

# abrdn OEIC II

(formerly Aberdeen Standard OEIC II)

Annual Long Report

For the year ended 28 February 2023

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

# Contents

Report of the Authorised Corporate Director	3
Statement of the Authorised Corporate Director's Responsibilities	6
Authorised Corporate Director's Statement	6
Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of the abrdrn OEIC II	7
Independent Auditor's Report to the Shareholders of abrdrn OEIC II ('the Company')	8
Investment Report	11
Sustainability Standards Group Report	13
Notes to the Financial Statements of abrdrn OEIC II	15
abrdrn AAA Bond Fund	22
abrdrn American Income Equity Fund	64
abrdrn American Unconstrained Equity Fund	93
abrdrn Asian Pacific Growth Equity Fund	116
abrdrn Emerging Markets Income Equity Fund	138
abrdrn Emerging Markets Opportunities Equity Fund	168
abrdrn Europe ex UK Growth Equity Fund	192
abrdrn Europe ex UK Income Equity Fund	211
abrdrn Europe ex UK Smaller Companies Fund	241
abrdrn Global Balanced Growth Fund	262
abrdrn Global Focused Equity Fund	310
abrdrn Global Income Equity Fund	332
abrdrn Global Smaller Companies Fund	363
abrdrn High Yield Bond Fund	385
abrdrn Investment Grade Corporate Bond Fund	420
abrdrn Sterling Corporate Bond Fund	463
abrdrn UK Ethical Equity Fund	504
abrdrn UK Government Bond Fund	528
abrdrn UK Growth Equity Fund	559
abrdrn UK High Alpha Equity Fund	581
abrdrn UK High Income Equity Fund	606
abrdrn UK Opportunities Equity Fund (closed)	636
abrdrn UK Smaller Companies Fund	659
ASI Short Duration Credit Fund (closed)	687
ASI UK Recovery Equity Fund (closed)	714
Global Emerging Markets Equity Unconstrained Fund (closed)	726
Remuneration	731
Further Information	734

# Report of the Authorised Corporate Director

abrdrn OEIC II (formerly Aberdeen Standard OEIC II) (the "Company") is an open-ended investment company with variable capital. The Company is incorporated in Scotland with registered number SI000004 and is currently authorised pursuant to Regulation 14 of the Open Ended Investment Companies Regulations 2001 (the "OEIC Regulations"). The effective date of the authorisation order made by the Financial Conduct Authority (the "FCA") was 22 May 1998.

The Company is also an UCITS for the purposes of the FCA Rules. Its FCA Product Reference Number ("PRN") is 186564. It has an umbrella structure scheme for the purposes of the Collective Investment Schemes Sourcebook ("COLL") and consists of twenty two open funds and four closed funds.

## Appointments

### Authorised Corporate Director

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

#### Registered Office

280 Bishopsgate  
London  
EC2M 4AG

#### Correspondence Address

PO Box 12233  
Chelmsford  
CM99 2EE

### Investment Adviser

abrdrn Investment Management Limited

#### Registered office

1 George Street  
Edinburgh  
EH2 2LL

#### Correspondence Address

1 George Street  
Edinburgh  
EH2 2LL

### Depository

Citibank UK Limited

### Registered Office

Citigroup Centre  
Canada Square  
Canary Wharf  
London  
E14 5LB

### Registrar

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

### Independent Auditor

KPMG LLP  
319 St Vincent Street  
Glasgow  
G2 5AS

# Report of the Authorised Corporate Director

## Continued

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

The Authorised Corporate Director 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 28 February 2023 are given in the following pages of this report.

Each fund has an individual investment objective and policy and each differs in regard to the extent to which they concentrate on achieving income or capital growth. There may be funds added to the umbrella of abrdn OEIC II (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](https://www.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.

Global Emerging Markets Equity Unconstrained Fund is no longer open to investors, having redeemed all shares on 14 January 2016. ASI UK Recovery Equity Fund is no longer open to investors having redeemed all shares on 22 October 2020. ASI Short Duration Credit Fund is no longer open to investors, having redeemed all shares on 22 June 2022. abrdn UK Opportunities Equity Fund is no longer open to investors, having merged into abrdn UK Mid Cap Equity Fund on 24 February 2023. Subsequent to the year end, the ACD merged the below funds:

- abrdn UK Growth Fund and abrdn UK High Alpha Equity Fund into abrdn UK Sustainable and Responsible Investment Equity Fund in abrdn OEIC I on 3 March 2023
- abrdn Europe ex UK Growth Equity Fund into abrdn Europe ex UK Equity Fund in abrdn OEIC I on 3 March 2023.
- abrdn Asian Pacific Growth Equity Fund into abrdn Asia Pacific Equity Fund in abrdn OEIC I on 12 May 2023 and
- abrdn Emerging Markets Opportunities Equity Fund into abrdn Emerging Markets Equity Fund in abrdn OEIC I on 12 May 2023.

It is the intention of the ACD to merge the abrdn UK High Income Equity Fund, in the second half of the year, into the abrdn UK Income Equity Fund in abrdn OEIC I.

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.

## 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.

# Report of the Authorised Corporate Director

## Continued

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 were 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.

### Developments and prospectus updates since 1 March 2022

- From 1 June 2022, stock lending may now be carried out in respect of any sub-funds of abrdn OEIC II. Full investor communication was made in advance of this change.
- On 22 June 2022, the ASI Short Duration Credit Fund was closed.
- On 1 August 2022, the prospectus and instrument were updated to allow the ACD to make a mandatory conversion of shares to a different share class without instruction, in accordance with applicable Financial Conduct Authority regulation. Investors will be given prior notice of any exercise of such mandatory conversion rights in accordance with applicable regulation and guidance.
- On 1 August 2022 the Company changed its name from Aberdeen Standard OEIC II to abrdn OEIC II. At the same time underlying sub-funds of the Company renamed to reflect the "abrdn" rebranding. Additionally, the Authorised Corporate Director of the Company changed its name from "Aberdeen Standard Fund Managers Limited" to "abrdn Fund Managers Limited". Further details and a list of the renaming can be found at <https://www.abrdn.com/en/uk/investor/fund-centre/investor-communications>.
- On 14 December 2022 the abrdn UK Ethical Equity Fund updated its Investment Objective and Policy ("IOP") and the Investment Approach document to better reflect the fund's ethical investment approach and environmental, social and governance ("ESG") commitments already met by the fund.
- On 14 December 2022, any references to the address Bow Bells House, 1 Bread Street, London, EC4M 9HH were replaced with 280 Bishopsgate, London, EC2M 4AG.
- On 31 December 2022, Mrs. Rowan McNay resigned as a director of abrdn Fund Managers Limited.
- On 24 February 2023, abrdn UK Opportunities Equity Fund merged into the abrdn UK Mid-Cap Equity Fund in abrdn OEIC I.
- On 24 February 2023, the abrdn Sterling Corporate Bond Fund P Inc, Q Inc and Z Acc were launched.
- Subsequent to the year end, the ACD merged the below funds:
  - abrdn UK Growth Equity Fund and abrdn UK High Alpha Equity Fund into abrdn UK Sustainable and Responsible Investment Equity Fund in abrdn OEIC I on 3 March 2023
  - abrdn Europe ex UK Growth Equity Fund into abrdn Europe ex UK Equity Fund in abrdn OEIC I on 3 March 2023
  - abrdn Asian Pacific Growth Equity Fund into abrdn Asia Pacific Equity Fund in abrdn OEIC I on 12 May 2023 and
  - abrdn Emerging Markets Opportunities Equity Fund into abrdn Emerging Markets Equity Fund in abrdn OEIC I on 12 May 2023
- On the 22 May 2023 the abrdn American Unconstrained Equity Fund changed its name to the abrdn North American Small & Mid-Cap Equity Fund.
- The list of funds managed by the ACD was updated, where appropriate;
- Performance and dilution figures were refreshed, where appropriate;
- The list of sub-custodians was refreshed, where appropriate.
- The list of eligible markets was refreshed, where appropriate.
- The list of sub-investment advisors to the funds was refreshed, where appropriate.
- The risk disclosures in relation to the funds were refreshed, where appropriate.

### Assessment of Value

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

### Crossholding Information

There were no cross holdings between funds in abrdn OEIC II as at 28 February 2023 (28 February 2022: nil).

# 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 Asian Pacific Growth Equity Fund, abrdn Emerging Markets Opportunities Equity Fund, abrdn Europe ex UK Growth Equity Fund, abrdn UK Growth Equity Fund, abrdn UK High Alpha Equity Fund, abrdn UK High Income Equity Fund, abrdn UK Opportunities Equity Fund, ASI Short Duration Credit Fund, ASI UK Recovery Equity Fund and Global Emerging Markets Equity Unconstrained Fund have not been prepared on a going concern basis;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

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

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

## Authorised Corporate Director's Statement

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

**Aron Mitchell**  
Director  
19 June 2023

**Denise Thomas**  
Director  
19 June 2023

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

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**

19 June 2023

# Independent Auditor's Report to the Shareholders of abrdn OEIC II ('the Company')

## Opinion

We have audited the financial statements of the Company for the year ended 28 February 2023 which comprise the Statements of Total Return, the Statements of Change in Net Assets Attributable to Shareholders, the Balance Sheets, the Related Notes and Distribution Tables for each of the Company's sub-funds listed on page 2 and the accounting policies set out on pages 16 to 19.

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 28 February 2023 and of the net revenue/net expense and the net capital gains/net capital losses on the property of each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with the Instrument of Incorporation, the Statement of Recommended Practice relating to Authorised Funds, and the COLL Rules.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We have received all the information and explanations which we consider necessary for the purposes of our audit and we believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

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

In respect of abrdn Asian Pacific Growth Equity Fund, abrdn Emerging Markets Opportunities Equity Fund, abrdn Europe ex UK Growth Equity Fund, abrdn UK Growth Equity Fund, abrdn UK High Alpha Equity Fund, abrdn UK High Income Equity Fund, abrdn UK Opportunities Equity Fund, ASI Short Duration Credit Fund, ASI UK Recovery Equity Fund and Global Emerging Markets Equity Unconstrained Fund, we draw attention to the disclosure made in accounting policy (a) "Basis of preparation" to the financial statements which explains that the financial statements of the sub-funds have not been prepared on going concern basis for the reason set out in that note. Our opinion is not modified in respect of this matter.

## Going concern

The Authorised Corporate Director has prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or its sub-funds or to cease their operations, and as they have concluded that the Company and its sub-funds' financial position means that this is realistic except for, abrdn Asian Pacific Growth Equity Fund, abrdn Emerging Markets Opportunities Equity Fund, abrdn Europe ex UK Growth Equity Fund, abrdn UK Growth Equity Fund, abrdn UK High Alpha Equity Fund, abrdn UK High Income Equity Fund, abrdn UK Opportunities Equity Fund, ASI Short Duration Credit Fund, ASI UK Recovery Equity Fund and Global Emerging Markets Equity Unconstrained Fund. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

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

Our conclusions based on this work:

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

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

## Fraud and breaches of laws and regulations – ability to detect

### Identifying and responding to risks of material misstatement due to fraud

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

# Independent Auditor's Report to the Shareholders of abrdn OEIC II ('the Company')

## Continued

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

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

We evaluated the design and implementation of the controls over journal entries and other adjustments and made inquiries of the Administrator about inappropriate or unusual activity relating to the processing of journal entries and other adjustments. We identified and selected a sample of journal entries made at the end of the reporting period and tested those substantively including all material post-closing entries. Based on the results of our risk assessment procedures and understanding of the process, including the segregation of duties between the Directors and the Administrator, no further high-risk journal entries or other adjustments were identified.

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

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

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

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related authorised fund legislation maintained by the Financial Conduct Authority) and taxation legislation and we assessed the extent of

compliance with these laws and regulations as part of our procedures on the related financial statement items.

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

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

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

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

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

### **Other information**

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

# Independent Auditor's Report to the Shareholders of abrdn OEIC II ('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 Report of the Authorised Corporate Director 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 the 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](http://www.frc.org.uk/auditorsresponsibilities).

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

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

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

Chartered Accountants  
319 St Vincent Street  
Glasgow  
G2 5AS  
19 June 2023

# Investment Report

1 March 2022 – 28 February 2023

## Global Overview

Global stock and bond markets fell in local-currency terms after a challenging 12 months for financial markets and the global economy. However, the pound's weakness, particularly against a strong US dollar, translated into a small gain from global stock markets and a more modest fall in bond markets when viewed in sterling terms.

Inflation dominated the period under review. Existing inflationary pressures from the post-Covid-19 reopening of the global economy were compounded by Russia's invasion of Ukraine in February 2022. The conflict and resulting economic sanctions against Russia caused energy and food prices to spiral higher, leading to cost-of-living crises in many countries. Central banks responded to multi-decade-high inflation levels in Western economies by raising interest rates faster and further than previously anticipated. Stock markets fell sharply in the face of mounting gloom over the prospects for the global economy. Meanwhile, the combination of high inflation and rising rates was a major headwind for bond markets after years of falling interest rates (and rising bond prices).

The gloom began to clear later in the period. Global equities rebounded in October and November saw a significant recovery in stock and bond markets, prompted by better-than-expected US inflation data. This raised hopes that US inflation may have peaked and that an end to the current cycle of interest-rate rises might be in sight. The new year started on a highly positive note. Stock and bond markets rose sharply in January 2023 amid greater economic optimism and hopes that interest rates have almost peaked. However, robust economic data, including particularly strong US employment data for January, latterly caused investors to consider whether rates may have to remain higher for longer than expected. On the other hand, global equity markets ended lower in February. Investor risk appetite fell on concerns that better-than-expected economic data in the US, Eurozone and UK could lead to further monetary tightening to control inflation.

## Individual market overviews

**UK equities**, as represented by the FTSE All-Share Index, rose in sterling terms over the period. The FTSE 100 Index, home of large, multinational companies that often benefit from a weak pound, held up well in the global market sell-off. In contrast, the FTSE 250 Index, which contains smaller companies typically more focused on the domestic UK economy, fell over the period.

The FTSE 100 Index remained relatively stable due to currency effects, defensive shares and the inclusion of energy and mining companies that benefited from high

commodity prices. Meanwhile, inflation was a significant concern throughout the past year, with the annual inflation rate reaching a 41-year high of 11.1% in October 2022. As a result, the Bank of England (BoE) raised interest rates multiple times, increasing the base rate from 0.25% at the start of 2022 to 3.50% by the end of the year. The central bank also raised the base rate by an additional 50 basis points in February 2023.

**US shares**, as measured by the broad S&P 500 Index, fell significantly in US dollar terms over the 12-month period; the dollar's strength and the pound's weakness led to a small gain in sterling terms.

A combination of higher interest rates and surging inflation – due in part to a booming jobs market – caused US share prices to fall sharply in the first half of 2022. Growth-focused stocks, such as technology companies, which had been among the strongest stock market performers in the years leading up to 2022, were particularly hard hit.

The US experienced the highest inflation level in 40 years. As a result, the Federal Reserve (Fed) took a more aggressive approach, increasing the fed funds rate by 25 bps in March, 50 bps in May and 75 bps at each of its following four meetings. Then in November, the annual consumer inflation rate dropped to an unexpected 7.7%, increasing investors' confidence that the Fed may pause the intensity of rate hikes. In December, the Fed lowered the rate hikes to 50 bps and 25 bps in February 2023, taking the fed funds rate to 4.50–4.75%, the highest since 2007.

**European shares** (excluding the UK), as measured by the FTSE World Europe ex UK Index, rose over the 12-month period in both euro and sterling terms. The region's equity markets were buffeted in 2022 by surging inflation, the prospect of higher interest rates, and the shock of the Ukraine war and its serious consequences for European energy supplies. European markets regained some ground in the final quarter of 2022. Then, they were among the strongest performers in January and edged higher in February 2023.

The Eurozone annual inflation rate reached its highest level since the introduction of the euro, hitting a peak of 10.7% in October before it began to drop. The European Central Bank (ECB) kept its main interest rate unchanged for longer than the Fed and BoE, finally reacting to elevated prices with a 50-bps hike in July, its first rate rise in over 11 years. The central bank followed with back-to-back 75 bps rate rises in September and October and more modest 50 bps hikes in December and February, as the bank strived to bring the annual inflation rate down to its 2.0% target.

# Investment Report

1 March 2022 – 28 February 2023 continued

**Japanese equities**, as measured by the Topix Index, bucked the trend in global stock markets and rose significantly in yen terms over the 12-month period; it rose more modestly in sterling terms due to the depreciation of the yen.

Unlike the Fed, ECB and BoE, the Bank of Japan (BoJ) did not feel compelled to raise interest rates. Japanese consumer inflation remained relatively subdued for most of 2022. However, it did climb to high levels by Japanese standards: the annual consumer inflation rate hit 4.2% for the 12 months to January 2023, its highest rate since 1981. The reasons for rising inflation included the weakness of the yen, which has made imports more expensive, and rising energy costs. The Japanese currency hit a 32-year low versus the US dollar in October before recovering some strength amid expectations that the current series of US interest-rate rises may be nearing an end. In other economic news, the Japanese economy unexpectedly shrank by 0.3% in the quarter to September.

**Asia Pacific equities** (excluding Japan) fell over the 12-month period in local-currency terms. They experienced more modest falls in sterling terms due to a weaker pound.

Within the region, Chinese stock markets suffered major losses as the Chinese economy stumbled in 2022, in part due to the government's strict 'zero-Covid-19' policy. Investors also fretted over pressures in the country's highly indebted property sector. Chinese stocks fell further in October in the wake of the China's 20th Communist Party Congress amid investor concerns that economic growth could be scarified for policies driven by ideology. However, a relaxation of some 'zero-Covid-19' controls along with support for the property sector caused Chinese stock markets to surge in November. December saw the Chinese government effectively drop the 'zero-Covid-19' policy in a major policy shift. Chinese stock markets rose sharply in January 2023 amid greater optimism after the reopening of the Chinese economy and signs that the latest wave of Covid-19 infections may have peaked, although they suffered from profit-taking in February.

## Bond markets

In fixed income, **government bonds** recorded a highly disappointing 12-month performance. After years of record-low interest rates, many central banks raised rates, often faster and further than expected, as they tried to contain soaring inflation. Coupled with an end to bond-buying stimulus programmes, this caused a major sell-off in government bonds.

**Corporate bond** prices fell substantially in a tough period for bond investors. A backdrop of rising interest rates and stubbornly high inflation, accompanied by a worsening economic outlook, created challenging market conditions. Credit spreads – the yield premium received by investors in return for the typically greater risk of lending to companies rather than governments – rose over the year as the economic environment deteriorated.

In September 2022, UK corporate bonds suffered a particularly difficult month amid unprecedented turbulence in UK financial markets. This was after a badly received mini-Budget from the new Truss cabinet. In October, the speedy reversal of the mini-Budget and Rishi Sunak's subsequent appointment as prime minister created calmer bond market conditions and eased fears about the country's public finances. Prices of UK corporate bonds rose significantly. This increase in corporate bond prices continued until February 2023, a tougher month for bond markets amid signs that interest rates may have to stay higher for longer.

## Outlook for equities

Global equity markets will continue to face challenges in 2023, with investors concerned that entrenched inflation and sustained rate rises could result in a harsh economic downturn. Markets could experience recession-like conditions for much of 2023. While inflation remains elevated, further monetary tightening is to be expected.

## Outlook for bonds

In fixed-income markets, the Fed, BoE and ECB all raised rates in February, by 25 bps, 50 bps and 50 bps, respectively. For the Fed, this move marked a deceleration in the pace of its interest rate hikes. However, data implied that the US economy is still running hot, with US Treasury yields rising throughout the month. At the BoE's February meeting, the bank stated that it only expects to raise rates further "if there were to be evidence of more persistent pressures" than its baseline forecast envisages. In Europe, ECB President Lagarde indicated that hikes would continue and reiterated that the central bank would "stay the course" to return inflation back to its target of 2%.

# Sustainability Standards Group Report

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

## Governance

Historically, the ethical criteria for the Funds have been advised by the abrDN Ethical Funds Advisory Group, comprised of investors in the ethical funds and senior abrDN managers with involvement in managing and marketing the Funds and their associated products.

In 2022, post an internal assessment and as a result of an evolution in abrDN's sustainable fund governance processes, a decision was taken to wind-up the Ethical Funds Advisory Group. This assessment was conducted in consultation with the members of the Ethical Funds Advisory Group.

At the final meeting of the Ethical Funds Advisory Group it was agreed to move the oversight and application of the ethical criteria to abrDN's recently formed Sustainability Standards Group. This Group oversees the criteria and

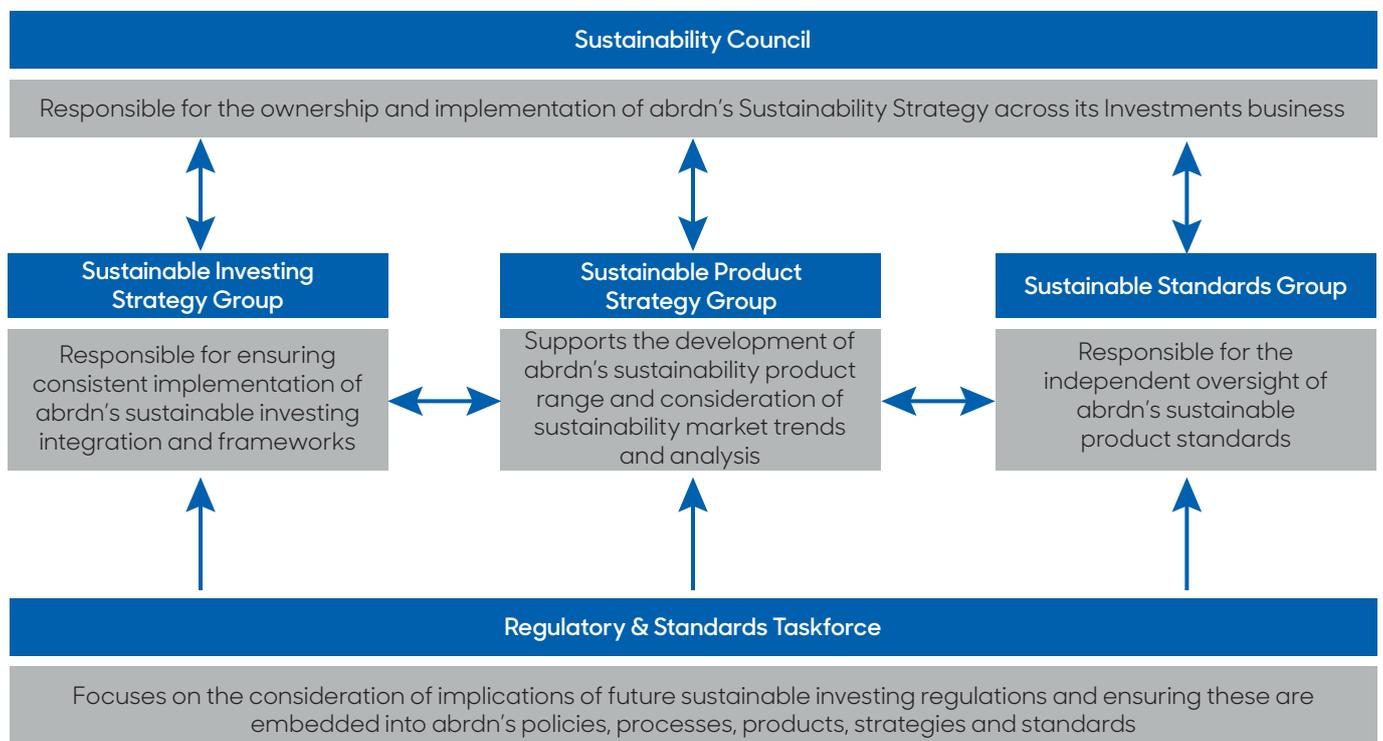
application of sustainability standards across all of abrDN's sustainable and ethical products. This Group was deemed to be highly effective at guiding investment its policies and standards, and ensuring greater consistency across abrDN's sustainable product range, to meet changing customer expectations and market standards.

The Sustainability Standards Group is chaired by the Head of Sustainable Investing and meets regularly to:

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

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

## abrDN's Sustainable Investment Oversight Model



# Sustainability Standards Group Report

## Continued

### Issues arising

In October 2022, the Ethical Funds Advisory Group met for the final time. In addition to a discussion about the future governance model for the Ethical funds, it discussed a number of issues during the period relating to companies' individual approaches to corporate responsibility. This includes understanding the engagement outcomes associated with holdings in the Funds. Due consideration was given to the range of funds' ethical criteria and monitoring of ethical issues. Topics discussed by the group included the 2022 annual Ethical Funds Survey, the impact of the war on Ukraine and current ethical issues (e.g. animal testing, taxation, nuclear power, gaming and human rights).

### Funds' Criteria

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

### Voting - abrdn UK Ethical Equity Fund

abrdn votes on all holdings held in the Ethical Funds except where for practical reasons, such as share-blocking, it is not appropriate to do so. For the year end period between 1 March 2022 to 28 February 2023, we voted against remuneration-related resolutions at a number of AGMs. This included RELX Plc, Morgan Sindall Group plc, RS Group Plc, SSE Plc, Ashtead Group Plc, Ashmore Group Plc and Hyve Group Plc. We cast votes against remuneration-related proposals for a number of reasons where we did not find pay practices were appropriately aligned with shareholder's best interests. During the period this included pay for performance alignment, excessive increases or rewards for the Long-Term Incentive Plan in the context of a developing cost of living crisis, and high level vesting of incentive awards for achieving only median threshold performance.

We voted against the re-election of a director at NatWest Group Plc due to concerns of the number of board mandates held by this director. We also voted against the reappointment of the auditors of Ashmore Group Plc on the basis of long auditor tenure, which could impede independence. Finally, we opposed a shareholder requisition resolution on climate change for Standard Chartered Plc as the company has set out a sufficient and appropriate Net Zero Pathway and committed to regular reporting on its progress on climate.

### Further Information

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

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

#### Dan Grandage

Chair abrdn's Sustainability Standards Group

21 March 2023

# Notes to the Financial Statements of abrdn OEIC II

For the year ended 28 February 2023

## 1 Accounting Policies for all Funds

### a. Basis of preparation

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

For all funds apart from abrdn Asian Pacific Growth Equity Fund, abrdn Emerging Markets Opportunities Equity Fund, abrdn Europe ex UK Growth Equity Fund, abrdn UK Growth Equity Fund, abrdn UK High Alpha Equity Fund, abrdn UK High Income Equity Fund, abrdn UK Opportunities Equity Fund, ASI Short Duration Credit Fund, ASI UK Recovery Equity Fund and Global Emerging Markets Equity Unconstrained 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 the next 12 months after the financial statements are signed and accordingly it is appropriate to adopt the going concern basis in preparing the financial statements.

Global Emerging Markets Equity Unconstrained Fund is no longer open to investors, having redeemed all share on 14 January 2016. ASI UK Recovery Equity Fund is no longer open to investors, having redeemed all shares on 22 October 2020. ASI Short Duration Credit Fund is no longer open to investors, having redeemed all shares on 22 June 2022. abrdn UK Opportunities Equity Fund is no longer open to investors, having merged into abrdn UK Mid-Cap Equity Fund on 24 February 2023. Subsequent to the year end, the ACD merged the below funds:

- abrdn UK Growth Fund and abrdn UK High Alpha Equity Fund into abrdn UK Sustainable and Responsible Investment Equity Fund in abrdn OEIC I on 3 March 2023
- abrdn Europe ex UK Growth Equity Fund into abrdn Europe ex UK Equity Fund in abrdn OEIC I on 3 March 2023.
- abrdn Asian Pacific Growth Equity Fund into abrdn Asia Pacific Equity Fund in abrdn OEIC I on 12 May 2023 and
- abrdn Emerging Markets Opportunities Equity Fund into abrdn Emerging Markets Equity Fund in abrdn OEIC I on 12 May 2023.

It is the intention of the ACD to merge the abrdn UK High Income Equity Fund, in the second half of the year, into the abrdn UK Income Equity Fund in abrdn OEIC I.

It is the intention 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 UK Recovery Equity Fund, Global Emerging Markets Equity Unconstrained Fund and ASI Short Duration Credit Fund were also not been prepared on a going concern basis.

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

### b. Valuation of investments

Investments have been valued at fair value as at the close of business on 28 February 2023. The SORP defines fair value as the market value of each security, in an active market, this is generally the quoted bid price.

Unlisted, unapproved, illiquid or suspended securities are valued at the Authorised Corporate Directors' best estimate of the amount that would be received from an immediate transfer at arm's length. The ACD has appointed a Fair Value Pricing committee to review valuations.

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

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

# Notes to the Financial Statements of abrdn OEIC II

## For the year ended 28 February 2023 continued

### c. Foreign Exchange

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

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

### d. Dilution

In certain circumstances (as detailed in the Prospectus) the ACD may apply a dilution adjustment on the issue or cancellation of shares, which is applied to the capital of the 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

Dividends on equities and preference stocks are recognised when the securities are quoted ex-dividend, or in the case of unquoted securities when the dividend is declared.

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.

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

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

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

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

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

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

# Notes to the Financial Statements of abrdn OEIC II

## For the year ended 28 February 2023 continued

### f. Expenses

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

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

### g. Taxation

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

UK dividends are disclosed net of any related tax credit.

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

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

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

The funds; abrdn Asian Pacific Growth Equity Fund, abrdn Europe ex UK Income Equity Fund, abrdn Europe ex UK Growth Equity Fund, abrdn Global Balanced Growth Fund and abrdn Global Focused Equity 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, this will increase the distribution with a corresponding reduction to capital. For the purposes of calculating the distribution, on these classes, 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.

# Notes to the Financial Statements of abrdrn OEIC II

## For the year ended 28 February 2023 continued

### i. Equalisation

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

### j. Derivatives

Funds with strategies that permit it, can make use of derivatives. Derivatives can be used to reduce risk or cost, or to generate additional capital or income consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management"). Some strategies may permit use of derivatives with a higher or lower frequency or for investment purposes. The accounting for each derivative is applied consistently in line with the derivative type; the valuation policy and market convention. Market convention for derivatives is often based on total return; however where a fund strategy or derivative type is defined with revenue in mind the accounting treatment can have a revenue element, forming part of the distribution, highlighted in the distribution policy. The Statement of Total Return captures all realised and unrealised gains regardless of nature. The Portfolio Statement will show the individual derivative contracts as net positions 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, exchange investment assets based on legal agreements. In line with collective investment scheme rules and abrdrn policy collateral or margin must be exchanged to limit the exposure to investors should an agreement fail. Collateral is exchanged at an agreement level on a net basis following abrdrn policy at a counterparty level within a fund. Collateral is monitored and where required exchanged daily, Collateral is bilateral in nature exchanged between the two counterparties in a transaction. Margin is similar to collateral limiting the risk for investors. The main difference is the exchange of initial margin, required before a contract is opened. Once opened the exchange of variation margin is monitored and where required exchanged daily. Both collateral and margin do not affect the valuation of the asset they are protecting or the fund unless re-hypothecated (used to buy) into another investment asset. All funds do not re-hypothecate but may use liquidity collective investments to manage cash effectively.

# Notes to the Financial Statements of abrdn OEIC II

For the year ended 28 February 2023 continued

## 2 Risk management policies

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

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

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

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

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

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

### Risk Definitions & Risk Management Processes

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

- (1) Systematic risk stems from any factor that causes a change in the valuation of groups of assets. These factors may emerge from a number of sources, including but not limited to economic conditions, political events or actions, the actions of central banks or policy makers, industry events or, indeed, investor behaviour and risk appetite.
- (2) Specific or Idiosyncratic Risk, which is the part of risk directly associated with a particular asset, outside the realms of, and not captured by Systematic Risk. In other words, it is the component of risk that is peculiar to a specific asset, and may manifest itself in various guises, for example: corporate actions, fraud or bankruptcy.

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

# Notes to the Financial Statements of abrdrn OEIC II

## For the year ended 28 February 2023 continued

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

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

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

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

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

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

Measuring liquidity risk is subject to three main dimensions:

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

# Notes to the Financial Statements of abrdn OEIC II

For the year ended 28 February 2023 continued

## Liquidity Risk Management Framework

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

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

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

## iv) Operational Risk

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

## Operational Risk Management

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

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

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

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

# abrdn AAA Bond Fund

For the year ended 28 February 2023

## Investment Objective

To generate income and some growth over the long term (5 years or more) by investing in Sterling-denominated bonds with a high degree of creditworthiness.

Performance Target: To achieve the return of the Markit iBoxx Sterling Non Gilts AAA plus 0.65% 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 Sterling denominated bonds, such as government and corporate bonds (including asset backed and mortgage backed).
- The fund may invest in bonds issued anywhere in the world by governments and corporations, such as sub-sovereigns, 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.
- At the point of investment, bonds shall have a credit rating of "AAA-" or higher from at least one major rating agency such as Standard & Poor's, Moody's or Fitch, with the exception of any UK Government bond held by the fund (up to a 20% limit).
- 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 based on analysis of global economic and market conditions (for example, interest rates and inflation) and analysis of a company's prospects and creditworthiness compared to that of the market.
- In seeking to achieve the Performance Target, the Markit iBoxx Sterling Non Gilts (AAA) is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 3%. Due to the fund's risk constraints, the intention is that the fund's performance profile will not deviate significantly from that of the Markit iBoxx Sterling Non Gilts (AAA) 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"). These positions can be used in overseas markets.
- Derivatives include instruments used to manage expected changes in interest rates, inflation, currencies or credit worthiness of corporations or governments.

### Performance Review

Over the period under review, the fund returned -9.17%. (Source: FactSet, Platform 1 Accumulation, net of fees) This compared to a return of -8.39% for our performance target. (Source: FactSet, the Markit iBoxx Sterling Non Gilts AAA Index +0.65%).

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

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

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

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

The fund's duration position, relative to the benchmark, was beneficial over the period. In terms of individual holdings, specialist lender OSB Group was among our top performers. NatWest and Westpac also outperformed.

# abrdn AAA Bond Fund

## Continued

In government bonds, longer-dated bonds from Australia and New Zealand were beneficial, as were supranational holdings such as the European Bank For Reconstruction & Development. Conversely, the World Bank and Canadian pension fund CPP Investment Board detracted. Our overweight position in the property sector was negative over the period, including British Land.

### Portfolio Activity and Review

Towards the end of the period, we bought attractive new issue bonds from supranational issuers. This included Germany's regional bank KfW, the Dutch lender NWB and Canada's pension fund CPP Investment Board.

In the secondary market, we bought a long-dated issue from charity issuer Wellcome Trust and the World Bank's IBRD. We sold retail property owner Trafford Centre.

### Portfolio Outlook and Strategy

Globally, rates expectations have been re-pricing higher in February in the US and Europe due to robust economic data. Europe will probably avoid a recession this year thanks to the combination of milder winter weather, a sharp drop in gas prices and the reopening of China, an important trading partner for the continent. However, February's data showed inflation no longer slowing, with Europe's and the United States' most recent CPI prints surprising slightly to the upside. While many inflation drivers, like energy prices, are reversing, core inflation has been more persistent due to tighter labour markets and the fundamental strength of global services sectors. For the ECB and the Fed, this means staying in a more hawkish and data dependent mode for the time being, until there is further proof of weakening underlying economic data and further slowing of inflation. For credit markets, stronger underlying economic data are not necessarily negative, given a still strong economy supports the credit quality of corporates and in particular cyclical issuers. Additionally, higher index yield levels have made the asset class more interesting, supporting fund flows and creating an ongoing positive technical that since October last year. In the short-term, we expect credit risk premia to trend sideways and stay range bound.

### Sterling IG Aggregate Team

March 2023

# abrdn AAA 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 28 February 2023.

- 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 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.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

# Comparative Tables

	2023	2022	2021
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	96.09	99.42	100.68
Return before operating charges*	(8.28)	(2.32)	(0.21)
Operating charges	(0.91)	(1.01)	(1.05)
Return after operating charges*	(9.19)	(3.33)	(1.26)
Distributions	(1.19)	(0.94)	(0.98)
Retained distributions on accumulation shares	1.19	0.94	0.98
Closing net asset value per share	86.90	96.09	99.42
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(9.56%)	(3.35%)	(1.25%)
<b>Other information</b>			
Closing net asset value (£'000)	4,937	6,670	7,745
Closing number of shares	5,681,365	6,941,136	7,790,153
Operating charges	1.01%	1.02%	1.03%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	97.17	101.3	103.3
Lowest share price	82.67	95.45	96.63

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

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

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

# Comparative Tables

## Continued

	2023	2022	2021
Retail income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	54.78	57.22	58.51
Return before operating charges*	(4.70)	(1.32)	(0.11)
Operating charges	(0.52)	(0.58)	(0.61)
Return after operating charges*	(5.22)	(1.90)	(0.72)
Distributions	(0.68)	(0.54)	(0.57)
Closing net asset value per share	48.88	54.78	57.22
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(9.53%)	(3.32%)	(1.23%)
<b>Other information</b>			
Closing net asset value (£'000)	1,273	1,901	2,180
Closing number of shares	2,604,583	3,470,619	3,809,509
Operating charges	1.01%	1.02%	1.03%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	55.40	58.15	60.05
Lowest share price	46.80	54.56	56.16

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

	2023	2022	2021
Institutional accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	105.22	108.41	109.32
Return before operating charges*	(9.08)	(2.54)	(0.24)
Operating charges	(0.58)	(0.65)	(0.67)
Return after operating charges*	(9.66)	(3.19)	(0.91)
Distributions	(1.72)	(1.46)	(1.54)
Retained distributions on accumulation shares	1.72	1.46	1.54
Closing net asset value per share	95.56	105.22	108.41
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(9.18%)	(2.94%)	(0.83%)
<b>Other information</b>			
Closing net asset value (£'000)	5,819	4,941	6,076
Closing number of shares	6,089,474	4,695,447	5,604,990
Operating charges	0.59%	0.60%	0.61%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	106.4	110.6	112.3
Lowest share price	90.76	104.5	104.9

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

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

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

# Comparative Tables

## Continued

	2023	2022	2021
Institutional income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	55.15	57.60	58.91
Return before operating charges*	(4.74)	(1.32)	(0.13)
Operating charges	(0.30)	(0.35)	(0.36)
Return after operating charges*	(5.04)	(1.67)	(0.49)
Distributions	(0.90)	(0.78)	(0.82)
Closing net asset value per share	49.21	55.15	57.60
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(9.14%)	(2.90%)	(0.83%)
<b>Other information</b>			
Closing net asset value (£'000)	2,489	2,240	2,624
Closing number of shares	5,057,996	4,062,331	4,555,932
Operating charges	0.59%	0.60%	0.61%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	55.77	58.58	60.46
Lowest share price	47.14	54.98	56.55

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

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

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

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

# Comparative Tables

## Continued

Institutional S accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	56.24	57.81	58.18
Return before operating charges*	(4.85)	(1.35)	(0.14)
Operating charges	(0.20)	(0.22)	(0.23)
Return after operating charges*	(5.05)	(1.57)	(0.37)
Distributions	(1.04)	(0.93)	(0.95)
Retained distributions on accumulation shares	1.04	0.93	0.95
Closing net asset value per share	51.19	56.24	57.81
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(8.98%)	(2.72%)	(0.64%)
<b>Other information</b>			
Closing net asset value (£'000)	1,584	2,632	4,454
Closing number of shares	3,095,090	4,679,770	7,704,141
Operating charges	0.37%	0.38%	0.39%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	56.87	59.06	59.86
Lowest share price	48.57	55.85	55.85

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

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

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

# Comparative Tables

## Continued

Institutional S income	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	50.00	52.21	53.40
Return before operating charges*	(4.30)	(1.20)	(0.12)
Operating charges	(0.17)	(0.20)	(0.21)
Return after operating charges*	(4.47)	(1.40)	(0.33)
Distributions	(0.92)	(0.81)	(0.86)
Closing net asset value per share	44.61	50.00	52.21
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(8.94%)	(2.68%)	(0.62%)
<b>Other information</b>			
Closing net asset value (£'000)	106,879	120,992	149,417
Closing number of shares	239,563,006	241,986,214	286,161,875
Operating charges	0.37%	0.38%	0.39%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	50.56	53.12	54.81
Lowest share price	42.75	49.86	51.27

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

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

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

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

# Comparative Tables

## Continued

Retail CAT accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	97.01	100.35	101.60
Return before operating charges*	(8.35)	(2.34)	(0.22)
Operating charges	(0.91)	(1.00)	(1.03)
Return after operating charges*	(9.26)	(3.34)	(1.25)
Distributions	(1.22)	(0.98)	(1.02)
Retained distributions on accumulation shares	1.22	0.98	1.02
Closing net asset value per share	87.75	97.01	100.35
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(9.55%)	(3.33%)	(1.23%)
<b>Other information</b>			
Closing net asset value (£'000)	17,565	21,599	24,198
Closing number of shares	20,017,038	22,264,555	24,112,764
Operating charges	1.00%	1.00%	1.00%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	98.10	102.2	104.3
Lowest share price	83.47	96.36	97.52

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

	2023	2022	2021
Retail CAT income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	55.15	57.59	58.89
Return before operating charges*	(4.74)	(1.32)	(0.12)
Operating charges	(0.51)	(0.57)	(0.59)
Return after operating charges*	(5.25)	(1.89)	(0.71)
Distributions	(0.69)	(0.55)	(0.59)
Closing net asset value per share	49.21	55.15	57.59
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(9.52%)	(3.28%)	(1.21%)
<b>Other information</b>			
Closing net asset value (£'000)	3,141	3,903	4,573
Closing number of shares	6,382,137	7,077,274	7,939,992
Operating charges	1.00%	1.00%	1.00%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	55.77	58.53	60.44
Lowest share price	47.11	54.92	56.53

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

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

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

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

# Comparative Tables

## Continued

Institutional regulated accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	77.38	79.57	80.08
Return before operating charges*	(6.67)	(1.87)	(0.18)
Operating charges	(0.29)	(0.32)	(0.33)
Return after operating charges*	(6.96)	(2.19)	(0.51)
Distributions	(1.42)	(1.24)	(1.29)
Retained distributions on accumulation shares	1.42	1.24	1.29
Closing net asset value per share	70.42	77.38	79.57
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(8.99%)	(2.75%)	(0.64%)
<b>Other information</b>			
Closing net asset value (£'000)	3,041	5,088	5,231
Closing number of shares	4,317,931	6,574,347	6,573,762
Operating charges	0.39%	0.40%	0.41%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	78.26	81.28	82.39
Lowest share price	66.83	76.85	76.88

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

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

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

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

# Comparative Tables

## Continued

<b>Platform 1 accumulation</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	62.05	63.96	64.50
Return before operating charges*	(5.36)	(1.49)	(0.11)
Operating charges	(0.37)	(0.42)	(0.43)
Return after operating charges*	(5.73)	(1.91)	(0.54)
Distributions	(0.99)	(0.87)	(0.87)
Retained distributions on accumulation shares	0.99	0.87	0.87
Closing net asset value per share	56.32	62.05	63.96
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(9.23%)	(2.99%)	(0.84%)
<b>Other information</b>			
Closing net asset value (£'000)	3,169	4,870	5,881
Closing number of shares	5,626,137	7,849,006	9,194,114
Operating charges	0.64%	0.65%	0.66%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	62.75	65.26	66.23
Lowest share price	53.51	61.63	61.91

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

	2023	2022	2021
Platform 1 income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	52.19	54.53	55.76
Return before operating charges*	(4.48)	(1.27)	(0.12)
Operating charges	(0.31)	(0.35)	(0.37)
Return after operating charges*	(4.79)	(1.62)	(0.49)
Distributions	(0.83)	(0.72)	(0.74)
Closing net asset value per share	46.57	52.19	54.53
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(9.18%)	(2.97%)	(0.88%)
<b>Other information</b>			
Closing net asset value (£'000)	1,507	2,083	2,978
Closing number of shares	3,234,581	3,991,564	5,462,179
Operating charges	0.64%	0.65%	0.66%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	52.78	55.45	57.23
Lowest share price	44.61	52.02	53.53

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

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

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

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

# Comparative Tables

## Continued

ZC accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	78.47	80.44	80.72
Return before operating charges*	(6.78)	(1.89)	(0.19)
Operating charges	(0.07)	(0.08)	(0.09)
Return after operating charges*	(6.85)	(1.97)	(0.28)
Distributions	(1.66)	(1.44)	(1.55)
Retained distributions on accumulation shares	1.66	1.44	1.55
Closing net asset value per share	71.62	78.47	80.44
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(8.73%)	(2.45%)	(0.35%)
<b>Other information</b>			
Closing net asset value (£'000)	42	50	121
Closing number of shares	59,011	63,693	151,079
Operating charges	0.09%	0.10%	0.11%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	79.35	82.27	83.24
Lowest share price	67.89	77.92	77.51

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

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

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

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

# Comparative Tables

## Continued

ZA income <sup>A</sup>	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>		
Opening net asset value per share	53.45	54.92
Return before operating charges*	(0.03)	0.17
Operating charges	(0.01)	(0.02)
Return after operating charges*	(0.04)	0.15
Distributions	(0.93)	(1.62)
Redemption value as at 7 January 2022	(52.48)	-
Closing net asset value per share	-	53.45
* after direct transaction costs of:	-	-
<b>Performance</b>		
Return after charges	(0.07%)	0.27%
<b>Other information</b>		
Closing net asset value (£'000) <sup>B</sup>	-	-
Closing number of shares	-	189
Operating charges	0.02%	0.03%
Direct transaction costs	-	-
<b>Prices</b>		
Highest share price	54.39	56.37
Lowest share price	52.47	52.73

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.

<sup>A</sup> Standard Life Income closed on 7 January 2022.

<sup>B</sup> The closing net asset value of Standard Life Income was £Nil 2021: £101.

# Portfolio Statement

As at 28 February 2023

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Bonds (91.67%)</b>		<b>147,860</b>	<b>97.63</b>
<b>Australian Dollar Denominated Bonds (0.96%)</b>		-	-
<b>Government Bonds (0.96%)</b>		-	-
<b>Euro Denominated Bonds (2.66%)</b>		<b>2,285</b>	<b>1.51</b>
<b>Corporate Bonds (0.90%)</b>		<b>864</b>	<b>0.57</b>
between 5 and 10 years to maturity			
1,000,000	Microsoft 3.125% 2028	864	0.57
<b>Government Bonds (1.76%)</b>		<b>1,421</b>	<b>0.94</b>
between 5 and 10 years to maturity			
1,800,000	Temasek Financial I 1.5% 2028	1,421	0.94
<b>New Zealand Dollar Denominated Bonds (1.07%)</b>		-	-
<b>Government bonds (1.07%)</b>		-	-
<b>Sterling Denominated Bonds (80.29%)</b>		<b>138,984</b>	<b>91.77</b>
<b>Corporate Bonds (53.48%)</b>		<b>53,778</b>	<b>35.51</b>
less than 5 years to maturity			
2,070,000	Asian Infrastructure Investment Bank 4.375% 2026	2,055	1.36
700,000	Bank of Scotland 4.875% 2024	697	0.46
2,320,000	Cie de Financement Foncier 5.5% 2027	2,362	1.56
2,100,000	Clydesdale Bank 4.625% 2026	2,091	1.38
5,048,000	Commonwealth Bank of Australia 3% 2026	4,765	3.15
569,000	CPPIB Capital 4.375% 2026	566	0.37
952,000	KFW 4.125% 2026	946	0.63
1,265,000	KFW 5.5% 2025	1,294	0.85
2,000,000	Landwirtschaftliche Rentenbank 1.375% 2025	1,853	1.22
1,174,000	Lloyds Bank 4.875% 2027	1,172	0.77
2,000,000	Lloyds Bank 5.125% 2025	2,006	1.33
900,000	Muenchener Hypothekenbank 0.5% 2024	834	0.55
2,000,000	National Australia Bank 3% 2026	1,878	1.24
2,500,000	Nationwide Building Society 5.625% 2026	2,562	1.69
3,477,000	NatWest 5.125% 2024	3,480	2.30

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,015,000	New York Life Global Funding 1.25% 2026	888	0.59
2,030,000	New York Life Global Funding 1.625% 2023	1,976	1.31
674,000	New York Life Global Funding 4.35% 2025	664	0.44
4,141,000	Santander UK 5.75% 2026	4,258	2.81
between 5 and 10 years to maturity			
800,000	Broadgate Financing 4.851% 2031	643	0.43
1,595,000	Canary Wharf Finance II 6.455% 2030	229	0.15
1,551,000	Inter-American Development Bank 2.375% 2029	1,382	0.91
1,186,000	Inter-American Development Bank 4% 2029	1,173	0.78
1,700,000	KFW 6% 2028	1,843	1.22
2,380,000	Lloyds Bank 6% 2029	2,520	1.66
1,400,000	Santander UK 5.25% 2029	1,430	0.94
between 10 and 15 years to maturity			
1,610,000	Broadgate Financing 4.821% 2033	1,547	1.02
750,000	KFW 4.875% 2037	791	0.52
2,600,000	Wellcome Trust Finance 4.625% 2036	2,620	1.73
between 15 and 25 years to maturity			
961,000	Paragon Mortgages No 26 FRN 2045	106	0.07
700,000	RMAC 2018-1 FRN 2046	365	0.24
1,033,000	Temasek Financial I 5.125% 2040	1,049	0.69
greater than 25 years to maturity			
340,000	Precise Mortgage Funding 2020-1B FRN 2056	139	0.09
1,830,000	Wellcome Trust 1.5% 2071	744	0.49
521,000	Wellcome Trust 2.517% 2118	283	0.19
630,000	Wellcome Trust 4% 2059	567	0.37
<b>Government Bonds (26.81%)</b>		<b>85,206</b>	<b>56.26</b>
less than 5 years to maturity			
1,803,000	Asian Development Bank 1.375% 2025	1,694	1.12
2,885,000	Asian Development Bank 3.875% 2026	2,845	1.88
1,327,000	Asian Infrastructure Investment Bank 1.125% 2026	1,178	0.78
1,672,000	BNG Bank 0.375% 2025	1,491	0.98

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
2,000,000	BNG Bank 1.625% 2025	1,865	1.23
3,000,000	CPPIB Capital 0.375% 2023	2,948	1.95
1,000,000	CPPIB Capital 0.875% 2024	934	0.62
1,991,000	European Investment Bank 0.875% 2023	1,935	1.28
1,700,000	European Investment Bank 1% 2026	1,519	1.00
2,004,000	European Investment Bank 1.375% 2025	1,884	1.24
5,300,000	European Investment Bank 5.5% 2025	5,398	3.56
1,149,000	Export Development Canada 4% 2026	1,135	0.75
2,500,000	FMS Wertmanagement 1.375% 2025	2,350	1.55
2,400,000	Inter-American Development Bank 0.5% 2026	2,095	1.38
675,000	Inter-American Development Bank 1.25% 2023	658	0.43
2,000,000	International Bank for Reconstruction & Development 0.25% 2026	1,742	1.15
4,000,000	International Finance 0.75% 2027	3,433	2.27
1,500,000	KFW 0.875% 2026	1,329	0.88
1,200,000	KFW 1.125% 2025	1,115	0.74
1,180,000	KFW 3.75% 2027	1,153	0.76
2,431,000	KFW 3.875% 2025	2,396	1.58
698,000	Kommunalbanken 4% 2026	688	0.45
1,128,000	Kommunekredit 2% 2024	1,088	0.72
931,000	Kommunekredit 4.25% 2025	919	0.61
2,000,000	Nederlandse Waterschapsbank 0.875% 2026	1,764	1.16
1,000,000	Nederlandse Waterschapsbank 2% 2024	952	0.63
892,000	Nederlandse Waterschapsbank 4.5% 2025	890	0.59
936,000	Nordic Investment Bank 3.875% 2026	921	0.61
1,103,000	Ontario Teachers' Finance Trust 1.125% 2026	988	0.65
5,840,300	UK (Govt of) 1% 2024	5,642	3.73
between 5 and 10 years to maturity			
1,000,000	BNG Bank 5.2% 2028	1,034	0.68
5,000,000	CPPIB Capital 1.125% 2029	4,026	2.66
750,000	European Bank for Reconstruction & Development 5.625% 2028	797	0.53
2,250,000	European Investment Bank 4.5% 2029	2,276	1.50
2,900,000	European Investment Bank 5.625% 2032	3,227	2.13
1,200,000	European Investment Bank 6% 2028	1,303	0.86
1,482,000	Federal National Mortgage Association 5.375% 2028	1,558	1.03
1,500,000	International Bank for Reconstruction & Development 4.875% 2028	1,540	1.02

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
2,000,000	Nederlandse Waterschapsbank 5.375% 2032	2,156	1.42
2,500,000	Tennessee Valley Authority 5.625% 2032	2,680	1.77
between 10 and 15 years to maturity			
3,210,000	European Investment Bank 3.875% 2037	3,053	2.02
between 15 and 25 years to maturity			
2,200,000	European Investment Bank 4.5% 2044	2,201	1.45
3,000,000	European Investment Bank 5% 2039	3,203	2.12
185,000	Tennessee Valley Authority 4.625% 2043	173	0.11
greater than 25 years to maturity			
1,000,000	European Investment Bank 4.625% 2054	1,030	0.68
<b>Swedish Krona Denominated Bonds (2.64%)</b>		<b>1,338</b>	<b>0.88</b>
<b>Government bonds (2.64%)</b>		<b>1,338</b>	<b>0.88</b>
less than 5 years to maturity			
17,950,000	Kommuninvest I Sverige 1% 2025	1,338	0.88
<b>US Dollar Denominated Bonds (4.05%)</b>		<b>5,253</b>	<b>3.47</b>
<b>Corporate Bonds (4.05%)</b>		<b>5,253</b>	<b>3.47</b>
less than 5 years to maturity			
1,500,000	New York Life Global Funding 3% 2028	1,134	0.75
between 10 and 15 years to maturity			
2,000,000	Johnson & Johnson 5.95% 2037	1,829	1.21
2,680,000	Microsoft 3.5% 2035	1,990	1.31
greater than 25 years to maturity			
540,000	President and Fellows of Harvard College 2.517% 2050	300	0.20
<b>Collective Investment Schemes (5.01%)</b>		<b>4,994</b>	<b>3.30</b>
4,994	Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund Z1 Inc+	4,994	3.30

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Derivatives (-0.20%)		(1,967)	(1.30)
Forward Currency Contracts (-0.04%)		27	0.02
	Buy AUD 8,388 Sell GBP 4,798 16/05/2023	-	-
	Buy AUD 9,160 Sell GBP 5,165 16/05/2023	-	-
	Buy AUD 12,429 Sell GBP 7,047 16/05/2023	-	-
	Buy AUD 13,134 Sell GBP 7,557 16/05/2023	-	-
	Buy AUD 14,619 Sell GBP 8,372 16/05/2023	-	-
	Buy AUD 16,754 Sell GBP 9,641 16/05/2023	(1)	-
	Buy AUD 22,584 Sell GBP 12,559 16/05/2023	-	-
	Buy AUD 41,283 Sell GBP 23,800 16/05/2023	(1)	-
	Buy AUD 71,304 Sell GBP 40,276 16/05/2023	(1)	-
	Buy AUD 78,273 Sell GBP 44,949 16/05/2023	(1)	-
	Buy CAD 14,333 Sell GBP 8,785 16/05/2023	-	-
	Buy CAD 37,829 Sell GBP 23,155 16/05/2023	-	-
	Buy CAD 122,255 Sell GBP 75,201 16/05/2023	(1)	-
	Buy CAD 246,424 Sell GBP 151,022 16/05/2023	(2)	-
	Buy GBP 3,664 Sell AUD 6,405 16/05/2023	-	-
	Buy GBP 3,771 Sell AUD 6,540 16/05/2023	-	-
	Buy GBP 10,159 Sell AUD 17,695 16/05/2023	-	-
	Buy GBP 21,164 Sell AUD 37,828 16/05/2023	-	-
	Buy GBP 15,649 Sell CAD 25,555 16/05/2023	-	-
	Buy GBP 15,745 Sell CAD 25,426 16/05/2023	-	-
	Buy GBP 15,818 Sell CAD 25,627 16/05/2023	-	-
	Buy GBP 16,996 Sell CAD 27,451 16/05/2023	-	-
	Buy GBP 22,186 Sell CAD 35,988 16/05/2023	-	-
	Buy GBP 25,635 Sell CAD 42,001 16/05/2023	-	-
	Buy GBP 39,516 Sell CAD 64,059 16/05/2023	1	-
	Buy GBP 106,351 Sell CAD 172,637 16/05/2023	2	-
	Buy GBP 2,320,021 Sell EUR 2,602,288 16/05/2023	34	0.02
	Buy GBP 1,361,970 Sell SEK 17,341,071 16/05/2023	(15)	(0.01)
	Buy GBP 388,135 Sell USD 469,810 16/05/2023	1	-
	Buy GBP 5,156,029 Sell USD 6,237,376 16/05/2023	12	0.01
	Buy USD 217,170 Sell GBP 180,332 16/05/2023	(1)	-

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Futures (-0.03%)</b>		<b>62</b>	<b>0.04</b>
113	Long US 2 Year Note (CBT) Future 30/06/2023	(43)	(0.03)
62	Long US 5 Year Note (CBT) Future 30/06/2023	11	0.01
(35)	Short Canadian 10 Year Bond Future 21/06/2023	(9)	(0.01)
(5)	Short Euro Bond Future 08/03/2023	18	0.01
(25)	Short Euro-Bobl Future 08/03/2023	43	0.03
(56)	Short Long Gilt Future 28/06/2023	30	0.02
(100)	Short US 10 Year Ultra Future 21/06/2023	12	0.01
<b>Interest Rate Swaps (-0.13%)</b>		<b>(2,056)</b>	<b>(1.36)</b>
EUR 3,440,000	Pay fixed 1.6062% receive floating EURIBOR 02/08/2057	445	0.29
AUD 14,500,000	Pay floating AUD-BBR-BBSW receive fixed 4.3302% 06/07/2032	(109)	(0.07)
AUD 4,420,000	Pay floating AUD-BBR-BBSW receive fixed 4.6602% 11/10/2032	(5)	-
EUR 8,650,000	Pay floating EURIBOR receive fixed 2.236% 02/08/2037	(494)	(0.33)
GBP 11,825,000	Pay floating GBP-SONIA receive fixed 0.987% 18/11/2026	(1,381)	(0.91)
GBP 17,100,000	Pay floating GBP-SONIA receive fixed 2.543% 06/06/2024	(423)	(0.28)
GBP 21,250,000	Pay floating GBP-SONIA receive fixed 4.25% 23/08/2025	(89)	(0.06)
Total investment assets and liabilities		150,887	99.63
Net other assets		559	0.37
<b>Total Net Assets</b>		<b>151,446</b>	<b>100.00</b>

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

The percentage figures in brackets show the comparative holding as at 28 February 2022.

\* Managed by subsidiaries of abrdn plc.

# Financial Statements

## Statement of Total Return

For the year ended 28 February 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(18,221)		(7,932)
Revenue	2	3,673		3,859	
Expenses	3	(783)		(1,018)	
Interest payable and similar charges		(92)		-	
Net revenue before taxation		2,798		2,841	
Taxation	4	-		-	
Net revenue after taxation			2,798		2,841
<b>Total return before distributions</b>			<b>(15,423)</b>		<b>(5,091)</b>
Distributions	5		(2,798)		(2,841)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(18,221)</b>		<b>(7,932)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2023

	2023		2022	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>176,969</b>		<b>215,478</b>
Amounts receivable on the issue of shares	23,060		9,674	
Amounts payable on the cancellation of shares	(30,949)		(40,835)	
		(7,889)		(31,161)
Dilution adjustment		7		
Change in net assets attributable to shareholders from investment activities (see above)		(18,221)		(7,932)
Retained distribution on accumulation shares		580		583
Unclaimed distributions		-		1
<b>Closing net assets attributable to shareholders</b>		<b>151,446</b>		<b>176,969</b>

# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			153,463		171,498
<b>Current assets:</b>					
Debtors	6	2,514		2,387	
Cash and bank balances	7	2,728		4,625	
			5,242		7,012
<b>Total assets</b>			<b>158,705</b>		<b>178,510</b>
<b>Liabilities:</b>					
Investment liabilities			(2,576)		(763)
Bank overdrafts	7	-		(1)	
Creditors	8	(4,153)		(234)	
Distribution payable		(530)		(543)	
			(4,683)		(778)
<b>Total liabilities</b>			<b>(7,259)</b>		<b>(1,541)</b>
<b>Net assets attributable to shareholders</b>			<b>151,446</b>		<b>176,969</b>

# Notes to the Financial Statements

## 1 Net Capital Losses

	2023 £'000	2022 £'000
Non-derivative securities	(21,077)	(8,458)
Derivative contracts	4,016	152
Forward currency contracts	(1,155)	116
Other gains	2	266
Transaction charges	(7)	(8)
<b>Net capital losses</b>	<b>(18,221)</b>	<b>(7,932)</b>

## 2 Revenue

	2023 £'000	2022 £'000
Bank and margin interest	101	14
Derivative revenue	-	182
Interest on debt securities	3,572	3,663
<b>Total revenue</b>	<b>3,673</b>	<b>3,859</b>

## 3 Expenses

	2023 £'000	2022 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	642	811
Dealing charge	35	46
General administration charge*	99	61
Registration fees**	-	68
	<b>776</b>	<b>986</b>
<b>Payable to the Depository or associates of the Depository, and agents of either of them:</b>		
Depository's fees**	-	13
Safe custody fees	10	12
	<b>10</b>	<b>25</b>

# Notes to the Financial Statements

## Continued

	2023	2022
	£'000	£'000
<b>Other:</b>		
Audit fee**	-	7
Subsidised fees***	(3)	-
	<b>(3)</b>	<b>7</b>
<b>Total expenses</b>	<b>783</b>	<b>1,018</b>

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

\* The fixed general administration charge was introduced from 1 September 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 £13,500 (2022: £12,540).

\*\* These figures represent the charges to 31 August 2021, which have now been replaced by the fixed general administration charge.

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

## 4 Taxation

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

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

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

<b>Net revenue before taxation</b>	<b>2,798</b>	<b>2,841</b>
Corporation tax at 20% (2022: 20%)	560	568
Effects of:		
Distributions treated as tax deductible	(560)	(568)
<b>Total tax charge for year (note 4a)</b>	<b>-</b>	<b>-</b>

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

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

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

# Notes to the Financial Statements

## Continued

### 5 Distributions

	2023 £'000	2022 £'000
First interim distribution	738	792
Second interim distribution	753	650
Third interim distribution	637	668
Final distribution	658	686
	2,786	2,796
Add: Income deducted on cancellation of shares	53	66
Deduct: Income received on issue of shares	(41)	(21)
<b>Total distributions for the year</b>	<b>2,798</b>	<b>2,841</b>

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

### 6 Debtors

	2023 £'000	2022 £'000
Accrued revenue	2,378	2,315
Amounts receivable from the ACD for the issue of shares	133	72
Expenses reimbursement receivable from the ACD	3	-
<b>Total debtors</b>	<b>2,514</b>	<b>2,387</b>

### 7 Liquidity

	2023 £'000	2022 £'000
<b>Cash and bank balances</b>		
Cash at bank	2	5
Cash at broker	2,726	1,361
Deposits with original maturity of less than 3 months	-	3,259
	2,728	4,625
<b>Bank overdrafts</b>		
Overdraft at broker	-	(1)
	-	(1)
Aberdeen Standard Liquidity Fund (Lux) - Euro Fund Z3 Inc*	-	2
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	4,994	8,872
<b>Net liquidity</b>	<b>7,722</b>	<b>13,498</b>

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

# Notes to the Financial Statements

## Continued

### 8 Creditors

	2023 £'000	2022 £'000
Accrued expenses payable to ACD	59	69
Accrued expenses payable to the Depositary or associates of the Depositary	4	3
Amounts payable to the ACD for cancellation of shares	326	156
Other accrued expenses	6	6
Purchases awaiting settlement	3,758	-
<b>Total creditors</b>	<b>4,153</b>	<b>234</b>

### 9 Related Party Transactions

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

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

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

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

### 10 Portfolio Transaction Costs

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

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

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

	Purchases		Sales	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Trades in the year</b>				
Bonds	41,928	20,665	34,158	55,780
<b>Trades in the year before transaction costs</b>	<b>41,928</b>	<b>20,665</b>	<b>34,158</b>	<b>55,780</b>
<b>Total net trades in the year after transaction costs</b>	<b>41,928</b>	<b>20,665</b>	<b>34,158</b>	<b>55,780</b>

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.34% (2022: 0.37%), this is representative of the average spread on the assets held during the year.

# Notes to the Financial Statements

## Continued

### 11 Shares in Issue Reconciliation

	Opening shares 2022	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2023
Retail accumulation	6,941,136	31,292	(590,328)	(700,735)	5,681,365
Retail income	3,470,619	7,296	(467,619)	(405,713)	2,604,583
Institutional accumulation	4,695,447	1,312,235	(976,340)	1,058,132	6,089,474
Institutional income	4,062,331	966,923	(704,543)	733,285	5,057,996
Institutional S accumulation	4,679,770	-	(1,584,680)	-	3,095,090
Institutional S income	241,986,214	41,770,422	(43,943,742)	(249,888)	239,563,006
Retail CAT accumulation	22,264,555	239,546	(2,371,693)	(115,370)	20,017,038
Retail CAT income	7,077,274	77,175	(752,194)	(20,118)	6,382,137
Institutional regulated accumulation	6,574,347	2,246,776	(4,503,192)	-	4,317,931
Platform 1 accumulation	7,849,006	432,077	(2,165,739)	(489,207)	5,626,137
Platform 1 income	3,991,564	79,666	(714,769)	(121,880)	3,234,581
ZC accumulation	63,693	10,513	(2,960)	(12,235)	59,011

### 12 Fair Value Hierarchy

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

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

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

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

	2023 £'000 Level 1	2023 £'000 Level 2	2023 £'000 Level 3	2022 £'000 Level 1	2022 £'000 Level 2	2022 £'000 Level 3
<b>Fair value of investment assets</b>						
Bonds	28,427	119,433	-	8,630	153,601	-
Collective Investment Schemes	-	4,994	-	-	8,874	-
Derivatives	114	495	-	224	169	-
<b>Total investment assets</b>	<b>28,541</b>	<b>124,922</b>	<b>-</b>	<b>8,854</b>	<b>162,644</b>	<b>-</b>
<b>Fair value of investment liabilities</b>						
Derivatives	(52)	(2,524)	-	(274)	(489)	-
<b>Total investment liabilities</b>	<b>(52)</b>	<b>(2,524)</b>	<b>-</b>	<b>(274)</b>	<b>(489)</b>	<b>-</b>

# Notes to the Financial Statements

## Continued

### 13 Risk Management Policies and Disclosures

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

#### Foreign currency risk

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

#### Interest rate risk

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

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

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

2023	Floating rate financial assets/ (liabilities) £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>Currency</b>				
UK Sterling	6,461	138,374	6,724	151,559
Australian Dollar	(136)	-	122	(14)
Canadian Dollar	-	-	(8)	(8)
Euro	(49)	2,285	(2,196)	40
Swedish Krona	-	1,338	(1,366)	(28)
US Dollar	-	5,253	(5,356)	(103)
<b>Total</b>	<b>6,276</b>	<b>147,250</b>	<b>(2,080)</b>	<b>151,446</b>

2022	Floating rate financial assets/ (liabilities) £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>Currency</b>				
UK Sterling	17,434	137,912	21,778	177,124
Australian Dollar	-	1,702	(1,678)	24
Euro	(2)	4,714	(4,564)	148
New Zealand Dollar	-	1,892	(1,890)	2
Swedish Krona	-	4,668	(4,758)	(90)
US Dollar	-	7,167	(7,406)	(239)
<b>Total</b>	<b>17,432</b>	<b>158,055</b>	<b>1,482</b>	<b>176,969</b>

# Notes to the Financial Statements

## Continued

### Other price risk

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

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

### VaR

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

2023	Minimum	Maximum	Average
VaR 99% 1 Month	2.13%	4.11%	3.16%

2022	Minimum	Maximum	Average
VaR 99% 1 Month	1.91%	2.52%	2.19%

At the year end date, there was a 1% chance of the portfolio value falling (or rising) more than 4.08%, £6,150,000 (2022: 2.01%, £3,428,000) in a one month period.

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

### Counterparty risk

#### Credit quality of debt security investment assets

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

2023	Market value £'000	Percentage of total net assets %
Investment grade securities	147,860	97.63
Below investment grade securities	-	-
Unrated securities	-	-
<b>Total value of securities</b>	<b>147,860</b>	<b>97.63</b>

2022	Market value £'000	Percentage of total net assets %
Investment grade securities	162,231	91.67
Below investment grade securities	-	-
Unrated securities	-	-
<b>Total value of securities</b>	<b>162,231</b>	<b>91.67</b>

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

# Notes to the Financial Statements

## Continued

### Financial derivatives instrument risk

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

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

	2023		2022	
	Market exposure £'000	Market value £'000	Market exposure £'000	Market value £'000
<b>Leveraged instruments</b>				
Forward currency contracts	10,082	27	21,402	(78)
Futures	45,460	62	34,325	(50)
Swaps	71,304	(2,056)	45,931	(242)
<b>Total market exposure</b>	<b>126,846</b>	<b>(1,967)</b>	<b>101,658</b>	<b>(370)</b>

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

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

### Counterparty risk

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

2023 Broker or exchange exposure	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
Goldman Sachs	(1,994)	2,726	3,058	3,790	2.50
	<b>(1,994)</b>	<b>2,726</b>	<b>3,058</b>	<b>3,790</b>	<b>2.50</b>

Top Issuers 2023	Type	Collateral Stock £'000
United Kingdom (Gov't of)	Bond	3,058
		<b>3,058</b>

2022 Broker or exchange exposure	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
Goldman Sachs	(292)	1,361	-	1,069	0.60
	<b>(292)</b>	<b>1,361</b>	<b>-</b>	<b>1,069</b>	<b>0.60</b>

# Notes to the Financial Statements

## Continued

### Bilateral agreements

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

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

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

2023 Counterparties	Forwards £'000	Collateral (held)/pledged		Net exposure £'000
		Cash £'000	Stock £'000	
Bank of America Merrill Lynch	(1)	-	-	(1)
Barclays	2	-	-	2
Citigroup	18	-	-	18
Deutsche Bank	(1)	-	-	(1)
JP Morgan	11	-	-	11
Royal Bank of Canada	(1)	-	-	(1)
Standard Chartered	(1)	-	-	(1)
<b>Total</b>	<b>27</b>	<b>-</b>	<b>-</b>	<b>27</b>

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

2022 Counterparties	Forwards £'000	Collateral (held)/pledged		Net exposure £'000
		Cash £'000	Stock £'000	
Bank of America Merrill Lynch	(4)	-	-	(4)
BNP Paribas	(34)	-	-	(34)
Citigroup	2	-	-	2
HSBC	2	-	-	2
Lloyds Bank	(44)	-	-	(44)
<b>Total</b>	<b>(78)</b>	<b>-</b>	<b>-</b>	<b>(78)</b>

# Notes to the Financial Statements

## Continued

### Liquidity risk

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

	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
<b>2023</b>					
<b>Derivatives</b>					
Investment liabilities	-	(75)	(1,893)	(608)	(2,576)
<b>Non-derivatives</b>					
Other creditors	-	(4,153)	-	-	(4,153)
Distribution payable	-	(530)	-	-	(530)
<b>Total financial liabilities</b>	<b>-</b>	<b>(4,758)</b>	<b>(1,893)</b>	<b>(608)</b>	<b>(7,259)</b>
<b>2022</b>					
<b>Derivatives</b>					
Investment liabilities	-	(382)	(284)	(97)	(763)
<b>Non-derivatives</b>					
Other creditors	-	(234)	-	-	(234)
Bank overdrafts	(1)	-	-	-	(1)
Distribution payable	-	(543)	-	-	(543)
<b>Total financial liabilities</b>	<b>(1)</b>	<b>(1,159)</b>	<b>(284)</b>	<b>(97)</b>	<b>(1,541)</b>

# Distribution Tables

For the year ended 28 February 2023 (in pence per share)

## First interim interest distribution

Group 1 – shares purchased prior to 1 March 2022

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

	Revenue	Equalisation	Distribution paid 29/07/22	Distribution paid 30/07/21
<b>Retail accumulation</b>				
Group 1	0.3033	-	0.3033	0.2535
Group 2	0.1909	0.1124	0.3033	0.2535
<b>Retail income</b>				
Group 1	0.1729	-	0.1729	0.1458
Group 2	0.0868	0.0861	0.1729	0.1458
<b>Institutional accumulation</b>				
Group 1	0.4417	-	0.4417	0.3917
Group 2	0.0818	0.3599	0.4417	0.3917
<b>Institutional income</b>				
Group 1	0.2315	-	0.2315	0.2082
Group 2	0.0846	0.1469	0.2315	0.2082
<b>Institutional S accumulation</b>				
Group 1	0.2668	-	0.2668	0.2412
Group 2	0.2668	-	0.2668	0.2412
<b>Institutional S income</b>				
Group 1	0.2373	-	0.2373	0.2179
Group 2	0.1370	0.1003	0.2373	0.2179
<b>Retail CAT accumulation</b>				
Group 1	0.3092	-	0.3092	0.2627
Group 2	0.1996	0.1096	0.3092	0.2627
<b>Retail CAT income</b>				
Group 1	0.1757	-	0.1757	0.1509
Group 2	0.0404	0.1353	0.1757	0.1509
<b>Institutional regulated accumulation</b>				
Group 1	0.3633	-	0.3633	0.3279
Group 2	0.3161	0.0472	0.3633	0.3279
<b>Platform 1 accumulation</b>				
Group 1	0.2529	-	0.2529	0.2229
Group 2	0.1157	0.1372	0.2529	0.2229
<b>Platform 1 income</b>				
Group 1	0.2127	-	0.2127	0.1901
Group 2	0.1459	0.0668	0.2127	0.1901

# Distribution Tables

For the year ended 28 February 2023 (in pence per share) continued

	Revenue	Equalisation	Distribution paid 29/07/22	Distribution paid 30/07/21
<b>ZC accumulation</b>				
Group 1	0.4270	-	0.4270	0.3925
Group 2	0.0755	0.3515	0.4270	0.3925
<b>ZA income</b>				
Group 1	-	-	-	0.4179
Group 2	-	-	-	0.4179

# Distribution Tables

For the year ended 28 February 2023 (in pence per share) continued

## Second interim interest distribution

Group 1 – shares purchased prior to 1 June 2022

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

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
<b>Retail accumulation</b>				
Group 1	0.3283	-	0.3283	0.1977
Group 2	0.2531	0.0752	0.3283	0.1977
<b>Retail income</b>				
Group 1	0.1866	-	0.1866	0.1135
Group 2	0.0872	0.0994	0.1866	0.1135
<b>Institutional accumulation</b>				
Group 1	0.4664	-	0.4664	0.3326
Group 2	0.2656	0.2008	0.4664	0.3326
<b>Institutional income</b>				
Group 1	0.2434	-	0.2434	0.1760
Group 2	0.1004	0.1430	0.2434	0.1760
<b>Institutional S accumulation</b>				
Group 1	0.2795	-	0.2795	0.2097
Group 2	0.2795	-	0.2795	0.2097
<b>Institutional S income</b>				
Group 1	0.2471	-	0.2471	0.1888
Group 2	0.0986	0.1485	0.2471	0.1888
<b>Retail CAT accumulation</b>				
Group 1	0.3342	-	0.3342	0.2069
Group 2	0.2172	0.1170	0.3342	0.2069
<b>Retail CAT income</b>				
Group 1	0.1894	-	0.1894	0.1186
Group 2	0.1221	0.0673	0.1894	0.1186
<b>Institutional regulated accumulation</b>				
Group 1	0.3809	-	0.3809	0.2846
Group 2	0.0145	0.3664	0.3809	0.2846
<b>Platform 1 accumulation</b>				
Group 1	0.2674	-	0.2674	0.1875
Group 2	0.0761	0.1913	0.2674	0.1875
<b>Platform 1 income</b>				
Group 1	0.2241	-	0.2241	0.1596
Group 2	0.1014	0.1227	0.2241	0.1596

# Distribution Tables

For the year ended 28 February 2023 (in pence per share) continued

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
<b>ZC accumulation</b>				
Group 1	0.4429	-	0.4429	0.3504
Group 2	0.4429	-	0.4429	0.3504
<b>ZA income</b>				
Group 1	-	-	-	0.4073
Group 2	-	-	-	0.4073

# Distribution Tables

For the year ended 28 February 2023 (in pence per share) continued

## Third interim interest distribution

Group 1 – shares purchased prior to 1 September 2022

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

	Revenue	Equalisation	Distribution paid 31/01/23	Distribution paid 31/01/22
<b>Retail accumulation</b>				
Group 1	0.2960	-	0.2960	0.2369
Group 2	0.1597	0.1363	0.2960	0.2369
<b>Retail income</b>				
Group 1	0.1675	-	0.1675	0.1401
Group 2	0.1131	0.0544	0.1675	0.1401
<b>Institutional accumulation</b>				
Group 1	0.4244	-	0.4244	0.3496
Group 2	0.1190	0.3054	0.4244	0.3496
<b>Institutional income</b>				
Group 1	0.2205	-	0.2205	0.1929
Group 2	0.0310	0.1895	0.2205	0.1929
<b>Institutional S accumulation</b>				
Group 1	0.2550	-	0.2550	0.2323
Group 2	0.2550	-	0.2550	0.2323
<b>Institutional S income</b>				
Group 1	0.2244	-	0.2244	0.1953
Group 2	0.1085	0.1159	0.2244	0.1953
<b>Retail CAT accumulation</b>				
Group 1	0.3039	-	0.3039	0.2525
Group 2	0.1878	0.1161	0.3039	0.2525
<b>Retail CAT income</b>				
Group 1	0.1716	-	0.1716	0.1320
Group 2	0.1392	0.0324	0.1716	0.1320
<b>Institutional regulated accumulation</b>				
Group 1	0.3475	-	0.3475	0.3044
Group 2	0.2031	0.1444	0.3475	0.3044
<b>Platform 1 accumulation</b>				
Group 1	0.2433	-	0.2433	0.2390
Group 2	0.1585	0.0848	0.2433	0.2390
<b>Platform 1 income</b>				
Group 1	0.2028	-	0.2028	0.1815
Group 2	0.0819	0.1209	0.2028	0.1815

# Distribution Tables

For the year ended 28 February 2023 (in pence per share) continued

	Revenue	Equalisation	Distribution paid 31/01/23	Distribution paid 31/01/22
<b>ZC accumulation</b>				
Group 1	0.4058	-	0.4058	0.3082
Group 2	0.0471	0.3587	0.4058	0.3082
<b>ZA income</b>				
Group 1	-	-	-	0.1005
Group 2	-	-	-	0.1005

# Distribution Tables

For the year ended 28 February 2023 (in pence per share) continued

## Final interest distribution

Group 1 – shares purchased prior to 1 December 2022

Group 2 – shares purchased between 1 December 2022 and 28 February 2023

	Revenue	Equalisation	Distribution paid 28/04/23	Distribution paid 29/04/22
<b>Retail accumulation</b>				
Group 1	0.2673	-	0.2673	0.2507
Group 2	0.1827	0.0846	0.2673	0.2507
<b>Retail income</b>				
Group 1	0.1509	-	0.1509	0.1431
Group 2	0.0912	0.0597	0.1509	0.1431
<b>Institutional accumulation</b>				
Group 1	0.3924	-	0.3924	0.3854
Group 2	0.3605	0.0319	0.3924	0.3854
<b>Institutional income</b>				
Group 1	0.2030	-	0.2030	0.2023
Group 2	0.1785	0.0245	0.2030	0.2023
<b>Institutional S accumulation</b>				
Group 1	0.2388	-	0.2388	0.2446
Group 2	0.2388	-	0.2388	0.2446
<b>Institutional S income</b>				
Group 1	0.2089	-	0.2089	0.2115
Group 2	0.1267	0.0822	0.2089	0.2115
<b>Retail CAT accumulation</b>				
Group 1	0.2693	-	0.2693	0.2556
Group 2	0.1885	0.0808	0.2693	0.2556
<b>Retail CAT income</b>				
Group 1	0.1515	-	0.1515	0.1458
Group 2	0.1054	0.0461	0.1515	0.1458
<b>Institutional regulated accumulation</b>				
Group 1	0.3250	-	0.3250	0.3221
Group 2	0.1757	0.1493	0.3250	0.3221
<b>Platform 1 accumulation</b>				
Group 1	0.2250	-	0.2250	0.2220
Group 2	0.1373	0.0877	0.2250	0.2220
<b>Platform 1 income</b>				
Group 1	0.1868	-	0.1868	0.1855
Group 2	0.0829	0.1039	0.1868	0.1855

# Distribution Tables

For the year ended 28 February 2023 (in pence per share) continued

	Revenue	Equalisation	Distribution paid 28/04/23	Distribution paid 29/04/22
<b>ZC accumulation</b>				
Group 1	0.3841	-	0.3841	0.3849
Group 2	0.3227	0.0614	0.3841	0.3849

## 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 American Income Equity Fund

For the year ended 28 February 2023

## Investment Objective

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

Performance Target: To deliver a yield greater than that of the S&P 500 Index over a rolling five year period (before charges) and achieve a return in excess of the S&P 500 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.

