Humira growth, supported by a very bullish outlook on expected sales for Rinvoq, regardless of US Food and Drug Administration warnings.

The shares of Taiwanese semiconductor wafer manufacturer GlobalWafers dropped sharply in January when it failed to get approval from the German government for its takeover of Siltronic. This combined with the broader market rotation away from growth stocks in the face of higher interest rates. Chinese life insurer Ping An continued to struggle amid concerns that new business growth may be subdued in the short term because of a tougher competitive environment. Moreover, rising concern about China's economic growth also weighed on investor sentiment. Notwithstanding this, Ping An remains a market leader and should benefit from the restructuring of its sales force going forward. Brazilian miner Vale also weighed on returns. The shares weakened on the company's cut in iron ore and nickel production, which resulted from softer industrial metal prices. Iron ore prices dropped on falling demand from China. Other issues to affect the company included the write-down of coal assets, which all added up to the business delivering disappointing results.

In portfolio activity, we introduced the following stocks, which is a sample that reflects our thinking: Dutch

producer of semiconductor equipment BE Semiconductor, which has a strong market position, growing free cashflow and solid dividend growth. Danone, one of the largest dairy food and water producers in the world. This is a potential turnaround story, with an impressive, newly appointed management team and board of directors. The company's targets appear sensible, with a focus on improving returns on capital and reinvigorating organic growth.

We invested in Australian energy group Woodside, after we received shares through a corporate action. Woodside has low-cost, high-margin operations and is financially resilient, with relatively low emissions. The current macroeconomic conditions now support elevated pricing through the medium term. Woodside's recent deal to merge with BHP's oil and petroleum assets will transform its asset quality, growth pipeline, cash flow and balance sheet. Siemens, the German industrial conglomerate, which has a strong balance sheet, a focus on free cash flow generation, accelerating organic sales growth and opportunities for margin expansion.

Against these, we exited the following holdings, which is a sample that reflects our thinking: PepsiCo, which was looking expensive following a rerate on the back of good performance. Other sales, to fund better ideas, included Castrol India and Nutrien to fund better ideas

Portfolio Outlook and Strategy

Global equity markets continue to face a number of headwinds, from rising inflation and tightening monetary policy to supply-chain disruption and high commodity prices, not to mention the ongoing impact of Russia's war with Ukraine. While Covid-19 remains present, it is hoped that the world can gradually learn to live with the virus this year. Whether central banks can successfully manage the trade-off between rising inflation and slowing growth is also key going forward.

Through all of these macroeconomic-related uncertainties, we continue to focus on 'bottom-up', fundamental research. We are finding companies with enduring competitive advantages and healthy balance sheets that are doing business sustainably, and which we believe are best positioned to manage financial pressures through to times of greater market stability. Periods of market weakness represent an opportunity for the long-term investor. We reiterate the importance of a diversified portfolio, with a 'bottom-up' investment approach focused on quality characteristics.

Global Equity Team

August 2022

abrdn World 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 2022.

The fund is rated as 5 because of the extent to which the following risk factors apply:

- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- The fund invests in emerging market equities and/or bonds. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- The fund may invest in companies with Variable Interest Entity (VIE) structures in order to gain exposure to industries with foreign ownership restrictions. There is a risk that investments in these structures may be adversely affected by changes in the legal and regulatory framework.
- Investing in China A shares involves special considerations and risks, including greater price volatility, a less developed regulatory and legal framework, exchange rate risk/controls, settlement, tax, quota, liquidity and regulatory risks.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

Comparative Tables

A Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	147.66	125.37	153.42
Return before operating charges*	18.04	24.45	(25.85)
Operating charges	(2.09)	(2.16)	(2.20)
Return after operating charges*	15.95	22.29	(28.05)
Distributions	(7.44)	(4.55)	(4.83)
Retained distributions on accumulation shares	7.44	4.55	4.83
Closing net asset value per share	163.61	147.66	125.37
* after direct transaction costs of:	0.05	0.09	0.06
Performance			
Return after charges	10.80%	17.78%	(18.28%)
Other information			
Closing net asset value (£'000)	3,615	3,929	3,627
Closing number of shares	2,209,503	2,660,858	2,893,441
Operating charges	1.31%	1.53%	1.57%
Direct transaction costs	0.04%	0.07%	0.04%
Prices			
Highest share price	172.2	153.2	157.3
Lowest share price	146.1	122.4	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.

Comparative Tables

Continued

A Income	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	60.74	53.27	67.57
Return before operating charges*	7.36	10.28	(11.24)
Operating charges	(0.85)	(0.90)	(0.96)
Return after operating charges*	6.51	9.38	(12.20)
Distributions	(3.01)	(1.91)	(2.10)
Closing net asset value per share	64.24	60.74	53.27
* after direct transaction costs of:	0.02	0.04	0.02
Performance			
Return after charges	10.72%	17.61%	(18.06%)
Other information			
Closing net asset value (£'000)	9,829	9,431	14,071
Closing number of shares	15,301,570	15,525,949	26,414,589
Operating charges	1.31%	1.53%	1.57%
Direct transaction costs	0.04%	0.07%	0.04%
Prices			
Highest share price	69.19	63.65	68.71
Lowest share price	60.11	51.58	47.33

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Comparative Tables

Continued

I Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	145.21	122.73	149.51
Return before operating charges*	17.77	23.98	(25.24)
Operating charges	(1.36)	(1.50)	(1.54)
Return after operating charges*	16.41	22.48	(26.78)
Distributions	(7.33)	(4.46)	(4.72)
Retained distributions on accumulation shares	7.33	4.46	4.72
Closing net asset value per share	161.62	145.21	122.73
* after direct transaction costs of:	0.05	0.09	0.05
Performance			
Return after charges	11.30%	18.32%	(17.91%)
Other information			
Closing net asset value (£'000)	2,548	1,729	1,570
Closing number of shares	1,576,203	1,190,935	1,279,270
Operating charges	0.86%	1.08%	1.12%
Direct transaction costs	0.04%	0.07%	0.04%
Prices			
Highest share price	170.0	150.6	153.6
Lowest share price	143.8	119.9	106.7

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

	2022	2021	2020
I Income	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	64.38	56.20	70.96
Return before operating charges*	7.78	10.87	(11.83)
Operating charges	(0.58)	(0.67)	(0.72)
Return after operating charges*	7.20	10.20	(12.55)
Distributions	(3.20)	(2.02)	(2.21)
Closing net asset value per share	68.38	64.38	56.20
* after direct transaction costs of:	0.02	0.04	0.03
Performance			
Return after charges	11.18%	18.15%	(17.69%)
Other information			
Closing net asset value (£'000)	11,553	16,036	19,572
Closing number of shares	16,894,252	24,907,411	34,825,708
Operating charges	0.86%	1.08%	1.12%
Direct transaction costs	0.04%	0.07%	0.04%
Prices			
Highest share price	73.55	67.35	72.32
Lowest share price	63.76	54.48	49.86

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to 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	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	108.00	91.20	110.76
Return before operating charges*	13.34	17.97	(18.40)
Operating charges	(1.06)	(1.17)	(1.16)
Return after operating charges*	12.28	16.80	(19.56)
Distributions	(5.46)	(3.37)	(3.54)
Retained distributions on accumulation shares	5.46	3.37	3.54
Closing net asset value per share	120.28	108.00	91.20
* after direct transaction costs of:	0.04	0.07	0.04
Performance			
Return after charges	11.37%	18.42%	(17.66%)
Other information			
Closing net asset value (£'000)	1	1	1
Closing number of shares	936	936	936
Operating charges	0.91%	1.13%	1.17%
Direct transaction costs	0.04%	0.07%	0.04%
Prices			
Highest share price	126.5	112.0	114.0
Lowest share price	106.9	89.18	79.20

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.

Comparative Tables

Continued

M Income	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	97.58	85.18	107.37
Return before operating charges*	11.86	16.49	(17.80)
Operating charges	(0.94)	(1.08)	(1.03)
Return after operating charges*	10.92	15.41	(18.83)
Distributions	(4.86)	(3.01)	(3.36)
Closing net asset value per share	103.64	97.58	85.18
* after direct transaction costs of:	0.03	0.06	0.03
Performance			
Return after charges	11.19%	18.09%	(17.54%)
Other information			
Closing net asset value (£'000)	11	11	9
Closing number of shares	10,961	10,644	10,388
Operating charges	0.91%	1.13%	1.17%
Direct transaction costs	0.04%	0.07%	0.04%
Prices			
Highest share price	111.5	102.1	109.6
Lowest share price	96.63	82.57	75.56

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Portfolio Statement

As at 31 July 2022

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (99.68%)		27,540	99.94
Emerging Market Equities (9.40%)		2,475	8.98
Brazil (7.41%)		1,741	6.32
176,011	Banco Bradesco ADR	480	1.74
69,100	Telefonica Brasil ADR	491	1.78
69,602	Vale ADR	770	2.80
Chile (1.99%)		734	2.66
9,100	Sociedad Quimica y Minera de Chile ADR	734	2.66
European Equities (14.61%)		5,545	20.12
Denmark (2.09%)		653	2.37
34,916	Tryg	653	2.37
Finland (0.00%)		498	1.81
61,700	Nordea Bank (Swedish listing)	498	1.81
France (3.10%)		1,325	4.80
9,400	Danone	425	1.54
4,200	Sanofi	343	1.24
13,310	TotalEnergies	557	2.02
Germany (0.00%)		227	0.82
2,500	Siemens	227	0.82
Italy (1.32%)		318	1.15
77,100	Enel	318	1.15

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Netherlands (0.00%)		338	1.23
7,700	BE Semiconductor Industries	338	1.23
Norway (2.07%)		499	1.81
50,200	Telenor	499	1.81
Sweden (3.31%)		787	2.86
44,000	Atlas Copco 'B'	372	1.35
31,900	Epiroc 'B'	415	1.51
Switzerland (2.72%)		900	3.27
1,600	Roche (Participating certificate)	435	1.58
1,300	Zurich Insurance	465	1.69
North America Equities (32.51%)		9,133	33.14
Canada (5.43%)		1,341	4.87
13,300	Enbridge	489	1.77
11,600	TC Energy	506	1.84
18,400	TELUS	346	1.26
United States (21.93%)		6,614	24.00
10,195	AbbVie	1,202	4.36
13,100	Bristol-Myers Squibb	794	2.88
2,400	Broadcom	1,055	3.83
20,000	Cisco Systems	745	2.70
5,080	CME	832	3.02
2,500	Johnson & Johnson	358	1.30
11,051	Philip Morris International	881	3.20
19,700	Verizon Communications	747	2.71

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Mexico (5.15%)		1,178	4.27
57,686	Grupo Aeroportuario del Sureste 'B'	896	3.25
231,900	Kimberly-Clark de Mexico 'A'	282	1.02
Pacific Basin Equities (34.24%)		4,565	16.57
Australia (0.00%)		270	0.98
14,700	Woodside Energy	270	0.98
China (3.56%)		875	3.18
147,500	China Vanke 'H'	230	0.84
133,500	Ping An Insurance 'H'	645	2.34
Hong Kong (2.21%)		822	2.98
240,000	China Resources Land	822	2.98
India (2.26%)		-	-
Indonesia (2.88%)		936	3.40
747,000	Indocement Tunggal Prakarsa	380	1.38
2,373,700	Telkom Indonesia Persero	556	2.02
Singapore (4.35%)		929	3.37
94,700	Oversea-Chinese Banking	657	2.38
174,800	Singapore Telecommunications	272	0.99
South Korea (4.09%)		733	2.66
830	Samsung Electronics GDR	733	2.66

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Taiwan (12.00%)		2,386	8.66
42,000	Globalwafers	523	1.90
269,000	Hon Hai Precision Industry	800	2.90
113,600	Taiwan Mobile	315	1.14
10,300	Taiwan Semiconductor Manufacturing ADR	748	2.72
Thailand (2.89%)		656	2.38
911,700	Lotus's Retail Growth Freehold And Leasehold Property Fund (Alien Market)	274	0.99
169,400	SCB X (Alien Market)	382	1.39
UK Equities (8.92%)		2,780	10.09
Basic Materials (1.53%)		461	1.67
20,500	BHP	461	1.67
Consumer Staples (5.37%)		1,562	5.67
19,400	British American Tobacco	625	2.27
11,700	Unilever (Netherlands listing)	469	1.70
11,700	Unilever (UK listing)	468	1.70
Energy (1.14%)		471	1.71
21,600	Shell	471	1.71
Telecommunications (0.88%)		286	1.04
237,200	Vodafone	286	1.04
Total investment assets		27,540	99.94
Net other assets		17	0.06
Total Net Assets		27,557	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 2021.

Financial Statements

Statement of Total Return

For the year ended 31 July 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains	1		2,120		5,156
Revenue	2	1,510		1,281	
Expenses	3	(310)		(440)	
Net revenue before taxation		1,200		841	
Taxation	4	(89)		(132)	
Net revenue after taxation			1,111		709
Total return before distributions			3,231		5,865
Distributions	5		(1,399)		(1,106)
Change in net assets attributable to shareholders from investment activities			1,832		4,759

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2022

	2022		2021	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		31,137		38,850
Amounts receivable on the issue of shares	3,039		1,854	
Amounts payable on the cancellation of shares	(8,733)		(14,513)	
		(5,694)		(12,659)
Dilution adjustment		-		9
Change in net assets attributable to shareholders from investment activities (see above)		1,832		4,759
Retained distribution on accumulation shares		281		177
Unclaimed distributions		1		1
Closing net assets attributable to shareholders		27,557		31,137

Financial Statements

Continued

Balance Sheet

As at 31 July 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			27,540		31,037
Current assets:					
Debtors	6	373		309	
Cash and bank balances	7	62		99	
			435		408
Total assets			27,975		31,445
Liabilities:					
Bank overdrafts	7	(18)		-	
Creditors	8	(46)		(91)	
Distribution payable		(354)		(217)	
			(418)		(308)
Total liabilities			(418)		(308)
Net assets attributable to shareholders			27,557		31,137

Notes to the Financial Statements

1 Net Capital Gains

	2022 £'000	2021 £'000
Non-derivative securities	2,147	5,166
Forward currency contracts	-	(1)
Other losses	(18)	(9)
Transaction charges	(9)	-
Net capital gains	2,120	5,156

2 Revenue

	2022 £'000	2021 £'000
Overseas dividends	1,341	1,107
Overseas REIT	16	30
Stocklending revenue	-	3
UK dividends	153	141
Total revenue	1,510	1,281

3 Expenses

	2022 £'000	2021 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	287	398
General administration charge*	12	-
Operating, administrative and servicing fees	-	42
	299	440
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Revenue collection expenses	7	-
Safe custody fees	4	-
	11	-
Total expenses	310	440

Irrecoverable VAT is included in the above expenses, where relevant.

* The fixed general administration charge was introduced from 1 August 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian. The audit fee for the year, including VAT, was £8,460 (2021: £8,389).

Notes to the Financial Statements

Continued

4 Taxation

	2022 £'000	2021 £'000
(a) Analysis of charge in year		
Overseas taxes	89	132
Total taxation (note 4b)	89	132

(b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2021: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

Net revenue before taxation	1,200	841
Corporation tax at 20% (2021: 20%)	240	168
Effects of:		
Revenue not subject to taxation	(284)	(247)
Overseas taxes	89	132
Overseas tax expensed	(2)	(1)
Excess allowable expenses	46	80
Total tax charge for year (note 4a)	89	132

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

(c) Factors that may affect future tax charge

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £2,646,000 (2021: £2,600,000) 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)

	2022 £'000	2021 £'000
First interim distribution	433	255
Second interim distribution	211	204
Third interim distribution	268	330
Final distribution	454	265
	1,366	1,054
Add: Income deducted on cancellation of shares	47	57
Deduct: Income received on issue of shares	(14)	(5)
Total distributions for the year	1,399	1,106

Notes to the Financial Statements

Continued

	2022 £'000	2021 £'000
Movement between net revenue and distributions		
Net revenue after taxation	1,111	709
Expenses charged to capital	299	398
Tax relief on expenses charged to capital	(11)	(1)
Total distributions for the year	1,399	1,106

Expenses taken to capital include the ACD, Dealing expenses and the General administration charge.

Marginal relief applies benefit (cash) in line with the nature of the expense, where expenses are deducted from capital the tax benefit is returned to capital. In maximising the distribution to investors marginal relief is included in the distribution.

Where deductions are made from capital these may limit the growth in value of the relevant fund. However, more income is generally available to distribute to shareholders.

Details of the distribution per share are set out in this fund's distribution tables.