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

## Investment Policy

### Portfolio Securities

- The fund will invest at least 70% in equities and equity related securities of companies listed, incorporated or domiciled in the US or companies that derive a significant proportion of their revenues or profits from US operations or have a significant proportion of their assets there.
- The fund may also invest up to 20% in companies listed, incorporated or domiciled in Canada or Latin America.
- The fund may also invest in other funds (including those managed by abrdn) and 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. Given the fund's income objective, the management team place particular emphasis on understanding business fundamentals and dynamics and the impact this has on cash flow generation and the company's ability to allocate cash effectively.
- 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 income nature of the management process, the fund's performance profile may deviate significantly from that of the S&P 500 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

Over the period under review, the fund returned 2.75%. (Source: FactSet, Platform 1 Accumulation Shares). This compared with a return of 2.30% for our performance target (Source: FactSet, S&P 500 Index). Meanwhile, the Platform 1 Income's yield was 1.93% over the period, versus a yield target of 1.70% (the S&P 500 Index).

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

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

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

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

The fund outperformed the market over the 12 months as concerns about rising macroeconomic challenges led to stronger performance for more defensively oriented stocks. Stock selection and allocation effects both contributed to the performance. The fund invests only in dividend-paying stocks, allocating capital across three different categories: dividend growth, high dividend and opportunity. Dividend growth focuses on companies that offer more than 10% annualised growth in the dividend.

# abrdn American Income Equity Fund

## Continued

High dividend is comprised of higher-yielding stocks with stable cash flow generation and generally solid balance sheets. Opportunity highlights dividend-paying stocks where the dividend characteristics are secondary to fundamental reasons to include in the portfolio. Portfolio construction contributed meaningfully to performance, as avoiding non-dividend payers was the biggest contributor since they meaningfully underperformed the markets. Dividend growth and opportunity stocks outperformed the market, while high dividend stocks underperformed.

When assessed relative to the S&P 500 Index, communication services contributed the most to performance from a sector perspective. Our lack of exposure to Alphabet, which does not pay a dividend, added meaningfully to returns, as concerns about the performance of global advertising spend for search and YouTube weighed on the stock. Meanwhile, financial services also added to returns over the period. Our off-benchmark exposure to LPL Financial was a strong performer due to robust earnings, which proved more resistant to rising interest rates than initially feared, and a strong balance sheet. Goldman Sachs also contributed because of its strong investment bank pipeline, effective execution of its strategy and an improving capital position. The company increased its dividend by 60% on the back of the stress test results announced in June. Our lack of exposure to Amazon, which does not pay a dividend, also meaningfully contributed as it is a sizable benchmark component which significantly declined on concerns from slowing retail performance as well as potential headwinds to AWS. Lastly, a positive period for Air Products and Chemicals helped drive performance in the materials sector. The industrial gas company announced that it had been awarded a new long-term hydrogen contract with Imperial Oil. Air Products and Chemicals will increase its investment in the Edmonton facility, which will supply low-carbon hydrogen to Imperial's proposed renewable diesel complex in Canada.

On the other side, industrials was the weakest sector, with the most meaningful detractions coming from the capital goods industry. Stanley Black and Decker was the primary driver of underperformance as consumer demand for home and garden equipment disappointed, coming down off pandemic level highs. Healthcare also weighed on returns, as CVS and Baxter International both struggled over the period. For Baxter International, staffing issues in US hospitals impacting volumes and supply-chain issues affecting component availability for key products both contributed to its poor performance. Meanwhile, CVS struggled in part from losing four-star ratings in many of its Medicare Advantage plan offerings. In addition, lower enrolment and worse-than-expected future payments

in Medicare Advantage also weighed on the stock. In the consumer discretionary sector, HanesBrands and VF Corporation both detracted, and we sold both positions over the period. Shares in HanesBrands were weak as the company struggled to deliver on expectations, with meaningful hits to its margins. We exited as the very high dividend yield was seen as likely to be cut, which ended up taking place in February. Lastly, VF Corporation suffered from continued pressures on its Vans brand, which prompted the company to continually pushed guidance down over the year and to cut its dividend by 40%.

## Portfolio Activity and Review

We added a position in pharmaceutical company Merck early in the period. Its valuation had stagnated over the previous couple of years as concerns about patent loss for its biggest drug in 2028 weighed on shares. We believed the outlook post-2028 would start to improve as early signs on some pipeline assets were positive. The fund added Trane Technologies as the stock does not price in medium-term structural growth from heating, ventilation and air conditioning replacement and efficiency improvements. We also added CVS, which was taking strategic steps to improve its long-term growth outlook by expanding into care delivery to leverage its pharmacy store footprint but did not realise the pressures it would feel in its Medicare Advantage business. We expect cost initiatives in its retail business and favourable tailwinds in pharmacy benefit management from the arrival of several key generic drugs over the next few years to support growth.

Conversely, we sold NextEra Energy, Huntington Bancshares and Honeywell in the first half of the period. We offloaded NextEra Energy following our analyst's downgrade and solar political overhangs. The fund sold Huntington Bancshares as conviction was lost that the valuation premium to its peers would close. We took profits and exited Honeywell following its meaningful multiple expansion and an increasingly uncertain macroeconomic outlook.

In the second half of the period, we added Home Depot and Danaher. Home Depot was bought as its three-year investment cycle came to a close, which indicated improving growth potential and higher return on assets supported by share gains. We purchased Danaher as we believed it had solid growth prospects due to secular trends in life sciences and diagnostics, which were as yet underestimated by the market due to concerns around post Covid-19 volumes.

We sold several positions towards the end of the period. We offloaded Stanley Black and Decker as conviction had

# abrdn American Income Equity Fund

## Continued

fallen with pricing from competitors pressuring margins. J.B. Hunt Transport profits were taken as intermodal improvements appeared priced in while future pricing and volumes seemed at risk due to the macroeconomic picture. We exited S&P Global as there was continued uncertainty around corporate bond issuance given the rising interest rate environment. The fund also sold Lowe's as its less sophisticated operating approach and reduced exposure to the professional segment made it less appealing than Home Depot. Lastly, we offloaded Philip Morris International as concerns about its environmental, social and governance standing outweighed the strong cashflow from its tobacco business.

of slowing economic growth and perhaps a very modest recession, but we remain watchful for significant deviations from this. Complicating the outlook further is the concern that the appeal of dividend yields is reduced as interest rates rise and bonds offer improved returns. However, we believe that the stability in cashflow generation that is implied by improving dividend yields should continue to improve the appeal of those stocks and support the portfolio construction of this fund.

### North American Equity Team

March 2023

## Portfolio Outlook and Strategy

In February 2023, the US Federal Reserve (Fed) accompanied its rate hike with a slightly less hawkish message around future policy, a near-term positive for equity markets. Indeed, most policymakers are forecasting an easing in the pace of future rate hikes as inflation is brought back under control. However, the Federal Open Market Committee has continued to push its clear intention to tame inflation, so rates will continue to rise, just less aggressively. The continued strength of job gains suggests that wage growth will continue to run at rates in excess of those consistent with the Fed's inflation target. The strength of wage growth has clearly contributed to surging services inflation, alongside very aggressive increases in rent measures and rebounding services demand as Covid-19 headwinds fade. The upshot is our arbdn Research Institute now expects further tightening over the coming months as policy remains restrictive, adding to our conviction that the economy will enter a downturn in the middle of this year.

Sentiment in the market has fluctuated as uncertainty on Fed actions and the corresponding macroeconomic data around inflation and employment has caused swings in the market. Equity levels remain lower than they were a year ago, and the recent disruption to financial markets that occurred in March 2023 highlights the skittishness in the economy. The economic outlook remains challenging, with expectations for softer earnings in the first half of the year. However, consensus expectations for 2023 support low-to-single digit earnings growth for US equities as expectations currently presume strength in the second half as the pace of the Fed's rate hikes slows. While the Fed had been trying to balance its efforts to limit inflation without a massive or sustained reversal in economic growth, the recent challenges seen to banks in the US and abroad complicate the Fed's path going forward. US equity levels appear to have priced in a strong probability

# abrdn American 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 28 February 2023.

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

- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- 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

	2023	2022	2021
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	105.71	85.94	76.51
Return before operating charges*	3.96	21.04	10.56
Operating charges	(1.44)	(1.27)	(1.13)
Return after operating charges*	2.52	19.77	9.43
Distributions	(0.28)	(0.21)	(0.29)
Retained distributions on accumulation shares	0.28	0.21	0.29
Closing net asset value per share	108.23	105.71	85.94
* after direct transaction costs of:	0.04	0.04	0.04
<b>Performance</b>			
Return after charges	2.38%	23.00%	12.33%
<b>Other information</b>			
Closing net asset value (£'000)	229	196	6,338
Closing number of shares	211,458	185,320	7,373,547
Operating charges	1.31%	1.32%	1.33%
Direct transaction costs	0.04%	0.04%	0.05%
<b>Prices</b>			
Highest share price	118.1	111.3	90.10
Lowest share price	100.1	86.20	64.56

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

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

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

# Comparative Tables

## Continued

	2023	2022	2021
Retail income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	95.11	78.64	71.35
Return before operating charges*	3.55	19.24	9.74
Operating charges	(1.28)	(1.21)	(1.01)
Return after operating charges*	2.27	18.03	8.73
Distributions	(1.85)	(1.56)	(1.44)
Closing net asset value per share	95.53	95.11	78.64
* after direct transaction costs of:	0.03	0.04	0.04
<b>Performance</b>			
Return after charges	2.39%	22.93%	12.24%
<b>Other information</b>			
Closing net asset value (£'000)	36	36	18
Closing number of shares	37,033	38,064	22,750
Operating charges	1.31%	1.32%	1.33%
Direct transaction costs	0.04%	0.04%	0.05%
<b>Prices</b>			
Highest share price	105.7	100.6	82.82
Lowest share price	89.62	78.89	60.22

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price. The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class. Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2023	2022	2021
Institutional accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	108.46	87.78	77.82
Return before operating charges*	4.01	21.55	10.68
Operating charges	(0.95)	(0.87)	(0.72)
Return after operating charges*	3.06	20.68	9.96
Distributions	(1.19)	(0.90)	(0.89)
Retained distributions on accumulation shares	1.19	0.90	0.89
Closing net asset value per share	111.52	108.46	87.78
* after direct transaction costs of:	0.04	0.04	0.04
<b>Performance</b>			
Return after charges	2.82%	23.56%	12.80%
<b>Other information</b>			
Closing net asset value (£'000)	207,300	161,734	157,653
Closing number of shares	185,881,271	149,122,060	179,602,906
Operating charges	0.84%	0.85%	0.86%
Direct transaction costs	0.04%	0.04%	0.05%
<b>Prices</b>			
Highest share price	121.4	114.1	91.97
Lowest share price	102.8	88.05	65.68

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.

# Comparative Tables

## Continued

	2023	2022	2021
Institutional income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	97.58	80.33	72.53
Return before operating charges*	2.97	19.56	9.96
Operating charges	(0.83)	(0.82)	(0.67)
Return after operating charges*	2.14	18.74	9.29
Distributions	(1.31)	(1.49)	(1.49)
Closing net asset value per share	98.41	97.58	80.33
* after direct transaction costs of:	0.03	0.04	0.04
<b>Performance</b>			
Return after charges	2.19%	23.33%	12.81%
<b>Other information</b>			
Closing net asset value (£'000)	2,073	109	55
Closing number of shares	2,106,506	112,098	68,545
Operating charges	0.84%	0.85%	0.86%
Direct transaction costs	0.04%	0.04%	0.05%
<b>Prices</b>			
Highest share price	108.0	103.1	84.53
Lowest share price	92.08	80.58	61.24

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

Institutional S accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	99.84	80.61	71.32
Return before operating charges*	3.73	19.91	9.86
Operating charges	(0.75)	(0.68)	(0.57)
Return after operating charges*	2.98	19.23	9.29
Distributions	(1.26)	(1.04)	(0.96)
Retained distributions on accumulation shares	1.26	1.04	0.96
Closing net asset value per share	102.82	99.84	80.61
* after direct transaction costs of:	0.04	0.04	0.04
<b>Performance</b>			
Return after charges	2.98%	23.86%	13.03%
<b>Other information</b>			
Closing net asset value (£'000)	2	1	1
Closing number of shares	1,432	1,432	1,432
Operating charges	0.72%	0.73%	0.74%
Direct transaction costs	0.04%	0.04%	0.05%
<b>Prices</b>			
Highest share price	111.8	105.0	84.45
Lowest share price	94.71	80.86	60.20

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

	2023	2022	2021
Institutional S income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	90.08	73.99	66.70
Return before operating charges*	3.38	18.19	9.17
Operating charges	(0.67)	(0.62)	(0.53)
Return after operating charges*	2.71	17.57	8.64
Distributions	(1.71)	(1.48)	(1.35)
Closing net asset value per share	91.08	90.08	73.99
* after direct transaction costs of:	0.03	0.03	0.04
<b>Performance</b>			
Return after charges	3.01%	23.75%	12.95%
<b>Other information</b>			
Closing net asset value (£'000)	1	1	1
Closing number of shares	1,504	1,504	1,504
Operating charges	0.72%	0.73%	0.74%
Direct transaction costs	0.04%	0.04%	0.05%
<b>Prices</b>			
Highest share price	100.4	95.14	77.86
Lowest share price	85.05	74.23	56.31

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.

# Comparative Tables

## Continued

<b>Platform 1 accumulation</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	108.20	87.60	77.70
Return before operating charges*	4.00	21.52	10.67
Operating charges	(1.00)	(0.92)	(0.77)
Return after operating charges*	3.00	20.60	9.90
Distributions	(1.13)	(0.85)	(0.85)
Retained distributions on accumulation shares	1.13	0.85	0.85
Closing net asset value per share	111.20	108.20	87.60
* after direct transaction costs of:	0.04	0.04	0.04
<b>Performance</b>			
Return after charges	2.77%	23.52%	12.74%
<b>Other information</b>			
Closing net asset value (£'000)	2,935	1,416	718
Closing number of shares	2,639,562	1,308,772	820,017
Operating charges	0.89%	0.90%	0.91%
Direct transaction costs	0.04%	0.04%	0.05%
<b>Prices</b>			
Highest share price	121.1	113.9	91.79
Lowest share price	102.6	87.87	65.58

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

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

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

# Comparative Tables

## Continued

	2023	2022	2021
Platform 1 income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	97.41	80.20	72.46
Return before operating charges*	3.67	19.64	9.92
Operating charges	(0.90)	(0.84)	(0.71)
Return after operating charges*	2.77	18.80	9.21
Distributions	(1.91)	(1.59)	(1.47)
Closing net asset value per share	98.27	97.41	80.20
* after direct transaction costs of:	0.04	0.04	0.04
<b>Performance</b>			
Return after charges	2.84%	23.44%	12.71%
<b>Other information</b>			
Closing net asset value (£'000)	1,034	428	120
Closing number of shares	1,052,633	439,432	149,590
Operating charges	0.89%	0.90%	0.91%
Direct transaction costs	0.04%	0.04%	0.05%
<b>Prices</b>			
Highest share price	108.5	102.9	84.41
Lowest share price	91.91	80.45	61.17

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

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

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

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

# Comparative Tables

## Continued

ZC accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	113.23	90.97	80.04
Return before operating charges*	4.19	22.36	11.03
Operating charges	(0.11)	(0.10)	(0.10)
Return after operating charges*	4.08	22.26	10.93
Distributions	(2.13)	(1.74)	(1.57)
Retained distributions on accumulation shares	2.13	1.74	1.57
Closing net asset value per share	117.31	113.23	90.97
* after direct transaction costs of:	0.04	0.04	0.04
<b>Performance</b>			
Return after charges	3.60%	24.47%	13.66%
<b>Other information</b>			
Closing net asset value (£'000)	74	113	94
Closing number of shares	62,632	99,716	103,040
Operating charges	0.09%	0.10%	0.11%
Direct transaction costs	0.04%	0.04%	0.05%
<b>Prices</b>			
Highest share price	127.2	119.0	95.22
Lowest share price	107.6	91.24	67.59

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

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

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

# Comparative Tables

## Continued

ZA income	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	78.78	64.30	57.59
Return before operating charges*	2.92	15.76	7.89
Operating charges	(0.01)	(0.01)	(0.02)
Return after operating charges*	2.91	15.75	7.87
Distributions	(1.53)	(1.27)	(1.16)
Closing net asset value per share	80.16	78.78	64.30
* after direct transaction costs of:	0.03	0.03	0.03
<b>Performance</b>			
Return after charges	3.69%	24.49%	13.67%
<b>Other information</b>			
Closing net asset value (£'000)	4,549	6,053	6,907
Closing number of shares	5,674,925	7,683,073	10,742,143
Operating charges	0.01%	0.02%	0.03%
Direct transaction costs	0.04%	0.04%	0.05%
<b>Prices</b>			
Highest share price	88.10	83.13	67.59
Lowest share price	74.52	64.51	48.64

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

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

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

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

# Portfolio Statement

As at 28 February 2023

Holding	Investment	Market value £'000	Percentage of total net assets
<b>North American Equities (98.55%)</b>		<b>211,896</b>	<b>97.10</b>
<b>Communication Services (6.64%)</b>		<b>14,276</b>	<b>6.54</b>
56,032	Activision Blizzard	3,529	1.62
66,350	Cogent Communications	3,548	1.62
140,587	Comcast 'A'	4,313	1.98
90,035	Verizon Communications	2,886	1.32
<b>Consumer Discretionary (7.20%)</b>		<b>10,232</b>	<b>4.69</b>
22,259	Home Depot	5,447	2.50
75,655	TJX	4,785	2.19
<b>Consumer Staples (6.76%)</b>		<b>11,880</b>	<b>5.44</b>
162,455	Coca-Cola	7,983	3.66
9,746	Costco Wholesale	3,897	1.78
<b>Energy (4.78%)</b>		<b>12,658</b>	<b>5.80</b>
189,314	Baker Hughes	4,784	2.19
160,799	Enbridge	4,992	2.29
34,035	Phillips 66	2,882	1.32
<b>Financials (13.14%)</b>		<b>28,620</b>	<b>13.12</b>
158,787	Bank of America	4,495	2.06
83,428	Charles Schwab	5,363	2.46
17,135	Goldman Sachs	4,974	2.28
44,516	JPMorgan Chase	5,267	2.41
24,163	LPL Financial	4,978	2.28
59,817	MetLife	3,543	1.63
<b>Health Care (13.04%)</b>		<b>36,648</b>	<b>16.79</b>
32,836	AbbVie	4,172	1.91
63,516	Bristol-Myers Squibb	3,618	1.66

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
55,469	CVS Health	3,827	1.75
16,047	Danaher	3,279	1.50
41,025	Johnson & Johnson	5,191	2.38
74,968	Merck	6,576	3.01
107,356	Royalty Pharma 'A'	3,176	1.46
17,329	UnitedHealth	6,809	3.12
<b>Industrials (12.15%)</b>		<b>19,445</b>	<b>8.91</b>
51,038	Canadian National Railway	4,800	2.20
72,725	Emerson Electric	4,968	2.28
23,096	Tetra Tech	2,610	1.19
17,414	Trane Technologies	2,657	1.22
39,894	Waste Connections	4,410	2.02
<b>Information Technology (28.56%)</b>		<b>63,076</b>	<b>28.90</b>
19,769	Accenture 'A'	4,329	1.98
30,386	Analog Devices	4,603	2.11
133,582	Apple	16,263	7.45
16,444	Broadcom	8,069	3.70
72,133	Cisco Systems	2,883	1.32
56,945	Marvell Technology	2,121	0.97
26,779	Mastercard 'A'	7,847	3.60
82,336	Microsoft	16,961	7.77
<b>Materials (1.42%)</b>		<b>4,322</b>	<b>1.98</b>
18,302	Air Products and Chemicals	4,322	1.98
<b>Real Estate (1.24%)</b>		<b>3,369</b>	<b>1.55</b>
20,606	American Tower REIT	3,369	1.55

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Utilities (3.62%)</b>		<b>7,370</b>	<b>3.38</b>
165,334	CenterPoint Energy	3,799	1.74
73,376	CMS Energy	3,571	1.64
<b>Collective Investment Schemes (1.44%)</b>		<b>5,989</b>	<b>2.74</b>
5,989	Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund Z1 Inc+	5,989	2.74
Total investment assets		217,885	99.84
Net other assets		348	0.16
<b>Total Net Assets</b>		<b>218,233</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities, or regulated collective investment schemes within the meaning of the FCA rules.  
The percentage figures in brackets show the comparative holding as at 28 February 2022.

+ Managed by subsidiaries of abrdn plc.

# Financial Statements

## Statement of Total Return

For the year ended 28 February 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains	1		2,473		36,656
Revenue	2	4,001		3,540	
Expenses	3	(1,495)		(1,448)	
Net revenue before taxation		2,506		2,092	
Taxation	4	(531)		(478)	
Net revenue after taxation			1,975		1,614
<b>Total return before distributions</b>			<b>4,448</b>		<b>38,270</b>
Distributions	5		(1,991)		(1,620)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>2,457</b>		<b>36,650</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2023

	2023		2022	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>170,087</b>		<b>171,905</b>
Amounts receivable on the issue of shares	102,950		18,707	
Amounts payable on the cancellation of shares	(59,224)		(58,634)	
		43,726		(39,927)
Dilution adjustment		34		-
Change in net assets attributable to shareholders from investment activities (see above)		2,457		36,650
Retained distribution on accumulation shares		1,929		1,459
<b>Closing net assets attributable to shareholders</b>		<b>218,233</b>		<b>170,087</b>

# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			217,885		170,070
<b>Current assets:</b>					
Debtors	6	502		239	
Cash and bank balances	7	26		113	
			528		352
<b>Total assets</b>			<b>218,413</b>		<b>170,422</b>
<b>Liabilities:</b>					
Creditors	8	(147)		(309)	
Distribution payable		(33)		(26)	
			(180)		(335)
<b>Total liabilities</b>			<b>(180)</b>		<b>(335)</b>
<b>Net assets attributable to shareholders</b>			<b>218,233</b>		<b>170,087</b>

# Notes to the Financial Statements

## 1 Net Capital Gains

	2023 £'000	2022 £'000
Non-derivative securities	2,719	36,639
Forward currency contracts	-	16
Other (losses)/gains	(236)	9
Transaction charges	(10)	(8)
<b>Net capital gains</b>	<b>2,473</b>	<b>36,656</b>

## 2 Revenue

	2023 £'000	2022 £'000
Bank and margin interest	90	4
Overseas dividends	3,852	3,413
Overseas REIT	59	123
<b>Total revenue</b>	<b>4,001</b>	<b>3,540</b>

## 3 Expenses

	2023 £'000	2022 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	1,345	1,292
Dealing charge	1	1
General administration charge*	142	68
Registration fees**	-	68
	<b>1,488</b>	<b>1,429</b>
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Depositary's fees**	-	7
Safe custody fees	7	7
	<b>7</b>	<b>14</b>
<b>Other:</b>		
Audit fee**	-	5
	-	5
<b>Total expenses</b>	<b>1,495</b>	<b>1,448</b>

Irrecoverable VAT is included in the above expenses, where relevant

\* The fixed general administration charge was introduced from 1 September 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 £10,200 (2022: £9,480).

\*\* These figures represent the charges to 31 August 2021, which have now been replaced by the fixed general administration charge.

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2023 £'000	2022 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	531	478
<b>Total taxation (note 4b)</b>	<b>531</b>	<b>478</b>

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

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

<b>Net revenue before taxation</b>	<b>2,506</b>	<b>2,092</b>
Corporation tax at 20% (2022: 20%)	501	418
Effects of:		
Revenue not subject to taxation	(770)	(681)
Overseas taxes	531	478
Overseas tax expensed	(2)	(3)
Excess allowable expenses	271	266
<b>Total tax charge for year (note 4a)</b>	<b>531</b>	<b>478</b>

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

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

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £1,072,000 (2022: £801,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

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

	2023 £'000	2022 £'000
First interim distribution	501	467
Second interim distribution	413	352
Third interim distribution	634	431
Final distribution	522	330
	2,070	1,580
Add: Income deducted on cancellation of shares	54	55
Deduct: Income received on issue of shares	(133)	(15)
<b>Total distributions for the year</b>	<b>1,991</b>	<b>1,620</b>

# Notes to the Financial Statements

## Continued

	2023 £'000	2022 £'000
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	1,975	1,614
Expenses charged to capital	16	6
<b>Total distributions for the year</b>	<b>1,991</b>	<b>1,620</b>

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

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

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

## 6 Debtors

	2023 £'000	2022 £'000
Accrued revenue	317	236
Amounts receivable from the ACD for the issue of shares	184	2
Overseas withholding tax recoverable	1	1
<b>Total debtors</b>	<b>502</b>	<b>239</b>

## 7 Liquidity

	2023 £'000	2022 £'000
<b>Cash and bank balances</b>		
Cash at bank	26	113
	<b>26</b>	<b>113</b>
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund*	5,989	2,449
<b>Net liquidity</b>	<b>6,015</b>	<b>2,562</b>

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

## 8 Creditors

	2023 £'000	2022 £'000
Accrued expenses payable to ACD	139	105
Accrued expenses payable to the Depositary or associates of the Depositary	1	3
Amounts payable to the ACD for cancellation of shares	2	196
Other accrued expenses	5	5
<b>Total creditors</b>	<b>147</b>	<b>309</b>

# Notes to the Financial Statements

## Continued

### 9 Related Party Transactions

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

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

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

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

### 10 Portfolio Transaction Costs

	Purchases		Sales	
	2023	2022	2023	2022
Trades in the year	£'000	£'000	£'000	£'000
Equities	116,400	60,303	74,896	96,008
<b>Trades in the year before transaction costs</b>	<b>116,400</b>	<b>60,303</b>	<b>74,896</b>	<b>96,008</b>
<b>Commissions</b>				
Equities	35	29	(28)	(40)
<b>Total commissions</b>	<b>35</b>	<b>29</b>	<b>(28)</b>	<b>(40)</b>
<b>Taxes</b>				
Equities	-	-	(1)	-
<b>Total taxes</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>-</b>
<b>Total transaction costs</b>	<b>35</b>	<b>29</b>	<b>(29)</b>	<b>(40)</b>
<b>Total net trades in the year after transaction costs</b>	<b>116,435</b>	<b>60,332</b>	<b>74,867</b>	<b>95,968</b>
	Purchases		Sales	
	2023	2022	2023	2022
Total transaction costs expressed as a percentage of asset type cost	%	%	%	%
<b>Commissions</b>				
Equities	0.03	0.05	0.04	0.04

# Notes to the Financial Statements

## Continued

	2023 %	2022 %
<b>Total transaction costs expressed as a percentage of net asset value</b>		
Commissions	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 0.03% (2022: 0.03%), this is representative of the average spread on the assets held during the year.

## 11 Shares in Issue Reconciliation

	Opening shares 2022	Creations during the year	Cancellations during the year	Closing shares 2023
Retail accumulation	185,320	9,715,653	(9,689,515)	211,458
Retail income	38,064	-	(1,031)	37,033
Institutional accumulation	149,122,060	65,560,355	(28,801,144)	185,881,271
Institutional income	112,098	9,820,601	(7,826,193)	2,106,506
Institutional S accumulation	1,432	-	-	1,432
Institutional S income	1,504	-	-	1,504
Platform 1 accumulation	1,308,772	7,534,391	(6,203,601)	2,639,562
Platform 1 income	439,432	744,294	(131,093)	1,052,633
ZC accumulation	99,716	38,637	(75,721)	62,632
ZA income	7,683,073	-	(2,008,148)	5,674,925

## 12 Fair Value Hierarchy

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

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

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

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

	2023 £'000	2023 £'000	2023 £'000	2022 £'000	2022 £'000	2022 £'000
<b>Fair value of investment assets</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Equities	211,896	-	-	167,621	-	-
Collective Investment Schemes	-	5,989	-	-	2,449	-
<b>Total investment assets</b>	<b>211,896</b>	<b>5,989</b>	<b>-</b>	<b>167,621</b>	<b>2,449</b>	<b>-</b>

# Notes to the Financial Statements

## Continued

### 13 Risk Management Policies and Disclosures

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

#### Foreign currency risk

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

Currency	Net foreign currency exposure	Net foreign currency exposure
	2023 £'000	2022 £'000
Canadian Dollar	5,066	2,802
US Dollar	207,156	165,165
<b>Total</b>	<b>212,222</b>	<b>167,967</b>

At 28 February 2023, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £10,611,000 (2022: £8,398,000).

#### 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 28 February 2023, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £10,894,000 (2022: £8,504,000).

#### Financial derivatives instrument risk

The fund had no exposure to derivatives as at 28 February 2023 (2022: £Nil).

#### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2023 £180,000 (2022: £335,000).

# Distribution Tables

For the year ended 28 February 2023 (in pence per share)

## First interim dividend distribution

Group 1 – shares purchased prior to 1 March 2022

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

	Revenue	Equalisation	Distribution paid 29/07/22	Distribution paid 30/07/21
<b>Retail accumulation</b>				
Group 1	0.1683	-	0.1683	0.1353
Group 2	0.1322	0.0361	0.1683	0.1353
<b>Retail income</b>				
Group 1	0.4715	-	0.4715	0.3987
Group 2	0.4715	-	0.4715	0.3987
<b>Institutional accumulation</b>				
Group 1	0.3039	-	0.3039	0.2482
Group 2	0.1840	0.1199	0.3039	0.2482
<b>Institutional income</b>				
Group 1	0.4829	-	0.4829	0.4078
Group 2	0.1452	0.3377	0.4829	0.4078
<b>Institutional S accumulation</b>				
Group 1	0.3365	-	0.3365	0.2786
Group 2	0.3365	-	0.3365	0.2786
<b>Institutional S income</b>				
Group 1	0.4427	-	0.4427	0.3815
Group 2	0.4427	-	0.4427	0.3815
<b>Platform 1 accumulation</b>				
Group 1	0.2895	-	0.2895	0.2357
Group 2	0.1806	0.1089	0.2895	0.2357
<b>Platform 1 income</b>				
Group 1	0.4825	-	0.4825	0.4075
Group 2	0.3261	0.1564	0.4825	0.4075
<b>ZC accumulation</b>				
Group 1	0.5379	-	0.5379	0.4431
Group 2	0.0866	0.4513	0.5379	0.4431
<b>ZA income</b>				
Group 1	0.3884	-	0.3884	0.3246
Group 2	0.3884	-	0.3884	0.3246

# Distribution Tables

For the year ended 28 February 2023 (in pence per share) continued

## Second interim dividend distribution

Group 1 – shares purchased prior to 1 June 2022

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

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
<b>Retail accumulation</b>				
Group 1	0.0123	-	0.0123	0.0533
Group 2	0.0123	-	0.0123	0.0533
<b>Retail income</b>				
Group 1	0.4632	-	0.4632	0.3611
Group 2	0.4632	-	0.4632	0.3611
<b>Institutional accumulation</b>				
Group 1	0.2951	-	0.2951	0.1968
Group 2	0.2201	0.0750	0.2951	0.1968
<b>Institutional income</b>				
Group 1	-	-	-	0.3733
Group 2	-	-	-	0.3733
<b>Institutional S accumulation</b>				
Group 1	0.2918	-	0.2918	0.2367
Group 2	0.2918	-	0.2918	0.2367
<b>Institutional S income</b>				
Group 1	0.4334	-	0.4334	0.3443
Group 2	0.4334	-	0.4334	0.3443
<b>Platform 1 accumulation</b>				
Group 1	0.2821	-	0.2821	0.1831
Group 2	0.1669	0.1152	0.2821	0.1831
<b>Platform 1 income</b>				
Group 1	0.4744	-	0.4744	0.3691
Group 2	0.2097	0.2647	0.4744	0.3691
<b>ZC accumulation</b>				
Group 1	0.5308	-	0.5308	0.4009
Group 2	0.4445	0.0863	0.5308	0.4009
<b>ZA income</b>				
Group 1	0.3802	-	0.3802	0.2953
Group 2	0.3802	-	0.3802	0.2953

# Distribution Tables

For the year ended 28 February 2023 (in pence per share) continued

## Third interim dividend distribution

Group 1 – shares purchased prior to 1 September 2022

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

	Revenue	Equalisation	Distribution paid 31/01/23	Distribution paid 31/01/22
<b>Retail accumulation</b>				
Group 1	-	-	-	0.0197
Group 2	-	-	-	0.0197
<b>Retail income</b>				
Group 1	0.4950	-	0.4950	0.4218
Group 2	0.4950	-	0.4950	0.4218
<b>Institutional accumulation</b>				
Group 1	0.3364	-	0.3364	0.2511
Group 2	0.1719	0.1645	0.3364	0.2511
<b>Institutional income</b>				
Group 1	0.3929	-	0.3929	0.3215
Group 2	0.3901	0.0028	0.3929	0.3215
<b>Institutional S accumulation</b>				
Group 1	0.3442	-	0.3442	0.2835
Group 2	0.3442	-	0.3442	0.2835
<b>Institutional S income</b>				
Group 1	0.4480	-	0.4480	0.3948
Group 2	0.4480	-	0.4480	0.3948
<b>Platform 1 accumulation</b>				
Group 1	0.3234	-	0.3234	0.2371
Group 2	0.2011	0.1223	0.3234	0.2371
<b>Platform 1 income</b>				
Group 1	0.5080	-	0.5080	0.4239
Group 2	0.2272	0.2808	0.5080	0.4239
<b>ZC accumulation</b>				
Group 1	0.5775	-	0.5775	0.4667
Group 2	0.2950	0.2825	0.5775	0.4667
<b>ZA income</b>				
Group 1	0.4100	-	0.4100	0.3393
Group 2	0.4100	-	0.4100	0.3393

# Distribution Tables

For the year ended 28 February 2023 (in pence per share) continued

## Final dividend distribution

Group 1 – shares purchased prior to 1 December 2022

Group 2 – shares purchased between 1 December 2022 and 28 February 2023

	Revenue	Equalisation	Distribution paid 28/04/23	Distribution paid 29/04/22
<b>Retail accumulation</b>				
Group 1	0.1043	-	0.1043	-
Group 2	0.1041	0.0002	0.1043	-
<b>Retail income</b>				
Group 1	0.4198	-	0.4198	0.3784
Group 2	0.4198	-	0.4198	0.3784
<b>Institutional accumulation</b>				
Group 1	0.2590	-	0.2590	0.2018
Group 2	0.1487	0.1103	0.2590	0.2018
<b>Institutional income</b>				
Group 1	0.4314	-	0.4314	0.3871
Group 2	0.1505	0.2809	0.4314	0.3871
<b>Institutional S accumulation</b>				
Group 1	0.2842	-	0.2842	0.2388
Group 2	0.2842	-	0.2842	0.2388
<b>Institutional S income</b>				
Group 1	0.3855	-	0.3855	0.3556
Group 2	0.3855	-	0.3855	0.3556
<b>Platform 1 accumulation</b>				
Group 1	0.2384	-	0.2384	0.1948
Group 2	0.1131	0.1253	0.2384	0.1948
<b>Platform 1 income</b>				
Group 1	0.4459	-	0.4459	0.3886
Group 2	0.3010	0.1449	0.4459	0.3886
<b>ZC accumulation</b>				
Group 1	0.4856	-	0.4856	0.4247
Group 2	0.1546	0.3310	0.4856	0.4247
<b>ZA income</b>				
Group 1	0.3481	-	0.3481	0.3110
Group 2	0.3481	-	0.3481	0.3110

## 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 Unconstrained Equity Fund

For the year ended 28 February 2023

## Investment Objective

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

Performance Target: To achieve the return of the S&P 500 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.

Performance comparator: IA North America Equity Sector Average.

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

## Investment Policy

### Portfolio Securities:

- The fund will invest at least 70% in equities and equity related securities of companies 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 in companies listed, incorporated, or domiciled in Canada or Latin America.
- The fund may also invest in other funds (including those managed by abrdrn) and money-market instruments, and cash.

### Management Process:

- The management team use their discretion (active management), to 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 identifying companies where the management team have a different view of a company's prospects than that of the market, and which align with their views regarding future economic and business conditions.
- 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 10%. 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.

### 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

Over the period under review, the fund returned -1.39%. (Source: FactSet, Platform 1 Accumulation Shares, net of fees). This compared with a return of 5.58% for our performance target (Source: FactSet, S&P 500 Index + 3%).

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

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

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

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

Stock selection has been negative within the fund over the review period. As an unconstrained fund, this portfolio seeks concentration within the US Equity Team's best ideas, with limited consideration to the benchmark. The Conviction List (CL) represents the top ideas from the US team, 20 in large-cap and 20 in small- and mid-cap stocks. The majority of the fund is allocated towards holdings on the large cap CL, accounting for over 60% of the capital during this review period. The performance of the CL positions in the fund was solid for much of the year, but they were hit particularly hard in January as markets

# arbdn American Unconstrained Equity Fund

## Continued

staged a brief rally which saw a reversal of performance from prior months. The CL offers diversity in styles, but it was adjusted to a more defensive leaning in anticipation of continued challenging macroeconomic conditions. As a result, its strong performance in November and December was reversed in January.

When assessed relative to the S&P 500 Index, industrials was the weakest sector, with the most meaningful detractors coming from the capital goods industry. Stanley Black and Decker was the primary driver of underperformance for capital goods, as consumer demand for home and garden equipment disappointed, coming down off pandemic level highs. The weakest stock was Alphabet, which had been hit repeatedly on concerns about ad spend for search and YouTube with the increasingly challenged macroeconomic environment. Meanwhile, Amazon weighed on performance as costs were being right sized in response to expected lower demand, with concerns that AWS results would suffer. Our off-benchmark exposure to Marvell Technology also hurt performance as customers scaled back orders to lower inventories from the high levels during the tight supply-chain environment. Banks also struggled over the period, including Bank of America and SVB Financial Group (parent of Silicon Valley Bank), as pressures on net interest margins and expected loan growth impacted performance.

Financial services was the strongest performing industry, with LPL Financial and Goldman Sachs contributing meaningfully. LPL Financial was a strong performer due to robust earnings and a strong balance sheet, which was more resistant to rising interest rates than initially feared. Goldman Sachs also aided returns because of its strong investment banking pipeline, effective execution of its strategy and an improving capital position. The company increased its dividend by 60% on the back of the stress test results announced in June. Healthcare was also a strong contributor. The fund's off-benchmark positioning in Horizon Therapeutics added to returns following its announced acquisition by Amgen. Our exposure to AbbVie was also positive as confidence increased that the Humira biosimilar earnings hit would be better than feared and growth should resume afterward. Lastly, O'Reilly Automotive and TJX were big contributors as both offered stronger performance due to expected performance in tougher macroeconomic conditions within the consumer discretionary space.

## Portfolio Activity and Review

Over the period, we took profits in AbbVie and reduced the position while we initiated a new position in Merck. The stock appeared to price in concerns around Keytruda patent loss in 2028 while not giving credit to new growth drivers that would emerge in 2023 and beyond. Similarly, we bought Home Depot and exited Lowes. We believed that Home Depot's impending conclusion of its three-year investment cycle indicated improving growth and higher return on assets supported by share gains, while Lowes' less sophisticated approach and reduced exposure to professionals and contractors was seen as less resilient in the cycle. Elsewhere, we initiated TJX early in the year on expectations for stronger performance with above-industry comps and an eye towards strength in value-based retail. LPL Financial was also added after it was added to the small and mid-cap CL on increased demand for advice, growth in independent advisors, and increased penetration of third party channels. We bought Royalty Pharma on the belief that its ability to compound earnings over time with savvy purchasing of pharmaceutical royalty rights was highly sustainable. Meanwhile, we sold Meta Platforms as expected changes in ad spending reduced our confidence in the story. We exited S&P Global, despite only initiating the stock earlier in the year, since conviction was reduced as recovery in bond issuance remained cloudy in the rising rate environment. We also sold JB Hunt as we believe the improvements in intermodal were priced in, while risks were rising for weakness in pricing and volumes. Lastly, we offloaded Huntington Bancshares, as conviction in the stock's ability to re-rate fell as it continued to offer mixed results.

## Portfolio Outlook and Strategy

In February 2023, the US Federal Reserve (Fed) accompanied its rate hike with a slightly less hawkish message around future policy, a near-term positive for equity markets. Indeed, a majority of policymakers are forecasting an easing in the pace of future rate hikes as inflation is brought back under control. However, the Federal Open Market Committee has continued to push its clear intention to tame inflation, so rates will continue to rise, just less aggressively. The continued strength of job gains suggests that wage growth will continue to run at rates in excess of those consistent with the Fed's inflation target. The strength of wage growth has clearly contributed to surging services inflation, alongside very aggressive increases in rent measures and rebounding services demand as Covid-19 headwinds fade. The upshot is our arbdn Research Institute now expects further tightening over the coming months as policy remains restrictive, adding to our conviction that the economy will enter a downturn in the middle of this year.

# abrdn American Unconstrained Equity Fund

## Continued

Sentiment in the market has fluctuated as uncertainty on Fed actions and the corresponding macroeconomic data around inflation and employment has caused swings in the market. Equity levels remain lower than they were a year ago, and the recent disruption to financial markets that have occurred in March 2023 highlight the skittishness in the economy. The economic outlook remains challenging, with expectations for softer earnings in the first half of the year. However, consensus expectations for 2023 support low-to-single digit earnings growth for US equities as expectations currently presume strength in the second half as the pace of the Fed's rate hikes slows. While the Fed had been trying to balance its efforts to limit inflation without a massive or sustained reversal in economic growth, the recent challenges seen to banks in the US and abroad complicate the Fed's path going forward. US equity levels appear to have priced in a strong probability of slowing economic growth and perhaps a very modest recession, but we remain watchful for significant deviations from this. Since markets typically bottom several months in advance of trough macroeconomic conditions, any future significant move down in the S&P 500 will be assessed for the opportunity to position the fund more aggressively.

### North American Equity Team

March 2023

# abrdn American Unconstrained Equity Fund

## Continued

### Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the fund. The table below shows the fund's ranking on the Risk and Reward Indicator. The risk and reward indicator changed from 5 to 6 on 31 December 2022.

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

Risk and reward indicator table as at 28 February 2023.

- 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

<b>Retail accumulation</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	212.03	183.99	160.56
Return before operating charges*	(0.79)	30.92	25.80
Operating charges	(2.85)	(2.88)	(2.37)
Return after operating charges*	(3.64)	28.04	23.43
Closing net asset value per share	208.39	212.03	183.99
* after direct transaction costs of:	0.13	0.12	0.13
<b>Performance</b>			
Return after charges	(1.72%)	15.24%	14.59%
<b>Other information</b>			
Closing net asset value (£'000)	33,256	34,065	28,446
Closing number of shares	15,958,638	16,065,638	15,460,886
Operating charges	1.34%	1.34%	1.35%
Direct transaction costs	0.06%	0.05%	0.07%
<b>Prices</b>			
Highest share price	231.1	236.4	192.1
Lowest share price	191.3	184.6	135.7

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.  
The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.  
Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.  
Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2023	2022	2021
Retail income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	104.96	91.07	79.48
Return before operating charges*	(0.39)	15.31	12.76
Operating charges	(1.41)	(1.42)	(1.17)
Return after operating charges*	(1.80)	13.89	11.59
Distributions	-	-	-
Closing net asset value per share	103.16	104.96	91.07
* after direct transaction costs of:	0.06	0.06	0.06
<b>Performance</b>			
Return after charges	(1.71%)	15.25%	14.58%
<b>Other information</b>			
Closing net asset value (£'000)	955	1,056	963
Closing number of shares	926,039	1,005,942	1,057,283
Operating charges	1.34%	1.34%	1.35%
Direct transaction costs	0.06%	0.05%	0.07%
<b>Prices</b>			
Highest share price	114.4	117.0	95.08
Lowest share price	94.69	91.37	67.17

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price. The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class. Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2023	2022	2021
Institutional accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	252.85	218.37	189.67
Return before operating charges*	(0.96)	36.70	30.53
Operating charges	(2.22)	(2.22)	(1.83)
Return after operating charges*	(3.18)	34.48	28.70
Distributions	(0.62)	(0.09)	(0.77)
Retained distributions on accumulation shares	0.62	0.09	0.77
Closing net asset value per share	249.67	252.85	218.37
* after direct transaction costs of:	0.15	0.14	0.15
<b>Performance</b>			
Return after charges	(1.26%)	15.79%	15.13%
<b>Other information</b>			
Closing net asset value (£'000)	5,159	5,709	6,511
Closing number of shares	2,066,217	2,258,015	2,981,469
Operating charges	0.87%	0.87%	0.88%
Direct transaction costs	0.06%	0.05%	0.07%
<b>Prices</b>			
Highest share price	276.1	281.6	227.8
Lowest share price	228.4	219.1	160.3

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

Institutional S accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	101.88	87.84	76.16
Return before operating charges*	(0.34)	14.86	12.36
Operating charges	(0.82)	(0.82)	(0.68)
Return after operating charges*	(1.16)	14.04	11.68
Distributions	(0.37)	(0.18)	(0.44)
Retained distributions on accumulation shares	0.37	0.18	0.44
Closing net asset value per share	100.72	101.88	87.84
* after direct transaction costs of:	0.06	0.06	0.06
<b>Performance</b>			
Return after charges	(1.14%)	15.98%	15.34%
<b>Other information</b>			
Closing net asset value (£'000)	1	1	1
Closing number of shares	1,340	1,340	1,340
Operating charges	0.80%	0.80%	0.81%
Direct transaction costs	0.06%	0.05%	0.07%
<b>Prices</b>			
Highest share price	111.3	113.4	91.62
Lowest share price	92.08	88.13	64.38

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

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

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

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

# Comparative Tables

## Continued

<b>Platform 1 accumulation</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	186.53	161.17	140.06
Return before operating charges*	(0.70)	27.08	22.54
Operating charges	(1.73)	(1.72)	(1.43)
Return after operating charges*	(2.43)	25.36	21.11
Distributions	(0.37)	-	(0.49)
Retained distributions on accumulation shares	0.37	-	0.49
Closing net asset value per share	184.10	186.53	161.17
* after direct transaction costs of:	0.11	0.10	0.11
<b>Performance</b>			
Return after charges	(1.30%)	15.73%	15.07%
<b>Other information</b>			
Closing net asset value (£'000)	12,194	12,755	20,052
Closing number of shares	6,623,701	6,838,283	12,441,600
Operating charges	0.92%	0.92%	0.93%
Direct transaction costs	0.06%	0.05%	0.07%
<b>Prices</b>			
Highest share price	203.7	207.8	168.2
Lowest share price	168.5	161.7	118.4

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

ZC accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	229.86	197.04	169.87
Return before operating charges*	(0.89)	33.10	27.42
Operating charges	(0.29)	(0.28)	(0.25)
Return after operating charges*	(1.18)	32.82	27.17
Distributions	(2.30)	(1.81)	(2.09)
Retained distributions on accumulation shares	2.30	1.81	2.09
Closing net asset value per share	228.68	229.86	197.04
* after direct transaction costs of:	0.14	0.12	0.14
<b>Performance</b>			
Return after charges	(0.51%)	16.66%	15.99%
<b>Other information</b>			
Closing net asset value (£'000)	1,296	1,518	1,336
Closing number of shares	566,534	660,541	678,157
Operating charges	0.12%	0.12%	0.13%
Direct transaction costs	0.06%	0.05%	0.07%
<b>Prices</b>			
Highest share price	251.9	255.6	205.4
Lowest share price	208.1	197.7	143.7

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

	2021 pence per share
<b>Standard Life Income<sup>A</sup></b>	
<b>Change in net assets per share</b>	
Opening net asset value per share	166.08
Return before operating charges*	(13.57)
Operating charges	-
Return after operating charges*	(13.57)
Distributions	-
Redemption value as at 27 March 2020	(152.51)
Closing net asset value per share	-
* after direct transaction costs of:	0.01
<b>Performance</b>	
Return after charges	(8.17%)
<b>Other information</b>	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	0.05%
Direct transaction costs	0.07%
<b>Prices</b>	
Highest share price	172.7
Lowest share price	140.4

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

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

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

<sup>A</sup> The Standard Life income share class closed on 27 March 2020.

# Portfolio Statement

As at 28 February 2023

Holding	Investment	Market value £'000	Percentage of total net assets
<b>North American Equities (98.51%)</b>		<b>51,428</b>	<b>97.29</b>
<b>Communication Services (10.71%)</b>		<b>1,822</b>	<b>3.45</b>
24,428	Alphabet 'C'	1,822	3.45
<b>Consumer Discretionary (14.97%)</b>		<b>6,498</b>	<b>12.29</b>
27,784	Amazon.com	2,162	4.09
5,338	Home Depot	1,306	2.47
1,982	O'Reilly Automotive	1,359	2.57
26,421	TJX	1,671	3.16
<b>Consumer Staples (0.00%)</b>		<b>2,308</b>	<b>4.37</b>
13,284	BJ's Wholesale Club	788	1.49
30,937	Coca-Cola	1,520	2.88
<b>Energy (2.88%)</b>		<b>1,731</b>	<b>3.27</b>
68,494	Baker Hughes	1,731	3.27
<b>Financials (12.31%)</b>		<b>8,819</b>	<b>16.69</b>
45,783	Bank of America	1,296	2.45
21,296	Charles Schwab	1,369	2.59
5,245	Goldman Sachs	1,523	2.88
7,259	LPL Financial	1,495	2.83
17,925	MetLife	1,062	2.01
4,683	SVB Financial	1,114	2.11
4,961	Willis Towers Watson	960	1.82
<b>Health Care (13.77%)</b>		<b>9,977</b>	<b>18.87</b>
9,845	AbbVie	1,251	2.37
46,212	Boston Scientific	1,783	3.37

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
13,282	CVS Health	916	1.73
5,066	Danaher	1,035	1.96
7,020	Horizon Therapeutics	635	1.20
20,870	Merck	1,831	3.46
29,997	Royalty Pharma 'A'	888	1.68
4,169	UnitedHealth	1,638	3.10
<b>Industrials (12.71%)</b>		<b>3,147</b>	<b>5.95</b>
9,464	Canadian National Railway	890	1.68
19,235	Emerson Electric	1,314	2.49
8,529	Waste Connections	943	1.78
<b>Information Technology (27.81%)</b>		<b>14,125</b>	<b>26.73</b>
4,650	Accenture 'A'	1,018	1.93
8,584	Analog Devices	1,300	2.46
18,572	Apple	2,261	4.28
12,934	Fiserv	1,229	2.33
26,717	Marvell Technology	995	1.88
7,015	Mastercard 'A'	2,056	3.89
19,438	Microsoft	4,004	7.57
7,366	Nice ADR	1,262	2.39
<b>Materials (1.63%)</b>		<b>2,106</b>	<b>3.98</b>
5,069	Air Products and Chemicals	1,197	2.26
12,730	Crown	909	1.72
<b>Real Estate (1.72%)</b>		<b>895</b>	<b>1.69</b>
5,477	American Tower REIT	895	1.69

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Collective Investment Schemes (0.59%)</b>		<b>1,045</b>	<b>1.98</b>
1,265	Aberdeen Standard Liquidity Fund (Lux) - US Dollar Fund Z1 Inc+	1,045	1.98
Total investment assets		52,473	99.27
Net other assets		388	0.73
<b>Total Net Assets</b>		<b>52,861</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities, or are regulated collective investment schemes within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 28 February 2022.

+ Managed by subsidiaries of abrdn plc.

# Financial Statements

## Statement of Total Return

For the year ended 28 February 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital (losses)/gains	1		(178)		8,504
Revenue	2	732		600	
Expenses	3	(663)		(655)	
Interest payable and similar charges		(3)		(1)	
Net revenue/(expense) before taxation		66		(56)	
Taxation	4	(100)		(87)	
Net expense after taxation			(34)		(143)
<b>Total return before distributions</b>			<b>(212)</b>		<b>8,361</b>
Distributions	5		(51)		(14)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(263)</b>		<b>8,347</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2023

	2023		2022	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>55,104</b>		<b>57,309</b>
Amounts receivable on the issue of shares	51,908		24,860	
Amounts payable on the cancellation of shares	(53,938)		(35,428)	
		(2,030)		(10,568)
Dilution adjustment		-		2
Change in net assets attributable to shareholders from investment activities (see above)		(263)		8,347
Retained distribution on accumulation shares		50		14
<b>Closing net assets attributable to shareholders</b>		<b>52,861</b>		<b>55,104</b>

# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			52,473		54,609
<b>Current assets:</b>					
Debtors	6	509		34	
Cash and bank balances	7	47		562	
			556		596
<b>Total assets</b>			<b>53,029</b>		<b>55,205</b>
<b>Liabilities:</b>					
Creditors	8	(168)		(101)	
			(168)		(101)
<b>Total liabilities</b>			<b>(168)</b>		<b>(101)</b>
<b>Net assets attributable to shareholders</b>			<b>52,861</b>		<b>55,104</b>

# Notes to the Financial Statements

## 1 Net Capital (Losses)/Gains

	2023 £'000	2022 £'000
Non-derivative securities	(270)	8,534
Other gains/(losses)	110	(13)
Transaction charges	(18)	(17)
<b>Net capital (losses)/gains</b>	<b>(178)</b>	<b>8,504</b>

## 2 Revenue

	2023 £'000	2022 £'000
Bank and margin interest	35	2
Overseas dividends	673	576
Overseas REIT	24	22
<b>Total revenue</b>	<b>732</b>	<b>600</b>

## 3 Expenses

	2023 £'000	2022 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	639	621
Dealing charge	6	8
General administration charge*	16	8
Registration fees**	-	10
	<b>661</b>	<b>647</b>
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Depositary's fees**	-	1
Safe custody fees	2	2
	<b>2</b>	<b>3</b>
<b>Other:</b>		
Audit fee**	-	5
	-	5
<b>Total expenses</b>	<b>663</b>	<b>655</b>

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

\* The fixed general administration charge was introduced from 1 September 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 £10,200 (2022: £9,480).

\*\* These figures represent the charges to 31 August 2021, which have now been replaced by the fixed general administration charge.

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2023 £'000	2022 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	100	87
<b>Total taxation (note 4b)</b>	<b>100</b>	<b>87</b>

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

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

<b>Net revenue/(expense) before taxation</b>	<b>66</b>	<b>(56)</b>
Corporation tax at 20% (2022: 20%)	13	(11)
Effects of:		
Revenue not subject to taxation	(134)	(115)
Overseas taxes	100	87
Overseas tax expensed	(1)	(1)
Excess allowable expenses	122	127
<b>Total tax charge for year (note 4a)</b>	<b>100</b>	<b>87</b>

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

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

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £2,263,000 (2022: £2,141,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

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

	2023 £'000	2022 £'000
Distribution	50	14
Add: Income deducted on cancellation of shares	7	1
Deduct: Income received on issue of shares	(6)	(1)
<b>Total distributions for the year</b>	<b>51</b>	<b>14</b>

#### Movement between net expense and distributions

Net expense after taxation	(34)	(143)
Shortfall transfer from capital to revenue	85	157
<b>Total distributions for the year</b>	<b>51</b>	<b>14</b>

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

# Notes to the Financial Statements

## Continued

### 6 Debtors

	2023 £'000	2022 £'000
Accrued revenue	44	30
Amounts receivable from the ACD for the issue of shares	1	4
Overseas withholding tax recoverable	1	-
Sales awaiting settlement	463	-
<b>Total debtors</b>	<b>509</b>	<b>34</b>

### 7 Liquidity

	2023 £'000	2022 £'000
<b>Cash and bank balances</b>		
Cash at bank	47	562
	<b>47</b>	<b>562</b>
Aberdeen Standard Liquidity Fund (Lux) - US Dollar Fund Z1 Inc*	1,045	325
<b>Net liquidity</b>	<b>1,092</b>	<b>887</b>

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

### 8 Creditors

	2023 £'000	2022 £'000
Accrued expenses payable to ACD	47	48
Accrued expenses payable to the Depositary or associates of the Depositary	5	2
Amounts payable to the ACD for cancellation of shares	111	46
Other accrued expenses	5	5
<b>Total creditors</b>	<b>168</b>	<b>101</b>

### 9 Related Party Transactions

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

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

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

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

# Notes to the Financial Statements

## Continued

### 10 Portfolio Transaction Costs

	Purchases		Sales	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Trades in the year</b>				
Equities	51,438	35,163	54,021	45,240
<b>Trades in the year before transaction costs</b>	<b>51,438</b>	<b>35,163</b>	<b>54,021</b>	<b>45,240</b>
<b>Commissions</b>				
Equities	17	14	(17)	(17)
<b>Total commissions</b>	<b>17</b>	<b>14</b>	<b>(17)</b>	<b>(17)</b>
<b>Taxes</b>				
Equities	-	-	(1)	-
<b>Total taxes</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>-</b>
<b>Total transaction costs</b>	<b>17</b>	<b>14</b>	<b>(18)</b>	<b>(17)</b>
<b>Total net trades in the year after transaction costs</b>	<b>51,455</b>	<b>35,177</b>	<b>54,003</b>	<b>45,223</b>
	Purchases		Sales	
	2023 %	2022 %	2023 %	2022 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.03	0.04	0.03	0.04
			<b>2023 %</b>	<b>2022 %</b>
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Commissions			0.06	0.05

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.02% (2022: 0.04%), this is representative of the average spread on the assets held during the year.

### 11 Shares in Issue Reconciliation

	Opening shares 2022	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2023
Retail accumulation	16,065,638	21,444,338	(21,146,628)	(404,710)	15,958,638
Retail income	1,005,942	71,846	(151,749)	-	926,039
Institutional accumulation	2,258,015	89,801	(310,395)	28,796	2,066,217

# Notes to the Financial Statements

## Continued

	Opening shares 2022	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2023
Institutional S accumulation	1,340	-	-	-	1,340
Platform 1 accumulation	6,838,283	3,477,464	(4,111,426)	419,380	6,623,701
ZC accumulation	660,541	18,527	(112,534)	-	566,534

## 12 Fair Value Hierarchy

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

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

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

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

	2023 £'000	2023 £'000	2023 £'000	2022 £'000	2022 £'000	2022 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	51,428	-	-	54,284	-	-
Collective Investment Schemes	-	1,045	-	-	325	-
<b>Total investment assets</b>	<b>51,428</b>	<b>1,045</b>	<b>-</b>	<b>54,284</b>	<b>325</b>	<b>-</b>

## 13 Risk Management Policies and Disclosures

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

### Foreign currency risk

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

Currency	Net foreign currency exposure 2023 £'000	Net foreign currency exposure 2022 £'000
Euro	4	3
US Dollar	53,023	54,677
<b>Total</b>	<b>53,027</b>	<b>54,680</b>

At 28 February 2023, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £2,651,000 (2022: £2,734,000).

### Interest rate risk

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

# Notes to the Financial Statements

## Continued

### **Other price risk**

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

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

As at 28 February 2023, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £2,624,000 (2022: £2,730,000).

### **Financial derivatives instrument risk**

The fund had no exposure to derivatives as at 28 February 2023 (2022: £Nil).

### **Liquidity risk**

All of the fund's financial liabilities are payable on demand or in less than one year, 2023 £168,000 (2022: £101,000).

# Distribution Table

For the year ended 28 February 2023 (in pence per share)

## Final dividend distribution

Group 1 – shares purchased prior to 1 March 2022

Group 2 – shares purchased between 1 March 2022 and 28 February 2023

	Revenue	Equalisation	Distribution paid 28/04/23	Distribution paid 29/04/22
<b>Retail accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Retail income</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Institutional accumulation</b>				
Group 1	0.6237	-	0.6237	0.0854
Group 2	0.3487	0.2750	0.6237	0.0854
<b>Institutional S accumulation</b>				
Group 1	0.3656	-	0.3656	0.1805
Group 2	0.3656	-	0.3656	0.1805
<b>Platform 1 accumulation</b>				
Group 1	0.3669	-	0.3669	-
Group 2	0.2593	0.1076	0.3669	-
<b>ZC accumulation</b>				
Group 1	2.3044	-	2.3044	1.8108
Group 2	1.4290	0.8754	2.3044	1.8108

## 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 Asian Pacific Growth Equity Fund

For the year ended 28 February 2023

## Investment Objective

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

Performance Target: To achieve the return of the MSCI AC Asia Pacific ex Japan Index +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.

Performance Comparator: IA Asia Pacific ex Japan Equity Sector Average.

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

## Investment Policy

### Portfolio Securities

- The fund will invest at least 70% in equities and equity related securities of companies listed, incorporated or domiciled in Asian countries, including Australasia, or companies that derive a significant proportion of their revenues or profits from Asian, including Australasia, operations or have a significant proportion of their assets there.
- 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 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 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%. 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.

## 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

Over the period under review, the fund returned -3.85% (Source: FactSet, Platform 1 Accumulation, net of fees). This compared to a return of 1.05% for our performance target (Source: FactSet, MSCI AC Asia Pacific ex Japan Index).

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

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

The fund underperformed its benchmark, driven primarily by weak stock selection in China. Yunnan Energy New Material, which makes lithium-ion battery separators for electric vehicles, was a key laggard. Its shares fell sharply after a probe into the company's chairman and vice chairman. We sought the views of industry analysts and experts, and then decided the best route was to sit on the side-lines for now. Internet giant Tencent also detracted due to concerns about increased regulation of the Chinese internet sector, with the company also reporting weak results. The lack of exposure to the strongly performing e-commerce group Pinduoduo also weighed on returns. Elsewhere, in the semiconductor industry, Taiwan Semiconductor Manufacturing Company and

# abrdrn Asian Pacific Growth Equity Fund

## Continued

Samsung Electronics felt the impact of concerns over a drop in demand for consumer electronics due to the worsening macroeconomic outlook.

The losses were mitigated by our financial holdings. Bank Central Asia, DBS Group and Oversea-Chinese Banking Corporation boosted returns, as rising interest rates would expand their net interest margins. Insurance giant AIA Group was lifted by the reopening of China, which is its key growth market. One of India's leading housing finance companies, Housing Development Finance Corporation (HDFC), was also among the best performers. HDFC did well on an improving credit cycle outlook, as the home loan segment remained strong with signs of improving asset quality. Our off-benchmark holding in Australian mining group OZ Minerals made a positive contribution. This was thanks to a A\$9.6 billion takeover bid by BHP and the go-ahead for a large copper and nickel project in Western Australia. South Korea's LG Chem rose on expectations that China's reopening will be boost demand in its core petrochemicals business. Its electric vehicle battery business also saw good momentum.

### Market Review

Stock markets in the Asia Pacific (excluding Japan) region fell over the 12-month period in local-currency terms, albeit the falls were more modest in sterling terms due to a weaker pound. During the period, higher commodity prices and uncertainty caused by Russia's invasion of Ukraine added to the growing global problem of inflation. This, in turn, raised fears that interest rate increases to stem rising price pressures may tip the world economy into a recession.

There was also a significant rotation from growth to value that resulted in the technology sector being among the worst regional performers. The technology-heavy markets of South Korea and Taiwan suffered from concerns over the weakening outlook, in particular for the semiconductor and technology hardware sectors.

Chinese stock markets also suffered major losses as the Chinese economy stumbled in 2022, due to the strict 'zero-Covid' policy. Investors also fretted over pressures in the ailing property sector. In addition, there were concerns following the 20th Communist Party Congress that President Xi Jinping could place a greater emphasis on ideology in managing the economy. Towards the end of the review period, however, mainland markets received

some respite after the government effectively dropped the 'zero-Covid' policy in a major policy shift towards a reopening.

On the other hand, commodity price strength supported the commodity-heavy markets of Australia and Indonesia. Expectations that China's reopening would boost demand for everything from consumer electronics to travel and commodities also lifted stocks in Thailand, given the potential boost from a return of Chinese tourists.

### Portfolio Activity and Review

In key portfolio trades, we added to areas where we saw greater earnings or growth visibility and resilience, where quality still held, and where there was policy support. Against this, we reduced exposure or exited holdings where we saw waning prospects and hence a greater vulnerability in the current challenging environment.

Within this content, we introduced some new stocks to the portfolio. These included Telkom Indonesia, the dominant telecommunications operator in Indonesia with a market share exceeding 50%. In India, we initiated positions in Power Grid Corporation of India and Infosys. Power Grid plans and manages India's national grid network, and transmits about half of the electricity that is used domestically. Infosys, one of India's best software developers with strong management, has a solid balance sheet and sustainable business model. In China, we invested in Zhongsheng Group, the leading automotive dealer in China with a strong portfolio of premium car brands, and Aier Eye Hospital, which is the largest domestic private eyecare hospital chain. Meanwhile, the offer of an attractive discount led us to participate in the Hong Kong IPO of China Tourism Group Duty Free, which we already hold.

In contrast, we also sold a number of holdings, including Yunnan Energy as mentioned previously. Other divestments in China included Hangzhou Tigermed, NetEase, Shenzhen Inovance, Shenzhou International and Wanhua Chemical. In Australia, we sold Aristocrat Leisure, Fisher & Paykel Healthcare, Hub24, Nanosonics and Xero. Elsewhere, we divested Sea due to the increasing risk of a recession, along with Tata Consultancy Services in India.

# abrdn Asian Pacific Growth Equity Fund

## Continued

### Portfolio Outlook and Strategy

Recent financial turmoil in Europe and the US has caused volatility through global financial markets, owing to fears over contagion risks to the global banking sector. There is also uncertainty over whether central banks will shift their focus from combating inflation to ensuring financial stability. The US Federal Reserve has been tightening monetary policy in order to slow economic growth that will ease stubborn inflationary pressures, but not to the extent of triggering a deep recession. At the time of writing, the Fed has raised interest rates by 25 basis points as expected.

The current developments have the potential to lead to tighter financial conditions and hurt economic growth, as well as accelerate a looming recession in the US. This will have consequences for the recovery across Asia. While China is an important trade and export partner for other Asian countries and its re-opening will bolster its neighbours through a rebound in demand for exports, services, trade and tourism, it is worth noting that the US and Eurozone also remain key markets, especially for ASEAN.

However, we continue to believe that Asia will prove more resilient economically and could perform relatively well if China's economy continues to recover in line with expectations. Also, Asia is in a better position than developed economies in the West. Government finances and corporate balance sheets are solid in most of Asia. More manageable price pressures have allowed central banks to normalise policy more gradually. As China opens up, the recovery in domestic consumption and industrial conditions is likely to benefit Asia, owing to a rebound in demand for exports, services and trade.

Our focus remains on quality companies with sustainable business models, robust finances and access to structural growth drivers across Asia. We continue to favour fundamental themes like consumption, technology and green energy, which we believe will deliver positive results for shareholders over the long run.

On 12 May 2023 abrdn Asian Pacific Growth Equity Fund merged with arbdn Asia Pacific Equity Fund, a sub-fund of abrdn OEIC I.

### Asia Pacific Equity Team

March 2023

# abrdrn Asian Pacific Growth 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 28 February 2023.

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

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

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

# Comparative Tables

	2023	2022	2021
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	424.27	466.86	355.22
Return before operating charges*	(12.97)	(35.91)	117.35
Operating charges	(5.79)	(6.68)	(5.71)
Return after operating charges*	(18.76)	(42.59)	111.64
Distributions	(2.59)	(0.94)	(2.94)
Retained distributions on accumulation shares	2.59	0.94	2.94
Closing net asset value per share	405.51	424.27	466.86
* after direct transaction costs of:	0.41	0.46	0.39
<b>Performance</b>			
Return after charges	(4.42%)	(9.12%)	31.43%
<b>Other information</b>			
Closing net asset value (£'000)	9,111	12,230	14,521
Closing number of shares	2,246,899	2,882,543	3,110,250
Operating charges	1.41%	1.46%	1.44%
Direct transaction costs	0.10%	0.10%	0.10%
<b>Prices</b>			
Highest share price	443.5	484.6	513.3
Lowest share price	364.0	419.6	304.2

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

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

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

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

# Comparative Tables

## Continued

	2023	2022	2021
Retail income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	96.56	106.49	81.53
Return before operating charges*	(2.95)	(8.20)	26.94
Operating charges	(1.32)	(1.52)	(1.31)
Return after operating charges*	(4.27)	(9.72)	25.63
Distributions	(0.59)	(0.21)	(0.67)
Closing net asset value per share	91.70	96.56	106.49
* after direct transaction costs of:	0.09	0.10	0.09
<b>Performance</b>			
Return after charges	(4.42%)	(9.13%)	31.44%
<b>Other information</b>			
Closing net asset value (£'000)	1,072	1,198	1,371
Closing number of shares	1,169,333	1,240,939	1,287,902
Operating charges	1.41%	1.46%	1.44%
Direct transaction costs	0.10%	0.10%	0.10%
<b>Prices</b>			
Highest share price	100.9	110.5	117.8
Lowest share price	82.83	95.70	69.82

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

	2023	2022	2021
Institutional accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	494.78	541.90	410.38
Return before operating charges*	(15.06)	(41.85)	135.99
Operating charges	(4.52)	(5.27)	(4.47)
Return after operating charges*	(19.58)	(47.12)	131.52
Distributions	(5.28)	(3.59)	(5.59)
Retained distributions on accumulation shares	5.28	3.59	5.59
Closing net asset value per share	475.20	494.78	541.90
* after direct transaction costs of:	0.48	0.53	0.46
<b>Performance</b>			
Return after charges	(3.96%)	(8.70%)	32.05%
<b>Other information</b>			
Closing net asset value (£'000)	3,469	4,279	4,590
Closing number of shares	729,932	864,934	847,024
Operating charges	0.94%	0.99%	0.97%
Direct transaction costs	0.10%	0.10%	0.10%
<b>Prices</b>			
Highest share price	519.4	562.5	595.7
Lowest share price	425.8	489.3	351.5

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

<b>Platform 1 accumulation</b>	<b>2023</b> pence per share	<b>2022</b> pence per share	<b>2021</b> pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	129.72	142.13	107.69
Return before operating charges*	(3.97)	(10.96)	35.69
Operating charges	(1.25)	(1.45)	(1.25)
Return after operating charges*	(5.22)	(12.41)	34.44
Distributions	(1.32)	(0.87)	(1.40)
Retained distributions on accumulation shares	1.32	0.87	1.40
Closing net asset value per share	124.50	129.72	142.13
* after direct transaction costs of:	0.13	0.14	0.12
<b>Performance</b>			
Return after charges	(4.02%)	(8.73%)	31.98%
<b>Other information</b>			
Closing net asset value (£'000)	9,619	12,389	13,699
Closing number of shares	7,725,445	9,550,373	9,637,698
Operating charges	0.99%	1.04%	1.02%
Direct transaction costs	0.10%	0.10%	0.10%
<b>Prices</b>			
Highest share price	136.1	147.5	156.3
Lowest share price	111.6	128.3	92.24

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

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

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

# Comparative Tables

## Continued

ZC accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	186.04	202.23	152.00
Return before operating charges*	(5.69)	(15.71)	50.61
Operating charges	(0.35)	(0.48)	(0.38)
Return after operating charges*	(6.04)	(16.19)	50.23
Distributions	(3.35)	(2.84)	(3.37)
Retained distributions on accumulation shares	3.35	2.84	3.37
Closing net asset value per share	180.00	186.04	202.23
* after direct transaction costs of:	0.18	0.20	0.17
<b>Performance</b>			
Return after charges	(3.25%)	(8.01%)	33.05%
<b>Other information</b>			
Closing net asset value (£'000)	1,220	1,102	1,127
Closing number of shares	677,587	592,312	557,506
Operating charges	0.19%	0.24%	0.22%
Direct transaction costs	0.10%	0.10%	0.10%
<b>Prices</b>			
Highest share price	196.6	209.9	222.3
Lowest share price	160.9	184.0	130.3

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 28 February 2023

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (99.57%)</b>		<b>24,489</b>	<b>99.99</b>
<b>European Equities (2.29%)</b>		<b>609</b>	<b>2.49</b>
<b>Netherlands (2.29%)</b>		<b>609</b>	<b>2.49</b>
770	ASM International	218	0.89
765	ASML	391	1.60
<b>Pacific Basin Equities (97.28%)</b>		<b>23,880</b>	<b>97.50</b>
<b>Australia (15.76%)</b>		<b>4,339</b>	<b>17.72</b>
145,000	Beach Energy	114	0.47
41,259	BHP	1,037	4.23
2,694	Cochlear	333	1.36
7,390	Commonwealth Bank of Australia	414	1.69
4,473	CSL	738	3.01
26,477	Goodman REIT	291	1.19
2,529	Macquarie	266	1.09
22,700	National Australia Bank	378	1.55
16,476	OZ Minerals	257	1.05
3,385	Rio Tinto	219	0.89
14,585	Woodside Energy	292	1.19
<b>China (26.49%)</b>		<b>6,616</b>	<b>27.01</b>
33,700	Aier Eye Hospital 'A'	125	0.51
78,844	Alibaba	718	2.93
72,538	China Merchants Bank 'H'	324	1.32
11,535	China Tourism Duty Free 'A'	271	1.11
5,200	China Tourism Duty Free 'H'	108	0.44
6,100	Contemporary Amperex Technology 'A'	293	1.20
89,120	GDS 'A'	180	0.74
33,400	Glodon 'A'	238	0.97
18,609	JD.com 'A'	340	1.39
1,800	Kweichow Moutai 'A'	388	1.58
61,328	LONGi Green Energy Technology 'A'	322	1.32
26,225	Meituan 'B'	375	1.53
56,496	NARI Technology 'A'	176	0.72

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
9,400	Shenzhen Mindray Bio-Medical Electronics 'A'	351	1.43
19,600	Sungrow Power Supply 'A'	279	1.14
37,953	Tencent	1,372	5.60
1,660,000	Tianhe Chemicals**	-	-
47,000	Wuxi Biologics (Cayman)	270	1.10
92,200	Yonyou Network Technology 'A'	255	1.04
56,000	Zhongsheng	231	0.94
<b>Hong Kong (7.77%)</b>		<b>2,099</b>	<b>8.56</b>
118,322	AIA	1,036	4.23
204,500	Budweiser Brewing	506	2.06
424,000	China High Precision Automation**	-	-
147,000	China Metal Recycling**	-	-
71,093	China Resources Land	260	1.06
8,974	Hong Kong Exchanges & Clearing	297	1.21
<b>India (13.42%)</b>		<b>3,490</b>	<b>14.25</b>
13,700	Hindustan Unilever	337	1.37
29,864	Housing Development Finance	779	3.18
20,968	Infosys	312	1.27
14,842	Kotak Mahindra Bank	256	1.05
16,870	Larsen & Toubro	355	1.45
5,211	Maruti Suzuki India	450	1.84
140,276	Power Grid Corp of India	311	1.27
42,980	SBI Life Insurance	479	1.96
2,909	UltraTech Cement	211	0.86
<b>Indonesia (2.32%)</b>		<b>974</b>	<b>3.98</b>
1,322,015	Bank Central Asia	625	2.55
1,662,000	Telkom Indonesia Persero	349	1.43
<b>Macau (0.65%)</b>		<b>-</b>	<b>-</b>
<b>New Zealand (0.65%)</b>		<b>-</b>	<b>-</b>

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Philippines (0.65%)</b>		<b>243</b>	<b>0.99</b>
570,200	Ayala Land REIT	243	0.99
<b>Singapore (0.65%)</b>		<b>1,124</b>	<b>4.59</b>
32,416	DBS	680	2.78
57,153	Oversea-Chinese Banking	444	1.81
<b>South Korea (0.65%)</b>		<b>2,051</b>	<b>8.38</b>
2,679	Kakao	104	0.43
1,044	LG Chemical	443	1.81
595	Samsung Biologics	287	1.17
36,495	Samsung Electronics (Preference)	1,217	4.97
<b>Taiwan (12.45%)</b>		<b>2,638</b>	<b>10.77</b>
45,000	Delta Electronics	350	1.43
155,000	Hon Hai Precision Industry	424	1.73
134,534	Taiwan Semiconductor Manufacturing	1,864	7.61
<b>Thailand (0.67%)</b>		<b>306</b>	<b>1.25</b>
95,600	Kasikornbank (Alien Market)	306	1.25
<b>Collective Investment Schemes (0.11%)</b>		<b>5</b>	<b>0.02</b>
5	Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund Z1 Inc*	5	0.02
Total investment assets		24,494	100.01
Net other liabilities		(3)	(0.01)
<b>Total Net Assets</b>		<b>24,491</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities, or are regulated collective investment schemes within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 28 February 2022.

\* Managed by subsidiaries of abrdn plc.

\*\* Delisted.

# Financial Statements

## Statement of Total Return

For the year ended 28 February 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(1,409)		(3,148)
Revenue	2	559		569	
Expenses	3	(283)		(378)	
Interest payable and similar charges		(1)		-	
Net revenue before taxation		275		191	
Taxation	4	(42)		(60)	
Net revenue after taxation			233		131
<b>Total return before distributions</b>			<b>(1,176)</b>		<b>(3,017)</b>
Distributions	5		(240)		(154)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(1,416)</b>		<b>(3,171)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2023

	2023		2022	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>31,198</b>		<b>35,308</b>
Amounts receivable on the issue of shares	1,162		10,309	
Amounts payable on the cancellation of shares	(6,684)		(11,418)	
		(5,522)		(1,109)
Dilution adjustment		9		12
Change in net assets attributable to shareholders from investment activities (see above)		(1,416)		(3,171)
Retained distribution on accumulation shares		222		158
<b>Closing net assets attributable to shareholders</b>		<b>24,491</b>		<b>31,198</b>

# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			24,494		31,099
<b>Current assets:</b>					
Debtors	6	40		166	
Cash and bank balances	7	107		337	
			147		503
<b>Total assets</b>			<b>24,641</b>		<b>31,602</b>
<b>Liabilities:</b>					
Provisions for liabilities	8		(26)		(43)
Bank overdrafts	7	(24)		-	
Creditors	9	(93)		(358)	
Distribution payable		(7)		(3)	
			(124)		(361)
<b>Total liabilities</b>			<b>(150)</b>		<b>(404)</b>
<b>Net assets attributable to shareholders</b>			<b>24,491</b>		<b>31,198</b>

# Notes to the Financial Statements

## 1 Net Capital Losses

	2023 £'000	2022 £'000
Non-derivative securities	(1,408)	(3,117)
Forward currency contracts	-	1
Other gains/(losses)	23	(3)
Transaction charges	(24)	(29)
<b>Net capital losses</b>	<b>(1,409)</b>	<b>(3,148)</b>

## 2 Revenue

	2023 £'000	2022 £'000
Bank and margin interest	4	-
Overseas dividends	550	480
Overseas REIT	5	5
UK dividends	-	84
<b>Total revenue</b>	<b>559</b>	<b>569</b>

## 3 Expenses

	2023 £'000	2022 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	254	330
Dealing charge	5	6
General administration charge*	11	8
Registration fees**	-	8
	<b>270</b>	<b>352</b>
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Depositary's fees**	-	2
Revenue collection expenses	-	2
Safe custody fees	5	7
	<b>5</b>	<b>11</b>

# Notes to the Financial Statements

## Continued

	2023 £'000	2022 £'000
<b>Other:</b>		
Audit fee**	-	3
Professional fees**	8	12
	8	15
<b>Total expenses</b>	<b>283</b>	<b>378</b>

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

\* The fixed general administration charge was introduced from 1 September 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 £10,200 (2022: £9,480).

\*\* These figures represent the charges to 31 August 2021, which have now been replaced by the fixed general administration charge.

## 4 Taxation

	2023 £'000	2022 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	35	37
Overseas capital gains tax in capital	24	5
Total current tax	59	42
Deferred tax (note 4c)	(17)	18
<b>Total taxation (note 4b)</b>	<b>42</b>	<b>60</b>

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

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

<b>Net revenue before taxation</b>	<b>275</b>	<b>191</b>
Corporation tax at 20% (2022: 20%)	55	38
Effects of:		
Revenue not subject to taxation	(110)	(112)
Overseas taxes	35	37
Excess allowable expenses	55	74
Overseas capital gains tax	24	5
Deferred Tax	(17)	18
<b>Total tax charge for year (note 4a)</b>	<b>42</b>	<b>60</b>

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

### (c) Deferred tax

Deferred tax provision at the start of the year	43	25
Deferred tax (credit)/charge in statement of total return for year (note 4a)	(17)	18
<b>Provision at the end of the year</b>	<b>26</b>	<b>43</b>

# Notes to the Financial Statements

## Continued

	2023 £'000	2022 £'000
<b>(d) Factors that may affect future tax charge</b>		
At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £923,000 (2022: £868,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.		

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

	2023 £'000	2022 £'000
Distribution	228	161
Add: Income deducted on cancellation of shares	31	46
Deduct: Income received on issue of shares	(19)	(53)
<b>Total distributions for the year</b>	<b>240</b>	<b>154</b>
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	233	131
Overseas capital gains tax on realised gains	24	5
Overseas deferred capital gains tax on unrealised gains	(17)	18
<b>Total distributions for the year</b>	<b>240</b>	<b>154</b>

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

## 6 Debtors

	2023 £'000	2022 £'000
Accrued revenue	23	60
Amounts receivable from the ACD for the issue of shares	1	20
Overseas withholding tax recoverable	16	9
Sales awaiting settlement	-	77
<b>Total debtors</b>	<b>40</b>	<b>166</b>

# Notes to the Financial Statements

## Continued

### 7 Liquidity

	2023 £'000	2022 £'000
<b>Cash and bank balances</b>		
Cash at bank	107	337
	<b>107</b>	<b>337</b>
<b>Bank overdrafts</b>		
Overdraft at bank	(24)	-
	<b>(24)</b>	<b>-</b>
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund*	5	35
<b>Net liquidity</b>	<b>88</b>	<b>372</b>

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

### 8 Provisions for Liabilities

	2023 £'000	2022 £'000
The provisions for liabilities comprise:		
Deferred tax payable on overseas capital gains tax	26	43
<b>Total provisions for liabilities</b>	<b>26</b>	<b>43</b>

### 9 Creditors

	2023 £'000	2022 £'000
Accrued expenses payable to ACD	20	26
Accrued expenses payable to the Depositary or associates of the Depositary	6	5
Amounts payable to the ACD for cancellation of shares	62	120
Other accrued expenses	5	5
Purchases awaiting settlement	-	202
<b>Total creditors</b>	<b>93</b>	<b>358</b>

### 10 Related Party Transactions

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

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

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

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

# Notes to the Financial Statements

## Continued

### 11 Portfolio Transaction Costs

	Purchases		Sales	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Trades in the year</b>				
Equities	6,291	13,307	11,505	13,939
Corporate actions	22	-	-	-
<b>Trades in the year before transaction costs</b>	<b>6,313</b>	<b>13,307</b>	<b>11,505</b>	<b>13,939</b>
<b>Commissions</b>				
Equities	4	6	(5)	(5)
<b>Total commissions</b>	<b>4</b>	<b>6</b>	<b>(5)</b>	<b>(5)</b>
<b>Taxes</b>				
Equities	4	7	(13)	(17)
<b>Total taxes</b>	<b>4</b>	<b>7</b>	<b>(13)</b>	<b>(17)</b>
<b>Total transaction costs</b>	<b>8</b>	<b>13</b>	<b>(18)</b>	<b>(22)</b>
<b>Total net trades in the year after transaction costs</b>	<b>6,321</b>	<b>13,320</b>	<b>11,487</b>	<b>13,917</b>
	Purchases		Sales	
	2023 %	2022 %	2023 %	2022 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.07	0.04	0.04	0.04
<b>Taxes</b>				
Equities	0.07	0.05	0.11	0.12
			2023 %	2022 %
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Commissions			0.03	0.03
Taxes			0.07	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% (2022: 0.32%), this is representative of the average spread on the assets held during the year.

# Notes to the Financial Statements

## Continued

### 12 Shares in Issue Reconciliation

	Opening shares 2022	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2023
Retail accumulation	2,882,543	146,533	(428,786)	(353,391)	2,246,899
Retail income	1,240,939	52,187	(123,793)	-	1,169,333
Institutional accumulation	864,934	13,141	(141,438)	(6,705)	729,932
Platform 1 accumulation	9,550,373	206,541	(3,209,341)	1,177,872	7,725,445
ZC accumulation	592,312	101,825	(16,550)	-	677,587

### 13 Fair Value Hierarchy

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

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

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

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

	2023 £'000	2023 £'000	2023 £'000	2022 £'000	2022 £'000	2022 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	24,489	-	-	31,064	-	-
Collective Investment Schemes	-	5	-	-	35	-
<b>Total investment assets</b>	<b>24,489</b>	<b>5</b>	<b>-</b>	<b>31,064</b>	<b>35</b>	<b>-</b>

### 14 Risk Management Policies and Disclosures

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

#### Foreign currency risk

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

Currency	Net foreign currency exposure 2023 £'000	Net foreign currency exposure 2022 £'000
Australian Dollar	4,349	4,696
China Renminbi	2,698	3,539
Euro	609	714
Hong Kong Dollar	6,017	7,250
Indian Rupee	3,486	4,204

# Notes to the Financial Statements

## Continued

Currency	Net foreign currency exposure	Net foreign currency exposure
	2023 £'000	2022 £'000
Indonesian Rupiah	974	725
Philippines Peso	243	322
Singapore Dollar	1,175	1,387
South Korean Won	2,062	3,188
Taiwan Dollar	2,666	3,988
Thai Baht	306	210
US Dollar	32	436
<b>Total</b>	<b>24,617</b>	<b>30,659</b>

As at 28 February 2023, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £1,231,000 (2022: £1,533,000).

### 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 28 February 2023, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £1,225,000 (2022: £1,555,000).

### Financial derivatives instrument risk

The fund had no exposure to derivatives as at 28 February 2023 (2022: £Nil).

### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2023 £150,000 (2022: £404,000).

## 15 Subsequent Event

On 12 May 2023 the fund closed following its merger into abrdn Asia Pacific Equity Fund in abrdn OEIC I.

# Distribution Table

For the year ended 28 February 2023 (in pence per share)

## Final dividend distribution

Group 1 – shares purchased prior to 1 March 2022

Group 2 – shares purchased between 1 March 2022 and 28 February 2023

	Revenue	Equalisation	Distribution paid 28/04/23	Distribution paid 29/04/22
<b>Retail accumulation</b>				
Group 1	2.5935	-	2.5935	0.9392
Group 2	1.9660	0.6275	2.5935	0.9392
<b>Retail income</b>				
Group 1	0.5905	-	0.5905	0.2140
Group 2	0.2337	0.3568	0.5905	0.2140
<b>Institutional accumulation</b>				
Group 1	5.2797	-	5.2797	3.5935
Group 2	3.7603	1.5194	5.2797	3.5935
<b>Platform 1 accumulation</b>				
Group 1	1.3211	-	1.3211	0.8725
Group 2	0.4659	0.8552	1.3211	0.8725
<b>ZC accumulation</b>				
Group 1	3.3464	-	3.3464	2.8407
Group 2	2.0464	1.3000	3.3464	2.8407

## 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 Emerging Markets Income Equity Fund

For the year ended 28 February 2023

## Investment Objective

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

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

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 emerging market countries, or companies that derive a significant proportion of their revenues or profits from emerging market operations or have a significant proportion of their assets there.
- Emerging markets include Asian, Eastern European, Middle Eastern, African or Latin American countries.
- The fund may also invest up to 10% in bonds (loans to companies).
- The fund may also invest in other funds (including those managed by abrdrn) and money-market instruments, and cash.

### Management Process

- The management team use their discretion (active management) to 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. Given the fund's income objective, the management team place particular emphasis on understanding business fundamentals and dynamics and the impact this has on cash flow generation and the company's ability to allocate cash effectively.
- 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 income nature of the management process, the fund's

performance profile may deviate significantly from that of the MSCI Emerging Markets 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

Over the period under review, the fund fell by 0.42% (Source: FactSet, Platform 1 Accumulation, net of fees). This compared to a decline of 5.70% in its performance target (Source: FactSet, the MSCI Emerging Markets Index - Gross Return). Meanwhile, the Platform 1 Income's yield was 4.61% over the period, versus a yield target of 2.58% (the MSCI Emerging Markets Index).

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

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

The fund outpaced its benchmark despite volatile market conditions, driven by positive stock selection and asset allocation. At the stock level, high dividend stocks Bank of Georgia and Kaspikz were the top contributors to relative gains. Both companies raised their share buyback programmes on the back of robust results.

From a country perspective, our holdings in India and China stood out. In India, the positions in conglomerate ITC and Bajaj Holdings & Investment added value. The latter announced a larger interim dividend for 2022. Mahanagar Gas, which was aided by news of the government's supportive energy policy, also made notable

# abrdn Emerging Markets Income Equity Fund

## Continued

gains. Meanwhile, Chinese liquor maker Wuliangye Yibin and Macau casino operator Sands China were buoyed by Beijing's pivot away from zero-Covid towards a full economic reopening. On the flip side, property management firm Country Garden Services slumped amid a surprise share placement by its sister company, though losses were mitigated by greater financial support for the property sector towards the period-end.

The fund's relatively heavy exposure to Mexico was beneficial in view of US-China tensions. Nearshoring has underpinned both the Mexican peso and the economy. Our holdings in industrial real estate investment trust Terrafina, lender Banorte and airport operator OMA were among the major stock contributors. Terrafina is seeking to expand its industrial land ownership in Mexico thanks to rising demand. Banorte demonstrated capital discipline by pulling out of bidding for rival Banamex and committing to return excess capital to shareholders through higher dividend distributions. OMA is a beneficiary of reopening travel and pent-up demand.

On the other hand, revaluing the fund's Russian holdings to zero following Russia's invasion of Ukraine held back relative performance. We took that decision due to the implementation of stringent capital controls in Russia following stiff Western sanctions on Moscow, which made it impossible to realise any value from the investments. Separately, core technology holding Samsung Electronics retreated on concerns over slowing end-demand for chips and consumer electronics.

## Portfolio Activity and Review

In key portfolio activity, we initiated positions in companies where we see good prospects for yield growth, as well as those that we felt could maintain a high dividend yield for shareholders. In Asia, we introduced Hong Kong insurer AIA, Taiwan-based Alchip Technologies, Korea Shipbuilding & Offshore Engineering, and China-based Amoy Diagnostics, Hefei Meyer Optoelectronic Technology, food delivery platform Meituan and auto dealer Zhongsheng Group. We also participated in China Tourism Group Duty Free's Hong Kong initial public offering. Across South-East Asia, we bought Malaysian lenders CIMB Group and RHB alongside oil and gas service provider Yinson Holdings as well as Thailand-based Digital Telecommunications Infrastructure Fund and Telkom Indonesia.

Four new holdings were added in Latin America. These included Peruvian lender Credicorp, Mexican conglomerate FEMSA, Colombian oil and gas exploration and production company Geopark and lithium miner Sociedad Quimica y Minera de Chile. In the Middle East and Africa, we initiated Dubai-based fast-food chain operator Americana Restaurants, Al Rajhi Bank and Saudi Aramco in Saudi Arabia, and South African diversified financial services business Sanlam.

Conversely, we sold Anhui Conch Cement, China Life Insurance, China Merchants Bank, China Resources Land, Dali Foods Group, Hansol Chemical, JD.com, Nari Technology, President Chain Store, Proya Cosmetics, SK hynix, Southern Copper, Sunonwealth Electric Machine Industry, Xinyi Solar and Yonyou to fund more attractive opportunities elsewhere.

## Portfolio Outlook and Strategy

While the US continues to unwind years of loose monetary policy to tackle inflation, emerging market central banks are approaching the tail end of their rates cycle. Larger emerging economies have relatively resilient currency reserves and current account positions compared to the past. Corporate balance sheets have also emerged stronger from the pandemic, making them better prepared for any global recession. Meanwhile, the potential for a counter-cyclical recovery in China remains intact. Macro policy is likely to stay accommodative, with more legroom to support growth due to relatively low inflation. Beyond China, other emerging markets are set to benefit from a global supply chain rearrangement post-pandemic.

The portfolio is not targeting a particular policy outcome, but we would expect the high dividend companies to perform better during periods of market dislocation and the dividend growth companies to perform well through periods of optimism. We have focused on businesses with sustainable free cash flow generation, pricing power and comfortably manageable levels of debt. We are identifying companies with attractive valuations, where we hold strong fundamental insights regarding their future income potential. Over the medium and longer term, we believe strongly that the microeconomic developments captured by our stock-specific insights are sufficiently material to have a profoundly positive impact on the portfolio.

## Global Emerging Markets Equity Team

March 2023

# abrdn Emerging Markets 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 28 February 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 fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- The fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

# Comparative Tables

	2023	2022	2021
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	94.58	102.88	83.70
Return before operating charges*	0.50	(6.92)	20.36
Operating charges	(1.21)	(1.38)	(1.18)
Return after operating charges*	(0.71)	(8.30)	19.18
Distributions	(3.12)	(1.76)	(1.56)
Retained distributions on accumulation shares	3.12	1.76	1.56
Closing net asset value per share	93.87	94.58	102.88
* after direct transaction costs of:	0.11	0.09	0.08
<b>Performance</b>			
Return after charges	(0.75%)	(8.07%)	22.92%
<b>Other information</b>			
Closing net asset value (£'000)	9,078	10,167	9,759
Closing number of shares	9,671,300	10,749,442	9,485,609
Operating charges	1.34%	1.34%	1.35%
Direct transaction costs	0.11%	0.09%	0.09%
<b>Prices</b>			
Highest share price	99.78	106.9	110.2
Lowest share price	81.10	95.00	68.68

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.

# Comparative Tables

## Continued

	2023	2022	2021
Retail income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	71.08	79.72	66.88
Return before operating charges*	0.30	(5.21)	15.88
Operating charges	(0.89)	(1.06)	(0.92)
Return after operating charges*	(0.59)	(6.27)	14.96
Distributions	(3.15)	(2.37)	(2.12)
Closing net asset value per share	67.34	71.08	79.72
* after direct transaction costs of:	0.08	0.07	0.06
<b>Performance</b>			
Return after charges	(0.83%)	(7.87%)	22.37%
<b>Other information</b>			
Closing net asset value (£'000)	227	259	281
Closing number of shares	336,399	365,033	352,279
Operating charges	1.34%	1.34%	1.35%
Direct transaction costs	0.11%	0.09%	0.09%
<b>Prices</b>			
Highest share price	71.93	82.67	85.88
Lowest share price	58.87	71.16	54.84

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

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

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

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

# Comparative Tables

## Continued

	2023	2022	2021
Institutional accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	99.58	107.80	87.30
Return before operating charges*	0.52	(7.28)	21.30
Operating charges	(0.83)	(0.94)	(0.80)
Return after operating charges*	(0.31)	(8.22)	20.50
Distributions	(3.72)	(2.35)	(2.05)
Retained distributions on accumulation shares	3.72	2.35	2.05
Closing net asset value per share	99.27	99.58	107.80
* after direct transaction costs of:	0.11	0.10	0.08
<b>Performance</b>			
Return after charges	(0.31%)	(7.63%)	23.48%
<b>Other information</b>			
Closing net asset value (£'000)	238,516	238,821	247,080
Closing number of shares	240,268,711	239,829,992	229,193,137
Operating charges	0.87%	0.87%	0.88%
Direct transaction costs	0.11%	0.09%	0.09%
<b>Prices</b>			
Highest share price	105.5	112.2	115.4
Lowest share price	85.64	100.0	71.62

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

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

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

# Comparative Tables

## Continued

	2023	2022	2021
Institutional income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	74.97	83.67	69.85
Return before operating charges*	0.31	(5.49)	16.65
Operating charges	(0.61)	(0.72)	(0.62)
Return after operating charges*	(0.30)	(6.21)	16.03
Distributions	(3.32)	(2.49)	(2.21)
Closing net asset value per share	71.35	74.97	83.67
* after direct transaction costs of:	0.08	0.07	0.07
<b>Performance</b>			
Return after charges	(0.40%)	(7.42%)	22.95%
<b>Other information</b>			
Closing net asset value (£'000)	6,276	6,688	4,661
Closing number of shares	8,796,100	8,920,656	5,570,988
Operating charges	0.87%	0.87%	0.88%
Direct transaction costs	0.11%	0.09%	0.09%
<b>Prices</b>			
Highest share price	76.18	86.82	90.12
Lowest share price	62.29	75.82	57.29

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

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

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

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

# Comparative Tables

## Continued

<b>Platform 1 accumulation</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	99.02	107.26	86.91
Return before operating charges*	0.52	(7.25)	21.19
Operating charges	(0.87)	(0.99)	(0.84)
Return after operating charges*	(0.35)	(8.24)	20.35
Distributions	(3.66)	(2.28)	(1.99)
Retained distributions on accumulation shares	3.66	2.28	1.99
Closing net asset value per share	98.67	99.02	107.26
* after direct transaction costs of:	0.11	0.10	0.08
<b>Performance</b>			
Return after charges	(0.35%)	(7.68%)	23.42%
<b>Other information</b>			
Closing net asset value (£'000)	24,704	24,004	29,883
Closing number of shares	25,037,389	24,241,814	27,860,736
Operating charges	0.92%	0.92%	0.93%
Direct transaction costs	0.11%	0.09%	0.09%
<b>Prices</b>			
Highest share price	104.8	111.6	114.8
Lowest share price	85.13	99.45	71.29

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

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

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

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

# Comparative Tables

## Continued

	2023	2022	2021
Platform 1 income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	74.57	83.28	69.57
Return before operating charges*	0.31	(5.47)	16.57
Operating charges	(0.64)	(0.76)	(0.66)
Return after operating charges*	(0.33)	(6.23)	15.91
Distributions	(3.30)	(2.48)	(2.20)
Closing net asset value per share	70.94	74.57	83.28
* after direct transaction costs of:	0.08	0.07	0.07
<b>Performance</b>			
Return after charges	(0.44%)	(7.48%)	22.87%
<b>Other information</b>			
Closing net asset value (£'000)	27,087	28,894	30,624
Closing number of shares	38,182,896	38,747,049	36,772,076
Operating charges	0.92%	0.92%	0.93%
Direct transaction costs	0.11%	0.09%	0.09%
<b>Prices</b>			
Highest share price	75.75	86.41	89.70
Lowest share price	61.94	75.42	57.06

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

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

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

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

# Comparative Tables

## Continued

ZC accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	105.94	113.84	91.52
Return before operating charges*	0.53	(7.76)	22.44
Operating charges	(0.12)	(0.14)	(0.12)
Return after operating charges*	0.41	(7.90)	22.32
Distributions	(4.68)	(3.34)	(2.85)
Retained distributions on accumulation shares	4.68	3.34	2.85
Closing net asset value per share	106.35	105.94	113.84
* after direct transaction costs of:	0.12	0.10	0.09
<b>Performance</b>			
Return after charges	0.39%	(6.94%)	24.39%
<b>Other information</b>			
Closing net asset value (£'000)	514,569	518,756	557,363
Closing number of shares	483,865,854	489,668,219	489,611,992
Operating charges	0.12%	0.12%	0.13%
Direct transaction costs	0.11%	0.09%	0.09%
<b>Prices</b>			
Highest share price	113.0	118.8	121.8
Lowest share price	91.55	106.3	75.09

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

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

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

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

# Comparative Tables

## Continued

ZA income	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	80.77	89.41	74.03
Return before operating charges*	0.34	(5.95)	17.74
Operating charges	(0.03)	(0.04)	(0.03)
Return after operating charges*	0.31	(5.99)	17.71
Distributions	(3.56)	(2.65)	(2.33)
Closing net asset value per share	77.52	80.77	89.41
* after direct transaction costs of:	0.09	0.08	0.07
<b>Performance</b>			
Return after charges	0.38%	(6.70%)	23.92%
<b>Other information</b>			
Closing net asset value (£'000)	4,829	5,738	7,778
Closing number of shares	6,229,322	7,104,106	8,699,618
Operating charges	0.04%	0.04%	0.05%
Direct transaction costs	0.11%	0.09%	0.09%
<b>Prices</b>			
Highest share price	82.71	92.90	96.28
Lowest share price	67.50	81.67	60.74

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.

# Portfolio Statement

As at 28 February 2023

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (98.19%)</b>		<b>822,520</b>	<b>99.67</b>
<b>Europe, Middle East &amp; African Equities (7.49%)</b>		<b>56,086</b>	<b>6.80</b>
<b>Georgia (0.74%)</b>		<b>9,798</b>	<b>1.19</b>
351,814	Bank of Georgia	9,798	1.19
<b>Hungary (0.48%)</b>		-	-
<b>Nigeria (0.99%)</b>		<b>8,811</b>	<b>1.07</b>
7,695,136	Seplat Energy	8,811	1.07
<b>Poland (0.28%)</b>		<b>3,637</b>	<b>0.44</b>
529,868	InPost	3,637	0.44
<b>Russia (2.71%)</b>		-	-
6,285,562	Detsky Mir+++	-	-
1,705,952	Gazprom+++	-	-
72,742	HeadHunter ADR+++	-	-
122,063	Lukoil ADR+++	-	-
282,551	MMC Norilsk Nickel ADR+++	-	-
5,558,988	Sberbank of Russia (Preference)+++	-	-
113,421,017	Segezha+++	-	-
62,472	X5 Retail GDR+++	-	-
<b>Saudi Arabia (0.00%)</b>		<b>10,812</b>	<b>1.31</b>
257,950	Al Rajhi Bank	3,986	0.48
979,818	Saudi Arabian Oil	6,826	0.83
<b>South Africa (2.29%)</b>		<b>19,919</b>	<b>2.41</b>
653,277	Impala Platinum	5,041	0.61
1,757,974	Sanlam	4,725	0.57
1,780,765	Vodacom	10,153	1.23

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>United Arab Emirates (0.00%)</b>		<b>3,109</b>	<b>0.38</b>
3,994,902	Americana Restaurants International	3,109	0.38
<b>Latin America Equities (8.10%)</b>		<b>105,304</b>	<b>12.76</b>
<b>Brazil (3.01%)</b>		<b>33,827</b>	<b>4.10</b>
2,506,502	B3 SA - Brasil Bolsa Balcao	4,180	0.51
6,004,326	Banco Bradesco (Preference)	12,416	1.50
3,122,109	Petroleo Brasileiro (Preference)	12,463	1.51
773,928	Telefonica Brasil	4,768	0.58
<b>Chile (0.00%)</b>		<b>6,344</b>	<b>0.77</b>
86,580	Sociedad Quimica y Minera de Chile ADR	6,344	0.77
<b>Colombia (0.00%)</b>		<b>3,141</b>	<b>0.38</b>
293,878	Geopark	3,141	0.38
<b>Mexico (5.09%)</b>		<b>53,962</b>	<b>6.54</b>
716,895	Fomento Economico Mexicano	5,445	0.66
583,702	Grupo Aeroportuario del Centro Norte	4,598	0.56
2,067,076	Grupo Financiero Banorte 'O'	14,419	1.75
4,531,151	Grupo México	16,764	2.03
8,429,585	TF Administradora Industrial REIT	12,736	1.54
<b>Peru (0.00%)</b>		<b>8,030</b>	<b>0.97</b>
76,327	Credicorp	8,030	0.97
<b>Pacific Basin Equities (82.60%)</b>		<b>661,130</b>	<b>80.11</b>
<b>China (28.00%)</b>		<b>215,008</b>	<b>26.05</b>
1,661,500	Alibaba	15,124	1.83
1,114,229	Amoy Diagnostics 'A'	3,937	0.48

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
849,970	ANTA Sports Products	9,248	1.12
1,061,732	Autohome 'A'	6,737	0.82
34,085,354	China Construction Bank 'H'	17,217	2.09
225,853	China Tourism Duty Free 'A'	5,301	0.64
4,518,000	Country Garden Services	6,903	0.84
1,100,300	Hangzhou Tigermed Consulting 'H'	10,426	1.26
1,445,805	Hefei Meiya Optoelectronic Technology 'A'	4,652	0.56
1,328,209	Inner Mongolia Yili Industrial 'A'	4,807	0.58
1,659,032	Joinn Laboratories China 'H'	5,892	0.71
529,300	Li Auto 'A'	5,127	0.62
761,500	Li Ning	5,349	0.65
1,163,384	LONGi Green Energy Technology 'A'	6,116	0.74
331,720	Meituan 'B'	4,747	0.58
2,237,110	Midea 'A'	13,945	1.69
1,258,560	NetEase	16,038	1.94
3,151,686	Ping An Insurance 'H'	17,677	2.14
901,600	Tencent	32,599	3.95
14,664,682	Tianhe Chemicals**	-	-
784,679	Wuliangye Yibin 'A'	19,057	2.31
997,500	Zhongsheng	4,109	0.50
<b>Hong Kong (5.74%)</b>		<b>32,287</b>	<b>3.91</b>
542,600	AIA	4,751	0.58
3,076,600	Budweiser Brewing	7,608	0.92
550,950	China Lumena New Materials**	-	-
88,800	China Metal Recycling**	-	-
43,582,000	Pacific Basin Shipping	13,071	1.58
3,973,481	SITC International	6,857	0.83
<b>India (11.17%)</b>		<b>103,665</b>	<b>12.56</b>
174,536	Bajaj Holdings & Investment	11,129	1.35
927,125	Crompton Greaves Consumer Electricals	2,807	0.34
390,093	HDFC Bank	6,241	0.76
572,808	Housing Development Finance	14,939	1.81
2,096,422	ITC	7,887	0.95

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
555,196	Larsen & Toubro	11,694	1.42
1,316,764	Mahanagar Gas	11,757	1.42
12,055,322	Power Grid Corp of India	26,730	3.24
123,354	Reliance Industries	2,858	0.35
229,392	Tata Consultancy Services	7,623	0.92
<b>Indonesia (3.50%)</b>		<b>38,884</b>	<b>4.71</b>
23,648,200	Bank Mandiri Persero	12,808	1.55
43,978,805	Bank Rakyat Indonesia Persero	11,124	1.35
4,963,800	Cisarua Mountain Dairy	1,194	0.14
29,845,100	Telkom Indonesia Persero	6,272	0.76
4,954,000	United Tractors	7,486	0.91
<b>Kazakhstan (0.86%)</b>		<b>17,153</b>	<b>2.08</b>
279,873	Kaspi.KZ GDR	17,153	2.08
<b>Macau (1.94%)</b>		<b>6,770</b>	<b>0.82</b>
2,365,347	Sands China	6,770	0.82
<b>Malaysia (0.00%)</b>		<b>18,487</b>	<b>2.24</b>
11,256,924	CIMB	11,603	1.40
3,927,700	RHB Bank	4,099	0.50
5,623,800	Yinson	2,785	0.34
<b>Philippines (0.44%)</b>		<b>3,619</b>	<b>0.44</b>
17,830,000	Asian Terminals	3,619	0.44
<b>South Korea (15.48%)</b>		<b>95,214</b>	<b>11.54</b>
97,564	Korea Shipbuilding & Offshore Engineering	4,951	0.60
94,052	LG Chemical (Preference)	17,231	2.09
261,313	Samsung Electronics	9,885	1.20

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,219,014	Samsung Electronics (Preference)	40,634	4.92
247,149	Samsung Engineering	4,042	0.49
761,651	Shinhan Financial	18,471	2.24
<b>Taiwan (15.47%)</b>		<b>123,101</b>	<b>14.92</b>
150,000	Alchip Technologies	3,835	0.47
1,555,423	Chroma ATE	7,780	0.94
325,823	Globalwafers	4,522	0.55
3,785,000	Hon Hai Precision Industry	10,364	1.26
888,000	KMC Kuei Meng International	3,635	0.44
1,227,000	MediaTek	24,049	2.91
4,543,899	Taiwan Semiconductor Manufacturing	62,946	7.63
3,726,000	Taiwan Union Technology	5,970	0.72
<b>Thailand (0.00%)</b>		<b>6,942</b>	<b>0.84</b>
22,500,000	Digital Telecommunications Infrastructure Fund	6,942	0.84
<b>Collective Investment Schemes (0.59%)</b>		<b>5</b>	<b>-</b>
5	Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund Z1 Inc+	5	-
Total investment assets		822,525	99.67
Net other assets		2,761	0.33
<b>Total Net Assets</b>		<b>825,286</b>	<b>100.00</b>

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

The percentage figures in brackets show the comparative holding as at 28 February 2022.

+ Managed by subsidiaries of abrdn plc.

\*\* Delisted.

+++ Priced per abrdn VPC.

# Financial Statements

## Statement of Total Return

For the year ended 28 February 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(31,375)		(87,260)
Revenue	2	41,263		30,197	
Expenses	3	(3,217)		(3,561)	
Interest payable and similar charges		(21)		(18)	
Net revenue before taxation		38,025		26,618	
Taxation	4	(4,539)		(3,834)	
Net revenue after taxation			33,486		22,784
<b>Total return before distributions</b>			<b>2,111</b>		<b>(64,476)</b>
Distributions	5		(35,117)		(23,891)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(33,006)</b>		<b>(88,367)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2023

	2023		2022	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>833,327</b>		<b>887,429</b>
Amounts receivable on the issue of shares	66,281		33,316	
Amounts payable on the cancellation of shares	(74,476)		(21,644)	
		(8,195)		11,672
Change in net assets attributable to shareholders from investment activities (see above)		(33,006)		(88,367)
Retained distribution on accumulation shares		33,160		22,593
<b>Closing net assets attributable to shareholders</b>		<b>825,286</b>		<b>833,327</b>

# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			822,525		823,195
<b>Current assets:</b>					
Debtors	6	4,700		10,017	
Cash and bank balances	7	7,048		5,219	
			11,748		15,236
<b>Total assets</b>			<b>834,273</b>		<b>838,431</b>
<b>Liabilities:</b>					
Provisions for liabilities	8		(2,574)		(1,564)
Bank overdrafts	7	(975)		(450)	
Creditors	9	(5,257)		(2,783)	
Distribution payable		(181)		(307)	
			(6,413)		(3,540)
<b>Total liabilities</b>			<b>(8,987)</b>		<b>(5,104)</b>
<b>Net assets attributable to shareholders</b>			<b>825,286</b>		<b>833,327</b>

# Notes to the Financial Statements

## 1 Net Capital Losses

	2023 £'000	2022 £'000
Non-derivative securities	(31,756)	(87,079)
Forward currency contracts	-	30
Other gains/(losses)	451	(141)
Transaction charges	(70)	(70)
<b>Net capital losses</b>	<b>(31,375)</b>	<b>(87,260)</b>

## 2 Revenue

	2023 £'000	2022 £'000
Bank and margin interest	11	8
Overseas dividends	40,162	29,133
Overseas REIT	486	547
UK dividends	604	509
<b>Total revenue</b>	<b>41,263</b>	<b>30,197</b>

## 3 Expenses

	2023 £'000	2022 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	2,332	2,510
Dealing charge	26	29
General administration charge*	633	346
Registration fees**	-	355
	<b>2,991</b>	<b>3,240</b>
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Depositary's fees**	(1)	29
Revenue collection expenses	15	78
Safe custody fees	205	197
	<b>219</b>	<b>304</b>

# Notes to the Financial Statements

## Continued

	2023 £'000	2022 £'000
<b>Other:</b>		
Audit fee**	-	5
Professional fees**	7	12
	7	17
<b>Total expenses</b>	<b>3,217</b>	<b>3,561</b>

Irrecoverable VAT is included in the above expenses.

\* The fixed general administration charge was introduced from 1 September 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 £10,200 (2022: £9,480).

\*\* These figures represent the charges to 31 August 2021, which have now been replaced by the fixed general administration charge.

## 4 Taxation

	2023 £'000	2022 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	3,203	3,056
Overseas capital gains tax in capital	325	677
Total current tax	3,528	3,733
Deferred tax (note 4c)	1,011	101
<b>Total taxation (note 4b)</b>	<b>4,539</b>	<b>3,834</b>

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

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

	2023	2022
<b>Net revenue before taxation</b>	<b>38,025</b>	<b>26,618</b>
Corporation tax at 20% (2022: 20%)	7,605	5,324
Effects of:		
Revenue not subject to taxation	(7,846)	(5,766)
Overseas taxes	3,203	3,056
Overseas tax expensed	(60)	(40)
Excess allowable expenses	301	482
Overseas capital gains tax	325	677
Deferred tax	1,011	101
<b>Total tax charge for year (note 4a)</b>	<b>4,539</b>	<b>3,834</b>

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

# Notes to the Financial Statements

## Continued

	2023 £'000	2022 £'000
<b>(c) Deferred tax</b>		
Deferred tax provision at the start of the year	1,564	1,463
Deferred tax charge in statement of total return for year (note 4a)	1,011	101
<b>Provision at the end of the year</b>	<b>2,575</b>	<b>1,564</b>

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

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £2,002,000 (2022: £1,702,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

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

	2023 £'000	2022 £'000
First interim distribution	10,499	6,089
Second interim distribution	16,298	8,656
Third interim distribution	5,002	3,817
Final distribution	3,205	5,388
	35,004	23,950
Add: Income deducted on cancellation of shares	378	57
Deduct: Income received on issue of shares	(265)	(116)
<b>Total distributions for the year</b>	<b>35,117</b>	<b>23,891</b>
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	33,486	22,784
Expenses charged to capital	295	330
Overseas capital gains tax on realised gains	325	677
Overseas deferred capital gains tax on unrealised gains	1,010	100
Undistributed revenue brought forward	1	-
<b>Total distributions for the year</b>	<b>35,117</b>	<b>23,891</b>

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

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

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

# Notes to the Financial Statements

## Continued

### 6 Debtors

	2023 £'000	2022 £'000
Accrued revenue	2,276	2,219
Amounts receivable from the ACD for the issue of shares	223	804
Overseas withholding tax recoverable	818	469
Sales awaiting settlement	1,383	6,525
<b>Total debtors</b>	<b>4,700</b>	<b>10,017</b>

### 7 Liquidity

	2023 £'000	2022 £'000
<b>Cash and bank balances</b>		
Cash at bank	7,048	5,219
	<b>7,048</b>	<b>5,219</b>
<b>Bank overdrafts</b>		
Overdraft at bank	(975)	(450)
	<b>(975)</b>	<b>(450)</b>
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	5	4,925
<b>Net liquidity</b>	<b>6,078</b>	<b>9,694</b>

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

### 8 Provisions for Liabilities

	2023 £'000	2022 £'000
The provisions for liabilities comprise:		
Overseas capital gains tax	2,574	1,564
<b>Total provisions for liabilities</b>	<b>2,574</b>	<b>1,564</b>

### 9 Creditors

	2023 £'000	2022 £'000
Accrued expenses payable to ACD	259	269
Accrued expenses payable to the Depositary or associates of the Depositary	65	41
Amounts payable to the ACD for cancellation of shares	93	102
Other accrued expenses	5	5
Purchases awaiting settlement	4,835	2,366
<b>Total creditors</b>	<b>5,257</b>	<b>2,783</b>

# Notes to the Financial Statements

## Continued

### 10 Related Party Transactions

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

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

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

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

### 11 Portfolio Transaction Costs

	Purchases		Sales	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Trades in the year</b>				
Equities	322,203	343,436	287,002	325,979
Corporate actions	-	1,211	130	567
<b>Trades in the year before transaction costs</b>	<b>322,203</b>	<b>344,647</b>	<b>287,132</b>	<b>326,546</b>
<b>Commissions</b>				
Equities	224	187	(126)	(187)
<b>Total commissions</b>	<b>224</b>	<b>187</b>	<b>(126)</b>	<b>(187)</b>
<b>Taxes</b>				
Equities	176	178	(416)	(259)
<b>Total taxes</b>	<b>176</b>	<b>178</b>	<b>(416)</b>	<b>(259)</b>
<b>Total transaction costs</b>	<b>400</b>	<b>365</b>	<b>(542)</b>	<b>(446)</b>
<b>Total net trades in the year after transaction costs</b>	<b>322,603</b>	<b>345,012</b>	<b>286,590</b>	<b>326,100</b>
	Purchases		Sales	
	2023 %	2022 %	2023 %	2022 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.07	0.05	0.04	0.06
<b>Taxes</b>				
Equities	0.05	0.05	0.14	0.08

# Notes to the Financial Statements

## Continued

	2023 %	2022 %
<b>Total transaction costs expressed as a percentage of net asset value</b>		
Commissions	0.04	0.04
Taxes	0.07	0.05

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.23% (2022: 0.24%), this is representative of the average spread on the assets held during the year.

## 12 Shares in Issue Reconciliation

	Opening shares 2022	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2023
Retail accumulation	10,749,442	851,894	(1,783,233)	(146,803)	9,671,300
Retail income	365,033	54,362	(41,972)	(41,024)	336,399
Institutional accumulation	239,829,992	59,034,215	(58,567,692)	(27,804)	240,268,711
Institutional income	8,920,656	1,075,278	(1,232,217)	32,383	8,796,100
Platform 1 accumulation	24,241,814	6,514,106	(5,895,727)	177,196	25,037,389
Platform 1 income	38,747,049	4,290,221	(4,860,785)	6,411	38,182,896
ZC accumulation	489,668,219	9,035	(5,802,615)	(8,785)	483,865,854
ZA income	7,104,106	-	(874,784)	-	6,229,322

## 13 Fair Value Hierarchy

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

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

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

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

	2023 £'000	2023 £'000	2023 £'000	2022 £'000	2022 £'000	2022 £'000
<b>Fair value of investment assets</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3*</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Equities	822,520	-	-	818,270	-	-
Collective Investment Schemes	-	5	-	-	4,925	-
<b>Total investment assets</b>	<b>822,520</b>	<b>5</b>	<b>-</b>	<b>818,270</b>	<b>4,925</b>	<b>-</b>

\*Level 3 includes assets valued at nil by the abrdn VPC, as detailed in the portfolio statement. These assets have been valued at nil due to current market conditions.

# 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

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

Currency	Net foreign currency exposure	Net foreign currency exposure
	2023 £'000	2022 £'000
Brazilian Real	34,346	25,336
China Renminbi	57,815	47,059
Euro	3,637	2,359
Hong Kong Dollar	196,256	250,005
Hungarian Forint	1	4,002
Indian Rupee	103,054	91,134
Indonesian Rupiah	39,263	29,517
Malaysian Ringgit	18,487	-
Mexican Peso	54,445	43,258
Nigeria Naira	(34)	-
Philippines Peso	3,619	3,643
Russian Ruble	-	17,015
Saudi Riyal	10,812	-
South Africa Rand	19,919	19,037
South Korean Won	96,347	130,519
Taiwan Dollar	125,018	129,493
Thai Baht	7,062	-
UAE Dirham	3,109	-
US Dollar	35,134	18,732
<b>Total</b>	<b>808,290</b>	<b>811,109</b>

At 28 February 2023, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £40,414,000 (2022: £40,555,000).

#### Interest rate risk

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

# Notes to the Financial Statements

## Continued

### **Other price risk**

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

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

As at 28 February 2023, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £41,126,000 (2022: £41,160,000).

### **Financial derivatives instrument risk**

The fund had no exposure to derivatives as at 28 February 2023 (2022: £Nil).

### **Liquidity risk**

All of the fund's financial liabilities are payable on demand or in less than one year, 2023 £8,987,000 (2022: £5,104,000).

# Distribution Tables

For the year ended 28 February 2023 (in pence per share)

## First interim dividend distribution

Group 1 – shares purchased prior to 1 March 2022

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

	Revenue	Equalisation	Distribution paid 29/07/22	Distribution paid 30/07/21
<b>Retail accumulation</b>				
Group 1	0.9791	-	0.9791	0.5117
Group 2	0.7374	0.2417	0.9791	0.5117
<b>Retail income</b>				
Group 1	0.9438	-	0.9438	0.6263
Group 2	0.5508	0.3930	0.9438	0.6263
<b>Institutional accumulation</b>				
Group 1	1.1374	-	1.1374	0.6558
Group 2	0.7944	0.3430	1.1374	0.6558
<b>Institutional income</b>				
Group 1	0.9935	-	0.9935	0.6428
Group 2	0.5597	0.4338	0.9935	0.6428
<b>Platform 1 accumulation</b>				
Group 1	1.1199	-	1.1199	0.6423
Group 2	0.9310	0.1889	1.1199	0.6423
<b>Platform 1 income</b>				
Group 1	0.9881	-	0.9881	0.6400
Group 2	0.6892	0.2989	0.9881	0.6400
<b>ZC accumulation</b>				
Group 1	1.3765	-	1.3765	0.8225
Group 2	1.1185	0.2580	1.3765	0.8225
<b>ZA income</b>				
Group 1	1.0616	-	1.0616	0.6607
Group 2	1.0616	-	1.0616	0.6607

# Distribution Tables

For the year ended 28 February 2023 (in pence per share) continued

## Second interim dividend distribution

Group 1 – shares purchased prior to 1 June 2022

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

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
<b>Retail accumulation</b>				
Group 1	1.6550	-	1.6550	0.7227
Group 2	0.8399	0.8151	1.6550	0.7227
<b>Retail income</b>				
Group 1	1.4268	-	1.4268	0.8284
Group 2	1.2279	0.1989	1.4268	0.8284
<b>Institutional accumulation</b>				
Group 1	1.8483	-	1.8483	0.8898
Group 2	1.0941	0.7542	1.8483	0.8898
<b>Institutional income</b>				
Group 1	1.5052	-	1.5052	0.8771
Group 2	0.8226	0.6826	1.5052	0.8771
<b>Platform 1 accumulation</b>				
Group 1	1.8285	-	1.8285	0.8696
Group 2	0.6366	1.1919	1.8285	0.8696
<b>Platform 1 income</b>				
Group 1	1.4957	-	1.4957	0.8728
Group 2	0.7184	0.7773	1.4957	0.8728
<b>ZC accumulation</b>				
Group 1	2.1269	-	2.1269	1.1935
Group 2	0.0835	2.0434	2.1269	1.1935
<b>ZA income</b>				
Group 1	1.6136	-	1.6136	0.9453
Group 2	1.6136	-	1.6136	0.9453

# Distribution Tables

For the year ended 28 February 2023 (in pence per share) continued

## Third interim dividend distribution

Group 1 – shares purchased prior to 1 September 2022

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

	Revenue	Equalisation	Distribution paid 31/01/23	Distribution paid 31/01/22
<b>Retail accumulation</b>				
Group 1	0.3331	-	0.3331	0.1663
Group 2	0.3033	0.0298	0.3331	0.1663
<b>Retail income</b>				
Group 1	0.4585	-	0.4585	0.3917
Group 2	0.3948	0.0637	0.4585	0.3917
<b>Institutional accumulation</b>				
Group 1	0.4657	-	0.4657	0.3037
Group 2	0.3141	0.1516	0.4657	0.3037
<b>Institutional income</b>				
Group 1	0.4866	-	0.4866	0.4156
Group 2	0.3397	0.1469	0.4866	0.4156
<b>Platform 1 accumulation</b>				
Group 1	0.4500	-	0.4500	0.2874
Group 2	0.2837	0.1663	0.4500	0.2874
<b>Platform 1 income</b>				
Group 1	0.4840	-	0.4840	0.4134
Group 2	0.2670	0.2170	0.4840	0.4134
<b>ZC accumulation</b>				
Group 1	0.7013	-	0.7013	0.5658
Group 2	0.7013	-	0.7013	0.5658
<b>ZA income</b>				
Group 1	0.5287	-	0.5287	0.4506
Group 2	0.5287	-	0.5287	0.4506

# Distribution Tables

For the year ended 28 February 2023 (in pence per share) continued

## Final dividend distribution

Group 1 – shares purchased prior to 1 December 2022

Group 2 – shares purchased between 1 December 2022 and 28 February 2023

	Revenue	Equalisation	Distribution paid 28/04/23	Distribution paid 29/04/22
<b>Retail accumulation</b>				
Group 1	0.1518	-	0.1518	0.3593
Group 2	-	0.1518	0.1518	0.3593
<b>Retail income</b>				
Group 1	0.3189	-	0.3189	0.5240
Group 2	0.2704	0.0485	0.3189	0.5240
<b>Institutional accumulation</b>				
Group 1	0.2712	-	0.2712	0.5038
Group 2	0.0740	0.1972	0.2712	0.5038
<b>Institutional income</b>				
Group 1	0.3373	-	0.3373	0.5541
Group 2	0.0852	0.2521	0.3373	0.5541
<b>Platform 1 accumulation</b>				
Group 1	0.2584	-	0.2584	0.4847
Group 2	0.0553	0.2031	0.2584	0.4847
<b>Platform 1 income</b>				
Group 1	0.3353	-	0.3353	0.5512
Group 2	0.1418	0.1935	0.3353	0.5512
<b>ZC accumulation</b>				
Group 1	0.4739	-	0.4739	0.7590
Group 2	0.4739	-	0.4739	0.7590
<b>ZA income</b>				
Group 1	0.3583	-	0.3583	0.5962
Group 2	0.3583	-	0.3583	0.5962

## 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 Opportunities Equity Fund

For the year ended 28 February 2023

## Investment Objective

To generate growth over the long term (5 years or more) by investing in emerging market 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.

**Performance Comparator:** IA Global emerging markets Equity Sector Average.

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

## Investment Policy

### Portfolio Securities

- The fund will invest at least 70% in equities and equity related securities of companies listed, incorporated or domiciled in emerging market countries, or companies that derive a significant proportion of their revenues or profits from emerging market operations or have a significant proportion of their assets there.
- Emerging markets include Asian, Eastern European, Middle Eastern, African or Latin American countries.
- 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 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 identifying companies where the management team have a different view of a company's prospects than that of the market, and which align with their views regarding future economic and business conditions.
- In seeking to achieve the Performance Target, the MSCI emerging market 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%. Due to the fund's risk constraints, the intention is that the fund's performance profile will not deviate significantly from that of the MSCI emerging market Index over the longer 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

Over the period under review, the fund fell by 0.94% (Source: FactSet, Platform 1 Accumulation, net of fees). This compared to a decline of 2.59% in its performance target (Source: FactSet, the MSCI Emerging Markets Index +3%).

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

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

The fund outpaced its benchmark despite volatile market conditions, driven by positive stock selection and asset allocation. At the stock level, Bank of Georgia and fintech company Kaspi.kz were the top contributors to relative gains. Both companies raised their share buyback programmes on the back of robust results.

From a country perspective, our holdings in India and China stood out. In India, conglomerates ITC and Larsen & Toubro bucked the downtrend and closed higher. Bajaj Holdings & Investment, which announced a larger interim dividend for 2022, also made notable gains. Meanwhile, Macau casino operator Sands China and Chinese liquor maker Wuliangye Yibin were buoyed by Beijing's pivot away from zero-Covid towards a full economic reopening. On the flip side, property management firm Country Garden Services slumped amid a surprise share placement by its sister company, though losses were mitigated by greater financial support for the property sector towards the period-end.

# abrdn Emerging Markets Opportunities Equity Fund

## Continued

The fund's relatively heavy exposure to Mexico was beneficial in view of US-China tensions. Nearshoring has underpinned both the Mexican peso and the economy. Our holdings in industrial real estate investment trust Terrafina, lender Banorte and airport operator OMA were among the major stock contributors. Terrafina is seeking to expand its industrial land ownership in Mexico thanks to rising demand. Banorte demonstrated capital discipline by pulling out of bidding for rival Banamex and committing to return excess capital to shareholders through higher dividend distributions. OMA is a beneficiary of reopening travel and pent-up demand.

On the other hand, revaluing the fund's Russian holdings to zero following Russia's invasion of Ukraine held back relative performance. We took that decision due to the implementation of stringent capital controls in Russia following stiff Western sanctions on Moscow, which made it impossible to realise any value from the investments. In South Korea, core technology holding Samsung Electronics retreated on worries about slowing end-demand for chips and consumer electronics. SK hynix, which we exited over the year, faced similar concerns.

### Portfolio Activity and Review

In key portfolio activity, we initiated positions in companies that we felt could maintain good returns for shareholders due to their respective market leading positions and good prospects for market share gains. In Asia, we introduced Hong Kong insurer AIA, Taiwan-based Alchip Technologies, Korea Shipbuilding & Offshore Engineering, and China-based Amoy Diagnostics, China International Capital Corp, Hefei Meyer Optoelectronic Technology, food delivery platform Meituan, home appliance maker Midea Group, Yonyou Network Technology and auto dealer Zhongsheng Group. We also participated in China Tourism Group Duty Free's Hong Kong initial public offering. Across South-East Asia, we bought Telkom Indonesia alongside Malaysian lenders CIMB Group and RHB.

Four new holdings were added in Latin America. These included Mexican conglomerate FEMSA, Colombian oil and gas exploration and production company Geopark, e-commerce retailer MercadoLibre and Brazilian oil company Petrobras. In the Middle East and Africa, we initiated Dubai-based fast-food chain operator Americana Restaurants, Al Rajhi Bank and Saudi Aramco in Saudi Arabia, and South African diversified financial services business Sanlam.

Conversely, we sold Anhui Conch Cement, Ayala Land, China Merchants Bank, Cyrela Brazil Realty, Dali Foods Group, Estun Automation, Hansol Chemical, Kotak Mahindra Bank, Nari Technology, President Chain Store, Prosus, Proya Cosmetics, SK hynix, Sunonwealth Electric Machine Industry, Win Semiconductors, Wonik IPS, Xiabu Xiabu Catering Management and Xinyi Solar to fund more attractive opportunities elsewhere.

### Portfolio Outlook and Strategy

While the US continues to unwind years of loose monetary policy to tackle inflation, emerging market central banks are approaching the tail end of their rates cycle. Larger emerging economies have relatively resilient currency reserves and current account positions compared to the past. Corporate balance sheets have also emerged stronger from the pandemic, making them better prepared for any global recession. Meanwhile, the potential for a counter-cyclical recovery in China remains intact. Macro policy is likely to stay accommodative, with more legroom to support growth due to relatively low inflation. Beyond China, other emerging markets are set to benefit from a global supply chain rearrangement post-pandemic.

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 any near-term supply disruption and cost pressure. Overall, the asset class remains attractive due to the diversity of stock specific change underpinned by structural growth drivers, including healthy demographics, a growing middle class and relatively undemanding valuations. By sticking to our disciplined style agnostic focus on change approach, we expect our holdings to deliver sustainable returns to shareholders over the longer term.

On 12 May 2023 abrdn Emerging Markets Opportunities Equity Fund merged with abrdn Emerging Markets Equity Fund, a sub-fund of abrdn OEIC I.

### Global Emerging Markets Equity Team

March 2023

# abrdn Emerging Markets Opportunities 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 28 February 2023.

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

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

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

# Comparative Tables

	2023	2022	2021
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	94.57	109.62	87.65
Return before operating charges*	(0.10)	(13.60)	23.26
Operating charges	(1.22)	(1.45)	(1.29)
Return after operating charges*	(1.32)	(15.05)	21.97
Distributions	(2.19)	(1.09)	(1.07)
Retained distributions on accumulation shares	2.19	1.09	1.07
Closing net asset value per share	93.25	94.57	109.62
* after direct transaction costs of:	0.11	0.09	0.09
<b>Performance</b>			
Return after charges	(1.40%)	(13.73%)	25.07%
<b>Other information</b>			
Closing net asset value (£'000)	87,329	83,129	88,928
Closing number of shares	93,645,463	87,905,737	81,122,088
Operating charges	1.35%	1.36%	1.37%
Direct transaction costs	0.12%	0.08%	0.09%
<b>Prices</b>			
Highest share price	100.0	113.7	118.1
Lowest share price	79.90	94.81	72.57

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

	2023	2022	2021
Institutional accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	100.59	115.72	91.76
Return before operating charges*	0.29	(14.12)	24.72
Operating charges	(0.85)	(1.01)	(0.76)
Return after operating charges*	(0.56)	(15.13)	23.96
Distributions	(3.23)	(1.98)	(1.93)
Retained distributions on accumulation shares	3.23	1.98	1.93
Closing net asset value per share	100.03	100.59	115.72
* after direct transaction costs of:	0.11	0.09	0.08
<b>Performance</b>			
Return after charges	(0.56%)	(13.07%)	26.11%
<b>Other information</b>			
Closing net asset value (£'000)	1,325	1,931	1,811
Closing number of shares	1,324,699	1,919,305	1,564,650
Operating charges	0.88%	0.89%	0.90%
Direct transaction costs	0.12%	0.08%	0.09%
<b>Prices</b>			
Highest share price	107.1	120.0	124.7
Lowest share price	85.36	101.0	75.99

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

<b>Platform 1 accumulation</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	99.05	114.34	91.05
Return before operating charges*	(0.07)	(14.24)	24.19
Operating charges	(0.89)	(1.05)	(0.90)
Return after operating charges*	(0.96)	(15.29)	23.29
Distributions	(2.70)	(1.60)	(1.50)
Retained distributions on accumulation shares	2.70	1.60	1.50
Closing net asset value per share	98.09	99.05	114.34
* after direct transaction costs of:	0.11	0.09	0.09
<b>Performance</b>			
Return after charges	(0.97%)	(13.37%)	25.58%
<b>Other information</b>			
Closing net asset value (£'000)	1,299	1,372	2,001
Closing number of shares	1,324,631	1,384,801	1,749,956
Operating charges	0.93%	0.94%	0.95%
Direct transaction costs	0.12%	0.08%	0.09%
<b>Prices</b>			
Highest share price	105.2	118.6	123.2
Lowest share price	83.93	99.30	75.41

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.

# Comparative Tables

## Continued

ZC accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	91.23	104.49	82.57
Return before operating charges*	(0.07)	(13.12)	22.05
Operating charges	(0.12)	(0.14)	(0.13)
Return after operating charges*	(0.19)	(13.26)	21.92
Distributions	(3.16)	(2.28)	(2.06)
Retained distributions on accumulation shares	3.16	2.28	2.06
Closing net asset value per share	91.04	91.23	104.49
* after direct transaction costs of:	0.10	0.08	0.08
<b>Performance</b>			
Return after charges	(0.21%)	(12.69%)	26.55%
<b>Other information</b>			
Closing net asset value (£'000)	1,292	1,204	1,401
Closing number of shares	1,418,765	1,319,826	1,340,943
Operating charges	0.13%	0.14%	0.15%
Direct transaction costs	0.12%	0.08%	0.09%
<b>Prices</b>			
Highest share price	97.57	108.3	112.5
Lowest share price	77.71	91.45	68.40

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

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

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

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

# Comparative Tables

## Continued

ZB accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	108.38	123.97	97.84
Return before operating charges*	(0.13)	(15.59)	26.13
Operating charges	-	-	-
Return after operating charges*	(0.13)	(15.59)	26.13
Distributions	(3.83)	(2.83)	(2.55)
Retained distributions on accumulation shares	3.83	2.83	2.55
Closing net asset value per share	108.25	108.38	123.97
* after direct transaction costs of:	0.12	0.10	0.10
<b>Performance</b>			
Return after charges	(0.12%)	(12.58%)	26.71%
<b>Other information</b>			
Closing net asset value (£'000)	60,633	88,741	107,997
Closing number of shares	56,014,030	81,878,910	87,112,016
Operating charges	-	-	-
Direct transaction costs	0.12%	0.08%	0.09%
<b>Prices</b>			
Highest share price	116.0	128.6	133.5
Lowest share price	92.37	108.6	81.06

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

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

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

# Portfolio Statement

As at 28 February 2023

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (98.63%)</b>		<b>150,184</b>	<b>98.88</b>
<b>Europe, Middle East &amp; Africa Equities (7.36%)</b>		<b>10,092</b>	<b>6.64</b>
<b>Georgia (1.22%)</b>		<b>2,282</b>	<b>1.50</b>
62,571	Bank of Georgia	1,743	1.15
66,063	Georgia Capital	539	0.35
<b>Netherlands (0.90%)</b>		<b>-</b>	<b>-</b>
<b>Nigeria (0.50%)</b>		<b>835</b>	<b>0.55</b>
729,638	Seplat Energy	835	0.55
<b>Poland (0.58%)</b>		<b>1,420</b>	<b>0.93</b>
206,923	InPost	1,420	0.93
<b>Russia (2.22%)</b>		<b>-</b>	<b>-</b>
719,612	Detsky Mir+++	-	-
385,684	Gazprom+++	-	-
21,045	HeadHunter ADR+++	-	-
22,943	Lukoil ADR+++	-	-
67,930	MMC Norilsk Nickel ADR+++	-	-
4,962	Novatek GDR+++	-	-
190,152	Sberbank of Russia ADR+++	-	-
25,886,162	Segezha+++	-	-
9,382	X5 Retail GDR+++	-	-
<b>Saudi Arabia (0.00%)</b>		<b>2,301</b>	<b>1.52</b>
47,502	Al Rajhi Bank	734	0.49
224,888	Saudi Arabian Oil	1,567	1.03

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>South Africa (1.94%)</b>		<b>2,691</b>	<b>1.77</b>
99,245	Impala Platinum	766	0.50
260,998	Sanlam	702	0.46
214,433	Vodacom	1,223	0.81
<b>United Arab Emirates (0.00%)</b>		<b>563</b>	<b>0.37</b>
723,560	Americana Restaurants International	563	0.37
<b>Latin America Equities (8.00%)</b>		<b>17,462</b>	<b>11.50</b>
<b>Brazil (2.96%)</b>		<b>5,538</b>	<b>3.65</b>
276,879	B3 SA - Brasil Bolsa Balcao	462	0.30
1,066,595	Banco Bradesco (Preference)	2,206	1.45
337,608	Petroleo Brasileiro (Preference)	1,348	0.89
324,660	Rumo	923	0.61
97,277	Telefonica Brasil	599	0.40
<b>Colombia (0.00%)</b>		<b>1,058</b>	<b>0.70</b>
98,958	Geopark	1,058	0.70
<b>Mexico (4.53%)</b>		<b>9,343</b>	<b>6.15</b>
127,897	Fomento Economico Mexicano	971	0.64
150,493	Grupo Aeroportuario del Centro Norte	1,185	0.78
351,078	Grupo Financiero Banorte 'O'	2,449	1.61
766,128	Grupo México	2,835	1.87
1,259,615	TF Administradora Industrial REIT	1,903	1.25
<b>Peru (0.51%)</b>		<b>1,523</b>	<b>1.00</b>
14,475	Credicorp	1,523	1.00

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>North America Equities (0.24%)</b>		<b>1,602</b>	<b>1.05</b>
<b>Canada (0.24%)</b>		<b>210</b>	<b>0.14</b>
44,686	Ballard Power Systems	210	0.14
<b>United States (0.00%)</b>		<b>1,392</b>	<b>0.91</b>
1,383	MercadoLibre	1,392	0.91
<b>Pacific Basin Equities (83.03%)</b>		<b>121,028</b>	<b>79.69</b>
<b>China (31.80%)</b>		<b>43,612</b>	<b>28.72</b>
431,764	Alibaba	3,930	2.59
174,200	Amoy Diagnostics 'A'	616	0.41
176,140	ANTA Sports Products	1,917	1.26
198,044	Autohome 'A'	1,257	0.83
5,673,729	China Construction Bank 'H'	2,866	1.89
469,200	China International Capital 'H'	832	0.55
31,800	China Tourism Duty Free 'A'	746	0.49
650,000	Country Garden Services	993	0.65
129,400	Hangzhou Tigermed Consulting 'H'	1,226	0.81
266,300	Hefei Meiya Optoelectronic Technology 'A'	857	0.56
178,400	Inner Mongolia Yili Industrial 'A'	646	0.43
49,560	JD.com 'A'	906	0.60
344,016	Joinn Laboratories China 'H'	1,222	0.80
149,300	Li Auto 'A'	1,446	0.95
139,000	Li Ning	976	0.64
355,053	LONGi Green Energy Technology 'A'	1,866	1.23
66,176	Meituan 'B'	947	0.62
152,400	Midea 'A'	950	0.63
204,350	NetEase	2,604	1.71
374,124	Ping An Insurance 'H'	2,098	1.38
222,866	Tencent	8,058	5.31
6,850,000	Tianhe Chemicals**	-	-
153,349	Wuliangye Yibin 'A'	3,724	2.45
314,695	Wuxi Biologics (Cayman)	1,810	1.19

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
143,800	Yonyou Network Technology 'A'	398	0.26
175,000	Zhongsheng	721	0.48
<b>Hong Kong (3.91%)</b>		<b>5,307</b>	<b>3.49</b>
101,800	AIA	891	0.59
563,413	Budweiser Brewing	1,393	0.92
649,777	China Metal Recycling**	-	-
6,505,000	Pacific Basin Shipping	1,951	1.28
621,204	SITC International	1,072	0.70
<b>India (11.90%)</b>		<b>21,147</b>	<b>13.92</b>
19,654	Axis Bank GDR	821	0.54
18,275	Bajaj Holdings & Investment	1,165	0.77
239,617	Biocon	548	0.36
269,678	Crompton Greaves Consumer Electricals	816	0.54
119,887	HDFC Bank	1,918	1.26
132,564	Housing Development Finance	3,457	2.28
440,904	ITC	1,659	1.09
148,847	Larsen & Toubro	3,135	2.06
84,487	Mahanagar Gas	754	0.50
1,420,006	Power Grid Corp of India	3,149	2.07
84,380	Reliance Industries	1,955	1.29
53,253	Tata Consultancy Services	1,770	1.16
<b>Indonesia (2.14%)</b>		<b>4,770</b>	<b>3.14</b>
2,424,900	Bank Mandiri Persero	1,313	0.86
8,286,759	Bank Rakyat Indonesia Persero	2,096	1.38
1,008,600	Cisarua Mountain Dairy	243	0.16
5,321,000	Telkom Indonesia Persero	1,118	0.74
<b>Kazakhstan (0.92%)</b>		<b>2,970</b>	<b>1.96</b>
48,466	Kaspi.KZ GDR	2,970	1.96

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Macau (2.06%)</b>		<b>1,458</b>	<b>0.96</b>
509,317	Sands China	1,458	0.96
<b>Malaysia (0.00%)</b>		<b>2,697</b>	<b>1.78</b>
1,916,696	CIMB	1,976	1.30
691,100	RHB Bank	721	0.48
<b>Philippines (0.01%)</b>		<b>-</b>	<b>-</b>
<b>South Korea (15.93%)</b>		<b>17,633</b>	<b>11.61</b>
22,523	Korea Shipbuilding & Offshore Engineering	1143	0.75
18,128	LG Chemical (Preference)	3321	2.19
107,582	Samsung Electronics	4070	2.68
146,038	Samsung Electronics (Preference)	4868	3.21
75,713	Samsung Engineering	1238	0.81
123,431	Shinhan Financial	2993	1.97
<b>Taiwan (14.36%)</b>		<b>21,434</b>	<b>14.11</b>
26,000	Alchip Technologies	665	0.43
288,295	Chroma ATE	1,442	0.95
56,958	Globalwafers	791	0.52
543,590	Hon Hai Precision Industry	1,488	0.98
167,000	MediaTek	3,273	2.16
938,664	Taiwan Semiconductor Manufacturing	13,003	8.56
481,685	Taiwan Union Technology	772	0.51

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Collective Investment Schemes (0.00%)		532	0.35
532	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc+	532	0.35
Total investment assets		150,716	99.23
Net other assets		1,162	0.77
<b>Total Net Assets</b>		<b>151,878</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities, or are regulated collective investment schemes within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 28 February 2022.

+ Managed by subsidiaries of abrdn plc.

+++ Priced per abrdn VPC.

\*\* Delisted.

# Financial Statements

## Statement of Total Return

For the year ended 28 February 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(6,993)		(30,159)
Revenue	2	6,186		5,302	
Expenses	3	(1,100)		(1,314)	
Interest payable and similar charges		(5)		(2)	
Net revenue before taxation		5,081		3,986	
Taxation	4	(620)		(753)	
Net revenue after taxation			4,461		3,233
<b>Total return before distributions</b>			<b>(2,532)</b>		<b>(26,926)</b>
Distributions	5		(4,630)		(3,462)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(7,162)</b>		<b>(30,388)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2023

	2023		2022	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>176,377</b>		<b>202,138</b>
Amounts receivable on the issue of shares	18,972		23,024	
Amounts payable on the cancellation of shares	(40,681)		(21,756)	
		(21,709)		1,268
Dilution adjustment		50		-
Change in net assets attributable to shareholders from investment activities (see above)		(7,162)		(30,388)
Retained distribution on accumulation shares		4,322		3,359
<b>Closing net assets attributable to shareholders</b>		<b>151,878</b>		<b>176,377</b>

# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			150,716		173,953
<b>Current assets:</b>					
Debtors	6	1,041		2,137	
Cash and bank balances	7	1,729		776	
			2,770		2,913
<b>Total assets</b>			<b>153,486</b>		<b>176,866</b>
<b>Liabilities:</b>					
Provisions for liabilities	8		(391)		(222)
Bank overdrafts	7	-		(96)	
Creditors	9	(1,217)		(171)	
			(1,217)		(267)
<b>Total liabilities</b>			<b>(1,608)</b>		<b>(489)</b>
<b>Net assets attributable to shareholders</b>			<b>151,878</b>		<b>176,377</b>

# Notes to the Financial Statements

## 1 Net Capital Losses

	2023 £'000	2022 £'000
Non-derivative securities	(7,080)	(30,079)
Forward currency contracts	-	8
Other gains/(losses)	107	(72)
Subsidised fees taken from the capital account*	15	18
Transaction charges	(35)	(34)
<b>Net capital losses</b>	<b>(6,993)</b>	<b>(30,159)</b>

\* Subsidised fees are paid by the ACD.

## 2 Revenue

	2023 £'000	2022 £'000
Bank and margin interest	17	3
Overseas dividends	5,986	5,167
Overseas REIT	74	89
UK dividends	109	43
<b>Total revenue</b>	<b>6,186</b>	<b>5,302</b>

## 3 Expenses

	2023 £'000	2022 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	1,073	1,221
Dealing charge	1	1
General administration charge*	3	2
Registration fees**	-	2
	<b>1,077</b>	<b>1,226</b>
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Depositary's fees**	(2)	9
Revenue collection expenses	1	21
Safe custody fees	35	40
	<b>34</b>	<b>70</b>

# Notes to the Financial Statements

## Continued

	2023 £'000	2022 £'000
<b>Other:</b>		
Audit fee**	-	5
Professional fees**	8	10
Subsidised fees***	(19)	(41)
Expense cap adjustment in respect of prior year	-	44
	(11)	18
<b>Total expenses</b>	<b>1,100</b>	<b>1,314</b>

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

\* The fixed general administration charge was introduced from 1 September 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 £10,200 (2022: £9,480).

\*\* These figures represent the charges to 31 August 2021, which have now been replaced by the fixed general administration charge.

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

## 4 Taxation

	2023 £'000	2022 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	451	524
Overseas capital gains tax	-	7
Total current tax	451	531
Deferred tax (note 4c)	169	222
<b>Total taxation (note 4b)</b>	<b>620</b>	<b>753</b>

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

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

	2023 £'000	2022 £'000
<b>Net revenue before taxation</b>	<b>5,081</b>	<b>3,986</b>
Corporation tax at 20% (2022: 20%)	1,016	797
Effects of:		
Revenue not subject to taxation	(1,162)	(1,007)
Overseas taxes	451	524
Overseas tax expensed	(9)	(8)
Excess allowable expenses	155	218
Overseas capital gains tax	-	7
Deferred tax	169	222
<b>Total tax charge for year (note 4a)</b>	<b>620</b>	<b>753</b>

# Notes to the Financial Statements

## Continued

	2023 £'000	2022 £'000
<b>(c) Deferred tax</b>		
Deferred tax provision at the start of the year	222	-
Deferred tax charge in statement of total return for year (note 4a)	169	222
<b>Provision at the end of the year</b>	<b>391</b>	<b>222</b>

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

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £1,758,000 (2022: £1,603,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

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

	2023 £'000	2022 £'000
Distribution	4,322	3,359
Add: Income deducted on cancellation of shares	570	247
Deduct: Income received on issue of shares	(262)	(144)
<b>Total distributions for the year</b>	<b>4,630</b>	<b>3,462</b>
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	4,461	3,233
Overseas capital gains tax on realised gains	-	7
Overseas deferred capital gains tax on unrealised gains	169	222
<b>Total distributions for the year</b>	<b>4,630</b>	<b>3,462</b>

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

## 6 Debtors

	2023 £'000	2022 £'000
Accrued revenue	436	403
Amounts receivable from the ACD for the issue of shares	148	14
Expenses reimbursement receivable from the ACD	24	52
Overseas withholding tax recoverable	127	74
Sales awaiting settlement	306	1,594
<b>Total debtors</b>	<b>1,041</b>	<b>2,137</b>

# Notes to the Financial Statements

## Continued

### 7 Liquidity

	2023 £'000	2022 £'000
<b>Cash and bank balances</b>		
Cash at bank	1,729	776
	<b>1,729</b>	<b>776</b>
<b>Bank overdrafts</b>		
Overdraft at bank	-	(96)
	<b>-</b>	<b>(96)</b>
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	532	1
<b>Net liquidity</b>	<b>2,261</b>	<b>681</b>

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

### 8 Provisions for Liabilities

	2023 £'000	2022 £'000
The provisions for liabilities comprise:		
Deferred tax payable on overseas capital gains tax	391	222
<b>Total provisions for liabilities</b>	<b>391</b>	<b>222</b>

### 9 Creditors

	2023 £'000	2022 £'000
Accrued expenses payable to ACD	93	93
Accrued expenses payable to the Depositary or associates of the Depositary	16	12
Amounts payable to the ACD for cancellation of shares	80	61
Other accrued expenses	5	5
Purchases awaiting settlement	1,023	-
<b>Total creditors</b>	<b>1,217</b>	<b>171</b>

### 10 Related Party Transactions

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

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

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

# Notes to the Financial Statements

## Continued

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.

Amounts receivable from abrdn Fund Managers Limited in respect of subsidised fees are disclosed in notes 1 and 3 and any amounts due at the year end in note 6 and 9.

## 11 Portfolio Transaction Costs

	Purchases		Sales	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Trades in the year</b>				
Equities	48,184	75,045	65,040	65,810
Corporate actions	-	263	21	135
<b>Trades in the year before transaction costs</b>	<b>48,184</b>	<b>75,308</b>	<b>65,061</b>	<b>65,945</b>
<b>Commissions</b>				
Equities	32	38	(28)	(34)
<b>Total commissions</b>	<b>32</b>	<b>38</b>	<b>(28)</b>	<b>(34)</b>
<b>Taxes</b>				
Equities	27	36	(91)	(54)
<b>Total taxes</b>	<b>27</b>	<b>36</b>	<b>(91)</b>	<b>(54)</b>
<b>Total transaction costs</b>	<b>59</b>	<b>74</b>	<b>(119)</b>	<b>(88)</b>
<b>Total net trades in the year after transaction costs</b>	<b>48,243</b>	<b>75,382</b>	<b>64,942</b>	<b>65,857</b>
	Purchases		Sales	
	2023 %	2022 %	2023 %	2022 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.07	0.05	0.04	0.05
<b>Taxes</b>				
Equities	0.06	0.05	0.14	0.08
<b>Total transaction costs expressed as a percentage of net asset value</b>			2023 %	2022 %
Commissions			0.04	0.04
Taxes			0.08	0.04

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.20% (2022: 0.23%), this is representative of the average spread on the assets held during the year.

# Notes to the Financial Statements

## Continued

### 12 Shares in Issue Reconciliation

	Opening shares 2022	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2023
Retail accumulation	87,905,737	20,758,376	(14,729,375)	(289,275)	93,645,463
Institutional accumulation	1,919,305	63,388	(646,725)	(11,269)	1,324,699
Platform 1 accumulation	1,384,801	81,034	(427,909)	286,705	1,324,631
ZC accumulation	1,319,826	219,290	(120,351)	-	1,418,765
ZB accumulation	81,878,910	46,512	(25,911,392)	-	56,014,030

### 13 Fair Value Hierarchy

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

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

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

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

	2023 £'000	2023 £'000	2023 £'000	2022 £'000	2022 £'000	2022 £'000
Fair value of investment assets	Level 1	Level 2	Level 3*	Level 1	Level 2	Level 3
Equities	150,184	-	-	173,952	-	-
Collective Investment Schemes	-	532	-	-	1	-
<b>Total investment assets</b>	<b>150,184</b>	<b>532</b>	<b>-</b>	<b>173,952</b>	<b>1</b>	<b>-</b>

\* Level 3 includes assets valued at nil by the abrdn VPC, as detailed in the portfolio statement. These assets have been valued at nil due to current market conditions.

### 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 2023 £'000	Net foreign currency exposure 2022 £'000
	Brazilian Real	5,623
China Renminbi	9,803	10,347
Euro	1,420	2,610
Hong Kong Dollar	40,575	56,307

# Notes to the Financial Statements

## Continued

Currency	Net foreign currency exposure	Net foreign currency exposure
	2023 £'000	2022 £'000
Indian Rupee	20,149	20,095
Indonesian Rupiah	4,836	3,835
Malaysian Ringgit	2,697	-
Mexican Peso	9,729	8,174
Nigeria Naira	(14)	-
Philippines Peso	-	24
Russian Ruble	-	2,346
Saudi Riyal	2,301	-
South Africa Rand	2,691	3,428
South Korean Won	17,837	28,658
Taiwan Dollar	21,739	25,325
UAE Dirham	563	-
US Dollar	8,347	7,115
<b>Total</b>	<b>148,296</b>	<b>173,522</b>

At 28 February 2023, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £7,415,000 (2022: £8,676,000).

### 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 28 February 2023, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £7,536,000 (2022: £8,698,000).

### Financial derivatives instrument risk

The fund had no exposure to derivatives as at 28 February 2023 (2022: £Nil).

### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2023 £1,608,000 (2022: £489,000).

## 15 Subsequent Event

On 12 May the fund closed following its merger into abrdn Emerging Markets Equity Fund in abrdn OEIC I.

# Distribution Table

For the year ended 28 February 2023 (in pence per share)

## Final dividend distribution

Group 1 – shares purchased prior to 1 March 2022

Group 2 – shares purchased between 1 March 2022 and 28 February 2023

	Revenue	Equalisation	Distribution paid 28/04/23	Distribution paid 29/04/22
<b>Retail accumulation</b>				
Group 1	2.1904	-	2.1904	1.0855
Group 2	0.9605	1.2299	2.1904	1.0855
<b>Institutional accumulation</b>				
Group 1	3.2299	-	3.2299	1.9797
Group 2	1.7185	1.5114	3.2299	1.9797
<b>Platform 1 accumulation</b>				
Group 1	2.7014	-	2.7014	1.6002
Group 2	0.8105	1.8909	2.7014	1.6002
<b>ZC accumulation</b>				
Group 1	3.1579	-	3.1579	2.2762
Group 2	2.7186	0.4393	3.1579	2.2762
<b>ZB accumulation</b>				
Group 1	3.8347	-	3.8347	2.8271
Group 2	0.3407	3.4940	3.8347	2.8271

## 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 Growth Equity Fund

For the year ended 28 February 2023

## Investment Objective

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

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

Performance Comparator: IA Europe ex UK Equity Sector Average.

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

## Investment Policy

### Portfolio Securities

- The fund will invest at least 70% in equities and equity related securities of companies 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) and 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 identifying companies where the management team have a different view of a company's prospects than that of the market, and which align with their views regarding future economic and business conditions.
- In seeking to achieve the Performance Target, FTSE World 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 8%. Due to the fund's risk constraints, the intention is that the fund's performance profile will not deviate significantly from that of the FTSE World ex UK Index over the longer 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 28 February 2023, the abrdn Europe ex UK Equity Growth Fund rose by 9.88% (Source: FactSet, Platform 1 Accumulation, net of fees). This compared with an increase of 10.13% in the comparator benchmark (Source: Morningstar, the IA OE Europe Excluding UK Index) and an increase of 13.45% in the performance target (Source: FactSet, the FTSE World Europe ex-UK Index +3%).

FTSE International Limited ("FTSE") © FTSE 2023. 'FTSE' is a trademark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence. RAFI® is a registered trademark of Research Affiliates, LLC. All rights in the FTSE indices and/or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data. No further distribution of FTSE data is permitted without FTSE's express written consent.

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

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

In terms of performance, the biggest detractor was Polypeptide, which weakened after a profit warning related to a delay in high-margin Covid-19-related revenues and rising inflationary pressures. French video games group Ubisoft also fell back after Tencent increased its stake by purchasing stock from the Guillemot family. While this was clear recognition from an external player of the value in Ubisoft, it also effectively removed the potential for a bid for the company. Shares in Dutch payments platform Adyen suffered as some investors switched from growth to value stocks due to the uncertain macroeconomic background. Higher commodity and energy prices were a notable feature in the period, and Koninklijke DSM underperformed as it struggled to pass these on to customers and subsequently lowered its earnings guidance for 2022.

On the upside, Novo Nordisk received a boost from strong growth in its GLP-1 franchise across all markets. The company made further progress in rebuilding the supply

# abrdn Europe ex UK Growth Equity Fund

## Continued

of obesity drug Wegovy, and the growing appeal of the pharmaceutical sector's defensive growth characteristics also helped to lift the shares. Prosus rebounded after a period of weak performance, aided by a modest recovery in the share prices of some of its portfolio companies. Prosus' shares were further boosted after the company announced a large, multi-year share buyback scheme. The Fund's lack of a holding in Roche was beneficial as the company's shares declined on an absence of news flow and fading Covid-19-related sales.

## Market Review

Continental Europe's stock markets, as measured by the FTSE World Europe ex UK Index, rose over the 12-month period in both euro and sterling terms. The region's equity markets were buffeted in 2022 by surging inflation, the prospect of higher interest rates, and the shock of the Russia-Ukraine war and its serious consequences for European energy supplies. European markets regained some ground in the final quarter of 2022 and were among the strongest performers in January despite concerns that inflation was falling more slowly in the eurozone.

European share prices were already under pressure before Russia invaded Ukraine, which sent energy prices surging and cast a shadow over the German and Italian economies due to their heavy reliance on Russia for energy supplies. The fourth quarter of 2022 brought better fortunes for investors. European shares rose strongly in October, helped by resilient company results and investor hopes that an end to interest-rate rises might be near. Shares surged higher in November on the back of better-than-expected US inflation data, although it proved a short-lived recovery as markets dipped again in December. The new year brought renewed optimism amid falling inflation, lower energy prices and elevated natural gas storage levels in Europe.

## Portfolio Activity and Review

We added to our position in areas that had underperformed and where we felt valuations did not reflect the growth and returns prospects – this included semiconductor business BESI, ecommerce business Zalando and internet company Prosus. We also introduced businesses which we felt were mis-valued by the market and where there were compelling catalysts, including Millicom and RWE. We exited and trimmed positions where we felt the prospects were fairly captured in the company's valuation, including Flutter and Nestle.

## Portfolio Outlook and Strategy

On 3 March 2023 abrdn Europe ex UK Growth Equity Fund merged with abrdn Europe ex UK Equity Fund, a sub-fund of abrdn OEIC I.

## European Equity Team

March 2023

# abrdn Europe ex UK Growth 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 28 February 2023.

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

- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- The fund invests in emerging market equities and/or bonds. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

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

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

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

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

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

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

# Comparative Tables

	2023	2022	2021
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	242.15	236.26	199.76
Return before operating charges*	18.14	9.35	39.38
Operating charges	(3.12)	(3.46)	(2.88)
Return after operating charges*	15.02	5.89	36.50
Distributions	(1.99)	(2.18)	(0.87)
Retained distributions on accumulation shares	1.99	2.18	0.87
Closing net asset value per share	257.17	242.15	236.26
* after direct transaction costs of:	0.30	0.18	0.19
<b>Performance</b>			
Return after charges	6.20%	2.49%	18.27%
<b>Other information</b>			
Closing net asset value (£'000)	31,712	33,556	33,531
Closing number of shares	12,330,759	13,857,180	14,192,113
Operating charges	1.33%	1.33%	1.35%
Direct transaction costs	0.13%	0.07%	0.09%
<b>Prices</b>			
Highest share price	267.8	281.0	246.7
Lowest share price	211.2	227.3	155.6

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

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

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

# Comparative Tables

## Continued

	2023	2022	2021
Retail income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	78.92	77.70	65.93
Return before operating charges*	5.90	3.07	13.01
Operating charges	(1.02)	(1.14)	(0.96)
Return after operating charges*	4.88	1.93	12.05
Distributions	(0.65)	(0.71)	(0.28)
Closing net asset value per share	83.15	78.92	77.70
* after direct transaction costs of:	0.10	0.06	0.06
<b>Performance</b>			
Return after charges	6.18%	2.48%	18.28%
<b>Other information</b>			
Closing net asset value (£'000)	899	929	897
Closing number of shares	1,080,646	1,177,343	1,155,097
Operating charges	1.33%	1.33%	1.35%
Direct transaction costs	0.13%	0.07%	0.09%
<b>Prices</b>			
Highest share price	87.26	92.40	81.44
Lowest share price	69.25	74.77	51.36

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

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

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

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

# Comparative Tables

## Continued

Institutional accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	287.83	279.52	235.22
Return before operating charges*	21.58	10.96	46.51
Operating charges	(2.36)	(2.65)	(2.21)
Return after operating charges*	19.22	8.31	44.30
Distributions	(3.69)	(4.03)	(2.22)
Retained distributions on accumulation shares	3.69	4.03	2.22
Closing net asset value per share	307.05	287.83	279.52
* after direct transaction costs of:	0.35	0.21	0.22
<b>Performance</b>			
Return after charges	6.68%	2.97%	18.83%
<b>Other information</b>			
Closing net asset value (£'000)	5,939	34,184	35,475
Closing number of shares	1,934,368	11,876,146	12,691,692
Operating charges	0.86%	0.86%	0.88%
Direct transaction costs	0.13%	0.07%	0.09%
<b>Prices</b>			
Highest share price	319.7	333.5	291.9
Lowest share price	251.0	270.2	183.3

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

<b>Platform 1 accumulation</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	128.65	124.99	105.24
Return before operating charges*	9.69	4.92	20.81
Operating charges	(1.14)	(1.26)	(1.06)
Return after operating charges*	8.55	3.66	19.75
Distributions	(1.59)	(1.73)	(0.94)
Retained distributions on accumulation shares	1.59	1.73	0.94
Closing net asset value per share	137.20	128.65	124.99
* after direct transaction costs of:	0.16	0.09	0.10
<b>Performance</b>			
Return after charges	6.65%	2.93%	18.77%
<b>Other information</b>			
Closing net asset value (£'000)	10,254	10,362	9,295
Closing number of shares	7,473,362	8,054,702	7,436,795
Operating charges	0.91%	0.91%	0.93%
Direct transaction costs	0.13%	0.07%	0.09%
<b>Prices</b>			
Highest share price	142.9	149.1	130.5
Lowest share price	112.2	120.8	81.99

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

ZC accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	216.82	208.97	174.55
Return before operating charges*	16.49	8.11	34.66
Operating charges	(0.22)	(0.26)	(0.24)
Return after operating charges*	16.27	7.85	34.42
Distributions	(4.38)	(4.76)	(3.07)
Retained distributions on accumulation shares	4.38	4.76	3.07
Closing net asset value per share	233.09	216.82	208.97
* after direct transaction costs of:	0.27	0.16	0.16
<b>Performance</b>			
Return after charges	7.50%	3.76%	19.72%
<b>Other information</b>			
Closing net asset value (£'000)	996	998	934
Closing number of shares	427,459	460,319	446,745
Operating charges	0.11%	0.11%	0.13%
Direct transaction costs	0.13%	0.07%	0.09%
<b>Prices</b>			
Highest share price	242.6	250.6	218.1
Lowest share price	189.1	203.5	136.0

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 28 February 2023

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (98.97%)</b>		<b>48,646</b>	<b>97.68</b>
<b>European Equities (98.97%)</b>		<b>48,646</b>	<b>97.68</b>
<b>Austria (3.19%)</b>		-	-
<b>Belgium (0.00%)</b>		<b>1,516</b>	<b>3.04</b>
72,311	Azelis	1,516	3.04
<b>Denmark (8.75%)</b>		<b>5,326</b>	<b>10.69</b>
33,600	Novo Nordisk 'B'	3,951	7.93
18,994	Ørsted	1,375	2.76
<b>Finland (5.17%)</b>		-	-
<b>France (22.47%)</b>		<b>13,946</b>	<b>28.00</b>
44,615	Dassault Systemes	1,429	2.87
38,687	Edenred	1,806	3.63
6,857	L'Oreal	2,253	4.52
4,528	LVMH Moet Hennessy Louis Vuitton	3,129	6.28
13,274	Pernod Ricard	2,298	4.61
16,245	Schneider Electric	2,164	4.35
47,399	Ubisoft Entertainment	867	1.74
<b>Germany (17.60%)</b>		<b>6,698</b>	<b>13.45</b>
15,226	Deutsche Boerse	2,200	4.42
12,498	Hannover Rueck	2,017	4.05
20,907	Knorr-Bremse	1,184	2.37
27,520	Nemetschek	1,297	2.61
<b>Ireland (1.85%)</b>		-	-
<b>Italy (2.59%)</b>		-	-

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Netherlands (19.09%)</b>		<b>11,324</b>	<b>22.74</b>
1,704	Adyen	2,008	4.03
217,680	Allfunds	1,577	3.17
7,251	ASML	3,709	7.45
13,668	Heineken	1,155	2.32
20,346	Prosus	1,211	2.43
17,350	Wolters Kluwer	1,664	3.34
<b>Norway (2.25%)</b>		<b>1,424</b>	<b>2.86</b>
90,378	Schibsted 'B'	1,424	2.86
<b>Sweden (6.58%)</b>		<b>1,432</b>	<b>2.88</b>
163,646	Atlas Copco 'B'	1,432	2.88
<b>Switzerland (9.43%)</b>		<b>6,980</b>	<b>14.02</b>
3,750	Lonza	1,853	3.72
1,738	Partners	1,369	2.75
29,073	PolyPeptide	656	1.32
6,065	Sika	1,410	2.83
15,406	Straumann	1,692	3.40
<b>Collective Investment Schemes (0.17%)</b>		<b>-</b>	<b>-</b>
Total investment assets		48,646	97.68
Net other assets		1,154	2.32
<b>Total Net Assets</b>		<b>49,800</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities, within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 28 February 2022.