6 Debtors

	2022 £'000	2021 £'000
Accrued revenue	180	147
Amounts receivable from the ACD for the issue of shares	93	94
Overseas withholding tax recoverable	99	68
Sales awaiting settlement	1	-
Total debtors	373	309

7 Liquidity

	2022 £'000	2021 £'000
Cash and bank balances		
Cash at bank	62	99
	62	99
Bank overdrafts		
Overdraft at bank	(18)	-
	(18)	-
Net liquidity	44	99

Notes to the Financial Statements

Continued

8 Creditors

	2022 £'000	2021 £'000
Accrued expenses payable to ACD	24	26
Accrued expenses payable to the Depositary or associates of the Depositary	1	-
Amounts payable to the ACD for cancellation of shares	21	62
Other accrued expenses	-	3
Total creditors	46	91

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	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trades in the year				
Equities	2,805	5,342	8,440	18,232
Corporate actions	-	239	9	10
Trades in the year before transaction costs	2,805	5,581	8,449	18,242
Commissions				
Equities	2	2	(4)	(9)
Total commissions	2	2	(4)	(9)
Taxes				
Equities	1	5	(3)	(7)
Total taxes	1	5	(3)	(7)
Total transaction costs	3	7	(7)	(16)
Total net trades in the year after transaction costs	2,808	5,588	8,442	18,226

Notes to the Financial Statements

Continued

	Purchases		Sales	
	2022 %	2021 %	2022 %	2021 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.05	0.05	0.04	0.05
Taxes				
Equities	0.05	0.09	0.04	0.04
			2022 %	2021 %
Total transaction costs expressed as a percentage of net asset value				
Commissions			0.02	0.03
Taxes			0.02	0.04

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.24% (2021: 0.18%), this is representative of the average spread on the assets held during the year.

11 Shares in Issue Reconciliation

	Opening shares 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
A Accumulation	2,660,858	577,372	(1,028,727)	-	2,209,503
A Income	15,525,949	797,025	(1,022,569)	1,165	15,301,570
I Accumulation	1,190,935	710,250	(324,982)	-	1,576,203
I Income	24,907,411	651,562	(8,663,632)	(1,089)	16,894,252
M Accumulation	936	-	-	-	936
M Income	10,644	345	(28)	-	10,961

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).

	2022 £'000	2022 £'000	2022 £'000	2021 £'000	2021 £'000	2021 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	27,540	-	-	31,037	-	-
Total investment assets	27,540	-	-	31,037	-	-

Notes to the Financial Statements

Continued

13 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

Foreign currency risk

Fluctuations in the foreign exchange rates can adversely affect the value of a portfolio. The following table details the net exposure to the principal foreign currencies that the fund is exposed to including any instruments used to hedge against foreign currencies, if applicable.

Currency	Net foreign currency exposure	Net foreign currency exposure
	2022 £'000	2021 £'000
Australian Dollar	270	-
Canadian Dollar	1,347	1,697
Danish Krone	657	653
Euro	2,713	1,913
Hong Kong Dollar	1,750	1,817
Indian Rupee	7	707
Indonesian Rupiah	936	914
Mexican Peso	1,178	1,603
Norwegian Krone	505	647
Polish Zloty	11	12
Singapore Dollar	929	1,354
Swedish Krona	1,285	1,031
Swiss Franc	901	846
Taiwan Dollar	1,715	2,481
Thai Baht	660	905
US Dollar	10,652	12,416
Total	25,516	28,996

At 31 July 2022, 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 £1,276,000 (2021: £1,450,000).

Interest rate risk

The majority of the fund's financial assets are in non-interest bearing assets. Therefore, the fund's exposure to interest rate risk is considered insignificant. This is consistent with the exposure during the prior year.

Other price risk

The fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Adviser in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

Notes to the Financial Statements

Continued

As at 31 July 2022, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £1,377,000 (2021: £1,552,000).

Financial derivatives instrument risk

The fund had no exposure to derivatives as at 31 July 2022 (2021: £Nil).

Counterparty risk

Bilateral agreements

Where the fund enters bilateral agreements this introduces counterparty risk. Where a counterparty defaults on their obligation, exposure is reduced by the collateral held/pledged by both parties.

All stock lending is conducted by the stocklending agent on behalf of the fund using a standard agreement with available counterparties. It is collateralised daily with a right of recall within 24 hours.

At the year end the fund held no positions. This is consistent with the prior year.

The Prospectus outlines allowable collateral. There have been no changes in the year.

The fund receives 85% of the revenue returns from stock lending. The gross earnings for the year are £Nil (2021: £4,000) and expenses paid to the lending agent, Securities Finance Trust Company, are £Nil (2021: £1,000).

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2022 £418,000 (2021: £308,000).

14 Subsequent Events

The ACD intends to close the abrdn World Income Equity Fund in 2023.

Distribution Tables

For the year ended 31 July 2022 (in pence per share)

First interim dividend distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 October 2021

	Revenue	Equalisation	Distribution paid 31/01/22	Distribution paid 29/01/21
A Accumulation				
Group 1	2.1340	-	2.1340	0.9988
Group 2	1.0701	1.0639	2.1340	0.9988
A Income				
Group 1	0.8781	-	0.8781	0.4261
Group 2	0.0832	0.7949	0.8781	0.4261
I Accumulation				
Group 1	2.0999	-	2.0999	0.9779
Group 2	1.5146	0.5853	2.0999	0.9779
I Income				
Group 1	0.9333	-	0.9333	0.4479
Group 2	0.4409	0.4924	0.9333	0.4479
M Accumulation				
Group 1	1.5580	-	1.5580	0.7448
Group 2	1.5580	-	1.5580	0.7448
M Income				
Group 1	1.4214	-	1.4214	0.6685
Group 2	1.4214	-	1.4214	0.6685

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Second interim dividend distribution

Group 1 – shares purchased prior to 1 November 2021

Group 2 – shares purchased between 1 November 2021 and 31 January 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
A Accumulation				
Group 1	1.1333	-	1.1333	0.8525
Group 2	0.4374	0.6959	1.1333	0.8525
A Income				
Group 1	0.4592	-	0.4592	0.3592
Group 2	0.0132	0.4460	0.4592	0.3592
I Accumulation				
Group 1	1.1156	-	1.1156	0.8357
Group 2	0.3039	0.8117	1.1156	0.8357
I Income				
Group 1	0.4885	-	0.4885	0.3795
Group 2	0.1522	0.3363	0.4885	0.3795
M Accumulation				
Group 1	0.8345	-	0.8345	0.6390
Group 2	0.8345	-	0.8345	0.6390
M Income				
Group 1	0.7410	-	0.7410	0.5628
Group 2	0.6646	0.0764	0.7410	0.5628

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Third interim dividend distribution

Group 1 – shares purchased prior to 1 February 2022

Group 2 – shares purchased between 1 February 2022 and 30 April 2022

	Revenue	Equalisation	Distribution paid 29/07/22	Distribution paid 30/07/21
A Accumulation				
Group 1	1.5094	-	1.5094	1.4459
Group 2	1.3069	0.2025	1.5094	1.4459
A Income				
Group 1	0.6080	-	0.6080	0.6056
Group 2	0.4020	0.2060	0.6080	0.6056
I Accumulation				
Group 1	1.4863	-	1.4863	1.4195
Group 2	0.9791	0.5072	1.4863	1.4195
I Income				
Group 1	0.6471	-	0.6471	0.6408
Group 2	0.2451	0.4020	0.6471	0.6408
M Accumulation				
Group 1	1.1134	-	1.1134	1.0717
Group 2	1.1134	-	1.1134	1.0717
M Income				
Group 1	0.9813	-	0.9813	0.9588
Group 2	0.9813	-	0.9813	0.9588

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Final dividend distribution

Group 1 – shares purchased prior to 1 May 2022

Group 2 – shares purchased between 1 May 2022 and 31 July 2022

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
A Accumulation				
Group 1	2.6650	-	2.6650	1.2480
Group 2	1.1458	1.5192	2.6650	1.2480
A Income				
Group 1	1.0629	-	1.0629	0.5165
Group 2	0.0614	1.0015	1.0629	0.5165
I Accumulation				
Group 1	2.6259	-	2.6259	1.2285
Group 2	1.7124	0.9135	2.6259	1.2285
I Income				
Group 1	1.1312	-	1.1312	0.5491
Group 2	0.7542	0.3770	1.1312	0.5491
M Accumulation				
Group 1	1.9587	-	1.9587	0.9157
Group 2	1.9587	-	1.9587	0.9157
M Income				
Group 1	1.7149	-	1.7149	0.8195
Group 2	1.3487	0.3662	1.7149	0.8195

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

For the year ended 31 July 2022

Investment Objective

To generate growth over the long term (5 years or more) by investing in European emerging markets equities (company shares).

Performance Target: To achieve the return of the MSCI Emerging Market Europe 10/40 Index plus 3% per annum over rolling three year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

Investment Policy

Portfolio Securities

- The fund invests at least 70% in equities and equity related securities of companies listed, incorporated or domiciled in European emerging market countries, or companies that derive a significant proportion of their revenues or profits or have a significant proportion of their assets there.
- The fund may also invest up to 10% in other European equities.
- The fund may also invest in other funds (including those managed by abrdn), money-market instruments and cash.

Management Process

- The management team use their discretion (active management) to maintain a diverse asset mix at country, sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the Performance Target, the MSCI Emerging Market Europe 10/40 Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index, is not ordinarily expected to exceed 12.5%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the MSCI Emerging Market Europe 10/40 Index over the long term.

Derivatives and Techniques

- The fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivative usage in the fund is expected to be very limited. Where derivatives are used, this would mainly be in response to significant inflows into the fund so that in these instances, cash can be invested while maintaining the fund's existing allocations to company shares.

Performance Review

For the period ended 25 February 2022, the value of ASI Eastern European Equity Fund – A Accumulation Shares decreased by 36.22% compared to a decrease of 26.42% in the performance target, the MSCI Emerging Market Europe 10/40 Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

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Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

ASI Eastern European Equity Fund

Continued

Market Review

From the start of the review period, until end March 2022, Eastern European equities fell sharply and lost almost 70% of their value. This was chiefly due to Russia's military invasion of Ukraine in February 2022. Escalating tensions between the two sides since late 2021 culminated with Russia invading its Ukrainian neighbour in February, which drew widespread condemnation from the international community. Subsequently, Russia incurred hefty economic and financial sanctions from its key trading partners the European Union, UK and the US.

Among these were sanctions on the country's central bank, the exclusion of some Russian banks from the SWIFT global payments system, and the freezing of close to US\$ 330 billion worth of Russia's assets as of end June. The rouble plummeted to a record low, as investors weighed the impact of the sanctions, while Russia's central bank introduced stringent capital controls raised its key interest rate to 20% until early April to protect its currency. By the end of the period, the rouble had strengthened substantially from its lowest point at the start of the war.

The prolonged Russia-Ukraine conflict, in its sixth month by the end of the review period, exacerbated price pressures in the region and globally, especially since severe supply chain disruptions for oil and gas caused energy prices to soar over the period. Materials and commodity costs also sky-rocketed, pressuring margins for companies in all sectors, from automobile manufacturers and cement producers, to farming and agriculture. All these factors contributed to lacklustre company earnings among Eastern European companies, and further deterring investors from the region.

Portfolio Activity and Review

When the war began, international equity index providers, such as the MSCI, FTSE and London Stock Exchange suspended, and subsequently removed Russian securities from their emerging market indexes. Meanwhile, the Russian stock exchange, MOEX, closed for almost a month and reopened in March. Despite the MOEX reopening, we were unable to assign value to Russian positions due to our inability either to trade positions or to repatriate proceeds.

Given the inability to accurately price securities making up a material part of the fund's net asset value, abrdn's Investor Protection Committee (IPC) took the decision to suspend the fund on February 28. Since that time, given current market conditions and liquidity, abrdn's Valuation and Pricing Committee (VPC) have decided to reduce the price on all Russian equity and Global Depositary Receipts (GDR) and American Depositary Receipt (ADR) instruments to zero. This followed news that MSCI and FTSE

would remove Russia from all composite indices, price all securities to zero, and downgrade Russia to 'standalone market' status, similar to Iran and Argentina.

While we have followed the VPC's methodology in writing Russian positions to zero, we retain title to those shares and continue to look for resolution of some kind to this humanitarian tragedy. We will recover capital where we can but as an investment house, our view is that the ESG risks associated with securities exposed to Russia, Belarus and Ukraine make those markets effectively uninvestable for the foreseeable future. We have, therefore, placed bans on purchases in those markets.

Portfolio Outlook and Strategy

The fund closed in September 2022.

Global Emerging Markets Equity Team

August 2022

ASI Eastern European 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 2022.

The fund is rated as 6 because of the extent to which the following risk factors apply:

- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- The fund invests in emerging market equities and/or bonds. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

Comparative Tables

A Accumulation	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	407.22	313.06	343.48
Return before operating charges*	(274.74)	99.03	(25.97)
Operating charges	(4.16)	(4.87)	(4.45)
Return after operating charges*	(278.90)	94.16	(30.42)
Distributions	(6.57)	(15.68)	(9.12)
Retained distributions on accumulation shares	6.57	15.68	9.12
Closing net asset value per share	128.32	407.22	313.06
* after direct transaction costs of:	0.27	0.20	0.25
Performance			
Return after charges	(68.49%)	30.08%	(8.86%)
Other information			
Closing net asset value (£'000)	1,325	4,273	3,634
Closing number of shares	1,032,545	1,049,378	1,160,682
Operating charges	1.39%	1.39%	1.39%
Direct transaction costs	0.08%	0.06%	0.08%
Prices			
Highest share price	478.4	412.4	367.0
Lowest share price	108.2	288.1	236.1

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	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	422.41	330.19	365.33
Return before operating charges*	(284.87)	95.68	(31.93)
Operating charges	(2.94)	(3.46)	(3.21)
Return after operating charges*	(287.81)	92.22	(35.14)
Distributions	(7.28)	(10.51)	(6.74)
Retained distributions on accumulation shares	7.28	10.51	6.74
Closing net asset value per share	134.60	422.41	330.19
* after direct transaction costs of:	0.28	0.21	0.27
Performance			
Return after charges	(68.14%)	27.93%	(9.62%)
Other information			
Closing net asset value (£'000)	4,982	15,485	12,222
Closing number of shares	3,701,601	3,665,894	3,701,475
Operating charges	0.94%	0.94%	0.94%
Direct transaction costs	0.08%	0.06%	0.08%
Prices			
Highest share price	495.7	429.3	390.1
Lowest share price	112.1	302.4	251.2

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	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	153.32	119.94	132.59
Return before operating charges*	(103.37)	34.71	(11.44)
Operating charges	(1.11)	(1.33)	(1.21)
Return after operating charges*	(104.48)	33.38	(12.65)
Distributions	(2.65)	(3.71)	(2.24)
Retained distributions on accumulation shares	2.65	3.71	2.24
Closing net asset value per share	48.84	153.32	119.94
* after direct transaction costs of:	0.10	0.08	0.10
Performance			
Return after charges	(68.15%)	27.83%	(9.54%)
Other information			
Closing net asset value (£'000)	1	1	1
Closing number of shares	816	816	816
Operating charges	0.99%	0.99%	0.99%
Direct transaction costs	0.08%	0.06%	0.08%
Prices			
Highest share price	179.9	155.8	141.8
Lowest share price	40.68	109.8	91.29

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

Portfolio Statement

As at 31 July 2022

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (97.77%)		6,089	96.53
Emerging Market Equities (63.51%)		-	-
Russia (63.51%)		-	-
6,222	Beluga+++	-	-
91,076	Fix Price GDR+++	-	-
363,181	Gazprom+++	-	-
9,422	HeadHunter ADR*	-	-
27,068	Lukoil ADR+++	-	-
346,685	Magnitogorsk Iron & Steel Works+++	-	-
51,193	MD Medical GDR+++	-	-
2,187	MMC Norilsk Nickel+++	-	-
94,580	Novatek+++	-	-
4,742	Polyus+++	-	-
309,590	Renaissance Insurance+++	-	-
83,861	Rosneft Oil+++	-	-
548,794	Sberbank of Russia+++	-	-
4,622,000	Segezha+++	-	-
21,646	X5 Retail GDR+++	-	-
22,398	Yandex 'A'*	-	-
European Equities (24.34%)		4,587	72.72
Cyprus (4.14%)		-	-
5,047	TCS GDR 'S'	-	-
Czech Republic (1.09%)		261	4.14
12,558	Komerční Banka	261	4.14
Georgia (0.59%)		-	-
Greece (3.34%)		987	15.65
168,879	National Bank of Greece	433	6.86
43,306	Sarantis	246	3.90
20,987	Terna Energy	308	4.89

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Hungary (1.51%)		433	6.86
170,690	Magyar Telekom Telecommunications	112	1.78
19,077	Richter Gedeon Nyrt	321	5.08
Kazakhstan (2.10%)		341	5.41
7,901	Kaspi.KZ GDR	341	5.41
Netherlands (0.00%)		260	4.12
24,672	CTP	260	4.12
Poland (7.34%)		1,906	30.22
80,264	Allegro.eu	357	5.66
7,888	Dino Polska	507	8.04
54,648	InPost	295	4.68
2,593	Kety	252	4.00
3,036	Pracuj	29	0.46
45,106	PZU	243	3.85
5,407	Santander Bank Polska	223	3.53
Romania (1.34%)		229	3.63
104,011	BRD-Groupe Societe Generale	229	3.63
Slovenia (2.89%)		170	2.69
2,095	KRKA	170	2.69
Middle East Equities (5.72%)		613	9.72
Turkey (5.72%)		613	9.72
1	Agesa Hayat ve Emeklilik	-	-
1	Akbank	-	-
25,509	Coca-Cola İçecek	169	2.68

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1	Enka Insaat ve Sanayi	-	-
68,523	Mavi Giyim Sanayi Ve Ticaret 'B'	198	3.14
20,163	Turkiye Petrol Rafinerileri	246	3.90
North American Equities (1.30%)		313	4.96
United States (1.30%)		313	4.96
1,093	EPAM Systems	313	4.96
UK Equities (2.90%)		576	9.13
Industrials (1.56%)		336	5.33
21,671	Mondi	336	5.33
Technology (1.34%)		240	3.80
2,868	Endava ADR	240	3.80
Total investment assets		6,089	96.53
Net other assets		219	3.47
Total Net Assets		6,308	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 2021.

* Suspended.

+++ Priced per abrdn FVC.

Financial Statements

Statement of Total Return

For the year ended 31 July 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital (losses)/gains	1		(13,988)		3,610
Revenue	2	548		803	
Expenses	3	(138)		(179)	
Net revenue before taxation		410		624	
Taxation	4	(237)		102	
Net revenue after taxation			173		726
Total return before distributions			(13,815)		4,336
Distributions	5		(349)		(550)
Change in net assets attributable to shareholders from investment activities			(14,164)		3,786

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2022

	2022		2021	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		19,760		15,857
Amounts receivable on the issue of shares	3,413		1,640	
Amounts payable on the cancellation of shares	(3,038)		(2,073)	
		375		(433)
Change in net assets attributable to shareholders from investment activities (see above)		(14,164)		3,786
Retained distribution on accumulation shares		337		550
Closing net assets attributable to shareholders		6,308		19,760

Financial Statements

Continued

Balance Sheet

As at 31 July 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			6,089		19,320
Current assets:					
Debtors	6	31		331	
Cash and bank balances		194		258	
			225		589
Total assets			6,314		19,909
Liabilities:					
Creditors	7	(6)		(149)	
			(6)		(149)
Total liabilities			(6)		(149)
Net assets attributable to shareholders			6,308		19,760

Notes to the Financial Statements

1 Net Capital (Losses)/Gains

	2022 £'000	2021 £'000
Non-derivative securities	(13,963)	3,612
Other losses	(8)	(2)
Subsidised fees taken from the capital account**	2	-
Transaction charges	(19)	-
Net capital (losses)/gains	(13,988)	3,610

** Subsidised fees are paid by the ACD.

2 Revenue

	2022 £'000	2021 £'000
Overseas dividends	538	761
Stocklending revenue	-	1
UK dividends	10	41
Total revenue	548	803

3 Expenses

	2022 £'000	2021 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	126	146
Operating, administrative and servicing fees	-	33
	126	179
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Revenue collection expenses	2	-
Safe custody fees	12	-
	14	-
Other:		
Subsidised fees***	(2)	-
	(2)	-
Total expenses	138	179

Irrecoverable VAT is included in the above expenses, where relevant.

*** Subsidised fees are paid by the ACD.

Notes to the Financial Statements

Continued

4 Taxation

	2022 £'000	2021 £'000
(a) Analysis of charge in year		
Overseas taxes	61	74
Total current tax	61	74
Deferred tax (note 4c)	176	(176)
Total taxation (note 4b)	237	(102)

(b) Factors affecting current tax charge for the year

The tax assessed for the year is greater than (2021: 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	410	624
Corporation tax at 20% (2021: 20%)	82	125
Effects of:		
Revenue not subject to taxation	(71)	(38)
Overseas taxes	61	74
Overseas tax expensed	(4)	(12)
Excess allowable expenses	(7)	(75)
Deferred tax asset	176	(176)
Total tax charge for year (note 4a)	237	(102)

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

(c) Deferred tax

Provision at the start of the year	(176)	-
Deferred tax charge in statement of total return for year (note 4a)	176	(176)
Provision at the end of the year	-	(176)

(d) Factors that may affect future tax charge

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £169,000 (2021: £176,000) 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)

	2022 £'000	2021 £'000
Distribution	337	550
Add: Income deducted on cancellation of shares	24	29
Deduct: Income received on issue of shares	(12)	(29)
Total distributions for the year	349	550

Notes to the Financial Statements

Continued

	2022 £'000	2021 £'000
Movement between net revenue and distributions		
Net revenue after taxation	173	726
Overseas deferred capital gains tax on unrealised gains	176	(176)
Total distributions for the year	349	550

Details of the distribution per share are set out in this fund's distribution table.

6 Debtors

	2022 £'000	2021 £'000
Accrued revenue	15	6
Amounts receivable from the ACD for the issue of shares	-	28
Deferred tax asset	-	176
Expenses reimbursement receivable from the ACD	5	-
Overseas withholding tax recoverable	11	8
Sales awaiting settlement	-	113
Total debtors	31	331

7 Creditors

	2022 £'000	2021 £'000
Accrued expenses payable to ACD	4	14
Accrued expenses payable to the Depositary or associates of the Depositary	2	-
Other accrued expenses	-	3
Purchases awaiting settlement	-	132
Total creditors	6	149

8 Related Party Transactions

abrndn Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to abrndn Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 7.

Amounts payable to abrndn Fund Managers Limited, in respect of expenses are disclosed in note 3 and any amounts due at the year end in note 7.

Amounts receivable from abrndn Fund Managers Limited in respect of subsidised fees are disclosed in notes 1 and 3 and any amounts due at the year end in note 6 and 7.

Notes to the Financial Statements

Continued

9 Portfolio Transaction Costs

	Purchases		Sales	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trades in the year				
Equities	7,699	6,672	6,982	6,440
Trades in the year before transaction costs	7,699	6,672	6,982	6,440
Commissions				
Equities	5	5	(6)	(5)
Total commissions	5	5	(6)	(5)
Taxes				
Equities	2	-	-	-
Total taxes	2	-	-	-
Total transaction costs	7	5	(6)	(5)
Total net trades in the year after transaction costs	7,706	6,677	6,976	6,435

	Purchases		Sales	
	2022 %	2021 %	2022 %	2021 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.07	0.07	0.08	0.07
Taxes				
Equities	0.03	0.01	-	-

	2022 %	2021 %
Total transaction costs expressed as a percentage of net asset value		
Commissions	0.07	0.06
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 0.36% (2021: 0.14%), this is representative of the average spread on the assets held during the year.

Notes to the Financial Statements

Continued

10 Shares in Issue Reconciliation

	Opening shares 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
A Accumulation	1,049,378	97,410	(102,193)	(12,050)	1,032,545
I Accumulation	3,665,894	656,727	(632,670)	11,650	3,701,601
M Accumulation	816	-	-	-	816

11 Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2022 £'000	2022 £'000	2022 £'000	2021 £'000	2021 £'000	2021 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	6,089	-	-	19,320	-	-
Total investment assets	6,089	-	-	19,320	-	-

12 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

Foreign currency risk

Fluctuations in the foreign exchange rates can adversely affect the value of a portfolio. The following table details the net exposure to the principal foreign currencies that the fund is exposed to including any instruments used to hedge against foreign currencies, if applicable.

Currency	Net foreign currency exposure	Net foreign currency exposure
	2022 £'000	2021 £'000
Czech Koruna	261	216
Euro	1,712	1,529
Hungarian Forint	433	299
Polish Zloty	1,637	1,166
Romanian Leu	229	264
Russian Ruble	-	7,727
Turkish Lira	613	1,133
US Dollar	901	6,597
Total	5,786	18,931

Notes to the Financial Statements

Continued

At 31 July 2022, 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 £289,000 (2021: £947,000).

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 2022, 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 £304,000 (2021: £966,000).

Financial derivatives instrument risk

The fund had no exposure to derivatives as at 31 July 2022 (2021: £Nil).

Bilateral agreements

The fund receives 85% of the revenue returns from stock lending. The gross earnings for the year are £Nil (2021: £1,000) and expenses paid to the lending agent, Securities Finance Trust Company, are £Nil (2021: £Nil).

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2022 £6,000 (2021: £149,000).

Distribution Table

For the year ended 31 July 2022 (in pence per share)

Final dividend distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 July 2022

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
A Accumulation				
Group 1	6.5723	-	6.5723	15.6755
Group 2	3.2997	3.2726	6.5723	15.6755
I Accumulation				
Group 1	7.2770	-	7.2770	10.5133
Group 2	5.7526	1.5244	7.2770	10.5133
M Accumulation				
Group 1	2.6539	-	2.6539	3.7106
Group 2	2.6539	-	2.6539	3.7106

Equalisation

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

ASI Emerging Markets Bond Fund (closed)

For the year ended 31 July 2022

Investment Objective

To generate income and some growth over the longer term (5 years or more) by investing in emerging markets corporate and/or government bonds.

Performance Target: To achieve the return of the JP Morgan EMBI Global Diversified Index (Hedged to GBP) plus 2.5% per annum (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

Investment Policy

Portfolio Securities

- The fund will invest at least 70% in bonds including government, sub-sovereign, and corporate bonds issued by emerging market countries or corporations which carry out a substantial part of their operations, derive a significant proportion of their revenues or profits or have a significant proportion of their assets in these countries.
- The fund may also hold bonds issued by other governments or sub-sovereigns anywhere in the world
- 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 across bonds and derivatives in emerging markets as well as currencies.
- In seeking to achieve the performance target, the JP Morgan EMBI Global Diversified (GBP Hedged) 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 8.50%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the JP Morgan EMBI Global Diversified (GBP Hedged) Index.

Please Note: The fund's ability to buy and sell bonds and the associated costs can be affected during periods of market stress which could include periods where interest rates move sharply.

Derivatives and Techniques

- The fund will 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 also 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 period ended 30 June 2022, the value of ASI Emerging Markets Bond Fund - A Accumulation Shares decreased by 21.26% compared to a decrease of 22.53% in the performance target, the JP Morgan EMBI Global Diversified Index (Hedged to GBP).

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

Market Review

Yields spiked in the latter half of the third quarter of 2021, as the US Federal Reserve (Fed) announced it would soon begin to slow the pace of its asset purchases – now projected to come to an end in 2022. Continued high inflation data, supportive jobs data and comments by the Fed that it would accelerate the tapering of its monthly asset purchases from US\$15 billion to US\$30 billion led to expectations of quicker monetary tightening and created an upward pressure in yields towards the end of 2021. However, this upward yield pressure was counterbalanced by the emergence of the new and highly infectious Omicron variant of Covid-19, which raised concerns among investors about its potential impact on the economic recovery. The Federal Open Market Committee hiked rates by 25 basis points (bps) to a range of 0.25–0.5% in March, which pushed yields higher. The Russia-Ukraine war, surging commodity prices and inflation, and a hawkish Fed weighed on markets over the first quarter of 2022. On 24 February, Russia launched a large-scale military invasion of Ukraine, triggering global repercussions and stringent sanctions from the UK, European Union (EU) and US. The Fed hiked its policy rate by 50 bps in May and 75 bps in June as inflation continued to negatively affect markets. Oil prices were volatile following the Russian invasion of Ukraine, with EU countries agreeing to ban

ASI Emerging Markets Bond Fund (closed)

Continued

Russian oil that arrives by sea. The Brent crude oil price rose over the period, starting it at US\$76.33 per barrel and ending it at US\$114.81 per barrel.

In hard-currency debt, the weaker market environment at the beginning of the period was caused by renewed concerns over the outlook for US monetary policy, a slowing Chinese economy and the Evergrande debt crisis. In Zambia, newly elected President Hakainde Hichilema of the United Party for National Development pledged to stabilise the country's shaky finances by resolving the debt crisis and coming to an agreement with bondholders, while also securing an International Monetary Fund (IMF) programme. Meanwhile, the IMF agreed to the largest special drawing rights allocation in its history, at US\$650 billion. Of this, approximately 42% will go to emerging markets (EMs), with the main beneficiaries of this increase being Zambia, Bahrain and Ecuador. Conversely, Belarus, Ukraine and Russia underperformed during the second half of the period as a result of the Russian invasion of Ukraine. Meanwhile, Lebanon struggled towards the end of the period, as the country grappled with an unstable government, frequent power outages, a weak currency and a high reliance on remittances. On the issuances side, notable deals included the United Arab Emirates' triple-tranche US\$4 billion deal, Peru's US\$3.25 billion sustainable bond debut and China's issuance of US\$4 billion in bonds across four tranches. The Philippines tapped the sustainable bond market for the first time, issuing a US\$1 billion 25-year green bond priced at a yield of 4.2%, followed by a US\$500 million five-year conventional bond priced at a spread of 90 bps over US Treasuries and a US\$750 million 10-year conventional bond priced at a spread of 125 bps.

Portfolio Outlook and Strategy

The fund closed in June 2022.

Global Emerging Market Debt Team

August 2022

ASI Emerging Markets Bond Fund (closed)

Continued

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the fund. The table below shows the fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk			Typically higher rewards, higher risk				
←				→			
1	2	3	4	5	6	7	

Risk and reward indicator table as at 30 June 2022.

- The fund invests in mortgage- and asset-backed securities which are subject to prepayment, extension, liquidity and default risk.
- Convertible securities are investments that can be changed into another form upon certain triggers. As such, they can exhibit credit, equity and fixed interest risk. Contingent convertible securities (CoCos) are similar to convertible securities but have additional triggers which mean that they are more vulnerable to losses and volatile pricemovements and hence become less liquid.
- 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 high yielding bonds which carry a greater risk of default than those with lower yields.
- The fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income. The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

Comparative Tables

A Accumulation^A	2022	2021	2020
	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	145.15	137.90	142.62
Return before operating charges*	(28.93)	9.20	(2.86)
Operating charges	(1.65)	(1.95)	(1.86)
Return after operating charges*	(30.58)	7.25	(4.72)
Distributions	(8.65)	(7.26)	(7.03)
Retained distributions on accumulation shares	8.65	7.26	7.03
Redemption value as at 30 June 2022	(114.57)	-	-
Closing net asset value per share	-	145.15	137.90
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(21.07%)	5.26%	(3.31%)
Other information			
Closing net asset value (£'000)	-	1,626	1,588
Closing number of shares	-	1,119,949	1,151,239
Operating charges	1.33%	1.36%	1.36%
Direct transaction costs	-	-	-
Prices			
Highest share price	147.5	147.7	146.7
Lowest share price	113.7	137.1	114.2

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.

^AA Accumulation share class was closed on 30 June 2022.

Comparative Tables

Continued

A Income ^A	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	83.32	83.30	90.75
Return before operating charges*	(16.01)	5.46	(1.93)
Operating charges	(0.93)	(1.15)	(1.15)
Return after operating charges*	(16.94)	4.31	(3.08)
Distributions	(4.83)	(4.29)	(4.37)
Redemption value as at 30 June 2022	(61.55)	-	-
Closing net asset value per share	-	83.32	83.30
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(20.33%)	5.17%	(3.39%)
Other information			
Closing net asset value (£'000)	-	2,032	2,304
Closing number of shares	-	2,438,930	2,765,585
Operating charges	1.33%	1.36%	1.36%
Direct transaction costs	-	-	-
Prices			
Highest share price	84.42	87.68	91.07
Lowest share price	61.55	81.98	70.58

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

^A A Income share class was closed on 30 June 2022.

Comparative Tables

Continued

I Accumulation ^A	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	126.84	119.96	123.54
Return before operating charges*	(25.36)	8.01	(2.50)
Operating charges	(0.95)	(1.13)	(1.08)
Return after operating charges*	(26.31)	6.88	(3.58)
Distributions	(7.57)	(6.33)	(6.10)
Retained distributions on accumulation shares	7.57	6.33	6.10
Redemption value as at 30 June 2022	(100.53)	-	-
Closing net asset value per share	-	126.84	119.96
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(20.74%)	5.74%	(2.90%)
Other information			
Closing net asset value (£'000)	-	17,785	27,112
Closing number of shares	-	14,022,238	22,600,387
Operating charges	0.88%	0.91%	0.91%
Direct transaction costs	-	-	-
Prices			
Highest share price	129.0	128.7	127.4
Lowest share price	99.74	119.4	99.19

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

^A I Accumulation share class was closed on 30 June 2022.