# Financial Statements

## Statement of Total Return

For the year ended 28 February 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital (losses)/gains	1		(455)		1,398
Revenue	2	1,694		1,933	
Expenses	3	(692)		(913)	
Interest payable and similar charges		(3)		(1)	
Net revenue before taxation		999		1,019	
Taxation	4	(212)		(51)	
Net revenue after taxation			787		968
<b>Total return before distributions</b>			<b>332</b>		<b>2,366</b>
Distributions	5		(787)		(968)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(455)</b>		<b>1,398</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2023

	2023		2022	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>80,029</b>		<b>80,132</b>
Amounts receivable on the issue of shares	5,765		5,273	
Amounts payable on the cancellation of shares	(36,011)		(7,715)	
		(30,246)		(2,442)
Dilution adjustment		18		-
Change in net assets attributable to shareholders from investment activities (see above)		(455)		1,398
Retained distribution on accumulation shares		454		941
<b>Closing net assets attributable to shareholders</b>		<b>49,800</b>		<b>80,029</b>

# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			48,646		79,341
<b>Current assets:</b>					
Debtors	6	416		864	
Cash and bank balances	7	815		1	
			1,231		865
<b>Total assets</b>			<b>49,877</b>		<b>80,206</b>
<b>Liabilities:</b>					
Creditors	8	(70)		(169)	
Distribution payable		(7)		(8)	
			(77)		(177)
<b>Total liabilities</b>			<b>(77)</b>		<b>(177)</b>
<b>Net assets attributable to shareholders</b>			<b>49,800</b>		<b>80,029</b>

# Notes to the Financial Statements

## 1 Net Capital (Losses)/Gains

	2023 £'000	2022 £'000
Non-derivative securities	(436)	1,413
Other losses	(8)	(5)
Transaction charges	(11)	(10)
<b>Net capital (losses)/gains</b>	<b>(455)</b>	<b>1,398</b>

## 2 Revenue

	2023 £'000	2022 £'000
Bank and margin interest	9	-
Overseas dividends	1,685	1,933
<b>Total revenue</b>	<b>1,694</b>	<b>1,933</b>

## 3 Expenses

	2023 £'000	2022 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	655	851
Dealing charge	5	6
General administration charge*	26	20
Registration fees**	-	20
	<b>686</b>	<b>897</b>
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Depositary's fees**	-	2
Safe custody fees	6	9
	<b>6</b>	<b>11</b>
<b>Other:</b>		
Audit fee**	-	5
	-	5
<b>Total expenses</b>	<b>692</b>	<b>913</b>

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

\* The fixed general administration charge was introduced from 1 September 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 £10,200 (2022: £9,480).

\*\* These figures represent the charges to 31 August 2021, which have now been replaced by the fixed general administration charge.

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2023 £'000	2022 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	212	51
<b>Total taxation (note 4b)</b>	<b>212</b>	<b>51</b>

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

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

<b>Net revenue before taxation</b>	<b>999</b>	<b>1,019</b>
Corporation tax at 20% (2022: 20%)	200	204
Effects of:		
Revenue not subject to taxation	(337)	(386)
Overseas taxes	212	51
Excess allowable expenses	137	182
<b>Total tax charge for year (note 4a)</b>	<b>212</b>	<b>51</b>

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

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

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £2,208,000 (2022: £2,071,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

### 5 Distributions

	2023 £'000	2022 £'000
Distribution	461	949
Add: Income deducted on cancellation of shares	368	43
Deduct: Income received on issue of shares	(42)	(24)
<b>Total distributions for the year</b>	<b>787</b>	<b>968</b>

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

### 6 Debtors

	2023 £'000	2022 £'000
Amounts receivable from the ACD for the issue of shares	-	53
Overseas withholding tax recoverable	416	811
<b>Total debtors</b>	<b>416</b>	<b>864</b>

# Notes to the Financial Statements

## Continued

### 7 Liquidity

	2023 £'000	2022 £'000
<b>Cash and bank balances</b>		
Cash at bank	815	1
	<b>815</b>	<b>1</b>
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	-	133
<b>Net liquidity</b>	<b>815</b>	<b>134</b>

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

### 8 Creditors

	2023 £'000	2022 £'000
Accrued expenses payable to ACD	53	64
Accrued expenses payable to the Depositary or associates of the Depositary	3	2
Amounts payable to the ACD for cancellation of shares	9	98
Other accrued expenses	5	5
<b>Total creditors</b>	<b>70</b>	<b>169</b>

### 9 Related Party Transactions

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

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

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

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

# Notes to the Financial Statements

## Continued

### 10 Portfolio Transaction Costs

	Purchases		Sales	
	2023	2022	2023	2022
Trades in the year	£'000	£'000	£'000	£'000
Equities	54,105	35,479	84,106	37,819
Corporate actions	-	569	407	-
<b>Trades in the year before transaction costs</b>	<b>54,105</b>	<b>36,048</b>	<b>84,513</b>	<b>37,819</b>
<b>Commissions</b>				
Equities	14	21	(22)	(22)
<b>Total commissions</b>	<b>14</b>	<b>21</b>	<b>(22)</b>	<b>(22)</b>
<b>Taxes</b>				
Equities	47	17	-	-
<b>Total taxes</b>	<b>47</b>	<b>17</b>	<b>-</b>	<b>-</b>
<b>Total transaction costs</b>	<b>61</b>	<b>38</b>	<b>(22)</b>	<b>(22)</b>
<b>Total net trades in the year after transaction costs</b>	<b>54,166</b>	<b>36,086</b>	<b>84,491</b>	<b>37,797</b>
	Purchases		Sales	
	2023	2022	2023	2022
	%	%	%	%
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.03	0.06	0.03	0.06
<b>Taxes</b>				
Equities	0.09	0.05	-	-
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Commissions			0.06	0.05
Taxes			0.07	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 0.06% (2022: 0.09%), this is representative of the average spread on the assets held during the year.

# Notes to the Financial Statements

## Continued

### 11 Shares in Issue Reconciliation

	Opening shares 2022	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2023
Retail accumulation	13,857,180	269,439	(1,279,480)	(516,380)	12,330,759
Retail income	1,177,343	33,492	(130,189)	-	1,080,646
Institutional accumulation	11,876,146	1,681,456	(11,624,041)	807	1,934,368
Platform 1 accumulation	8,054,702	505,073	(2,053,336)	966,923	7,473,362
ZC accumulation	460,319	17,263	(50,123)	-	427,459

### 12 Fair Value Hierarchy

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

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

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

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

	2023 £'000	2023 £'000	2023 £'000	2022 £'000	2022 £'000	2022 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	48,646	-	-	79,208	-	-
Collective Investment Schemes	-	-	-	-	133	-
<b>Total investment assets</b>	<b>48,646</b>	<b>-</b>	<b>-</b>	<b>79,208</b>	<b>133</b>	<b>-</b>

### 13 Risk Management Policies and Disclosures

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

#### Foreign currency risk

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

# Notes to the Financial Statements

## Continued

Currency	Net foreign currency exposure	Net foreign currency exposure
	2023 £'000	2022 £'000
Danish Krone	5,462	7,116
Euro	33,760	58,283
Norwegian Krone	1,428	1,804
Swedish Krona	1,432	5,265
Swiss Franc	6,980	7,551
US Dollar	2	-
<b>Total</b>	<b>49,064</b>	<b>80,019</b>

At 28 February 2023, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £2,453,000 (2022: £4,001,000).

### 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 28 February 2023, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £2,432,000 (2022: £3,967,000).

### Financial derivatives instrument risk

The fund had no exposure to derivatives as at 28 February 2023 (2022: £Nil).

### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2023 £74,000 (2022: £177,000).

## 14 Subsequent Event

On 3 March 2023 the fund closed following its merger into abrdn Europe ex UK Equity Fund in abrdn OEIC I.

# Distribution Table

For the year ended 28 February 2023 (in pence per share)

## Final dividend distribution

Group 1 – shares purchased prior to 1 March 2022

Group 2 – shares purchased between 1 March 2022 and 28 February 2023

	Revenue	Equalisation	Distribution paid 28/04/23	Distribution paid 29/04/22
<b>Retail accumulation</b>				
Group 1	1.9918	-	1.9918	2.1754
Group 2	0.6926	1.2992	1.9918	2.1754
<b>Retail income</b>				
Group 1	0.6485	-	0.6485	0.7149
Group 2	0.2019	0.4466	0.6485	0.7149
<b>Institutional accumulation</b>				
Group 1	3.6890	-	3.6890	4.0287
Group 2	2.3359	1.3531	3.6890	4.0287
<b>Platform 1 accumulation</b>				
Group 1	1.5857	-	1.5857	1.7316
Group 2	0.6557	0.9300	1.5857	1.7316
<b>ZC accumulation</b>				
Group 1	4.3762	-	4.3762	4.7583
Group 2	1.7462	2.6300	4.3762	4.7583

## 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 Income Equity Fund

For the year ended 28 February 2023

## Investment Objective

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

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

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 include the emerging markets of Europe, but excludes the UK.
- The fund may also invest up to 15% in bonds (loans to companies).
- 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 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. Given the fund's income objective, the management team place particular emphasis on understanding business fundamentals and dynamics and the impact this has on cash flow generation and the company's ability to allocate cash effectively.
- 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

income nature of the management process, the fund's performance profile may deviate significantly from that of the FTSE World Europe ex UK Index.

### Derivatives and Techniques

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

## Performance Review

Over the period under review, the Fund returned 15.83% (Source: FactSet, Platform 1 Accumulation, net of fees). This compared to a return of 10.00% for our performance target (Source: FactSet, FTSE World Europe ex UK Index). From an income perspective, the Platform 1 Income share class delivered a historic yield of 2.83% over the last 12 months versus the index historic yield of 2.86% over the same period.

FTSE International Limited ('FTSE') © FTSE 2023. 'FTSE®' is a trademark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence. RAFI® is a registered trademark of Research Affiliates, LLC. All rights in the FTSE indices and/or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data. No further distribution of FTSE data is permitted without FTSE's express written consent.

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

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

In terms of the top performers, Nordea and our recently acquired holding in Bank of Ireland benefited from the high-interest-rate environment and positive sentiment generated by earnings upgrades across the banking sector. Swedish Match performed strongly thanks to a successful US\$16 billion takeover bid for the company by US tobacco giant Phillip Morris International. Strong growth in its GLP-1 franchise across all markets provided a boost to Novo Nordisk. The company made further progress in rebuilding the supply of obesity drug Wegovy, and the growing appeal of the pharmaceutical sector's defensive growth characteristics also helped to lift the shares. Wolters Kluwer also added to returns due to strong results highlighting acceleration in underlying growth in the business.

# abrdn Europe ex UK Income Equity Fund

## Continued

By contrast, Koninklijke DSM underperformed as it struggled to pass on higher commodity and energy prices to customers and subsequently lowered its earnings guidance for 2022. Roche was also weak due to failed trials for a new Alzheimer's treatment and a drop in orders for its Covid-19 drugs and tests as government orders were reduced. Roche's chief executive is moving up to become chairman, and will be replaced by the current head of the diagnostics division. Nordnet detracted from performance after the company was affected by lower trade volumes. We subsequently sold our position in the stock on concerns about asset markets, and the risk that volatility would lower investor risk appetite and lead to reduced customer engagement with its platform. Stock selection in the banking sector also detracted from performance. Not owning Unicredit, BBVA or BNP Paribas weighed on returns as they outperformed in the period.

### Market Review

Continental Europe's stock markets, as measured by the FTSE World Europe ex UK Index, rose over the 12-month period in both euro and sterling terms. The region's equity markets were buffeted in 2022 by surging inflation, the prospect of higher interest rates, and the shock of the Russia-Ukraine war and its serious consequences for European energy supplies. European markets regained some ground in the final quarter of 2022 and were among the strongest performers in January.

European share prices were already under pressure before Russia invaded Ukraine, which sent energy prices surging and cast a shadow over the German and Italian economies due to their heavy reliance on Russia for energy supplies. The fourth quarter of 2022 brought better fortunes for investors. European shares rose strongly in October, helped by resilient company results and investor hopes that an end to interest-rate rises might be near. Shares surged higher in November on the back of better-than-expected US inflation data, although it proved a short-lived recovery as markets dipped again in December. The new year brought renewed optimism amid falling inflation, lower energy prices and elevated natural gas storage levels in Europe.

### Portfolio Activity and Review

We introduced eleven new holdings to the portfolio in the period, including software company SAP. The firm has a materially improving business mix, with the firm's cloud operations in particular seeing accelerating growth. Wolters Kluwer was another addition as we are optimistic about the combination of strong dividend growth visibility combined with additional cash returns via share buybacks.

Services and payments group Edenred has an excellent benefits business, with high levels of growth and scope for margin improvement. Vinci, a strong concessions business, benefits from inflation-linked pricing and has ongoing volume recovery potential, along with a strong balance sheet that supports an attractive yield. Industrial gases and services group Air Liquide has seen improving growth, combined with improving profitability. Richemont is a high-quality luxury asset with attractive jewellery category exposure through strong brands, including Cartier. Amadeus IT Group is a leading provider of technology services to the airline and travel industries, which are expected to see a post-pandemic rebound. Teleperformance has attractive long-term growth potential with earnings that are relatively recession-resilient. Other purchases included Atlas Copco and Aker BP.

Sales included Thule because of ongoing concerns about the robustness of consumer demand and increasing signs of inventories being too high at US retailers. We sold our position in Adidas, due to a deteriorating earnings picture, and Deutsche Post, where we saw risks around the normalisation of Covid-19-related earnings benefits that would likely cap dividend prospects going forward. We also sold out of Antin Infrastructure Partners due to a fall in conviction as a result of private-market sector headwinds. We divested our position in Fortum as the business has considerable exposure to Russia and is likely to be adversely affected by the various sanctions placed on the country. We also sold our holdings in Swatch Group, Carlsberg, Orron Energy, Kone, Akzo Nobel and Daimler Truck, reinvesting the proceeds in higher-conviction positions.

### Portfolio Outlook and Strategy

We are more cautious on the outlook for corporate profitability and the prospects for equity markets than the recent recovery in equity and bond markets suggests. While it is clear sentiment and positioning going into 2023 were too consensually bearish, we think investors have too aggressively discounted the situation improving from here. Even if the trajectory of interest rates has proved less steep than some were expecting, it remains the case that higher rates should raise financing costs and increase return hurdles, which will weigh on corporate profitability. Similarly, a higher discount rate is unlikely to be positive for equity valuations. We therefore think the environment will remain more challenging for corporates, resulting in a period of higher equity-price volatility.

Over the past decade, equity investing could have been characterised as focused almost exclusively on growth, with little attention paid to valuations. We think that after

# abrdn Europe ex UK Income Equity Fund

## Continued

the Covid-19 pandemic and the Russia-Ukraine war, investors will be much more interested in companies that are resilient to this tougher backdrop. The good news is that these are exactly the kind of businesses we invest in.

Our strategy is well suited to this new environment because we seek to identify companies with attractive income-paying attributes. This means the companies we invest in should be relatively resilient, while our focus on generating a premium dividend yield makes us naturally more valuation-sensitive. We believe income will represent a greater share of equity returns going forward, and we take the view that our balanced approach should offer an attractive combination of upside capture and downside protection.

### **European Equity Team**

March 2023

# abrdn Europe ex 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 28 February 2023.

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

- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- The fund 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 use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

# Comparative Tables

	2023	2022	2021
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	156.35	145.94	129.55
Return before operating charges*	21.94	12.56	18.20
Operating charges	(2.12)	(2.15)	(1.81)
Return after operating charges*	19.82	10.41	16.39
Distributions	(3.02)	(2.81)	(2.91)
Retained distributions on accumulation shares	3.02	2.81	2.91
Closing net asset value per share	176.17	156.35	145.94
* after direct transaction costs of:	0.22	0.11	0.13
<b>Performance</b>			
Return after charges	12.68%	7.13%	12.65%
<b>Other information</b>			
Closing net asset value (£'000)	8,121	7,603	7,866
Closing number of shares	4,609,586	4,862,477	5,389,955
Operating charges	1.31%	1.32%	1.32%
Direct transaction costs	0.14%	0.07%	0.09%
<b>Prices</b>			
Highest share price	179.5	176.1	153.1
Lowest share price	139.3	146.7	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

	2023	2022	2021
Retail income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	94.70	91.11	83.60
Return before operating charges*	13.05	7.91	11.56
Operating charges	(1.25)	(1.32)	(1.14)
Return after operating charges*	11.80	6.59	10.42
Distributions	(2.95)	(3.00)	(2.91)
Closing net asset value per share	103.55	94.70	91.11
* after direct transaction costs of:	0.13	0.07	0.08
<b>Performance</b>			
Return after charges	12.46%	7.23%	12.46%
<b>Other information</b>			
Closing net asset value (£'000)	793	1,043	1,024
Closing number of shares	765,455	1,101,878	1,123,399
Operating charges	1.31%	1.32%	1.32%
Direct transaction costs	0.14%	0.07%	0.09%
<b>Prices</b>			
Highest share price	105.9	107.6	95.78
Lowest share price	84.38	91.27	65.21

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

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

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

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

# Comparative Tables

## Continued

	2023	2022	2021
Institutional accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	168.52	156.56	138.31
Return before operating charges*	23.73	13.45	19.49
Operating charges	(1.45)	(1.49)	(1.24)
Return after operating charges*	22.28	11.96	18.25
Distributions	(3.84)	(3.74)	(3.66)
Retained distributions on accumulation shares	3.84	3.74	3.66
Closing net asset value per share	190.80	168.52	156.56
* after direct transaction costs of:	0.24	0.12	0.14
<b>Performance</b>			
Return after charges	13.22%	7.64%	13.19%
<b>Other information</b>			
Closing net asset value (£'000)	118,873	279,222	290,899
Closing number of shares	62,302,294	165,692,685	185,806,699
Operating charges	0.84%	0.85%	0.85%
Direct transaction costs	0.14%	0.07%	0.09%
<b>Prices</b>			
Highest share price	194.4	189.5	164.1
Lowest share price	150.2	157.4	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

	2023	2022	2021
Institutional income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	102.42	98.06	89.56
Return before operating charges*	14.19	8.51	12.41
Operating charges	(0.88)	(0.92)	(0.79)
Return after operating charges*	13.31	7.59	11.62
Distributions	(3.20)	(3.23)	(3.12)
Closing net asset value per share	112.53	102.42	98.06
* after direct transaction costs of:	0.14	0.07	0.09
<b>Performance</b>			
Return after charges	13.00%	7.74%	12.97%
<b>Other information</b>			
Closing net asset value (£'000)	178,016	210,611	295,361
Closing number of shares	158,200,886	205,625,631	301,195,408
Operating charges	0.84%	0.85%	0.85%
Direct transaction costs	0.14%	0.07%	0.09%
<b>Prices</b>			
Highest share price	115.0	116.2	103.0
Lowest share price	91.27	98.59	69.88

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

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

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

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

# Comparative Tables

## Continued

Institutional S accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	93.10	86.29	76.12
Return before operating charges*	13.17	7.52	10.76
Operating charges	(0.69)	(0.71)	(0.59)
Return after operating charges*	12.48	6.81	10.17
Distributions	(2.29)	(2.27)	(2.15)
Retained distributions on accumulation shares	2.29	2.27	2.15
Closing net asset value per share	105.58	93.10	86.29
* after direct transaction costs of:	0.13	0.07	0.08
<b>Performance</b>			
Return after charges	13.40%	7.89%	13.36%
<b>Other information</b>			
Closing net asset value (£'000)	1	1	1
Closing number of shares	1,336	1,336	1,336
Operating charges	0.72%	0.73%	0.73%
Direct transaction costs	0.14%	0.07%	0.09%
<b>Prices</b>			
Highest share price	107.5	104.6	90.44
Lowest share price	82.97	86.76	59.38

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

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

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

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

# Comparative Tables

## Continued

	2023	2022	2021
Institutional S income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	68.43	65.41	59.67
Return before operating charges*	9.47	5.72	8.28
Operating charges	(0.50)	(0.53)	(0.45)
Return after operating charges*	8.97	5.19	7.83
Distributions	(2.13)	(2.17)	(2.09)
Closing net asset value per share	75.27	68.43	65.41
* after direct transaction costs of:	0.10	0.05	0.06
<b>Performance</b>			
Return after charges	13.11%	7.93%	13.12%
<b>Other information</b>			
Closing net asset value (£'000)	1	1	1
Closing number of shares	1,637	1,637	1,637
Operating charges	0.72%	0.73%	0.73%
Direct transaction costs	0.14%	0.07%	0.09%
<b>Prices</b>			
Highest share price	76.93	77.65	68.70
Lowest share price	60.99	65.76	46.56

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

<b>Platform 1 accumulation</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	125.43	116.59	103.06
Return before operating charges*	17.64	10.01	14.51
Operating charges	(1.16)	(1.17)	(0.98)
Return after operating charges*	16.48	8.84	13.53
Distributions	(2.80)	(2.72)	(2.67)
Retained distributions on accumulation shares	2.80	2.72	2.67
Closing net asset value per share	141.91	125.43	116.59
* after direct transaction costs of:	0.18	0.09	0.10
<b>Performance</b>			
Return after charges	13.14%	7.58%	13.13%
<b>Other information</b>			
Closing net asset value (£'000)	29,927	26,440	29,711
Closing number of shares	21,088,853	21,079,338	25,483,898
Operating charges	0.89%	0.90%	0.90%
Direct transaction costs	0.14%	0.07%	0.09%
<b>Prices</b>			
Highest share price	144.6	141.1	122.2
Lowest share price	111.8	117.2	80.40

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

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

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

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

# Comparative Tables

## Continued

	2023	2022	2021
Platform 1 income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	88.29	84.57	77.29
Return before operating charges*	12.20	7.35	10.69
Operating charges	(0.80)	(0.84)	(0.72)
Return after operating charges*	11.40	6.51	9.97
Distributions	(2.75)	(2.79)	(2.69)
Closing net asset value per share	96.94	88.29	84.57
* after direct transaction costs of:	0.12	0.06	0.08
<b>Performance</b>			
Return after charges	12.91%	7.70%	12.90%
<b>Other information</b>			
Closing net asset value (£'000)	32,314	23,551	27,951
Closing number of shares	33,332,459	26,675,514	33,049,174
Operating charges	0.89%	0.90%	0.90%
Direct transaction costs	0.14%	0.07%	0.09%
<b>Prices</b>			
Highest share price	99.08	100.2	88.87
Lowest share price	78.68	85.03	60.30

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

ZC accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	184.60	170.22	149.26
Return before operating charges*	26.14	14.57	21.12
Operating charges	(0.18)	(0.19)	(0.16)
Return after operating charges*	25.96	14.38	20.96
Distributions	(5.66)	(5.51)	(5.15)
Retained distributions on accumulation shares	5.66	5.51	5.15
Closing net asset value per share	210.56	184.60	170.22
* after direct transaction costs of:	0.26	0.13	0.15
<b>Performance</b>			
Return after charges	14.06%	8.45%	14.04%
<b>Other information</b>			
Closing net asset value (£'000)	764	759	925
Closing number of shares	362,836	411,050	543,399
Operating charges	0.09%	0.10%	0.10%
Direct transaction costs	0.14%	0.07%	0.09%
<b>Prices</b>			
Highest share price	214.4	207.1	178.3
Lowest share price	164.5	171.2	116.5

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

ZA income	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	113.96	108.21	98.02
Return before operating charges*	15.87	9.34	13.63
Operating charges	(0.02)	(0.02)	(0.02)
Return after operating charges*	15.85	9.32	13.61
Distributions	(3.56)	(3.57)	(3.42)
Closing net asset value per share	126.25	113.96	108.21
* after direct transaction costs of:	0.16	0.08	0.10
<b>Performance</b>			
Return after charges	13.91%	8.61%	13.88%
<b>Other information</b>			
Closing net asset value (£'000)	6,319	7,570	9,640
Closing number of shares	5,004,825	6,642,306	8,908,507
Operating charges	0.01%	0.02%	0.02%
Direct transaction costs	0.14%	0.07%	0.09%
<b>Prices</b>			
Highest share price	129.0	129.0	113.6
Lowest share price	101.6	108.8	76.50

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

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

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

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

# Portfolio Statement

As at 28 February 2023

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (96.11%)</b>		<b>367,790</b>	<b>98.04</b>
<b>European Equities (96.11%)</b>		<b>367,790</b>	<b>98.04</b>
<b>Denmark (9.05%)</b>		<b>21,682</b>	<b>5.78</b>
95,563	Novo Nordisk 'B'	11,236	3.00
569,681	Tryg	10,446	2.78
<b>Finland (5.30%)</b>		<b>20,681</b>	<b>5.51</b>
198,818	Neste	7,943	2.12
1,214,001	Nordea Bank	12,738	3.39
<b>France (19.30%)</b>		<b>108,586</b>	<b>28.95</b>
51,157	Air Liquide	6,746	1.80
416,127	AXA	10,879	2.90
90,355	Edenred	4,219	1.12
1,138,109	Engie	13,794	3.68
26,169	LVMH Moet Hennessy Louis Vuitton	18,084	4.82
137,732	Sanofi	10,723	2.86
77,247	Schneider Electric	10,292	2.74
38,453	Teleperformance	8,286	2.21
307,485	TotalEnergies	15,776	4.21
103,625	Vinci	9,787	2.61
<b>Germany (17.96%)</b>		<b>51,800</b>	<b>13.81</b>
19,413	Deutsche Boerse	2,805	0.75
641,849	Deutsche Telekom	11,953	3.19
167,113	Mercedes-Benz	10,650	2.84
359,023	RWE	12,677	3.38
91,501	SAP	8,613	2.29
40,194	Siemens	5,102	1.36
<b>Ireland (0.00%)</b>		<b>12,272</b>	<b>3.27</b>
1,344,468	Bank of Ireland	12,272	3.27

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Italy (4.82%)</b>		<b>16,978</b>	<b>4.53</b>
942,875	Enel	4,391	1.17
371,772	FinecoBank Banca Fineco	5,321	1.42
3,238,192	Intesa Sanpaolo	7,266	1.94
<b>Netherlands (10.79%)</b>		<b>53,920</b>	<b>14.37</b>
22,344	ASML	11,429	3.05
80,515	BE Semiconductor Industries	5,173	1.38
730,786	ING	8,492	2.26
54,316	Koninklijke DSM	5,553	1.48
541,073	Universal Music	10,591	2.82
132,273	Wolters Kluwer	12,682	3.38
<b>Norway (0.00%)</b>		<b>3,909</b>	<b>1.04</b>
174,664	Aker BP	3,909	1.04
<b>Spain (1.73%)</b>		<b>14,983</b>	<b>3.99</b>
220,379	Amadeus IT	11,448	3.05
371,575	Iberdrola	3,535	0.94
<b>Sweden (13.06%)</b>		<b>12,855</b>	<b>3.43</b>
353,964	Atlas Copco 'A'	3,503	0.93
299,291	Hemnet	3,923	1.05
327,822	Volvo 'B'	5,429	1.45
<b>Switzerland (14.10%)</b>		<b>50,124</b>	<b>13.36</b>
44,200	Cie Financiere Richemont	5,522	1.47
171,631	Nestle	16,046	4.28
4,460	Partners	3,512	0.94
53,143	Roche (Participating certificate)	12,727	3.39

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
191,527	SIG	3,842	1.02
21,542	Zurich Insurance	8,475	2.26
<b>Collective Investment Schemes (1.61%)</b>		<b>4,831</b>	<b>1.29</b>
5,086	Aberdeen Standard Liquidity Fund (Lux) - Euro Fund Z3 Inc+	4,382	1.17
449	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc+	449	0.12
Total investment assets		372,621	99.33
Net other assets		2,508	0.67
<b>Total Net Assets</b>		<b>375,129</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities, or are regulated collective investment schemes within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 28 February 2022.

+ Managed by subsidiaries of abrdn plc.

# Financial Statements

## Statement of Total Return

For the year ended 28 February 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains	1		41,617		40,921
Revenue	2	18,494		22,011	
Expenses	3	(4,035)		(5,397)	
Interest payable and similar charges		(33)		(31)	
Net revenue before taxation		14,426		16,583	
Taxation	4	(2,318)		(1,898)	
Net revenue after taxation			12,108		14,685
<b>Total return before distributions</b>			<b>53,725</b>		<b>55,606</b>
Distributions	5		(13,909)		(17,111)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>39,816</b>		<b>38,495</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2023

	2023		2022	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>556,801</b>		<b>663,379</b>
Amounts receivable on the issue of shares	110,163		5,919	
Amounts payable on the cancellation of shares	(338,137)		(158,289)	
		(227,974)		(152,370)
Dilution adjustment		58		-
Change in net assets attributable to shareholders from investment activities (see above)		39,816		38,495
Retained distribution on accumulation shares		6,428		7,297
<b>Closing net assets attributable to shareholders</b>		<b>375,129</b>		<b>556,801</b>

# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			372,621		544,110
<b>Current assets:</b>					
Debtors	6	4,526		13,812	
Cash and bank balances	7	205		577	
			4,731		14,389
<b>Total assets</b>			<b>377,352</b>		<b>558,499</b>
<b>Liabilities:</b>					
Creditors	8	(1,487)		(1,021)	
Distribution payable		(736)		(677)	
			(2,223)		(1,698)
<b>Total liabilities</b>			<b>(2,223)</b>		<b>(1,698)</b>
<b>Net assets attributable to shareholders</b>			<b>375,129</b>		<b>556,801</b>

# Notes to the Financial Statements

## 1 Net Capital Gains

	2023 £'000	2022 £'000
Non-derivative securities	41,995	40,770
Other (losses)/gains	(359)	178
Transaction charges	(19)	(27)
<b>Net capital gains</b>	<b>41,617</b>	<b>40,921</b>

## 2 Revenue

	2023 £'000	2022 £'000
Bank and margin interest	107	1
Overseas dividends	18,387	22,010
<b>Total revenue</b>	<b>18,494</b>	<b>22,011</b>

## 3 Expenses

	2023 £'000	2022 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	3,587	4,771
Dealing charge	32	28
General administration charge*	371	237
Registration fees**	-	260
	<b>3,990</b>	<b>5,296</b>
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Depositary's fees**	-	31
Safe custody fees	45	65
	<b>45</b>	<b>96</b>
<b>Other:</b>		
Audit fee**	-	5
	-	5
<b>Total expenses</b>	<b>4,035</b>	<b>5,397</b>

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

\* The fixed general administration charge was introduced from 1 September 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 £10,200 (2022: £9,480).

\*\* These figures represent the charges to 31 August 2021, which have now been replaced by the fixed general administration charge.

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2023 £'000	2022 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	2,318	1,898
<b>Total taxation (note 4b)</b>	<b>2,318</b>	<b>1,898</b>

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

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

<b>Net revenue before taxation</b>	<b>14,426</b>	<b>16,583</b>
Corporation tax at 20% (2022: 20%)	2,885	3,317
Effects of:		
Revenue not subject to taxation	(3,677)	(4,402)
Overseas taxes	2,318	1,898
Excess allowable expenses	792	1,085
<b>Total tax charge for year (note 4a)</b>	<b>2,318</b>	<b>1,898</b>

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

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

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £11,383,000 (2022: £10,591,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

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

	2023 £'000	2022 £'000
First interim distribution	11,177	11,738
Second interim distribution	405	575
Third interim distribution	757	3,103
Final distribution	938	859
	13,277	16,275
Add: Income deducted on cancellation of shares	771	884
Deduct: Income received on issue of shares	(139)	(48)
<b>Total distributions for the year</b>	<b>13,909</b>	<b>17,111</b>

# Notes to the Financial Statements

## Continued

	2023 £'000	2022 £'000
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	12,108	14,685
Expenses charged to capital	1,791	2,421
Shortfall transfer from capital to revenue	10	5
<b>Total distributions for the year</b>	<b>13,909</b>	<b>17,111</b>

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

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

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

## 6 Debtors

	2023 £'000	2022 £'000
Accrued revenue	9	-
Amounts receivable from the ACD for the issue of shares	182	19
Overseas withholding tax recoverable	4,335	3,905
Sales awaiting settlement	-	9,888
<b>Total debtors</b>	<b>4,526</b>	<b>13,812</b>

## 7 Liquidity

	2023 £'000	2022 £'000
<b>Cash and bank balances</b>		
Cash at bank	205	577
	<b>205</b>	<b>577</b>
Aberdeen Standard Liquidity Fund (Lux) - Euro Fund Z3 Inc*	4,382	8,567
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	449	406
<b>Net liquidity</b>	<b>5,036</b>	<b>9,550</b>

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

# Notes to the Financial Statements

## Continued

### 8 Creditors

	2023 £'000	2022 £'000
Accrued expenses payable to ACD	259	383
Accrued expenses payable to the Depositary or associates of the Depositary	14	12
Amounts payable to the ACD for cancellation of shares	1,209	621
Other accrued expenses	5	5
<b>Total creditors</b>	<b>1,487</b>	<b>1,021</b>

### 9 Related Party Transactions

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

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

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

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

### 10 Portfolio Transaction Costs

	Purchases		Sales	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Trades in the year</b>				
Equities	216,382	185,560	415,685	356,713
Corporate actions	-	5,212	10,810	1,022
<b>Trades in the year before transaction costs</b>	<b>216,382</b>	<b>190,772</b>	<b>426,495</b>	<b>357,735</b>
<b>Commissions</b>				
Equities	127	124	(146)	(173)
<b>Total commissions</b>	<b>127</b>	<b>124</b>	<b>(146)</b>	<b>(173)</b>
<b>Taxes</b>				
Equities	385	144	-	-
<b>Total taxes</b>	<b>385</b>	<b>144</b>	<b>-</b>	<b>-</b>
<b>Total transaction costs</b>	<b>512</b>	<b>268</b>	<b>(146)</b>	<b>(173)</b>
<b>Total net trades in the year after transaction costs</b>	<b>216,894</b>	<b>191,040</b>	<b>426,349</b>	<b>357,562</b>

# Notes to the Financial Statements

## Continued

	Purchases		Sales	
	2023 %	2022 %	2023 %	2022 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.06	0.07	0.04	0.05
<b>Taxes</b>				
Equities	0.18	0.08	-	-
			2023 %	2022 %
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Commissions			0.06	0.05
Taxes			0.08	0.02

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.04% (2022: 0.06%), this is representative of the average spread on the assets held during the year.

## 11 Shares in Issue Reconciliation

	Opening shares 2022	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2023
Retail accumulation	4,862,477	724,514	(656,177)	(321,228)	4,609,586
Retail income	1,101,878	15,897	(133,848)	(218,472)	765,455
Institutional accumulation	165,692,685	20,801,741	(124,228,018)	35,886	62,302,294
Institutional income	205,625,631	6,415,252	(53,822,332)	(17,665)	158,200,886
Institutional S accumulation	1,336	-	-	-	1,336
Institutional S income	1,637	-	-	-	1,637
Platform 1 accumulation	21,079,338	48,316,550	(48,658,004)	350,969	21,088,853
Platform 1 income	26,675,514	8,955,642	(2,552,835)	254,138	33,332,459
ZC accumulation	411,050	6,586	(54,800)	-	362,836
ZA income	6,642,306	-	(1,637,481)	-	5,004,825

# Notes to the Financial Statements

## Continued

### 12 Fair Value Hierarchy

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

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

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

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

	2023	2023	2023	2022	2022	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	367,790	-	-	535,137	-	-
Collective Investment Schemes	-	4,831	-	-	8,973	-
<b>Total investment assets</b>	<b>367,790</b>	<b>4,831</b>	<b>-</b>	<b>535,137</b>	<b>8,973</b>	<b>-</b>

### 13 Risk Management Policies and Disclosures

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

#### Foreign currency risk

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

Currency	Net foreign	Net foreign
	currency	currency
	exposure	exposure
	2023	2022
	£'000	£'000
Danish Krone	22,738	56,731
Euro	286,880	349,572
Norwegian Krone	4,057	262
Swedish Krona	12,855	72,986
Swiss Franc	50,188	78,520
<b>Total</b>	<b>376,718</b>	<b>558,071</b>

At 28 February 2023, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £18,836,000 (2022: £27,904,000).

#### 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 28 February 2023, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £18,631,000 (2022: £27,206,000).

### **Financial derivatives instrument risk**

The fund had no exposure to derivatives as at 28 February 2023 (2022: £Nil).

### **Liquidity risk**

All of the fund's financial liabilities are payable on demand or in less than one year, 2023 £2,223,000 (2022: £1,698,000).

# Distribution Tables

For the year ended 28 February 2023 (in pence per share)

## First interim dividend distribution

Group 1 - shares purchased prior to 1 March 2022

Group 2 - shares purchased between 1 March 2022 and 31 May 2022

	Revenue	Equalisation	Distribution paid 29/07/22	Distribution paid 30/07/21
<b>Retail accumulation</b>				
Group 1	3.0200	-	3.0200	2.5126
Group 2	1.8176	1.2024	3.0200	2.5126
<b>Retail income</b>				
Group 1	2.1402	-	2.1402	1.8866
Group 2	0.4718	1.6684	2.1402	1.8866
<b>Institutional accumulation</b>				
Group 1	3.4574	-	3.4574	2.8956
Group 2	2.7314	0.7260	3.4574	2.8956
<b>Institutional income</b>				
Group 1	2.3163	-	2.3163	2.0320
Group 2	1.5188	0.7975	2.3163	2.0320
<b>Institutional S accumulation</b>				
Group 1	1.9547	-	1.9547	1.6426
Group 2	1.9547	-	1.9547	1.6426
<b>Institutional S income</b>				
Group 1	1.5473	-	1.5473	1.3591
Group 2	1.5473	-	1.5473	1.3591
<b>Platform 1 accumulation</b>				
Group 1	2.5577	-	2.5577	2.1404
Group 2	1.7385	0.8192	2.5577	2.1404
<b>Platform 1 income</b>				
Group 1	1.9964	-	1.9964	1.7523
Group 2	1.3707	0.6257	1.9964	1.7523
<b>ZC accumulation</b>				
Group 1	4.1415	-	4.1415	3.4942
Group 2	2.1924	1.9491	4.1415	3.4942
<b>ZA income</b>				
Group 1	2.5801	-	2.5801	2.2450
Group 2	2.5801	-	2.5801	2.2450

# Distribution Tables

For the year ended 28 February 2023 (in pence per share) continued

## Second interim dividend distribution

Group 1 – shares purchased prior to 1 June 2022

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

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
<b>Retail accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Retail income</b>				
Group 1	0.1737	-	0.1737	0.1981
Group 2	0.0358	0.1379	0.1737	0.1981
<b>Institutional accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Institutional income</b>				
Group 1	0.1882	-	0.1882	0.2131
Group 2	0.0673	0.1209	0.1882	0.2131
<b>Institutional S accumulation</b>				
Group 1	0.0187	-	0.0187	0.0508
Group 2	0.0187	-	0.0187	0.0508
<b>Institutional S income</b>				
Group 1	0.1252	-	0.1252	0.1466
Group 2	0.1252	-	0.1252	0.1466
<b>Platform 1 accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Platform 1 income</b>				
Group 1	0.1622	-	0.1622	0.1840
Group 2	0.0614	0.1008	0.1622	0.1840
<b>ZC accumulation</b>				
Group 1	0.3103	-	0.3103	0.3404
Group 2	0.2550	0.0553	0.3103	0.3404
<b>ZA income</b>				
Group 1	0.2101	-	0.2101	0.2364
Group 2	0.2101	-	0.2101	0.2364

# Distribution Tables

For the year ended 28 February 2023 (in pence per share) continued

## Third interim dividend distribution

Group 1 – shares purchased prior to 1 September 2022

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

	Revenue	Equalisation	Distribution paid 31/01/23	Distribution paid 31/01/22
<b>Retail accumulation</b>				
Group 1	-	-	-	0.2992
Group 2	-	-	-	0.2992
<b>Retail income</b>				
Group 1	0.2857	-	0.2857	0.6473
Group 2	0.1302	0.1555	0.2857	0.6473
<b>Institutional accumulation</b>				
Group 1	0.1173	-	0.1173	0.7434
Group 2	0.0853	0.0320	0.1173	0.7434
<b>Institutional income</b>				
Group 1	0.3098	-	0.3098	0.6989
Group 2	0.2223	0.0875	0.3098	0.6989
<b>Institutional S accumulation</b>				
Group 1	0.1159	-	0.1159	0.4699
Group 2	0.1159	-	0.1159	0.4699
<b>Institutional S income</b>				
Group 1	0.2034	-	0.2034	0.4667
Group 2	0.2034	-	0.2034	0.4667
<b>Platform 1 accumulation</b>				
Group 1	0.0734	-	0.0734	0.5186
Group 2	0.0586	0.0148	0.0734	0.5186
<b>Platform 1 income</b>				
Group 1	0.2671	-	0.2671	0.6025
Group 2	0.1130	0.1541	0.2671	0.6025
<b>ZC accumulation</b>				
Group 1	0.5367	-	0.5367	1.2057
Group 2	0.3690	0.1677	0.5367	1.2057
<b>ZA income</b>				
Group 1	0.3466	-	0.3466	0.7754
Group 2	0.3466	-	0.3466	0.7754

# Distribution Tables

For the year ended 28 February 2023 (in pence per share) continued

## Final dividend distribution

Group 1 – shares purchased prior to 1 December 2022

Group 2 – shares purchased between 1 December 2022 and 28 February 2023

	Revenue	Equalisation	Distribution paid 28/04/23	Distribution paid 29/04/22
<b>Retail accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Retail income</b>				
Group 1	0.3502	-	0.3502	0.2642
Group 2	0.1406	0.2096	0.3502	0.2642
<b>Institutional accumulation</b>				
Group 1	0.2615	-	0.2615	0.1016
Group 2	0.0328	0.2287	0.2615	0.1016
<b>Institutional income</b>				
Group 1	0.3809	-	0.3809	0.2855
Group 2	0.0567	0.3242	0.3809	0.2855
<b>Institutional S accumulation</b>				
Group 1	0.1990	-	0.1990	0.1025
Group 2	0.1990	-	0.1990	0.1025
<b>Institutional S income</b>				
Group 1	0.2565	-	0.2565	0.1960
Group 2	0.2565	-	0.2565	0.1960
<b>Platform 1 accumulation</b>				
Group 1	0.1722	-	0.1722	0.0592
Group 2	0.0233	0.1489	0.1722	0.0592
<b>Platform 1 income</b>				
Group 1	0.3283	-	0.3283	0.2462
Group 2	0.0453	0.2830	0.3283	0.2462
<b>ZC accumulation</b>				
Group 1	0.6690	-	0.6690	0.4741
Group 2	0.1207	0.5483	0.6690	0.4741
<b>ZA income</b>				
Group 1	0.4267	-	0.4267	0.3174
Group 2	0.4267	-	0.4267	0.3174

## 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 Smaller Companies Fund

For the year ended 28 February 2023

## Investment Objective

To generate growth over the long 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 ex UK 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 small-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 includes the emerging markets of Europe, but excludes the UK.
- Smaller capitalisation companies are defined as any stock included in the EMIX Smaller European Companies ex UK 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) and 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 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 investment process, the fund's performance profile may deviate significantly from that of the EMIX Smaller European Companies ex UK 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

Over the period under review, the Fund returned -1.57% (Source: FactSet, Platform 1 Accumulation, net of fees). This compared with a return of 1.32% for its comparator benchmark, (Source: FactSet, the EMIX Smaller European Companies ex UK Index).

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

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

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

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

# abrdn Europe ex UK Smaller Companies Fund

## Continued

From a stock-specific perspective, our holding in Irish-listed office developer Hibernia REIT performed well thanks to a takeover bid by Brookfield Asset Management. The level of the approach seemed fair, balancing the growth prospects of the Dublin office market against the uncertainties created by the increasing trend of working from home. Switzerland-listed Komax made a positive contribution as the company's results showed it continuing to benefit from the move towards electric vehicles, with increased investment and increasing automation of a labour-intensive process. Investors also saw upside to the energy business of a holding involved in automation, Addtech, on the back of further investment in Sweden's power grid. In the financials sector, FinecoBank, benefited as it published results showing continued traction in its core businesses, with higher net interest income thanks to rising interest rates.

By contrast, Nemetschek weakened after the announcement that its highly regarded chief financial officer had decided to leave the business. While this news was disappointing, we do not believe it affects the quality and growth profile of the company. Teleperformance also weighed on relative returns due to allegations around the treatment of employees involved in the content moderation division. The business responded by announcing it would exit the most controversial area of content moderation, while engaging with local unions, and requested internal and external audits. Slightly disappointing guidance had an impact on branded generics group Dermapharm despite some strong results in the period. We have spoken with the company and remain confident that the growth opportunities for the business remain intact and its operating momentum should remain positive. Gaztransport & Technigaz (GTT) was negatively affected by news of an adverse court ruling in South Korea, where many liquefied natural gas (LNG) carriers are produced. However, the company later won its appeal to have the decision suspended and, having spoken with GTT, we believe the financial impact of this will be minimal.

### Market Review

Continental Europe's stock markets rose over the 12-month period in sterling terms. The region's equity markets were buffeted in 2022 by surging inflation, the prospect of higher interest rates, and the shock of the Russia-Ukraine war and its serious consequences for European energy supplies. European markets regained some ground in the final quarter of 2022 and were among the strongest performers in January.

European share prices were already under pressure before Russia invaded Ukraine, which sent energy prices surging and cast a shadow over the German and Italian

economies due to their heavy reliance on Russia for energy supplies. The fourth quarter of 2022 brought better fortunes for investors. European shares rose strongly in October, helped by resilient company results and investor hopes that an end to interest-rate rises might be near. Shares surged higher in November on the back of better-than-expected US inflation data, although it proved a short-lived recovery as markets dipped again in December. The new year brought renewed optimism amid falling inflation, lower energy prices and elevated natural gas storage levels in Europe.

### Portfolio Activity and Review

Major purchases included Brunello Cucinelli, GTT, ASR Nederland (ASR), Alfen and WIIT. Brunello Cucinelli is a high quality business with an excellent track record of growth and a strong brand position. It also scores well on our matrix stock screening tool. ASR is a Dutch insurance company with a strong track record, and the recent deal announced with Aegon confirms the consolidation occurring in the marketplace. We also started a position in France-listed LNG design business GTT. It is the global leader in the design and engineering of LNG carriers, with an 80% market share. GTT's technology is patented and very difficult to replicate, while barriers to entry are high. The company's growth is primarily driven by long-term demand for LNG as a sustainable fuel source.

In terms of sales, we sold our positions in Orpea, Fluidra and NORMA Group. Hibernia REIT was the subject of a takeover, as previously mentioned.

### Portfolio Outlook and Strategy

We are more cautious on the outlook for corporate profitability and the prospects for equity markets than the recent recovery in equity markets suggests. The latest economic data points and commentary from the US Federal Reserve suggest that investors may have been premature in calling the peak in inflation and interest rates. We think the environment will remain more challenging for corporates, resulting in a period of higher equity-price volatility.

We believe that the market will continue to move to more of a 'micro' focus, which should favour bottom-up stock picking that is focused on quality names. We strongly favour the small-cap asset class, which has been shown to outperform in periods of market recovery.

### Smaller Companies Equity Team

March 2023

# abrdn Europe ex 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 28 February 2023.

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

- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- The fund invests in emerging market equities and/or bonds. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- The shares of small and mid-cap companies may be less liquid and more volatile than those of larger companies.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

# Comparative Tables

	2023	2022	2021
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	390.55	366.39	285.65
Return before operating charges*	(7.69)	29.96	85.16
Operating charges	(4.65)	(5.80)	(4.42)
Return after operating charges*	(12.34)	24.16	80.74
Distributions	(3.49)	(1.09)	(1.02)
Retained distributions on accumulation shares	3.49	1.09	1.02
Closing net asset value per share	378.21	390.55	366.39
* after direct transaction costs of:	0.20	0.18	0.07
<b>Performance</b>			
Return after charges	(3.16%)	6.59%	28.27%
<b>Other information</b>			
Closing net asset value (£'000)	2,403	6,003	6,047
Closing number of shares	635,407	1,537,142	1,650,507
Operating charges	1.34%	1.35%	1.38%
Direct transaction costs	0.06%	0.04%	0.02%
<b>Prices</b>			
Highest share price	390.5	484.8	382.9
Lowest share price	297.1	363.4	221.8

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

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

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

# Comparative Tables

## Continued

	2023	2022	2021
Institutional accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	108.72	101.52	78.77
Return before operating charges*	(2.10)	8.25	23.57
Operating charges	(0.84)	(1.05)	(0.82)
Return after operating charges*	(2.94)	7.20	22.75
Distributions	(1.23)	(0.58)	(0.47)
Retained distributions on accumulation shares	1.23	0.58	0.47
Closing net asset value per share	105.78	108.72	101.52
* after direct transaction costs of:	0.06	0.05	0.02
<b>Performance</b>			
Return after charges	(2.70%)	7.09%	28.88%
<b>Other information</b>			
Closing net asset value (£'000)	11,136	4,451	3,532
Closing number of shares	10,527,619	4,094,306	3,479,029
Operating charges	0.87%	0.88%	0.91%
Direct transaction costs	0.06%	0.04%	0.02%
<b>Prices</b>			
Highest share price	109.2	134.7	106.1
Lowest share price	82.94	100.7	61.17

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

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

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

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

# Comparative Tables

## Continued

	2023	2022	2021
Institutional income <sup>A</sup>	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	57.56	53.98	50.00 <sup>B</sup>
Return before operating charges*	(1.20)	4.47	4.15
Operating charges	(0.45)	(0.56)	(0.17)
Return after operating charges*	(1.65)	3.91	3.98
Distributions	(0.64)	(0.33)	-
Closing net asset value per share	55.27	57.56	53.98
* after direct transaction costs of:	0.03	0.03	-
<b>Performance</b>			
Return after charges	(2.87%)	7.24%	7.96%
<b>Other information</b>			
Closing net asset value (£'000)	1	1	1
Closing number of shares	2,000	2,000	2,000
Operating charges	0.87%	0.88%	0.91%
Direct transaction costs	0.06%	0.04%	0.02%
<b>Prices</b>			
Highest share price	57.16	71.35	56.40
Lowest share price	43.33	53.55	47.05

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

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

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

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

<sup>A</sup>Institutional Income share class was launched on 21 October 2020.

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

# Comparative Tables

## Continued

ZC accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	114.08	105.73	81.43
Return before operating charges*	(2.12)	8.51	24.45
Operating charges	(0.12)	(0.16)	(0.15)
Return after operating charges*	(2.24)	8.35	24.30
Distributions	(1.92)	(1.45)	(0.97)
Retained distributions on accumulation shares	1.92	1.45	0.97
Closing net asset value per share	111.84	114.08	105.73
* after direct transaction costs of:	0.06	0.05	0.02
<b>Performance</b>			
Return after charges	(1.96%)	7.90%	29.84%
<b>Other information</b>			
Closing net asset value (£'000)	848	1,659	1,098
Closing number of shares	758,389	1,453,876	1,038,455
Operating charges	0.12%	0.13%	0.16%
Direct transaction costs	0.06%	0.04%	0.02%
<b>Prices</b>			
Highest share price	115.4	141.1	110.5
Lowest share price	87.44	104.9	63.25

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

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

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

# Comparative Tables

## Continued

<b>Platform 1 accumulation</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	426.03	398.01	309.00
Return before operating charges*	(8.20)	32.38	92.36
Operating charges	(3.50)	(4.36)	(3.35)
Return after operating charges*	(11.70)	28.02	89.01
Distributions	(4.63)	(2.15)	(1.77)
Retained distributions on accumulation shares	4.63	2.15	1.77
Closing net asset value per share	414.33	426.03	398.01
* after direct transaction costs of:	0.22	0.19	0.07
<b>Performance</b>			
Return after charges	(2.75%)	7.04%	28.81%
<b>Other information</b>			
Closing net asset value (£'000)	39,850	41,363	31,536
Closing number of shares	9,617,895	9,708,822	7,923,436
Operating charges	0.92%	0.93%	0.96%
Direct transaction costs	0.06%	0.04%	0.02%
<b>Prices</b>			
Highest share price	427.8	528.1	415.9
Lowest share price	324.9	394.8	239.9

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 28 February 2023

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (93.48%)</b>		<b>51,645</b>	<b>95.22</b>
<b>European Equities (93.48%)</b>		<b>51,645</b>	<b>95.22</b>
<b>Belgium (0.60%)</b>		<b>1,190</b>	<b>2.19</b>
88,897	Fagron	1,190	2.19
<b>Denmark (1.74%)</b>		<b>823</b>	<b>1.52</b>
13,824	SimCorp	823	1.52
<b>Finland (3.88%)</b>		<b>1,930</b>	<b>3.56</b>
107,211	Kesko 'B'	1,930	3.56
<b>France (12.16%)</b>		<b>7,886</b>	<b>14.54</b>
9,530	Eurazeo	532	0.98
21,642	Gaztransport Et Technigaz	1,876	3.46
55,685	Interparfums	3,068	5.66
20,745	Nexity	457	0.84
9,061	Teleperformance	1,953	3.60
<b>Germany (28.97%)</b>		<b>11,939</b>	<b>22.01</b>
5,848	Amadeus Fire	629	1.16
51,536	CTS Eventim	2,808	5.18
12,917	Dermapharm	436	0.80
62,070	Jungheinrich (Preference)	1,903	3.51
24,387	Nemetschek	1,150	2.12
884	New Work	124	0.23
25,398	OHB	678	1.25
66,767	PATRIZIA	643	1.19
2,959	Rational	1,633	3.01
5,705	Sixt	641	1.18
9,604	Stabilus	538	0.99
35,674	Takkt	442	0.81
18,481	VIB Vermoegen	314	0.58

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Ireland (3.27%)</b>		<b>454</b>	<b>0.84</b>
121,281	Irish Continental	454	0.84
<b>Italy (15.73%)</b>		<b>11,603</b>	<b>21.39</b>
114,675	Azimut	2,255	4.16
31,231	Brunello Cucinelli	2,179	4.01
201,374	FinecoBank Banca Fineco	2,882	5.31
46,539	Interpump	2,114	3.90
21,370	MARR	216	0.40
15,512	Reply	1,545	2.85
23,249	WiiT	412	0.76
<b>Luxembourg (0.80%)</b>		<b>-</b>	<b>-</b>
<b>Netherlands (1.31%)</b>		<b>2,202</b>	<b>4.06</b>
6,216	Alfen Beheer	415	0.76
14,784	ASR Nederland	558	1.03
39,478	Corbion	1,229	2.27
<b>Norway (2.55%)</b>		<b>1,264</b>	<b>2.33</b>
89,980	Borregaard	1,264	2.33
<b>Spain (5.09%)</b>		<b>2,360</b>	<b>4.35</b>
46,142	CIE Automotive	1,119	2.06
14,164	Vidrala	1,241	2.29
<b>Sweden (8.34%)</b>		<b>4,836</b>	<b>8.92</b>
186,828	AddTech 'B'	2,773	5.11
60,977	Bulten	416	0.77
93,241	Troax	1,647	3.04

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Switzerland (9.04%)</b>		<b>5,158</b>	<b>9.51</b>
19,140	Bachem	1,582	2.92
463	Interroll	1,194	2.20
9,207	Komax	2,382	4.39
<b>Collective Investment Schemes (5.68%)</b>		<b>2,602</b>	<b>4.80</b>
2,283	Aberdeen Standard Liquidity Fund (Lux) - Euro Fund Z3 Inc+	1,967	3.63
634	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc+	635	1.17
Total investment assets		54,247	100.02
Net other liabilities		(9)	(0.02)
<b>Total Net Assets</b>		<b>54,238</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or are regulated collective investment schemes within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 28 February 2022.

+ Managed by subsidiaries of abrdn plc.

# Financial Statements

## Statement of Total Return

For the year ended 28 February 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital (losses)/gains	1		(2,321)		1,649
Revenue	2	1,124		727	
Expenses	3	(442)		(507)	
Interest payable and similar charges		(3)		-	
Net revenue before taxation		679		220	
Taxation	4	(143)		(65)	
Net revenue after taxation			536		155
<b>Total return before distributions</b>			<b>(1,785)</b>		<b>1,804</b>
Distributions	5		(607)		(225)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(2,392)</b>		<b>1,579</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2023

	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		53,477		42,214
Amounts receivable on the issue of shares	12,432		15,056	
Amounts payable on the cancellation of shares	(9,875)		(5,626)	
		2,557		9,430
Change in net assets attributable to shareholders from investment activities (see above)		(2,392)		1,579
Retained distribution on accumulation shares		596		254
<b>Closing net assets attributable to shareholders</b>		<b>54,238</b>		<b>53,477</b>

# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			54,247		53,026
<b>Current assets:</b>					
Debtors	6	152		128	
Cash and bank balances	7	2		467	
			154		595
<b>Total assets</b>			<b>54,401</b>		<b>53,621</b>
<b>Liabilities:</b>					
Creditors	8	(163)		(144)	
			(163)		(144)
<b>Total liabilities</b>			<b>(163)</b>		<b>(144)</b>
<b>Net assets attributable to shareholders</b>			<b>54,238</b>		<b>53,477</b>

# Notes to the Financial Statements

## 1 Net Capital (Losses)/Gains

	2023 £'000	2022 £'000
Non-derivative securities	(2,338)	1,655
Forward currency contracts	1	-
Other gains	29	6
Transaction charges	(13)	(12)
<b>Net capital (losses)/gains</b>	<b>(2,321)</b>	<b>1,649</b>

## 2 Revenue

	2023 £'000	2022 £'000
Bank and margin interest	29	3
Overseas dividends	1,095	724
<b>Total revenue</b>	<b>1,124</b>	<b>727</b>

## 3 Expenses

	2023 £'000	2022 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	385	435
Dealing charge	17	21
General administration charge*	36	21
Registration fees**	-	17
	<b>438</b>	<b>494</b>
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Depositary's fees**	-	3
Safe custody fees	4	5
	<b>4</b>	<b>8</b>
<b>Other:</b>		
Audit fee**	-	5
	-	5
<b>Total expenses</b>	<b>442</b>	<b>507</b>

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

\* The fixed general administration charge was introduced from 1 September 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 £10,200 (2022: £9,480).

\*\* These figures represent the charges to 31 August 2021, which have now been replaced by the fixed general administration charge.

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2023 £'000	2022 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	143	65
<b>Total taxation (note 4b)</b>	<b>143</b>	<b>65</b>

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

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

<b>Net revenue before taxation</b>	<b>679</b>	<b>220</b>
Corporation tax at 20% (2022: 20%)	136	44
Effects of:		
Revenue not subject to taxation	(219)	(145)
Overseas taxes	143	65
Excess allowable expenses	83	101
<b>Total tax charge for year (note 4a)</b>	<b>143</b>	<b>65</b>

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

#### (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 £666,000 (2022: £583,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

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

	2023 £'000	2022 £'000
Interim distribution	594	249
Final distribution	2	6
	596	255
Add: Income deducted on cancellation of shares	39	6
Deduct: Income received on issue of shares	(28)	(36)
<b>Total distributions for the year</b>	<b>607</b>	<b>225</b>

# Notes to the Financial Statements

## Continued

	2023 £'000	2022 £'000
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	536	155
Shortfall transfer from capital to revenue	71	70
<b>Total distributions for the year</b>	<b>607</b>	<b>225</b>

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

## 6 Debtors

	2023 £'000	2022 £'000
Accrued revenue	5	1
Amounts receivable from the ACD for the issue of shares	-	19
Overseas withholding tax recoverable	147	108
<b>Total debtors</b>	<b>152</b>	<b>128</b>

## 7 Liquidity

	2023 £'000	2022 £'000
<b>Cash and bank balances</b>		
Cash at bank	2	467
	<b>2</b>	<b>467</b>
Aberdeen Standard Liquidity Fund (Lux) - Euro Fund Z3 Inc*	1,967	368
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	635	2,669
<b>Net liquidity</b>	<b>2,604</b>	<b>3,504</b>

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

## 8 Creditors

	2023 £'000	2022 £'000
Accrued expenses payable to ACD	37	38
Accrued expenses payable to the Depositary or associates of the Depositary	3	2
Amounts payable to the ACD for cancellation of shares	118	99
Other accrued expenses	5	5
<b>Total creditors</b>	<b>163</b>	<b>144</b>

# Notes to the Financial Statements

## Continued

### 9 Related Party Transactions

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

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

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

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

### 10 Portfolio Transaction Costs

	Purchases		Sales	
	2023	2022	2023	2022
Trades in the year	£'000	£'000	£'000	£'000
Equities	13,230	11,834	7,289	3,715
Corporate actions	-	-	1,902	-
<b>Trades in the year before transaction costs</b>	<b>13,230</b>	<b>11,834</b>	<b>9,191</b>	<b>3,715</b>
<b>Commissions</b>				
Equities	11	13	(4)	(5)
<b>Total commissions</b>	<b>11</b>	<b>13</b>	<b>(4)</b>	<b>(5)</b>
<b>Taxes</b>				
Equities	13	5	-	-
<b>Total taxes</b>	<b>13</b>	<b>5</b>	<b>-</b>	<b>-</b>
<b>Total transaction costs</b>	<b>24</b>	<b>18</b>	<b>(4)</b>	<b>(5)</b>
<b>Total net trades in the year after transaction costs</b>	<b>13,254</b>	<b>11,852</b>	<b>9,187</b>	<b>3,710</b>
	Purchases		Sales	
	2023	2022	2023	2022
	%	%	%	%
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.09	0.11	0.06	0.12
<b>Taxes</b>				
Equities	0.10	0.04	-	-

# Notes to the Financial Statements

## Continued

	2023 %	2022 %
<b>Total transaction costs expressed as a percentage of net asset value</b>		
Commissions	0.03	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 0.23% (2022: 0.29%), this is representative of the average spread on the assets held during the year.

## 11 Shares in Issue Reconciliation

	Opening shares 2022	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2023
Retail accumulation	1,537,142	10,834	(148,772)	(763,797)	635,407
Institutional accumulation	4,094,306	7,401,719	(968,406)	-	10,527,619
Institutional income	2,000	-	-	-	2,000
ZC accumulation	1,453,876	39,161	(734,648)	-	758,389
Platform 1 accumulation	9,708,822	1,221,469	(2,010,337)	697,941	9,617,895

## 12 Fair Value Hierarchy

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

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

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

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

	2023 £'000	2023 £'000	2023 £'000	2022 £'000	2022 £'000	2022 £'000
<b>Fair value of investment assets</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Equities	51,645	-	-	49,989	-	-
Collective Investment Schemes	-	2,602	-	-	3,037	-
<b>Total investment assets</b>	<b>51,645</b>	<b>2,602</b>	<b>-</b>	<b>49,989</b>	<b>3,037</b>	<b>-</b>

# Notes to the Financial Statements

## Continued

### 13 Risk Management Policies and Disclosures

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

#### Foreign currency risk

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

Currency	Net foreign currency exposure	Net foreign currency exposure
	2023 £'000	2022 £'000
Danish Krone	832	939
Euro	41,668	38,868
Norwegian Krone	1,269	1,362
Swedish Krona	4,836	4,461
Swiss Franc	5,158	4,836
<b>Total</b>	<b>53,763</b>	<b>50,466</b>

At 28 February 2023, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £2,688,000 (2022: £2,523,000).

#### 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 28 February 2023, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £2,712,000 (2022: £2,651,000).

#### Financial derivatives instrument risk

The fund had no exposure to derivatives as at 28 February 2023 (2022: £Nil).

#### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2023 £163,000 (2022: £144,000).

# Distribution Tables

For the year ended 28 February 2023 (in pence per share)

## Interim dividend distribution

Group 1 – shares purchased prior to 1 March 2022

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

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
<b>Retail accumulation</b>				
Group 1	3.4865	-	3.4865	1.0912
Group 2	1.6779	1.8086	3.4865	1.0912
<b>Institutional accumulation</b>				
Group 1	1.2305	-	1.2305	0.5775
Group 2	0.8843	0.3462	1.2305	0.5775
<b>Institutional income</b>				
Group 1	0.6415	-	0.6415	0.3260
Group 2	0.6415	-	0.6415	0.3260
<b>ZC accumulation</b>				
Group 1	1.6627	-	1.6627	1.0563
Group 2	1.3926	0.2701	1.6627	1.0563
<b>Platform 1 accumulation</b>				
Group 1	4.6343	-	4.6343	2.1473
Group 2	3.1441	1.4902	4.6343	2.1473

# Distribution Tables

For the year ended 28 February 2023 (in pence per share) continued

## Final dividend distribution

Group 1 – shares purchased prior to 1 September 2022

Group 2 – shares purchased between 1 September 2022 and 28 February 2023

	Revenue	Equalisation	Distribution paid 28/04/23	Distribution paid 29/04/22
<b>Retail accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Institutional accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Institutional income</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>ZC accumulation</b>				
Group 1	0.2591	-	0.2591	0.3895
Group 2	0.1442	0.1149	0.2591	0.3895
<b>Platform 1 accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-

## 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 Balanced Growth Fund

For the year ended 28 February 2023

## Investment Objective

To generate growth over the long term (5 years or more) by investing in a diversified portfolio of assets.

Performance Target: To exceed the return of the following basket of assets per annum over rolling five year periods (after charges). This basket of assets represents the fund's long term strategic asset allocation. This basket is composed of global equities (70%) and global bonds (25%) and money markets (5%) ("basket of assets"). The underlying indices are the following: 20% FTSE All-Share Index, 26% S&P 500, 9% MSCI Europe ex UK, 8% MSCI Japan, 4% MSCI AC Asia Pacific Ex Japan, 3% MSCI Global Emerging Markets, 6% JP Morgan GBI Global Index, 4% FTSE Actuaries UK Conventional Gilts All Stocks, 6% iBoxx Sterling Collateralized & Corporates Index, 5% Bloomberg Global High Yield Corporate Index 2% Issuer Cap, 4% JP Morgan EMBI Global Diversified Index, 5% 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. Performance Comparator: IA Mixed Investment 40%-85% Shares 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 indices/sector.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 70% in global equities, corporate investment grade bonds and government bonds issued anywhere in the world either directly or indirectly.
- The fund may hold other securities (e.g. investment trusts, supranational and other types of bonds, and listed real estate) issued anywhere in the world.
- 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 select individual holdings depending on their growth prospects and/or creditworthiness relative to market expectations, given future economic and business conditions.
- Asset allocation is informed by reference to a basket of assets aligned to the fund's objective and considered representative of the expected risk profile of typical

funds in the sector. In addition, short term proportions ("tactical asset allocations") in each asset class may be adjusted at any time with the aim of improving returns.

- The fund will be subject to constraints which are intended to manage risk such as the fund must not hold more than 85% of its assets in equities. The constraints may vary over time, and 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 Mixed Investment 40-85% Shares Sector Average.

### Derivatives and Techniques

- The fund will make routine use of derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivatives include instruments used to express short term views reflecting expected changes in interest rates, companies 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

Over the period under review, the fund returned -2.94% (Source: FactSet, Platform 1 Accumulation, net of fees). This compared to a return of -1.14% for our performance target (Source: Morningstar, IA Mixed Investment 40-85% Shares Sector Average).

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

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

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

# abrdn Global Balanced Growth Fund

## Continued

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

### Equity portfolios

In the UK, among the top contributors was Go-Ahead, which runs regional bus operations in the UK. In August 2022, it received a new bid approach from a transport infrastructure consortium, and the sale was completed in October 2022. Another contributor was Euromoney, which received a takeover offer from a consortium involving Astorg Asset Management and Epiris. This buyout finalised in November 2022. Similarly, France's Schneider Electric made an offer for a complete takeover of the software company AVEVA Group. Elsewhere water utility Severn Trent and insurance group Prudential contributed positively.

In contrast, among the detractors were piping manufacturer Genuit, as its weak financials put pressure on the share price, and Moonpig, which weakened on results that showed discretionary purchases by customers had fallen. Howden Joinery also performed poorly against the backdrop of a tough economic cycle. Gaming company and casino operator 888 Holdings also weighed on relative returns.

Moving on to the US, among the top performance contributors was New Fortress Energy. The company is deploying its easy-to-install LNG systems to take advantage of the large increase in demand for LNG in Europe to replace Russian natural gas supplies. Another positive contributor was O'Reilly Automotive: Demand for automotive repairs accelerated in 2022 as travel patterns returned to normal post the pandemic. Finally, Analog Devices also contributed as a rebound in demand for semiconductors and growing content in electric vehicles drove strong profits growth.

On the other hand, among the leading US shares that detracted from returns was Alphabet. Internet advertising demand slowed as companies cut ad spending as the first signs of economic slowdown emerged. Similarly, Amazon also weighed on results. Shifts in consumer spending away from e-commerce were compounded by Amazon's large cost base built to support operations during the pandemic. Finally, RingCentral also was a leading detractor. Investors became increasingly nervous that the company's virtual telephony service would see increased competition from Microsoft and Zoom

In Europe, Finland-headquartered Neste, one of the biggest active weights in the fund, outperformed on ongoing gains and margin expansion in the renewables products business. Similarly, Danish pharmaceutical company Novo Nordisk also had a very strong 12 months on the back of extremely impressive growth in new products. Finally, Austrian financial services group Bawag benefitted from earnings upgrades driven by net interest income (NII) and interest rate tailwinds.

Conversely, Switzerland-based PolyPeptide, which manufactures therapeutic peptides, weighed on relative returns. The underperformance was driven by mis-execution, reducing confidence that the business would be able to capture the very strong underlying industry growth. Another detractor from returns was French video game publisher Ubisoft, where continued game delays and mis-execution led to share price underperformance. Our holding in Hypoport, which offers technology-based financial services, also detracted from returns. A significant drop-off in mortgage volumes in the German market – a result of the sharp increase in interest rates – materially impacted the growth of the company's mortgage platform business.

### Government bond portfolio

The government bond portfolio outperformed its benchmark over the period with a return of -19.71% v. -20.32% for the benchmark.

Positive strategies included a short duration bias, where the fund predominately held a short bias over the period as global rates headed higher. The second strong trade was short UK vs Australia, our favoured long throughout period, where a combination of too much was priced into the Reserve Bank of Australia (RBA) and 10-year yields rising to elevated levels vs peers. The third successful trade was short UK Gilts vs US 30-year Treasuries. Here the fund added shorts in Gilts in preparation for the disastrous policies of the UK government headed by Liz Truss who was Prime Minister (PM) between early September to late October 2022. Gilts under-performed dramatically over the period, especially after PM Truss and Chancellor Kwasi Kwarteng announced an ill-fated mini budget that included high levels of borrowing as well as tax cuts. The fund took profits when it became clear the Truss/Kwarteng stay at 10 Downing Street would be short-lived.

On the other hand, the fund had a weak trade involving the German curve steepener, which was traded to oppose some of the extreme flattening in the German curve. The trade was closed when it became clear that the flattening would persist for some time to come.

# abrdn Global Balanced Growth Fund

## Continued

### Portfolio Activity and Review

#### Equity portfolios

In the UK, we started a position in Sage following de-rating in 2022. The subscription like business model of Sage makes income and cash flows defensive through cycle and the business is now largely fixed after a period of improving the commercial operations and refining the cloud product. Valuation is attractive compared to peers. The fund also purchased Smith & Nephew. Recent meetings with the new CEO have left us more convinced on his turnaround plan for the orthopaedic division. Combined with the better performing Sports and Wound divisions this should return the group to more sustainable growth. Long term demand should see structural growth and valuation is attractive compared to US peers. Finally, we bought SoftCat, a stock that de-rated in early 2022 but in our view retains a robust long term growth story. Softcat is a successful IT reseller with significant scope to increase share of wallet with its core customer base.

Conversely, the fund sold out of its position in EuroMoney following an acquisition by private equity. It was an example of a profitable trend for UK acquisitions due to the low valuation of the market. We have also sold out of Go Ahead and Aveva in the period following bids at material premiums. Another stock the fund exited was Severn Trent, after stock outperformed in early 2022. Defensive premium had increased, and we saw risks to earnings from regulation and rising interest rates over time. Finally, we sold British American Tobacco. It is another defensive name where we saw more challenges coming, both from regulation and from competitive position in the core US market. We also have long term concerns around the tobacco sector and have chosen to reallocate capital to companies with superior growth potential.

Turning to the US, the fund purchased pharma group Merck as the valuation reflects the likely impact from patent expiry on their key anti-cancer drug, Keytruda. In addition, we see upside from additional capacity in their leading HPV vaccine, Gardasil and ongoing pipeline developments. Elsewhere the fund bought LPL Financial Holdings, which provides technology and investment platforms for investment wealth managers. The company should benefit from industry tailwinds of growing demand for financial advice and the increase trend of advisors moving to independent platforms. In addition, the market did not price in the benefit of higher interest rates. Finally, we purchased shares in consulting company Accenture, which specialises in information technology services. We believe that growth linked to digitisation of large enterprise businesses will run longer than the market prices in, which is likely to be accompanied by growing returns of cash to shareholders.

Conversely, we exited Meta Platforms due to our lower confidence in management's ability to navigate the increasingly complex regulatory environment. The fund also sold JB Hunt Transport Services as the stock priced in most of the improvements that we were expecting to see in their intermodal business. Another name we sold was Honeywell International. The valuation started to price in the strength we already expected to see in aerospace end markets.

In Europe, the fund bought high quality luxury name Ferrari, where we see high and resilient prospects at very high incremental gross margins which is not reflected in the valuation. Another purchase was German manufacturer of vehicle braking systems Knorr Bremse. Following a period of weak performance, we initiated a position on a view that any sort of cyclical recovery alongside ongoing energy transition-fuelled structural growth would be meaningful given a highly discounted valuation.

On the other hand, given the competition for capital and our view that there were higher returning opportunities elsewhere, the fund sold brewer Heineken and Swiss food and beverage manufacturer Nestle. Elsewhere we exited AXA, following a period of strong performance, and the view that the pricing and underlying market tailwinds were adequately reflected in the price.

#### Government bond portfolio

March 2023 saw a US-led banking crisis, where Silicon Valley Bank (SVB) and Signature Bank collapsed. Repercussions were felt globally, especially in Europe as the Swiss-based Credit Suisse was ultimately acquired by UBS. After the volatility of the last few weeks on the back of the various banking failures, the fund has moved to a fairly neutral position. Previously, the fund was positioned long as global yields headed to recent highs. It was our belief that the market had taken pricing too far. As global yields tumbled on the news coming from both the US and Europe the fund took profits.

The fund currently sits with a long 10-year Gilt vs German bunds, with a UK curve steepener at the front end of the curve (long 2s vs short 10s to take advantage of the difference between the 2-year US Treasury yield and the 10-year US Treasury yield).

In addition, the fund has a bias to re-enter long duration positions. However, we are content to wait until some of the recent volatility reduces.

# abrdn Global Balanced Growth Fund

## Continued

### Portfolio Outlook and Strategy

The Russia-Ukraine conflict is likely to dominate news flow in the short term, with the conflict adding to the challenging macroeconomic backdrop for global equities. Markets will remain volatile, with the Omicron variant, rising inflation, higher rates and the slowdown in China also weighing on sentiment. That said, many of the risk factors throughout 2021 have moderated, with global vaccination rates rising and the direction of Chinese policy becoming clearer. The fourth-quarter reporting season also suggests that earnings are holding up quite well despite cost pressures and supply-chain disruption.

Within fixed income, our outlook for the UK is centred around the Bank of England (BoE). We believe the BoE are very close to ending their very aggressive hiking cycle, we therefore believe front end Gilts can outperform vs the 10-year Gilts. What also helps this trade is the historical high levels of Gilt supply we will see in the next fiscal year, therefore a pressure on the curve to steepen. In addition to this, the BoE are ahead of their European peers in terms of the rate hiking cycle. Therefore, Gilts can outperform German Bunds.

On a more global basis, a raft of central banks are ending their hiking cycles. The question then leads to when they will cut interest rates and how aggressively these cuts will be priced by the market. As such we like trades with a steepening bias.

### Global Tactical Allocation (GTAA) Team

March 2023

# abrdn Global Balanced Growth 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 28 February 2023.

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

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

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

# Comparative Tables

	2023	2022	2021
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	204.28	198.48	177.12
Return before operating charges*	(5.78)	8.00	23.29
Operating charges	(2.17)	(2.20)	(1.93)
Return after operating charges*	(7.95)	5.80	21.36
Distributions	(2.65)	(1.49)	(1.18)
Retained distributions on accumulation shares	2.65	1.49	1.18
Closing net asset value per share	196.33	204.28	198.48
* after direct transaction costs of:	0.09	0.10	0.10
<b>Performance</b>			
Return after charges	(3.89%)	2.92%	12.06%
<b>Other information</b>			
Closing net asset value (£'000)	294,686	326,952	333,453
Closing number of shares	150,094,149	160,047,774	168,007,029
Operating charges	1.10%	1.04%	1.04%
Direct transaction costs	0.05%	0.05%	0.06%
<b>Prices</b>			
Highest share price	208.6	220.8	207.5
Lowest share price	183.4	199.1	149.1

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

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

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

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

# Comparative Tables

## Continued

	2023	2022	2021
Retail income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	130.43	127.61	114.59
Return before operating charges*	(3.69)	5.19	15.03
Operating charges	(1.38)	(1.41)	(1.25)
Return after operating charges*	(5.07)	3.78	13.78
Distributions	(1.69)	(0.96)	(0.76)
Closing net asset value per share	123.67	130.43	127.61
* after direct transaction costs of:	0.06	0.06	0.07
<b>Performance</b>			
Return after charges	(3.89%)	2.96%	12.03%
<b>Other information</b>			
Closing net asset value (£'000)	1,638	1,801	1,851
Closing number of shares	1,323,831	1,381,212	1,450,488
Operating charges	1.10%	1.04%	1.04%
Direct transaction costs	0.05%	0.05%	0.06%
<b>Prices</b>			
Highest share price	133.3	141.3	133.6
Lowest share price	116.2	127.5	96.40

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

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

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

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

# Comparative Tables

## Continued

	2023	2022	2021
Institutional accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	231.98	224.44	199.45
Return before operating charges*	(6.56)	9.02	26.29
Operating charges	(1.53)	(1.48)	(1.30)
Return after operating charges*	(8.09)	7.54	24.99
Distributions	(3.96)	(2.70)	(2.21)
Retained distributions on accumulation shares	3.96	2.70	2.21
Closing net asset value per share	223.89	231.98	224.44
* after direct transaction costs of:	0.11	0.11	0.12
<b>Performance</b>			
Return after charges	(3.49%)	3.36%	12.53%
<b>Other information</b>			
Closing net asset value (£'000)	23,138	27,865	28,919
Closing number of shares	10,334,362	12,011,839	12,884,951
Operating charges	0.68%	0.62%	0.62%
Direct transaction costs	0.05%	0.05%	0.06%
<b>Prices</b>			
Highest share price	237.0	250.4	234.5
Lowest share price	208.8	226.0	167.9

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

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

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

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

# Comparative Tables

## Continued

	2023	2022	2021
Institutional income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	128.53	125.76	112.93
Return before operating charges*	(3.65)	5.11	14.82
Operating charges	(0.84)	(0.83)	(0.74)
Return after operating charges*	(4.49)	4.28	14.08
Distributions	(2.18)	(1.51)	(1.25)
Closing net asset value per share	121.86	128.53	125.76
* after direct transaction costs of:	0.06	0.06	0.07
<b>Performance</b>			
Return after charges	(3.49%)	3.40%	12.47%
<b>Other information</b>			
Closing net asset value (£'000)	980	1,306	799
Closing number of shares	804,256	1,016,005	635,525
Operating charges	0.68%	0.62%	0.62%
Direct transaction costs	0.05%	0.05%	0.06%
<b>Prices</b>			
Highest share price	131.4	139.4	131.9
Lowest share price	114.6	125.9	95.02

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

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

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

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

# Comparative Tables

## Continued

Retail CAT accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	154.65	150.20	134.00
Return before operating charges*	(4.37)	6.05	17.61
Operating charges	(1.60)	(1.60)	(1.41)
Return after operating charges*	(5.97)	4.45	16.20
Distributions	(2.05)	(1.19)	(0.94)
Retained distributions on accumulation shares	2.05	1.19	0.94
Closing net asset value per share	148.68	154.65	150.20
* after direct transaction costs of:	0.07	0.07	0.08
<b>Performance</b>			
Return after charges	(3.86%)	2.96%	12.09%
<b>Other information</b>			
Closing net asset value (£'000)	173,623	190,716	191,838
Closing number of shares	116,778,921	123,319,959	127,722,152
Operating charges	1.07%	1.00%	1.00%
Direct transaction costs	0.05%	0.05%	0.06%
<b>Prices</b>			
Highest share price	157.9	167.1	157.0
Lowest share price	138.9	150.8	112.8

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

<b>Platform 1 accumulation</b>	<b>2023</b> pence per share	<b>2022</b> pence per share	<b>2021</b> pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	109.42	105.91	94.17
Return before operating charges*	(3.10)	4.26	12.40
Operating charges	(0.77)	(0.75)	(0.66)
Return after operating charges*	(3.87)	3.51	11.74
Distributions	(1.81)	(1.22)	(1.00)
Retained distributions on accumulation shares	1.81	1.22	1.00
Closing net asset value per share	105.55	109.42	105.91
* after direct transaction costs of:	0.05	0.05	0.05
<b>Performance</b>			
Return after charges	(3.54%)	3.31%	12.47%
<b>Other information</b>			
Closing net asset value (£'000)	19,705	19,081	18,842
Closing number of shares	18,668,583	17,438,338	17,789,313
Operating charges	0.73%	0.67%	0.67%
Direct transaction costs	0.05%	0.05%	0.06%
<b>Prices</b>			
Highest share price	111.8	118.1	110.7
Lowest share price	98.47	106.6	79.27

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

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

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

# Comparative Tables

## Continued

	2023	2022	2021
Platform 1 income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	94.26	92.23	82.81
Return before operating charges*	(2.67)	3.75	10.87
Operating charges	(0.66)	(0.66)	(0.58)
Return after operating charges*	(3.33)	3.09	10.29
Distributions	(1.56)	(1.06)	(0.87)
Closing net asset value per share	89.37	94.26	92.23
* after direct transaction costs of:	0.04	0.05	0.05
<b>Performance</b>			
Return after charges	(3.53%)	3.35%	12.43%
<b>Other information</b>			
Closing net asset value (£'000)	2,070	1,728	1,330
Closing number of shares	2,316,647	1,832,966	1,442,502
Operating charges	0.73%	0.67%	0.67%
Direct transaction costs	0.05%	0.05%	0.06%
<b>Prices</b>			
Highest share price	96.36	102.2	96.71
Lowest share price	84.03	92.29	69.68

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.

# Comparative Tables

## Continued

ZC accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	98.38	94.76	83.86
Return before operating charges*	(2.91)	3.74	11.01
Operating charges	(0.17)	(0.12)	(0.11)
Return after operating charges*	(3.08)	3.62	10.90
Distributions	(2.04)	(1.59)	(1.30)
Retained distributions on accumulation shares	2.04	1.59	1.30
Closing net asset value per share	95.30	98.38	94.76
* after direct transaction costs of:	0.05	0.05	0.05
<b>Performance</b>			
Return after charges	(3.13%)	3.82%	13.00%
<b>Other information</b>			
Closing net asset value (£'000)	2,139	2,325	2,482
Closing number of shares	2,244,091	2,363,150	2,618,765
Operating charges	0.18%	0.12%	0.12%
Direct transaction costs	0.05%	0.05%	0.06%
<b>Prices</b>			
Highest share price	100.6	106.1	98.95
Lowest share price	88.77	95.40	70.59

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

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

Operating charges are expenses associated with the maintenance and administration of the fund on 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 28 February 2023

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Bonds (9.54%)</b>		<b>58,177</b>	<b>11.22</b>
<b>Euro Denominated Bonds (0.09%)</b>		<b>177</b>	<b>0.03</b>
<b>Corporate Bonds (0.05%)</b>		<b>177</b>	<b>0.03</b>
less than 5 years to maturity			
100,000	Citigroup 1.25% fixed to floating 2026	82	0.01
125,000	Cromwell EREIT 2.125% 2025	95	0.02
<b>Government Bonds (0.04%)</b>		<b>-</b>	<b>-</b>
<b>Sterling Denominated Bonds (9.39%)</b>		<b>57,255</b>	<b>11.05</b>
<b>Corporate Bonds (4.83%)</b>		<b>28,807</b>	<b>5.56</b>
less than 5 years to maturity			
100,000	AA Bond 6.269% 2025	98	0.02
100,000	ABN AMRO Bank 5.125% 2028	98	0.02
150,000	ABP Finance 6.25% 2026	153	0.03
100,000	Anglian Water Services Financing 2.625% 2027	90	0.02
77,000	Asian Infrastructure Investment Bank 4.375% 2026	76	0.01
100,000	AT&T 5.5% 2027	101	0.02
300,000	Athene Global Funding 1.75% 2027	250	0.05
300,000	Banco Santander 1.5% 2026	265	0.05
200,000	Banque Federative du Credit Mutuel 1.75% 2024	188	0.04
150,000	BAT International Finance 4% 2026	141	0.03
50,000	BAT International Finance 7.25% 2024	51	0.01
200,000	Bazalgette Finance 2.375% 2027	177	0.03
100,000	BNP Paribas 1.875% 2027	85	0.02
100,000	BNP Paribas 3.375% 2026	95	0.02
300,000	CaixaBank 1.5% fixed to floating 2026	266	0.05
200,000	Citigroup 1.75% 2026	177	0.03
100,000	Citigroup 5.875% 2024	100	0.02
100,000	Clydesdale Bank 4.625% 2026	100	0.02
100,000	Commonwealth Bank of Australia 3% 2026	94	0.02
250,000	CPPIB Capital 4.375% 2026	249	0.05
100,000	CPUK Finance 3.588% 2025	94	0.02
100,000	Credit Agricole 7.375% 2023	101	0.02
120,000	Credit Suisse 7% fixed to floating 2027	114	0.02
144,000	Credit Suisse 7.75% 2026	146	0.03

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
200,000	Danske Bank 2.25% fixed to floating 2028	174	0.03
100,000	Danske Bank 4.625% fixed to floating 2027	98	0.02
100,000	Deutsche Bank 2.625% 2024	94	0.02
200,000	Deutsche Bank 4% fixed to floating 2026	190	0.04
100,000	Dexia Credit Local 0.5% 2023	98	0.02
110,000	Enel Finance International 5.625% 2024	111	0.02
200,000	Eversholt Funding 6.359% 2025	205	0.04
100,000	FirstGroup 6.875% 2024	100	0.02
100,000	General Motors Financial 1.55% 2027	84	0.02
100,000	Go-Ahead 2.5% 2024	96	0.02
250,000	Hammerson REIT 3.5% 2025	224	0.04
100,000	Hammerson REIT 6% 2026	94	0.02
100,000	HSBC 2.256% fixed to floating 2026	91	0.02
70,000	Imperial Brands Finance 8.125% 2024	72	0.01
164,000	JPMorgan Chase 0.991% fixed to floating 2026	149	0.03
100,000	Landesbank Baden-Wuerttemberg 1.125% 2025	89	0.02
200,000	Lloyds Bank Corporate Markets 1.75% 2024	191	0.04
200,000	Metrocentre Finance REIT 8.75% 2023	83	0.02
100,000	Morgan Stanley 2.625% 2027	91	0.02
100,000	Nationwide Building Society 6.178% fixed to floating 2027	102	0.02
271,000	Network Rail Infrastructure Finance 4.75% 2024	271	0.05
100,000	Oesterreichische Kontrollbank 1.25% 2023	97	0.02
100,000	PACCAR Financial Europe 2.375% 2025	95	0.02
190,000	Royal Bank of Canada 5% 2028	188	0.04
110,000	Santander UK 3.625% 2026	104	0.02
270,000	Santander UK 7.098% fixed to floating 2027	278	0.05
300,000	Societe Generale 1.875% 2024	284	0.05
100,000	Southern Water Services Finance 1.625% 2027	86	0.02
200,000	Thames Water Utilities Finance 3.5% 2028	184	0.04
131,000	Toronto-Dominion Bank 2.875% 2027	120	0.02
100,000	Tritax Big Box REIT 2.625% 2026	91	0.02
89,000	United Utilities Water 5.625% 2027	92	0.02
100,000	Virgin Money UK 4% fixed to floating 2027	93	0.02
100,000	Volkswagen Financial Services 1.125% 2023	98	0.02
100,000	Volkswagen Financial Services 1.875% 2024	94	0.02
100,000	Westfield America Management REIT 2.125% 2025	92	0.02
200,000	Westfield Stratford City Finance No 2 1.642% 2026	174	0.03

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
between 5 and 10 years to maturity			
120,000	Anglo American Capital 3.375% 2029	106	0.02
200,000	APA Infrastructure 3.5% 2030	172	0.03
200,000	Arqiva Financing 4.882% 2032	127	0.02
100,000	Assura Financing REIT 1.5% 2030	76	0.01
100,000	Assura Financing REIT 3% 2028	88	0.02
300,000	Banco Santander 2.25% fixed to floating 2032	245	0.05
100,000	Bank of America 1.667% fixed to floating 2029	83	0.02
117,000	Bank of America 3.584% fixed to floating 2031	104	0.02
300,000	Bank of America 7% 2028	323	0.06
110,000	Barclays 3.25% 2033	88	0.02
114,000	Barclays 6.369% fixed to floating 2031	115	0.02
100,000	Barclays 8.407% fixed to floating 2032	105	0.02
150,000	BAT International Finance 2.25% 2028	122	0.02
100,000	Berkeley 2.5% 2031	71	0.01
100,000	Blackstone Property Partners Europe 4.875% 2032	81	0.02
100,000	BNP Paribas 1.25% 2031	72	0.01
200,000	BNP Paribas 2% fixed to floating 2031	173	0.03
100,000	BPCE 2.5% fixed to floating 2032	82	0.02
100,000	BPCE 5.25% 2029	94	0.02
100,000	Broadgate Financing 4.851% 2031	80	0.01
100,000	Broadgate Financing 4.999% 2031	96	0.02
100,000	Cadent Finance 2.125% 2028	85	0.02
35,000	Canary Wharf Finance II 6.455% 2030	5	-
200,000	Cooperatieve Rabobank 1.875% fixed to floating 2028	173	0.03
200,000	Credit Agricole 4.875% 2029	196	0.04
350,000	Credit Suisse 2.25% fixed to floating 2028	275	0.05
200,000	Deutsche Bank 1.875% fixed to floating 2028	163	0.03
200,000	Deutsche Bank 6.125% fixed to floating 2030	195	0.04
200,000	Digital Stout REIT 3.75% 2030	172	0.03
150,000	E.ON International Finance 6.25% 2030	157	0.03
139,000	Enel Finance International 2.875% 2029	120	0.02
134,000	ENW Finance 4.893% 2032	130	0.02
200,000	Fidelity National Information Services 3.36% 2031	174	0.03
200,000	Grainger 3% 2030	157	0.03
200,000	Great Rolling Stock 6.5% 2031	155	0.03
200,000	Heathrow Funding 2.625% 2028	166	0.03

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
100,000	Heathrow Funding 2.75% 2029	84	0.02
150,000	Heathrow Funding 6.45% 2031	157	0.03
100,000	HSBC 3% fixed to floating 2028	89	0.02
200,000	HSBC 3% fixed to floating 2030	171	0.03
200,000	ING 1.125% fixed to floating 2028	163	0.03
300,000	Lloyds Banking 1.985% fixed to floating 2031	256	0.05
316,000	National Australia Bank 1.699% fixed to floating 2031	264	0.05
200,000	National Grid Electricity Distribution West Midlands 5.75% 2032	204	0.04
100,000	NATS (En Route) 1.375% 2031	85	0.02
100,000	NatWest 2.105% fixed to floating 2031	85	0.02
206,000	NatWest 3.619% fixed to floating 2029	185	0.04
300,000	NatWest 3.622% fixed to floating 2030	280	0.05
150,000	Nordea Bank 1.625% fixed to floating 2032	122	0.02
100,000	Orange 3.25% 2032	86	0.02
100,000	Pension Insurance 3.625% 2032	77	0.01
150,000	Pension Insurance 5.625% 2030	137	0.03
107,000	Prologis International Funding II 2.75% 2032	88	0.02
100,000	South Eastern Power Networks 5.625% 2030	103	0.02
87,000	Southern Gas Networks 4.875% 2029	85	0.02
100,000	Telefonica Emisiones 5.445% 2029	100	0.02
150,000	Telereal Securitisation 6.1645% 2031	129	0.02
250,000	Tesco Corporate Treasury Services 1.875% 2028	208	0.04
100,000	Time Warner Cable 5.75% 2031	96	0.02
200,000	UBS 1.875% fixed to floating 2029	165	0.03
119,000	Unite REIT 3.5% 2028	104	0.02
100,000	Verizon Communications 1.125% 2028	81	0.01
350,000	Virgin Money UK 2.625% fixed to floating 2031	296	0.06
200,000	Volkswagen Financial Services 1.375% 2028	160	0.03
151,000	Wells Fargo 3.473% fixed to floating 2028	138	0.03
100,000	Welltower REIT 4.8% 2028	95	0.02
382,000	Workspace REIT 2.25% 2028	291	0.06
100,000	Yorkshire Building Society 3.511% fixed to floating 2030	86	0.02
50,000	Yorkshire Power Finance 7.25% 2028	54	0.01
200,000	Yorkshire Water Finance 1.75% 2032	146	0.03

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
between 10 and 15 years to maturity			
200,000	Annington Funding 3.685% 2034	158	0.03
72,000	BAT International Finance 6% 2034	65	0.01
100,000	Bazalgette Finance 2.75% 2034	79	0.01
100,000	Broadgate Financing 4.821% 2033	96	0.02
100,000	DWR Cymru Financing UK 2.375% 2034	73	0.01
100,000	DWR Cymru Financing UK 2.5% 2036	76	0.01
350,000	E.ON International Finance 5.875% 2037	353	0.07
100,000	EDF 5.5% 2037	94	0.02
50,000	EDF 6.125% 2034	51	0.01
100,000	Enel 5.75% 2037	99	0.02
100,000	Eversholt Funding 6.697% 2035	89	0.02
300,000	Gatwick Funding 4.625% 2034	272	0.05
100,000	Gatwick Funding 5.75% 2037	97	0.02
105,000	GlaxoSmithKline Capital 5.25% 2033	109	0.02
110,000	Land Securities Capital Markets REIT 2.625% 2037	81	0.01
100,000	Lloyds Banking 2.707% fixed to floating 2035	76	0.01
100,000	Lloyds Banking 6.625% fixed to floating 2033	99	0.02
100,000	Metropolitan Housing Trust 1.875% 2036	67	0.01
134,000	Morgan Stanley 5.789% fixed to floating 2033	135	0.03
200,000	Morhomes 3.4% 2038	158	0.03
150,000	National Grid Electricity Transmission 2.75% 2035	114	0.02
100,000	NatWest 7.416% fixed to floating 2033	102	0.02
75,000	Octagon Healthcare Funding 5.333% 2035	55	0.01
170,000	Orange 5.625% 2034	175	0.03
100,000	Ørsted 5.125% 2034	99	0.02
100,000	Paragon Treasury 2% 2036	69	0.01
103,000	Peabody Capital No 2 2.75% 2034	82	0.02
200,000	Realty Income REIT 1.75% 2033	143	0.03
200,000	Scottish Hydro Electric Transmission 2.25% 2035	144	0.03
200,000	Southern Housing 2.375% 2036	143	0.03
200,000	Southern Water Services Finance 3% 2037	144	0.03
100,000	Stonewater Funding 1.625% 2036	66	0.01
300,000	Thames Water Utilities Finance 5.125% 2037	280	0.05
150,000	Transport for London 5% 2035	145	0.03
200,000	Verizon Communications 3.375% 2036	159	0.03

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
100,000	WalMart 5.25% 2035	106	0.02
100,000	Yorkshire Water Finance 5.5% 2035	99	0.02
between 15 and 25 years to maturity			
100,000	America Movil 4.375% 2041	84	0.02
159,000	Aspire Defence Finance 4.674% 2040	124	0.02
200,000	Aster Treasury 4.5% 2043	184	0.04
100,000	AT&T 4.25% 2043	80	0.01
200,000	AT&T 4.875% 2044	172	0.03
100,000	AT&T 7% 2040	110	0.02
200,000	Blend Funding 3.459% 2047	149	0.03
200,000	BPHA Finance 4.816% 2044	187	0.04
100,000	Cadent Finance 2.625% 2038	68	0.01
50,000	Channel Link Enterprises Finance 6.341% 2046	38	0.01
100,000	Circle Anglia Social Housing 5.2% 2044	95	0.02
110,000	Connect Plus M25 Issuer 2.607% 2039	80	0.01
200,000	EDF 5.5% 2041	183	0.03
100,000	Eversholt Funding 3.529% 2042	73	0.01
100,000	GlaxoSmithKline Capital 6.375% 2039	113	0.02
140,000	HSBC 6% 2040	128	0.02
100,000	McDonald's 3.75% 2038	84	0.02
150,000	Motability Operations 2.375% 2039	106	0.02
200,000	Northumbrian Water Finance 5.125% 2042	188	0.04
110,000	RL Finance No 2 6.125% fixed to floating 2043	109	0.02
100,000	Segro REIT 5.125% 2041	96	0.02
100,000	Severn Trent Utilities Finance 2% 2040	63	0.01
100,000	Sovereign Housing Capital 5.705% 2039	105	0.02
100,000	TC Dudgeon Ofco 3.158% 2038	77	0.01
130,000	Tesco Property Finance 3 5.744% 2040	115	0.02
300,000	Tesco Property Finance 4 5.8006% 2040	271	0.05
100,000	Wheatley Capital 4.375% 2044	88	0.02
greater than 25 years to maturity			
100,000	Aviva 4% fixed to floating 2055	78	0.02
150,000	Aviva 4.375% fixed to floating 2049	133	0.03
200,000	Aviva 5.125% fixed to floating 2050	183	0.03
131,000	Blend Funding 3.508% 2059	92	0.02

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
100,000	Bromford Housing 3.125% 2048	70	0.01
250,000	EDF 5.125% 2050	213	0.04
50,000	Engie 5% 2060	46	0.01
200,000	Heathrow Funding 2.75% 2049	120	0.02
100,000	Hyde Housing Association 1.75% 2055	48	0.01
100,000	Legal & General 3.75% fixed to floating 2049	84	0.02
110,000	Legal & General 4.5% fixed to floating 2050	96	0.02
100,000	M&G 5.625% fixed to floating 2051	90	0.02
100,000	M&G 6.34% fixed to floating 2063	87	0.02
200,000	NGG Finance 5.625% fixed to floating 2073	194	0.04
100,000	Northern Powergrid Northeast 1.875% 2062	49	0.01
100,000	Notting Hill Genesis 4.375% 2054	84	0.02
200,000	Optivo Finance 3.283% 2048	139	0.03
100,000	Ørsted 2.5% fixed to floating 3021	68	0.01
100,000	Peabody Capital No 2 4.625% 2053	88	0.02
100,000	RL Finance No 4 4.875% fixed to floating 2049	76	0.01
100,000	University of Cambridge 2.35% 2078	57	0.01
200,000	Vattenfall 2.5% fixed to floating 2083	166	0.03
120,000	Vodafone 3.375% 2049	79	0.01
108,000	Vodafone 5.125% 2052	95	0.02
124,000	Zurich Finance Ireland Designated Activity 5.125% fixed to floating 2052	112	0.02
Perpetual			
200,000	Assicurazioni Generali 6.269% fixed to floating Perpetual	198	0.04
200,000	BP Capital Markets 4.25% fixed to floating Perpetual	181	0.03
100,000	Credit Agricole 7.5% fixed to floating Perpetual	99	0.02
100,000	EDF 5.875% fixed to floating Perpetual	85	0.02
200,000	Lloyds Banking 7.875% fixed to floating Perpetual	193	0.04
<b>Government Bonds (4.56%)</b>		<b>28,448</b>	<b>5.49</b>
less than 5 years to maturity			
271,000	BNG Bank 1.625% 2025	253	0.05
250,000	CPPIB Capital 1.25% 2027	215	0.04
34,000	European Investment Bank 1.125% 2025	32	0.01
100,000	FMS Wertmanagement 0.625% 2023	97	0.02
100,000	FMS Wertmanagement 1.125% 2023	98	0.02

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
100,000	FMS Wertmanagement 1.125% 2023	100	0.02
21,000	Inter-American Development Bank 1.25% 2023	20	-
136,000	KFW 1.125% 2025	126	0.02
204,000	KFW 3.75% 2027	199	0.04
103,000	Kommunalbanken 0.25% 2025	92	0.02
100,000	Kommunalbanken 4% 2026	99	0.02
100,000	Kommunekredit 0.375% 2024	93	0.02
227,000	Landwirtschaftliche Rentenbank 1.125% 2023	221	0.04
33,000	Nordic Investment Bank 1.125% 2023	32	0.01
15,000	Nordic Investment Bank 1.125% 2025	14	-
120,000	Nordic Investment Bank 3.875% 2026	118	0.02
184,000	Ontario (Province of Canada) 0.25% 2026	156	0.03
100,000	Ontario (Province of Canada) 0.5% 2023	97	0.02
103,000	Ontario Teachers' Finance Trust 1.125% 2026	92	0.02
103,000	Svensk Exportkredit 1.375% 2023	100	0.02
446,100	UK (Govt of) 0.125% 2024	430	0.08
619,700	UK (Govt of) 0.125% 2028	520	0.10
1,267,500	UK (Govt of) 0.25% 2025	1,178	0.23
1,098,100	UK (Govt of) 0.375% 2026	972	0.19
363,200	UK (Govt of) 0.625% 2025	339	0.07
464,900	UK (Govt of) 1% 2024	449	0.09
427,900	UK (Govt of) 1.25% 2027	385	0.07
636,400	UK (Govt of) 1.5% 2026	592	0.11
414,000	UK (Govt of) 2% 2025	397	0.08
812,000	UK (Govt of) 2.25% 2023	805	0.16
508,100	UK (Govt of) 2.75% 2024	499	0.10
48,300	UK (Govt of) 3.5% 2025	48	0.01
460,300	UK (Govt of) 4.125% 2027	463	0.09
579,500	UK (Govt of) 4.25% 2027	593	0.11
529,900	UK (Govt of) 5% 2025	542	0.10
between 5 and 10 years to maturity			
34,000	Tennessee Valley Authority 5.625% 2032	36	0.01
669,700	UK (Govt of) 0.25% 2031	502	0.10
763,100	UK (Govt of) 0.375% 2030	595	0.12
613,300	UK (Govt of) 0.5% 2029	507	0.10
752,200	UK (Govt of) 0.875% 2029	628	0.12

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,086,700	UK (Govt of) 1% 2032	861	0.17
755,900	UK (Govt of) 1.625% 2028	677	0.13
36,600	UK (Govt of) 3.25% 2033	35	0.01
230,100	UK (Govt of) 4.25% 2032	240	0.05
601,600	UK (Govt of) 4.75% 2030	645	0.12
300,000	UK (Govt of) 6% 2028	335	0.06
between 10 and 15 years to maturity			
886,200	UK (Govt of) 0.625% 2035	600	0.12
246,800	UK (Govt of) 0.875% 2033	185	0.04
766,200	UK (Govt of) 1.75% 2037	573	0.11
292,400	UK (Govt of) 3.75% 2038	281	0.05
190,200	UK (Govt of) 4.25% 2036	196	0.04
between 15 and 25 years to maturity			
412,100	UK (Govt of) 0.875% 2046	214	0.04
190,600	UK (Govt of) 1.125% 2039	124	0.02
452,100	UK (Govt of) 1.25% 2041	283	0.05
653,627	UK (Govt of) 1.5% 2047	389	0.08
495,900	UK (Govt of) 3.25% 2044	432	0.08
588,200	UK (Govt of) 3.5% 2045	531	0.10
554,500	UK (Govt of) 4.25% 2039	563	0.11
522,261	UK (Govt of) 4.25% 2040	529	0.10
761,095	UK (Govt of) 4.25% 2046	768	0.15
973,570	UK (Govt of) 4.5% 2042	1,019	0.20
360,400	UK (Govt of) 4.75% 2038	388	0.07
greater than 25 years to maturity			
500,000	CPPIB Capital 1.625% 2071	210	0.04
68,500	UK (Govt of) 0.5% 2061	23	-
40,500	UK (Govt of) 0.625% 2050	17	-
88,600	UK (Govt of) 1.125% 2073	37	0.01
533,200	UK (Govt of) 1.25% 2051	280	0.05
991,100	UK (Govt of) 1.5% 2053	548	0.11
434,900	UK (Govt of) 1.625% 2071	228	0.04
856,000	UK (Govt of) 1.75% 2049	533	0.10
160,300	UK (Govt of) 1.75% 2057	94	0.02

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
571,163	UK (Govt of) 2.5% 2065	407	0.08
396,516	UK (Govt of) 3.5% 2068	364	0.07
819,604	UK (Govt of) 3.75% 2052	770	0.15
461,123	UK (Govt of) 3.75% 2053	431	0.08
563,850	UK (Govt of) 4% 2060	567	0.11
531,900	UK (Govt of) 4.25% 2049	540	0.10
771,900	UK (Govt of) 4.25% 2055	797	0.15
<b>US Dollar Denominated Bonds (0.06%)</b>		<b>745</b>	<b>0.14</b>
<b>Corporate Bonds (0.06%)</b>		<b>745</b>	<b>0.14</b>
less than 5 years to maturity			
120,000	Charter Communications Operating 4.908% 2025	97	0.02
between 10 and 15 years to maturity			
56,000	Omega Healthcare Investors REIT 3.25% 2033	33	0.01
greater than 25 years to maturity			
150,000	Verizon Communications 3.55% 2051	89	0.02
Perpetual			
200,000	Australia & New Zealand Banking FRN Perpetual	121	0.02
290,000	BNP Paribas 7.75% fixed to floating Perpetual	243	0.05
200,000	ING 6.75% fixed to floating Perpetual	162	0.02
<b>Equities (62.55%)</b>		<b>286,118</b>	<b>55.24</b>
<b>Emerging Market Equities (0.09%)</b>		-	-
<b>Argentina (0.09%)</b>		-	-
<b>European Equities (15.13%)</b>		<b>74,423</b>	<b>14.37</b>
<b>Austria (0.34%)</b>		<b>945</b>	<b>0.18</b>
18,277	BAWAG	945	0.18
<b>Belgium (0.12%)</b>		<b>576</b>	<b>0.11</b>
20,812	Umicore	576	0.11

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Denmark (1.19%)</b>		<b>7,275</b>	<b>1.40</b>
8,689	DSV	1,307	0.25
32,910	Novo Nordisk 'B'	3,870	0.75
10,288	Ørsted	745	0.14
73,781	Tryg	1,353	0.26
<b>Finland (0.59%)</b>		<b>5,342</b>	<b>1.03</b>
68,277	Neste	2,728	0.53
95,724	Nokian Renkaat	719	0.14
180,622	Nordea Bank	1,895	0.36
<b>France (2.16%)</b>		<b>12,385</b>	<b>2.39</b>
15,727	Airbus	1,708	0.33
58,815	Antin Infrastructure Partners	1,065	0.21
23,671	Danone	1,104	0.21
162,107	Engie	1,965	0.38
17,121	Schneider Electric	2,281	0.44
4,535	Teleperformance	977	0.19
43,289	Ubisoft Entertainment	792	0.15
143,602	Vivendi	1,226	0.24
36,608	Worldline	1,267	0.24
<b>Germany (2.82%)</b>		<b>14,708</b>	<b>2.84</b>
13,359	Deutsche Boerse	1,930	0.37
1,939	Hypoport	244	0.05
43,345	Infineon Technologies	1,271	0.25
32,500	Knorr-Bremse	1,840	0.35
33,290	Mercedes-Benz	2,121	0.41
11,516	Nemetschek	543	0.10
55,529	RWE	1,961	0.38
12,281	SAP	1,156	0.22
12,897	Siemens	1,637	0.32
18,168	Siemens Healthineers	788	0.15
36,983	Zalando	1,217	0.24

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Ireland (0.82%)</b>		<b>2,984</b>	<b>0.58</b>
6,697	Accenture 'A'	1,466	0.28
159,680	Grafton	1,518	0.30
<b>Israel (1.00%)</b>		<b>1,248</b>	<b>0.24</b>
7,287	Nice ADR	1,248	0.24
<b>Italy (0.25%)</b>		<b>2,152</b>	<b>0.42</b>
10,019	Ferrari	2,152	0.42
<b>Luxembourg (0.00%)</b>		<b>1,718</b>	<b>0.33</b>
105,363	Millicom International Cellular	1,718	0.33
<b>Netherlands (2.42%)</b>		<b>10,332</b>	<b>2.00</b>
1,097	Adyen	1,293	0.25
6,911	ASML	3,535	0.68
21,164	BE Semiconductor Industries	1,360	0.27
8,631	Koninklijke DSM	882	0.17
29,407	Prosus	1,750	0.34
77,226	Universal Music	1,512	0.29
<b>Norway (0.23%)</b>		<b>2,907</b>	<b>0.56</b>
161,345	Adevinta	999	0.19
32,886	Aker BP	736	0.14
69,426	Schibsted 'A'	1,172	0.23
<b>Spain (0.13%)</b>		<b>601</b>	<b>0.12</b>
19,299	Cellnex Telecom	601	0.12

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Sweden (0.85%)</b>		<b>3,777</b>	<b>0.73</b>
15,314	Evolution	1,532	0.30
91,931	Nordnet	1,348	0.26
54,140	Volvo 'B'	897	0.17
<b>Switzerland (2.21%)</b>		<b>7,473</b>	<b>1.44</b>
70,478	Coca-Cola HBC	1,498	0.29
954,508	Glencore	4,728	0.91
16,513	PolyPeptide	373	0.07
7,954	Straumann	874	0.17
<b>Japanese Equities (0.18%)</b>		<b>-</b>	<b>-</b>
<b>North American Equities (20.32%)</b>		<b>83,446</b>	<b>16.11</b>
<b>Bermuda (0.12%)</b>		<b>1,031</b>	<b>0.20</b>
90,506	Hiscox	1,031	0.20
<b>Canada (0.81%)</b>		<b>2,864</b>	<b>0.55</b>
8,688	Canadian National Railway (US listing)	817	0.16
30,467	Enbridge	946	0.18
20,663	Restaurant Brands International	1,101	0.21
<b>United States (19.39%)</b>		<b>79,551</b>	<b>15.36</b>
17,452	AbbVie	2,218	0.43
6,408	Air Products and Chemicals	1,513	0.29
58,020	Alphabet 'A'	4,316	0.83
41,288	Amazon.com	3,213	0.62
9,356	American Express	1,343	0.26
6,172	American Tower REIT	1,009	0.19
12,798	Analog Devices	1,939	0.37
41,259	Apple	5,023	0.97
75,618	Baker Hughes	1,911	0.37

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
58,915	Bank of America	1,668	0.32
62,477	Boston Scientific	2,411	0.47
3,921	Broadcom	1,924	0.37
3,758	Burlington Stores	665	0.13
46,559	CenterPoint Energy	1,070	0.21
34,693	Charles Schwab	2,230	0.43
24,131	CMS Energy	1,174	0.23
48,011	Coca-Cola	2,359	0.46
51,766	Comcast 'A'	1,588	0.31
5,543	Costco Wholesale	2,216	0.43
10,146	Crown	725	0.14
17,285	CVS Health	1,193	0.23
14,073	Dollar Tree	1,689	0.33
22,209	Emerson Electric	1,517	0.29
14,932	Fiserv	1,419	0.27
22,906	Gaming and Leisure Properties REIT	1,018	0.20
6,363	Goldman Sachs	1,847	0.36
59,472	Hanesbrands	279	0.05
4,882	Horizon Therapeutics	442	0.08
8,154	LPL Financial	1,680	0.32
32,381	Marvell Technology	1,206	0.23
8,061	Mastercard 'A'	2,362	0.46
32,890	Merck	2,885	0.56
22,427	MetLife	1,328	0.26
32,198	Microsoft	6,633	1.28
39,482	New Fortress Energy	1,076	0.21
3,000	O'Reilly Automotive	2,057	0.40
13,784	Phillips 66	1,167	0.22
43,924	Royalty Pharma 'A'	1,300	0.25
3,984	SVB Financial	948	0.18
28,410	TJX	1,797	0.35
6,376	UnitedHealth	2,505	0.48
73,783	Vertiv	990	0.19
15,361	Waste Connections	1,698	0.33

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Pacific Basin Equities (0.47%)</b>		-	-
China (0.31%)		-	-
New Zealand (0.08%)		-	-
Singapore (0.08%)		-	-
<b>UK Equities (26.36%)</b>		<b>128,249</b>	<b>24.76</b>
<b>Basic Materials (1.95%)</b>		<b>6,763</b>	<b>1.30</b>
105,246	Anglo American	3,035	0.58
206,356	Bodycote	1,369	0.26
32,566	Rio Tinto	1,860	0.36
28,469	Victrex	499	0.10
<b>Consumer Discretionary (3.32%)</b>		<b>11,350</b>	<b>2.19</b>
638,039	888	450	0.09
30,878	Bellway	684	0.13
148,017	Crest Nicholson	361	0.07
57,539	Entain	782	0.15
144,850	Howden Joinery	1,038	0.20
533,580	JD Sports Fashion	966	0.19
62,519	Jet2++	808	0.16
275,308	Moonpig	323	0.06
20,505	National Express	25	0.01
147,607	RELX	3,693	0.71
474,083	Taylor Wimpey	584	0.11
108,245	Watches of Switzerland	898	0.17
46,755	WHSmith	738	0.14
<b>Consumer Staples (3.45%)</b>		<b>13,681</b>	<b>2.64</b>
20,954	British American Tobacco	659	0.13
152,187	Diageo	5,370	1.04
78,578	Hilton Food	563	0.11
55,112	Imperial Brands	1,104	0.21
144,722	Unilever	5,985	1.15

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Energy (3.33%)</b>		<b>19,773</b>	<b>3.82</b>
1,228,082	BP	6,759	1.31
150,262	Capricorn Energy	374	0.07
132,981	Energiean	1,602	0.31
227,474	Harbour Energy	661	0.13
2,261,559	Savannah Energy*	594	0.11
369,023	Shell	9,322	1.80
236,107	Wood	461	0.09
<b>Financials (5.54%)</b>		<b>35,273</b>	<b>6.81</b>
1,310,182	abrdn Private Equity Opportunities Trust+	6,223	1.20
191,918	Allfunds	1,390	0.27
302,550	Ashmore	815	0.16
1,428,077	Barclays	2,494	0.48
107,496	Close Brothers	1,087	0.21
104,820	Hargreaves Lansdown	869	0.17
1,078,538	HSBC	6,854	1.32
91,988	Intermediate Capital	1,289	0.25
617,634	Just	540	0.10
482,452	Legal & General	1,234	0.24
30,511	London Stock Exchange	2,267	0.44
547,830	NatWest	1,601	0.31
262,854	OSB	1,463	0.28
264,226	Prudential	3,353	0.65
340,128	Standard Chartered	2,667	0.51
5,821	Willis Towers Watson	1,127	0.22
<b>Health Care (3.52%)</b>		<b>18,162</b>	<b>3.50</b>
90,658	AstraZeneca	9,862	1.90
800,523	ConvaTec	1,795	0.35
24,118	Dechra Pharmaceuticals	659	0.13
33,648	Genus	996	0.19
105,192	GSK	1,499	0.29
295,386	Haleon	951	0.18

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
77,614	Indivior	1,185	0.23
72,916	NMC Health**	-	-
102,505	Smith & Nephew	1,215	0.23
<b> Industrials (1.92%) </b>		<b> 10,131 </b>	<b> 1.96 </b>
40,264	Ashtead	2,218	0.43
129,576	DS Smith	437	0.08
354,032	Genuit	1,108	0.21
169,520	Inchcape	1,542	0.30
165,262	Marshalls	554	0.11
72,708	Mondi	1,015	0.20
28,272	Morgan Sindall	507	0.10
225,318	Rentokil Initial	1,154	0.22
87,948	RS	859	0.17
178,357	Vesuvius	737	0.14
<b> Real Estate (0.35%) </b>		<b> 1,225 </b>	<b> 0.24 </b>
148,854	Segro REIT	1,225	0.24
<b> Technology (0.95%) </b>		<b> 3,138 </b>	<b> 0.61 </b>
146,117	Auto Trader	870	0.17
103,446	Sage	774	0.15
123,709	Softcat	1,494	0.29
<b> Telecommunications (1.06%) </b>		<b> 4,007 </b>	<b> 0.77 </b>
812,368	BT	1,132	0.22
464,546	Helios Towers	512	0.10
38,489	Telecom Plus	677	0.13
1,689,680	Vodafone	1,686	0.32

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Utilities (0.97%)</b>		<b>4,746</b>	<b>0.92</b>
103,556	Drax	659	0.13
230,546	National Grid	2,415	0.47
95,791	SSE	1,672	0.32
<b>Collective Investment Schemes (21.83%)</b>		<b>111,973</b>	<b>21.62</b>
41,598,397	abrdrn (Lothian) Japan Trust Institutional Acc+	19,272	3.72
15,397,438	abrdrn (Lothian) Pacific Basin Trust Institutional Acc+	27,654	5.34
12,046,885	abrdrn Emerging Markets Income Equity Fund ZC Acc+	12,818	2.47
3,362,492	abrdrn Global Government Bond Fund SICAV I Z Acc+	41,066	7.93
870,211	abrdrn Total Return Credit Fund SICAV II Z Acc+	11,163	2.16
<b>Derivatives (0.24%)</b>		<b>(2,057)</b>	<b>(0.39)</b>
<b>Credit Default Swaps (-0.06%)</b>		<b>-</b>	<b>-</b>
<b>Forward Currency Contracts (0.00%)</b>		<b>(789)</b>	<b>(0.15)</b>
	Buy EUR 1,906 Sell GBP 1,680 12/04/2023	-	-
	Buy EUR 20,515 Sell GBP 18,183 12/04/2023	-	-
	Buy EUR 106,576 Sell GBP 93,851 12/04/2023	-	-
	Buy EUR 123,543 Sell GBP 109,791 12/04/2023	(1)	-
	Buy GBP 7 Sell EUR 8 12/04/2023	-	-
	Buy GBP 6,367 Sell EUR 7,238 12/04/2023	-	-
	Buy GBP 129,473 Sell EUR 145,967 12/04/2023	2	-
	Buy GBP 266,255 Sell EUR 300,174 12/04/2023	3	-
	Buy GBP 17,585 Sell USD 21,734 12/04/2023	(1)	-
	Buy GBP 791,450 Sell USD 953,694 12/04/2023	4	-
	Buy JPY 2,430,000,000 Sell GBP 15,610,234 11/04/2023	(796)	(0.15)
	Buy USD 58 Sell GBP 48 12/04/2023	-	-
	Buy USD 2,264 Sell GBP 1,836 12/04/2023	-	-
	Buy USD 2,281 Sell GBP 1,837 12/04/2023	-	-
	Buy USD 6,740 Sell GBP 5,599 12/04/2023	-	-
	Buy USD 7,535 Sell GBP 6,206 12/04/2023	-	-
	Buy USD 10,627 Sell GBP 8,615 12/04/2023	-	-
	Buy USD 12,270 Sell GBP 9,910 12/04/2023	-	-
	Buy USD 19,207 Sell GBP 15,889 12/04/2023	-	-

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Futures (0.30%)</b>		<b>(1,268)</b>	<b>(0.24)</b>
14	Long Australia 10 Year Bond Future 15/03/2023	(37)	(0.01)
8	Long Gilt Future 28/06/2023	(4)	-
173	Long Gilt Future 28/06/2023	(115)	(0.02)
18	Long ICE 3 Month SONIA Index Future 19/12/2023	(4)	-
131	Long Topix Index Future 09/03/2023	407	0.08
506	Long US 10 Year Note (CBT) Future 21/06/2023	40	0.01
24	Long US 2 Year Note (CBT) Future 30/06/2023	(9)	-
8	Long US 5 Year Note (CBT) Future 30/06/2023	1	-
131	Long US Ultra Bond (CBT) Future 21/06/2023	(24)	-
(544)	Short Euro Stoxx 50 Future 17/03/2023	(1,374)	(0.27)
(74)	Short FTSE 100 Index Future 17/03/2023	(290)	(0.06)
(3)	Short Long Gilt Future 28/06/2023	2	-
(147)	Short S&P 500 E-mini Future 17/03/2023	138	0.03
(10)	Short US 10 Year Ultra Future 21/06/2023	1	-
Total investment assets and liabilities		454,211	87.69
Net other assets		63,767	12.31
<b>Total Net Assets</b>		<b>517,978</b>	<b>100.00</b>

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

The percentage figures in brackets show the comparative holding as at 28 February 2022.

+ Managed by subsidiaries of abrdn plc.

\*\* AIM listed.

\* Suspended

\*\* Delisted.

# Financial Statements

## Statement of Total Return

For the year ended 28 February 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital (losses)/gains	1		(29,495)		13,629
Revenue	2	12,949		10,784	
Expenses	3	(5,119)		(5,819)	
Interest payable and similar charges	4	(9)		(15)	
Net revenue before taxation		7,821		4,950	
Taxation	5	(341)		(359)	
Net revenue after taxation			7,480		4,591
<b>Total return before distributions</b>			<b>(22,015)</b>		<b>18,220</b>
Distributions	6		(7,480)		(4,591)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(29,495)</b>		<b>13,629</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2023

	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		571,774		579,514
Amounts receivable on the issue of shares	4,245		6,805	
Amounts payable on the cancellation of shares	(35,847)		(32,675)	
		(31,602)		(25,870)
Change in net assets attributable to shareholders from investment activities (see above)		(29,495)		13,629
Retained distribution on accumulation shares		7,301		4,501
<b>Closing net assets attributable to shareholders</b>		<b>517,978</b>		<b>571,774</b>

# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			456,866		539,237
<b>Current assets:</b>					
Debtors	7	2,927		2,200	
Cash and bank balances	8	63,172		33,350	
			66,099		35,550
<b>Total assets</b>			<b>522,965</b>		<b>574,787</b>
<b>Liabilities:</b>					
Investment liabilities			(2,655)		(869)
Bank overdrafts	8	(11)		(511)	
Creditors	9	(2,287)		(1,615)	
Distribution payable		(34)		(18)	
			(2,332)		(2,144)
<b>Total liabilities</b>			<b>(4,987)</b>		<b>(3,013)</b>
<b>Net assets attributable to shareholders</b>			<b>517,978</b>		<b>571,774</b>

# Notes to the Financial Statements

## 1 Net Capital (Losses)/Gains

	2023 £'000	2022 £'000
Non-derivative securities	(20,869)	14,922
Derivative contracts	(7,938)	(1,205)
Forward currency contracts	(644)	12
Other losses	(14)	(66)
Transaction charges	(30)	(34)
<b>Net capital (losses)/gains</b>	<b>(29,495)</b>	<b>13,629</b>

## 2 Revenue

	2023 £'000	2022 £'000
ACD fee rebates on collective investment scheme holdings	494	586
Bank and margin interest	996	37
Derivative revenue	57	-
<b>Income from Overseas Collective Investment Schemes</b>		
Unfranked income	705	665
<b>Income from UK Collective Investment Schemes</b>		
Franked income	1,187	854
Interest on debt securities	1,477	877
Overseas dividends	3,065	3,047
Overseas REIT	55	43
UK dividends	4,878	4,655
UK REIT	35	20
<b>Total revenue</b>	<b>12,949</b>	<b>10,784</b>

## 3 Expenses

	2023 £'000	2022 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	5,100	5,701
Dealing charge	10	11
General administration charge*	39	22
Registration fees**	-	22
	<b>5,149</b>	<b>5,756</b>

# Notes to the Financial Statements

## Continued

	2023 £'000	2022 £'000
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Depositary's fees**	(4)	22
Safe custody fees	24	30
	<b>20</b>	<b>52</b>
<b>Other:</b>		
Audit fee**	-	7
Professional fees**	3	10
Subsidised fees***	(53)	-
Expense cap adjustment in respect of prior year	-	(6)
	(50)	11
<b>Total expenses</b>	<b>5,119</b>	<b>5,819</b>

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

\* The fixed general administration charge was introduced from 1 September 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 £13,500 (2022: £12,540).

\*\* These figures represent the charges to 31 August 2021, which have now been replaced by the fixed general administration charge.

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

## 4 Interest Payable and Similar Charges

	2023 £'000	2022 £'000
Derivative expense	-	15
Interest payable	9	-
<b>Total interest payable &amp; similar charges</b>	<b>9</b>	<b>15</b>

## 5 Taxation

	2023 £'000	2022 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	341	359
<b>Total taxation (note 5b)</b>	<b>341</b>	<b>359</b>

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

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

<b>Net revenue before taxation</b>	<b>7,821</b>	<b>4,950</b>
Corporation tax at 20% (2022: 20%)	1,564	990
Effects of:		
Revenue not subject to taxation	(1,827)	(1,711)
Overseas taxes	341	359

# Notes to the Financial Statements

## Continued

	2023 £'000	2022 £'000
Overseas tax expensed	(2)	(1)
Excess allowable expenses	263	722
<b>Total tax charge for year (note 5a)</b>	<b>341</b>	<b>359</b>

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

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

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £6,944,000 (2022: £6,681,000) 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.

## 6 Distributions

	2023 £'000	2022 £'000
Interim distribution	4,191	3,023
Final distribution	3,186	1,523
	7,377	4,546
Add: Income deducted on cancellation of shares	132	59
Deduct: Income received on issue of shares	(29)	(14)
<b>Total distributions for the year</b>	<b>7,480</b>	<b>4,591</b>

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

## 7 Debtors

	2023 £'000	2022 £'000
Accrued revenue	1,296	1,157
Amounts receivable from the ACD for the issue of shares	3	65
Expenses reimbursement receivable from the ACD	53	4
Overseas withholding tax recoverable	421	334
Sales awaiting settlement	1,154	640
<b>Total debtors</b>	<b>2,927</b>	<b>2,200</b>

# Notes to the Financial Statements

## Continued

### 8 Liquidity

	2023 £'000	2022 £'000
<b>Cash and bank balances</b>		
Cash at bank	56	749
Cash at broker	7,911	-
Deposits with original maturity of less than 3 months	55,205	32,601
	<b>63,172</b>	<b>33,350</b>
<b>Bank overdrafts</b>		
Collateral cash pledged by counterparties <sup>^</sup>	(11)	-
Overdraft at broker	-	(511)
	<b>(11)</b>	<b>(511)</b>
<b>Net liquidity</b>	<b>63,161</b>	<b>32,839</b>

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

### 9 Creditors

	2023 £'000	2022 £'000
Accrued expenses payable to ACD	392	423
Accrued expenses payable to the Depositary or associates of the Depositary	12	11
Amounts payable to the ACD for cancellation of shares	589	540
Other accrued expenses	6	6
Purchases awaiting settlement	1,288	635
<b>Total creditors</b>	<b>2,287</b>	<b>1,615</b>

### 10 Related Party Transactions

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

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

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

The management fee rebate received by the fund is from investments in other funds managed by abrdr plc. During the year £494,000 (2022: £586,000) has been recognised and is included in the total rebate amounts in note 2.

The balance due to the fund at the year end in respect of this amounted to £Nil (2022: £Nil) and is included in the Management fee rebate receivable amount disclosed in note 7.

# 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	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Trades in the year</b>				
Bonds	48,352	60,411	32,309	51,699
Equities	69,028	114,509	141,015	121,310
Collective investment schemes	20,269	-	25,150	8,297
Corporate actions	-	188	1,002	119
<b>Trades in the year before transaction costs</b>	<b>137,649</b>	<b>175,108</b>	<b>199,476</b>	<b>181,425</b>
<b>Commissions</b>				
Equities	38	62	(55)	(62)
<b>Total commissions</b>	<b>38</b>	<b>62</b>	<b>(55)</b>	<b>(62)</b>
<b>Taxes</b>				
Equities	157	147	(4)	(7)
<b>Total taxes</b>	<b>157</b>	<b>147</b>	<b>(4)</b>	<b>(7)</b>
<b>Total transaction costs</b>	<b>195</b>	<b>209</b>	<b>(59)</b>	<b>(69)</b>
<b>Total net trades in the year after transaction costs</b>	<b>137,844</b>	<b>175,317</b>	<b>199,417</b>	<b>181,356</b>

	Purchases		Sales	
	2023 %	2022 %	2023 %	2022 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.06	0.05	0.04	0.05
<b>Taxes</b>				
Equities	0.23	0.13	-	0.01

# Notes to the Financial Statements

## Continued

	2023 %	2022 %
<b>Total transaction costs expressed as a percentage of net asset value</b>		
Commissions	0.02	0.02
Taxes	0.03	0.03

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.13% (2022: 0.12%), this is representative of the average spread on the assets held during the year.

## 12 Shares in Issue Reconciliation

	Opening shares 2022	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2023
Retail accumulation	160,047,774	185,645	(9,002,695)	(1,136,575)	150,094,149
Retail income	1,381,212	23,317	(27,205)	(53,493)	1,323,831
Institutional accumulation	12,011,839	102,374	(1,865,351)	85,500	10,334,362
Institutional income	1,016,005	57,857	(25,166)	(244,440)	804,256
Retail CAT accumulation	123,319,959	1,694,872	(7,500,702)	(735,208)	116,778,921
Platform 1 accumulation	17,438,338	620,630	(2,361,644)	2,971,259	18,668,583
Platform 1 income	1,832,966	313,153	(236,902)	407,430	2,316,647
ZC accumulation	2,363,150	85,413	(204,472)	-	2,244,091

## 13 Fair Value Hierarchy

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

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

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

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

	2023 £'000 Level 1	2023 £'000 Level 2	2023 £'000 Level 3	2022 £'000 Level 1	2022 £'000 Level 2	2022 £'000 Level 3
<b>Fair value of investment assets</b>						
Bonds	27,595	30,582	-	25,861	28,683	-
Equities	285,524	-	594*	357,632	-	-
Collective Investment Schemes	-	111,973	-	-	124,820	-
Derivatives	589	9	-	1,837	404	-
<b>Total investment assets</b>	<b>313,708</b>	<b>142,564</b>	<b>594</b>	<b>385,330</b>	<b>153,907</b>	<b>-</b>

# Notes to the Financial Statements

## Continued

	2023	2023	2023	2022	2022	2022
	£'000	£'000	£'000	£'000	£'000	£'000
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Fair value of investment liabilities</b>						
Derivatives	(1,857)	(798)	-	(128)	(741)	-
<b>Total investment liabilities</b>	<b>(1,857)</b>	<b>(798)</b>	<b>-</b>	<b>(128)</b>	<b>(741)</b>	<b>-</b>

\* The Level 3 assets include Savannah Energy which has been valued at the last traded price.

## 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
	2023	2022
	£'000	£'000
Australian Dollar	(38)	490
Canadian Dollar	960	1,218
Danish Krone	7,401	6,922
Euro	47,341	54,963
Hong Kong Dollar	-	1,751
Israeli Shekel	-	800
Japanese Yen	15,221	1,009
Norwegian Krone	2,909	1,296
Swedish Krona	5,495	4,877
Swiss Franc	1,247	6,798
Taiwan Dollar	-	2
US Dollar	127,116	154,673
<b>Total</b>	<b>207,652</b>	<b>234,799</b>

At 28 February 2023, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £10,383,000 (2022: £11,740,000).

### Interest rate risk

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

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

# Notes to the Financial Statements

## Continued

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

2023	Floating rate financial assets/ (liabilities) £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>Currency</b>				
UK Sterling	63,263	57,146	189,919	310,328
Australian Dollar	(1)	-	(37)	(38)
Canadian Dollar	-	-	960	960
Danish Krone	-	-	7,401	7,401
Euro	-	177	47,164	47,341
Japanese Yen	-	-	15,221	15,221
Norwegian Krone	-	-	2,909	2,909
Swedish Krona	-	-	5,495	5,495
Swiss Franc	-	-	1,247	1,247
US Dollar	129	624	126,363	127,116
<b>Total</b>	<b>63,391</b>	<b>57,947</b>	<b>396,642</b>	<b>517,980</b>

2022	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
<b>Currency</b>				
UK Sterling	32,519	53,329	251,127	336,975
Australian Dollar	-	-	490	490
Canadian Dollar	-	-	1,218	1,218
Danish Krone	-	-	6,922	6,922
Euro	847	333	53,783	54,963
Hong Kong Dollar	-	-	1,751	1,751
Israeli Shekel	-	-	800	800
Japanese Yen	-	-	1,009	1,009
Norwegian Krone	-	-	1,296	1,296
Swedish Krona	-	-	4,877	4,877
Swiss Franc	-	-	6,798	6,798
Taiwan Dollar	-	-	2	2
US Dollar	15	340	154,318	154,673
<b>Total</b>	<b>33,381</b>	<b>54,002</b>	<b>484,391</b>	<b>571,774</b>

# Notes to the Financial Statements

## Continued

### Other price risk

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

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

### VaR

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

2023	Minimum	Maximum	Average
VaR 99% 1 Month	6.53%	8.02%	7.03%

2022	Minimum	Maximum	Average
VaR 99% 1 Month	4.01%	6.23%	4.76%

At the year end date, there was a 1% chance of the portfolio value falling (or rising) more than 6.76%, £30,705,000 (2022: 5.54%, £29,841,000) in a one month period.

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

### Counterparty risk

#### Credit quality of debt security investment assets

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

2023	Market value £'000	Percentage of total net assets %
Investment grade securities	57,217	11.03
Below investment grade securities	877	0.17
Unrated securities	83	0.02
<b>Total value of securities</b>	<b>58,177</b>	<b>11.22</b>

2022	Market value £'000	Percentage of total net assets %
Investment grade securities	54,118	9.47
Below investment grade securities	117	0.02
Unrated securities	309	0.05
<b>Total value of securities</b>	<b>54,544</b>	<b>9.54</b>

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

# Notes to the Financial Statements

## Continued

### Financial derivatives instrument risk

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

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

	2023		2022	
	Market exposure £'000	Market value £'000	Market exposure £'000	Market value £'000
<b>Leveraged instruments</b>				
Forward currency contracts	16,289	(789)	1,135	(5)
Futures	156,631	(1,268)	37,666	1,709
Swaps	-	-	15,235	(332)
<b>Total market exposure</b>	<b>172,920</b>	<b>(2,057)</b>	<b>54,036</b>	<b>1,372</b>

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

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

### Counterparty risk

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

2023	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
<b>Broker or exchange exposure</b>					
Goldman Sachs	(1,268)	7,910	-	6,642	1.28
	<b>(1,268)</b>	<b>7,910</b>	<b>-</b>	<b>6,642</b>	<b>1.28</b>

2022	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
<b>Broker or exchange exposure</b>					
Goldman Sachs	2,112	(511)	919	2,520	0.44
	<b>2,112</b>	<b>(511)</b>	<b>919</b>	<b>2,520</b>	<b>0.44</b>

### Bilateral agreements

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

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

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

# Notes to the Financial Statements

## Continued

2023 Counterparties	Collateral (held)/pledged				Net exposure £'000
	Swaps £'000	Forwards £'000	Cash £'000	Stock £'000	
Bank of America Merrill Lynch	-	(796)	-	805	9
BNP Paribas	-	4	-	-	4
Citigroup	-	(1)	-	-	(1)
Morgan Stanley	-	(1)	(10)	-	(11)
Societe Generale	-	5	-	-	5
<b>Total</b>	<b>-</b>	<b>(789)</b>	<b>(10)</b>	<b>805</b>	<b>6</b>

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

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

Issuers 2023	Type	Collateral Stock £'000
United Kingdom (Gov't of)	Bond	805
		<b>805</b>

2022 Counterparties	Collateral (held)/pledged				Net exposure £'000
	Swaps £'000	Forwards £'000	Cash £'000	Stock £'000	
Barclays	(735)	-	-	522	(213)
Credit Agricole	-	1	-	-	1
NatWest Markets	-	(2)	-	-	(2)
Royal Bank of Canada	-	(4)	-	-	(4)
<b>Total</b>	<b>(735)</b>	<b>(5)</b>	<b>-</b>	<b>522</b>	<b>(218)</b>

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

Issuers 2022	Type	Collateral Stock £'000
United Kingdom (Gov't of)	Bond	1,441
		<b>1,441</b>

# Notes to the Financial Statements

## Continued

### Liquidity risk

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

	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
<b>2023</b>					
<b>Derivatives</b>					
Investment liabilities	-	(2,655)	-	-	(2,655)
<b>Non-derivatives</b>					
Other creditors	-	(2,287)	-	-	(2,287)
Bank overdrafts	(11)	-	-	-	(11)
Distribution payable	-	(34)	-	-	(34)
<b>Total financial liabilities</b>	<b>(11)</b>	<b>(4,976)</b>	<b>-</b>	<b>-</b>	<b>(4,987)</b>
<b>2022</b>					
<b>Derivatives</b>					
Investment liabilities	-	(119)	(748)	(2)	(869)
<b>Non-derivatives</b>					
Other creditors	-	(1,615)	-	-	(1,615)
Bank overdrafts	(511)	-	-	-	(511)
Distribution payable	-	(18)	-	-	(18)
<b>Total financial liabilities</b>	<b>(511)</b>	<b>(1,752)</b>	<b>(748)</b>	<b>(2)</b>	<b>(3,013)</b>

# Distribution Tables

For the year ended 28 February 2023 (in pence per share)

## Interim dividend distribution

Group 1 – shares purchased prior to 1 March 2022

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

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
<b>Retail accumulation</b>				
Group 1	1.4923	-	1.4923	0.9989
Group 2	0.8206	0.6717	1.4923	0.9989
<b>Retail income</b>				
Group 1	0.9529	-	0.9529	0.6422
Group 2	0.4805	0.4724	0.9529	0.6422
<b>Institutional accumulation</b>				
Group 1	2.1760	-	2.1760	1.6316
Group 2	0.9755	1.2005	2.1760	1.6316
<b>Institutional income</b>				
Group 1	1.2058	-	1.2058	0.9142
Group 2	0.9283	0.2775	1.2058	0.9142
<b>Retail CAT accumulation</b>				
Group 1	1.1531	-	1.1531	0.7912
Group 2	0.6022	0.5509	1.1531	0.7912
<b>Platform 1 accumulation</b>				
Group 1	0.9993	-	0.9993	0.7417
Group 2	0.3223	0.6770	0.9993	0.7417
<b>Platform 1 income</b>				
Group 1	0.8609	-	0.8609	0.6458
Group 2	0.3839	0.4770	0.8609	0.6458
<b>ZC accumulation</b>				
Group 1	1.1094	-	1.1094	0.9079
Group 2	0.5351	0.5743	1.1094	0.9079

# Distribution Tables

For the year ended 28 February 2023 (in pence per share) continued

## Final dividend distribution

Group 1 – shares purchased prior to 1 September 2022

Group 2 – shares purchased between 1 September 2022 and 28 February 2023

	Revenue	Equalisation	Distribution paid 28/04/23	Distribution paid 29/04/22
<b>Retail accumulation</b>				
Group 1	1.1617	-	1.1617	0.4934
Group 2	0.6997	0.4620	1.1617	0.4934
<b>Retail income</b>				
Group 1	0.7358	-	0.7358	0.3156
Group 2	0.4746	0.2612	0.7358	0.3156
<b>Institutional accumulation</b>				
Group 1	1.7831	-	1.7831	1.0661
Group 2	1.2836	0.4995	1.7831	1.0661
<b>Institutional income</b>				
Group 1	0.9783	-	0.9783	0.5930
Group 2	0.7065	0.2718	0.9783	0.5930
<b>Retail CAT accumulation</b>				
Group 1	0.9002	-	0.9002	0.3960
Group 2	0.5857	0.3145	0.9002	0.3960
<b>Platform 1 accumulation</b>				
Group 1	0.8151	-	0.8151	0.4744
Group 2	0.4497	0.3654	0.8151	0.4744
<b>Platform 1 income</b>				
Group 1	0.6954	-	0.6954	0.4103
Group 2	0.5469	0.1485	0.6954	0.4103
<b>ZC accumulation</b>				
Group 1	0.9293	-	0.9293	0.6853
Group 2	0.2998	0.6295	0.9293	0.6853

## 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 Focused Equity Fund

For the year ended 28 February 2023

## Investment Objective

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

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

**Performance Comparator:** The IA's Global Equity sector.

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

## Investment Policy

### Portfolio Securities

- The fund will invest at least 70% in equities and equity related securities of companies listed on global stock exchanges.
- 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 maintain a concentrated asset mix at country, sector and stock level.
- The fund looks to deliver a concentrated portfolio of the highest conviction investment ideas of the management team in companies of all sizes.
- 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 10%. Due to the active nature of the management process, 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.

## Performance Review

Over the period under review, the fund returned 3.61% (Source: FactSet, Platform 1 Accumulation, net of fees). This compared to a return of 5.45% for our performance target (Source: FactSet, MSCI AC World Net Total Return Index +3%).

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

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

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

From a stock-specific perspective, our newly-acquired holding in The TJX Companies (TJX) performed well as investors anticipated stronger demand for discount clothing. High inflation or a tough economic environment often drives consumers to cut back on expenditure, which usually benefits discount retailers such as TJX. Management also lowered its second-half guidance to levels more consistent with investor expectations. AbbVie outperformed thanks to a strong recovery in the final quarter of 2022, which captured increased expectations for its key drug Humira in 2023. The healthcare sector's defensive qualities were another attraction for investors. Waste Management was lifted by strong earnings, which showed accelerating prices and a sharp improvement in volumes. Management also provided evidence of strong traction for the company's pricing programmes.

By contrast, stock selection in the information technology sector proved costly, with Taiwan Semiconductor Manufacturing Company underperforming on concerns about a drop in demand for consumer electronics due to the worsening macroeconomic outlook. Our holding in RingCentral, the US software group that specialises in cloud communication software, also proved a drag on performance after a change in its chief operating officer. While the company continued to deliver operationally, it was affected by a sell-off in the technology sector. Fears of increased state regulation in the internet sector weighed on China's Tencent Holdings, along with weak

# abrdn Global Focused Equity Fund

## Continued

results from the company, although some of its online games did receive approval later in the period. Sony Group also weighed on relative returns, although it reassured investors at a global strategy day that highlighted the strong portfolio of intellectual property the company has within the gaming and entertainment space.

### Market Review

Global stock markets fell in local-currency terms after a challenging 12 months for financial markets and the global economy. However, the pound's weakness, particularly against a strong US dollar, translated into a small gain from global stock markets when viewed in sterling terms. Investor concerns about inflation dominated the period under review. Existing inflationary pressures from the post-Covid-19 reopening of the global economy were compounded by Russia's invasion of Ukraine in February. The conflict and resulting economic sanctions against Russia caused energy and food prices to spiral higher, leading to cost-of-living crises in many countries. Central banks responded to multi-decade-high inflation levels in Western economies by raising interest rates faster and further than previously anticipated. Stock markets fell sharply in the face of mounting pessimism over the prospects for the global economy.

However, the gloom began to clear later in the period. November saw a significant recovery in stock markets, prompted by better-than-expected US inflation data. This raised hopes that US inflation may have peaked and that an end to the current cycle of interest-rate rises might be in sight. The new year started on a highly positive note. Stock markets rose sharply in January amid greater economic optimism and hopes that interest rates have almost peaked. However, robust economic data, including particularly strong US employment data for January, latterly caused investors to consider whether rates may have to remain higher for longer than expected.

### Portfolio Activity and Review

Major purchases included Diageo, The Coca-Cola Company (Coca-Cola), Microsoft and TJX. Diageo is a global alcoholic beverages group with a strong product offering in premium spirits. These are well placed to benefit over the medium term. Increased cohesion in Coca-Cola's distribution system has improved its operating system, positioning it well to continue on its existing growth outlook.

Software giant Microsoft is seeing strength across the majority of its product portfolios which has driven robust top-line growth. This positions it well against its peers given the strength of offerings such as cloud computing platform Azure and Office 365. TJX is a US-based discount clothing retailer with over 4,000 stores worldwide, including the TJ Maxx and TK Maxx brands.

In terms of sales, we sold our position in Pegasystems after the company was hit with a negative court ruling related to the alleged misappropriation of trade secrets. We also divested our holding in TMX Group as well as a small position in JD.com, with the latter having been acquired as a result of our investment in Tencent.

### Portfolio Outlook and Strategy

We believe that many of the market pressures in 2022, such as high energy prices, the cost-of-living crisis and rising interest rates, will continue in 2023. In the UK and Europe, we feel that earnings forecasts have not priced in a likely slowdown in GDP growth. In the US, although growth remains positive, it is slowing, and we believe that there may need to be a rise in unemployment in order to tame core inflation. Against such a challenging backdrop, the portfolio will remain diversified, defensive and focused on businesses best positioned to manage financial pressures through to times of greater market stability. Periods of market weakness 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

March 2023

# abrdn Global Focused 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 28 February 2023.

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

- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- 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 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

	2023	2022	2021
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	152.85	157.04	138.82
Return before operating charges*	6.56	(1.89)	20.31
Operating charges	(2.06)	(2.30)	(2.09)
Return after operating charges*	4.50	(4.19)	18.22
Distributions	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	157.35	152.85	157.04
* after direct transaction costs of:	0.09	0.15	0.23
<b>Performance</b>			
Return after charges	2.94%	(2.67%)	13.12%
<b>Other information</b>			
Closing net asset value (£'000)	10,388	13,590	15,144
Closing number of shares	6,602,120	8,890,887	9,643,785
Operating charges	1.36%	1.39%	1.38%
Direct transaction costs	0.06%	0.09%	0.15%
<b>Prices</b>			
Highest share price	165.7	177.7	168.3
Lowest share price	137.6	145.9	111.0

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

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

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

# Comparative Tables

## Continued

	2023	2022	2021
Retail income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	76.32	78.41	69.32
Return before operating charges*	3.29	(0.94)	10.13
Operating charges	(1.03)	(1.15)	(1.04)
Return after operating charges*	2.26	(2.09)	9.09
Distributions	-	-	-
Closing net asset value per share	78.58	76.32	78.41
* after direct transaction costs of:	0.05	0.08	0.11
<b>Performance</b>			
Return after charges	2.96%	(2.67%)	13.11%
<b>Other information</b>			
Closing net asset value (£'000)	756	888	948
Closing number of shares	961,508	1,163,843	1,209,617
Operating charges	1.36%	1.39%	1.38%
Direct transaction costs	0.06%	0.09%	0.15%
<b>Prices</b>			
Highest share price	82.77	88.71	84.02
Lowest share price	68.70	72.83	55.44

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

	2023	2022	2021
Institutional accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	176.16	180.12	158.49
Return before operating charges*	7.60	(2.21)	23.20
Operating charges	(1.55)	(1.75)	(1.57)
Return after operating charges*	6.05	(3.96)	21.63
Distributions	(0.84)	(0.08)	(0.39)
Retained distributions on accumulation shares	0.84	0.08	0.39
Closing net asset value per share	182.21	176.16	180.12
* after direct transaction costs of:	0.11	0.17	0.26
<b>Performance</b>			
Return after charges	3.43%	(2.20%)	13.65%
<b>Other information</b>			
Closing net asset value (£'000)	11,215	13,118	16,628
Closing number of shares	6,155,075	7,447,036	9,231,583
Operating charges	0.89%	0.92%	0.91%
Direct transaction costs	0.06%	0.09%	0.15%
<b>Prices</b>			
Highest share price	191.9	204.5	192.9
Lowest share price	158.8	168.1	126.8

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

Institutional regulated accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	159.79	162.74	142.62
Return before operating charges*	6.93	(2.06)	20.92
Operating charges	(0.77)	(0.89)	(0.80)
Return after operating charges*	6.16	(2.95)	20.12
Distributions	(1.40)	(0.76)	(0.98)
Retained distributions on accumulation shares	1.40	0.76	0.98
Closing net asset value per share	165.95	159.79	162.74
* after direct transaction costs of:	0.10	0.16	0.23
<b>Performance</b>			
Return after charges	3.86%	(1.81%)	14.11%
<b>Other information</b>			
Closing net asset value (£'000)	40,040	47,310	57,618
Closing number of shares	24,127,971	29,606,756	35,405,429
Operating charges	0.49%	0.52%	0.51%
Direct transaction costs	0.06%	0.09%	0.15%
<b>Prices</b>			
Highest share price	174.8	185.3	174.2
Lowest share price	144.2	152.5	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.

# Comparative Tables

## Continued

Institutional S accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	78.63	80.37	70.67
Return before operating charges*	3.40	(1.00)	10.36
Operating charges	(0.65)	(0.74)	(0.66)
Return after operating charges*	2.75	(1.74)	9.70
Distributions	(0.42)	(0.08)	(0.21)
Retained distributions on accumulation shares	0.42	0.08	0.21
Closing net asset value per share	81.38	78.63	80.37
* after direct transaction costs of:	0.05	0.08	0.12
<b>Performance</b>			
Return after charges	3.50%	(2.16%)	13.73%
<b>Other information</b>			
Closing net asset value (£'000)	2,047	2,132	2,650
Closing number of shares	2,515,193	2,711,872	3,297,248
Operating charges	0.84%	0.87%	0.86%
Direct transaction costs	0.06%	0.09%	0.15%
<b>Prices</b>			
Highest share price	85.71	91.26	86.05
Lowest share price	70.89	75.03	56.52

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

<b>Platform 1 accumulation</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	127.42	130.42	114.87
Return before operating charges*	5.50	(1.59)	16.81
Operating charges	(1.25)	(1.41)	(1.26)
Return after operating charges*	4.25	(3.00)	15.55
Distributions	(0.48)	-	(0.16)
Retained distributions on accumulation shares	0.48	-	0.16
Closing net asset value per share	131.67	127.42	130.42
* after direct transaction costs of:	0.08	0.13	0.19
<b>Performance</b>			
Return after charges	3.34%	(2.30%)	13.54%
<b>Other information</b>			
Closing net asset value (£'000)	18,426	17,346	22,694
Closing number of shares	13,993,892	13,613,086	17,401,269
Operating charges	0.99%	1.02%	1.01%
Direct transaction costs	0.06%	0.09%	0.15%
<b>Prices</b>			
Highest share price	138.7	147.9	139.7
Lowest share price	114.8	121.6	91.86

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

ZC accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	155.92	158.16	138.06
Return before operating charges*	6.79	(2.04)	20.27
Operating charges	(0.13)	(0.20)	(0.17)
Return after operating charges*	6.66	(2.24)	20.10
Distributions	(2.00)	(1.42)	(1.55)
Retained distributions on accumulation shares	2.00	1.42	1.55
Closing net asset value per share	162.58	155.92	158.16
* after direct transaction costs of:	0.10	0.15	0.23
<b>Performance</b>			
Return after charges	4.27%	(1.42%)	14.56%
<b>Other information</b>			
Closing net asset value (£'000)	3,580	3,442	3,535
Closing number of shares	2,201,691	2,207,854	2,234,776
Operating charges	0.09%	0.12%	0.11%
Direct transaction costs	0.06%	0.09%	0.15%
<b>Prices</b>			
Highest share price	171.2	180.6	169.2
Lowest share price	140.9	148.8	110.5

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 28 February 2023

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (98.44%)</b>		<b>84,842</b>	<b>98.14</b>
<b>European Equities (20.96%)</b>		<b>18,074</b>	<b>20.91</b>
<b>Austria (2.86%)</b>		<b>3,427</b>	<b>3.96</b>
66,261	BAWAG	3,427	3.96
<b>Germany (12.14%)</b>		<b>8,850</b>	<b>10.24</b>
46,830	CTS Eventim	2,552	2.95
55,751	Mercedes-Benz	3,553	4.11
77,728	RWE	2,745	3.18
<b>Poland (2.81%)</b>		<b>2,446</b>	<b>2.83</b>
356,376	InPost	2,446	2.83
<b>Spain (3.15%)</b>		<b>3,351</b>	<b>3.88</b>
107,562	Cellnex Telecom	3,351	3.88
<b>Japanese Equities (4.13%)</b>		<b>3,375</b>	<b>3.90</b>
48,700	Sony	3,375	3.90
<b>North American Equities (59.78%)</b>		<b>52,401</b>	<b>60.61</b>
<b>Canada (3.34%)</b>		-	-
<b>United States (56.44%)</b>		<b>52,401</b>	<b>60.61</b>
28,730	AbbVie	3,651	4.22
42,741	Alphabet 'C'	3,187	3.69
37,239	Amazon.com	2,898	3.35
17,990	Analog Devices	2,725	3.15
102,956	Boston Scientific	3,972	4.60
63,467	Charles Schwab	4,080	4.72

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
55,255	Coca-Cola	2,715	3.14
51,853	Emerson Electric	3,542	4.10
11,571	Mastercard 'A'	3,391	3.92
21,485	Microsoft	4,426	5.12
62,042	RingCentral 'A'	1,693	1.96
10,144	S&P Global	2,858	3.31
28,686	Tetra Tech	3,242	3.75
53,216	TJX	3,366	3.89
245,787	Vertiv	3,297	3.81
27,163	Waste Management	3,358	3.88
<b>Pacific Basin Equities (9.13%)</b>		<b>4,542</b>	<b>5.25</b>
<b>China (4.66%)</b>		<b>2,852</b>	<b>3.30</b>
7,585	Meituan 'B'	109	0.13
75,857	Tencent	2,743	3.17
23,966,000	Tianhe Chemicals**	-	-
<b>Hong Kong (0.00%)</b>		<b>-</b>	<b>-</b>
1,055,400	China Metal Recycling**	-	-
<b>Taiwan (4.47%)</b>		<b>1,690</b>	<b>1.95</b>
122,000	Taiwan Semiconductor Manufacturing	1,690	1.95
<b>UK Equities (4.44%)</b>		<b>6,450</b>	<b>7.47</b>
<b>Consumer Staples (0.00%)</b>		<b>3,142</b>	<b>3.64</b>
89,061	Diageo	3,142	3.64
<b>Health Care (4.44%)</b>		<b>3,308</b>	<b>3.83</b>
30,411	AstraZeneca	3,308	3.83

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Collective Investment Schemes (0.09%)		1,513	1.75
1,513	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc+	1,513	1.75
Total investment assets		86,355	99.89
Net other assets		97	0.11
<b>Total Net Assets</b>		<b>86,452</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities, or are regulated collective investment schemes within the meaning of the FCA rules.  
The percentage figures in brackets show the comparative holding as at 28 February 2022.

+ Managed by subsidiaries of abrdn plc.

\*\* Delisted.

# Financial Statements

## Statement of Total Return

For the year ended 28 February 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains/(losses)	1		2,368		(1,127)
Revenue	2	1,401		1,226	
Expenses	3	(684)		(913)	
Interest payable and similar charges		(3)		(1)	
Net revenue before taxation		714		312	
Taxation	4	(167)		(105)	
Net revenue after taxation			547		207
<b>Total return before distributions</b>			<b>2,915</b>		<b>(920)</b>
Distributions	5		(550)		(298)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>2,365</b>		<b>(1,218)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2023

	2023		2022	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>97,826</b>		<b>119,217</b>
Amounts receivable on the issue of shares	11,809		16,328	
Amounts payable on the cancellation of shares	(26,061)		(36,751)	
		(14,252)		(20,423)
Dilution adjustment		-		(16)
Change in net assets attributable to shareholders from investment activities (see above)		2,365		(1,218)
Retained distribution on accumulation shares		513		266
<b>Closing net assets attributable to shareholders</b>		<b>86,452</b>		<b>97,826</b>

# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			86,355		96,392
<b>Current assets:</b>					
Debtors	6	203		2,889	
Cash and bank balances	7	28		99	
			231		2,988
<b>Total assets</b>			<b>86,586</b>		<b>99,380</b>
<b>Liabilities:</b>					
Creditors	8	(134)		(1,554)	
			(134)		(1,554)
<b>Total liabilities</b>			<b>(134)</b>		<b>(1,554)</b>
<b>Net assets attributable to shareholders</b>			<b>86,452</b>		<b>97,826</b>

# Notes to the Financial Statements

## 1 Net Capital Gains/(Losses)

	2023 £'000	2022 £'000
Non-derivative securities	2,313	(1,101)
Other gains/(losses)	59	(17)
Transaction charges	(4)	(9)
<b>Net capital gains/(losses)</b>	<b>2,368</b>	<b>(1,127)</b>

## 2 Revenue

	2023 £'000	2022 £'000
Bank and margin interest	34	2
Overseas dividends	1,253	1,100
Overseas REIT	-	9
UK dividends	114	115
<b>Total revenue</b>	<b>1,401</b>	<b>1,226</b>

## 3 Expenses

	2023 £'000	2022 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	605	790
Dealing charge	9	12
General administration charge*	61	37
Registration fees**	-	42
	<b>675</b>	<b>881</b>
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Depositary's fees**	-	1
Safe custody fees	6	8
	<b>6</b>	<b>9</b>
<b>Other:</b>		
Audit fee**	-	5
Professional fees**	3	18
	<b>3</b>	<b>23</b>
<b>Total expenses</b>	<b>684</b>	<b>913</b>

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

\* The fixed general administration charge was introduced from 1 September 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 £10,200 (2022: £9,480).

\*\* These figures represent the charges to 31 August 2021, which have now been replaced by the fixed general administration charge.

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2023 £'000	2022 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	167	105
<b>Total taxation (note 4b)</b>	<b>167</b>	<b>105</b>

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

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

	2023	2022
<b>Net revenue before taxation</b>	<b>714</b>	<b>312</b>
Corporation tax at 20% (2022: 20%)	143	62
Effects of:		
Revenue not subject to taxation	(273)	(243)
Overseas taxes	167	105
Excess allowable expenses	130	181
<b>Total tax charge for year (note 4a)</b>	<b>167</b>	<b>105</b>

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

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

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £2,504,000 (2022: £2,374,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

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

	2023 £'000	2022 £'000
Distribution	513	266
Add: Income deducted on cancellation of shares	51	40
Deduct: Income received on issue of shares	(14)	(8)
<b>Total distributions for the year</b>	<b>550</b>	<b>298</b>
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	547	207
Shortfall transfer from capital to revenue	3	91
<b>Total distributions for the year</b>	<b>550</b>	<b>298</b>

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

# Notes to the Financial Statements

## Continued

### 6 Debtors

	2023 £'000	2022 £'000
Accrued revenue	109	127
Amounts receivable from the ACD for the issue of shares	20	-
Overseas withholding tax recoverable	74	54
Sales awaiting settlement	-	2,708
<b>Total debtors</b>	<b>203</b>	<b>2,889</b>

### 7 Liquidity

	2023 £'000	2022 £'000
<b>Cash and bank balances</b>		
Cash at bank	28	99
	<b>28</b>	<b>99</b>
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund*	1,513	96
<b>Net liquidity</b>	<b>1,541</b>	<b>195</b>

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

### 8 Creditors

	2023 £'000	2022 £'000
Accrued expenses payable to ACD	50	59
Accrued expenses payable to the Depositary or associates of the Depositary	2	3
Amounts payable to the ACD for cancellation of shares	77	1,487
Other accrued expenses	5	5
<b>Total creditors</b>	<b>134</b>	<b>1,554</b>

### 9 Related Party Transactions

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

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

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

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

# Notes to the Financial Statements

## Continued

### 10 Portfolio Transaction Costs

	Purchases		Sales	
	2023	2022	2023	2022
Trades in the year	£'000	£'000	£'000	£'000
Equities	22,052	81,238	35,875	108,425
Corporate actions	-	2,289	177	-
<b>Trades in the year before transaction costs</b>	<b>22,052</b>	<b>83,527</b>	<b>36,052</b>	<b>108,425</b>
<b>Commissions</b>				
Equities	12	36	(15)	(45)
<b>Total commissions</b>	<b>12</b>	<b>36</b>	<b>(15)</b>	<b>(45)</b>
<b>Taxes</b>				
Equities	20	8	(9)	(17)
<b>Total taxes</b>	<b>20</b>	<b>8</b>	<b>(9)</b>	<b>(17)</b>
<b>Total transaction costs</b>	<b>32</b>	<b>44</b>	<b>(24)</b>	<b>(62)</b>
<b>Total net trades in the year after transaction costs</b>	<b>22,084</b>	<b>83,571</b>	<b>36,028</b>	<b>108,363</b>
	Purchases		Sales	
	2023	2022	2023	2022
	%	%	%	%
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.05	0.04	0.04	0.04
<b>Taxes</b>				
Equities	0.09	0.01	0.02	0.02
			2023	2022
			%	%
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Commissions			0.03	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 0.06% (2022: 0.09%), this is representative of the average spread on the assets held during the year.