Comparative Tables

Continued

I Income ^A	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	78.52	78.15	84.76
Return before operating charges*	(15.10)	5.12	(1.80)
Operating charges	(0.60)	(0.72)	(0.72)
Return after operating charges*	(15.70)	4.40	(2.52)
Distributions	(4.56)	(4.03)	(4.09)
Redemption value as at 30 June 2022	(58.26)	-	-
Closing net asset value per share	-	78.52	78.15
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(19.99%)	5.63%	(2.97%)
Other information			
Closing net asset value (£'000)	-	19,642	20,174
Closing number of shares	-	25,015,081	25,816,099
Operating charges	0.88%	0.91%	0.91%
Direct transaction costs	-	-	-
Prices			
Highest share price	79.59	82.41	85.27
Lowest share price	58.26	77.02	66.11

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.

^A I Income share class was closed on 30 June 2022.

Comparative Tables

Continued

M Accumulation ^A	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	116.46	110.20	113.32
Return before operating charges*	(23.26)	7.36	(2.12)
Operating charges	(0.93)	(1.10)	(1.00)
Return after operating charges*	(24.19)	6.26	(3.12)
Distributions	(6.97)	(5.76)	(5.52)
Retained distributions on accumulation shares	6.97	5.76	5.52
Redemption value as at 30 June 2022	(92.27)	-	-
Closing net asset value per share	-	116.46	110.20
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(20.77%)	5.68%	(2.75%)
Other information			
Closing net asset value (£'000)	-	10	9
Closing number of shares	-	8,396	8,423
Operating charges	0.93%	0.96%	0.96%
Direct transaction costs	-	-	-
Prices			
Highest share price	118.4	118.2	117.0
Lowest share price	91.57	109.7	91.12

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

^A M Accumulation share class was closed on 30 June 2022.

Comparative Tables

Continued

M Income ^A	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	100.53	100.02	108.22
Return before operating charges*	(19.33)	6.42	(2.13)
Operating charges	(0.78)	(0.98)	(0.96)
Return after operating charges*	(20.11)	5.44	(3.09)
Distributions	(5.84)	(4.93)	(5.11)
Redemption value as at 30 June 2022	(74.58)	-	-
Closing net asset value per share	-	100.53	100.02
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(20.00%)	5.44%	(2.86%)
Other information			
Closing net asset value (£'000)	-	1	1
Closing number of shares	-	948	948
Operating charges	0.93%	0.96%	0.96%
Direct transaction costs	-	-	-
Prices			
Highest share price	101.9	105.5	109.2
Lowest share price	74.58	98.58	84.64

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.

^A M Income share class was closed on 30 June 2022.

Comparative Tables

Continued

Z Accumulation ^A	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	161.20	151.34	154.68
Return before operating charges*	(32.40)	10.11	(3.10)
Operating charges	(0.18)	(0.25)	(0.24)
Return after operating charges*	(32.58)	9.86	(3.34)
Distributions	(9.67)	(8.02)	(7.66)
Retained distributions on accumulation shares	9.67	8.02	7.66
Redemption value as at 30 June 2022	(128.62)	-	-
Closing net asset value per share	-	161.20	151.34
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(20.21%)	6.52%	(2.16%)
Other information			
Closing net asset value (£'000)	-	625	2,653
Closing number of shares	-	387,947	1,752,858
Operating charges	0.13%	0.16%	0.16%
Direct transaction costs	-	-	-
Prices			
Highest share price	164.1	162.9	160.2
Lowest share price	127.6	150.8	124.8

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

^A Z Accumulation share class was closed on 30 June 2022.

Portfolio Statement

As at 31 July 2022

Holding	Investment	Market value £'000	Percentage of total net assets
	Bonds (95.70%)	-	-
	Brazilian Real Denominated Bonds (4.16%)	-	-
	Government Bonds (4.16%)	-	-
	Chilean Peso Denominated Bonds (1.11%)	-	-
	Government Bonds (1.11%)	-	-
	Egyptian Pound Denominated Bonds (1.05%)	-	-
	Government Bonds (1.05%)	-	-
	Euro Denominated Bonds (8.63%)	-	-
	Corporate Bonds (0.18%)	-	-
	Government Bonds (8.45%)	-	-
	Mexican Peso Denominated Bonds (2.00%)	-	-
	Government Bonds (2.00%)	-	-
	Russian Ruble Denominated Bonds (2.03%)	-	-
	Government Bonds (2.03%)	-	-
	South African Rand Denominated Bonds (1.98%)	-	-
	Government Bonds (1.98%)	-	-
	Uruguayan Peso Denominated Bonds (1.46%)	-	-
	Government Bonds (1.46%)	-	-
	US Dollar Denominated Bonds (73.28%)	-	-
	Corporate Bonds (19.18%)	-	-
	Government Bonds (54.10%)	-	-
	Equities (0.00%)	-	-
	Emerging Market Equities (0.00%)	-	-
	Brazil (0.00%)	-	-
77,464	OAS (Warrants)	-	-
	Collective Investment Schemes (1.02%)	-	-

Portfolio Statement

As at 31 July 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Derivatives (0.94%)		25	-
Forward Currency Contracts (0.94%)		25	-
	Buy BRL 2,128,000 Sell USD 404,791 23/08/2022	2	-
	Buy BRL 7,452,000 Sell USD 1,400,420 23/08/2022	23	-
	Buy CLP 43,971,000 Sell GBP 40,978 23/08/2022	(1)	-
	Buy CLP 587,807,000 Sell USD 629,732 23/08/2022	12	-
	Buy GBP 38,830 Sell CLP 43,971,000 23/08/2022	(1)	-
	Buy GBP 26,663 Sell USD 32,326 23/08/2022	-	-
	Buy INR 26,047,000 Sell USD 332,792 23/08/2022	(4)	-
	Buy USD 1,803,701 Sell BRL 9,580,000 23/08/2022	(26)	-
	Buy USD 668,038 Sell CLP 587,807,000 23/08/2022	20	-
	Buy USD 328,323 Sell INR 26,047,000 23/08/2022	-	-
Total investment assets and liabilities		25	-
Net other liabilities		(25)	-
Total Net Assets		-	-

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities or approved derivatives within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2021.

Financial Statements

Statement of Total Return

For the year ended 31 July 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital (losses)/gains	1		(7,976)		621
Revenue	2	1,903		2,577	
Expenses	3	(251)		(443)	
Interest payable and similar charges		(1)		-	
Net revenue before taxation		1,651		2,134	
Taxation	4	(17)		9	
Net revenue after taxation			1,634		2,143
Total return before equalisation			(6,342)		2,764
Equalisation on shares	5		(1,889)		(2,477)
Change in net assets attributable to shareholders from investment activities			(8,231)		287

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2022

	2022		2021	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		41,721		53,841
Amounts receivable on the issue of shares	1,754		8,889	
Amounts payable on the cancellation of shares	(36,383)		(22,726)	
Residual payment due in respect of fund closure	27		-	
		(34,602)		(13,837)
Dilution adjustment		52		53
Change in net assets attributable to shareholders from investment activities (see above)		(8,231)		287
Retained distribution on accumulation shares		1,060		1,377
Closing net assets attributable to shareholders		-		41,721

Financial Statements

Continued

Balance Sheet

As at 31 July 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			57		40,872
Current assets:					
Debtors	6	208		1,050	
Cash and bank balances	7	515		539	
			723		1,589
Total assets			780		42,461
Liabilities:					
Investment liabilities			(32)		(127)
Bank overdrafts	7	(198)		-	
Creditors	8	(526)		(496)	
Distribution payable		(24)		(117)	
			(748)		(613)
Total liabilities			(780)		(740)
Net assets attributable to shareholders			-		41,721

Notes to the Financial Statements

1 Net Capital (Losses)/Gains

	2022 £'000	2021 £'000
Non-derivative securities	(4,986)	(1,677)
Forward currency contracts	(3,115)	2,319
Other gains/(losses)	138	(21)
Transaction charges	(13)	-
Net capital (losses)/gains	(7,976)	621

2 Revenue

	2022 £'000	2021 £'000
Income from Overseas Collective Investment Schemes		
Unfranked income	11	60
Interest on debt securities	1,890	2,515
Stocklending revenue	2	2
Total revenue	1,903	2,577

3 Expenses

	2022 £'000	2021 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	226	369
General administration charge*	23	-
Operating, administrative and servicing fees	-	74
	249	443
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fees	2	-
	2	-
Total expenses	251	443

Irrecoverable VAT is included in the above expenses, where relevant.

* The fixed general administration charge was introduced from 1 August 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian. The audit fee for the year, including VAT, was £10,860 (2021: £10,743).

Notes to the Financial Statements

Continued

4 Taxation

	2022 £'000	2021 £'000
(a) Analysis of charge in year		
Corporation tax	3	3
Double taxation relief	(3)	(3)
Overseas taxes	17	26
Overseas capital gains tax	-	19
Total current tax	17	45
Deferred tax (note 4c)	-	(54)
Total taxation (note 4b)	17	(9)

(b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2021: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

Net revenue before taxation	1,651	2,134
Corporation tax at 20% (2021: 20%)	330	427
Effects of:		
Overseas taxes	17	26
Double taxation relief	(3)	(3)
Distributions treated as tax deductible	(327)	(424)
Overseas capital gains tax	-	19
Deferred tax charge in statement of total return for year	-	(54)
Total tax charge for year (note 4a)	17	(9)

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	-	54
Deferred tax charge in statement of total return for year (note 4a)	-	(54)
Provision at the end of the year	-	-

(d) Factors that may affect future tax charge

At the year end there are no surplus expenses and therefore no deferred tax asset in the current or prior year.

Notes to the Financial Statements

Continued

5 Distributions (including the movement between net revenue and distributions)

	2022 £'000	2021 £'000
First interim distribution	222	183
Second interim distribution	225	220
Third interim distribution	119	212
Fourth interim distribution	187	194
Fifth interim distribution	152	208
Sixth interim distribution	159	202
Seventh interim distribution	148	190
Eighth interim distribution	159	193
Ninth interim distribution	199	232
Tenth interim distribution	125	181
Special distribution	68	-
Eleventh interim distribution	-	206
Final distribution	-	224
	1,763	2,445
Add: Income deducted on cancellation of shares	131	53
Deduct: Income received on issue of shares	(5)	(21)
Total distributions for the year	1,889	2,477
Movement between net revenue and distributions		
Net revenue after taxation	1,634	2,143
Expenses charged to capital	250	369
Overseas capital gains tax on realised gains	-	19
Shortfall transfer from capital to revenue	5	-
Overseas deferred capital gains tax on unrealised gains	-	(54)
Total distributions for the year	1,889	2,477

Expenses taken to capital include the ACD, Registration, the Operating, Administrative and Servicing Expenses. This policy only applies to the Income classes.

Marginal relief applies benefit (cash) in line with the nature of the expense, where expenses are deducted from capital the tax benefit is returned to capital. In maximising the distribution to investors marginal relief is included in the distribution.

Details of the distribution per share are set out in this fund's distribution tables.

Notes to the Financial Statements

Continued

6 Debtors

	2022 £'000	2021 £'000
Accrued revenue	-	602
Amounts receivable from the ACD for the issue of shares	-	4
Sales awaiting settlement	208	444
Total debtors	208	1,050

7 Liquidity

	2022 £'000	2021 £'000
Cash and bank balances		
Cash at bank	515	419
Collateral cash pledged to counterparties [~]	-	120
	515	539
Bank overdrafts		
Overdraft at bank	(198)	-
	(198)	-
Net liquidity	317	539

[~] 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

	2022 £'000	2021 £'000
Accrued expenses payable to ACD	11	28
Accrued expenses payable to the Depositary or associates of the Depositary	3	-
Amounts payable to the ACD for cancellation of shares	-	50
Amounts payable on termination	512	-
Other accrued expenses	-	6
Purchases awaiting settlement	-	412
Total creditors	526	496

Notes to the Financial Statements

Continued

9 Related Party Transactions

abrdr Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to abrdr Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to abrdr Fund Managers Limited, in respect of expenses are disclosed in note 3 and any amounts due at the year end in note 8.

10 Portfolio Transaction Costs

There are no transaction costs associated with the purchases or sales of bonds, 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	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trades in the year				
Bonds	12,236	46,659	47,439	51,847
Collective investment schemes	-	593	443	1,831
Trades in the year before transaction costs	12,236	47,252	47,882	53,678
Total net trades in the year after transaction costs	12,236	47,252	47,882	53,678

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% (2021: 0.56%), 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 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
A Accumulation	1,119,949	27,738	(1,144,437)	(3,250)	-
A Income	2,438,930	23,506	(2,462,436)	-	-
I Accumulation	14,022,238	312,675	(14,342,885)	7,972	-
I Income	25,015,081	1,722,623	(26,737,704)	-	-
M Accumulation	8,396	57	(8,453)	-	-
M Income	948	-	(948)	-	-
Z Accumulation	387,947	48,177	(432,773)	(3,351)	-

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).

	2022 £'000 Level 1	2022 £'000 Level 2	2022 £'000 Level 3	2021 £'000 Level 1	2021 £'000 Level 2	2021 £'000 Level 3
Fair value of investment assets						
Bonds	-	-	-	-	39,928	-
Collective Investment Schemes	-	-	-	-	427	-
Derivatives	-	57	-	-	517	-
Total investment assets	-	57	-	-	40,872	-
Fair value of investment liabilities						
Derivatives	-	(32)	-	-	(127)	-
Total investment liabilities	-	(32)	-	-	(127)	-

Notes to the Financial Statements

Continued

13 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

Foreign currency risk

Fluctuations in the foreign exchange rates can adversely affect the value of a portfolio. The following table details the net exposure to the principal foreign currencies that the fund is exposed to including any instruments used to hedge against foreign currencies, if applicable.

Currency	Net foreign currency exposure	Net foreign currency exposure
	2022 £'000	2021 £'000
Brazilian Real	-	779
Chilean Peso	3	462
Egyptian Pound	-	454
Euro	-	(2)
Indian Rupee	5	820
Indonesian Rupiah	-	409
Mexican Peso	-	836
Russian Ruble	-	387
South Africa Rand	-	71
Uruguay Peso	-	614
US Dollar	2	(52)
Total	10	4,778

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:

2022	Floating rate financial assets/ (liabilities) £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
Currency				
UK Sterling	515	-	(525)	(10)
Chilean Peso	-	-	3	3
Indian Rupee	-	-	5	5
US Dollar	(198)	-	200	2
Total	317	-	(317)	-

Notes to the Financial Statements

Continued

2021	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
Currency				
UK Sterling	525	-	36,418	36,943
Brazilian Real	-	1,735	(956)	779
Chilean Peso	-	462	-	462
Egyptian Pound	-	437	17	454
Euro	-	3,600	(3,602)	(2)
Indian Rupee	-	-	820	820
Indonesian Rupiah	-	-	409	409
Mexican Peso	-	836	-	836
Russian Ruble	-	847	(460)	387
South Africa Rand	-	826	(755)	71
Uruguay Peso	-	610	4	614
US Dollar	556	30,033	(30,641)	(52)
Total	1,081	39,386	1,254	41,721

Other price risk

The fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Adviser in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

VaR

The table below indicates the VaR of the fund's financial instruments, measured as the potential 5 day loss in value from adverse changes in equity prices, interest rates, inflation rates and foreign currency exchange rates, with a 99 percent confidence level. Calculated on this basis, the table indicates that the net value of the fund's financial assets and liabilities could be expected to change by more than the stated amount on only two days out of 200, in response to either price, interest rate, inflation or foreign currency exchange rate changes.

2022	Minimum	Maximum	Average
VaR 99% 1 Month	5.54%	6.54%	6.07%
2021	Minimum	Maximum	Average
VaR 99% 1 Month	2.54%	3.04%	2.82%

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 %
2022		
Investment grade securities	-	-
Below investment grade securities	-	-
Unrated securities	-	-
Total value of securities	-	-
2021		
Investment grade securities	12,318	29.52
Below investment grade securities	26,719	64.04
Unrated securities	891	2.14
Total value of securities	39,928	95.70

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:

	2022		2021	
	Market exposure £'000	Market value £'000	Market exposure £'000	Market value £'000
Leveraged instruments				
Forward currency contracts	9,287	25	51,099	390
Total market exposure	9,287	25	51,099	390

The total market exposure is the sum of the notional derivative contracts on a gross basis with no offsetting.

The fund uses the commitment method to calculate global exposure. Leverage is not significant in this context.

Counterparty risk

Bilateral agreements

Where the fund enters bilateral agreements this introduces counterparty risk. Where a counterparty defaults on their obligation, exposure is reduced by the collateral held/pledged by both parties.

Certain derivatives are conducted on a master ISDA (International Swaps and Derivatives Association) agreement. Positions are collateralised daily in line with the agreement including a right of termination at fair value and a right of recall/substitution on any stock collateral within 24 hours.

Notes to the Financial Statements

Continued

At the balance sheet date the fund had the following positions.

2022 Counterparties	Forwards £'000	Collateral (held)/pledged		Net exposure £'000
		Cash £'000	Stock £'000	
Barclays	(1)	-	-	(1)
BNP Paribas	20	-	-	20
Citigroup	2	-	-	2
HSBC	(4)	-	-	(4)
Natwest Markets	12	-	-	12
Societe Generale	(1)	-	-	(1)
Standard Chartered	23	-	-	23
UBS	(26)	-	-	(26)
Total	25	-	-	25

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 £2,000 (2021: £2,000) and expenses paid to the lending agent, Securities Finance Trust Company, are £Nil (2021: £Nil).

2021 Counterparties	Forwards £'000	Stock on loan* £'000	Collateral (held)/pledged		Net exposure £'000
			Cash £'000	Stock* £'000	
Bank of America Merrill Lynch	13	-	-	-	13
Barclays	(92)	143	120	(210)	(39)
Citigroup	(8)	-	-	-	(8)
Deutsche Bank	(3)	-	-	-	(3)
HSBC	26	-	-	-	26
Morgan Stanley	5	-	-	-	5
Royal Bank of Canada	5	-	-	-	5
Standard Chartered	(4)	-	-	-	(4)
UBS	448	-	-	-	448
Total	390	143	120	(210)	443

* 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 SFTR Issuers

2021	Type	Collateral Stock £'000
France (Republic of)	Bond	(74)
US Treasury	Bond	(73)
Germany (Fed Rep of)	Bond	(63)
		(210)

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2022 £780,000 (2021: £740,000).

Distribution Tables

For the year ended 31 July 2022 (in pence per share)

First interim interest distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 August 2021

	Revenue	Equalisation	Distribution paid 30/09/21	Distribution paid 30/09/20
A Accumulation				
Group 1	0.7770	-	0.7770	0.4707
Group 2	0.6100	0.1670	0.7770	0.4707
A Income				
Group 1	0.4460	-	0.4460	0.2842
Group 2	0.3289	0.1171	0.4460	0.2842
I Accumulation				
Group 1	0.6791	-	0.6791	0.4095
Group 2	0.3153	0.3638	0.6791	0.4095
I Income				
Group 1	0.4204	-	0.4204	0.2667
Group 2	0.2227	0.1977	0.4204	0.2667
M Accumulation				
Group 1	0.6225	-	0.6225	0.3707
Group 2	0.6225	-	0.6225	0.3707
M Income				
Group 1	0.5272	-	0.5272	0.3217
Group 2	0.5272	-	0.5272	0.3217
Z Accumulation				
Group 1	0.8634	-	0.8634	0.5168
Group 2	0.5890	0.2744	0.8634	0.5168

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Second interim interest distribution

Group 1 – shares purchased prior to 1 September 2021

Group 2 – shares purchased between 1 September 2021 and 30 September 2021

	Revenue	Equalisation	Distribution paid 29/10/21	Distribution paid 30/10/20
A Accumulation				
Group 1	0.7959	-	0.7959	0.5728
Group 2	0.2327	0.5632	0.7959	0.5728
A Income				
Group 1	0.4546	-	0.4546	0.3449
Group 2	0.0586	0.3960	0.4546	0.3449
I Accumulation				
Group 1	0.6959	-	0.6959	0.4986
Group 2	0.2695	0.4264	0.6959	0.4986
I Income				
Group 1	0.4286	-	0.4286	0.3237
Group 2	0.2247	0.2039	0.4286	0.3237
M Accumulation				
Group 1	0.6390	-	0.6390	0.4533
Group 2	0.6390	-	0.6390	0.4533
M Income				
Group 1	0.5552	-	0.5552	0.4009
Group 2	0.5552	-	0.5552	0.4009
Z Accumulation				
Group 1	0.8854	-	0.8854	0.6296
Group 2	0.7695	0.1159	0.8854	0.6296

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Third interim interest distribution

Group 1 – shares purchased prior to 1 October 2021

Group 2 – shares purchased between 1 October 2021 and 31 October 2021

	Revenue	Equalisation	Distribution paid 30/11/21	Distribution paid 30/11/20
A Accumulation				
Group 1	0.4970	-	0.4970	0.5477
Group 2	0.2394	0.2576	0.4970	0.5477
A Income				
Group 1	0.2824	-	0.2824	0.3284
Group 2	0.0672	0.2152	0.2824	0.3284
I Accumulation				
Group 1	0.4346	-	0.4346	0.4770
Group 2	0.1388	0.2958	0.4346	0.4770
I Income				
Group 1	0.2661	-	0.2661	0.3084
Group 2	0.1118	0.1543	0.2661	0.3084
M Accumulation				
Group 1	0.3998	-	0.3998	0.4336
Group 2	0.3998	-	0.3998	0.4336
M Income				
Group 1	0.3448	-	0.3448	0.3818
Group 2	0.3448	-	0.3448	0.3818
Z Accumulation				
Group 1	0.5531	-	0.5531	0.6026
Group 2	0.4097	0.1434	0.5531	0.6026

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Fourth interim interest distribution

Group 1 – shares purchased prior to 1 November 2021

Group 2 – shares purchased between 1 November 2021 and 30 November 2021

	Revenue	Equalisation	Distribution paid 31/12/21	Distribution paid 31/12/20
A Accumulation				
Group 1	0.8445	-	0.8445	0.5042
Group 2	0.5605	0.2840	0.8445	0.5042
A Income				
Group 1	0.4779	-	0.4779	0.3011
Group 2	0.1333	0.3446	0.4779	0.3011
I Accumulation				
Group 1	0.7390	-	0.7390	0.4391
Group 2	0.3472	0.3918	0.7390	0.4391
I Income				
Group 1	0.4510	-	0.4510	0.2829
Group 2	0.1346	0.3164	0.4510	0.2829
M Accumulation				
Group 1	0.6788	-	0.6788	0.3984
Group 2	0.6788	-	0.6788	0.3984
M Income				
Group 1	0.5763	-	0.5763	0.3428
Group 2	0.5763	-	0.5763	0.3428
Z Accumulation				
Group 1	0.9412	-	0.9412	0.5552
Group 2	0.7409	0.2003	0.9412	0.5552

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Fifth interim interest distribution

Group 1 – shares purchased prior to 1 December 2021

Group 2 – shares purchased between 1 December 2021 and 31 December 2021

	Revenue	Equalisation	Distribution paid 31/01/22	Distribution paid 29/01/21
A Accumulation				
Group 1	0.6876	-	0.6876	0.5792
Group 2	0.3388	0.3488	0.6876	0.5792
A Income				
Group 1	0.3869	-	0.3869	0.3625
Group 2	0.1940	0.1929	0.3869	0.3625
I Accumulation				
Group 1	0.6018	-	0.6018	0.5024
Group 2	0.2092	0.3926	0.6018	0.5024
I Income				
Group 1	0.3652	-	0.3652	0.3391
Group 2	0.0857	0.2795	0.3652	0.3391
M Accumulation				
Group 1	0.5527	-	0.5527	0.4450
Group 2	0.5527	-	0.5527	0.4450
M Income				
Group 1	0.4680	-	0.4680	0.4229
Group 2	0.4680	-	0.4680	0.4229
Z Accumulation				
Group 1	0.7669	-	0.7669	0.6309
Group 2	0.6905	0.0764	0.7669	0.6309

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Sixth interim interest distribution

Group 1 – shares purchased prior to 1 January 2022

Group 2 – shares purchased between 1 January 2022 and 31 January 2022

	Revenue	Equalisation	Distribution paid 28/02/22	Distribution paid 26/02/21
A Accumulation				
Group 1	0.7277	-	0.7277	0.5547
Group 2	0.1061	0.6216	0.7277	0.5547
A Income				
Group 1	0.4065	-	0.4065	0.3288
Group 2	0.2056	0.2009	0.4065	0.3288
I Accumulation				
Group 1	0.6372	-	0.6372	0.4836
Group 2	0.3504	0.2868	0.6372	0.4836
I Income				
Group 1	0.3848	-	0.3848	0.3092
Group 2	0.1413	0.2435	0.3848	0.3092
M Accumulation				
Group 1	0.5850	-	0.5850	0.4398
Group 2	0.5850	-	0.5850	0.4398
M Income				
Group 1	0.4951	-	0.4951	0.3798
Group 2	0.4951	-	0.4951	0.3798
Z Accumulation				
Group 1	0.8127	-	0.8127	0.6122
Group 2	0.6790	0.1337	0.8127	0.6122

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Seventh interim interest distribution

Group 1 – shares purchased prior to 1 February 2022

Group 2 – shares purchased between 1 February 2022 and 28 February 2022

	Revenue	Equalisation	Distribution paid 31/03/22	Distribution paid 31/03/21
A Accumulation				
Group 1	0.6826	-	0.6826	0.5218
Group 2	0.4219	0.2607	0.6826	0.5218
A Income				
Group 1	0.3801	-	0.3801	0.3079
Group 2	0.1971	0.1830	0.3801	0.3079
I Accumulation				
Group 1	0.5979	-	0.5979	0.4550
Group 2	0.4998	0.0981	0.5979	0.4550
I Income				
Group 1	0.3590	-	0.3590	0.2898
Group 2	0.1999	0.1591	0.3590	0.2898
M Accumulation				
Group 1	0.5491	-	0.5491	0.4147
Group 2	0.5491	-	0.5491	0.4147
M Income				
Group 1	0.4610	-	0.4610	0.3538
Group 2	0.4610	-	0.4610	0.3538
Z Accumulation				
Group 1	0.7630	-	0.7630	0.5763
Group 2	0.7061	0.0569	0.7630	0.5763

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Eighth interim interest distribution

Group 1 – shares purchased prior to 1 March 2022

Group 2 – shares purchased between 1 March 2022 and 31 March 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
A Accumulation				
Group 1	0.8027	-	0.8027	0.6625
Group 2	0.3813	0.4214	0.8027	0.6625
A Income				
Group 1	0.4446	-	0.4446	0.3899
Group 2	0.2489	0.1957	0.4446	0.3899
I Accumulation				
Group 1	0.7034	-	0.7034	0.5780
Group 2	0.2120	0.4914	0.7034	0.5780
I Income				
Group 1	0.4202	-	0.4202	0.3667
Group 2	0.1722	0.2480	0.4202	0.3667
M Accumulation				
Group 1	0.6454	-	0.6454	0.5256
Group 2	0.6454	-	0.6454	0.5256
M Income				
Group 1	0.5372	-	0.5372	0.4470
Group 2	0.5372	-	0.5372	0.4470
Z Accumulation				
Group 1	0.8981	-	0.8981	0.7324
Group 2	0.0150	0.8831	0.8981	0.7324

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Ninth interim interest distribution

Group 1 – shares purchased prior to 1 April 2022

Group 2 – shares purchased between 1 April 2022 and 30 April 2022

	Revenue	Equalisation	Distribution paid 31/05/22	Distribution paid 28/05/21
A Accumulation				
Group 1	1.0108	-	1.0108	0.8062
Group 2	0.2948	0.7160	1.0108	0.8062
A Income				
Group 1	0.5561	-	0.5561	0.4721
Group 2	0.1395	0.4166	0.5561	0.4721
I Accumulation				
Group 1	0.8864	-	0.8864	0.7036
Group 2	0.5067	0.3797	0.8864	0.7036
I Income				
Group 1	0.5262	-	0.5262	0.4444
Group 2	0.2390	0.2872	0.5262	0.4444
M Accumulation				
Group 1	0.8144	-	0.8144	0.6411
Group 2	0.8144	-	0.8144	0.6411
M Income				
Group 1	0.6721	-	0.6721	0.5422
Group 2	0.6721	-	0.6721	0.5422
Z Accumulation				
Group 1	1.1327	-	1.1327	0.8922
Group 2	1.0614	0.0713	1.1327	0.8922

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Tenth interim interest distribution

Group 1 – shares purchased prior to 1 May 2022

Group 2 – shares purchased between 1 May 2022 and 31 May 2022

	Revenue	Equalisation	Distribution paid 30/06/22	Distribution paid 30/06/21
A Accumulation				
Group 1	0.8054	-	0.8054	0.5954
Group 2	0.5190	0.2864	0.8054	0.5954
A Income				
Group 1	0.4398	-	0.4398	0.3468
Group 2	0.2027	0.2371	0.4398	0.3468
I Accumulation				
Group 1	0.7063	-	0.7063	0.5198
Group 2	0.2956	0.4107	0.7063	0.5198
I Income				
Group 1	0.4159	-	0.4159	0.3264
Group 2	0.1914	0.2245	0.4159	0.3264
M Accumulation				
Group 1	0.6491	-	0.6491	0.4736
Group 2	0.6491	-	0.6491	0.4736
M Income				
Group 1	0.5332	-	0.5332	0.3929
Group 2	0.5332	-	0.5332	0.3929
Z Accumulation				
Group 1	0.9029	-	0.9029	0.6596
Group 2	0.7590	0.1439	0.9029	0.6596

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Special interest distribution

Group 1 – shares purchased prior to 1 June 2022

Group 2 – shares purchased between 1 June 2022 and 28 June 2022

	Revenue	Equalisation	Distribution paid 26/08/22
A Accumulation			
Group 1	1.0163	-	1.0163
Group 2	0.7947	0.2216	1.0163
A Income			
Group 1	0.5555	-	0.5555
Group 2	0.3723	0.1832	0.5555
I Accumulation			
Group 1	0.8914	-	0.8914
Group 2	0.6566	0.2348	0.8914
I Income			
Group 1	0.5226	-	0.5226
Group 2	0.3269	0.1957	0.5226
M Accumulation			
Group 1	0.8305	-	0.8305
Group 2	0.6268	0.2037	0.8305
M Income			
Group 1	0.6689	-	0.6689
Group 2	0.6689	-	0.6689
Z Accumulation			
Group 1	1.1492	-	1.1492
Group 2	1.0625	0.0867	1.1492

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Eleventh interim interest distribution

Group 1 – shares purchased prior to 1 June 2022

Group 2 – shares purchased between 1 June 2022 and 30 June 2022

	Revenue	Equalisation	Distribution paid 29/07/22	Distribution paid 31/07/21
A Accumulation				
Group 1	-	-	-	0.6758
Group 2	-	-	-	0.6758
A Income				
Group 1	-	-	-	0.3919
Group 2	-	-	-	0.3919
I Accumulation				
Group 1	-	-	-	0.5901
Group 2	-	-	-	0.5901
I Income				
Group 1	-	-	-	0.3691
Group 2	-	-	-	0.3691
M Accumulation				
Group 1	-	-	-	0.5380
Group 2	-	-	-	0.5380
M Income				
Group 1	-	-	-	0.4530
Group 2	-	-	-	0.4530
Z Accumulation				
Group 1	-	-	-	0.7494
Group 2	-	-	-	0.7494

Distribution Tables

For the year ended 31 July 2022 (in pence per share) continued

Final interest distribution

Group 1 – shares purchased prior to 1 July 2022

Group 2 – shares purchased between 1 July 2022 and 31 July 2022

	Revenue	Equalisation	Distribution paid 31/08/22	Distribution paid 31/08/21
A Accumulation				
Group 1	-	-	-	0.7777
Group 2	-	-	-	0.7777
A Income				
Group 1	-	-	-	0.4497
Group 2	-	-	-	0.4497
I Accumulation				
Group 1	-	-	-	0.6794
Group 2	-	-	-	0.6794
I Income				
Group 1	-	-	-	0.4229
Group 2	-	-	-	0.4229
M Accumulation				
Group 1	-	-	-	0.6198
Group 2	-	-	-	0.6198
M Income				
Group 1	-	-	-	0.5243
Group 2	-	-	-	0.5243
Z Accumulation				
Group 1	-	-	-	0.8657
Group 2	-	-	-	0.8657

Equalisation

This applies only to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of group 2 shares and is refunded to the holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

ASI Euro Corporate Bond Fund (closed)

For the year ended 31 July 2022

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.