# Notes to the Financial Statements

## Continued

### 11 Shares in Issue Reconciliation

	Opening shares 2022	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2023
Retail accumulation	8,890,887	7,164,380	(6,887,637)	(2,565,510)	6,602,120
Retail income	1,163,843	5,806	(208,141)	-	961,508
Institutional accumulation	7,447,036	35,248	(1,287,600)	(39,609)	6,155,075
Institutional regulated accumulation	29,606,756	474,401	(5,953,186)	-	24,127,971
Institutional S accumulation	2,711,872	-	(196,679)	-	2,515,193
Platform 1 accumulation	13,613,086	158,542	(2,901,612)	3,123,876	13,993,892
ZC accumulation	2,207,854	53,198	(59,361)	-	2,201,691

### 12 Fair Value Hierarchy

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

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

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

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

	2023 £'000	2023 £'000	2023 £'000	2022 £'000	2022 £'000	2022 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	84,842	-	-	96,296	-	-
Collective Investment Schemes	-	1,513	-	-	96	-
<b>Total investment assets</b>	<b>84,842</b>	<b>1,513</b>	<b>-</b>	<b>96,296</b>	<b>96</b>	<b>-</b>

### 13 Risk Management Policies and Disclosures

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

#### Foreign currency risk

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

	Net foreign currency exposure 2023 £'000	Net foreign currency exposure 2022 £'000
<b>Currency</b>		
Canadian Dollar	-	3,404
Danish Krone	15	24
Euro	18,130	21,236

# Notes to the Financial Statements

## Continued

	Net foreign currency exposure 2023 £'000	Net foreign currency exposure 2022 £'000
<b>Currency</b>		
Hong Kong Dollar	2,852	4,554
Japanese Yen	3,375	4,040
Taiwan Dollar	1,698	4,444
US Dollar	52,480	57,013
<b>Total</b>	<b>78,550</b>	<b>94,715</b>

As at 28 February 2023, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £3,927,000 (2022: £4,376,000).

### 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 28 February 2023, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £4,318,000 (2022: £4,820,000).

### Financial derivatives instrument risk

The fund had no exposure to derivatives as at 28 February 2023 (2022: £Nil).

### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2023 £134,000 (2022: £1,554,000).

# Distribution Table

For the year ended 28 February 2023 (in pence per share)

## Final dividend distribution

Group 1 – shares purchased prior to 1 March 2022

Group 2 – shares purchased between 1 March 2022 and 28 February 2023

	Revenue	Equalisation	Distribution paid 28/04/23	Distribution paid 29/04/22
<b>Retail accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Retail income</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Institutional accumulation</b>				
Group 1	0.8419	-	0.8419	0.0785
Group 2	0.5680	0.2739	0.8419	0.0785
<b>Institutional regulated accumulation</b>				
Group 1	1.4049	-	1.4049	0.7649
Group 2	0.9961	0.4088	1.4049	0.7649
<b>Institutional S accumulation</b>				
Group 1	0.4154	-	0.4154	0.0783
Group 2	0.4154	-	0.4154	0.0783
<b>Platform 1 accumulation</b>				
Group 1	0.4814	-	0.4814	-
Group 2	0.3104	0.1710	0.4814	-
<b>ZC accumulation</b>				
Group 1	1.9973	-	1.9973	1.4190
Group 2	1.4720	0.5253	1.9973	1.4190

## 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 Income Equity Fund

For the year ended 28 February 2023

## Investment Objective

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

Performance Target: To deliver a yield greater than that of the MSCI AC World Index over a rolling five year period (before charges) and achieve a return in excess of the MSCI AC World 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 Global 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 80% in equities and equity related securities of companies listed on recognised stock exchanges.
- 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 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. Given the fund's income objective, the management team place particular emphasis on understanding business fundamentals and dynamics and the impact this has on cash flow generation and the company's ability to allocate cash effectively.
- 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 income nature of the management process, 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.

## Performance Review

The fund returned 5.56% over the review period (source: FactSet, Platform 1 Accumulation, gross of fees). This compares with a target benchmark return of -5.04% (Source: FactSet, MSCI AC World Index). The fund's Platform 1 Income yield was 2.34% over the last 12 months versus a target yield of 2.21% (MSCI AC World Index).

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

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

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

From a stock-specific perspective, Finnish banking group Nordea benefited from the high-interest-rate environment and positive sentiment generated by earnings upgrades across the banking sector. The TJX Companies (TJX) performed well as investors anticipated stronger demand for discount clothing. High inflation or a tough economic environment often drives consumers to cut back on expenditure, which usually benefits discount retailers such as TJX. Management also lowered its second-half guidance to levels more consistent with investor expectations. AstraZeneca performed well on the back of decent results and upbeat guidance, supported by an impressive pipeline of potential new products. A panel of the European Medicines Agency recommended the expanded approval of the company's breast cancer drug Lynparza. Not owning Alphabet, Google's parent company, or Amazon also boosted relative returns as they underperformed.

# abrdn Global Income Equity Fund

## Continued

In terms of detractors, Koninklijke DSM underperformed as it struggled to pass on higher commodity and energy prices to customers and subsequently lowered its earnings guidance for 2022. In the information technology sector, Taiwan Semiconductor Manufacturing Company (TSMC) and Samsung Electronics weighed on performance due to concerns about a drop in demand for consumer electronics as a result of the worsening macroeconomic outlook. News of Warren Buffett taking a sizeable position in TSMC also proved negative. Issues around hospital staffing in the US and supply-chain problems affecting component availability continued to plague Baxter International. We subsequently sold our holding in the stock.

### Market Review

Global stock markets fell in local-currency terms after a challenging 12 months for financial markets and the global economy. However, the pound's weakness, particularly against a strong US dollar, translated into a small gain from global stock markets when viewed in sterling terms. Investor concerns about inflation dominated the period under review. Existing inflationary pressures from the post-Covid-19 reopening of the global economy were compounded by Russia's invasion of Ukraine in February. The conflict and resulting economic sanctions against Russia caused energy and food prices to spiral higher, leading to cost-of-living crises in many countries. Central banks responded to multi-decade-high inflation levels in Western economies by raising interest rates faster and further than previously anticipated. Stock markets fell sharply in the face of mounting pessimism over the prospects for the global economy.

However, the gloom began to clear later in the period. November saw a significant recovery in stock markets, prompted by better-than-expected US inflation data. This raised hopes that US inflation may have peaked and that an end to the current cycle of interest-rate rises might be in sight. The new year started on a highly positive note. Stock markets rose sharply in January amid greater economic optimism and hopes that interest rates have almost peaked. However, robust economic data, including particularly strong US employment data for January, latterly caused investors to consider whether rates may have to remain higher for longer than expected.

### Portfolio Activity and Review

Major purchases in the period included Merck, CVS Health, Aker BP, Diageo, Amdocs, Volvo, TotalEnergies, Neste and AIA Group. Merck is a multinational pharmaceutical group based in the US.

Amdocs is a global provider of consulting services to the telecommunications industry and is attractive due to the market not yet pricing in the acceleration of revenue growth as 5G and cloud transition spending continues to increase. Diageo is a global alcoholic beverages group with a strong product offering in premium spirits. US-based CVS Health provides healthcare and retail pharmacy services. Aker BP is a Norwegian oil and gas exploration group in which BP holds a 30% stake. TotalEnergies is a French integrated energy group with businesses ranging from oil exploration to transport and refining. Neste is also in the energy sector and is involved in oil refining and marketing. Finally, Hong Kong-based AIA Group is the largest publicly-listed life insurance business in Asia.

We also sold a number of positions during the period, including Medtronic, Baxter International, Target Corporation, Heineken and Vonovia. In addition, we divested our holding in TMX Group as well as a small position in JD.com, with the latter having been acquired as a result of our investment in Tencent, which was also sold.

### Portfolio Outlook and Strategy

We believe that many of the market pressures in 2022, such as high energy prices, the cost-of-living crisis and rising interest rates, will continue in 2023. In the UK and Europe, we feel that earnings forecasts have not priced in a likely slowdown in GDP growth. In the US, although growth remains positive, it is slowing, and we believe that there may need to be a rise in unemployment in order to tame core inflation. Against such a challenging backdrop, the portfolio will remain diversified, defensive and focused on businesses best positioned to manage financial pressures through to times of greater market stability. Periods of market weakness 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

March 2023

# abrdn Global 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 28 February 2023.

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

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

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

# Comparative Tables

	2023	2022	2021
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	126.65	113.67	104.47
Return before operating charges*	7.19	14.64	10.64
Operating charges	(1.70)	(1.66)	(1.44)
Return after operating charges*	5.49	12.98	9.20
Distributions	(1.35)	(1.34)	(1.12)
Retained distributions on accumulation shares	1.35	1.34	1.12
Closing net asset value per share	132.14	126.65	113.67
* after direct transaction costs of:	0.04	0.09	0.12
<b>Performance</b>			
Return after charges	4.33%	11.42%	8.81%
<b>Other information</b>			
Closing net asset value (£'000)	9,094	8,856	8,732
Closing number of shares	6,882,146	6,992,869	7,681,275
Operating charges	1.31%	1.32%	1.34%
Direct transaction costs	0.04%	0.07%	0.11%
<b>Prices</b>			
Highest share price	137.8	134.8	119.9
Lowest share price	121.0	113.9	84.63

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

	2023	2022	2021
Retail income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	94.30	86.67	81.52
Return before operating charges*	5.34	11.13	8.23
Operating charges	(1.25)	(1.25)	(1.12)
Return after operating charges*	4.09	9.88	7.11
Distributions	(2.25)	(2.25)	(1.96)
Closing net asset value per share	96.14	94.30	86.67
* after direct transaction costs of:	0.03	0.07	0.10
<b>Performance</b>			
Return after charges	4.34%	11.40%	8.72%
<b>Other information</b>			
Closing net asset value (£'000)	232	253	236
Closing number of shares	241,158	267,706	272,593
Operating charges	1.31%	1.32%	1.34%
Direct transaction costs	0.04%	0.07%	0.11%
<b>Prices</b>			
Highest share price	101.6	100.8	91.89
Lowest share price	89.24	86.82	66.03

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.

# Comparative Tables

## Continued

	2023	2022	2021
Retail Founder accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	344.74	308.50	282.69
Return before operating charges*	19.56	39.73	28.85
Operating charges	(3.57)	(3.49)	(3.04)
Return after operating charges*	15.99	36.24	25.81
Distributions	(4.75)	(4.68)	(3.93)
Retained distributions on accumulation shares	4.75	4.68	3.93
Closing net asset value per share	360.73	344.74	308.50
* after direct transaction costs of:	0.12	0.24	0.33
<b>Performance</b>			
Return after charges	4.64%	11.75%	9.13%
<b>Other information</b>			
Closing net asset value (£'000)	83,155	85,451	82,551
Closing number of shares	23,052,026	24,787,319	26,758,460
Operating charges	1.01%	1.02%	1.04%
Direct transaction costs	0.04%	0.07%	0.11%
<b>Prices</b>			
Highest share price	375.6	366.7	325.3
Lowest share price	329.6	309.1	229.0

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

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

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

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

# Comparative Tables

## Continued

	2023	2022	2021
Retail Founder income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	98.22	90.00	84.39
Return before operating charges*	5.57	11.57	8.54
Operating charges	(1.01)	(1.01)	(0.90)
Return after operating charges*	4.56	10.56	7.64
Distributions	(2.35)	(2.34)	(2.03)
Closing net asset value per share	100.43	98.22	90.00
* after direct transaction costs of:	0.03	0.07	0.10
<b>Performance</b>			
Return after charges	4.64%	11.73%	9.05%
<b>Other information</b>			
Closing net asset value (£'000)	1,420	1,498	1,272
Closing number of shares	1,413,513	1,524,877	1,413,076
Operating charges	1.01%	1.02%	1.04%
Direct transaction costs	0.04%	0.07%	0.11%
<b>Prices</b>			
Highest share price	106.0	104.9	95.39
Lowest share price	93.02	90.16	68.37

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.

# Comparative Tables

## Continued

	2023	2022	2021
Institutional accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	134.63	120.27	110.01
Return before operating charges*	7.65	15.49	11.25
Operating charges	(1.16)	(1.13)	(0.99)
Return after operating charges*	6.49	14.36	10.26
Distributions	(2.09)	(2.05)	(1.72)
Retained distributions on accumulation shares	2.09	2.05	1.72
Closing net asset value per share	141.12	134.63	120.27
* after direct transaction costs of:	0.05	0.09	0.13
<b>Performance</b>			
Return after charges	4.82%	11.94%	9.33%
<b>Other information</b>			
Closing net asset value (£'000)	2,789	3,299	4,109
Closing number of shares	1,976,754	2,450,271	3,416,901
Operating charges	0.84%	0.85%	0.87%
Direct transaction costs	0.04%	0.07%	0.11%
<b>Prices</b>			
Highest share price	146.8	143.2	126.8
Lowest share price	128.8	120.5	89.15

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

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

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

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

# Comparative Tables

## Continued

	2023	2022	2021
Institutional income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	100.17	91.63	85.78
Return before operating charges*	5.66	11.78	8.67
Operating charges	(0.85)	(0.86)	(0.76)
Return after operating charges*	4.81	10.92	7.91
Distributions	(2.39)	(2.38)	(2.06)
Closing net asset value per share	102.59	100.17	91.63
* after direct transaction costs of:	0.03	0.07	0.10
<b>Performance</b>			
Return after charges	4.80%	11.92%	9.22%
<b>Other information</b>			
Closing net asset value (£'000)	270	344	342
Closing number of shares	262,807	343,640	373,580
Operating charges	0.84%	0.85%	0.87%
Direct transaction costs	0.04%	0.07%	0.11%
<b>Prices</b>			
Highest share price	108.2	107.0	97.09
Lowest share price	94.92	91.80	69.50

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price. The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class. Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Institutional Founder accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	382.63	340.98	311.14
Return before operating charges*	21.77	43.93	31.85
Operating charges	(2.31)	(2.28)	(2.01)
Return after operating charges*	19.46	41.65	29.84
Distributions	(6.94)	(6.77)	(5.69)
Retained distributions on accumulation shares	6.94	6.77	5.69
Closing net asset value per share	402.09	382.63	340.98
* after direct transaction costs of:	0.13	0.26	0.37
<b>Performance</b>			
Return after charges	5.09%	12.21%	9.59%
<b>Other information</b>			
Closing net asset value (£'000)	5,335	6,020	6,210
Closing number of shares	1,326,889	1,573,358	1,821,125
Operating charges	0.59%	0.60%	0.62%
Direct transaction costs	0.04%	0.07%	0.11%
<b>Prices</b>			
Highest share price	417.7	406.8	359.4
Lowest share price	366.3	341.7	252.2

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

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

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

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

# Comparative Tables

## Continued

	2023	2022	2021
Institutional Founder income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	102.68	93.69	87.48
Return before operating charges*	5.81	12.05	8.88
Operating charges	(0.61)	(0.62)	(0.56)
Return after operating charges*	5.20	11.43	8.32
Distributions	(2.46)	(2.44)	(2.11)
Closing net asset value per share	105.42	102.68	93.69
* after direct transaction costs of:	0.04	0.07	0.10
<b>Performance</b>			
Return after charges	5.06%	12.20%	9.51%
<b>Other information</b>			
Closing net asset value (£'000)	283	314	273
Closing number of shares	268,841	305,593	291,485
Operating charges	0.59%	0.60%	0.62%
Direct transaction costs	0.04%	0.07%	0.11%
<b>Prices</b>			
Highest share price	111.0	109.6	99.24
Lowest share price	97.36	93.86	70.90

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

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

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

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

# Comparative Tables

## Continued

<b>Platform 1 accumulation</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	131.44	117.49	107.53
Return before operating charges*	7.47	15.12	10.98
Operating charges	(1.20)	(1.17)	(1.02)
Return after operating charges*	6.27	13.95	9.96
Distributions	(1.98)	(1.94)	(1.63)
Retained distributions on accumulation shares	1.98	1.94	1.63
Closing net asset value per share	137.71	131.44	117.49
* after direct transaction costs of:	0.05	0.09	0.13
<b>Performance</b>			
Return after charges	4.77%	11.87%	9.26%
<b>Other information</b>			
Closing net asset value (£'000)	11,423	10,691	10,971
Closing number of shares	8,294,951	8,133,168	9,337,380
Operating charges	0.89%	0.90%	0.92%
Direct transaction costs	0.04%	0.07%	0.11%
<b>Prices</b>			
Highest share price	143.3	139.8	123.9
Lowest share price	125.7	117.7	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.

# Comparative Tables

## Continued

	2023	2022	2021
Platform 1 income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	99.54	91.09	85.31
Return before operating charges*	5.64	11.72	8.63
Operating charges	(0.90)	(0.90)	(0.80)
Return after operating charges*	4.74	10.82	7.83
Distributions	(2.38)	(2.37)	(2.05)
Closing net asset value per share	101.90	99.54	91.09
* after direct transaction costs of:	0.03	0.07	0.10
<b>Performance</b>			
Return after charges	4.76%	11.88%	9.18%
<b>Other information</b>			
Closing net asset value (£'000)	2,412	2,431	2,756
Closing number of shares	2,366,716	2,442,771	3,025,863
Operating charges	0.89%	0.90%	0.92%
Direct transaction costs	0.04%	0.07%	0.11%
<b>Prices</b>			
Highest share price	107.5	106.3	96.53
Lowest share price	94.30	91.25	69.13

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

ZC accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	117.72	104.38	94.77
Return before operating charges*	6.69	13.46	9.73
Operating charges	(0.10)	(0.12)	(0.12)
Return after operating charges*	6.59	13.34	9.61
Distributions	(2.75)	(2.66)	(2.23)
Retained distributions on accumulation shares	2.75	2.66	2.23
Closing net asset value per share	124.31	117.72	104.38
* after direct transaction costs of:	0.04	0.08	0.11
<b>Performance</b>			
Return after charges	5.60%	12.78%	10.14%
<b>Other information</b>			
Closing net asset value (£'000)	323	346	308
Closing number of shares	260,166	294,095	295,118
Operating charges	0.09%	0.10%	0.12%
Direct transaction costs	0.04%	0.07%	0.11%
<b>Prices</b>			
Highest share price	128.8	125.1	109.9
Lowest share price	112.9	104.6	76.83

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.

# Portfolio Statement

As at 28 February 2023

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (99.72%)</b>		<b>115,444</b>	<b>98.89</b>
<b>European Equities (23.92%)</b>		<b>31,502</b>	<b>26.98</b>
<b>Austria (2.12%)</b>		<b>2,194</b>	<b>1.88</b>
42,413	BAWAG	2,194	1.88
<b>Denmark (2.02%)</b>		<b>2,285</b>	<b>1.96</b>
124,613	Tryg	2,285	1.96
<b>Finland (1.82%)</b>		<b>4,469</b>	<b>3.83</b>
43,464	Neste	1,737	1.49
260,435	Nordea Bank (Swedish listing)	2,732	2.34
<b>France (3.98%)</b>		<b>7,523</b>	<b>6.44</b>
4,181	LVMH Moet Hennessy Louis Vuitton	2,889	2.47
17,719	Schneider Electric	2,361	2.02
44,302	TotalEnergies	2,273	1.95
<b>Germany (4.98%)</b>		<b>3,931</b>	<b>3.37</b>
30,578	Mercedes-Benz	1,949	1.67
56,130	RWE	1,982	1.70
<b>Ireland (1.40%)</b>		<b>-</b>	<b>-</b>
<b>Netherlands (3.27%)</b>		<b>2,401</b>	<b>2.06</b>
14,442	BE Semiconductor Industries	928	0.80
14,405	Koninklijke DSM	1,473	1.26
<b>Norway (0.00%)</b>		<b>2,458</b>	<b>2.10</b>
109,845	Aker BP	2,458	2.10

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Sweden (0.00%)</b>		<b>1,401</b>	<b>1.20</b>
84,571	Volvo 'B'	1,401	1.20
<b>Switzerland (4.33%)</b>		<b>4,840</b>	<b>4.14</b>
24,793	Nestle	2,318	1.98
6,410	Zurich Insurance	2,522	2.16
<b>Japanese Equities (4.58%)</b>		<b>5,236</b>	<b>4.49</b>
1,343	GLP J-REIT	1,165	1.00
97,900	KDDI	2,366	2.03
24,600	Sony	1,705	1.46
<b>North American Equities (54.05%)</b>		<b>57,937</b>	<b>49.63</b>
<b>Canada (2.71%)</b>		<b>1,127</b>	<b>0.97</b>
124,617	CI Financial	1,127	0.97
<b>United States (51.34%)</b>		<b>56,810</b>	<b>48.66</b>
17,680	AbbVie	2,246	1.92
33,300	Amdocs	2,519	2.16
9,544	American Tower REIT	1,560	1.33
15,999	Analog Devices	2,424	2.08
21,934	Blackstone	1,645	1.41
25,877	Bristol-Myers Squibb	1,474	1.26
66,008	Coca-Cola	3,244	2.78
17,910	CVS Health	1,236	1.06
8,492	Eli Lilly	2,182	1.87
31,093	Emerson Electric	2,124	1.82
24,316	Fidelity National Information Services	1,271	1.09
4,777	Goldman Sachs	1,387	1.19
23,611	Intercontinental Exchange	1,984	1.70
11,200	L3Harris Technologies	1,953	1.67
13,872	Lowe's	2,356	2.02

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
10,273	Mastercard 'A'	3,010	2.58
33,430	Merck	2,933	2.51
35,788	Microsoft	7,372	6.31
32,859	NextEra Energy	1,927	1.65
20,939	Procter & Gamble	2,378	2.04
35,478	TJX	2,244	1.92
14,447	Union Pacific	2,471	2.12
6,009	UnitedHealth	2,361	2.02
20,296	Waste Management	2,509	2.15
<b>Pacific Basin Equities (8.11%)</b>		<b>8,543</b>	<b>7.32</b>
<b>China (1.39%)</b>		-	-
8,100,000	Tianhe Chemicals**	-	-
<b>Hong Kong (0.00%)</b>		<b>1,970</b>	<b>1.69</b>
225,000	AIA	1,970	1.69
<b>South Korea (3.05%)</b>		<b>3,295</b>	<b>2.82</b>
2,433	LG Chemical	1,031	0.88
67,917	Samsung Electronics (Preference)	2,264	1.94
<b>Taiwan (3.67%)</b>		<b>3,278</b>	<b>2.81</b>
236,605	Taiwan Semiconductor Manufacturing	3,278	2.81
<b>UK Equities (9.06%)</b>		<b>12,226</b>	<b>10.47</b>
<b>Basic Materials (2.03%)</b>		<b>3,173</b>	<b>2.72</b>
11,043	Linde	3,173	2.72
<b>Consumer Discretionary (2.06%)</b>		<b>2,298</b>	<b>1.97</b>
257,843	Barratt Developments	1,209	1.04
11,784	Games Workshop	1,089	0.93

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Consumer Staples (0.00%)</b>		<b>1,628</b>	<b>1.39</b>
46,132	Diageo	1,628	1.39
<b>Health Care (3.34%)</b>		<b>3,259</b>	<b>2.79</b>
29,962	AstraZeneca	3,259	2.79
<b>Utilities (1.63%)</b>		<b>1,868</b>	<b>1.60</b>
107,049	SSE	1,868	1.60
<b>Derivatives (0.00%)</b>		-	-
<b>Forward Currency Contracts (0.00%)</b>		-	-
Buy GBP 2,948 Sell JPY 483,480 28/04/2023		-	-
Total investment assets		115,444	98.89
Net other assets		1,292	1.11
<b>Total Net Assets</b>		<b>116,736</b>	<b>100.00</b>

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities, or are approved derivatives within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 28 February 2022.

\*\* Delisted.

# Financial Statements

## Statement of Total Return

For the year ended 28 February 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains	1		3,983		11,943
Revenue	2	3,221		3,296	
Expenses	3	(1,181)		(1,236)	
Interest payable and similar charges		(1)		-	
Net revenue before taxation		2,039		2,060	
Taxation	4	(408)		(321)	
Net revenue after taxation			1,631		1,739
<b>Total return before distributions</b>			<b>5,614</b>		<b>13,682</b>
Distributions	5		(1,675)		(1,785)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>3,939</b>		<b>11,897</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2023

	2023		2022	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>119,503</b>		<b>117,760</b>
Amounts receivable on the issue of shares	5,914		3,806	
Amounts payable on the cancellation of shares	(14,167)		(15,605)	
		(8,253)		(11,799)
Change in net assets attributable to shareholders from investment activities (see above)		3,939		11,897
Retained distribution on accumulation shares		1,547		1,645
<b>Closing net assets attributable to shareholders</b>		<b>116,736</b>		<b>119,503</b>

# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			115,444		119,168
<b>Current assets:</b>					
Debtors	6	494		435	
Cash and bank balances		1,157		174	
			1,651		609
<b>Total assets</b>			<b>117,095</b>		<b>119,777</b>
<b>Liabilities:</b>					
Creditors	7	(338)		(255)	
Distribution payable		(21)		(19)	
			(359)		(274)
<b>Total liabilities</b>			<b>(359)</b>		<b>(274)</b>
<b>Net assets attributable to shareholders</b>			<b>116,736</b>		<b>119,503</b>

# Notes to the Financial Statements

## 1 Net Capital Gains

	2023 £'000	2022 £'000
Non-derivative securities	3,879	12,005
Other gains/(losses)	109	(54)
Transaction charges	(5)	(8)
<b>Net capital gains</b>	<b>3,983</b>	<b>11,943</b>

## 2 Revenue

	2023 £'000	2022 £'000
Bank and margin interest	14	-
Overseas dividends	2,783	2,793
Overseas REIT	76	90
UK dividends	348	413
<b>Total revenue</b>	<b>3,221</b>	<b>3,296</b>

## 3 Expenses

	2023 £'000	2022 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	1,142	1,187
Dealing charge	7	7
General administration charge*	18	10
Registration fees**	-	10
	<b>1,167</b>	<b>1,214</b>
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Depositary's fees**	-	4
Safe custody fees	9	11
	<b>9</b>	<b>15</b>
<b>Other:</b>		
Audit fee**	-	5
Professional fees**	5	2
	<b>5</b>	<b>7</b>
<b>Total expenses</b>	<b>1,181</b>	<b>1,236</b>

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

\* The fixed general administration charge was introduced from 1 September 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 £10,200 (2022: £9,481).

\*\* These figures represent the charges to 31 August 2021, which have now been replaced by the fixed general administration charge.

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2023 £'000	2022 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	408	321
<b>Total taxation (note 4b)</b>	<b>408</b>	<b>321</b>

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

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

<b>Net revenue before taxation</b>	<b>2,039</b>	<b>2,060</b>
Corporation tax at 20% (2022: 20%)	408	412
Effects of:		
Revenue not subject to taxation	(625)	(641)
Overseas taxes	408	321
Overseas tax expensed	(2)	(2)
Excess allowable expenses	219	231
<b>Total tax charge for year (note 4a)</b>	<b>408</b>	<b>321</b>

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

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

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £2,986,000 (2022: £2,767,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

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

	2023 £'000	2022 £'000
First interim distribution	868	664
Second interim distribution	258	276
Third interim distribution	269	629
Final distribution	263	194
	1,658	1,763
Add: Income deducted on cancellation of shares	26	33
Deduct: Income received on issue of shares	(9)	(11)
<b>Total distributions for the year</b>	<b>1,675</b>	<b>1,785</b>

# Notes to the Financial Statements

## Continued

	2023 £'000	2022 £'000
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	1,631	1,739
Expenses charged to capital	44	46
<b>Total distributions for the year</b>	<b>1,675</b>	<b>1,785</b>

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

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

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

## 6 Debtors

	2023 £'000	2022 £'000
Accrued revenue	200	235
Amounts receivable from the ACD for the issue of shares	13	-
Overseas withholding tax recoverable	278	200
Sales awaiting settlement	3	-
<b>Total debtors</b>	<b>494</b>	<b>435</b>

## 7 Creditors

	2023 £'000	2022 £'000
Accrued expenses payable to ACD	91	92
Accrued expenses payable to the Depositary or associates of the Depositary	3	2
Amounts payable to the ACD for cancellation of shares	239	156
Other accrued expenses	5	5
<b>Total creditors</b>	<b>338</b>	<b>255</b>

## 8 Related Party Transactions

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

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

Any amounts due from or due to abrtn Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 7.

Amounts payable to abrtn Fund Managers Limited, in respect of expenses are disclosed in note 3 and any amounts due at the year end in note 7.

# Notes to the Financial Statements

## Continued

### 9 Portfolio Transaction Costs

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

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

	Purchases		Sales	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Trades in the year</b>				
Equities	18,994	34,056	26,467	43,958
Corporate actions	-	1,239	162	-
<b>Trades in the year before transaction costs</b>	<b>18,994</b>	<b>35,295</b>	<b>26,629</b>	<b>43,958</b>
<b>Commissions</b>				
Equities	8	19	(12)	(20)
<b>Total commissions</b>	<b>8</b>	<b>19</b>	<b>(12)</b>	<b>(20)</b>
<b>Taxes</b>				
Equities	17	27	(4)	(20)
<b>Total taxes</b>	<b>17</b>	<b>27</b>	<b>(4)</b>	<b>(20)</b>
<b>Total transaction costs</b>	<b>25</b>	<b>46</b>	<b>(16)</b>	<b>(40)</b>
<b>Total net trades in the year after transaction costs</b>	<b>19,019</b>	<b>35,341</b>	<b>26,613</b>	<b>43,918</b>
	Purchases		Sales	
	2023 %	2022 %	2023 %	2022 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.04	0.06	0.05	0.05
<b>Taxes</b>				
Equities	0.09	0.08	0.01	0.05
<b>Total transaction costs expressed as a percentage of net asset value</b>				
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 0.05% (2022: 0.07%), 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 2022	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2023
Retail accumulation	6,992,869	3,844,586	(3,852,712)	(102,597)	6,882,146
Retail income	267,706	12,373	(1,362)	(37,559)	241,158
Retail Founder accumulation	24,787,319	82,284	(1,399,453)	(418,124)	23,052,026
Retail Founder income	1,524,877	13	(111,377)	-	1,413,513
Institutional accumulation	2,450,271	7,747	(481,264)	-	1,976,754
Institutional income	343,640	2,039	(82,872)	-	262,807
Institutional Founder accumulation	1,573,358	21,180	(279,227)	11,578	1,326,889
Institutional Founder income	305,593	5,626	(42,378)	-	268,841
Platform 1 accumulation	8,133,168	268,702	(1,267,249)	1,160,330	8,294,951
Platform 1 income	2,442,771	253,467	(364,987)	35,465	2,366,716
ZC accumulation	294,095	6,225	(40,154)	-	260,166

### 11 Fair Value Hierarchy

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

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

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

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

	2023 £'000	2023 £'000	2023 £'000	2022 £'000	2022 £'000	2022 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	115,444	-	-	119,168	-	-
<b>Total investment assets</b>	<b>115,444</b>	<b>-</b>	<b>-</b>	<b>119,168</b>	<b>-</b>	<b>-</b>

### 12 Risk Management Policies and Disclosures

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

#### Foreign currency risk

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

# Notes to the Financial Statements

## Continued

Currency	Net foreign currency exposure	Net foreign currency exposure
	2023 £'000	2022 £'000
Canadian Dollar	1,127	3,254
Danish Krone	2,373	2,507
Euro	18,137	17,267
Hong Kong Dollar	1,970	1,658
Japanese Yen	5,256	5,488
Norwegian Krone	2,461	-
Singapore Dollar	22	20
South Korean Won	3,319	3,677
Swedish Krona	4,133	2,180
Swiss Franc	4,840	5,175
Taiwan Dollar	3,287	4,399
US Dollar	60,080	65,538
<b>Total</b>	<b>107,005</b>	<b>111,163</b>

At 28 February 2023, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £5,350,000 (2022: £5,558,000).

### 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 28 February 2023, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £5,772,000 (2022: £5,958,000).

### Financial derivatives instrument risk

The fund had no exposure to derivatives as at 28 February 2023 (2022: £Nil).

### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2023 £359,000 (2022: £274,000).

# Distribution Tables

For the year ended 28 February 2023 (in pence per share)

## First interim dividend distribution

Group 1 – shares purchased prior to 1 March 2022

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

	Revenue	Equalisation	Distribution paid 29/07/22	Distribution paid 30/07/21
<b>Retail accumulation</b>				
Group 1	0.8164	-		0.5551
Group 2	0.5390	0.2774	0.8164	0.5551
<b>Retail income</b>				
Group 1	0.9223	-	0.9223	0.7209
Group 2	0.6527	0.2696	0.9223	0.7209
<b>Retail Founder accumulation</b>				
Group 1	2.4882	-	2.4882	1.7514
Group 2	1.3549	1.1333	2.4882	1.7514
<b>Retail Founder income</b>				
Group 1	0.9611	-	0.9611	0.7489
Group 2	-	0.9611	0.9611	0.7489
<b>Institutional accumulation</b>				
Group 1	1.0306	-	1.0306	0.7384
Group 2	0.5755	0.4551	1.0306	0.7384
<b>Institutional income</b>				
Group 1	0.9803	-	0.9803	0.7625
Group 2	0.0746	0.9057	0.9803	0.7625
<b>Institutional Founder accumulation</b>				
Group 1	3.1753	-	3.1753	2.3157
Group 2	2.5366	0.6387	3.1753	2.3157
<b>Institutional Founder income</b>				
Group 1	1.0050	-	1.0050	0.7799
Group 2	0.0764	0.9286	1.0050	0.7799
<b>Platform 1 accumulation</b>				
Group 1	0.9893	-	0.9893	0.7046
Group 2	0.6541	0.3352	0.9893	0.7046
<b>Platform 1 income</b>				
Group 1	0.9740	-	0.9740	0.7580
Group 2	0.4463	0.5277	0.9740	0.7580
<b>ZC accumulation</b>				
Group 1	1.1286	-	1.1286	0.8474
Group 2	0.6402	0.4884	1.1286	0.8474

# Distribution Tables

For the year ended 28 February 2023 (in pence per share) continued

## Second interim dividend distribution

Group 1 – shares purchased prior to 1 June 2022

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

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
<b>Retail accumulation</b>				
Group 1	0.1674	-	0.1674	0.1690
Group 2	0.0780	0.0894	0.1674	0.1690
<b>Retail income</b>				
Group 1	0.4362	-	0.4362	0.4370
Group 2	0.2088	0.2274	0.4362	0.4370
<b>Retail Founder accumulation</b>				
Group 1	0.7230	-	0.7230	0.7156
Group 2	0.4453	0.2777	0.7230	0.7156
<b>Retail Founder income</b>				
Group 1	0.4549	-	0.4549	0.4542
Group 2	0.4549	-	0.4549	0.4542
<b>Institutional accumulation</b>				
Group 1	0.3416	-	0.3416	0.3359
Group 2	0.1886	0.1530	0.3416	0.3359
<b>Institutional income</b>				
Group 1	0.4645	-	0.4645	0.4627
Group 2	0.0720	0.3925	0.4645	0.4627
<b>Institutional Founder accumulation</b>				
Group 1	1.2188	-	1.2188	1.1894
Group 2	0.5956	0.6232	1.2188	1.1894
<b>Institutional Founder income</b>				
Group 1	0.4763	-	0.4763	0.4737
Group 2	0.1484	0.3279	0.4763	0.4737
<b>Platform 1 accumulation</b>				
Group 1	0.3165	-	0.3165	0.3116
Group 2	0.1220	0.1945	0.3165	0.3116
<b>Platform 1 income</b>				
Group 1	0.4613	-	0.4613	0.4600
Group 2	0.1006	0.3607	0.4613	0.4600
<b>ZC accumulation</b>				
Group 1	0.5280	-	0.5280	0.5098
Group 2	0.3570	0.1710	0.5280	0.5098

# Distribution Tables

For the year ended 28 February 2023 (in pence per share) continued

## Third interim dividend distribution

Group 1 – shares purchased prior to 1 September 2022

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

	Revenue	Equalisation	Distribution paid 31/01/23	Distribution paid 31/01/22
<b>Retail accumulation</b>				
Group 1	0.1857	-	0.1857	0.5292
Group 2	-	0.1857	0.1857	0.5292
<b>Retail income</b>				
Group 1	0.4456	-	0.4456	0.7120
Group 2	0.1945	0.2511	0.4456	0.7120
<b>Retail Founder accumulation</b>				
Group 1	0.7711	-	0.7711	1.7029
Group 2	0.2220	0.5491	0.7711	1.7029
<b>Retail Founder income</b>				
Group 1	0.4650	-	0.4650	0.7409
Group 2	0.4650	-	0.4650	0.7409
<b>Institutional accumulation</b>				
Group 1	0.3603	-	0.3603	0.7222
Group 2	0.1296	0.2307	0.3603	0.7222
<b>Institutional income</b>				
Group 1	0.4746	-	0.4746	0.7549
Group 2	0.0819	0.3927	0.4746	0.7549
<b>Institutional Founder accumulation</b>				
Group 1	1.2712	-	1.2712	2.2954
Group 2	0.5573	0.7139	1.2712	2.2954
<b>Institutional Founder income</b>				
Group 1	0.4872	-	0.4872	0.7732
Group 2	0.0841	0.4031	0.4872	0.7732
<b>Platform 1 accumulation</b>				
Group 1	0.3348	-	0.3348	0.6887
Group 2	0.1114	0.2234	0.3348	0.6887
<b>Platform 1 income</b>				
Group 1	0.4716	-	0.4716	0.7503
Group 2	0.2411	0.2305	0.4716	0.7503
<b>ZC accumulation</b>				
Group 1	0.5440	-	0.5440	0.8514
Group 2	0.2775	0.2665	0.5440	0.8514

# Distribution Tables

For the year ended 28 February 2023 (in pence per share) continued

## Final dividend distribution

Group 1 – shares purchased prior to 1 December 2022

Group 2 – shares purchased between 1 December 2022 and 28 February 2023

	Revenue	Equalisation	Distribution paid 28/04/23	Distribution paid 29/04/22
<b>Retail accumulation</b>				
Group 1	0.1811	-	0.1811	0.0866
Group 2	0.0711	0.1100	0.1811	0.0866
<b>Retail income</b>				
Group 1	0.4428	-	0.4428	0.3804
Group 2	0.2556	0.1872	0.4428	0.3804
<b>Retail Founder accumulation</b>				
Group 1	0.7650	-	0.7650	0.5096
Group 2	0.2826	0.4824	0.7650	0.5096
<b>Retail Founder income</b>				
Group 1	0.4652	-	0.4652	0.3954
Group 2	0.4652	-	0.4652	0.3954
<b>Institutional accumulation</b>				
Group 1	0.3571	-	0.3571	0.2568
Group 2	0.1517	0.2054	0.3571	0.2568
<b>Institutional income</b>				
Group 1	0.4751	-	0.4751	0.4034
Group 2	0.1480	0.3271	0.4751	0.4034
<b>Institutional Founder accumulation</b>				
Group 1	1.2700	-	1.2700	0.9719
Group 2	0.5539	0.7161	1.2700	0.9719
<b>Institutional Founder income</b>				
Group 1	0.4884	-	0.4884	0.4140
Group 2	0.3744	0.1140	0.4884	0.4140
<b>Platform 1 accumulation</b>				
Group 1	0.3362	-	0.3362	0.2345
Group 2	0.1110	0.2252	0.3362	0.2345
<b>Platform 1 income</b>				
Group 1	0.4724	-	0.4724	0.4009
Group 2	0.2894	0.1830	0.4724	0.4009

# Distribution Tables

For the year ended 28 February 2023 (in pence per share) continued

	Revenue	Equalisation	Distribution paid 28/04/23	Distribution paid 29/04/22
<b>ZC accumulation</b>				
Group 1	0.5475	-	0.5475	0.4479
Group 2	0.1883	0.3592	0.5475	0.4479

## 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 Smaller Companies Fund

For the year ended 28 February 2023

## Investment Objective

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

**Performance Target:** To achieve the return of the MSCI AC World Small Cap Index, plus 3% 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.

**Performance Comparator:** IA Global Equity Sector Average.

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

## Investment Policy

### Portfolio Securities

- The fund will invest at least 70% in small-capitalisation equities and equity related securities of companies listed on global stock exchanges.
- Small capitalisation companies are defined as any stock included in the MSCI AC World Small Cap Index or, if not included within the index, any stock having a market capitalisation smaller than that of the stock with the largest market capitalisation in such index.
- The fund may also invest in mid and larger capitalisation companies listed on global stock exchanges.
- 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 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 MSCI AC World Small Cap Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 10%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the MSCI AC World Small Cap 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

Over the period under review, the fund returned -6.63% (Source: FactSet, Platform 1 Accumulation, net of fees). This compared to a return of 7.41% for our performance target (Source: FactSet, MSCI AC World Small Cap Index +3%).

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

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

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

Lattice Semiconductor Corporation was the top performer in the period as its computing and communications businesses benefited from growth in the server market and 5G infrastructure. Addtech was another strong performer, their decentralised management model allowed the business to deal with raw material pressures and supply chain issues much better than analysts were expecting resulting in good margin expansion. FincoBank also made a positive contribution as its results showed continued traction in its core businesses, with higher net interest income thanks to rising interest rates. Steadfast,

# abrdn Global Smaller Companies Fund

## Continued

an insurance broker and industry consolidator in Australia, boosted returns as it continued to benefit from increasing insurance premiums and execute ahead of expectations on their M&A strategy. Axon Enterprise, the manufacturer of tasers and body cams for law enforcement officers, responded well following the launch of some revolutionary new products. Axon also produced a better-than-expected set of results towards the end of the period and raised its forward guidance. At ASICS, investors are beginning to appreciate the company's differentiated offering and this was reflected in its positive share-price performance.

By contrast, Generac's performance was disappointing. A shortage of qualified installation engineers for home standby generators resulted in higher inventory levels and installations. This led to a profit warning and a cut to forward guidance. Kornit Digital, the provider of direct-to-garment and roll-to-roll printers used in the e-commerce industry, weighed on returns after management had to substantially reduce its forward guidance, citing a slowdown in customer production facilities. Reports of a slowdown in advertising spending hit Techtargt's shares, and the weakness continued after the company released weak guidance. We subsequently sold our holdings in Generac, Kornit and Techtargt. Shyft, a manufacturer of specialist chassis, also underperformed after weak guidance, which reflects the uncertain macroeconomic environment.

### Market Review

Global stock markets fell in local-currency terms after a challenging 12 months for financial markets and the global economy. However, global small-cap stocks rose in sterling terms, partly due to the pound's weakness against a strong US dollar. Inflation dominated the period under review as pressures from the post-Covid-19 reopening of the global economy were compounded by Russia's invasion of Ukraine in February. The conflict, and resulting economic sanctions against Russia, caused energy and food prices to spiral higher, leading to cost-of-living crises in many countries. Central banks responded to multi-decade-high inflation levels in Western economies by raising interest rates faster and further than previously anticipated. Stock markets fell sharply in the face of mounting gloom over the prospects for the global economy.

However, the gloom began to clear later in the period. November saw a significant recovery in stock markets, prompted by better-than-expected US inflation data. This raised hopes that US inflation may have peaked and that an end to the current cycle of interest-rate rises might be in sight. The new year started on a highly positive note.

Stock markets rose sharply in January amid greater economic optimism and hopes that interest rates have almost peaked. However, robust economic data, including particularly strong US employment data for January, then caused investors to consider whether rates may have to remain higher for longer than expected.

### Portfolio Activity and Review

Major purchases included Five Below, Kadant, Sanwa, KPIT Technologies, Texas Roadhouse, Carlisle Companies, BJ's Wholesale Club, Johns Lyng, Darling Ingredients and Sho-Bond. Five Below operates a chain of specialty retail stores targeting 'tweens' and teenagers in the US. Kadant is one of the world's largest providers of critical equipment and consumables across a range of industries. Sanwa is a global leader in the manufacturing and supply of shutters, garage doors and industrial doors. KPIT Technologies specialises in software development and integration for the automotive industry. Texas Roadhouse is a chain of value-for-money steakhouse style restaurants in the US. Carlisle Companies produces commercial roofing in the US, where demand is driven on a needs basis and is subject to the replacement cycle. Johns Lyng provides repair services for insurance companies and governments in Australia and the US, operating a nationwide network of tradespeople to repair and replace damage caused by insurable events, such as flood, fire or natural disasters. BJ's Wholesale Club is a members-only, bulk-discount retailer in the US that has undergone restructuring and is expanding its store network. Darling Ingredients processes animal by-products into food items and animal feeds, and has an expanding business in renewable fuels. Finally, Sho-Bond is a Japanese infrastructure repair and maintenance specialist, with a high degree of revenue visibility thanks to a strong order backlog.

In terms of sales, we sold our positions in Nemetschek, Trex, Floor & Décor, Future, and ARB, along with Generac, Techtargt and Kornit, as previously mentioned. Nemetschek scored negatively on our in-house scoring system due to its move from a license to subscription model. With housing-related spending deteriorating in the US, both Trex and Floor & Decor pointed to a challenging macroeconomic environment, with the former deciding to curb its store rollout plan. As a result, we decided to sell our holdings in these names. Divesting Future was a result of our concerns about the UK economic outlook and the resulting impact on advertising and consumer spending. We also disposed of our holding in ARB, the Australian automotive-component manufacturer. We see downside risk to our export growth assumptions for ARB and prefer to gain exposure to the improving automotive supply chain through alternative names.

# abrdn Global Smaller Companies Fund

## Continued

### Portfolio Outlook and Strategy

We remain broadly constructive on the outlook for the year ahead, considering the likely slower pace of change at the macroeconomic level, coupled with more reasonable market valuations and earnings expectations relative to last year. While it is still early, China's reopening also provides reason for optimism. However, how interest-rate hikes play out and what happens to the labour market, notably in the US, are still uncertain.

In this environment, we strongly favour the small-cap asset class, which has been shown to outperform in periods of market recovery. We would also reiterate the importance of owning profitable companies with healthy balance sheets and the ability to deliver growth irrespective of the wider backdrop. We continue to weight the portfolio in favour of stocks with stable or upwards earnings momentum and are encouraged to note that markets appear to be responding positively to quarterly data and guidance. This provides an opportunity for active, bottom-up stock pickers with a proven investment process to outperform.

### Smaller Companies Equity Team

March 2023

# abrdn Global 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 28 February 2023.

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

- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- The shares of small and mid-cap companies may be less liquid and more volatile than those of larger companies.
- The fund invests in emerging market equities and/or bonds. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- The 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

	2023	2022	2021
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	176.47	183.12	130.38
Return before operating charges*	(11.43)	(3.70)	55.10
Operating charges	(2.30)	(2.95)	(2.36)
Return after operating charges*	(13.73)	(6.65)	52.74
Closing net asset value per share	162.74	176.47	183.12
* after direct transaction costs of:	0.09	0.19	0.15
<b>Performance</b>			
Return after charges	(7.78%)	(3.63%)	40.45%
<b>Other information</b>			
Closing net asset value (£'000)	138,037	255,962	250,994
Closing number of shares	84,818,200	145,045,978	137,068,391
Operating charges	1.46%	1.46%	1.47%
Direct transaction costs	0.06%	0.09%	0.09%
<b>Prices</b>			
Highest share price	179.8	233.2	198.3
Lowest share price	140.0	165.2	104.4

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.  
 The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.  
 Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.  
 Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2023	2022	2021
Institutional accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	188.64	194.72	137.92
Return before operating charges*	(12.21)	(4.05)	58.39
Operating charges	(1.59)	(2.03)	(1.59)
Return after operating charges*	(13.80)	(6.08)	56.80
Distributions	(0.08)	-	-
Retained distributions on accumulation shares	0.08	-	-
Closing net asset value per share	174.84	188.64	194.72
* after direct transaction costs of:	0.10	0.20	0.16
<b>Performance</b>			
Return after charges	(7.32%)	(3.12%)	41.18%
<b>Other information</b>			
Closing net asset value (£'000)	84,875	193,365	194,089
Closing number of shares	48,544,080	102,506,047	99,677,137
Operating charges	0.94%	0.94%	0.95%
Direct transaction costs	0.06%	0.09%	0.09%
<b>Prices</b>			
Highest share price	192.3	248.9	210.8
Lowest share price	149.9	176.6	110.4

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

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

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

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

# Comparative Tables

## Continued

Institutional S accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	139.57	143.82	101.70
Return before operating charges*	(9.02)	(3.02)	43.09
Operating charges	(0.96)	(1.23)	(0.97)
Return after operating charges*	(9.98)	(4.25)	42.12
Distributions	(0.30)	-	-
Retained distributions on accumulation shares	0.30	-	-
Closing net asset value per share	129.59	139.57	143.82
* after direct transaction costs of:	0.07	0.15	0.12
<b>Performance</b>			
Return after charges	(7.15%)	(2.96%)	41.42%
<b>Other information</b>			
Closing net asset value (£'000)	550,915	609,150	587,365
Closing number of shares	425,112,409	436,462,886	408,399,954
Operating charges	0.77%	0.77%	0.78%
Direct transaction costs	0.06%	0.09%	0.09%
<b>Prices</b>			
Highest share price	142.3	184.1	155.7
Lowest share price	110.9	130.7	81.42

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

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

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

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

# Comparative Tables

## Continued

<b>Platform 1 accumulation</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	180.71	186.74	132.40
Return before operating charges*	(11.69)	(3.88)	56.04
Operating charges	(1.68)	(2.15)	(1.70)
Return after operating charges*	(13.37)	(6.03)	54.34
Closing net asset value per share	167.34	180.71	186.74
* after direct transaction costs of:	0.10	0.19	0.15
<b>Performance</b>			
Return after charges	(7.40%)	(3.23%)	41.04%
<b>Other information</b>			
Closing net asset value (£'000)	210,316	290,300	312,036
Closing number of shares	125,678,976	160,647,107	167,099,232
Operating charges	1.04%	1.04%	1.05%
Direct transaction costs	0.06%	0.09%	0.09%
<b>Prices</b>			
Highest share price	184.2	238.5	202.2
Lowest share price	143.5	169.2	106.0

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.  
The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.  
Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.  
Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

ZC accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	205.86	210.70	147.98
Return before operating charges*	(13.24)	(4.62)	62.90
Operating charges	(0.17)	(0.22)	(0.18)
Return after operating charges*	(13.41)	(4.84)	62.72
Distributions	(1.71)	(1.32)	(0.96)
Retained distributions on accumulation shares	1.71	1.32	0.96
Closing net asset value per share	192.45	205.86	210.70
* after direct transaction costs of:	0.11	0.22	0.17
<b>Performance</b>			
Return after charges	(6.51%)	(2.30%)	42.38%
<b>Other information</b>			
Closing net asset value (£'000)	168,336	171,983	152,894
Closing number of shares	87,467,779	83,544,419	72,564,372
Operating charges	0.09%	0.09%	0.10%
Direct transaction costs	0.06%	0.09%	0.09%
<b>Prices</b>			
Highest share price	210.0	271.0	228.1
Lowest share price	164.0	192.7	118.5

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

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

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

# Portfolio Statement

As at 28 February 2023

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (99.10%)</b>		<b>1,114,286</b>	<b>96.68</b>
Emerging Market Equities (2.79%)		-	-
Israel (2.79%)		-	-
<b>European Equities (25.83%)</b>		<b>318,270</b>	<b>27.62</b>
<b>Finland (1.71%)</b>		<b>17,693</b>	<b>1.54</b>
982,864	Kesko 'B'	17,693	1.54
<b>France (1.06%)</b>		<b>40,339</b>	<b>3.50</b>
334,574	Gaztransport Et Technigaz	29,000	2.52
52,621	Teleperformance	11,339	0.98
<b>Germany (5.49%)</b>		<b>58,945</b>	<b>5.12</b>
676,266	CTS Eventim	36,847	3.20
720,754	Jungheinrich (Preference)	22,098	1.92
<b>Ireland (2.57%)</b>		<b>39,806</b>	<b>3.45</b>
1,377,386	Keywords Studios++	39,806	3.45
<b>Italy (6.66%)</b>		<b>77,279</b>	<b>6.71</b>
2,722,443	FinecoBank	38,967	3.38
466,791	Interpump	21,201	1.84
171,802	Reply	17,111	1.49
<b>Netherlands (1.38%)</b>		<b>19,965</b>	<b>1.73</b>
641,307	Corbion	19,965	1.73
<b>Poland (1.03%)</b>		<b>17,068</b>	<b>1.48</b>
246,929	Dino Polska	17,068	1.48

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Spain (2.69%)</b>		<b>20,847</b>	<b>1.81</b>
859,789	CIE Automotive	20,847	1.81
<b>Sweden (2.27%)</b>		<b>26,328</b>	<b>2.28</b>
1,773,748	AddTech 'B'	26,328	2.28
<b>Switzerland (0.97%)</b>		-	-
<b>Japanese Equities (3.97%)</b>		<b>70,939</b>	<b>6.15</b>
1,844,800	Asics	38,539	3.34
506,500	JMDC	13,207	1.14
910,600	Sanwa	7,924	0.69
346,700	SHO-BOND	11,269	0.98
<b>North American Equities (44.15%)</b>		<b>490,946</b>	<b>42.60</b>
<b>United States (44.15%)</b>		<b>490,946</b>	<b>42.60</b>
540,139	Altair Engineering 'A'	28,581	2.48
251,623	Axon Enterprise	41,637	3.61
583,894	BJ's Wholesale Club	34,619	3.00
151,649	Carlisle	32,324	2.81
445,598	Darling Ingredients	23,284	2.02
69,137	Deckers Outdoor	23,749	2.06
643,255	Envista	20,531	1.78
89,700	Five Below	15,134	1.31
275,128	Fox Factory	26,691	2.32
144,666	Insulet	33,002	2.86
31,113	Kadant	5,511	0.48
661,809	Lattice Semiconductor	46,433	4.03
216,876	Paylocity	34,497	2.99
305,504	Perficient	17,866	1.55
108,947	Pool	32,081	2.78
566,006	Shyft	12,109	1.05
265,752	SiteOne Landscape Supply	32,551	2.83

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
46,737	TechTarget	1,455	0.13
210,430	Texas Roadhouse	17,649	1.53
349,173	YETI	11,242	0.98
<b>Pacific Basin Equities (13.20%)</b>		<b>181,423</b>	<b>15.74</b>
<b>Australia (6.72%)</b>		<b>73,752</b>	<b>6.40</b>
3,291,675	ALS	23,029	2.00
4,561,327	Johns Lyng	15,702	1.36
10,840,223	Steadfast	35,021	3.04
<b>India (0.00%)</b>		<b>13,258</b>	<b>1.15</b>
1,606,383	KPIT Technologies	13,258	1.15
<b>Taiwan (4.43%)</b>		<b>64,174</b>	<b>5.57</b>
191,600	ASPEED Technology	14,492	1.26
4,045,229	Sinbon Electronics	32,625	2.83
393,236	Voltronic Power Technology	17,057	1.48
<b>Thailand (2.05%)</b>		<b>30,239</b>	<b>2.62</b>
300,414	Fabrinet	30,239	2.62
<b>UK Equities (9.16%)</b>		<b>52,708</b>	<b>4.57</b>
<b>Consumer Discretionary (4.34%)</b>		<b>15,306</b>	<b>1.33</b>
1,844,148	Watches of Switzerland	15,306	1.33
<b>Financials (2.76%)</b>		<b>16,483</b>	<b>1.43</b>
1,176,080	Intermediate Capital	16,483	1.43
<b>Technology (2.06%)</b>		<b>20,919</b>	<b>1.81</b>
1,504,958	Kainos	20,919	1.81

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Collective Investment Schemes (1.83%)		38,217	3.32
38,217	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc <sup>+</sup>	38,217	3.32
Total investment assets		1,152,503	100.00
Net other liabilities		(24)	-
<b>Total Net Assets</b>		<b>1,152,479</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities, or are regulated collective investment schemes within the meaning of the FCA rules.  
The percentage figures in brackets show the comparative holding as at 28 February 2022.

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

<sup>++</sup> AIM Listed

# Financial Statements

## Statement of Total Return

For the year ended 28 February 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(125,632)		(56,309)
Revenue	2	13,241		11,945	
Expenses	3	(10,502)		(15,236)	
Interest payable and similar charges		(12)		(9)	
Net revenue/(expense) before taxation		2,727		(3,300)	
Taxation	4	(812)		(729)	
Net revenue/(expense) after taxation			1,915		(4,029)
<b>Total return before distributions</b>			<b>(123,717)</b>		<b>(60,338)</b>
Distributions	5		(2,817)		(1,048)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(126,534)</b>		<b>(61,386)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2023

	2023		2022	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>1,520,760</b>		<b>1,497,378</b>
Amounts receivable on the issue of shares	78,847		254,111	
Amounts payable on the cancellation of shares	(323,398)		(170,393)	
		(244,551)		83,718
Dilution adjustment		-		(51)
Change in net assets attributable to shareholders from investment activities (see above)		(126,534)		(61,386)
Retained distribution on accumulation shares		2,804		1,101
<b>Closing net assets attributable to shareholders</b>		<b>1,152,479</b>		<b>1,520,760</b>

# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			1,152,503		1,534,901
<b>Current assets:</b>					
Debtors	6	7,357		7,650	
Cash and bank balances	7	45		6,010	
			7,402		13,660
<b>Total assets</b>			<b>1,159,905</b>		<b>1,548,561</b>
<b>Liabilities:</b>					
Creditors	8	(7,426)		(27,801)	
			(7,426)		(27,801)
<b>Total liabilities</b>			<b>(7,426)</b>		<b>(27,801)</b>
<b>Net assets attributable to shareholders</b>			<b>1,152,479</b>		<b>1,520,760</b>

# Notes to the Financial Statements

## 1 Net Capital Losses

	2023 £'000	2022 £'000
Non-derivative securities	(125,211)	(56,002)
Other losses	(402)	(283)
Transaction charges	(19)	(24)
<b>Net capital losses</b>	<b>(125,632)</b>	<b>(56,309)</b>

## 2 Revenue

	2023 £'000	2022 £'000
Bank and margin interest	609	67
Overseas dividends	10,717	9,896
UK dividends	1,915	1,982
<b>Total revenue</b>	<b>13,241</b>	<b>11,945</b>

## 3 Expenses

	2023 £'000	2022 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	9,299	13,534
Dealing charge	272	372
General administration charge*	822	593
Registration fees**	-	549
	<b>10,393</b>	<b>15,048</b>
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Depositary's fees**	(2)	43
Safe custody fees	104	134
	<b>102</b>	<b>177</b>
<b>Other:</b>		
Audit fee**	-	5
Professional fees**	7	6
	<b>7</b>	<b>11</b>
<b>Total expenses</b>	<b>10,502</b>	<b>15,236</b>

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

\* The fixed general administration charge was introduced from 1 September 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 £10,200 (2022: £9,480).

\*\* These figures represent the charges to 31 August 2021, which have now been replaced by the fixed general administration charge.

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2023 £'000	2022 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	837	729
Overseas capital gains tax	(25)	-
<b>Total taxation (note 4b)</b>	<b>812</b>	<b>729</b>

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

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

<b>Net revenue/(expense) before taxation</b>	<b>2,727</b>	<b>(3,300)</b>
Corporation tax at 20% (2022: 20%)	545	(660)
Effects of:		
Revenue not subject to taxation	(2,526)	(2,375)
Overseas taxes	837	729
Excess allowable expenses	1,981	3,035
Overseas capital gains tax	(25)	-
<b>Total tax charge for year (note 4a)</b>	<b>812</b>	<b>729</b>

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

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

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £15,544,000 (2022: £13,562,000) 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)

	2023 £'000	2022 £'000
Distribution	2,804	1,101
Add: Income deducted on cancellation of shares	292	39
Deduct: Income received on issue of shares	(279)	(92)
<b>Total distributions for the year</b>	<b>2,817</b>	<b>1,048</b>

# Notes to the Financial Statements

## Continued

	2023 £'000	2022 £'000
<b>Movement between net revenue/(expense) and distributions</b>		
Net revenue/(expense) after taxation	1,915	(4,029)
Overseas capital gains tax on realised gains	(25)	-
Shortfall transfer from capital to revenue	928	5,077
Undistributed revenue carried forward	(1)	-
<b>Total distributions for the year</b>	<b>2,817</b>	<b>1,048</b>

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

## 6 Debtors

	2023 £'000	2022 £'000
Accrued revenue	1,073	466
Amounts receivable from the ACD for the issue of shares	2,729	134
Overseas withholding tax recoverable	1,133	700
Sales awaiting settlement	2,422	6,350
<b>Total debtors</b>	<b>7,357</b>	<b>7,650</b>

## 7 Liquidity

	2023 £'000	2022 £'000
<b>Cash and bank balances</b>		
Cash at bank	45	6,010
	<b>45</b>	<b>6,010</b>
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	38,217	27,810
<b>Net liquidity</b>	<b>38,262</b>	<b>33,820</b>

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

## 8 Creditors

	2023 £'000	2022 £'000
Accrued expenses payable to ACD	729	1,047
Accrued expenses payable to the Depositary or associates of the Depositary	29	24
Amounts payable to the ACD for cancellation of shares	2,233	17,381
Other accrued expenses	5	5
Purchases awaiting settlement	4,430	9,344
<b>Total creditors</b>	<b>7,426</b>	<b>27,801</b>

# Notes to the Financial Statements

## Continued

### 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.

### 10 Portfolio Transaction Costs

	Purchases		Sales	
	2023	2022	2023	2022
Trades in the year	£'000	£'000	£'000	£'000
Equities	354,979	772,313	623,285	644,721
<b>Trades in the year before transaction costs</b>	<b>354,979</b>	<b>772,313</b>	<b>623,285</b>	<b>644,721</b>
<b>Commissions</b>				
Equities	198	412	(327)	(350)
<b>Total commissions</b>	<b>198</b>	<b>412</b>	<b>(327)</b>	<b>(350)</b>
<b>Taxes</b>				
Equities	127	615	(67)	(195)
<b>Total taxes</b>	<b>127</b>	<b>615</b>	<b>(67)</b>	<b>(195)</b>
<b>Total transaction costs</b>	<b>325</b>	<b>1,027</b>	<b>(394)</b>	<b>(545)</b>
<b>Total net trades in the year after transaction costs</b>	<b>355,304</b>	<b>773,340</b>	<b>622,891</b>	<b>644,176</b>
	Purchases		Sales	
	2023	2022	2023	2022
	%	%	%	%
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.06	0.05	0.05	0.05
<b>Taxes</b>				
Equities	0.04	0.08	0.01	0.03

# Notes to the Financial Statements

## Continued

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

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.26% (2022: 0.33%), this is representative of the average spread on the assets held during the year.

## 11 Shares in Issue Reconciliation

	Opening shares 2022	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2023
Retail accumulation	145,045,978	16,311,927	(32,238,780)	(44,300,925)	84,818,200
Institutional accumulation	102,506,047	10,081,828	(46,524,459)	(17,519,336)	48,544,080
Institutional S accumulation	436,462,886	7,472,803	(96,709,634)	77,886,354	425,112,409
Platform 1 accumulation	160,647,107	5,254,512	(41,409,596)	1,186,953	125,678,976
ZC accumulation	83,544,419	9,293,840	(5,344,201)	(26,279)	87,467,779

## 12 Fair Value Hierarchy

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

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

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

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

	2023 £'000 Level 1	2023 £'000 Level 2	2023 £'000 Level 3	2022 £'000 Level 1	2022 £'000 Level 2	2022 £'000 Level 3
<b>Fair value of investment assets</b>						
Equities	1,114,286	-	-	1,507,091	-	-
Collective Investment Schemes	-	38,217	-	-	27,810	-
<b>Total investment assets</b>	<b>1,114,286</b>	<b>38,217</b>	<b>-</b>	<b>1,507,091</b>	<b>27,810</b>	<b>-</b>

# Notes to the Financial Statements

## Continued

### 13 Risk Management Policies and Disclosures

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

#### Foreign currency risk

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

Currency	Net foreign currency exposure	Net foreign currency exposure
	2023 £'000	2022 £'000
Australian Dollar	74,228	102,456
Euro	236,167	290,240
Indian Rupee	13,279	-
Japanese Yen	70,326	60,499
Polish Zloty	17,068	15,700
Swedish Krona	26,328	34,589
Swiss Franc	-	14,740
Taiwan Dollar	64,200	62,943
US Dollar	520,526	751,790
<b>Total</b>	<b>1,022,122</b>	<b>1,332,957</b>

At 28 February 2023, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £51,106,000 (2022: £66,648,000).

#### 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 28 February 2023, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £57,625,000 (2022: £76,745,000)

#### Financial derivatives instrument risk

The fund had no exposure to derivatives as at 28 February 2023 (2022: £Nil).

#### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2023 £7,426,000 (2022: £27,801,000).

# Distribution Table

For the year ended 28 February 2023 (in pence per share)

## Final dividend distribution

Group 1 – shares purchased prior to 1 March 2022

Group 2 – shares purchased between 1 March 2022 and 28 February 2023

	Revenue	Equalisation	Distribution paid 28/04/23	Distribution paid 29/04/22
<b>Retail accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Institutional accumulation</b>				
Group 1	0.0792	-	0.0792	-
Group 2	0.0344	0.0448	0.0792	-
<b>Institutional S accumulation</b>				
Group 1	0.2991	-	0.2991	-
Group 2	0.1589	0.1402	0.2991	-
<b>Platform 1 accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>ZC accumulation</b>				
Group 1	1.7085	-	1.7085	1.3174
Group 2	0.7960	0.9125	1.7085	1.3174

## 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 High Yield Bond Fund

For the year ended 28 February 2023

## Investment Objective

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

Performance Target: To achieve the return of the ICE BofAML GBP/Euro Fixed & Floating High Yield Non Financial 3% Constrained (HGD to GBP) plus 0.8% 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 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, including sub sovereigns and the following types: investment grade, inflation-linked, convertible, asset backed and mortgage backed.
- The fund may also invest in other funds (including those managed by abrdrn) and money-market instruments, and cash.

### Management Process

- The management team use their discretion (active management) to identify bonds and derivatives based on analysis of global economic and market conditions (for example, interest rates and inflation) and analysis of a company's prospects and creditworthiness compared to that of the market.
- In seeking to achieve the Performance Target, ICE BofAML GBP/Euro Fixed&Floating High Yield Non Financial 3% Constrained (HGD to GBP) 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 2.5%. Due to the fund's risk constraints, the intention is that the fund's performance profile will not deviate significantly from that of the ICE BofAML GBP/Euro Fixed&Floating High Yield Non Financial 3% Constrained (HGD to GBP) 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 may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivatives include instruments used to manage expected changes in interest rates, inflation, currencies or creditworthiness of corporations or governments.

## Performance Review

Over the period under review, the fund returned -3.45% (Source: Factset, Platform 1 Accumulation Shares) compared with a return of -2.94% for the comparator benchmark. The performance target of the fund is to achieve the return of the benchmark plus 0.8% per annum over rolling three year periods (before charges). For the period under review, the fund achieved the benchmark return plus 0.32% (before charges). (Source: Factset, ICE Boal GBP/Euro Fixed & Floating High Yield Non-Financial 3% Constrained (hedged to GBP) +0.8%)

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

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

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

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

# abrdn High Yield Bond Fund

## Continued

The biggest individual detractor over the period was our overweight holding in French telecommunications operator Altice. The bonds sold off on concerns that elevated leverage and a high market implied cost of debt could weigh on already weak cash flows. We take comfort in the value of the network assets owned by the company, which could be monetised to help reduce debt if necessary. Another key detractor was Pemex, the state-owned Mexican oil giant, which undertook a debt swap in lieu of repaying its maturing obligations with cash in early June. We continue to believe that the Mexican government will stand behind the company and facilitate bond refinancings as necessary. Our off-benchmark exposure to debt purchasers Lowell and DDM Debt AB also weighed on returns.

The top performer over the period was our off-benchmark position in EnQuest. The North Sea oil-field developer continued to generate exceptionally strong free cash flow as oil prices remained elevated and has now managed to refinance the majority of the debt profile which is a material positive for the company. Meanwhile, our lack of exposure to the real estate sector, including SBB, Heimstaden and CPI Property Group, added to returns. SBB, the Swedish developer, was subject to an equity short selling report from Viceroy, which resulted in significant weakness in its BB rated hybrid bonds. Similar bonds in the sector sold off in sympathy.

### Portfolio Activity and Review

In the primary markets, the fund participated in a new issue from the German online retailer Schustermann & Borenstein in the first half of the period. We had recently taken a position in the company's existing bonds in anticipation of a refinancing which went ahead earlier than expected in July. The refinancing allowed us to partially roll our exposure through the new issue, which priced at a 15-point discount to par in a weak market and we quickly realised a 10-point gain in secondary trading – a good example of how wider price volatility can create attractive idiosyncratic opportunities.

In secondary trading, we continued the fund de-risking that we had started in the second half of 2021. We sold lower-rated bonds, particularly if they had performed well on a relative basis. For example, we reduced gaming company Cirsa and the German metering company Techem. We took profits on First Quantum, House of HR, Leaseplan's AT1 bonds and short-dated Pemex bonds. Meanwhile, we reduced our exposure to the automotive sector by selling bonds issued by the Italian leather interior manufacturer Pasubio and the used car market group Constellation Automotive.

In the second half of the period, we took part in a new issue from EnQuest. We had owned EnQuest for some time and took advantage of the wide pricing on the new 11.625% bonds that were issued to refinance bank debt. We also bought a new deal from the BB rated auto parts manufacturer Faurecia, which was issued to partly fund its acquisition of smaller rival Hella. We also purchased the B rated bonds issued by the UK gaming platform 888 Holdings, which were issued to fund its acquisition of William Hill.

On the sell side, we sold or reduced several of our higher beta positions as we sought to de-risk the fund towards the end of the period. These can be broadly split into either consumer-facing businesses, particularly in the UK (Very Group, Lowell, Carnival), and cyclical industrials (INEOS, Paprec, Klöckner Pentaplast).

### Portfolio Outlook and Strategy

Rates expectations have been re-pricing higher in February in the US and Europe due to robust economic data. However, February's data showed inflation no longer slowing, with Europe's and the United States' most recent consumer price index prints surprising slightly to the upside. While many inflation drivers, like energy prices, are reversing, core inflation has been more persistent due to tight labour markets and the fundamental strength of global services sectors. For the European Central Bank and the US Federal Reserve, this means staying in a more hawkish and data dependent mode for the time being, until there is further proof of weakening underlying economic data and slowing of inflation.

We continue to manage the fund in a cautious fashion. We have de-risked over the last year; reducing our lower rated and cyclical exposures in favour of higher quality, defensive businesses and we are running a higher cash balance than usual. The bond market is categorically telling us to expect a recession which risk assets are not yet discounting, partly because developed market economies have demonstrated resilience beyond most investors' expectations. Factors such as excess cash in the financial system and low expected default rates are undoubtedly contributing to relatively low risk premiums, but our view is that investors are not being appropriately compensated at these levels. Although a yield of more than 7% for the asset class is attractive on a longer-term basis, we believe that a better entry point is ahead of us and a defensive stance remains appropriate.

### European High Yield and Leveraged Loans Team

March 2023

# abrdn 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 28 February 2023.

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

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

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

# Comparative Tables

	2023	2022	2021
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	148.26	148.90	139.42
Return before operating charges*	(4.26)	0.91	10.91
Operating charges	(1.43)	(1.55)	(1.43)
Return after operating charges*	(5.69)	(0.64)	9.48
Distributions	(6.39)	(5.95)	(5.50)
Retained distributions on accumulation shares	6.39	5.95	5.50
Closing net asset value per share	142.57	148.26	148.90
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(3.84%)	(0.43%)	6.80%
<b>Other information</b>			
Closing net asset value (£'000)	57,763	75,787	82,772
Closing number of shares	40,516,017	51,115,944	55,591,054
Operating charges	1.01%	1.02%	1.03%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	149.7	154.7	150.3
Lowest share price	130.7	148.7	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

	2023	2022	2021
Retail income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	47.83	49.96	48.62
Return before operating charges*	(1.40)	0.35	3.72
Operating charges	(0.45)	(0.51)	(0.49)
Return after operating charges*	(1.85)	(0.16)	3.23
Distributions	(2.03)	(1.97)	(1.89)
Closing net asset value per share	43.95	47.83	49.96
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(3.87%)	(0.32%)	6.64%
<b>Other information</b>			
Closing net asset value (£'000)	25,708	38,541	43,698
Closing number of shares	58,490,095	80,577,576	87,461,123
Operating charges	1.01%	1.02%	1.03%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	48.28	51.08	50.90
Lowest share price	41.21	48.43	40.00

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

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

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

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

# Comparative Tables

## Continued

	2023	2022	2021
Institutional accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	159.27	159.44	148.83
Return before operating charges*	(4.57)	0.97	11.66
Operating charges	(1.05)	(1.14)	(1.05)
Return after operating charges*	(5.62)	(0.17)	10.61
Distributions	(7.36)	(6.90)	(6.35)
Retained distributions on accumulation shares	7.36	6.90	6.35
Closing net asset value per share	153.65	159.27	159.44
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(3.53%)	(0.11%)	7.13%
<b>Other information</b>			
Closing net asset value (£'000)	15,914	18,980	19,044
Closing number of shares	10,357,487	11,916,458	11,944,126
Operating charges	0.69%	0.70%	0.71%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	160.8	166.0	160.9
Lowest share price	140.6	159.4	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

	2023	2022	2021
Institutional income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	47.84	49.98	48.64
Return before operating charges*	(1.40)	0.34	3.72
Operating charges	(0.31)	(0.35)	(0.34)
Return after operating charges*	(1.71)	(0.01)	3.38
Distributions	(2.17)	(2.13)	(2.04)
Closing net asset value per share	43.96	47.84	49.98
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(3.57%)	(0.02%)	6.95%
<b>Other information</b>			
Closing net asset value (£'000)	12,553	15,329	24,031
Closing number of shares	28,553,873	32,040,555	48,085,185
Operating charges	0.69%	0.70%	0.71%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	48.30	51.13	50.95
Lowest share price	41.24	48.48	40.02

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

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

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

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

# Comparative Tables

## Continued

Institutional regulated accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	234.78	234.32	218.07
Return before operating charges*	(6.73)	1.42	17.14
Operating charges	(0.88)	(0.96)	(0.89)
Return after operating charges*	(7.61)	0.46	16.25
Distributions	(11.53)	(10.88)	(9.97)
Retained distributions on accumulation shares	11.53	10.88	9.97
Closing net asset value per share	227.17	234.78	234.32
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(3.24%)	0.20%	7.45%
<b>Other information</b>			
Closing net asset value (£'000)	28,226	30,837	33,674
Closing number of shares	12,424,815	13,134,196	14,370,684
Operating charges	0.39%	0.40%	0.41%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	237.2	244.5	236.5
Lowest share price	207.7	234.2	179.4

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

Institutional S accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	73.13	72.97	67.97
Return before operating charges*	(2.08)	0.60	5.40
Operating charges	(0.39)	(0.44)	(0.40)
Return after operating charges*	(2.47)	0.16	5.00
Distributions	(3.48)	(3.37)	(3.07)
Retained distributions on accumulation shares	3.48	3.37	3.07
Closing net asset value per share	70.66	73.13	72.97
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(3.38%)	0.22%	7.36%
<b>Other information</b>			
Closing net asset value (£'000)	1	1	1
Closing number of shares	1,531	1,531	1,531
Operating charges	0.57%	0.58%	0.59%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	73.86	76.14	73.65
Lowest share price	64.63	72.94	55.92

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

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

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

# Comparative Tables

## Continued

	2023	2022	2021
Institutional S income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	51.62	53.92	52.50
Return before operating charges*	(1.51)	0.42	4.05
Operating charges	(0.28)	(0.31)	(0.31)
Return after operating charges*	(1.79)	0.11	3.74
Distributions	(2.40)	(2.41)	(2.32)
Closing net asset value per share	47.43	51.62	53.92
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(3.47%)	0.20%	7.12%
<b>Other information</b>			
Closing net asset value (£'000)	1	1	1
Closing number of shares	1,893	1,893	1,893
Operating charges	0.57%	0.58%	0.59%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	52.12	55.21	55.00
Lowest share price	44.50	52.34	43.20

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

<b>Platform 1 accumulation</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	83.58	83.71	78.17
Return before operating charges*	(2.40)	0.51	6.13
Operating charges	(0.59)	(0.64)	(0.59)
Return after operating charges*	(2.99)	(0.13)	5.54
Distributions	(3.82)	(3.58)	(3.29)
Retained distributions on accumulation shares	3.82	3.58	3.29
Closing net asset value per share	80.59	83.58	83.71
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(3.58%)	(0.16%)	7.09%
<b>Other information</b>			
Closing net asset value (£'000)	27,320	24,489	27,472
Closing number of shares	33,901,132	29,300,833	32,818,970
Operating charges	0.74%	0.75%	0.76%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	84.39	87.11	84.49
Lowest share price	73.77	83.67	64.31

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.

# Comparative Tables

## Continued

	2023	2022	2021
Platform 1 income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	56.48	58.99	57.41
Return before operating charges*	(1.66)	0.42	4.39
Operating charges	(0.39)	(0.45)	(0.43)
Return after operating charges*	(2.05)	(0.03)	3.96
Distributions	(2.53)	(2.48)	(2.38)
Closing net asset value per share	51.90	56.48	58.99
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(3.63%)	(0.05%)	6.90%
<b>Other information</b>			
Closing net asset value (£'000)	33,377	29,787	33,362
Closing number of shares	64,312,921	52,743,553	56,549,779
Operating charges	0.74%	0.75%	0.76%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	57.02	60.36	60.14
Lowest share price	48.68	57.22	47.24

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

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

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

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

# Comparative Tables

## Continued

ZC accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	131.69	131.04	121.59
Return before operating charges*	(3.75)	0.78	9.58
Operating charges	(0.12)	(0.13)	(0.13)
Return after operating charges*	(3.87)	0.65	9.45
Distributions	(6.87)	(6.50)	(5.94)
Retained distributions on accumulation shares	6.87	6.50	5.94
Closing net asset value per share	127.82	131.69	131.04
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(2.94%)	0.50%	7.77%
<b>Other information</b>			
Closing net asset value (£'000)	290	70,784	83,423
Closing number of shares	227,115	53,750,211	63,661,792
Operating charges	0.09%	0.10%	0.11%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	133.1	137.1	132.2
Lowest share price	116.7	131.0	100.1

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

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

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

# Comparative Tables

## Continued

ZA income	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	48.67	50.85	49.49
Return before operating charges*	(1.44)	0.35	3.79
Operating charges	(0.01)	(0.01)	(0.01)
Return after operating charges*	(1.45)	0.34	3.78
Distributions	(2.49)	(2.52)	(2.42)
Closing net asset value per share	44.73	48.67	50.85
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(2.98%)	0.67%	7.64%
<b>Other information</b>			
Closing net asset value (£'000)	1	1	1
Closing number of shares	1,996	1,996	1,996
Operating charges	0.01%	0.02%	0.03%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	49.17	52.11	51.92
Lowest share price	41.98	49.40	40.75

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.  
The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.  
Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.  
Highest and Lowest prices are based on official published daily NAVs.