Comparative Tables

	2020
A Income^A	pence per share
Change in net assets per share	
Opening net asset value per share	159.17
Return before operating charges*	(3.67)
Operating charges	(1.52)
Return after operating charges*	(5.19)
Distributions	(0.55)
Redemption value as at 22 June 2020	(153.43)
Closing net asset value per share	-
* after direct transaction costs of:	-
Performance	
Return after charges	(3.26%)
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	1.01%
Direct transaction costs	-
Prices	
Highest share price	163.3
Lowest share price	141.3

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

^A A Income share class was closed on 22 June 2020.

Comparative Tables

Continued

	2020
I Accumulation ^A	pence per share
Change in net assets per share	
Opening net asset value per share	212.05
Return before operating charges*	(4.93)
Operating charges	(1.22)
Return after operating charges*	(6.15)
Distributions	(1.45)
Retained distributions on accumulation shares	1.45
Redemption value as at 22 June 2020	205.90
Closing net asset value per share	-
* after direct transaction costs of:	-
Performance	
Return after charges	(2.90%)
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	0.61%
Direct transaction costs	-
Prices	
Highest share price	217.5
Lowest share price	189.0

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

^A I Accumulation share class was closed on 22 June 2020.

Comparative Tables

Continued

	2020
I Income ^A	pence per share
Change in net assets per share	
Opening net asset value per share	158.41
Return before operating charges*	(3.72)
Operating charges	(0.92)
Return after operating charges*	(4.64)
Distributions	(1.08)
Redemption value as at 22 June 2020	(152.69)
Closing net asset value per share	-
* after direct transaction costs of:	-
Performance	
Return after charges	(2.93%)
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	0.61%
Direct transaction costs	-
Prices	
Highest share price	162.5
Lowest share price	140.7

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

^A I Income share class was closed on 22 June 2020.

Comparative Tables

Continued

M Accumulation ^A	2020 pence per share
Change in net assets per share	
Opening net asset value per share	110.09
Return before operating charges*	(2.22)
Operating charges	(0.68)
Return after operating charges*	(2.90)
Distributions	(0.64)
Retained distributions on accumulation shares	0.64
Redemption value as at 22 June 2020	(107.19)
Closing net asset value per share	-
* after direct transaction costs of:	-
Performance	
Return after charges	(2.63%)
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	0.66%
Direct transaction costs	-
Prices	
Highest share price	113.0
Lowest share price	98.37

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

^A M Accumulation share class was closed on 22 June 2020.

Comparative Tables

Continued

	2020
M Income ^A	pence per share
Change in net assets per share	
Opening net asset value per share	108.82
Return before operating charges*	(2.24)
Operating charges	(0.67)
Return after operating charges*	(2.91)
Distributions	(0.63)
Redemption value as at 22 June 2020	(105.28)
Closing net asset value per share	-
* after direct transaction costs of:	-
Performance	
Return after charges	(2.67%)
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	0.66%
Direct transaction costs	-
Prices	
Highest share price	111.7
Lowest share price	97.04

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

^A M Income share class was closed on 22 June 2020.

Portfolio Statement

As at 31 July 2022

Holding	Investment	Market value £'000	Percentage of total net assets
Bonds (0.00%)		-	-
Euro Denominated Bonds (0.00%)		-	-
Corporate Bonds (0.00%)		-	-
2,000,000	Lehman Brothers 4.625% 2019*	-	-
Total investment assets		-	-
Net other assets		-	-
Total Net Assets		-	-

The percentage figures in brackets show the comparative holding as at 31 July 2021.
* Defaulted.

Financial Statements

Statement of Total Return

For the year ended 31 July 2022

		2022		2021	
	Note	£'000	£'000	£'000	£'000
Income:					
Net capital gains			-		-
Revenue		-		-	
Expenses		-		-	
Net revenue before taxation		-		-	
Taxation	1	-		-	
Net revenue after taxation			-		-
Total return			-		-
Change in net assets attributable to shareholders from investment activities			-		-

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2022

	2022		2021	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		-		-
Change in net assets attributable to shareholders from investment activities (see above)		-		-
Closing net assets attributable to shareholders		-		-

Financial Statements

Continued

Balance Sheet

As at 31 July 2022

	2022		2021	
	£'000	£'000	£'000	£'000
Assets:				
Fixed assets:				
Investment assets		-		-
Current assets:	-		-	
		-		-
Total assets		-		-
Liabilities:				
Creditors	-		-	
		-		-
Total liabilities		-		-
Net assets attributable to shareholders		-		-

Note to the Financial Statements

1 Taxation

(a) 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.

ASI Financial Equity Fund (closed)

For the year ended 31 July 2022

Investment Objective

To generate growth over the long term (5 years or more) by investing in equities (company shares) issued by financial institutions.

Performance Target: To achieve the return of the MSCI AC World Financials 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 financial institutions, such as banking, insurance, financial services and property companies, listed on global stock exchanges.
- The fund may also invest in companies which generate a significant part of their earnings from financial activity.
- 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 but diversified asset mix at country and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on 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 Financial Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 9%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the index over the long term.

Derivatives and Techniques

- The fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivative usage in the fund is expected to be very limited. Where derivatives are used, this would mainly be in response to significant inflows into the fund so that in these instances, cash can be invested while maintaining the fund's existing allocations to company shares.

Performance Review

For the period ended 29 November 2021, the value of ASI Financial Equity Fund – A Income Shares increased by 5.52% compared to an increase of 8.34% in the performance target, the MSCI AC World Financials Index. Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP. 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) any other damages. (www.msci.com)

Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

ASI Financial Equity Fund (closed)

Continued

Market Review

The broader global equities market made a solid gain over the review period, but took a significant knock in January 2022. A sharp rise in market volatility saw stocks sell off aggressively, significantly reducing returns for the six-month period. US equities suffered the worst start to a year since the financial crisis. Investors were spooked by a hawkish Federal Reserve statement on interest rates and surging energy prices from mounting Russia-Ukraine tension. Until the threat of higher interest rates at the end of the review period, investors had weathered China's regulatory crackdown on its technology companies in the summer of 2021 and the appearance in November of the Omicron Covid-19 variant. Unsurprisingly, energy companies and banks were the top performers in a period of rising energy prices and interest rates.

Portfolio Activity and Review

French payments firm Worldline weighed on returns as its shares continued to underperform after the business missed half-year operating earnings expectations in July. The miss triggered a sharp drop in its share price as investors were disappointed it had not benefited more from shops reopening after Covid-19 lockdowns. Other stocks to weigh on returns included payments company Visa. It emerged that the US Department of Justice (DoJ) is investigating the company's financial incentives to payment companies. The DoJ is also looking into if Visa restricted merchants from using other cheaper payment networks. Meanwhile, payments solutions business Fidelity National Information Services weakened after disappointing investors with its profit outlook and the continued fallout from the collapse of merger talks with Global Payments.

On a more positive note, Blackstone, the US alternative asset manager, outperformed after releasing results that pointed to an expected surge in money inflows, almost doubling last year's figure. Other positives included Goldman Sachs, which benefited from rising long-term interest rates and a significant increase in its dividend. Goldman is well positioned in the market with its mid-term strategic plan. Lastly, US regional bank First Republic Bank enjoyed gains as it benefitted from a robust US housing market and growth in its significant wealth management operations.

Portfolio Outlook and Strategy

The fund closed on 29 November 2021.

Global Equity Team

August 2022

ASI Financial Equity Fund (closed)

Continued

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the fund. The table below shows the fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk				Typically higher rewards, higher risk		
←				→		
1	2	3	4	5	6	7

Risk and reward indicator table as at 29 November 2021.

The fund is rated as 5 because of the extent to which the following risk factors apply:

- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector.
- 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.

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 Income^A	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	4,464.66	3,601.97	4,145.12
Return before operating charges*	288.55	925.31	(478.71)
Operating charges	(20.37)	(54.23)	(50.60)
Return after operating charges*	268.18	871.08	(529.31)
Distributions	-	(8.44)	(13.84)
Redemption value as at 29 November 2021	(4,732.84)	-	-
Closing net asset value per share	-	4,464.66	3,601.97
* after direct transaction costs of:	2.38	2.04	2.32
Performance			
Return after charges	6.01%	24.18%	(12.77%)
Other information			
Closing net asset value (£'000)	-	49,959	43,042
Closing number of shares	-	1,118,983	1,194,951
Operating charges	1.32%	1.32%	1.32%
Direct transaction costs	0.06%	0.05%	0.06%
Prices			
Highest share price	4,817	4,536	4,188
Lowest share price	4,504	3,586	3,004

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

^A A Income share class was closed on 29 November 2021.

Comparative Tables

Continued

	2022	2021	2020
I Income ^A	pence per share	pence per share	pence per share
Change in net assets per share			
Opening net asset value per share	187.54	151.27	174.07
Return before operating charges*	12.13	38.91	(20.09)
Operating charges	(0.56)	(1.50)	(1.40)
Return after operating charges*	11.57	37.41	(21.49)
Distributions	-	(1.14)	(1.31)
Redemption value as at 29 November 2021	(199.11)	-	-
Closing net asset value per share	-	187.54	151.27
* after direct transaction costs of:	0.10	0.09	0.10
Performance			
Return after charges	6.17%	24.73%	(12.35%)
Other information			
Closing net asset value (£'000)	-	1,716	1,802
Closing number of shares	-	915,121	1,191,418
Operating charges	0.87%	0.87%	0.87%
Direct transaction costs	0.06%	0.05%	0.06%
Prices			
Highest share price	202.6	191.1	176.1
Lowest share price	189.2	150.7	126.2

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

^A Income share class was closed on 29 November 2021.

Comparative Tables

Continued

M Income ^A	2022 pence per share	2021 pence per share	2020 pence per share
Change in net assets per share			
Opening net asset value per share	125.79	101.46	116.41
Return before operating charges*	8.13	26.10	(13.19)
Operating charges	(0.40)	(1.07)	(0.94)
Return after operating charges*	7.73	25.03	(14.13)
Distributions	-	(0.71)	(0.82)
Redemption value as at 29 November 2021	(133.52)	-	-
Closing net asset value per share	-	125.79	101.46
* after direct transaction costs of:	0.07	0.06	0.06
Performance			
Return after charges	6.15%	24.67%	(12.14%)
Other information			
Closing net asset value (£'000)	-	6	5
Closing number of shares	-	5,040	5,033
Operating charges	0.92%	0.92%	0.92%
Direct transaction costs	0.06%	0.05%	0.06%
Prices			
Highest share price	135.9	128.2	118.1
Lowest share price	126.9	101.1	84.68

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.

^A M Income share class was closed on 29 November 2021.

Portfolio Statement

As at 31 July 2022

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (99.85%)		-	-
Emerging Market Equities (2.30%)		-	-
Brazil (2.30%)		-	-
European Equities (22.49%)		-	-
Austria (2.63%)		-	-
Denmark (2.04%)		-	-
France (2.85%)		-	-
Germany (7.50%)		-	-
Netherlands (2.04%)		-	-
Sweden (2.35%)		-	-
Switzerland (3.08%)		-	-
Japanese Equities (2.98%)		-	-
North America Equities (42.86%)		-	-
Canada (2.82%)		-	-
Mexico (1.64%)		-	-
United States (38.40%)		-	-
Pacific Basin Equities (25.30%)		-	-
China (2.10%)		-	-
Hong Kong (5.77%)		-	-
India (8.01%)		-	-

Portfolio Statement

As at 31 July 2022 continued

Investment	Market value £'000	Percentage of total net assets
Indonesia (2.58%)	-	-
Philippines (1.08%)	-	-
Singapore (3.02%)	-	-
Thailand (1.10%)	-	-
Vietnam (1.64%)	-	-
UK Equities (3.92%)	-	-
Consumer Discretionary (2.20%)	-	-
Financials (1.72%)	-	-
Total investment assets	-	-
Net other assets	-	-
Total Net Assets	-	-

The percentage figures in brackets show the comparative holding as at 31 July 2021.

Financial Statements

Statement of Total Return

For the year ended 31 July 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains	1		3,151		10,525
Revenue	2	326		834	
Expenses	3	(226)		(641)	
Interest payable and similar charges		(1)		-	
Net revenue before taxation		99		193	
Taxation	4	(100)		(193)	
Net expense after taxation			(1)		-
Total return before equalisation			3,150		10,525
Equalisation on shares	5		(76)		(109)
Change in net assets attributable to shareholders from investment activities			3,074		10,416

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2022

	2022		2021	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		51,681		44,849
Amounts receivable on the issue of shares	542		650	
Amounts payable on the cancellation of shares	(55,286)		(4,235)	
		(54,744)		(3,585)
Dilution adjustment		(5)		-
Change in net assets attributable to shareholders from investment activities (see above)		3,074		10,416
Unclaimed distributions		(6)		1
Closing net assets attributable to shareholders		-		51,681

Financial Statements

Continued

Balance Sheet

As at 31 July 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			-		51,605
Current assets:					
Debtors	6	24		76	
Cash and bank balances		31		271	
			55		347
Total assets			55		51,952
Liabilities:					
Provisions for liabilities	7		-		(109)
Creditors	8	(55)		(58)	
Distribution payable		-		(104)	
			(55)		(162)
Total liabilities			(55)		(271)
Net assets attributable to shareholders			-		51,681

Notes to the Financial Statements

1 Net Capital Gains

	2022 £'000	2021 £'000
Non-derivative securities	3,059	10,523
Other gains	96	2
Transaction charges	(4)	-
Net capital gains	3,151	10,525

2 Revenue

	2022 £'000	2021 £'000
Overseas dividends	311	771
Overseas REIT	5	32
Stocklending revenue	-	2
UK dividends	10	29
Total revenue	326	834

3 Expenses

	2022 £'000	2021 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	208	582
General administration charge*	14	-
Operating, administrative and servicing fees	-	59
	222	641
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Revenue collection expenses	2	-
Safe custody fees	2	-
	4	-
Total expenses	226	641

Irrecoverable VAT is included in the above expenses, where relevant.

* The fixed general administration charge was introduced from 1 August 2021. The fee is paid to the ACD and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Authorised Corporate Director's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian. The audit fee for the year, including VAT, was £6,360 (2021: £8,389).

Notes to the Financial Statements

Continued

4 Taxation

	2022 £'000	2021 £'000
(a) Analysis of charge in year		
Overseas taxes	18	84
Overseas capital gains tax	191	-
Total current tax	209	84
Deferred tax (note 4c)	(109)	109
Total taxation (note 4b)	100	193

(b) Factors affecting current tax charge for the year

The tax assessed for the year is greater than (2021: greater than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

Net revenue before taxation	99	193
Corporation tax at 20% (2021: 20%)	20	39
Effects of:		
Revenue not subject to taxation	(64)	(148)
Overseas taxes	18	84
Overseas tax expensed	-	(3)
Excess allowable expenses	44	112
Overseas capital gains tax	191	-
Deferred tax	(109)	109
Total tax charge for year (note 4a)	100	193

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	109	-
Deferred tax (credit)/charge in statement of total return for year (note 4a)	(109)	109
Provision at the end of the year	-	109

(d) Factors that may affect future tax charge

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £817,000 (2021: £773,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

Notes to the Financial Statements

Continued

5 Distributions (including the movement between net expense and distributions)

	2022 £'000	2021 £'000
Interim distribution	-	2
Final distribution	-	104
	-	106
Add: Income deducted on cancellation of shares	77	4
Deduct: Income received on issue of shares	(1)	(1)
Total distributions for the year	76	109
Movement between net expense and distributions		
Net expense after taxation	(1)	-
Overseas capital gains tax on realised gains	191	-
Overseas deferred capital gains tax on unrealised gains	(109)	109
Transfer from capital on closure	(5)	-
Total distributions for the year	76	109

Details of the distribution per share are set out in this fund's distribution tables.

6 Debtors

	2022 £'000	2021 £'000
Accrued revenue	-	47
Overseas withholding tax recoverable	24	29
Total debtors	24	76

7 Provisions for Liabilities

	2022 £'000	2021 £'000
The provisions for liabilities comprise:		
Overseas capital gains tax	-	109
Total provisions for liabilities	-	109

8 Creditors

	2022 £'000	2021 £'000
Accrued expenses payable to ACD	-	53
Other accrued expenses	55	5
Total creditors	55	58

Notes to the Financial Statements

Continued

9 Related Party Transactions

abrdr Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to abrdr Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to abrdr Fund Managers Limited, in respect of expenses are disclosed in note 3 and any amounts due at the year end in note 8.

10 Portfolio Transaction Costs

	Purchases		Sales	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trades in the year				
Equities	-	7,526	54,849	10,536
Corporate actions	173	-	-	-
Trades in the year before transaction costs	173	7,526	54,849	10,536
Commissions				
Equities	-	3	(8)	(6)
Total commissions	-	3	(8)	(6)
Taxes				
Equities	-	8	(19)	(7)
Total taxes	-	8	(19)	(7)
Total transaction costs	-	11	(27)	(13)
Total net trades in the year after transaction costs	173	7,537	54,822	10,523
	Purchases		Sales	
	2022 %	2021 %	2022 %	2021 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	-	0.04	0.01	0.06
Taxes				
Equities	-	0.11	0.03	0.07

Notes to the Financial Statements

Continued

	2022 %	2021 %
Total transaction costs expressed as a percentage of net asset value		
Commissions	0.02	0.02
Taxes	0.04	0.03

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.00% (2021: 0.13%), this is representative of the average spread on the assets held during the year.

11 Shares in Issue Reconciliation

	Opening shares 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2022
A Income	1,118,983	97	(1,117,126)	(1,954)	-
I Income	915,121	279,346	(1,240,928)	46,461	-
M Income	5,040	-	(5,040)	-	-

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).

	2022 £'000	2022 £'000	2022 £'000	2021 £'000	2021 £'000	2021 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	-	-	-	51,605	-	-
Total investment assets	-	-	-	51,605	-	-

13 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

Foreign currency risk

Fluctuations in the foreign exchange rates can adversely affect the value of a portfolio. The following table details the net exposure to the principal foreign currencies that the fund is exposed to including any instruments used to hedge against foreign currencies, if applicable.

Notes to the Financial Statements

Continued

Currency	Net foreign currency exposure	Net foreign currency exposure
	2022 £'000	2021 £'000
Canadian Dollar	-	1,467
Danish Krone	2	1,057
Euro	16	7,771
Hong Kong Dollar	-	4,071
Indian Rupee	1	4,048
Indonesian Rupiah	-	1,332
Japanese Yen	-	1,539
Mexican Peso	-	849
Philippines Peso	-	559
Polish Zloty	8	8
Singapore Dollar	-	1,559
Swedish Krona	-	1,218
Swiss Franc	-	1,598
Thai Baht	-	576
US Dollar	4	21,048
Vietnam Dong	-	873
Total	31	49,573

At 31 July 2022, 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 (2021: £2,479,000).

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 2022, 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 (2021: £2,580,000).

Financial derivatives instrument risk

The fund had no exposure to derivatives as at 31 July 2022 (2021: £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.

All stock lending is conducted by the stocklending agent on behalf of the fund using a standard agreement with available counterparties. It is collateralised daily with a right of recall within 24 hours.

At the year end the fund held no positions. This is consistent with the prior year.

The Prospectus outlines allowable collateral. There have been no changes in the year.

The fund receives 85% of the revenue returns from stock lending. The gross earnings for the year are £Nil (2021: £2,000) and expenses paid to the lending agent, Securities Finance Trust Company, are £Nil (2021: £Nil).

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2022 £55,000 (2021: £271,000).

Distribution Tables

For the year ended 31 July 2022 (in pence per share)

Interim dividend distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 January 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
A Income				
Group 1	-	-	-	-
Group 2	-	-	-	-
I Income				
Group 1	-	-	-	0.1533
Group 2	-	-	-	0.1533
M Income				
Group 1	-	-	-	0.0762
Group 2	-	-	-	0.0762

Final dividend distribution

Group 1 – shares purchased prior to 1 February 2022

Group 2 – shares purchased between 1 February 2022 and 31 July 2022

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
A Income				
Group 1	-	-	-	8.4392
Group 2	-	-	-	8.4392
I Income				
Group 1	-	-	-	0.9883
Group 2	-	-	-	0.9883
M Income				
Group 1	-	-	-	0.6292
Group 2	-	-	-	0.6292

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 Global High Yield Bond Fund (closed)

For the year ended 31 July 2022

ASI Global High Yield Bond Fund is no longer open to investors, having redeemed all shares on 26 October 2020. It is the intention of the ACD to terminate the fund at a later date once the residual assets and liabilities are settled. As a result the financial statements for this fund have not been prepared on a going concern basis. At the time of the share cancellation, all realisable securities were sold. Some securities which were not immediately realisable due to a trading suspension, or due to being delisted, continue to be held at the current balance sheet date. Should an opportunity to sell these securities for value arise, they will be sold, otherwise abrdn will, in conjunction with the Depositary, pursue any possible residual value from such securities until all such opportunities have been reasonably exhausted.

Comparative Tables

A Accumulation ^A	2021 pence per share	2020 pence per share
Change in net assets per share		
Opening net asset value per share	164.20	163.26
Return before operating charges*	1.58	2.84
Operating charges	(0.48)	(1.90)
Return after operating charges*	1.10	0.94
Distributions	(1.47)	(7.20)
Retained distributions on accumulation shares	1.47	7.20
Redemption value as at 26 October 2020	(165.30)	-
Closing net asset value per share	-	164.20
* after direct transaction costs of:	0.01	-
Performance		
Return after charges	0.67%	0.58%
Other information		
Closing net asset value (£'000)	-	1,764
Closing number of shares	-	1,074,630
Operating charges	1.23%	1.21%
Direct transaction costs	0.01%	-
Prices		
Highest share price	166.2	171.9
Lowest share price	162.3	132.2

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

^A A Accumulation share class was closed on 26 October 2020.

Comparative Tables

Continued

A Income ^A	2021 pence per share	2020 pence per share
Change in net assets per share		
Opening net asset value per share	85.84	89.27
Return before operating charges*	1.57	1.50
Operating charges	(0.25)	(1.05)
Return after operating charges*	1.32	0.45
Distributions	(0.77)	(3.88)
Redemption value as at 26 October 2020	(86.39)	-
Closing net asset value per share	-	85.84
* after direct transaction costs of:	0.01	-
Performance		
Return after charges	1.54%	0.50%
Other information		
Closing net asset value (£'000)	-	64,661
Closing number of shares	-	75,331,865
Operating charges	1.23%	1.21%
Direct transaction costs	0.01%	-
Prices		
Highest share price	86.76	92.33
Lowest share price	84.84	70.79

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

^A A Income share class was closed on 26 October 2020.

Comparative Tables

Continued

I Accumulation ^A	2021 pence per share	2020 pence per share
Change in net assets per share		
Opening net asset value per share	176.07	174.26
Return before operating charges*	1.65	3.11
Operating charges	(0.33)	(1.30)
Return after operating charges*	1.32	1.81
Distributions	(1.76)	(8.48)
Retained distributions on accumulation shares	1.76	8.48
Redemption value as at 26 October 2020	(177.39)	-
Closing net asset value per share	-	176.07
* after direct transaction costs of:	0.01	-
Performance		
Return after charges	0.75%	1.04%
Other information		
Closing net asset value (£'000)	-	3,585
Closing number of shares	-	2,035,891
Operating charges	0.78%	0.76%
Direct transaction costs	0.01%	-
Prices		
Highest share price	178.4	183.9
Lowest share price	174.2	141.5

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

^A I Accumulation share class was closed on 26 October 2020.

Comparative Tables

Continued

I Income ^A	2021 pence per share	2020 pence per share
Change in net assets per share		
Opening net asset value per share	81.78	85.05
Return before operating charges*	1.56	1.43
Operating charges	(0.15)	(0.63)
Return after operating charges*	1.41	0.80
Distributions	(0.82)	(4.07)
Redemption value as at 26 October 2020	(82.37)	-
Closing net asset value per share	-	81.78
* after direct transaction costs of:	-	-
Performance		
Return after charges	1.72%	0.94%
Other information		
Closing net asset value (£'000)	-	3,820
Closing number of shares	-	4,670,987
Operating charges	0.78%	0.76%
Direct transaction costs	0.01%	-
Prices		
Highest share price	82.72	88.05
Lowest share price	80.89	67.49

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

^A I Income share class was closed on 26 October 2020.

Comparative Tables

Continued

M Accumulation ^A	2021 pence per share	2020 pence per share
Change in net assets per share		
Opening net asset value per share	107.47	106.20
Return before operating charges*	0.89	2.09
Operating charges	(0.21)	(0.82)
Return after operating charges*	0.68	1.27
Distributions	(1.07)	(5.16)
Retained distributions on accumulation shares	1.07	5.16
Redemption value as at 26 October 2020	(108.15)	-
Closing net asset value per share	-	107.47
* after direct transaction costs of:	0.01	-
Performance		
Return after charges	0.63%	1.20%
Other information		
Closing net asset value (£'000)	-	17
Closing number of shares	-	15,428
Operating charges	0.83%	0.81%
Direct transaction costs	0.01%	-
Prices		
Highest share price	108.9	112.3
Lowest share price	106.3	86.41

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

^A M Accumulation share class was closed on 26 October 2020.

Comparative Tables

Continued

M Income ^A	2021 pence per share	2020 pence per share
Change in net assets per share		
Opening net asset value per share	98.60	102.50
Return before operating charges*	1.89	1.77
Operating charges	(0.19)	(0.80)
Return after operating charges*	1.70	0.97
Distributions	(0.98)	(4.87)
Redemption value as at 26 October 2020	(99.32)	-
Closing net asset value per share	-	98.60
* after direct transaction costs of:	0.01	-
Performance		
Return after charges	1.72%	0.95%
Other information		
Closing net asset value (£'000)	-	1
Closing number of shares	-	963
Operating charges	0.83%	0.81%
Direct transaction costs	0.01%	-
Prices		
Highest share price	99.73	106.2
Lowest share price	97.53	81.38

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

^A M Income share class was closed on 26 October 2020.

Comparative Tables

Continued

	2021	2020
P Gross Income ^A	pence per share	pence per share
Change in net assets per share		
Opening net asset value per share	79.26	82.43
Return before operating charges*	1.53	1.39
Operating charges	(0.11)	(0.46)
Return after operating charges*	1.42	0.93
Distributions	(0.83)	(4.10)
Redemption value as at 26 October 2020	(79.85)	
Closing net asset value per share	-	79.26
* after direct transaction costs of:	-	-
Performance		
Return after charges	1.79%	1.13%
Other information		
Closing net asset value (£'000)	-	605
Closing number of shares	-	762,982
Operating charges	0.59%	0.57%
Direct transaction costs	0.01%	-
Prices		
Highest share price	80.20	85.38
Lowest share price	78.42	65.43

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

^A P Gross income share class was closed on 26 October 2020.

Comparative Tables

Continued

P Income ^A	2021 pence per share	2020 pence per share
Change in net assets per share		
Opening net asset value per share	82.38	85.68
Return before operating charges*	1.60	1.44
Operating charges	(0.12)	(0.48)
Return after operating charges*	1.48	0.96
Distributions	(0.86)	(4.26)
Redemption value as at 26 October 2020	(83.00)	-
Closing net asset value per share	-	82.38
* after direct transaction costs of:	-	-
Performance		
Return after charges	1.80%	1.12%
Other information		
Closing net asset value (£'000)	-	8,868
Closing number of shares	-	10,765,362
Operating charges	0.59%	0.57%
Direct transaction costs	0.01%	-
Prices		
Highest share price	83.36	88.74
Lowest share price	81.51	68.01

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

^A P Income share class was closed on 26 October 2020.

Comparative Tables

Continued

Q Gross Income ^A	2021 pence per share	2020 pence per share
Change in net assets per share		
Opening net asset value per share	79.30	82.47
Return before operating charges*	1.54	1.38
Operating charges	(0.10)	(0.39)
Return after operating charges*	1.44	0.99
Distributions	(0.84)	(4.16)
Redemption value as at 26 October 2020	(79.90)	-
Closing net asset value per share	-	79.30
* after direct transaction costs of:	-	-
Performance		
Return after charges	1.82%	1.20%
Other information		
Closing net asset value (£'000)	-	89
Closing number of shares	-	112,519
Operating charges	0.51%	0.49%
Direct transaction costs	0.01%	-
Prices		
Highest share price	80.26	85.44
Lowest share price	78.47	65.47

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

^A Q Gross income share class was closed on 26 October 2020.

Comparative Tables

Continued

Q Income ^A	2021 pence per share	2020 pence per share
Change in net assets per share		
Opening net asset value per share	82.38	85.68
Return before operating charges*	1.57	1.44
Operating charges	(0.10)	(0.41)
Return after operating charges*	1.47	1.03
Distributions	(0.87)	(4.33)
Redemption value as at 26 October 2020	(82.98)	-
Closing net asset value per share	-	82.38
* after direct transaction costs of:	-	-
Performance		
Return after charges	1.78%	1.20%
Other information		
Closing net asset value (£'000)	-	9,888
Closing number of shares	-	12,002,520
Operating charges	0.51%	0.49%
Direct transaction costs	0.01%	-
Prices		
Highest share price	83.37	88.76
Lowest share price	81.52	68.02

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

^A Q Income share class was closed on 26 October 2020.

Comparative Tables

Continued

Z Accumulation ^A	2021 pence per share	2020 pence per share
Change in net assets per share		
Opening net asset value per share	174.65	171.75
Return before operating charges*	1.39	3.09
Operating charges	(0.05)	(0.19)
Return after operating charges*	1.34	2.90
Distributions	(2.01)	(9.50)
Retained distributions on accumulation shares	2.01	9.50
Redemption value as at 26 October 2020	(175.99)	-
Closing net asset value per share	-	174.65
* after direct transaction costs of:	0.01	-
Performance		
Return after charges	0.77%	1.69%
Other information		
Closing net asset value (£'000)	-	426,603
Closing number of shares	-	244,262,912
Operating charges	0.13%	0.11%
Direct transaction costs	0.01%	-
Prices		
Highest share price	177.2	181.9
Lowest share price	172.9	140.1

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

^A Z Accumulation share class was closed on 26 October 2020.

Portfolio Statement

As at 31 July 2022

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 2021.

* Delisted.

** Defaulted.

Financial Statements

Statement of Total Return

For the year ended 31 July 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains	1		11		671
Revenue	2	-		5,612	
Expenses	3	(1)		(292)	
Interest payable and similar charges		-		(11)	
Net (expense)/revenue before taxation		(1)		5,309	
Taxation	4	(23)		(9)	
Net (expense)/revenue after taxation			(24)		5,300
Total return before distributions			(13)		5,971
Distributions	5		-		(5,300)
Change in net assets attributable to shareholders from investment activities			(13)		671

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 July 2022

	2022		2021	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		-		519,901
Amounts receivable on the issue of shares	-		3,200	
Amounts payable on the cancellation of shares	10		(128,706)	
Amounts payable on inspecie transfers	-		(397,783)	
		10		(523,289)
Dilution adjustment		-		1,980
Change in net assets attributable to shareholders from investment activities (see above)		(13)		671
Retained distribution on accumulation shares		-		736
Unclaimed distributions		3		1
Closing net assets attributable to shareholders		-		-

Financial Statements

Continued

Balance Sheet

As at 31 July 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			-		-
Current assets:					
Cash and bank balances		2		32	
			2		32
Total assets			2		32
Liabilities:					
Bank overdrafts		-		(8)	
Creditors	6	(2)		(24)	
			(2)		(32)
Total liabilities			(2)		(32)
Net assets attributable to shareholders			-		-

Notes to the Financial Statements

1 Net Capital Gains

	2022 £'000	2021 £'000
Non-derivative securities	9	5,955
Forward currency contracts	-	(5,211)
Other gains/(losses)	2	(73)
Net capital gains	11	671

2 Revenue

	2022 £'000	2021 £'000
Income from Overseas Collective Investment Schemes		
Unfranked income	-	232
Interest on debt securities	-	5,338
Overseas dividends	-	2
Stocklending revenue	-	40
Total revenue	-	5,612

3 Expenses

	2022 £'000	2021 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	-	175
Operating, administrative and servicing fees	-	117
	-	292
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Depositary's fees	1	-
	1	-
Total expenses	1	292

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £2,400 (2021: £1,800).

Notes to the Financial Statements

Continued

4 Taxation

	2022 £'000	2021 £'000
(a) Analysis of charge in year		
Corporation tax	-	7
Double taxation relief	-	(7)
Overseas taxes	23	9
Total taxation (note 4b)	23	9

(b) Factors affecting current tax charge for the year

The tax assessed for the year is greater than (2021: 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:

	2022 £'000	2021 £'000
Net (expense)/revenue before taxation	(1)	5,309
Corporation tax at 20% (2021: 20%)	-	1,062
Effects of:		
Overseas taxes	23	9
Double taxation relief	-	(7)
Distributions treated as tax deductible	-	(1,055)
Total tax charge for year (note 4a)	23	9

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

(c) Factors that may affect future tax charge

At the year end there are no surplus expenses and therefore no deferred tax asset in the current or prior year.