# Portfolio Statement

As at 28 February 2023

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Bonds (94.72%)</b>		<b>185,487</b>	<b>92.21</b>
<b>Euro Denominated Bonds (71.57%)</b>		<b>138,634</b>	<b>68.92</b>
<b>Corporate Bonds (71.57%)</b>		<b>138,634</b>	<b>68.92</b>
less than 5 years to maturity			
1,300,000	888 Acquisitions 7.558% 2027	972	0.48
1,200,000	Adient Global 3.5% 2024	1,042	0.52
3,165,000	Aggreko 5.25% 2026	2,523	1.25
810,000	Allwyn International 3.875% 2027	654	0.33
1,025,000	Allwyn International 4.125% 2024	884	0.44
1,050,000	Altice Financing 2.25% 2025	855	0.43
4,045,000	Altice Finco 4.75% 2028	2,731	1.36
980,000	Altice France 3.375% 2028	660	0.33
1,700,000	Altice France 5.875% 2027	1,319	0.66
4,795,000	Altice France 8% 2027	3,335	1.66
899,395	ARD Finance 5% 2027	603	0.30
985,000	Atlantia 1.875% 2028	728	0.36
2,758,000	Banff Merger Sub 8.375% 2026	2,321	1.15
2,270,000	CAB SELAS 3.375% 2028	1,601	0.80
259,000	Carnival 10.125% 2026	237	0.12
800,000	Casino Guichard Perrachon 3.58% 2025	447	0.22
400,000	Cellnex Finance 1% 2027	292	0.15
1,763,000	Cheplapharm Arzneimittel 4.375% 2028	1,367	0.68
423,000	Cirsa Finance International 10.375% 2027	393	0.20
3,130,000	Cirsa Finance International 6.25% 2023	659	0.33
1,509,000	CT Investment 5.5% 2026	1,170	0.58
2,429,000	Cullinan Holdco 4.625% 2026	1,892	0.94
513,000	Darling Global Finance 3.625% 2026	428	0.21
1,700,000	DDM Debt 9% 2026	907	0.45
1,500,000	eG Global Finance 4.375% 2025	1,146	0.57
815,000	Faurecia 2.375% 2027	612	0.30
800,000	Faurecia 3.125% 2026	650	0.32
939,000	Faurecia 7.25% 2026	845	0.42
1,529,000	Grifols 2.25% 2027	1,165	0.58
1,391,000	Gruenthal 3.625% 2026	1,115	0.55
402,000	HSE Finance 5.625% 2026	178	0.09
663,000	HSE Finance FRN 2026	312	0.16

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
2,186,000	HT Troplast 9.25% 2025	1,862	0.93
925,000	IHO Verwaltungs 3.875% 2027	718	0.36
2,106,000	Iliad 5.125% 2026	1,739	0.86
1,033,000	IMA Industria Macchine Automatiche 3.75% 2028	783	0.39
887,000	IMA Industria Macchine Automatiche FRN 2028	760	0.38
1,363,000	INEOS Finance 3.375% 2026	1,092	0.54
1,215,000	INEOS Styrolution 2.25% 2027	900	0.45
3,994,000	International Game Technology 3.5% 2026	3,344	1.66
1,253,000	Intrum 4.875% 2025	1,031	0.51
1,400,000	IQVIA 1.75% 2026	1,114	0.55
593,000	Jaguar Land Rover Automotive 6.875% 2026	491	0.24
1,250,000	Lincoln Financing 3.625% 2024	541	0.27
1,400,000	Lorca Telecom Bondco 4% 2027	1,104	0.55
1,901,000	Lottomatica 6.25% 2025	1,675	0.83
2,300,000	Loxam 3.75% 2026	1,847	0.92
5,575,000	Matterhorn Telecom 3.125% 2026	4,433	2.20
940,000	Monitchem HoldCo 3 5.25% 2025	810	0.40
1,220,000	Monitchem HoldCo 3 FRN 2025	1,041	0.52
2,377,000	Nassa Topco 2.875% 2024	2,014	1.00
1,176,000	OCI 3.625% 2025	907	0.45
1,016,000	PrestigeBidCo FRN 2027	878	0.44
822,000	Rolls-Royce 4.625% 2026	707	0.35
2,501,000	Samvardhana Motherson Automotive Systems 1.8% 2024	2,077	1.03
871,000	Schaeffler 2.875% 2027	710	0.35
2,455,000	Summer BC HoldCo 5.75% 2026	1,905	0.95
3,063,343	Summer BidCo 9% 2025 (Issue 2019)	2,388	1.19
1,162,677	Summer BidCo 9% 2025 (Issue 2020)	887	0.44
2,067,000	Techem Verwaltungsgesellschaft 674 6% 2026	1,531	0.76
2,730,000	Techem Verwaltungsgesellschaft 675 2% 2025	2,199	1.09
6,822,000	Teva Pharmaceutical Finance Netherlands II 6% 2025	6,058	3.01
1,449,000	TK Elevator Midco 4.375% 2027	1,146	0.57
1,850,000	Verisure 3.25% 2027	1,402	0.70
1,954,000	Victoria 3.625% 2026	1,396	0.69
900,000	ZF Europe Finance 2% 2026	715	0.36
1,400,000	ZF Europe Finance 2.5% 2027	1,065	0.53
700,000	ZF Finance 2% 2027	527	0.26
700,000	ZF Finance 3% 2025	578	0.29

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
between 5 and 10 years to maturity			
2,647,000	Autostrade per l'Italia 2% 2028	1,955	0.97
2,300,000	Cellnex Finance 1.5% 2028	1,681	0.84
3,000,000	Cellnex Finance 2% 2032	1,977	0.98
975,000	Chrome Bidco 3.5% 2028	693	0.34
1,570,000	Chrome Holdco 5% 2029	1,041	0.52
1,820,000	Cidron Aida Finco 5% 2028	1,395	0.69
798,000	Conceria Pasubio FRN 2028	571	0.28
1,454,000	Faurecia 3.75% 2028	1,119	0.56
2,799,000	Goodyear Europe 2.75% 2028	1,995	0.99
667,000	Graphic Packaging International 2.625% 2029	507	0.25
898,000	Gruenthal 4.125% 2028	689	0.34
1,300,000	IQVIA 2.875% 2028	994	0.49
1,344,000	Mobilux Finance 4.25% 2028	985	0.49
1,708,000	Nobel Bidco 3.125% 2028	1,040	0.52
1,758,000	Nomad Foods Bondco 2.5% 2028	1,307	0.65
792,000	Novelis Sheet Ingot 3.375% 2029	582	0.29
3,143,000	Organon 2.875% 2028	2,361	1.17
2,058,000	Petroleos Mexicanos 4.75% 2029	1,436	0.71
2,800,000	Schaeffler 3.375% 2028	2,166	1.08
885,000	United 5.25% 2030	594	0.30
2,600,000	UPCB Finance VII 3.625% 2029	2,004	1.00
1,500,000	Verallia 1.875% 2031	1,036	0.52
2,535,000	Verisure Midholding 5.25% 2029	1,780	0.88
3,080,000	VZ Vendor Financing II 2.875% 2029	2,079	1.03
greater than 25 years to maturity			
1,926,000	Vodafone 2.625% fixed to floating 2080	1,500	0.75
Perpetual			
1,400,000	Abanca Corp Bancaria 6% fixed to floating Perpetual	1,113	0.55
1,000,000	Abertis Infraestructuras Finance 3.248% fixed to floating Perpetual	784	0.39
563,000	Banco BPM 6.125% fixed to floating Perpetual	467	0.23
3,400,000	EDF 5% fixed to floating Perpetual	2,771	1.38
3,600,000	EDF 5.375% fixed to floating Perpetual	3,029	1.51

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,700,000	LeasePlan 7.375% fixed to floating Perpetual	1,473	0.73
3,961,696	Stichting 6.5% Perpetual	3,405	1.69
3,300,000	Telefonica Europe 3.875% fixed to floating Perpetual	2,667	1.33
1,200,000	Telefonica Europe 4.375% fixed to floating Perpetual	1,020	0.51
<b>Sterling Denominated Bonds (18.33%)</b>		<b>35,483</b>	<b>17.64</b>
<b>Corporate Bonds (18.33%)</b>		<b>35,483</b>	<b>17.64</b>
less than 5 years to maturity			
3,789,000	Bellis Acquisition 4.5% 2026	3,239	1.61
1,281,000	Credit Suisse 7.75% 2026	1,298	0.65
1,327,000	Encore Capital 5.375% 2026	1,204	0.60
2,000,000	Ford Motor Credit 4.535% 2025	1,917	0.95
1,331,000	Ford Motor Credit 6.86% 2026	1,330	0.66
1,518,000	Garfunkelux Holdco 3 7.75% 2025	1,223	0.61
480,000	Jaguar Land Rover Automotive 3.875% 2023	480	0.24
1,051,000	Jerrold Finco 4.875% 2026	929	0.46
1,983,000	Jerrold Finco 5.25% 2027	1,692	0.84
575,000	Pinewood Finance 3.25% 2025	531	0.26
1,885,000	Pinewood Finance 3.625% 2027	1,683	0.84
1,872,000	Premier Foods Finance 3.5% 2026	1,679	0.83
810,000	Punch Finance 6.125% 2026	719	0.36
3,623,000	Rolls-Royce 5.75% 2027	3,450	1.71
2,500,000	Sherwood Financing 6% 2026	2,063	1.03
976,000	TalkTalk Telecom 3.875% 2025	808	0.40
3,329,000	Thames Water Kemble Finance 4.625% 2026	2,961	1.47
between 5 and 10 years to maturity			
1,306,000	B&M European Value Retail 4% 2028	1,131	0.56
1,170,000	Cidron Aida Finco 6.25% 2028	1,001	0.50
4,520,000	Virgin Media Vendor Financing Notes III 4.875% 2028	3,797	1.89
Perpetual			
710,000	HSBC Bank Capital Funding Sterling 1 5.844% fixed to floating Perpetual	723	0.36
1,838,000	National Express 4.25% fixed to floating Perpetual	1,625	0.81

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>US Dollar Denominated Bonds (4.82%)</b>		<b>11,370</b>	<b>5.65</b>
<b>Corporate Bonds (4.82%)</b>		<b>7,268</b>	<b>3.61</b>
less than 5 years to maturity			
1,200,000	Adams Homes 7.5% 2025	872	0.43
336,000	Cheplapharm Arzneimittel 5.5% 2028	245	0.12
779,000	EnQuest 11.625% 2027	626	0.31
1,553,000	Ithaca Energy North Sea 9% 2026	1,264	0.63
between 10 and 15 years to maturity			
2,900,000	Telecom Italia Capital 6.375% 2033	2,088	1.04
3,000,000	Telecom Italia Capital 7.2% 2036	2,173	1.08
<b>Government Bonds (0.00%)</b>		<b>4,102</b>	<b>2.04</b>
between 5 and 10 years to maturity			
5,025,000	US Treasury 3.875% 2029	4,102	2.04
<b>Equities (0.00%)</b>		<b>-</b>	<b>-</b>
<b>UK Equities (0.00%)</b>		<b>-</b>	<b>-</b>
<b>Basic Materials (0.00%)</b>		<b>-</b>	<b>-</b>
32,987,896,738	Luxfer**	-	-
<b>Collective Investment Schemes (3.60%)</b>		<b>10,173</b>	<b>5.06</b>
10,173	Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund Z1 Inc+	10,173	5.06
<b>Derivatives (-0.13%)</b>		<b>106</b>	<b>0.05</b>
<b>Credit Default Swaps (0.00%)</b>		<b>(754)</b>	<b>(0.38)</b>
EUR 20,000,000	Buy iTraxx Europe Series 38 20/12/2027 5%	(754)	(0.38)
<b>Forward Currency Contracts (-0.13%)</b>		<b>860</b>	<b>0.43</b>
	Buy GBP 909,050 Sell EUR 1,023,087 15/03/2023	12	0.01
	Buy GBP 4,218,637 Sell EUR 4,782,672 15/03/2023	26	0.01

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
	Buy GBP 137,610,984 Sell EUR 155,932,949 15/03/2023	926	0.46
	Buy GBP 11,462,688 Sell USD 14,007,076 15/03/2023	(104)	(0.05)
Total investment assets and liabilities		195,766	97.32
Net other assets		5,388	2.68
<b>Total Net Assets</b>		<b>201,154</b>	<b>100.00</b>

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

The percentage figures in brackets show the comparative holding as at 28 February 2022.

+ Managed by subsidiaries of abrdn plc.

\*\* Delisted.

# Financial Statements

## Statement of Total Return

For the year ended 28 February 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(20,102)		(13,435)
Revenue	2	12,195		16,323	
Expenses	3	(1,710)		(2,154)	
Interest payable and similar charges		(29)		(44)	
Net revenue before taxation		10,456		14,125	
Taxation	4	(13)		(13)	
Net revenue after taxation			10,443		14,112
<b>Total return before distributions</b>			<b>(9,659)</b>		<b>677</b>
Distributions	5		(10,443)		(14,112)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(20,102)</b>		<b>(13,435)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2023

	2023		2022	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>304,537</b>		<b>347,479</b>
Amounts receivable on the issue of shares	6,879		11,284	
Amounts payable on the cancellation of shares	(96,880)		(51,067)	
		(90,001)		(39,783)
Dilution adjustment		382		82
Change in net assets attributable to shareholders from investment activities (see above)		(20,102)		(13,435)
Retained distribution on accumulation shares		6,337		10,191
Unclaimed distributions		1		3
<b>Closing net assets attributable to shareholders</b>		<b>201,154</b>		<b>304,537</b>

# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			196,624		299,442
<b>Current assets:</b>					
Debtors	6	2,374		3,777	
Cash and bank balances	7	5,609		3,884	
			7,983		7,661
<b>Total assets</b>			<b>204,607</b>		<b>307,103</b>
<b>Liabilities:</b>					
Investment liabilities			(858)		(414)
Bank overdrafts	7	(8)		-	
Creditors	8	(1,764)		(1,285)	
Distribution payable		(823)		(867)	
			(2,595)		(2,152)
<b>Total liabilities</b>			<b>(3,453)</b>		<b>(2,566)</b>
<b>Net assets attributable to shareholders</b>			<b>201,154</b>		<b>304,537</b>

# Notes to the Financial Statements

## 1 Net Capital Losses

	2023 £'000	2022 £'000
Non-derivative securities	(13,606)	(22,485)
Derivative contracts	(52)	(15)
Forward currency contracts	(5,310)	9,413
Other losses	(1,118)	(335)
Transaction charges	(16)	(13)
<b>Net capital losses</b>	<b>(20,102)</b>	<b>(13,435)</b>

## 2 Revenue

	2023 £'000	2022 £'000
Bank and margin interest	173	14
Interest on debt securities	12,022	16,309
<b>Total revenue</b>	<b>12,195</b>	<b>16,323</b>

## 3 Expenses

	2023 £'000	2022 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	1,574	1,912
Dealing charge	26	30
General administration charge*	96	79
Registration fees**	-	86
	<b>1,696</b>	<b>2,107</b>
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Depositary's fees**	-	19
Safe custody fees	14	21
	<b>14</b>	<b>40</b>
<b>Other:</b>		
Audit fee**	-	7
	-	7
<b>Total expenses</b>	<b>1,710</b>	<b>2,154</b>

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

\* The fixed general administration charge was introduced from 1 September 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 £13,500 (2022: £12,540).

\*\* These figures represent the charges to 31 August 2021, which have now been replaced by the fixed general administration charge.

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2023 £'000	2022 £'000
<b>(a) Analysis of charge in year</b>		
Corporation tax	3	3
Double taxation relief	(3)	(3)
Overseas taxes	13	13
<b>Total taxation (note 4b)</b>	<b>13</b>	<b>13</b>

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

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

	2023 £'000	2022 £'000
<b>Net revenue before taxation</b>	<b>10,456</b>	<b>14,125</b>
Corporation tax at 20% (2022: 20%)	2,091	2,825
Effects of:		
Overseas taxes	13	13
Double taxation relief	(3)	(3)
Distributions treated as tax deductible	(2,088)	(2,822)
<b>Total tax charge for year (note 4a)</b>	<b>13</b>	<b>13</b>

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

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

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

### 5 Distributions

	2023 £'000	2022 £'000
First interim distribution	2,538	3,920
Second interim distribution	2,490	3,245
Third interim distribution	2,517	3,445
Final distribution	2,311	3,289
	9,856	13,899
Add: Income deducted on cancellation of shares	648	271
Deduct: Income received on issue of shares	(61)	(58)
<b>Total distributions for the year</b>	<b>10,443</b>	<b>14,112</b>

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

# Notes to the Financial Statements

## Continued

### 6 Debtors

	2023 £'000	2022 £'000
Accrued revenue	2,363	3,767
Amounts receivable from the ACD for the issue of shares	11	10
<b>Total debtors</b>	<b>2,374</b>	<b>3,777</b>

### 7 Liquidity

	2023 £'000	2022 £'000
<b>Cash and bank balances</b>		
Cash at bank	36	3,584
Cash at broker	774	-
Collateral cash pledged to counterparties <sup>~</sup>	-	300
Deposits with original maturity of less than 3 months	4,799	-
	<b>5,609</b>	<b>3,884</b>
<b>Bank overdrafts</b>		
Overdraft at bank	(8)	-
	<b>(8)</b>	<b>-</b>
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	10,173	10,977
<b>Net liquidity</b>	<b>15,774</b>	<b>14,861</b>

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

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

### 8 Creditors

	2023 £'000	2022 £'000
Accrued expenses payable to ACD	137	169
Accrued expenses payable to the Depositary or associates of the Depositary	8	5
Amounts payable to the ACD for cancellation of shares	282	348
Other accrued expenses	6	6
Purchases awaiting settlement	1,331	757
<b>Total creditors</b>	<b>1,764</b>	<b>1,285</b>

# Notes to the Financial Statements

## Continued

### 9 Related Party Transactions

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

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

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

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

### 10 Portfolio Transaction Costs

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

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

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

Trades in the year	Purchases		Sales	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Bonds	68,436	136,164	158,278	162,523
<b>Trades in the year before transaction costs</b>	<b>68,436</b>	<b>136,164</b>	<b>158,278</b>	<b>162,523</b>
<b>Total net trades in the year after transaction costs</b>	<b>68,436</b>	<b>136,164</b>	<b>158,278</b>	<b>162,523</b>

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 1.22% (2022: 1.05%), this is representative of the average spread on the assets held during the year.

### 11 Shares in Issue Reconciliation

	Opening shares 2022	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2023
Retail accumulation	51,115,944	246,593	(5,554,745)	(5,291,775)	40,516,017
Retail income	80,577,576	358,847	(6,525,896)	(15,920,432)	58,490,095
Institutional accumulation	11,916,458	303,358	(1,871,945)	9,616	10,357,487
Institutional income	32,040,555	795,492	(4,394,023)	111,849	28,553,873
Institutional regulated accumulation	13,134,196	516,150	(1,225,531)	-	12,424,815
Institutional S accumulation	1,531	-	-	-	1,531
Institutional S income	1,893	-	-	-	1,893

# Notes to the Financial Statements

## Continued

	Opening shares 2022	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2023
Platform 1 accumulation	29,300,833	3,979,528	(8,731,715)	9,352,486	33,901,132
Platform 1 income	52,743,553	2,318,689	(4,137,469)	13,388,148	64,312,921
ZC accumulation	53,750,211	17,647	(53,540,743)	-	227,115
ZA income	1,996	-	-	-	1,996

## 12 Fair Value Hierarchy

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

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

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

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

	2023 £'000 Level 1	2023 £'000 Level 2	2023 £'000 Level 3	2022 £'000 Level 1	2022 £'000 Level 2	2022 £'000 Level 3
<b>Fair value of investment assets</b>						
Bonds	4,102	181,385	-	-	288,457	-
Collective Investment Schemes	-	10,173	-	-	10,977	-
Derivatives	-	964	-	-	8	-
<b>Total investment assets</b>	<b>4,102</b>	<b>192,522</b>	<b>-</b>	<b>-</b>	<b>299,442</b>	<b>-</b>
<b>Fair value of investment liabilities</b>						
Derivatives	-	(858)	-	-	(414)	-
<b>Total investment liabilities</b>	<b>-</b>	<b>(858)</b>	<b>-</b>	<b>-</b>	<b>(414)</b>	<b>-</b>

## 13 Risk Management Policies and Disclosures

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

### Foreign currency risk

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

### Interest rate risk

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

# 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:

2023	Floating rate financial assets/ (liabilities) £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>Currency</b>				
UK Sterling	15,749	35,483	152,184	203,416
Euro	3,595	135,072	(140,865)	(2,198)
US Dollar	(8)	11,370	(11,426)	(64)
<b>Total</b>	<b>19,336</b>	<b>181,925</b>	<b>(107)</b>	<b>201,154</b>

2022	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>Currency</b>				
UK Sterling	11,370	55,811	234,693	301,874
Euro	15,019	205,248	(218,856)	1,411
US Dollar	1,192	14,678	(14,618)	1,252
<b>Total</b>	<b>27,581</b>	<b>275,737</b>	<b>1,219</b>	<b>304,537</b>

### Other price risk

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

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

### VaR

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

2023	Minimum	Maximum	Average
VaR 99% 1 Month	4.16%	5.18%	4.64%
2022	Minimum	Maximum	Average
VaR 99% 1 Month	3.09%	5.81%	4.34%

At the year end date, there was a 1% chance of the portfolio value falling (or rising) more than 4.16%, £8,152,000 (2022: 4.00%, £11,971,000) in a one month period.

# Notes to the Financial Statements

## Continued

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

### Counterparty risk

#### Credit quality of debt security investment assets

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

	Market value £'000	Percentage of total net assets %
<b>2023</b>		
Investment grade securities	8,985	4.47
Below investment grade securities	173,097	86.05
Unrated securities	3,405	1.69
<b>Total value of securities</b>	<b>185,487</b>	<b>92.21</b>
	Market value £'000	Percentage of total net assets %
<b>2022</b>		
Investment grade securities	-	-
Below investment grade securities	281,103	92.30
Unrated securities	7,354	2.42
<b>Total value of securities</b>	<b>288,457</b>	<b>94.72</b>

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

### Financial derivatives instrument risk

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

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

	2023		2022	
	Market exposure £'000	Market value £'000	Market exposure £'000	Market value £'000
<b>Leveraged instruments</b>				
Forward currency contracts	153,341	860	244,464	(406)
Swaps	17,520	(754)	-	-
<b>Total market exposure</b>	<b>170,861</b>	<b>106</b>	<b>244,464</b>	<b>(406)</b>

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

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

### Counterparty risk

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

# Notes to the Financial Statements

## Continued

2023 Broker or exchange exposure	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
Goldman Sachs	(754)	774	1,944	1,964	0.98
	<b>(754)</b>	<b>774</b>	<b>1,944</b>	<b>1,964</b>	<b>0.98</b>

The fund had no broker or exchange exposure at the year end 2022.

### Bilateral agreements

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

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

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

2023 Counterparties	Collateral (held)/pledged			Net exposure £'000
	Forwards £'000	Cash £'000	Stock £'000	
Barclays	26	-	-	26
Morgan Stanley	(104)	-	266	162
Natwest Markets	926	-	-	926
Royal Bank of Canada	12	-	-	12
<b>Total</b>	<b>860</b>	<b>-</b>	<b>266</b>	<b>1,126</b>

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

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

2023 Issuers	Type	Collateral Stock £'000
United States Treasury Notes	Bond	2,210
		<b>2,210</b>

2022 Counterparties	Collateral (held)/pledged			Net exposure £'000
	Forwards £'000	Cash £'000	Stock £'000	
Credit Agricole	2	-	-	2
Lloyds Bank	(3)	-	-	(3)
Royal Bank of Canada	(408)	300	-	(108)
State Street	6	-	-	6
UBS	(3)	-	-	(3)
<b>Total</b>	<b>(406)</b>	<b>300</b>	<b>-</b>	<b>(106)</b>

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

# Notes to the Financial Statements

## Continued

### Liquidity risk

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

	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
<b>2023</b>					
<b>Derivatives</b>					
Investment liabilities	-	(104)	(754)	-	(858)
<b>Non-derivatives</b>					
Other creditors	-	(1,764)	-	-	(1,764)
Bank overdrafts	(8)	-	-	-	(8)
Distribution payable	-	(823)	-	-	(823)
<b>Total financial liabilities</b>	<b>(8)</b>	<b>(2,691)</b>	<b>(754)</b>	<b>-</b>	<b>(3,453)</b>
<b>2022</b>					
<b>Derivatives</b>					
Investment liabilities	-	(414)	-	-	(414)
<b>Non-derivatives</b>					
Other creditors	-	(1,285)	-	-	(1,285)
Distribution payable	-	(867)	-	-	(867)
<b>Total financial liabilities</b>	<b>-</b>	<b>(2,566)</b>	<b>-</b>	<b>-</b>	<b>(2,566)</b>

# Distribution Tables

For the year ended 28 February 2023 (in pence per share)

## First interim interest distribution

Group 1 – shares purchased prior to 1 March 2022

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

	Revenue	Equalisation	Distribution paid 29/07/22	Distribution paid 30/07/21
<b>Retail accumulation</b>				
Group 1	1.5671	-	1.5671	1.5947
Group 2	0.3464	1.2207	1.5671	1.5947
<b>Retail income</b>				
Group 1	0.5056	-	0.5056	0.5352
Group 2	0.1458	0.3598	0.5056	0.5352
<b>Institutional accumulation</b>				
Group 1	1.8112	-	1.8112	1.8386
Group 2	1.1385	0.6727	1.8112	1.8386
<b>Institutional income</b>				
Group 1	0.5440	-	0.5440	0.5770
Group 2	0.3197	0.2243	0.5440	0.5770
<b>Institutional regulated accumulation</b>				
Group 1	2.8466	-	2.8466	2.8823
Group 2	1.4632	1.3834	2.8466	2.8823
<b>Institutional S accumulation</b>				
Group 1	0.8735	-	0.8735	0.8963
Group 2	0.8735	-	0.8735	0.8963
<b>Institutional S income</b>				
Group 1	0.6075	-	0.6075	0.6518
Group 2	0.6075	-	0.6075	0.6518
<b>Platform 1 accumulation</b>				
Group 1	0.9400	-	0.9400	0.9545
Group 2	0.2060	0.7340	0.9400	0.9545
<b>Platform 1 income</b>				
Group 1	0.6351	-	0.6351	0.6727
Group 2	0.3107	0.3244	0.6351	0.6727
<b>ZC accumulation</b>				
Group 1	1.7163	-	1.7163	1.7128
Group 2	0.4610	1.2553	1.7163	1.7128
<b>ZA income</b>				
Group 1	0.6331	-	0.6331	0.6772
Group 2	0.6331	-	0.6331	0.6772

# Distribution Tables

For the year ended 28 February 2023 (in pence per share) continued

## Second interim interest distribution

Group 1 – shares purchased prior to 1 June 2022

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

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
<b>Retail accumulation</b>				
Group 1	1.5856	-	1.5856	1.3803
Group 2	0.7381	0.8475	1.5856	1.3803
<b>Retail income</b>				
Group 1	0.5059	-	0.5059	0.4584
Group 2	0.1787	0.3272	0.5059	0.4584
<b>Institutional accumulation</b>				
Group 1	1.8258	-	1.8258	1.6097
Group 2	0.8486	0.9772	1.8258	1.6097
<b>Institutional income</b>				
Group 1	0.5420	-	0.5420	0.4996
Group 2	0.4403	0.1017	0.5420	0.4996
<b>Institutional regulated accumulation</b>				
Group 1	2.8611	-	2.8611	2.5545
Group 2	0.9078	1.9533	2.8611	2.5545
<b>Institutional S accumulation</b>				
Group 1	0.8526	-	0.8526	0.7964
Group 2	0.8526	-	0.8526	0.7964
<b>Institutional S income</b>				
Group 1	0.5964	-	0.5964	0.5705
Group 2	0.5964	-	0.5964	0.5705
<b>Platform 1 accumulation</b>				
Group 1	0.9480	-	0.9480	0.8357
Group 2	0.4637	0.4843	0.9480	0.8357
<b>Platform 1 income</b>				
Group 1	0.6331	-	0.6331	0.5825
Group 2	0.3591	0.2740	0.6331	0.5825
<b>ZC accumulation</b>				
Group 1	1.7007	-	1.7007	1.5369
Group 2	1.2397	0.4610	1.7007	1.5369
<b>ZA income</b>				
Group 1	0.6216	-	0.6216	0.5995
Group 2	0.6216	-	0.6216	0.5995

# Distribution Tables

For the year ended 28 February 2023 (in pence per share) continued

## Third interim interest distribution

Group 1 – shares purchased prior to 1 September 2022

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

	Revenue	Equalisation	Distribution paid 31/01/23	Distribution paid 31/01/22
<b>Retail accumulation</b>				
Group 1	1.6767	-	1.6767	1.5094
Group 2	0.3639	1.3128	1.6767	1.5094
<b>Retail income</b>				
Group 1	0.5290	-	0.5290	0.4967
Group 2	0.2543	0.2747	0.5290	0.4967
<b>Institutional accumulation</b>				
Group 1	1.9207	-	1.9207	1.7512
Group 2	1.2060	0.7147	1.9207	1.7512
<b>Institutional income</b>				
Group 1	0.5634	-	0.5634	0.5376
Group 2	0.3044	0.2590	0.5634	0.5376
<b>Institutional regulated accumulation</b>				
Group 1	2.9987	-	2.9987	2.7595
Group 2	1.5137	1.4850	2.9987	2.7595
<b>Institutional S accumulation</b>				
Group 1	0.8931	-	0.8931	0.8532
Group 2	0.8931	-	0.8931	0.8532
<b>Institutional S income</b>				
Group 1	0.6164	-	0.6164	0.6069
Group 2	0.6164	-	0.6164	0.6069
<b>Platform 1 accumulation</b>				
Group 1	0.9980	-	0.9980	0.9084
Group 2	0.3671	0.6309	0.9980	0.9084
<b>Platform 1 income</b>				
Group 1	0.6589	-	0.6589	0.6272
Group 2	0.2804	0.3785	0.6589	0.6272
<b>ZC accumulation</b>				
Group 1	1.7751	-	1.7751	1.6476
Group 2	1.1234	0.6517	1.7751	1.6476
<b>ZA income</b>				
Group 1	0.6426	-	0.6426	0.6331
Group 2	0.6426	-	0.6426	0.6331

# Distribution Tables

For the year ended 28 February 2023 (in pence per share) continued

## Final interest distribution

Group 1 – shares purchased prior to 1 December 2022

Group 2 – shares purchased between 1 December 2022 and 28 February 2023

	Revenue	Equalisation	Distribution paid 28/04/23	Distribution paid 29/04/22
<b>Retail accumulation</b>				
Group 1	1.5574	-	1.5574	1.4619
Group 2	0.8573	0.7001	1.5574	1.4619
<b>Retail income</b>				
Group 1	0.4857	-	0.4857	0.4763
Group 2	0.1959	0.2898	0.4857	0.4763
<b>Institutional accumulation</b>				
Group 1	1.7973	-	1.7973	1.6984
Group 2	0.6144	1.1829	1.7973	1.6984
<b>Institutional income</b>				
Group 1	0.5203	-	0.5203	0.5161
Group 2	0.1656	0.3547	0.5203	0.5161
<b>Institutional regulated accumulation</b>				
Group 1	2.8234	-	2.8234	2.6824
Group 2	1.7155	1.1079	2.8234	2.6824
<b>Institutional S accumulation</b>				
Group 1	0.8611	-	0.8611	0.8225
Group 2	0.8611	-	0.8611	0.8225
<b>Institutional S income</b>				
Group 1	0.5747	-	0.5747	0.5821
Group 2	0.5747	-	0.5747	0.5821
<b>Platform 1 accumulation</b>				
Group 1	0.9318	-	0.9318	0.8808
Group 2	0.1898	0.7420	0.9318	0.8808
<b>Platform 1 income</b>				
Group 1	0.6073	-	0.6073	0.6017
Group 2	0.2765	0.3308	0.6073	0.6017
<b>ZC accumulation</b>				
Group 1	1.6817	-	1.6817	1.6038
Group 2	0.6372	1.0445	1.6817	1.6038
<b>ZA income</b>				
Group 1	0.5945	-	0.5945	0.6101
Group 2	0.5945	-	0.5945	0.6101

# abrdrn Investment Grade Corporate Bond Fund

For the year ended 28 February 2023

## Investment Objective

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

Performance Target: To achieve the return of the iBoxx Sterling Collateralized & Corporates plus 0.8% 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 invest in investment grade bonds issued anywhere in the world by governments and corporations, including sub-sovereigns 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.
- At the point of investment all bonds shall be investment grade with a credit rating of "BBB-" or higher from at least one major rating agency such as Standard & Poor's, Moody's or Fitch.
- The fund may also invest in other funds (including those managed by abrdrn) and money-market instruments, and cash.

### Management Process:

- The management team use their discretion (active management) to identify bonds and derivatives based on analysis of global economic and market conditions (for example, interest rates and inflation) and analysis of a company's prospects and creditworthiness compared to that of the market.
- In seeking to achieve the Performance Target, the iBoxx Sterling Collateralized & Corporates 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 2.5%. Due to the fund's risk constraints, the intention is that the fund's performance profile will not deviate significantly from that of the iBoxx Sterling Collateralized & Corporates 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 may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivatives include instruments used to manage expected changes in interest rates, inflation, currencies or creditworthiness of corporations or governments.

## Performance Review

Over the period under review, the fund returned -13.34%. (Source: FactSet, Platform 1 Accumulation, net of fees) This compared to a return of -12.19% for our performance target. (Source: FactSet, the iBoxx Sterling Collateralized & Corporates Index +0.8%).

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

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

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

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

The fund benefitted from overall duration positioning relative to the index over the period. In terms of individual holdings, we were overweight banks which performed well. This included BNP Paribas, Lloyds and Generali. Our energy position performed well, including an overweight in BP while holding no position in Russian issuer Gazprom, which has been subject to sanctions in light of the Ukrainian war.

# abrdn Investment Grade Corporate Bond Fund

## Continued

On the downside, property holdings were among the biggest detractors. This includes Annington Homes, holiday resort Center Parcs and shopping centre Metrocentre. We missed out on good performance from University of Oxford's long dated issue. Credit Suisse also detracted; the bank faced multiple challenges over the period and, soon after the period ended, a rescue merger with UBS was announced.

### Portfolio Activity and Review

In the primary market, late in the period, we bought attractive new issue banking bonds, including Barclays' 2031 issue, Deutsche Bank's 2030 bonds and ABN Amro's 2028 bonds. We also bought new issues from water utilities Yorkshire Water and Northumbrian Water.

In the secondary market, we bought a long-dated issue from EDF. We topped up our holding of National Australia Bank. We also bought a long-dated issue from Southern Housing, which offers good potential for upside. On the sell side, we have sold BNP Paribas, Rabobank and retailer Next Group.

### Portfolio Outlook and Strategy

Globally, rates expectations have been re-pricing higher in February in the US and Europe due to robust economic data. Europe will probably avoid a recession this year thanks to the combination of milder winter weather, a sharp drop in gas prices and the reopening of China, an important trading partner for the continent. However, February's data showed inflation no longer slowing, with Europe's and the United States' most recent CPI prints surprising slightly to the upside. While many inflation drivers, like energy prices, are reversing, core inflation has been more persistent due to tighter labour markets and the fundamental strength of global services sectors. For the ECB and the Fed, this means staying in a more hawkish and data dependent mode for the time being, until there is further proof of weakening underlying economic data and further slowing of inflation. For credit markets, stronger underlying economic data are not necessarily negative, given a still strong economy supports the credit quality of corporates and in particular cyclical issuers. Additionally, higher index yield levels have made the asset class more interesting, supporting fund flows and creating an ongoing positive technical that since October last year. In the short-term, we expect credit risk premia to trend sideways and stay range bound.

### Sterling IG Aggregate Team

March 2023

# abrdn Investment Grade 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 28 February 2023.

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

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

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

# Comparative Tables

	2023	2022	2021
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	161.83	169.34	167.96
Return before operating charges*	(20.74)	(5.76)	3.11
Operating charges	(1.48)	(1.75)	(1.73)
Return after operating charges*	(22.22)	(7.51)	1.38
Distributions	(3.99)	(3.48)	(3.66)
Retained distributions on accumulation shares	3.99	3.48	3.66
Closing net asset value per share	139.61	161.83	169.34
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(13.73%)	(4.43%)	0.82%
<b>Other information</b>			
Closing net asset value (£'000)	54,978	73,353	83,590
Closing number of shares	39,378,998	45,326,446	49,363,628
Operating charges	1.01%	1.02%	1.02%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	165.1	177.1	178.1
Lowest share price	123.8	162.1	147.7

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

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

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

# Comparative Tables

## Continued

	2023	2022	2021
Retail income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	60.92	65.06	65.93
Return before operating charges*	(7.77)	(2.14)	1.22
Operating charges	(0.55)	(0.67)	(0.67)
Return after operating charges*	(8.32)	(2.81)	0.55
Distributions	(1.49)	(1.33)	(1.42)
Closing net asset value per share	51.11	60.92	65.06
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(13.66%)	(4.32%)	0.83%
<b>Other information</b>			
Closing net asset value (£'000)	15,689	21,822	25,529
Closing number of shares	30,696,065	35,821,496	39,242,377
Operating charges	1.01%	1.02%	1.02%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	62.14	67.69	68.78
Lowest share price	46.03	61.34	57.98

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.

# Comparative Tables

## Continued

Institutional accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	177.02	184.45	182.19
Return before operating charges*	(22.73)	(6.31)	3.37
Operating charges	(0.94)	(1.12)	(1.11)
Return after operating charges*	(23.67)	(7.43)	2.26
Distributions	(5.05)	(4.59)	(4.75)
Retained distributions on accumulation shares	5.05	4.59	4.75
Closing net asset value per share	153.35	177.02	184.45
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(13.37%)	(4.03%)	1.24%
<b>Other information</b>			
Closing net asset value (£'000)	130,622	89,216	85,564
Closing number of shares	85,179,826	50,398,363	46,389,715
Operating charges	0.59%	0.60%	0.60%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	180.6	193.3	193.9
Lowest share price	135.8	177.3	160.2

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

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

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

# Comparative Tables

## Continued

	2023	2022	2021
Institutional income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	60.69	64.81	65.68
Return before operating charges*	(7.75)	(2.13)	1.23
Operating charges	(0.32)	(0.39)	(0.40)
Return after operating charges*	(8.07)	(2.52)	0.83
Distributions	(1.71)	(1.60)	(1.70)
Closing net asset value per share	50.91	60.69	64.81
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(13.30%)	(3.89%)	1.26%
<b>Other information</b>			
Closing net asset value (£'000)	28,290	38,200	45,285
Closing number of shares	55,565,770	62,947,170	69,873,813
Operating charges	0.59%	0.60%	0.60%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	61.90	67.49	68.55
Lowest share price	45.88	61.17	57.78

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

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

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

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

# Comparative Tables

## Continued

Institutional regulated accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	166.27	172.91	170.45
Return before operating charges*	(21.34)	(5.94)	3.15
Operating charges	(0.59)	(0.70)	(0.69)
Return after operating charges*	(21.93)	(6.64)	2.46
Distributions	(5.05)	(4.66)	(4.79)
Retained distributions on accumulation shares	5.05	4.66	4.79
Closing net asset value per share	144.34	166.27	172.91
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(13.19%)	(3.84%)	1.44%
<b>Other information</b>			
Closing net asset value (£'000)	388	489	608
Closing number of shares	269,041	293,918	351,633
Operating charges	0.39%	0.40%	0.40%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	169.6	181.3	181.7
Lowest share price	127.7	166.5	149.9

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

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

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

# Comparative Tables

## Continued

Institutional S accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	68.38	71.13	70.14
Return before operating charges*	(8.97)	(2.44)	1.29
Operating charges	(0.26)	(0.31)	(0.30)
Return after operating charges*	(9.23)	(2.75)	0.99
Distributions	(2.02)	(1.93)	(1.95)
Retained distributions on accumulation shares	2.02	1.93	1.95
Closing net asset value per share	59.15	68.38	71.13
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(13.50%)	(3.87%)	1.41%
<b>Other information</b>			
Closing net asset value (£'000)	-	17	61
Closing number of shares	200	25,008	85,386
Operating charges	0.42%	0.43%	0.43%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	69.76	74.58	74.76
Lowest share price	52.51	68.47	61.70

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

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

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

# Comparative Tables

## Continued

	2023	2022	2021
Institutional S income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	52.68	56.26	57.02
Return before operating charges*	(6.73)	(1.85)	1.06
Operating charges	(0.20)	(0.24)	(0.25)
Return after operating charges*	(6.93)	(2.09)	0.81
Distributions	(1.56)	(1.49)	(1.57)
Closing net asset value per share	44.19	52.68	56.26
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(13.15%)	(3.71%)	1.42%
<b>Other information</b>			
Closing net asset value (£'000)	15,178	39,954	58,401
Closing number of shares	34,346,369	75,845,024	103,806,361
Operating charges	0.42%	0.43%	0.43%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	53.73	58.60	59.51
Lowest share price	39.83	53.12	50.16

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

<b>Platform 1 accumulation</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	74.33	77.49	76.57
Return before operating charges*	(9.54)	(2.65)	1.42
Operating charges	(0.43)	(0.51)	(0.50)
Return after operating charges*	(9.97)	(3.16)	0.92
Distributions	(2.08)	(1.89)	(1.96)
Retained distributions on accumulation shares	2.08	1.89	1.96
Closing net asset value per share	64.36	74.33	77.49
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(13.41%)	(4.08%)	1.20%
<b>Other information</b>			
Closing net asset value (£'000)	12,586	15,806	20,325
Closing number of shares	19,555,679	21,265,586	26,231,061
Operating charges	0.64%	0.65%	0.65%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	75.83	81.17	81.46
Lowest share price	57.00	74.44	67.35

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

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

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

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

# Comparative Tables

## Continued

	2023	2022	2021
Platform 1 income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	56.31	60.14	60.95
Return before operating charges*	(7.19)	(1.99)	1.13
Operating charges	(0.32)	(0.39)	(0.40)
Return after operating charges*	(7.51)	(2.38)	0.73
Distributions	(1.56)	(1.45)	(1.54)
Closing net asset value per share	47.24	56.31	60.14
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(13.34%)	(3.96%)	1.20%
<b>Other information</b>			
Closing net asset value (£'000)	7,359	10,097	12,279
Closing number of shares	15,576,641	17,930,870	20,417,853
Operating charges	0.64%	0.65%	0.65%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	57.44	62.62	63.60
Lowest share price	42.57	56.75	53.61

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

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

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

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

ZC accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	98.07	101.67	99.94
Return before operating charges*	(12.61)	(3.50)	1.83
Operating charges	(0.08)	(0.10)	(0.10)
Return after operating charges*	(12.69)	(3.60)	1.73
Distributions	(3.25)	(3.05)	(3.12)
Retained distributions on accumulation shares	3.25	3.05	3.12
Closing net asset value per share	85.38	98.07	101.67
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(12.94%)	(3.54%)	1.73%
<b>Other information</b>			
Closing net asset value (£'000)	234	255	232
Closing number of shares	274,043	259,555	227,827
Operating charges	0.09%	0.10%	0.10%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	100.1	106.8	106.8
Lowest share price	75.47	98.19	87.93

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

ZA income	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	49.38	52.74	53.46
Return before operating charges*	(6.31)	(1.74)	0.98
Operating charges	-	(0.01)	(0.01)
Return after operating charges*	(6.31)	(1.75)	0.97
Distributions	(1.65)	(1.61)	(1.69)
Closing net asset value per share	41.42	49.38	52.74
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(12.78%)	(3.32%)	1.81%
<b>Other information</b>			
Closing net asset value (£'000)	2,466	3,073	3,874
Closing number of shares	5,952,829	6,224,214	7,346,033
Operating charges	0.01%	0.02%	0.02%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	50.37	54.97	55.82
Lowest share price	37.35	49.84	47.04

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

ZB accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	98.48	102.01	100.16
Return before operating charges*	(12.66)	(3.53)	1.85
Operating charges	-	-	-
Return after operating charges*	(12.66)	(3.53)	1.85
Distributions	(3.34)	(3.16)	(3.23)
Retained distributions on accumulation shares	3.34	3.16	3.23
Closing net asset value per share	85.82	98.48	102.01
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(12.86%)	(3.46%)	1.85%
<b>Other information</b>			
Closing net asset value (£'000)	1,772	1,935	2,054
Closing number of shares	2,064,688	1,965,053	2,013,187
Operating charges	-	-	-
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	100.5	107.2	107.1
Lowest share price	75.83	98.61	88.12

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.

# Portfolio Statement

As at 28 February 2023

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Bonds (97.88%)</b>		<b>264,789</b>	<b>98.23</b>
<b>Euro Denominated Bonds (1.28%)</b>		<b>1,580</b>	<b>0.59</b>
<b>Corporate Bonds (1.28%)</b>		<b>1,580</b>	<b>0.59</b>
less than 5 years to maturity			
1,300,000	Cromwell EREIT 2.125% 2025	985	0.37
between 5 and 10 years to maturity			
960,000	Digital Intrepid REIT 0.625% 2031	595	0.22
<b>Sterling Denominated Bonds (94.61%)</b>		<b>257,166</b>	<b>95.40</b>
<b>Corporate Bonds (93.22%)</b>		<b>252,276</b>	<b>93.59</b>
less than 5 years to maturity			
280,000	AA Bond 6.269% 2025	273	0.10
1,100,000	ABN AMRO Bank 5.125% 2028	1,081	0.40
1,270,000	ABP Finance 6.25% 2026	1,293	0.48
700,000	Anglian Water Services Financing 2.625% 2027	633	0.23
800,000	AT&T 5.5% 2027	804	0.30
2,827,000	Athene Global Funding 1.75% 2027	2,352	0.87
2,200,000	Banco Santander 1.5% 2026	1,942	0.72
2,000,000	Bank of America 2.3% 2025	1,884	0.70
2,052,000	Barclays 3.125% 2024	2,012	0.75
1,000,000	Barclays 3.25% 2027	910	0.34
1,000,000	BAT International Finance 4% 2026	938	0.35
700,000	Bazalgette Finance 2.375% 2027	620	0.23
1,000,000	BNP Paribas 1.875% 2027	850	0.32
2,400,000	CaixaBank 1.5% fixed to floating 2026	2,127	0.79
2,600,000	Citigroup 1.75% 2026	2,307	0.86
1,000,000	Citigroup 5.15% 2026	1,001	0.37
1,000,000	Close Brothers Finance 2.75% 2026	909	0.34
1,100,000	Credit Agricole 7.375% 2023	1,116	0.41
674,000	Credit Suisse 2.125% fixed to floating 2025	609	0.23
1,312,000	Credit Suisse 7.75% 2026	1,329	0.49
1,574,000	Danske Bank 2.25% fixed to floating 2028	1,369	0.51
908,000	Danske Bank 4.625% fixed to floating 2027	889	0.33
1,400,000	Deutsche Bank 2.625% 2024	1,318	0.49

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,200,000	Deutsche Bank 4% fixed to floating 2026	1,141	0.42
1,300,000	Eversholt Funding 6.359% 2025	1,330	0.49
1,080,000	FirstGroup 6.875% 2024	1,081	0.40
1,488,000	Hammerson REIT 3.5% 2025	1,331	0.49
1,162,000	Hammerson REIT 6% 2026	1,097	0.41
686,000	Heathrow Funding 6.75% 2026	710	0.26
546,000	HSBC 2.256% fixed to floating 2026	498	0.18
1,200,000	Landesbank Baden-Wuerttemberg 1.125% 2025	1,073	0.40
1,627,000	Lloyds Bank Corporate Markets 1.75% 2024	1,551	0.58
1,300,000	Lloyds Banking 2.25% 2024	1,237	0.46
3,150,000	Metrocentre Finance REIT 8.75% 2023	1,312	0.49
1,000,000	Metropolitan Life Global Funding I 3.5% 2026	953	0.35
1,018,000	Morgan Stanley 2.625% 2027	926	0.34
1,286,000	National Grid Electricity Distribution 3.625% 2023	1,271	0.47
656,000	Nationwide Building Society 6.178% fixed to floating 2027	668	0.25
1,239,000	Pacific National Finance 5% 2023	1,225	0.45
1,200,000	Petroleos Mexicanos 3.75% 2025	1,078	0.40
1,602,000	Royal Bank of Canada 3.625% June 2027	1,509	0.56
1,659,000	Santander UK 3.625% 2026	1,568	0.58
2,392,000	Santander UK 7.098% fixed to floating 2027	2,465	0.91
1,900,000	Societe Generale 1.875% 2024	1,801	0.67
889,000	Southern Water Services Finance 1.625% 2027	764	0.28
1,961,000	Telereal Securitisation 4.9741% 2027	858	0.32
1,230,000	Thames Water Utilities Finance 3.5% 2028	1,130	0.42
600,000	Toronto-Dominion Bank 2.875% 2027	549	0.20
922,000	Virgin Money UK 3.125% fixed to floating 2025	882	0.33
500,000	Virgin Money UK 4% fixed to floating 2026	473	0.18
1,400,000	Volkswagen Financial Services 1.875% 2024	1,315	0.49
1,200,000	Volkswagen Financial Services 3.25% 2027	1,096	0.41
1,000,000	Volkswagen International Finance 3.375% 2026	926	0.34
1,751,000	Westfield Stratford City Finance No 2 1.642% 2026	1,519	0.56
between 5 and 10 years to maturity			
685,000	Anglian Water Osprey Financing 2% 2028	544	0.20
1,027,000	Annington Funding 2.308% 2032	746	0.28
2,215,000	Annington Funding 3.184% 2029	1,858	0.69

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,000,000	APA Infrastructure 3.125% 2031	812	0.30
1,000,000	APA Infrastructure 3.5% 2030	859	0.32
823,000	Arqiva Financing 4.882% 2032	522	0.19
1,200,000	Arqiva Financing 5.34% 2030	1,138	0.42
555,000	Assura Financing REIT 1.5% 2030	421	0.16
1,026,000	Assura Financing REIT 3% 2028	907	0.34
2,800,000	Banco Santander 2.25% fixed to floating 2032	2,287	0.85
1,166,000	Bank of America 3.584% fixed to floating 2031	1,036	0.38
2,400,000	Bank of America 7% 2028	2,584	0.96
750,000	Barclays 3.25% 2033	600	0.22
1,291,000	Barclays 6.369% fixed to floating 2031	1,297	0.48
813,000	Barclays 8.407% fixed to floating 2032	851	0.32
857,000	Berkeley 2.5% 2031	607	0.23
277,000	Blackstone Property Partners Europe 4.875% 2032	225	0.08
1,000,000	BNP Paribas 1.25% 2031	716	0.27
1,300,000	BNP Paribas 2% fixed to floating 2031	1,126	0.42
1,100,000	BPCE 2.5% fixed to floating 2032	905	0.34
800,000	BPCE 5.25% 2029	754	0.28
750,000	Broadgate Financing 4.999% 2031	718	0.27
1,357,000	Cadent Finance 2.125% 2028	1,147	0.43
1,035,000	Canary Wharf Finance II 6.455% 2030	148	0.06
1,250,000	CPUK Finance 3.69% 2028	1,087	0.40
780,000	Credit Suisse 2.125% fixed to floating 2029	572	0.21
2,984,000	Credit Suisse 2.25% fixed to floating 2028	2,346	0.87
2,200,000	Deutsche Bank 1.875% fixed to floating 2028	1,795	0.67
1,400,000	Deutsche Bank 6.125% fixed to floating 2030	1,365	0.51
642,000	Digital Stout REIT 3.3% 2029	549	0.20
1,304,000	E.ON International Finance 6.25% 2030	1,362	0.51
1,036,000	E.ON International Finance 6.375% 2032	1,105	0.41
1,385,000	Enel Finance International 2.875% 2029	1,195	0.44
1,109,000	Grainger 3% 2030	869	0.32
900,000	Great Rolling Stock 6.5% 2031	700	0.26
300,000	Hammerson REIT 7.25% 2028	287	0.11
2,040,000	Heathrow Funding 2.625% 2028	1,696	0.63
1,072,000	HSBC 2.625% 2028	934	0.35
1,492,000	HSBC 3% fixed to floating 2030	1,272	0.47

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
700,000	ING 1.125% fixed to floating 2028	571	0.21
792,000	Land Securities Capital Markets REIT 2.399% 2029	686	0.25
3,133,000	Lloyds Banking 1.985% fixed to floating 2031	2,673	0.99
1,000,000	London & Quadrant Housing Trust 2% 2032	767	0.28
700,000	Meadowhall Finance 4.986% 2032	354	0.13
2,987,000	National Australia Bank 1.699% fixed to floating 2031	2,496	0.93
2,387,000	National Grid Electricity Distribution West Midlands 5.75% 2032	2,438	0.90
1,168,000	NATS (En Route) 1.375% 2031	987	0.37
1,270,000	NatWest 2.057% fixed to floating 2028	1,082	0.40
1,235,000	NatWest 2.105% fixed to floating 2031	1,047	0.39
1,063,000	NatWest 3.619% fixed to floating 2029	953	0.35
927,000	NatWest 3.622% fixed to floating 2030	866	0.32
413,000	NewRiver REIT 3.5% 2028	355	0.13
432,000	NIE Finance 5.875% 2032	451	0.17
1,200,000	Nordea Bank 1.625% fixed to floating 2032	974	0.36
593,000	Northumbrian Water Finance 4.5% 2031	560	0.21
718,000	Notting Hill Genesis 3.75% 2032	638	0.24
1,009,000	Pension Insurance 3.625% 2032	772	0.29
982,000	Pension Insurance 5.625% 2030	895	0.33
727,000	Prologis International Funding II 2.75% 2032	600	0.22
340,000	Quadrant Housing Finance 7.93% 2033	300	0.11
1,300,000	Telefonica Emisiones 5.445% 2029	1,299	0.48
999,000	Telereal Secured Finance 4.01% 2031	539	0.20
303,000	Telereal Securitisation 1.3657% 2031	205	0.08
500,000	Telereal Securitisation FRN 2031	428	0.16
1,231,000	Tesco Corporate Treasury Services 1.875% 2028	1,024	0.38
1,607,000	Time Warner Cable 5.75% 2031	1,535	0.57
2,236,000	UBS 1.875% fixed to floating 2029	1,847	0.69
600,000	Unite REIT 3.5% 2028	527	0.20
2,463,000	Virgin Money UK 2.625% fixed to floating 2031	2,086	0.77
980,000	Virgin Money UK 7.875% fixed to floating 2028	981	0.36
2,200,000	Volkswagen Financial Services 1.375% 2028	1,759	0.65
1,500,000	Welltower REIT 4.8% 2028	1,418	0.53
2,500,000	Workspace REIT 2.25% 2028	1,907	0.71
387,000	Yorkshire Building Society 3.511% fixed to floating 2030	334	0.12
971,000	Yorkshire Water Finance 1.75% 2032	710	0.26

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
between 10 and 15 years to maturity			
1,130,000	Aviva 6.125% fixed to floating 2036	1,130	0.42
199,000	BAT International Finance 6% 2034	178	0.07
557,000	Bazalgette Finance 2.75% 2034	441	0.16
700,000	Broadgate Financing 4.821% 2033	673	0.25
2,675,000	Broadgate Financing 5.098% 2033	2,162	0.80
660,000	Canary Wharf Finance II 5.952% 2035	678	0.25
700,000	Centrica 7% 2033	769	0.29
1,078,000	DWR Cymru Financing UK 2.375% 2034	789	0.29
466,000	Eastern Power Networks 2.125% 2033	352	0.13
1,300,000	Enel 5.75% 2037	1,288	0.48
1,500,000	Eversholt Funding 6.697% 2035	1,329	0.49
1,046,000	Gatwick Funding 4.625% 2034	950	0.35
400,000	Gatwick Funding 5.75% 2037	389	0.14
1,413,000	GlaxoSmithKline Capital 5.25% 2033	1,472	0.55
600,000	Goldman Sachs 6.875% 2038	642	0.24
500,000	Land Securities Capital Markets REIT 2.625% 2037	369	0.14
800,000	Lloyds Banking 2.707% fixed to floating 2035	611	0.23
875,000	Lloyds Banking 6.625% fixed to floating 2033	870	0.32
743,000	London & Quadrant Housing Trust 4.625% 2033	705	0.26
700,000	Metropolitan Housing Trust 1.875% 2036	468	0.17
1,252,000	Morgan Stanley 5.789% fixed to floating 2033	1,257	0.47
1,602,000	Morhomes 3.4% 2038	1,262	0.47
624,000	NatWest 7.416% fixed to floating 2033	636	0.24
719,000	Northumbrian Water Finance 6.375% 2034	771	0.29
1,500,000	Octagon Healthcare Funding 5.333% 2035	1,104	0.41
800,000	Optivo Finance 2.857% 2035	618	0.23
800,000	Orange 5.625% 2034	826	0.31
1,471,000	Paragon Treasury 2% 2036	1,019	0.38
1,231,000	Realty Income REIT 1.75% 2033	878	0.33
872,000	Scottish Hydro Electric Transmission 2.25% 2035	630	0.23
368,000	Severn Trent Utilities Finance 4.625% 2034	348	0.13
625,000	South Eastern Power Networks 1.75% 2034	443	0.16
810,000	Southern Housing 2.375% 2036	580	0.22
1,959,000	Southern Water Services Finance 3% 2037	1,411	0.52
418,000	Telereal Securitisation 1.9632% fixed to floating 2033	372	0.14

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
355,000	Thames Water Utilities Finance 4.375% 2034	319	0.12
1,500,000	Thames Water Utilities Finance 5.125% 2037	1,400	0.52
700,000	Transport for London 5% 2035	679	0.25
1,500,000	Verizon Communications 3.125% 2035	1,182	0.44
1,584,000	Verizon Communications 4.75% 2034	1,505	0.56
1,800,000	WalMart 5.625% 2034	1,969	0.73
476,000	Yorkshire Water Finance 5.5% 2035	472	0.17
between 15 and 25 years to maturity			
800,000	America Movil 4.375% 2041	676	0.25
1,645,000	Aspire Defence Finance 4.674% 2040	1,280	0.47
1,975,000	AT&T 4.25% 2043	1,570	0.58
700,000	AT&T 4.875% 2044	602	0.22
1,300,000	AT&T 7% 2040	1,429	0.53
500,000	BAT International Finance 5.75% 2040	410	0.15
1,110,000	Blend Funding 3.459% 2047	829	0.31
700,000	BPHA Finance 4.816% 2044	654	0.24
398,000	British Telecommunications 5.75% 2041	374	0.14
1,000,000	Cadent Finance 2.625% 2038	679	0.25
884,000	Channel Link Enterprises Finance 6.341% 2046	676	0.25
1,100,000	Connect Plus M25 Issuer 2.607% 2039	795	0.30
1,550,000	E.ON International Finance 6.125% 2039	1,599	0.59
500,000	E.ON International Finance 6.75% 2039	548	0.20
1,500,000	EDF 5.5% 2041	1,375	0.51
1,353,000	Eversholt Funding 2.742% 2040	961	0.36
1,554,000	Eversholt Funding 3.529% 2042	1,139	0.42
550,000	Futures Treasury 3.375% 2044	416	0.15
1,000,000	GlaxoSmithKline Capital 6.375% 2039	1,134	0.42
1,953,000	Heathrow Funding 4.625% 2046	1,628	0.60
1,700,000	HSBC 6% 2040	1,557	0.58
800,000	London & Quadrant Housing Trust 5.486% 2042	787	0.29
738,000	McDonald's 3.75% 2038	622	0.23
1,736,000	Motability Operations 2.375% 2039	1,229	0.46
1,140,000	Northumbrian Water Finance 5.125% 2042	1,073	0.40
542,000	Ørsted 5.75% 2040	559	0.21
532,000	Prologis International Funding II 3% 2042	379	0.14
1,200,000	RL Finance No 2 6.125% fixed to floating 2043	1,191	0.44

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,275,000	RMPA Services 5.337% 2038	859	0.32
790,000	Segro REIT 5.125% 2041	757	0.28
653,000	Severn Trent Utilities Finance 2% 2040	412	0.15
1,700,000	SSE 6.25% 2038	1,787	0.66
900,000	TC Dudgeon Ofco 3.158% 2038	693	0.26
3,700,000	Tesco Property Finance 4 5.8006% 2040	3,342	1.24
1,414,000	Thames Water Utilities Finance 5.5% 2041	1,350	0.50
709,000	United Utilities Water Finance 1.875% 2042	427	0.16
551,000	Wheatley Capital 4.375% 2044	484	0.18
750,000	Yorkshire Housing Finance 4.125% 2044	618	0.23
greater than 25 years to maturity			
451,000	AA Bond 5.5% 2050	409	0.15
655,000	Aviva 4% fixed to floating 2055	513	0.19
1,300,000	Aviva 4.375% fixed to floating 2049	1,151	0.43
1,400,000	Aviva 5.125% fixed to floating 2050	1,278	0.47
374,000	BAT International Finance 4% 2055	212	0.08
511,000	Blend Funding 2.922% 2054	325	0.12
1,213,000	Blend Funding 3.508% 2059	851	0.32
550,000	Bromford Housing 3.125% 2048	387	0.14
700,000	Channel Link Enterprises Finance 3.043% fixed to floating 2050	591	0.22
750,000	EDF 5.125% 2050	639	0.24
2,000,000	EDF 5.625% 2053	1,820	0.68
1,000,000	EDF 6% 2114	920	0.34
1,053,000	Gatwick Funding 2.875% 2049	636	0.24
700,000	Gatwick Funding 3.25% 2048	461	0.17
1,815,000	Hexagon Housing Association 3.625% 2048	1,321	0.49
750,000	Hyde Housing Association 1.75% 2055	359	0.13
1,486,000	Income Contingent Student Loans 2 2007-2009 2.5% 2058	931	0.35
429,000	Incommunities Treasury 3.25% 2049	314	0.12
351,000	Legal & General 3.75% fixed to floating 2049	296	0.11
420,000	Legal & General 4.5% fixed to floating 2050	366	0.14
2,400,000	M&G 5.56% fixed to floating 2055	2,058	0.76
2,404,000	NGG Finance 5.625% fixed to floating 2073	2,338	0.87
850,000	Northern Powergrid Northeast 1.875% 2062	413	0.15
389,000	Northern Powergrid Northeast 3.25% 2052	277	0.10
1,300,000	Optivo Finance 3.283% 2048	903	0.33

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,196,000	Ørsted 2.5% fixed to floating 3021	818	0.30
626,000	Paragon Mortgages No 25 FRN 2050 'C'	624	0.23
1,143,000	Peabody Capital No 2 4.625% 2053	1,009	0.37
1,161,000	Penarian Housing Finance 3.212% 2052	823	0.31
1,000,000	RL Finance No 4 4.875% fixed to floating 2049	758	0.28
434,000	Sovereign Housing Capital 2.375% 2048	261	0.10
500,000	University of Cambridge 2.35% 2078	287	0.11
600,000	University of Cambridge 3.75% 2052	517	0.19
890,000	Vattenfall 2.5% fixed to floating 2083	737	0.27
900,000	Vodafone 3% 2056	516	0.19
919,000	Vodafone 3.375% 2049	604	0.22
1,014,000	Vodafone 5.125% 2052	889	0.33
887,000	Wellcome Trust 2.517% 2118	482	0.18
653,000	Wrekin Housing 2.5% 2048	395	0.15
1,155,000	Zurich Finance Ireland Designated Activity 5.125% fixed to floating 2052	1,048	0.39
Perpetual			
2,100,000	Assicurazioni Generali 6.269% fixed to floating Perpetual	2,077	0.77
598,000	AXA 5.453% fixed to floating Perpetual	592	0.22
1,500,000	BP Capital Markets 4.25% fixed to floating Perpetual	1,355	0.50
1,881,000	Credit Agricole 7.5% fixed to floating Perpetual	1,858	0.69
700,000	EDF 5.875% fixed to floating Perpetual	592	0.22
700,000	HSBC Bank Capital Funding Sterling 1 5.844% fixed to floating Perpetual	713	0.26
1,000,000	Lloyds Banking 8.5% fixed to floating Perpetual	1,004	0.37
878,000	Nationwide Building Society 5.75% fixed to floating Perpetual	793	0.29
<b>Government Bonds (1.39%)</b>		<b>4,890</b>	<b>1.81</b>
between 5 and 10 years to maturity			
1,300,000	UK (Govt of) 6% 2028	1,451	0.54
between 10 and 15 years to maturity			
1,000,000	UK (Govt of) 4.5% 2034	1,058	0.39
between 15 and 25 years to maturity			
2,036,600	UK (Govt of) 3.25% 2044	1,775	0.66
600,000	UK (Govt of) 4.25% 2046	606	0.22

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>US Dollar Denominated Bonds (1.99%)</b>		<b>6,043</b>	<b>2.24</b>
<b>Corporate Bonds (1.99%)</b>		<b>6,043</b>	<b>2.24</b>
between 10 and 15 years to maturity			
498,000	Omega Healthcare Investors REIT 3.25% 2033	294	0.11
Perpetual			
1,900,000	Australia & New Zealand Banking FRN Perpetual	1,151	0.43
2,725,000	BNP Paribas 7.75% fixed to floating Perpetual	2,286	0.85
1,900,000	Standard Chartered 7.014% fixed to floating Perpetual	1,605	0.59
1,200,000	Westpac Banking FRN Perpetual	707	0.26
<b>Collective Investment Schemes (1.28%)</b>		<b>2,805</b>	<b>1.04</b>
2,805	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc+	2,805	1.04
<b>Derivatives (0.03%)</b>		<b>6</b>	<b>-</b>
<b>Forward Currency Contracts (0.00%)</b>		<b>37</b>	<b>0.01</b>
	Buy GBP 143,251 Sell EUR 160,695 16/05/2023	2	-
	Buy GBP 1,506,435 Sell EUR 1,689,717 16/05/2023	22	0.01
	Buy GBP 6,253,831 Sell USD 7,565,414 16/05/2023	14	-
	Buy USD 163,515 Sell GBP 136,329 16/05/2023	(1)	-
<b>Futures (0.03%)</b>		<b>(31)</b>	<b>(0.01)</b>
61	Long Long Gilt Future 28/06/2023	(27)	(0.01)
19	Long US 5 Year Note (CBT) Future 30/06/2023	(4)	-
Total investment assets and liabilities		267,600	99.27
Net other assets		1,962	0.73
<b>Total Net Assets</b>		<b>269,562</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities, or regulated collective investment schemes within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 28 February 2022.

+ Managed by subsidiaries of abrdn plc.

# Financial Statements

## Statement of Total Return

For the year ended 28 February 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(52,292)		(20,009)
Revenue	2	10,838		10,055	
Expenses	3	(1,972)		(2,308)	
Interest payable and similar charges		(3)		(1)	
Net revenue before taxation		8,863		7,746	
Taxation	4	-		-	
Net revenue after taxation			8,863		7,746
<b>Total return before distributions</b>			<b>(43,429)</b>		<b>(12,263)</b>
Distributions	5		(8,863)		(7,746)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(52,292)</b>		<b>(20,009)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2023

	2023		2022	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>294,217</b>		<b>337,802</b>
Amounts receivable on the issue of shares	68,282		20,643	
Amounts payable on the cancellation of shares	(47,205)		(48,789)	
		21,077		(28,146)
Dilution adjustment		287		70
Change in net assets attributable to shareholders from investment activities (see above)		(52,292)		(20,009)
Retained distribution on accumulation shares		6,269		4,497
Unclaimed distributions		4		3
<b>Closing net assets attributable to shareholders</b>		<b>269,562</b>		<b>294,217</b>

# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			267,632		291,873
<b>Current assets:</b>					
Debtors	6	4,650		3,987	
Cash and bank balances	7	341		273	
			4,991		4,260
<b>Total assets</b>			<b>272,623</b>		<b>296,133</b>
<b>Liabilities:</b>					
Investment liabilities			(32)		(47)
Creditors	8	(2,416)		(1,144)	
Distribution payable		(613)		(725)	
			(3,029)		(1,869)
<b>Total liabilities</b>			<b>(3,061)</b>		<b>(1,916)</b>
<b>Net assets attributable to shareholders</b>			<b>269,562</b>		<b>294,217</b>

# Notes to the Financial Statements

## 1 Net Capital Losses

	2023 £'000	2022 £'000
Non-derivative securities	(51,271)	(19,767)
Derivative contracts	(133)	(202)
Forward currency contracts	(863)	(145)
Other (losses)/gains	(18)	111
Transaction charges	(7)	(6)
<b>Net capital losses</b>	<b>(52,292)</b>	<b>(20,009)</b>

## 2 Revenue

	2023 £'000	2022 £'000
Bank and margin interest	80	3
Derivative revenue	3	-
Interest on debt securities	10,755	10,052
<b>Total revenue</b>	<b>10,838</b>	<b>10,055</b>

## 3 Expenses

	2023 £'000	2022 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	1,769	2,055
Dealing charge	19	30
General administration charge*	165	85
Registration fees**	-	91
	<b>1,953</b>	<b>2,261</b>
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Depositary's fees**	-	19
Safe custody fees	19	22
	<b>19</b>	<b>41</b>

# Notes to the Financial Statements

## Continued

	2023	2022
	£'000	£'000
<b>Other:</b>		
Audit fee**	-	6
	-	6
<b>Total expenses</b>	<b>1,972</b>	<b>2,308</b>

Irrecoverable VAT is included in the above expenses, where relevant.

\* The fixed general administration charge was introduced from 1 September 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 £13,500 (2022: £12,540).

\*\* These figures represent the charges to 31 August 2021, which have now been replaced by the fixed general administration charge.

## 4 Taxation

	2023	2022
	£'000	£'000
<b>(a) Analysis of charge in year</b>		
<b>Total taxation (note 4b)</b>	<b>-</b>	<b>-</b>

### (b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2022: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

<b>Net revenue before taxation</b>	<b>8,863</b>	<b>7,746</b>
Corporation tax at 20% (2022: 20%)	1,773	1,549
Effects of:		
Distributions treated as tax deductible	(1,773)	(1,549)
<b>Total tax charge for year (note 4a)</b>	<b>-</b>	<b>-</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

### (c) Factors that may affect future tax charge

At the year end there are no surplus expenses and therefore no deferred tax asset in the current or prior year.

# Notes to the Financial Statements

## Continued

### 5 Distributions

	2023 £'000	2022 £'000
First interim distribution	2,107	2,010
Second interim distribution	2,131	1,889
Third interim distribution	2,327	1,978
Final distribution	2,346	1,804
	8,911	7,681
Add: Income deducted on cancellation of shares	184	137
Deduct: Income received on issue of shares	(232)	(72)
<b>Total distributions for the year</b>	<b>8,863</b>	<b>7,746</b>

Details of the distribution per share are set out in this fund's distribution tables.

### 6 Debtors

	2023 £'000	2022 £'000
Accrued revenue	4,359	3,936
Amounts receivable from the ACD for the issue of shares	34	51
Sales awaiting settlement	257	-
<b>Total debtors</b>	<b>4,650</b>	<b>3,987</b>

### 7 Liquidity

	2023 £'000	2022 £'000
<b>Cash and bank balances</b>		
Cash at bank	2	67
Cash at broker	339	206
	<b>341</b>	<b>273</b>
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund*	2,805	3,753
<b>Net liquidity</b>	<b>3,146</b>	<b>4,026</b>

\* Although reflected in the investment assets figure, liquidity funds are used by the fund as a liquidity vehicle and commonly reflects collateral held by the fund. Therefore, the ACD considers the net liquidity position of the fund as the aggregate of cash at bank and in hand, bank overdrafts and liquidity fund positions.

# Notes to the Financial Statements

## Continued

### 8 Creditors

	2023 £'000	2022 £'000
Accrued expenses payable to ACD	148	163
Accrued expenses payable to the Depositary or associates of the Depositary	7	5
Amounts payable to the ACD for cancellation of shares	1,107	224
Other accrued expenses	6	6
Purchases awaiting settlement	1,148	746
<b>Total creditors</b>	<b>2,416</b>	<b>1,144</b>

### 9 Related Party Transactions

abrtn Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to abrtn Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to abrtn Fund Managers Limited, in respect of expenses are disclosed in note 3 and any amounts due at the year end in note 8.

### 10 Portfolio Transaction Costs

There are no transaction costs associated with the purchases or sales of bonds during the year, or in the prior year.

Bonds are dealt on a spread agreed between buyer and seller with reference to the expected cashflows and current credit profiles.

Derivatives are dealt on a spread agreed between buyer and seller with reference to the underlying investment.

	Purchases		Sales	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Trades in the year</b>				
Bonds	107,076	73,802	77,939	95,422
<b>Trades in the year before transaction costs</b>	<b>107,076</b>	<b>73,802</b>	<b>77,939</b>	<b>95,422</b>
<b>Total net trades in the year after transaction costs</b>	<b>107,076</b>	<b>73,802</b>	<b>77,939</b>	<b>95,422</b>

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.80% (2022: 0.75%), this is representative of the average spread on the assets held during the year.

# Notes to the Financial Statements

## Continued

### 11 Shares in Issue Reconciliation

	Opening shares 2022	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2023
Retail accumulation	45,326,446	511,826	(5,949,880)	(509,394)	39,378,998
Retail income	35,821,496	23,407	(4,199,943)	(948,895)	30,696,065
Institutional accumulation	50,398,363	38,716,132	(4,105,282)	170,613	85,179,826
Institutional income	62,947,170	3,901,728	(11,704,708)	421,580	55,565,770
Institutional regulated accumulation	293,918	-	(24,877)	-	269,041
Institutional S accumulation	25,008	-	(24,808)	-	200
Institutional S income	75,845,024	108,933	(41,465,154)	(142,434)	34,346,369
Platform 1 accumulation	21,265,586	1,908,221	(4,347,314)	729,186	19,555,679
Platform 1 income	17,930,870	561,481	(3,582,288)	666,578	15,576,641
ZC accumulation	259,555	15,051	(563)	-	274,043
ZA income	6,224,214	-	(271,385)	-	5,952,829
ZB accumulation	1,965,053	198,807	(99,172)	-	2,064,688

### 12 Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2023 £'000	2023 £'000	2023 £'000	2022 £'000	2022 £'000	2022 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Bonds	4,890	259,899	-	4,087	283,899	-
Collective Investment Schemes	-	2,805	-	-	3,753	-
Derivatives	-	38	-	105	29	-
<b>Total investment assets</b>	<b>4,890</b>	<b>262,742</b>	<b>-</b>	<b>4,192</b>	<b>287,681</b>	<b>-</b>
<b>Fair value of investment liabilities</b>						
Derivatives	(31)	(1)	-	(24)	(23)	-
<b>Total investment liabilities</b>	<b>(31)</b>	<b>(1)</b>	<b>-</b>	<b>(24)</b>	<b>(23)</b>	<b>-</b>

# Notes to the Financial Statements

## Continued

### 13 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

#### Foreign currency risk

The fund's net exposure to foreign currencies (including any instruments used to hedge against foreign currencies) is not significant. Therefore, the financial statements are not subject to any significant risk of currency movements. This is consistent with the exposure during the prior year.

#### Interest rate risk

Interest rate risk is an unfavourable change in interest rates that can affect the price of a security, which in turn results in the portfolio experiencing a loss. Interest rate changes not only affect fixed income products but have material impacts on funding arrangements and other asset types.

The following table shows separately the value of investments at fixed interest rates, at variable rates and those that are non-interest bearing instruments.

The interest rate risk profile of the fund's investments at the year end consists of:

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>2023</b>				
<b>Currency</b>				
UK Sterling	6,369	253,942	9,287	269,598
Euro	1	1,580	(1,616)	(35)
US Dollar	1,858	4,185	(6,044)	(1)
<b>Total</b>	<b>8,228</b>	<b>259,707</b>	<b>1,627</b>	<b>269,562</b>

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>2022</b>				
<b>Currency</b>				
UK Sterling	12,556	269,762	11,868	294,186
Euro	1,339	2,426	(3,735)	30
US Dollar	1,234	4,695	(5,928)	1
<b>Total</b>	<b>15,129</b>	<b>276,883</b>	<b>2,205</b>	<b>294,217</b>

#### Other price risk

The fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Adviser in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

# Notes to the Financial Statements

## Continued

### VaR

The table below indicates the VaR of the fund, measured as the maximum one month loss in value from adverse changes in market risk factors (e.g. equity prices, interest rates, inflation rates and foreign currency exchange rates) that is expected with a 99 percent level of confidence. Calculated on this basis, the VaR indicates that the net asset value of the fund could be expected to fall over a one-month period by more than the corresponding VaR in 1% of cases, assuming the fund does not alter its positioning over that period.

2023	Minimum	Maximum	Average
VaR 99% 1 Month	4.31%	7.29%	5.74%
2022	Minimum	Maximum	Average
VaR 99% 1 Month	4.10%	6.59%	5.23%

At the year end date, there was a 1% chance of the portfolio value falling (or rising) more than 6.81%, £18,223,000 (2022: 4.27%, £12,460,000) in a one month period.

This calculation is generally determined by the use of an industry recognised medium term risk model, typically based on 3–5 year history. The method assumes normal market conditions and that the portfolio remains unchanged.

### Counterparty risk

#### Credit quality of debt security investment assets

The following table shows the credit quality of the part of the investment portfolio that is invested in debt securities.

2023	Market value £'000	Percentage of total net assets %
Investment grade securities	254,042	94.24
Below investment grade securities	9,435	3.50
Unrated securities	1,312	0.49
<b>Total value of securities</b>	<b>264,789</b>	<b>98.23</b>
2022	Market value £'000	Percentage of total net assets %
Investment grade securities	270,076	91.79
Below investment grade securities	13,325	4.53
Unrated securities	4,585	1.56
<b>Total value of securities</b>	<b>287,986</b>	<b>97.88</b>

Investment grade information used in the above table is based on credit ratings issued by market vendors.

### Financial derivatives instrument risk

These types of transaction can introduce market exposure greater than the market value of the instrument. These transactions exchange benefits with a third party at a future date creating both counterparty and concentration risk. The Investment Adviser's policies for managing these risks are outlined in the fund's prospectus.

# Notes to the Financial Statements

## Continued

At the balance sheet date the fund had the following exposures:

	2023		2022	
	Market exposure £'000	Market value £'000	Market exposure £'000	Market value £'000
<b>Leveraged instruments</b>				
Forward currency contracts	8,000	37	11,060	6
Futures	7,778	(31)	16,149	81
<b>Total market exposure</b>	<b>15,778</b>	<b>6</b>	<b>27,209</b>	<b>87</b>

The total market exposure is the sum of the notional derivative contracts on a gross basis with no offsetting.

The fund uses the commitment method to calculate global exposure. Leverage is not significant in this context.

### Counterparty risk

Where the fund enters market transactions this creates concentration risk where a clearing broker operates on an exchange. Where the clearing broker is not solvent the market exposure can be transferred. Exposure is reduced by the daily exchange of margin by both parties held in the name of the depositary. At the year end the fund had the following clearing broker exposure.

2023	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
<b>Broker or exchange exposure</b>					
Goldman Sachs	(31)	339	-	308	0.11
	<b>(31)</b>	<b>339</b>	<b>-</b>	<b>308</b>	<b>0.11</b>

2022	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
<b>Broker or exchange exposure</b>					
Goldman Sachs	81	206	-	287	0.10
	<b>81</b>	<b>206</b>	<b>-</b>	<b>287</b>	<b>0.10</b>

### Bilateral agreements

Where the fund enters bilateral agreements this introduces counterparty risk. Where a counterparty defaults on their obligation, exposure is reduced by the collateral held/pledged by both parties.

Certain derivatives are conducted on a master ISDA (International Swaps and Derivatives Association) agreement. Positions are collateralised daily in line with the agreement including a right of termination at fair value and a right of recall/substitution on any stock collateral within 24 hours.

# Notes to the Financial Statements

## Continued

At the balance sheet date the fund had the following positions.

2023 Counterparties	Forwards £'000	Collateral (held)/pledged		Net exposure £'000
		Cash £'000	Stock £'000	
Bank of America Merrill Lynch	(1)	-	-	(1)
Citigroup	22	-	-	22
JP Morgan	14	-	-	14
Royal Bank of Canada	2	-	-	2
<b>Total</b>	<b>37</b>	<b>-</b>	<b>-</b>	<b>37</b>

Collateral positions for Swaps are aggregated, not at individual trade level.

The Prospectus outlines allowable collateral. There have been no changes in the year.

2022 Counterparties	Forwards £'000	Collateral (held)/pledged		Net exposure £'000
		Cash £'000	Stock £'000	
BNP Paribas	2	-	-	2
Citigroup	3	-	-	3
Deutsche Bank	1	-	-	1
Llyods Bank	1	-	-	1
Standard Chartered	(1)	-	-	(1)
<b>Total</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>6</b>

Collateral positions for Swaps is aggregated, not at individual trade level.

### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2023 £3,061,000 (2022: £1,916,000).