5 Distributions (including the movement between net (expense)/revenue and distributions)

	2022 £'000	2021 £'000
Special distribution	-	948
	-	948
Add: Income deducted on cancellation of shares	-	4,368
Deduct: Income received on issue of shares	-	(16)
Total distributions for the year	-	5,300
Movement between net (expense)/revenue and distributions		
Net (expense)/revenue after taxation	(24)	5,300
Shortfall transfer from capital to revenue	24	-
Total distributions for the year	-	5,300

Details of the distribution per share are set out in this fund's distribution table.

Notes to the Financial Statements

Continued

6 Creditors

	2022 £'000	2021 £'000
Amounts payable on termination	2	24
Total creditors	2	24

7 Related Party Transactions

abrN Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due to abrN Fund Managers Limited at the end of the accounting year are disclosed in note 6.

Amounts payable to abrN Fund Managers Limited, in respect of expenses are disclosed in note 3 and any amounts due at the year end in note 6.

8 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	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trades in the year				
Bonds	-	61,127	-	171,890
Collective investment schemes	-	16,154	-	4,947
Inspecie transactions	-	-	-	388,559
Trades in the year before transaction costs	-	77,281	-	565,396
Commissions				
Collective investment schemes	-	5	-	(1)
Total commissions	-	5	-	(1)
Total transaction costs	-	5	-	(1)
Total net trades in the year after transaction costs	-	77,286	-	565,395

Notes to the Financial Statements

Continued

	Purchases		Sales	
	2022 %	2021 %	2022 %	2021 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Collective investment schemes	-	0.03	-	0.03
			2022	2021
			%	%
Total transaction costs expressed as a percentage of net asset value				
Commissions			-	0.01

9 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

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
	2022 £'000	2021 £'000
US Dollar	-	32

Interest rate risk

Interest receivable on bank deposits or payable on bank overdrafts will be affected by fluctuations in interest rates. The Authorised Corporate Director continuously reviews interest rates and inflation expectations.

A one per cent increase in the value of the fund's floating rate financial assets would have the effect of increasing the return and net assets as at year end date by £Nil (2021: £1,000). A one per cent decrease would have an equal and opposite effect.

2022	Floating rate financial assets	Financial assets/ (liabilities) not carrying interest	Total
	£'000	£'000	£'000
Currency			
UK Sterling	2	-	2
US Dollar	-	-	-
Total	2	-	2

Notes to the Financial Statements

Continued

2021	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
Currency			
UK Sterling	(8)	-	(8)
US Dollar	32	-	32
Total	24	-	24

Financial derivatives instrument risk

The fund had no exposure to derivatives as at 31 July 2022 (2021: £Nil).

Counterparty risk

Bilateral agreements

Where the fund enters bilateral agreements this introduces counterparty risk. Where a counterparty defaults on their obligation, exposure is reduced by the collateral held/pledged by both parties.

All stock lending is conducted by the stocklending agent on behalf of the fund using a standard agreement with available counterparties. It is collateralised daily with a right of recall within 24 hours.

At the year end the fund held no positions. This is consistent with the prior year.

The fund receives 85% of the revenue returns from stock lending. The gross earnings for the year are £Nil (2021: £47,000) and expenses paid to the lending agent, Securities Finance Trust Company, are £Nil (2021: £7,000).

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2022 £2,000 (2021: £32,000).

Distribution Table

For the year ended 31 July 2022 (in pence per share)

Special interest distribution

Group 1 – shares purchased prior to 1 August 2020

Group 2 – shares purchased between 1 August 2020 and 26 October 2020

	Distribution paid 23/12/20
A Accumulation	
Group 1	1.4682
Group 2	1.4682
A Income	
Group 1	0.7668
Group 2	0.7668
I Accumulation	
Group 1	1.7596
Group 2	1.7596
I Income	
Group 1	0.8163
Group 2	0.8163
M Accumulation	
Group 1	1.0654
Group 2	1.0654
M Income	
Group 1	0.9829
Group 2	0.9829
P Gross Income	
Group 1	0.8259
Group 2	0.8259
P Income	
Group 1	0.8584
Group 2	0.8584
Q Gross Income	
Group 1	0.8412
Group 2	0.8412
Q Income	
Group 1	0.8739
Group 2	0.8739
Z Accumulation	
Group 1	2.0073
Group 2	2.0073

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.

Remuneration

abrdr Remuneration Policy

The abrdr plc Remuneration Policy applies with effect from 1 January 2021. The purpose of the abrdr plc Remuneration Policy (the "Policy") is to document clearly the remuneration policies, practices and procedures of abrdr. It has been approved by the abrdr plc Remuneration Committee and is subject to the Remuneration Committee's annual review. The Policy applies to employees of the abrdr group of companies ("abrdr").

The Remuneration Committee of abrdr plc adopted a UCITS V Remuneration Policy to ensure that the requirements of the Undertakings for Collective Investment Transferrable Securities V Directive (UCITS V) are fully adhered to by the group. This policy is available on request.

Remuneration Principles

abrdr applies Group wide principles for remuneration policies, procedures and practices ensuring that remuneration design and the basis for awards will be clear, transparent and fair, in line with business strategy, objectives, culture, values and long term interests of abrdr. Remuneration policies, procedures and practices should be consistent with and promote good conduct which includes sound and effective risk management and not encourage risk taking that exceeds the level of tolerated risk of abrdr. Total variable remuneration will be funded through pre-agreed distribution metrics. Where abrdr's financial performance is subdued or negative, total variable remuneration should generally be contracted, taking into account both current remuneration and reductions in pay-outs of amounts previously granted and having regard for abrdr's long term economic viability.

In addition to applying the abrdr wide principles above, the following principles are also applied when determining remuneration for employees:

- a) Remuneration should be competitive and reflect both financial, non-financial and personal performance;
- b) Our remuneration design will align the interests of employees, shareholders and importantly our clients/customers;
- c) Our remuneration structure will reward delivery of results over appropriate time horizons and will include deferred variable compensation at an appropriate level for the employee's role;
- d) We will provide an appropriate level of fixed remuneration to balance risk and reward.

Governance and Regulatory Compliance

The Remuneration Committee is made up of independent non-executive directors and makes recommendations to the Board of abrdr plc (the "Board") to assist it with its remuneration related duties. The Chief People Officer of abrdr is responsible for ensuring the implementation of the Policy in consultation with the Remuneration Committee as well as other members of the Executive Team ("Executive Body") (as defined by the Board), if appropriate.

Financial and non-financial criteria

Variable remuneration is based on a rounded assessment of Group, Divisional and individual performance. When assessing individual performance, financial as well as non-financial criteria are taken into account. Individual performance is based on the individual's appraisal, which includes an employee's compliance with controls and applicable company standards including the Group's Code of Ethics, including Treating Customers Fairly and Conduct Risk.

Conflicts of interest

The Conflicts of Interest Policy is designed to avoid conflicts of interest between abrdr and its clients. This Policy prohibits any employee from being involved in decisions on their own remuneration. Furthermore, all employees are required to adhere to abrdr's Global Code of Conduct, which encompasses conflicts of interest.

The Policy should, at all times, adhere to local legislation, regulations or other provisions. In circumstances or in jurisdictions where there is any conflict between the Policy and local legislation, regulations or other provisions, then the latter will prevail.

Remuneration

Continued

Remuneration Framework

Employee remuneration is composed principally of fixed and variable elements of reward as follows:

- a) Fixed reward (fixed remuneration: salary (and cash allowances, if appropriate); and Benefits (including pension).
- b) Variable reward (bonus, a proportion of which may be subject to retention or deferral depending on role and regulatory requirements) and senior employees may also be awarded a long-term incentive award).

Appropriate ratios of fixed: variable remuneration will be set to as to ensure that:

- a) Fixed and variable components of total remuneration are appropriately balanced and
- b) The fixed component is a sufficiently high proportion of total remuneration to allow abrtn to operate a fully flexible policy on variable remuneration components, including paying no variable remuneration component.

Fixed Remuneration	Base salary provides a core reward for undertaking the role, where appropriate, 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.
Benefits	Benefits are made up of: core benefits, which are provided to all employees; and extra voluntary benefits that may be chosen by certain employees and which may require contribution through salary sacrifice or other arrangements. Extra voluntary benefits are designed to support the health and wellbeing of employees through enabling individual selection based on lifestyle choices. abrtn will ensure that the core and voluntary employee benefits policies are in line with relevant market practice, its views on managing its business risk objectives, culture and values and long-term interests and local requirements.
Pension	abrtn's pension policies (which consist of defined contribution plans and legacy defined benefit plans) are in line with legislative requirements, governance structures and market practice, and reflect abrtn's long-term views on risk and financial volatility, its business objectives, culture and values and long-term interests and local requirements. In certain circumstances, abrtn may offer a cash allowance in lieu of any pension arrangement.
Annual Performance Bonus Awards	Employees who have been employed during a performance year (1 January to 31 December) may be eligible to be considered for an annual bonus in respect of that year. Eligibility criteria for an annual bonus are set out in the rules of the relevant bonus plan and/or contract of employment, as appropriate. The bonus plan in place is designed to reward performance in line with the business strategy, objectives, culture and values, long term interests and risk appetite of abrtn. All Executive Directors are awarded bonuses under a abrtn bonus plan as detailed in the Directors' Remuneration Report.
Other variable Pay Plans	Selected employees may participate in other variable pay plans, for example, performance fee share arrangements, where it is appropriate for their role or business unit. These plans operate under the overarching remuneration principles that apply across the group and, where appropriate, are also subject to specific principles governing incentives and are compliant with the requirements of any applicable regulatory standards.

Clawback/Malus

A clawback/malus principle applies to the variable pay plan. This enables the Remuneration Committee to seek to recoup the deferred amount of any unvested variable pay, in the exceptional event of misstatement or misleading representation of performance; a significant failure of risk management and control; or serious misconduct by an individual.

Guaranteed Variable Remuneration

Guaranteed variable remuneration is exceptional, occurs only in the context of hiring new staff and is limited to the first year of service.

UCITS V Identified Staff

Staff considered UCITS V Identified Staff are those categories of staff whose professional activities have a material impact on the decision making profiles of the Management Company or the UCITS Funds that the Management Company manages.

UCITS V identified staff will include; Senior Management; Decision makers, Staff engaged in control functions; and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and decision makers, and whose professional activities have a material impact on the risk profiles of the Company or the Funds that the Company manages.

Remuneration

Continued

Control Functions

abrdrn adheres to the principles and guidelines of regulations that apply to abrdrn in defining control functions. control functions include, but are not necessarily limited to, Risk, Compliance, Internal Audit and Actuarial functions or roles.

abrdrn will ensure that, as appropriate, senior employees engaged in a control function:

- a) Are independent from the Business Units they oversee;
- b) Have appropriate authority, and
- c) Their remuneration is directly overseen by the Remuneration Committee.

This is achieved by the main control functions being outside the business, and a material proportion of their annual incentives being subject to a scorecard based on the performance of the control function. Performance against the scorecard is reviewed by the relevant independent governing committee (either Risk & Capital Committee, or Audit Committee). abrdrn's People Function reviews the remuneration of employees in control functions and benchmarks with the external market to ensure that it is market competitive and adequately reflects employees' skills and experience.

Personal Hedging

UCITS V Identified Staff are not permitted to undermine the risk alignment effects of the UCITS V Remuneration Code. Personal hedging strategies; or remuneration-related insurance; or liability-related insurance is not permissible on remuneration.

The table below provides an overview of the following:

- Aggregate total remuneration paid by Aberdeen Standard Fund Managers Limited to its entire staff; and
- Aggregate total remuneration paid by Aberdeen Standard Fund Managers Limited to its UCITS 'Identified Staff'.

The 'Identified Staff' of Aberdeen Standard Fund Managers Limited, are those employees who could have a material impact on the risk profile of Aberdeen Standard Fund Managers Limited or the UCITS 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.

Amounts shown reflect payments made during the financial reporting period in question. The reporting period runs from 1 January 2021 to 31 December 2021 inclusive.

	Headcount	Total Remuneration £'000
Aberdeen Standard Fund Managers Limited¹	1,150	166,147
of which		
Fixed remuneration		128,662
Variable remuneration		37,485
Aberdeen Standard Fund Managers Limited 'Identified Staff'²	165	50,818
of which		
Senior Management ³	61	25,011
Other 'Identified Staff'	104	25,807

¹ As there are a number of individuals indirectly and directly employed by Aberdeen Standard Fund Managers Limited this figure represents an apportioned amount of abrdrn's total remuneration fixed and variable pay, apportioned to the Management Company on an AUM basis, plus any carried interest paid. The Headcount figure provided reflects the number of beneficiaries calculated on a Full Time Equivalent basis.

² The Identified Staff disclosure relates to UCITS MRTs and represents total compensation of those staff of the Management Company who are fully or partly involved in the activities of the Management Company

³ Senior management are defined in this table as Management Company Directors and members of the abrdrn plc Board, together with its Executive Committee, Investment Management Committee and Group Product Committee.

Further Information

Constitution

abrdrn OEIC I was incorporated on 23 December 1997, incorporated under the FCA Regulations. The Company is an open-ended investment company (OEIC) with variable capital under regulation 12 (authorisation) of the OEIC Regulations. Consumers' rights and protections, including any derived from EU legislation, are currently unaffected by the result of the UK referendum to leave the European Union and will remain unchanged unless and until the UK Government changes the applicable legislation.

Documentation

Copies of the current Prospectus and Key Investor Information Documents (KIIDs) for the abrdrn OEIC I funds, daily prices, together with the latest Annual (and if issued later the interim) Report and Accounts for any fund, are available to download at abrdrn.com. A paper copy of the Report and Accounts is available on request from the ACD.

Notices/Correspondence

Please send any notices to abrdrn Fund Managers Limited, PO Box 12233, Chelmsford, CM99 2EE. Any notice to the ACD will only be effective when actually received by the ACD. All notices will be sent to the investor at the address set out in the Application form or the latest address which the investor has notified to the ACD, and will be deemed to have been received three days after posting. Events detailed in these terms and conditions will be carried out on the dates specified, unless the dates are a non-business day, when they will be carried out on the next business day.

Complaints and Compensation

If you need to complain about any aspect of our service, you should write to the Complaints Team, abrdrn, PO Box 12233, Chelmsford, CM99 2EE, who will initiate our formal complaints procedure. If you prefer, you may call the Complaints Team on 0345 113 6966 or email complaints@abrdrn.com in the first instance. Alternatively if you have a complaint about the Company or Funds you can contact the Depositary directly. A leaflet detailing our complaints procedure is available on request. We will endeavour to respond to your complaint as soon as possible and will notify you of our outcome within 8 weeks. If the complaint is not resolved by us to your satisfaction then you may have the right take your complaint to the Financial Ombudsman Service (FOS). To contact the FOS Service you should write to The Financial Ombudsman Service, Exchange Tower, London, E14 9SR, email complaint.info@financial-ombudsman.org.uk or telephone 0800 023 4567 (free for landlines and mobiles) or 0300 123 9123 (calls cost no more than calls to 01 and 02 numbers) or +44 20 7964 0500 (available from outside the UK - calls will be charged).

We are covered by the Financial Services Compensation Scheme, which means if we become insolvent, you may be entitled to compensation. The level of compensation will depend on the type of business and the circumstances of your claim. Investments are covered up to £85,000 for claims against firms that fail on or after 1 April 2019. Details are available from the FSCS Helpline on 0800 678 1100 or 020 7741 4100 and on the FSCS website: www.fscs.org.uk.

UCITS

The Funds were certified under the Undertaking for Collective Investment in Transferable Securities (UCITS) directive, which allows the ACD to market the Funds in member States of the European Union subject to relevant local laws, specifically marketing laws.

Important Information

The above document is strictly for information purposes only and should not be considered as an offer, investment recommendation or solicitation, to deal in any of the investments or funds mentioned herein and does not constitute investment research. abrDN Fund Managers Limited (abrDN) does not warrant the accuracy, adequacy or completeness of the information and materials. Any research or analysis used in the preparation of this document has been procured by abrDN for its own use and may have been acted on for its own purpose. The results thus obtained are made available only coincidentally and the information is not guaranteed as to its accuracy. Some of the information in this document may contain projections or other forward looking statements regarding future events or future financial performance of countries, markets or companies. These statements are only predictions and actual events or results may differ materially. The reader must make their own assessment of the relevance, accuracy and adequacy of the information contained in this document and make such independent investigations, as they may consider necessary or appropriate for the purpose of such assessment. Any opinion or estimate contained in this document is made on a general basis and is not to be relied on by the reader as advice. Neither abrDN nor any of its employees, associated group companies or agents have given any consideration to nor have they or any of them made any investigation of the investment objectives, financial situation or particular need of the reader, any specific person or group of persons. Accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of the reader, any person or group of persons acting on any information, opinion or estimate contained in this document. abrDN reserves the right to make changes and corrections to any information in this document at any time, without notice.