# Distribution Tables

For the year ended 28 February 2023 (in pence per share)

## First interim interest distribution

Group 1 – shares purchased prior to 1 March 2022

Group 2 – shares purchased between 1 March 2022 and 31 May 2022

	Revenue	Equalisation	Distribution paid 29/07/22	Distribution paid 30/07/21
<b>Retail accumulation</b>				
Group 1	0.8950	-	0.8950	0.8741
Group 2	0.5619	0.3331	0.8950	0.8741
<b>Retail income</b>				
Group 1	0.3368	-	0.3368	0.3359
Group 2	0.1454	0.1914	0.3368	0.3359
<b>Institutional accumulation</b>				
Group 1	1.1625	-	1.1625	1.1492
Group 2	0.6962	0.4663	1.1625	1.1492
<b>Institutional income</b>				
Group 1	0.3985	-	0.3985	0.4043
Group 2	0.2737	0.1248	0.3985	0.4043
<b>Institutional regulated accumulation</b>				
Group 1	1.1742	-	1.1742	1.1664
Group 2	1.1742	-	1.1742	1.1664
<b>Institutional S accumulation</b>				
Group 1	0.4787	-	0.4787	0.4742
Group 2	0.4787	-	0.4787	0.4742
<b>Institutional S income</b>				
Group 1	0.3681	-	0.3681	0.3754
Group 2	0.1638	0.2043	0.3681	0.3754
<b>Platform 1 accumulation</b>				
Group 1	0.4789	-	0.4789	0.4735
Group 2	0.2630	0.2159	0.4789	0.4735
<b>Platform 1 income</b>				
Group 1	0.3629	-	0.3629	0.3674
Group 2	0.1780	0.1849	0.3629	0.3674
<b>ZC accumulation</b>				
Group 1	0.7654	-	0.7654	0.7638
Group 2	0.5128	0.2526	0.7654	0.7638

# Distribution Tables

For the year ended 28 February 2023 (in pence per share) continued

	Revenue	Equalisation	Distribution paid 29/07/22	Distribution paid 30/07/21
<b>ZA income</b>				
Group 1	0.3951	-	0.3951	0.4071
Group 2	0.3951	-	0.3951	0.4071
<b>ZB accumulation</b>				
Group 1	0.7896	-	0.7896	0.7929
Group 2	0.1616	0.6280	0.7896	0.7929

# Distribution Tables

For the year ended 28 February 2023 (in pence per share) continued

## Second interim interest distribution

Group 1 – shares purchased prior to 1 June 2022

Group 2 – shares purchased between 1 June 2022 and 31 August 2022

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
<b>Retail accumulation</b>				
Group 1	0.9480	-	0.9480	0.8336
Group 2	0.5005	0.4475	0.9480	0.8336
<b>Retail income</b>				
Group 1	0.3548	-	0.3548	0.3186
Group 2	0.1783	0.1765	0.3548	0.3186
<b>Institutional accumulation</b>				
Group 1	1.2114	-	1.2114	1.1109
Group 2	0.5015	0.7099	1.2114	1.1109
<b>Institutional income</b>				
Group 1	0.4125	-	0.4125	0.3878
Group 2	0.2418	0.1707	0.4125	0.3878
<b>Institutional regulated accumulation</b>				
Group 1	1.2162	-	1.2162	1.1347
Group 2	1.2162	-	1.2162	1.1347
<b>Institutional S accumulation</b>				
Group 1	0.4974	-	0.4974	0.4597
Group 2	0.4974	-	0.4974	0.4597
<b>Institutional S income</b>				
Group 1	0.3788	-	0.3788	0.3617
Group 2	0.1950	0.1838	0.3788	0.3617
<b>Platform 1 accumulation</b>				
Group 1	0.5000	-	0.5000	0.4568
Group 2	0.2717	0.2283	0.5000	0.4568
<b>Platform 1 income</b>				
Group 1	0.3762	-	0.3762	0.3523
Group 2	0.1758	0.2004	0.3762	0.3523
<b>ZC accumulation</b>				
Group 1	0.7867	-	0.7867	0.7460
Group 2	0.5212	0.2655	0.7867	0.7460

# Distribution Tables

For the year ended 28 February 2023 (in pence per share) continued

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
<b>ZA income</b>				
Group 1	0.4020	-	0.4020	0.3961
Group 2	0.4020	-	0.4020	0.3961
<b>ZB accumulation</b>				
Group 1	0.8102	-	0.8102	0.7759
Group 2	0.8102	-	0.8102	0.7759

# Distribution Tables

For the year ended 28 February 2023 (in pence per share) continued

## Third interim interest distribution

Group 1 – shares purchased prior to 1 September 2022

Group 2 – shares purchased between 1 September 2022 and 30 November 2022

	Revenue	Equalisation	Distribution paid 31/01/23	Distribution paid 31/01/22
<b>Retail accumulation</b>				
Group 1	1.0474	-	1.0474	0.9130
Group 2	0.1773	0.8701	1.0474	0.9130
<b>Retail income</b>				
Group 1	0.3894	-	0.3894	0.3474
Group 2	0.1841	0.2053	0.3894	0.3474
<b>Institutional accumulation</b>				
Group 1	1.3036	-	1.3036	1.1946
Group 2	0.6106	0.6930	1.3036	1.1946
<b>Institutional income</b>				
Group 1	0.4404	-	0.4404	0.4148
Group 2	0.2630	0.1774	0.4404	0.4148
<b>Institutional regulated accumulation</b>				
Group 1	1.2955	-	1.2955	1.2116
Group 2	1.2955	-	1.2955	1.2116
<b>Institutional S accumulation</b>				
Group 1	0.5280	-	0.5280	0.4921
Group 2	0.5280	-	0.5280	0.4921
<b>Institutional S income</b>				
Group 1	0.4008	-	0.4008	0.3855
Group 2	0.1819	0.2189	0.4008	0.3855
<b>Platform 1 accumulation</b>				
Group 1	0.5394	-	0.5394	0.4918
Group 2	0.1915	0.3479	0.5394	0.4918
<b>Platform 1 income</b>				
Group 1	0.4029	-	0.4029	0.3774
Group 2	0.2229	0.1800	0.4029	0.3774
<b>ZC accumulation</b>				
Group 1	0.8271	-	0.8271	0.7909
Group 2	0.3386	0.4885	0.8271	0.7909

# Distribution Tables

For the year ended 28 February 2023 (in pence per share) continued

	Revenue	Equalisation	Distribution paid 31/01/23	Distribution paid 31/01/22
<b>ZA income</b>				
Group 1	0.4175	-	0.4175	0.4151
Group 2	0.4175	-	0.4175	0.4151
<b>ZB accumulation</b>				
Group 1	0.8491	-	0.8491	0.8169
Group 2	0.8491	-	0.8491	0.8169

# Distribution Tables

For the year ended 28 February 2023 (in pence per share) continued

## Final interest distribution

Group 1 – shares purchased prior to 1 December 2022

Group 2 – shares purchased between 1 December 2022 and 28 February 2023

	Revenue	Equalisation	Distribution paid 30/04/23	Distribution paid 29/04/22
<b>Retail accumulation</b>				
Group 1	1.0993	-	1.0993	0.8586
Group 2	0.5042	0.5951	1.0993	0.8586
<b>Retail income</b>				
Group 1	0.4057	-	0.4057	0.3251
Group 2	0.3422	0.0635	0.4057	0.3251
<b>Institutional accumulation</b>				
Group 1	1.3677	-	1.3677	1.1307
Group 2	0.7374	0.6303	1.3677	1.1307
<b>Institutional income</b>				
Group 1	0.4581	-	0.4581	0.3902
Group 2	0.1859	0.2722	0.4581	0.3902
<b>Institutional regulated accumulation</b>				
Group 1	1.3592	-	1.3592	1.1474
Group 2	1.3592	-	1.3592	1.1474
<b>Institutional S accumulation</b>				
Group 1	0.5150	-	0.5150	0.5009
Group 2	0.5150	-	0.5150	0.5009
<b>Institutional S income</b>				
Group 1	0.4167	-	0.4167	0.3628
Group 2	0.0635	0.3532	0.4167	0.3628
<b>Platform 1 accumulation</b>				
Group 1	0.5661	-	0.5661	0.4656
Group 2	0.2587	0.3074	0.5661	0.4656
<b>Platform 1 income</b>				
Group 1	0.4192	-	0.4192	0.3547
Group 2	0.2121	0.2071	0.4192	0.3547
<b>ZC accumulation</b>				
Group 1	0.8677	-	0.8677	0.7525
Group 2	0.5561	0.3116	0.8677	0.7525

# Distribution Tables

For the year ended 28 February 2023 (in pence per share) continued

	Revenue	Equalisation	Distribution paid 30/04/23	Distribution paid 29/04/22
<b>ZA income</b>				
Group 1	0.4336	-	0.4336	0.3921
Group 2	0.4336	-	0.4336	0.3921
<b>ZB accumulation</b>				
Group 1	0.8906	-	0.8906	0.7776
Group 2	0.4963	0.3943	0.8906	0.7776

## 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 Corporate Bond Fund

For the year ended 28 February 2023

## Investment Objective

To generate income and some growth over the long term (5 years or more) by investing in Sterling-denominated investment grade corporate bonds.

Performance Target: To exceed the IA Sterling Corporate bond Sector Average return (after charges) over 1 year 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.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the sector.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 60% in Sterling denominated investment grade corporate bonds.
- The fund may also invest in bonds issued anywhere in the world by governments and corporations, including sub-sovereigns, sub-investment grade, inflation-linked, convertible, asset backed and mortgage backed bonds. The fund will employ techniques to reduce (hedge) risk related to currency movements on non-Sterling bonds.
- The fund may also invest in other funds (including those managed by abrdrn) and money-market instruments, and cash.

### Management Process

- The management team use their discretion (active management) to identify bonds and derivatives based on analysis of global economic and market conditions (for example, interest rates and inflation) and analysis of a company's prospects and creditworthiness compared to that of the market.
- In seeking to achieve the Performance Target, the iBoxx Sterling Collateralized & Corporates Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 3%. Due to the active nature of the management process, the fund's profile may deviate significantly from the iBoxx Sterling Collateralized & Corporates 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, reduce cost and/or generate extra income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivatives include instruments used to manage expected changes in interest rates, inflation, currencies or creditworthiness of corporations or governments.

## Performance Review

Over the period under review, the fund returned -13.35%. (Source: FactSet, Platform 1 Accumulation, net of fees). This compared to a return of -10.80% for our performance target. (Source: FactSet, the IA Sterling Corporate Bond Sector Average).

Any data contained herein which is attributed to a third party ("Third Party Data") is the property of (a) third party supplier(s) (the "Owner") and is licensed for use by abrdrn\*\*. Third Party Data may not be copied or distributed. Third Party Data is provided "as is" and is not warranted to be accurate, complete or timely. To the extent permitted by applicable law, none of the Owner, abrdrn\*\* or any other third party (including any third party involved in providing and/or compiling Third Party Data) shall have any liability for Third Party Data or for any use made of Third Party Data. Neither the Owner nor any other third party sponsors, endorses or promotes the fund or product to which Third Party Data relates.

\*\*abrdrn means the relevant member of abrdrn group, being abrdrn plc together with its subsidiaries, subsidiary undertakings and associated companies (whether direct or indirect) from time to time.

Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

Companies selected for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.

The fund benefitted from overall duration positioning relative to the index over the period. In terms of individual holdings, we have no holding of Russian issuer Gazprom, which has been subject to sanctions in light of the Ukrainian war. The corporate hybrids of utility EDP performed well. Banks were among the top performers, including Rabobank, Lloyds and Barclays. Conversely, ANZ, Westpac and Deutsche Bank detracted. In property, our Cromwell, holiday resort Center Parcs and shopping centre Metrocentre weighed on returns. An off-benchmark holding of supermarket Morrisons also underperformed.

# abrdn Sterling Corporate Bond Fund

## Continued

### Portfolio Activity and Review

In the primary market, late in the period, we bought attractive new issue banking bonds, including Lloyds' 2033 issue, Deutsche Bank's 2030 bonds and the 2026 bonds of Credit Suisse. We bought an attractive 5 year issue from carmaker Ford. We also bought new issues from water utilities Yorkshire Water and Northumbrian Water.

In the secondary market, we bought Royal Bank of Canada and HSBC. We topped up our holding of National Australia Bank. We also bought a long-dated issue from Southern Housing, which offers good potential for upside. On the sell side, we have sold Rabobank, Nestle and Volkswagen.

### Portfolio Outlook and Strategy

Globally, rates expectations have been re-pricing higher in February in the US and Europe due to robust economic data. Europe will probably avoid a recession this year thanks to the combination of milder winter weather, a sharp drop in gas prices and the reopening of China, an important trading partner for the continent. However, February's data showed inflation no longer slowing, with Europe's and the United States' most recent CPI prints surprising slightly to the upside. While many inflation drivers, like energy prices, are reversing, core inflation has been more persistent due to tighter labour markets and the fundamental strength of global services sectors. For the ECB and the Fed, this means staying in a more hawkish and data dependent mode for the time being, until there is further proof of weakening underlying economic data and further slowing of inflation. For credit markets, stronger underlying economic data are not necessarily negative, given a still strong economy supports the credit quality of corporates and in particular cyclical issuers. Additionally, higher index yield levels have made the asset class more interesting, supporting fund flows and creating an ongoing positive technical that since October last year. In the short-term, we expect credit risk premia to trend sideways and stay range bound.

### Sterling IG Aggregate Team

March 2023

# abrdn Sterling 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 28 February 2023.

The fund is rated as 4 because of the extent to which the following risk factors apply:

- The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- The fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.
- The fund invests in high yielding bonds which carry a greater risk of default than those with lower yields.
- The fund invests in mortgage and asset-backed securities (which may include collateralised loan, debt or mortgage obligations (respectively CLOs, CDOs or CMOs)). These are subject to prepayment and extension risk and additional liquidity and default risk compared to other credit securities.
- Convertible securities are investments that can be changed into another form upon certain triggers. As such, they can exhibit credit, equity and fixed interest risk. Contingent convertible securities (CoCos) are similar to convertible securities but have additional triggers which mean that they are more vulnerable to losses and volatile price movements and hence become less liquid.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

# Comparative Tables

	2023	2022	2021
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	372.86	386.40	380.34
Return before operating charges*	(48.22)	(9.50)	10.01
Operating charges	(3.39)	(4.04)	(3.95)
Return after operating charges*	(51.61)	(13.54)	6.06
Distributions	(13.43)	(12.69)	(12.39)
Retained distributions on accumulation shares	13.43	12.69	12.39
Closing net asset value per share	321.25	372.86	386.40
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(13.84%)	(3.50%)	1.59%
<b>Other information</b>			
Closing net asset value (£'000)	42,061	51,559	57,147
Closing number of shares	13,092,977	13,827,836	14,789,827
Operating charges	1.01%	1.02%	1.03%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	379.8	405.6	404.6
Lowest share price	285.5	372.8	334.4

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2023	2022	2021
Retail income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	99.36	106.36	108.11
Return before operating charges*	(12.75)	(2.45)	2.84
Operating charges	(0.89)	(1.10)	(1.11)
Return after operating charges*	(13.64)	(3.55)	1.73
Distributions	(3.53)	(3.45)	(3.48)
Closing net asset value per share	82.19	99.36	106.36
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(13.73%)	(3.34%)	1.60%
<b>Other information</b>			
Closing net asset value (£'000)	17,608	22,042	25,244
Closing number of shares	21,424,357	22,184,024	23,734,495
Operating charges	1.01%	1.02%	1.03%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	101.2	110.8	112.3
Lowest share price	74.62	100.2	95.08

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

	2023	2022	2021
Institutional accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	63.37	65.39	64.10
Return before operating charges*	(8.20)	(1.62)	1.68
Operating charges	(0.34)	(0.40)	(0.39)
Return after operating charges*	(8.54)	(2.02)	1.29
Distributions	(2.29)	(2.15)	(2.09)
Retained distributions on accumulation shares	2.29	2.15	2.09
Closing net asset value per share	54.83	63.37	65.39
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(13.48%)	(3.09%)	2.01%
<b>Other information</b>			
Closing net asset value (£'000)	80,998	46,297	43,646
Closing number of shares	147,733,709	73,058,840	66,743,975
Operating charges	0.59%	0.60%	0.61%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	64.56	68.76	68.44
Lowest share price	48.64	63.35	56.38

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2023	2022	2021
Institutional income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	51.28	54.66	55.32
Return before operating charges*	(6.60)	(1.27)	1.46
Operating charges	(0.27)	(0.33)	(0.34)
Return after operating charges*	(6.87)	(1.60)	1.12
Distributions	(1.82)	(1.78)	(1.78)
Closing net asset value per share	42.59	51.28	54.66
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(13.40%)	(2.93%)	2.02%
<b>Other information</b>			
Closing net asset value (£'000)	38,840	10,234	11,222
Closing number of shares	91,191,335	19,958,567	20,532,132
Operating charges	0.59%	0.60%	0.61%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	52.24	57.02	57.65
Lowest share price	38.61	51.69	48.66

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

ZC accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	65.46	67.21	65.55
Return before operating charges*	(8.49)	(1.68)	1.73
Operating charges	(0.05)	(0.07)	(0.07)
Return after operating charges*	(8.54)	(1.75)	1.66
Distributions	(2.37)	(2.21)	(2.15)
Retained distributions on accumulation shares	2.37	2.21	2.15
Closing net asset value per share	56.92	65.46	67.21
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(13.05%)	(2.60%)	2.53%
<b>Other information</b>			
Closing net asset value (£'000)	52	37	24
Closing number of shares	91,330	56,664	36,329
Operating charges	0.09%	0.10%	0.11%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	66.69	70.83	70.29
Lowest share price	50.40	65.42	57.67

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

ZA income	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	53.08	56.26	56.61
Return before operating charges*	(6.84)	(1.34)	1.50
Operating charges	-	(0.01)	(0.02)
Return after operating charges*	(6.84)	(1.35)	1.48
Distributions	(1.89)	(1.83)	(1.83)
Closing net asset value per share	44.35	53.08	56.26
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(12.89%)	(2.40%)	2.61%
<b>Other information</b>			
Closing net asset value (£'000)	2,461	3,031	3,918
Closing number of shares	5,548,614	5,710,655	6,964,912
Operating charges	0.01%	0.02%	0.03%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	54.08	58.84	59.28
Lowest share price	40.12	53.51	49.81

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

<b>Platform 1 accumulation</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	164.52	169.86	166.58
Return before operating charges*	(21.29)	(4.21)	4.39
Operating charges	(0.95)	(1.13)	(1.11)
Return after operating charges*	(22.24)	(5.34)	3.28
Distributions	(5.94)	(5.59)	(5.43)
Retained distributions on accumulation shares	5.94	5.59	5.43
Closing net asset value per share	142.28	164.52	169.86
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(13.52%)	(3.14%)	1.97%
<b>Other information</b>			
Closing net asset value (£'000)	7,334	11,507	10,320
Closing number of shares	5,154,430	6,994,060	6,075,427
Operating charges	0.64%	0.65%	0.66%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	167.6	178.6	177.80
Lowest share price	126.3	164.5	146.50

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2023
P Income <sup>A</sup>	pence per share
<b>Change in net assets per share</b>	
Opening net asset value per share	94.58 <sup>B</sup>
Return before operating charges*	(1.22)
Operating charges	-
Return after operating charges*	(1.22)
Distributions	(0.05)
Closing net asset value per share	93.31
* after direct transaction costs of:	-
<b>Performance</b>	
Return after charges	(1.29%)
<b>Other information</b>	
Closing net asset value (£'000)	132
Closing number of shares	141,169
Operating charges	0.34%
Direct transaction costs	-
<b>Prices</b>	
Highest share price	93.96
Lowest share price	93.64

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.

<sup>A</sup> P Income share class was launched on 24 February 2023.

<sup>B</sup> The opening net asset value stated is the share class launch price.

# Comparative Tables

## Continued

	2023	2022	2021
Platform 1 income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	112.32	119.79	121.31
Return before operating charges*	(14.44)	(2.79)	3.19
Operating charges	(0.64)	(0.79)	(0.80)
Return after operating charges*	(15.08)	(3.58)	2.39
Distributions	(3.99)	(3.89)	(3.91)
Closing net asset value per share	93.25	112.32	119.79
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(13.43%)	(2.99%)	1.97%
<b>Other information</b>			
Closing net asset value (£'000)	6,138	8,603	10,337
Closing number of shares	6,582,613	7,659,727	8,628,609
Operating charges	0.64%	0.65%	0.66%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	114.4	124.9	126.4
Lowest share price	84.55	113.2	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

	2023
Q Income <sup>A</sup>	pence per share
<b>Change in net assets per share</b>	
Opening net asset value per share	94.24 <sup>B</sup>
Return before operating charges*	(1.22)
Operating charges	-
Return after operating charges*	(1.22)
Distributions	(0.05)
Closing net asset value per share	92.97
* after direct transaction costs of:	-
<b>Performance</b>	
Return after charges	(1.29%)
<b>Other information</b>	
Closing net asset value (£'000)	338
Closing number of shares	363,104
Operating charges	0.29%
Direct transaction costs	-
<b>Prices</b>	
Highest share price	93.62
Lowest share price	93.30

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.

<sup>A</sup> Q Income share class was launched on 24 February 2023.

<sup>B</sup> The opening net asset value stated is the share class launch price.

# Comparative Tables

## Continued

<b>Z Accumulation<sup>A</sup></b>	<b>2023</b>
	<b>pence per share</b>
<b>Change in net assets per share</b>	
Opening net asset value per share	205.4 <sup>B</sup>
Return before operating charges*	(2.64)
Operating charges	-
Return after operating charges*	(2.64)
Distributions	(0.12)
Retained distributions on accumulation shares	0.12
Closing net asset value per share	202.76
* after direct transaction costs of:	-
<b>Performance</b>	
Return after charges	(1.29%)
<b>Other information</b>	
Closing net asset value (£'000)	59,491
Closing number of shares	29,340,018
Operating charges	0.09%
Direct transaction costs	-
<b>Prices</b>	
Highest share price	204.1
Lowest share price	203.5

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> Z Accumulation share class was launched on 24 February 2023.

<sup>B</sup> The opening net asset value stated is the share class launch price.

# Portfolio Statement

As at 28 February 2023

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Bonds (97.86%)</b>		<b>250,025</b>	<b>97.87</b>
<b>Euro Denominated Bonds (5.07%)</b>		<b>7,055</b>	<b>2.76</b>
<b>Corporate Bonds (5.07%)</b>		<b>7,055</b>	<b>2.76</b>
less than 5 years to maturity			
12,850,000	Lehman Brothers 4.625% 2019**	-	-
2,250,000	Cromwell EREIT 2.125% 2025	1,706	0.67
between 5 and 10 years to maturity			
400,000	Autostrade per l'Italia 2.25% 2032	275	0.11
750,000	Digital Intrepid REIT 0.625% 2031	465	0.18
greater than 25 years to maturity			
500,000	EDP 1.5% fixed to floating 2082	363	0.14
Perpetual			
800,000	Commerzbank 6.125% fixed to floating Perpetual	660	0.26
1,200,000	Deutsche Bank 4.625% fixed to floating Perpetual	822	0.32
611,000	Enel 2.25% fixed to floating Perpetual	459	0.18
1,100,000	Iberdrola International 1.874% fixed to floating Perpetual	859	0.34
1,050,488	Stichting 6.5% Perpetual	903	0.35
200,000	Telefonica Europe 2.376% fixed to floating Perpetual	135	0.05
500,000	Volkswagen International Finance 3.5% fixed to floating Perpetual	408	0.16
<b>Sterling Denominated Bonds (89.80%)</b>		<b>237,348</b>	<b>92.91</b>
<b>Corporate Bonds (88.60%)</b>		<b>232,052</b>	<b>90.84</b>
less than 5 years to maturity			
500,000	AA Bond 6.269% 2025	488	0.19
750,000	ABP Finance 6.25% 2026	764	0.30
1,000,000	America Movil 5% 2026	993	0.39
1,000,000	Anglian Water Osprey Financing 4% 2026	934	0.37
1,100,000	Athene Global Funding 1.75% 2027	915	0.36
1,000,000	Banco Santander 1.5% 2026	883	0.35
1,500,000	Banco Santander 1.75% 2027	1,287	0.50
500,000	Barclays 3% 2026	462	0.18
1,100,000	Barclays 3.25% 2027	1,001	0.39
500,000	BAT International Finance 4% 2026	469	0.18

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
200,000	Bazalgette Finance 2.375% 2027	177	0.07
1,500,000	CaixaBank 1.5% fixed to floating 2026	1,330	0.52
1,929,000	Co-Operative Bank Finance 6% fixed to floating 2027	1,811	0.71
1,000,000	Credit Suisse 2.125% fixed to floating 2025	904	0.35
735,000	Credit Suisse 7.75% 2026	745	0.29
2,700,000	Danske Bank 2.25% fixed to floating 2028	2,348	0.92
1,900,000	Deutsche Bank 2.625% 2024	1,789	0.70
1,000,000	Deutsche Bank 4% fixed to floating 2026	951	0.37
432,000	FirstGroup 6.875% 2024	432	0.17
983,000	Ford Motor Credit 2.748% 2024	933	0.37
1,361,000	Ford Motor Credit 6.86% 2026	1,360	0.53
1,000,000	General Motors Financial 1.55% 2027	841	0.33
376,000	General Motors Financial 5.15% 2026	371	0.14
1,000,000	Go-Ahead 2.5% 2024	955	0.37
1,250,000	Hammerson REIT 3.5% 2025	1,118	0.44
1,855,000	Hammerson REIT 6% 2026	1,751	0.69
2,225,000	Heathrow Funding 6.75% 2026	2,302	0.90
1,500,000	HSBC 1.75% fixed to floating 2027	1,316	0.52
2,659,000	HSBC 2.256% fixed to floating 2026	2,427	0.95
1,000,000	Imperial Brands Finance 5.5% 2026	983	0.38
1,200,000	Informa 3.125% 2026	1,105	0.43
1,047,000	Lloyds Bank Corporate Markets 1.75% 2024	998	0.39
1,800,000	Lloyds Banking 1.875% fixed to floating 2026	1,673	0.65
4,200,000	Metrocentre Finance REIT 8.75% 2023	1,749	0.68
368,000	Nationwide Building Society 6.178% fixed to floating 2027	375	0.15
600,000	NatWest 2.875% fixed to floating 2026	560	0.22
1,000,000	NatWest 3.125% fixed to floating 2027	925	0.36
800,000	Royal Bank of Canada 5% 2028	792	0.31
614,000	Santander UK 3.625% 2026	580	0.23
1,194,000	Santander UK 7.098% fixed to floating 2027	1,231	0.48
579,000	Southern Water Services Finance 1.625% 2027	498	0.19
500,000	Stagecoach 4% 2025	470	0.18
750,000	Thames Water Utilities Finance 3.5% 2028	689	0.27
1,624,000	Toyota Finance Australia 3.92% 2027	1,563	0.61
600,000	Virgin Money UK 4% fixed to floating 2026	568	0.22
600,000	Volkswagen Financial Services 2.125% 2024	574	0.22
1,100,000	Volkswagen Financial Services 5.5% 2026	1,095	0.43
2,373,000	Westfield Stratford City Finance No 2 1.642% 2026	2,059	0.81

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
between 5 and 10 years to maturity			
316,000	Anglian Water Osprey Financing 2% 2028	251	0.10
521,000	Annington Funding 2.308% 2032	379	0.15
1,700,000	Arqiva Financing 4.882% 2032	1,078	0.42
842,000	AT&T 4.375% 2029	791	0.31
3,600,000	Athene Global Funding 1.875% 2028	2,889	1.13
900,000	Australia & New Zealand Banking 1.809% fixed to floating 2031	755	0.30
2,000,000	Banco Santander 2.25% fixed to floating 2032	1,634	0.64
500,000	Bank of America 1.667% fixed to floating 2029	414	0.16
1,940,000	Bank of America 3.584% fixed to floating 2031	1,723	0.67
1,200,000	Barclays 3.25% 2033	959	0.38
1,000,000	Barclays 3.75% fixed to floating 2030	925	0.36
800,000	Barclays 6.369% fixed to floating 2031	804	0.31
458,000	Barclays 8.407% fixed to floating 2032	479	0.19
874,000	Berkeley 2.5% 2031	619	0.24
549,000	Blackstone Property Partners Europe 2.625% 2028	425	0.17
136,000	Blackstone Property Partners Europe 4.875% 2032	110	0.04
1,400,000	BNP Paribas 1.25% 2031	1,003	0.39
3,000,000	BNP Paribas 2% fixed to floating 2031	2,599	1.02
1,600,000	BNP Paribas 2.875% 2029	1,377	0.54
700,000	BPCE 2.5% fixed to floating 2032	576	0.23
500,000	CaixaBank 3.5% fixed to floating 2028	453	0.18
750,000	Canary Wharf Finance II 6.8% 2030	366	0.14
750,000	Comcast 5.5% 2029	775	0.30
1,000,000	Cooperatieve Rabobank 1.875% fixed to floating 2028	864	0.34
400,000	Cooperatieve Rabobank 4.625% 2029	370	0.14
2,500,000	CPUK Finance 3.69% 2028	2,174	0.85
1,700,000	Credit Agricole 4.875% 2029	1,665	0.65
2,653,000	Credit Suisse 2.125% fixed to floating 2029	1,945	0.76
1,100,000	Credit Suisse 2.25% fixed to floating 2028	865	0.34
2,260,000	Delamare Finance 5.5457% 2029	1,376	0.54
900,000	Deutsche Bank 1.875% fixed to floating 2028	734	0.29
800,000	Deutsche Bank 6.125% fixed to floating 2030	780	0.30
830,000	Digital Stout REIT 3.3% 2029	710	0.28
1,500,000	Digital Stout REIT 3.75% 2030	1,290	0.51
698,000	DS Smith 2.875% 2029	592	0.23
715,000	Enel Finance International 2.875% 2029	617	0.24

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,153,000	ENW Finance 4.893% 2032	1,121	0.44
1,500,000	Fiserv 3% 2031	1,263	0.49
1,200,000	Goldman Sachs 3.625% fixed to floating 2029	1,077	0.42
800,000	Grainger 3% 2030	627	0.25
470,000	Hammerson REIT 7.25% 2028	450	0.18
1,500,000	Heathrow Funding 2.625% 2028	1,247	0.49
1,359,000	Heathrow Funding 6.45% 2031	1,423	0.56
1,156,000	HSBC 3% fixed to floating 2030	986	0.39
1,750,000	HSBC 6.75% 2028	1,779	0.70
300,000	ING 1.125% fixed to floating 2028	245	0.10
1,150,000	Lloyds Banking 1.985% fixed to floating 2031	981	0.38
1,000,000	Longstone Finance 4.896% 2031	921	0.36
2,500,000	Meadowhall Finance 4.986% 2032	1,263	0.49
1,140,000	Meadowhall Finance 4.988% 2032	598	0.23
1,898,000	National Australia Bank 1.699% fixed to floating 2031	1,586	0.62
700,000	National Express 2.375% 2028	587	0.23
750,000	National Grid Electricity Distribution West Midlands 5.75% 2032	766	0.30
1,782,000	NatWest 2.105% fixed to floating 2031	1,511	0.59
1,000,000	NatWest 3.619% fixed to floating 2029	897	0.35
1,000,000	NatWest 3.622% fixed to floating 2030	934	0.37
500,000	NewRiver REIT 3.5% 2028	430	0.17
427,000	NIE Finance 5.875% 2032	446	0.17
903,000	Northumbrian Water Finance 4.5% 2031	852	0.33
856,000	Pension Insurance 3.625% 2032	655	0.26
862,000	Pension Insurance 4.625% 2031	729	0.29
681,000	Pension Insurance 5.625% 2030	621	0.24
3,250,000	Premiertel 6.175% 2032	2,340	0.92
374,000	Prologis International Funding II 2.75% 2032	308	0.12
1,250,000	Santander UK 2.421% fixed to floating 2029	1,061	0.42
1,000,000	Santander UK 3.875% 2029	923	0.36
510,000	Severn Trent Utilities Finance 2.75% 2031	426	0.17
600,000	Southern Gas Networks 4.875% 2029	588	0.23
2,000,000	Telereal Securitisation 6.1645% 2031	1,715	0.67
800,000	TotalEnergies Capital International 1.405% 2031	612	0.24
1,450,000	Trafford Centre Finance 7.03% 2029	510	0.20
733,000	Unite REIT 3.5% 2028	643	0.25
1,250,000	Virgin Money UK 2.625% fixed to floating 2031	1,059	0.41

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
2,565,000	Virgin Money UK 5.125% fixed to floating 2030	2,414	0.95
1,800,000	Virgin Money UK FRN 2028	1,802	0.71
1,100,000	Volkswagen Financial Services 1.375% 2028	880	0.34
769,000	Wells Fargo 3.473% fixed to floating 2028	705	0.28
1,000,000	Welltower REIT 4.8% 2028	945	0.37
500,000	Wm Morrison Supermarkets 4.75% 2029	339	0.13
2,974,000	Workspace REIT 2.25% 2028	2,269	0.89
183,000	Yorkshire Building Society 3.511% fixed to floating 2030	158	0.06
669,000	Yorkshire Water Finance 1.75% 2032	489	0.19
between 10 and 15 years to maturity			
1,520,000	Annington Funding 3.685% 2034	1,202	0.47
1,200,000	Associated British Foods 2.5% 2034	956	0.37
1,500,000	AT&T 5.2% 2033	1,459	0.57
800,000	Aviva 6.125% fixed to floating 2036	800	0.31
1,250,000	BAT International Finance 6% 2034	1,121	0.44
1,235,000	Bazalgette Finance 2.75% 2034	979	0.38
1,000,000	BNP Paribas 2% 2036	662	0.26
3,500,000	Broadgate Financing 5.098% 2033	2,829	1.11
700,000	CaixaBank 6.875% fixed to floating 2033	690	0.27
1,472,000	Comcast 1.875% 2036	1,023	0.40
1,500,000	E.ON International Finance 4.75% 2034	1,400	0.55
1,740,000	Enel 5.75% 2037	1,724	0.67
2,000,000	Eversholt Funding 6.697% 2035	1,772	0.69
1,100,000	Gatwick Funding 4.625% 2034	999	0.39
1,500,000	Gatwick Funding 5.75% 2037	1,458	0.57
2,000,000	Great Rolling Stock 6.875% 2035	1,183	0.46
730,000	JPMorgan Chase 1.895% fixed to floating 2033	555	0.22
500,000	Legal & General 5.875% 2033	531	0.21
3,488,000	Lloyds Banking 2.707% fixed to floating 2035	2,664	1.04
1,135,000	Lloyds Banking 6.625% fixed to floating 2033	1,129	0.44
500,000	Metropolitan Housing Trust 1.875% 2036	334	0.13
704,000	Morgan Stanley 5.789% fixed to floating 2033	707	0.28
1,253,000	Morhomes 3.4% 2038	987	0.39
821,000	Northumbrian Water Finance 6.375% 2034	880	0.34
609,000	Realty Income REIT 1.75% 2033	434	0.17
500,000	Scotland Gas Networks 4.875% 2034	466	0.18

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
344,000	Severn Trent Utilities Finance 4.625% 2034	325	0.13
793,000	Southern Gas Networks 3.1% 2036	601	0.24
500,000	Southern Water Services Finance 3% 2037	360	0.14
2,130,000	Thames Water Utilities Finance 4.375% 2034	1,914	0.75
1,000,000	Transport for London 5% 2035	970	0.38
1,060,000	Welltower REIT 4.5% 2034	913	0.36
357,000	Yorkshire Water Finance 5.5% 2035	354	0.14
between 15 and 25 years to maturity			
1,500,000	AT&T 4.875% 2044	1,290	0.50
1,000,000	AT&T 7% 2040	1,100	0.43
1,400,000	Blend Funding 3.459% 2047	1,045	0.41
732,000	British Telecommunications 5.75% 2041	687	0.27
750,000	Citigroup 6.8% 2038	892	0.35
507,000	Diageo Finance 2.75% 2038	382	0.15
1,800,000	E.ON International Finance 6.125% 2039	1,857	0.73
1,000,000	E.ON International Finance 6.75% 2039	1,095	0.43
1,100,000	EDF 5.5% 2041	1,008	0.39
500,000	Eversholt Funding 2.742% 2040	355	0.14
650,000	Eversholt Funding 3.529% 2042	476	0.19
1,000,000	Heathrow Funding 5.875% 2041	996	0.39
512,000	Home 3.125% 2043	362	0.14
300,000	London & Quadrant Housing Trust 5.5% 2040	297	0.12
651,000	McDonald's 3.75% 2038	548	0.21
370,000	Midland Heart Capital 5.087% 2044	354	0.14
1,000,000	National Grid Electricity Transmission 2% 2040	615	0.24
955,000	National Grid Electricity Transmission 5.272% 2043	907	0.36
795,000	Ørsted 5.375% 2042	783	0.31
607,000	Prologis International Funding II 3% 2042	432	0.17
750,000	RL Finance No 2 6.125% fixed to floating 2043	744	0.29
1,744,000	RMPA Services 5.337% 2038	1,175	0.46
741,000	Segro REIT 5.125% 2041	710	0.28
500,000	Tesco Property Finance 1 7.6227% 2039	441	0.17
1,000,000	Tesco Property Finance 2 6.0517% 2039	761	0.30
2,938,000	Tesco Property Finance 3 5.744% 2040	2,595	1.02
1,000,000	Tesco Property Finance 4 5.8006% 2040	903	0.35
500,000	Thames Water Utilities Finance 5.5% 2041	477	0.19

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
3,500,000	Verizon Communications 1.875% 2038	2,163	0.85
600,000	Wheatley Capital 4.375% 2044	527	0.21
600,000	Yorkshire Housing Finance 4.125% 2044	494	0.19
greater than 25 years to maturity			
1,003,000	AA Bond 5.5% 2050	910	0.36
929,000	Annington Funding 2.924% 2051	515	0.20
363,000	Aviva 4% fixed to floating 2055	284	0.11
1,400,000	Aviva 4.375% fixed to floating 2049	1,240	0.49
1,000,000	Aviva 5.125% fixed to floating 2050	913	0.36
400,000	Blend Funding 2.922% 2054	254	0.10
856,000	Bromford Housing 3.125% 2048	603	0.24
2,062,000	Channel Link Enterprises Finance 3.043% fixed to floating 2050	1,741	0.68
900,000	Citizen Treasury 3.25% 2048	651	0.25
1,100,000	Dignity Finance 4.6956% 2049	690	0.27
1,100,000	EDF 5.625% 2053	1,001	0.39
1,200,000	EDF 6% 2114	1,104	0.43
500,000	Engie 5% 2060	459	0.18
650,000	Hexagon Housing Association 3.625% 2048	473	0.19
750,000	Income Contingent Student Loans 2 2007-2009 2.5% 2058	470	0.18
500,000	Legal & General 3.75% fixed to floating 2049	421	0.16
1,000,000	Legal & General 5.5% fixed to floating 2064	877	0.34
800,000	M&G 5.56% fixed to floating 2055	686	0.27
583,000	M&G 5.625% fixed to floating 2051	526	0.21
1,750,000	NGG Finance 5.625% fixed to floating 2073	1,702	0.67
2,130,000	Ørsted 2.5% fixed to floating 3021	1,457	0.57
500,000	RL Finance No 4 4.875% fixed to floating 2049	379	0.15
800,000	Sanctuary Capital 2.375% 2050	466	0.18
800,000	University of Oxford 2.544% 2117	424	0.17
1,259,000	Vattenfall 2.5% fixed to floating 2083	1,042	0.41
1,000,000	Vodafone 3% 2056	573	0.22
600,000	Vodafone 3.375% 2049	395	0.15
759,000	Vodafone 5.125% 2052	665	0.26
700,000	Wellcome Trust 2.517% 2118	381	0.15
500,000	Wrekin Housing 2.5% 2048	303	0.12
1,184,000	Zurich Finance Ireland Designated Activity 5.125% fixed to floating 2052	1,074	0.42

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Perpetual			
1,200,000	AXA 6.6862% fixed to floating Perpetual	1,219	0.48
750,000	Barclays 5.875% fixed to floating Perpetual	696	0.27
1,233,000	Barclays 6.375% fixed to floating Perpetual	1,148	0.45
1,385,000	Barclays 7.125% fixed to floating Perpetual	1,329	0.52
1,000,000	BP Capital Markets 4.25% fixed to floating Perpetual	903	0.35
1,000,000	EDF 5.875% fixed to floating Perpetual	845	0.33
1,500,000	EDF 6% fixed to floating Perpetual	1,375	0.54
2,304,000	HSBC 5.875% fixed to floating Perpetual	2,142	0.84
1,300,000	HSBC Bank Capital Funding Sterling 1 5.844% fixed to floating Perpetual	1,323	0.52
1,100,000	Lloyds Bank 11.75% Perpetual	1,577	0.62
750,000	Lloyds Banking 8.5% fixed to floating Perpetual	753	0.29
2,049,000	National Express 4.25% fixed to floating Perpetual	1,812	0.71
2,229,000	NatWest 4.5% fixed to floating Perpetual	1,808	0.71
1,726,000	NatWest 5.125% fixed to floating Perpetual	1,500	0.59
<b>Government Bonds (1.20%)</b>		<b>5,296</b>	<b>2.07</b>
between 5 and 10 years to maturity			
2,000,000	UK (Govt of) 0.5% 2029	1,653	0.65
between 15 and 25 years to maturity			
2,000,000	UK (Govt of) 1.25% 2041	1,254	0.49
2,000,000	UK (Govt of) 3.25% 2044	1,743	0.68
greater than 25 years to maturity			
1,500,000	UK (Govt of) 0.625% 2050	646	0.25
<b>US Dollar Denominated Bonds (2.99%)</b>		<b>5,622</b>	<b>2.20</b>
<b>Corporate Bonds (2.99%)</b>		<b>5,622</b>	<b>2.20</b>
between 10 and 15 years to maturity			
240,000	Omega Healthcare Investors REIT 3.25% 2033	141	0.05

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Perpetual			
3,910,000	Australia & New Zealand Banking FRN Perpetual	2,369	0.93
1,000,000	Danske Bank 6.125% fixed to floating Perpetual	795	0.31
1,000,000	Standard Chartered 7.014% fixed to floating Perpetual	845	0.33
2,500,000	Westpac Banking FRN Perpetual	1,472	0.58
<b>Collective Investment Schemes (0.67%)</b>		<b>1,848</b>	<b>0.72</b>
1,848	Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund Z1 Inc+	1,848	0.72
<b>Derivatives (-0.06%)</b>		<b>(214)</b>	<b>(0.08)</b>
<b>Forward Currency Contracts (-0.06%)</b>		<b>108</b>	<b>0.05</b>
	Buy EUR 586,162 Sell GBP 518,806 08/03/2023	(5)	-
	Buy EUR 919,501 Sell GBP 809,687 08/03/2023	(4)	-
	Buy GBP 272,855 Sell EUR 309,580 08/03/2023	2	-
	Buy GBP 1,213,245 Sell EUR 1,377,140 08/03/2023	6	-
	Buy GBP 154,473 Sell EUR 173,520 12/04/2023	2	-
	Buy GBP 7,246,256 Sell EUR 8,169,380 12/04/2023	77	0.03
	Buy GBP 53,087 Sell USD 64,444 08/03/2023	-	-
	Buy GBP 1,516,807 Sell USD 1,824,079 08/03/2023	10	0.01
	Buy GBP 86,103 Sell USD 104,809 12/04/2023	-	-
	Buy GBP 87,365 Sell USD 106,943 12/04/2023	(1)	-
	Buy GBP 4,152,862 Sell USD 5,006,216 12/04/2023	21	0.01
	Buy USD 60,162 Sell GBP 49,537 08/03/2023	-	-
	Buy USD 62,755 Sell GBP 51,938 08/03/2023	-	-
	Buy USD 9,059 Sell GBP 7,344 12/04/2023	-	-
	Buy USD 9,127 Sell GBP 7,350 12/04/2023	-	-
<b>Futures (0.04%)</b>		<b>161</b>	<b>0.06</b>
175	Long Long Gilt Future 28/06/2023	(72)	(0.03)
10	Long US 10 Year Note (CBT) Future 21/06/2023	1	-
18	Long US 5 Year Note (CBT) Future 30/06/2023	(4)	-
(29)	Short Euro Bond Future 08/03/2023	236	0.09

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Interest Rate Swaps (-0.04%)</b>		<b>(483)</b>	<b>(0.19)</b>
GBP 8,000,000	Pay floating GBP-SONIA receive fixed 1.3365% 28/01/2025	(483)	(0.19)
Total investment assets and liabilities		251,659	98.51
Net other assets		3,794	1.49
<b>Total Net Assets</b>		<b>255,453</b>	<b>100.00</b>

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities, or are regulated collective investment schemes or are approved derivatives within the meaning of the FCA rules.

The percentage figures in brackets show the comparative holding as at 28 February 2022.

+ Managed by subsidiaries of abrdn plc.

\*\* Defaulted

# Financial Statements

## Statement of Total Return

For the year ended 28 February 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(27,398)		(9,259)
Revenue	2	6,221		5,375	
Expenses	3	(1,153)		(1,325)	
Interest payable and similar charges	4	(42)		(1)	
Net revenue before taxation		5,026		4,049	
Taxation	5	-		-	
Net revenue after taxation			5,026		4,049
<b>Total return before distributions</b>			<b>(22,372)</b>		<b>(5,210)</b>
Distributions	6		(6,168)		(5,347)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(28,540)</b>		<b>(10,557)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2023

	2023		2022	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>153,310</b>		<b>161,858</b>
Amounts receivable on the issue of shares	37,411		11,772	
Amounts payable on the cancellation of shares	(17,920)		(13,564)	
Amounts receivable on inspecie transfers*	106,098		-	
		125,589		(1,792)
Dilution adjustment		177		27
Change in net assets attributable to shareholders from investment activities (see above)		(28,540)		(10,557)
Retained distribution on accumulation shares		4,915		3,773
Unclaimed distributions		2		1
<b>Closing net assets attributable to shareholders</b>		<b>255,453</b>		<b>153,310</b>

\* Inspecie was received due to the merger of abrdn Corporate Bond Fund in abrdn OEIC I into the fund on 24 February 2023.

# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			252,228		151,133
<b>Current assets:</b>					
Debtors	7	7,789		2,499	
Cash and bank balances	8	912		499	
			8,701		2,998
<b>Total assets</b>			<b>260,929</b>		<b>154,131</b>
<b>Liabilities:</b>					
Investment liabilities			(569)		(166)
Creditors	9	(4,178)		(282)	
Distribution payable		(729)		(373)	
			(4,907)		(655)
<b>Total liabilities</b>			<b>(5,476)</b>		<b>(821)</b>
<b>Net assets attributable to shareholders</b>			<b>255,453</b>		<b>153,310</b>

# Notes to the Financial Statements

## 1 Net Capital Losses

	2023 £'000	2022 £'000
Non-derivative securities	(23,537)	(9,399)
Derivative contracts	(3,088)	(60)
Forward currency contracts	(769)	213
Other gains/(losses)	2	(6)
Transaction charges	(6)	(7)
<b>Net capital losses</b>	<b>(27,398)</b>	<b>(9,259)</b>

## 2 Revenue

	2023 £'000	2022 £'000
Bank and margin interest	41	3
Derivative revenue	-	5
Interest on debt securities	6,180	5,367
<b>Total revenue</b>	<b>6,221</b>	<b>5,375</b>

## 3 Expenses

	2023 £'000	2022 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	1,065	1,221
Dealing charge	8	11
General administration charge*	70	33
Registration fees**	-	33
	<b>1,143</b>	<b>1,298</b>
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Depositary's fees**	-	10
Safe custody fees	10	10
	<b>10</b>	<b>20</b>
<b>Other:</b>		
Audit fee**	-	7
	-	7
<b>Total expenses</b>	<b>1,153</b>	<b>1,325</b>

Irrecoverable VAT is included in the above expenses.

\* The fixed general administration charge was introduced from 1 September 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 £13,500 (2022: £12,540).

\*\* These figures represent the charges to 31 August 2021, which have now been replaced by the fixed general administration charge.

# Notes to the Financial Statements

## Continued

### 4 Interest Payable and Similar Charges

	2023 £'000	2022 £'000
Derivative expense	38	-
Interest payable	4	1
<b>Total interest payable &amp; similar charges</b>	<b>42</b>	<b>1</b>

### 5 Taxation

	2023 £'000	2022 £'000
<b>(a) Analysis of charge in year</b>		
<b>Total taxation (note 5b)</b>	<b>-</b>	<b>-</b>

#### (b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2022: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

<b>Net revenue before taxation</b>	<b>5,026</b>	<b>4,049</b>
Corporation tax at 20% (2022: 20%)	1,005	810
Effects of:		
Distributions treated as tax deductible	(1,005)	(810)
<b>Total tax charge for year (note 5a)</b>	<b>-</b>	<b>-</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

#### (c) Factors that may affect future tax charge

At the year end there are no surplus expenses and therefore no deferred tax asset in the current or prior year.

### 6 Distributions (including the movement between net revenue and distributions)

	2023 £'000	2022 £'000
First interim distribution	1,420	1,331
Second interim distribution	1,459	1,310
Third interim distribution	1,646	1,404
Final distribution	2,210	1,296
	6,735	5,341
Add: Income deducted on cancellation of shares	87	56
Deduct: Income received on issue of shares	(654)	(50)
<b>Total distributions for the year</b>	<b>6,168</b>	<b>5,347</b>

# Notes to the Financial Statements

## Continued

	2023 £'000	2022 £'000
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	5,026	4,049
Expenses charged to capital	1,142	1,298
<b>Total distributions for the year</b>	<b>6,168</b>	<b>5,347</b>

Expenses taken to capital include the ACD, Registration, Dealing expenses and the General administration charge. This policy only applies to the income classes.

Where deductions are made from capital these may limit the growth in value of the relevant fund. However, more income is generally available to distribute to shareholders.

Details of the distribution per share are set out in this fund's distribution tables.

## 7 Debtors

	2023 £'000	2022 £'000
Accrued revenue	3,889	1,996
Amounts receivable from the ACD for the issue of shares	-	12
Sales awaiting settlement	3,900	491
<b>Total debtors</b>	<b>7,789</b>	<b>2,499</b>

## 8 Liquidity

	2023 £'000	2022 £'000
<b>Cash and bank balances</b>		
Cash at bank	6	3
Cash at broker	906	496
	<b>912</b>	<b>499</b>
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	1,848	1,028
<b>Net liquidity</b>	<b>2,760</b>	<b>1,527</b>

\* Although reflected in the investment assets figure, liquidity funds are used by the fund as a liquidity vehicle and commonly reflects collateral held by the fund. Therefore, the ACD considers the net liquidity position of the fund as the aggregate of cash at bank and in hand, bank overdrafts and liquidity fund positions.

# Notes to the Financial Statements

## Continued

### 9 Creditors

	2023 £'000	2022 £'000
Accrued expenses payable to ACD	92	93
Accrued expenses payable to the Depositary or associates of the Depositary	4	3
Amounts payable to the ACD for cancellation of shares	1,091	180
Other accrued expenses	6	6
Purchases awaiting settlement	2,985	-
<b>Total creditors</b>	<b>4,178</b>	<b>282</b>

### 10 Related Party Transactions

abrtn Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to abrtn Fund Managers Limited at the end of the accounting year are disclosed in notes 7 and 9.

Amounts payable to abrtn Fund Managers Limited, in respect of expenses are disclosed in note 3 and any amounts due at the year end in note 9.

### 11 Portfolio Transaction Costs

There are no transaction costs associated with the purchases or sales of bonds and derivatives during the year, or in the prior year.

Bonds are dealt on a spread agreed between buyer and seller with reference to the expected cashflows and current credit profiles.

Derivatives are dealt on a spread agreed between buyer and seller with reference to the underlying investment.

	Purchases		Sales	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Trades in the year</b>				
Bonds	74,761	51,366	53,977	50,363
Inspecie transactions	103,101	-	-	-
<b>Trades in the year before transaction costs</b>	<b>177,862</b>	<b>51,366</b>	<b>53,977</b>	<b>50,363</b>
<b>Total net trades in the year after transaction costs</b>	<b>177,862</b>	<b>51,366</b>	<b>53,977</b>	<b>50,363</b>

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.90% (2022: 0.76%), this is representative of the average spread on the assets held during the year.

# Notes to the Financial Statements

## Continued

### 12 Shares in Issue Reconciliation

	Opening shares 2022	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2023
Retail accumulation	13,827,836	526,429	(1,145,487)	(115,801)	13,092,977
Retail income	22,184,024	2,048,273	(2,579,493)	(228,447)	21,424,357
Institutional accumulation	73,058,840	83,635,528	(8,964,949)	4,290	147,733,709
Institutional income	19,958,567	76,120,291	(4,887,523)	-	91,191,335
ZC accumulation	56,664	34,666	-	-	91,330
ZA income	5,710,655	-	(162,041)	-	5,548,614
Platform 1 accumulation	6,994,060	62,184	(2,161,840)	260,026	5,154,430
P Income	-	141,169	-	-	141,169
Platform 1 income	7,659,727	131,791	(1,410,416)	201,511	6,582,613
Q Income	-	363,104	-	-	363,104
Z Accumulation	-	29,340,018	-	-	29,340,018

### 13 Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2023 £'000 Level 1	2023 £'000 Level 2	2023 £'000 Level 3	2022 £'000 Level 1	2022 £'000 Level 2	2022 £'000 Level 3
<b>Fair value of investment assets</b>						
Bonds	5,296	244,729	-	1,847	148,175	-
Collective Investment Schemes	-	1,848	-	-	1,028	-
Derivatives	237	118	-	70	13	-
<b>Total investment assets</b>	<b>5,533</b>	<b>246,695</b>	<b>-</b>	<b>1,917</b>	<b>149,216</b>	<b>-</b>
<b>Fair value of investment liabilities</b>						
Derivatives	(76)	(493)	-	(8)	(158)	-
<b>Total investment liabilities</b>	<b>(76)</b>	<b>(493)</b>	<b>-</b>	<b>(8)</b>	<b>(158)</b>	<b>-</b>

# Notes to the Financial Statements

## Continued

### 14 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

#### Foreign currency risk

The fund's net exposure to foreign currencies (including any instruments used to hedge against foreign currencies) is not significant. Therefore, the financial statements are not subject to any significant risk of currency movements. This is consistent with the exposure during the prior year.

#### Interest rate risk

Interest rate risk is an unfavourable change in interest rates that can affect the price of a security, which in turn results in the portfolio experiencing a loss. Interest rate changes not only affect fixed income products but have material impacts on funding arrangements and other asset types.

The following table shows separately the value of investments at fixed interest rates, at variable rates and those that are non-interest bearing instruments.

The interest rate risk profile of the fund's investments at the year end consists of:

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>2023</b>				
<b>Currency</b>				
UK Sterling	4,823	234,802	15,876	255,501
Euro	-	7,055	(7,094)	(39)
US Dollar	3,841	1,781	(5,631)	(9)
<b>Total</b>	<b>8,664</b>	<b>243,638</b>	<b>3,151</b>	<b>255,453</b>

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>2022</b>				
<b>Currency</b>				
UK Sterling	1,465	137,678	14,260	153,403
Euro	-	7,766	(7,800)	(34)
US Dollar	1,869	2,711	(4,639)	(59)
<b>Total</b>	<b>3,334</b>	<b>148,155</b>	<b>1,821</b>	<b>153,310</b>

#### Other price risk

The fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Adviser in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

# Notes to the Financial Statements

## Continued

### VaR

The table below indicates the VaR of the fund's financial instruments, measured as the potential 1 month loss in value from adverse changes in equity prices, interest rates, inflation rates and foreign currency exchange rates, with a 99 percent confidence level. Calculated on this basis, the table indicates that the net value of the fund's financial assets and liabilities could be expected to change by more than the stated amount on only two days out of 200, in response to either price, interest rate, inflation or foreign currency exchange rate changes.

2023	Minimum	Maximum	Average
VaR 99% 1 Month	4.24%	7.26%	5.64%

2022	Minimum	Maximum	Average
VaR 99% 1 Month	3.67%	7.03%	4.99%

At the year end date, there was a 1% chance of the portfolio value falling (or rising) more than 6.77%, £17,034,000 (2022: 3.99%, £6,031,000) in a one month period.

This calculation is generally determined by the use of an industry recognised medium term risk model, typically based on 3-5 year history. The method assumes normal market conditions and that the portfolio remains unchanged.

### Counterparty risk

#### Credit quality of debt security investment assets

The following table shows the credit quality of the part of the investment portfolio that is invested in debt securities.

2023	Market value £'000	Percentage of total net assets %
Investment grade securities	229,856	89.98
Below investment grade securities	17,517	6.86
Unrated securities	2,652	1.03
<b>Total value of securities</b>	<b>250,025</b>	<b>97.87</b>

2022	Market value £'000	Percentage of total net assets %
Investment grade securities	128,971	84.13
Below investment grade securities	17,203	11.22
Unrated securities	3,848	2.51
<b>Total value of securities</b>	<b>150,022</b>	<b>97.86</b>

Investment grade information used in the above table is based on credit ratings issued by market vendors.

### Financial derivatives instrument risk

These types of transaction can introduce market exposure greater than the market value of the instrument. These transactions exchange benefits with a third party at a future date creating both counterparty and concentration risk. The Investment Adviser's policies for managing these risks are outlined in the fund's prospectus.

# Notes to the Financial Statements

## Continued

At the balance sheet date the fund had the following exposures:

	2023		2022	
	Market exposure £'000	Market value £'000	Market exposure £'000	Market value £'000
<b>Leveraged instruments</b>				
Forward currency contracts	16,102	108	20,542	(85)
Futures	23,383	161	26,880	62
Swaps	8,000	(483)	8,000	(60)
<b>Total market exposure</b>	<b>47,485</b>	<b>(214)</b>	<b>55,422</b>	<b>(83)</b>

The total market exposure is the sum of the notional derivative contracts on a gross basis with no offsetting.

The fund uses the commitment method to calculate global exposure. Leverage is not significant in this context.

### Counterparty risk

Where the fund enters market transactions this creates concentration risk where a clearing broker operates on an exchange. Where the clearing broker is not solvent the market exposure can be transferred. Exposure is reduced by the daily exchange of margin by both parties held in the name of the depositary. At the year end the fund had the following clearing broker exposure.

2023	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
<b>Broker or exchange exposure</b>					
Goldman Sachs	161	907	-	1,068	0.42
	<b>161</b>	<b>907</b>	<b>-</b>	<b>1,068</b>	<b>0.42</b>

2022	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
<b>Broker or exchange exposure</b>					
Goldman Sachs	62	496	-	558	0.36
	<b>62</b>	<b>496</b>	<b>-</b>	<b>558</b>	<b>0.36</b>

### Bilateral agreements

Where the fund enters bilateral agreements this introduces counterparty risk. Where a counterparty defaults on their obligation, exposure is reduced by the collateral held/pledged by both parties.

Certain derivatives are conducted on a master ISDA (International Swaps and Derivatives Association) agreement. Positions are collateralised daily in line with the agreement including a right of termination at fair value and a right of recall/substitution on any stock collateral within 24 hours.

# Notes to the Financial Statements

## Continued

At the balance sheet date the fund had the following positions.

2023 Counterparties	Collateral (held)/pledged				
	Swaps £'000	Forwards £'000	Cash £'000	Stock £'000	Net exposure £'000
Bank of America Merrill Lynch	-	2	-	-	2
Citigroup	-	2	-	-	2
JP Morgan	(483)	10	-	440	(33)
Royal Bank of Canada	-	(5)	-	-	(5)
Societe Generale	-	77	-	-	77
StateStreet	-	22	-	-	22
<b>Total</b>	<b>(483)</b>	<b>108</b>	<b>-</b>	<b>440</b>	<b>65</b>

Collateral positions for Swaps are aggregated, not at individual trade level.

The Prospectus outlines allowable collateral. There have been no changes in the year.

2023 Issuers	Type	Collateral Stock £'000
United Kingdom (Gov't of)	Bond	440
		<b>440</b>

2022 Counterparties	Collateral (held)/pledged				
	Swaps £'000	Forwards £'000	Cash £'000	Stock £'000	Net exposure £'000
Citigroup	-	3	-	-	3
Credit Agricole	-	1	-	-	1
Deutsche Bank	-	1	-	-	1
JP Morgan	(60)	-	-	-	(60)
Morgan Stanley	-	5	-	-	5
NatWest Markets	-	(35)	-	-	(35)
Royal Bank of Canada	-	(60)	-	-	(60)
Societe Generale	-	1	-	-	1
Standard Chartered	-	(2)	-	-	(2)
UBS	-	1	-	-	1
<b>Total</b>	<b>(60)</b>	<b>(85)</b>	<b>-</b>	<b>-</b>	<b>(145)</b>

# Notes to the Financial Statements

## Continued

### Liquidity risk

The following table provides a maturity analysis of the fund's financial liabilities on a contractual basis.

2023	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
<b>Derivatives</b>					
Investment liabilities	-	(86)	(483)	-	(569)
<b>Non-derivatives</b>					
Other creditors	-	(4,178)	-	-	(4,178)
Distribution payable	-	(729)	-	-	(729)
<b>Total financial liabilities</b>	<b>-</b>	<b>(4,993)</b>	<b>(483)</b>	<b>-</b>	<b>(5,476)</b>

2022	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
<b>Derivatives</b>					
Investment liabilities	-	(106)	(60)	-	(166)
<b>Non-derivatives</b>					
Other creditors	-	(282)	-	-	(282)
Distribution payable	-	(373)	-	-	(373)
<b>Total financial liabilities</b>	<b>-</b>	<b>(761)</b>	<b>(60)</b>	<b>-</b>	<b>(821)</b>

# Distribution Tables

For the year ended 28 February 2023 (in pence per share)

## First interim interest distribution

Group 1 – shares purchased prior to 1 March 2022

Group 2 – shares purchased between 1 March 2022 and 31 May 2022

	Revenue	Equalisation	Distribution paid 29/07/22	Distribution paid 30/07/21
<b>Retail accumulation</b>				
Group 1	3.1886	-	3.1886	3.1058
Group 2	2.1581	1.0305	3.1886	3.1058
<b>Retail income</b>				
Group 1	0.8497	-	0.8497	0.8550
Group 2	0.5462	0.3035	0.8497	0.8550
<b>Institutional accumulation</b>				
Group 1	0.5422	-	0.5422	0.5259
Group 2	0.3215	0.2207	0.5422	0.5259
<b>Institutional income</b>				
Group 1	0.4388	-	0.4388	0.4397
Group 2	0.2898	0.1490	0.4388	0.4397
<b>ZC accumulation</b>				
Group 1	0.5604	-	0.5604	0.5404
Group 2	0.1425	0.4179	0.5604	0.5404
<b>ZA income</b>				
Group 1	0.4546	-	0.4546	0.4528
Group 2	0.4546	-	0.4546	0.4528
<b>Platform 1 accumulation</b>				
Group 1	1.4076	-	1.4076	1.3659
Group 2	0.8200	0.5876	1.4076	1.3659
<b>Platform 1 income</b>				
Group 1	0.9610	-	0.9610	0.9634
Group 2	0.3931	0.5679	0.9610	0.9634

# Distribution Tables

For the year ended 28 February 2023 (in pence per share) continued

## Second interim interest distribution

Group 1 – shares purchased prior to 1 June 2022

Group 2 – shares purchased between 1 June 2022 and 31 August 2022

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
<b>Retail accumulation</b>				
Group 1	3.3442	-	3.3442	3.1049
Group 2	2.1527	1.1915	3.3442	3.1049
<b>Retail income</b>				
Group 1	0.8831	-	0.8831	0.8479
Group 2	0.7521	0.1310	0.8831	0.8479
<b>Institutional accumulation</b>				
Group 1	0.5692	-	0.5692	0.5263
Group 2	0.2769	0.2923	0.5692	0.5263
<b>Institutional income</b>				
Group 1	0.4564	-	0.4564	0.4364
Group 2	0.2965	0.1599	0.4564	0.4364
<b>ZC accumulation</b>				
Group 1	0.5888	-	0.5888	0.5407
Group 2	0.3877	0.2011	0.5888	0.5407
<b>ZA income</b>				
Group 1	0.4736	-	0.4736	0.4502
Group 2	0.4736	-	0.4736	0.4502
<b>Platform 1 accumulation</b>				
Group 1	1.4776	-	1.4776	1.3669
Group 2	0.7989	0.6787	1.4776	1.3669
<b>Platform 1 income</b>				
Group 1	0.9997	-	0.9997	0.9563
Group 2	0.3332	0.6665	0.9997	0.9563

# Distribution Tables

For the year ended 28 February 2023 (in pence per share) continued

## Third interim interest distribution

Group 1 – shares purchased prior to 1 September 2022

Group 2 – shares purchased between 1 September 2022 and 30 November 2022

	Revenue	Equalisation	Distribution paid 31/01/23	Distribution paid 31/01/22
<b>Retail accumulation</b>				
Group 1	3.3300	-	3.3300	3.3318
Group 2	2.1161	1.2139	3.3300	3.3318
<b>Retail income</b>				
Group 1	0.8704	-	0.8704	0.9029
Group 2	0.6786	0.1918	0.8704	0.9029
<b>Institutional accumulation</b>				
Group 1	0.5674	-	0.5674	0.5654
Group 2	0.2642	0.3032	0.5674	0.5654
<b>Institutional income</b>				
Group 1	0.4504	-	0.4504	0.4652
Group 2	0.2837	0.1667	0.4504	0.4652
<b>ZC accumulation</b>				
Group 1	0.5877	-	0.5877	0.5821
Group 2	0.3770	0.2107	0.5877	0.5821
<b>ZA income</b>				
Group 1	0.4680	-	0.4680	0.4806
Group 2	0.4680	-	0.4680	0.4806
<b>Platform 1 accumulation</b>				
Group 1	1.4728	-	1.4728	1.4680
Group 2	0.9597	0.5131	1.4728	1.4680
<b>Platform 1 income</b>				
Group 1	0.9863	-	0.9863	1.0193
Group 2	0.3322	0.6541	0.9863	1.0193

# Distribution Tables

For the year ended 28 February 2023 (in pence per share) continued

## Final interest distribution

Group 1 – shares purchased prior to 1 December 2022

Group 2 – shares purchased between 1 December 2022 and 28 February 2023

	Revenue	Equalisation	Distribution paid 28/04/23	Distribution paid 29/04/22
<b>Retail accumulation</b>				
Group 1	3.5631	-	3.5631	3.1450
Group 2	0.2432	3.3199	3.5631	3.1450
<b>Retail income</b>				
Group 1	0.9218	-	0.9218	0.8452
Group 2	0.0493	0.8725	0.9218	0.8452
<b>Institutional accumulation</b>				
Group 1	0.6077	-	0.6077	0.5342
Group 2	0.0319	0.5758	0.6077	0.5342
<b>Institutional income</b>				
Group 1	0.4774	-	0.4774	0.4358
Group 2	0.0267	0.4507	0.4774	0.4358
<b>ZC accumulation</b>				
Group 1	0.6303	-	0.6303	0.5511
Group 2	0.2097	0.4206	0.6303	0.5511
<b>ZA income</b>				
Group 1	0.4968	-	0.4968	0.4509
Group 2	0.4968	-	0.4968	0.4509
<b>Platform 1 accumulation</b>				
Group 1	1.5773	-	1.5773	1.3871
Group 2	0.6622	0.9151	1.5773	1.3871
<b>P Income</b>				
Group 1	0.0543	-	0.0543	-
Group 2	0.0543	-	0.0543	-
<b>Platform 1 income</b>				
Group 1	1.0454	-	1.0454	0.9549
Group 2	0.3910	0.6544	1.0454	0.9549
<b>Q Income</b>				
Group 1	0.0543	-	0.0543	-
Group 2	0.0543	-	0.0543	-

# Distribution Tables

For the year ended 28 February 2023 (in pence per share) continued

	Revenue	Equalisation	Distribution paid 28/04/23	Distribution paid 29/04/22
<b>Z Accumulation</b>				
Group 1	0.1184	-	0.1184	-
Group 2	0.1184	-	0.1184	-

## 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 Ethical Equity Fund

For the year ended 28 February 2023

## Investment Objective

To generate growth over the long term (5 years or more) by investing in UK equities (company shares) which adhere to the abrdn UK Ethical Equity Investment Approach.

**Performance Target:** To achieve the return of the FTSE All-Share Index, plus 2% per annum over rolling five year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities:

- The fund will invest at least 70% in equities and equity related securities of companies listed, incorporated, or domiciled in 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.
- All investments will adhere to the abrdn UK Ethical Equity Investment Approach available on [www.abrdn.com](http://www.abrdn.com) under "Sustainable Investing".
- The fund may also invest in other funds (including those managed by abrdn), money-market instruments, and cash.
- The fund will invest at least 70% in companies that the abrdn ESG House Score quantitatively identifies as having superior ESG characteristics in a global context. This analysis covers areas such as human rights, labour rights, environmental safeguards and combating bribery and corruption.
- The approach utilises abrdn's equity investment process, where companies invested in are given an overall quality rating, a component of which is the ESG Quality Rating which enables the management teams to qualitatively identify and avoid ESG laggards.
- As part of the approach the fund applies a set of company exclusions which are related but not limited to animal testing, weaponry, pornography, gambling, tobacco and alcohol.

### Management Process:

- The fund management team use their discretion (active management) to maintain a diverse asset mix at sector and stock level.

- Their primary focus is on stock selection using research techniques to select individual companies where the management team have a different view than that of the market, and which align with their views regarding future economic and business conditions.
- Engagement with external company management teams is used to evaluate the ownership structures, governance and management quality of those companies in order to inform portfolio construction.
- Through the application of the abrdn UK Ethical Equity Investment Approach the fund is expected to have a lower carbon intensity than the FTSE All-Share Index.
- This approach reduces the benchmark investable universe by a minimum of 20%.
- 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 12%. Due to the ethical nature of the management process, there are a material number of stocks and sectors in the FTSE All-Share Index that the fund is unable to invest, which 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."

## Performance Review

Over the period under review, the fund returned -0.44% (Source: FactSet, Platform 1 Accumulation net of fees). This compared with a return of 9.42% in the performance target (Source: FactSet, the FTSE All-Share Index +2%.)

FTSE® is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence. RAFI® is a registered trademark of Research Affiliates, LLC. All rights in the FTSE indices and/or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.

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 Ethical Equity Fund

## Continued

Companies selected for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.

Both sector allocation and stock selection were negative for performance, with particular weakness from the fund's stock selection in industrials, and overweight exposure to the real estate, consumer discretionary and technology sectors. Furthermore, a lack of the exposure to the energy sector, due to the fund's ethical screen, weighed on returns. On a stock level, the two leading detractors from performance were the fund's lack of exposure to Royal Dutch Shell and BP, which benefited from the significant rise in energy prices. Our fossil fuel screen means we cannot own shares in either company. Similarly, not owning HSBC and AstraZeneca also weighed on relative returns. Other detractors included above-index positions in piping manufacturer Genuit, as its weak financials put pressure on the share price, and Moonpig, which weakened on results that showed discretionary purchases by customers had fallen. Howden Joinery also performed poorly against the backdrop of a tough economic cycle.

On the positive side, a below-index position and stock selection in the consumer staples sector, stock selection in the financials sector and a below-index position in the basic materials sector helped offset some of the negative performance. Go-Ahead, which runs regional bus operations in the UK, was the top contributor to relative performance. In August 2022, the company received a new bid approach from a transport infrastructure consortium. The sale completed in October 2022. Similarly, France's Schneider Electric made an offer for a complete takeover of the software company AVEVA Group. The transaction was finalised in January 2023, and the fund's exposure to AVEVA was a positive for performance. Another contributor was Euromoney, which received a takeover offer from a consortium involving Astorg Asset Management and Epiris. This buyout completed in November 2022. Not holding miner Anglo American and alcoholic beverage company Diageo, due to the fund's ethical screen, also contributed positively as shares of both companies came under pressure over the review period.

### Market Review

The UK stock market, as represented by the FTSE All-Share Index, rose over the period. The FTSE 100 Index, home of large, multinational companies that often benefit from a weak pound, held up well in the global market sell-off. In contrast, the FTSE 250 Index, which contains mid-sized companies typically more focused on the domestic UK economy, fell over the period.

Several factors explained the FTSE 100 Index's relative resilience. As well as benefiting from currency effects, it is home to many so-called defensive shares that tend to hold their value better when the stock market falls. It also contains several major energy companies. These were boosted by higher energy prices, particularly after the outbreak of war in Eastern Europe.

Inflation dominated the economic landscape. The annual inflation rate increased steadily, hitting a 41-year high of 11.1% in October, before it began to recede. The Bank of England reacted to surging inflation with successive interest-rate rises, taking the base rate from 0.25% at the start of 2022 to 3.50% by the calendar year's end. The central bank increased the base rate by a further 0.50% in February.

In economic news, in January 2023, the International Monetary Fund predicted that the UK would be the only major developed economy to experience a negative growth rate across the whole of 2023. Figures published by S&P Global indicated that private-sector activity in Britain declined for a sixth consecutive month in January, falling at its fastest pace since 2021. Yet, UK equities made solid progress in January on renewed hopes that central banks could soon start to slow the pace of interest-rate rises. Meanwhile, despite increased volatility in February, UK shares enjoyed monthly gains during the month as well. In the final days of the month, sterling increased to almost US\$1.21 against the US dollar, buoyed by the agreement between the UK and the European Union (EU) regarding post-Brexit trading arrangements in Northern Ireland.

### Portfolio Activity and Review

In terms of portfolio activity, there were numerous transactions in the past 12 months. The fund initiated positions in the insurance and financial sectors, with investments in Hiscox and NatWest Group. We also added Hargreaves Lansdown, a direct-to-consumer investment platform, Oxford Instruments, a technology company with access to structural growth markets, and Segro, a real estate investment trust that focuses on logistics properties.

Among other purchases were Spectris, which supplies precision instrumentation and controls and enterprise software company Sage Group. In addition, we topped up positions in a number of businesses, including industrial equipment rental company Ashtead Group, international recruitment business FDM Group, residential property developer Bellway, power generation business Drax Group, merchant banker Close Brothers Group, construction company Morgan Sindall, retailer Marks & Spencer, hotel and restaurant company Whitbread, packaging and paper group Mondi, CVS Group, which

# abrdn UK Ethical Equity Fund

## Continued

offers veterinary products and services, Keywords Studios, which operates in the video game industry, IT infrastructure provider Softcat, private equity investor Intermediate Capital, utility company National Grid, and Prudential, which also increased the fund's international exposure. We also added to RELX following a positive meeting with the company's management team.

On the other hand, the fund reduced holdings in a number of businesses, including Marshalls, which supplies landscaping products, Discoverie Group, which provides specialised electronic components, Diploma, which offers services in life sciences, seals, and controls segments, Howden Joinery, which sells products to the building trade, home furnishings retailer Dunelm and energy company SSE. We also trimmed positions in student accommodation provider Unite Group, laboratory and environmental technology company Porvair, recruitment company Robert Walters, packaging business DS Smith, Lloyds Banking, residential property business Grainger, Sirius Real Estate, housebuilder Crest Nicholson, Vodafone, Gamma Communications, software company Kainos Group, and RS Group, which distributes industrial and electronics products.

During the 12 months, the fund also exited several businesses, including property developer British Land, Standard Chartered, investment management group Ashmore, Emis Group, which provides healthcare software, and engineered ceramics company Vesuvius. We also exited Go-Ahead, AVEVA Group and Euromoney after these companies accepted takeover bids.

## Portfolio Outlook and Strategy

The global economy is slowing as inflationary pressures take their toll, with a high risk of recession in the UK and other major countries. Although macro drivers affect the stock market, we remain confident we can navigate this choppy environment. The UK equity market is highly diverse, allowing access to a wide range of companies with different drivers.

Therefore, we remain focused on bottom-up stock picking, examining prospects on a company-by-company basis over the fund's three- to five-year investment horizon. The focus is on finding businesses within the acceptable universe defined by the fund's ethical policy, that are well positioned for growth, and have resilient earnings streams and underappreciated business models.

## UK Equity Team

March 2023

# abrdn UK Ethical Equity Fund

## Continued

### Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the fund. The table below shows the fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk				Typically higher rewards, higher risk		
←				→		
1	2	3	4	5	6	7

Risk and reward indicator table as at 28 February 2023.

The fund is rated as 6 because of the extent to which the following risk factors apply:

- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector.
- 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 use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

# Comparative Tables

	2023	2022	2021
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	184.08	186.53	182.33
Return before operating charges*	(1.64)	0.28	6.35
Operating charges	(2.23)	(2.73)	(2.15)
Return after operating charges*	(3.87)	(2.45)	4.20
Distributions	(3.16)	(1.44)	(0.20)
Retained distributions on accumulation shares	3.16	1.44	0.20
Closing net asset value per share	180.21	184.08	186.53
* after direct transaction costs of:	0.19	0.22	0.18
<b>Performance</b>			
Return after charges	(2.10%)	(1.31%)	2.30%
<b>Other information</b>			
Closing net asset value (£'000)	51,840	59,987	61,560
Closing number of shares	28,765,535	32,588,173	33,002,021
Operating charges	1.31%	1.31%	1.32%
Direct transaction costs	0.11%	0.11%	0.11%
<b>Prices</b>			
Highest share price	185.3	228.3	193.5
Lowest share price	145.5	179.1	113.2

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2023	2022	2021
Institutional accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	210.81	212.62	206.87
Return before operating charges*	(1.81)	0.19	7.31
Operating charges	(1.65)	(2.00)	(1.56)
Return after operating charges*	(3.46)	(1.81)	5.75
Distributions	(4.54)	(2.76)	(1.09)
Retained distributions on accumulation shares	4.54	2.76	1.09
Closing net asset value per share	207.35	210.81	212.62
* after direct transaction costs of:	0.21	0.25	0.21
<b>Performance</b>			
Return after charges	(1.64%)	(0.85%)	2.78%
<b>Other information</b>			
Closing net asset value (£'000)	42,401	60,422	68,088
Closing number of shares	20,448,850	28,662,269	32,022,521
Operating charges	0.84%	0.84%	0.85%
Direct transaction costs	0.11%	0.11%	0.11%
<b>Prices</b>			
Highest share price	213.1	260.8	220.5
Lowest share price	167.2	205.2	128.5

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2023	2022	2021
Institutional income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	65.04	66.48	65.00
Return before operating charges*	(0.57)	0.04	2.31
Operating charges	(0.50)	(0.62)	(0.49)
Return after operating charges*	(1.07)	(0.58)	1.82
Distributions	(1.40)	(0.86)	(0.34)
Closing net asset value per share	62.57	65.04	66.48
* after direct transaction costs of:	0.07	0.08	0.06
<b>Performance</b>			
Return after charges	(1.65%)	(0.87%)	2.80%
<b>Other information</b>			
Closing net asset value (£'000)	9,765	12,345	14,400
Closing number of shares	15,604,525	18,980,666	21,661,886
Operating charges	0.84%	0.84%	0.85%
Direct transaction costs	0.11%	0.11%	0.11%
<b>Prices</b>			
Highest share price	65.76	81.55	69.29
Lowest share price	51.57	64.14	40.37

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.

# Comparative Tables

## Continued

Institutional regulated accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	143.35	143.93	139.40
Return before operating charges*	(1.20)	0.05	5.03
Operating charges	(0.51)	(0.63)	(0.50)
Return after operating charges*	(1.71)	(0.58)	4.53
Distributions	(3.69)	(2.60)	(1.30)
Retained distributions on accumulation shares	3.69	2.60	1.30
Closing net asset value per share	141.64	143.35	143.93
* after direct transaction costs of:	0.15	0.17	0.14
<b>Performance</b>			
Return after charges	(1.19%)	(0.40%)	3.25%
<b>Other information</b>			
Closing net asset value (£'000)	26,241	26,790	31,068
Closing number of shares	18,526,773	18,688,260	21,584,989
Operating charges	0.39%	0.39%	0.40%
Direct transaction costs	0.11%	0.11%	0.11%
<b>Prices</b>			
Highest share price	145.5	177.0	149.2
Lowest share price	114.0	139.5	86.63

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

Institutional A accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	67.48	68.57	67.23
Return before operating charges*	(0.61)	0.13	2.24
Operating charges	(0.99)	(1.22)	(0.90)
Return after operating charges*	(1.60)	(1.09)	1.34
Distributions	(0.99)	(0.31)	-
Retained distributions on accumulation shares	0.99	0.31	-
Closing net asset value per share	65.88	67.48	68.57
* after direct transaction costs of:	0.07	0.08	0.06
<b>Performance</b>			
Return after charges	(2.37%)	(1.59%)	1.99%
<b>Other information</b>			
Closing net asset value (£'000)	15	16	16
Closing number of shares	23,500	23,500	23,500
Operating charges	1.59%	1.59%	1.60%
Direct transaction costs	0.11%	0.11%	0.11%
<b>Prices</b>			
Highest share price	67.75	83.80	71.13
Lowest share price	53.26	65.67	41.75

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

<b>Platform 1 accumulation</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	116.07	117.12	114.00
Return before operating charges*	(1.02)	0.12	4.04
Operating charges	(0.95)	(1.17)	(0.92)
Return after operating charges*	(1.97)	(1.05)	3.12
Distributions	(2.45)	(1.45)	(0.55)
Retained distributions on accumulation shares	2.45	1.45	0.55
Closing net asset value per share	114.10	116.07	117.12
* after direct transaction costs of:	0.12	0.14	0.11
<b>Performance</b>			
Return after charges	(1.70%)	(0.90%)	2.74%
<b>Other information</b>			
Closing net asset value (£'000)	97,582	115,256	127,606
Closing number of shares	85,520,459	99,302,469	108,952,164
Operating charges	0.89%	0.89%	0.90%
Direct transaction costs	0.11%	0.11%	0.11%
<b>Prices</b>			
Highest share price	117.3	143.7	121.5
Lowest share price	92.00	113.0	70.82

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

	2023	2022	2021
Platform 1 income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	65.03	66.46	65.00
Return before operating charges*	(0.56)	0.06	2.29
Operating charges	(0.54)	(0.66)	(0.52)
Return after operating charges*	(1.10)	(0.60)	1.77
Distributions	(1.37)	(0.83)	(0.31)
Closing net asset value per share	62.56	65.03	66.46
* after direct transaction costs of:	0.07	0.08	0.06
<b>Performance</b>			
Return after charges	(1.69%)	(0.90%)	2.72%
<b>Other information</b>			
Closing net asset value (£'000)	5,988	7,355	9,726
Closing number of shares	9,570,881	11,310,100	14,634,140
Operating charges	0.89%	0.89%	0.90%
Direct transaction costs	0.11%	0.11%	0.11%
<b>Prices</b>			
Highest share price	65.71	81.52	69.25
Lowest share price	51.55	64.10	40.36

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

ZC accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	242.67	242.90	234.55
Return before operating charges*	(2.01)	0.02	8.56
Operating charges	(0.19)	(0.25)	(0.21)
Return after operating charges*	(2.20)	(0.23)	8.35
Distributions	(6.93)	(5.20)	(2.83)
Retained distributions on accumulation shares	6.93	5.20	2.83
Closing net asset value per share	240.47	242.67	242.90
* after direct transaction costs of:	0.25	0.29	0.23
<b>Performance</b>			
Return after charges	(0.91%)	(0.09%)	3.56%
<b>Other information</b>			
Closing net asset value (£'000)	4,908	7,332	416
Closing number of shares	2,040,979	3,021,285	171,091
Operating charges	0.09%	0.09%	0.10%
Direct transaction costs	0.11%	0.11%	0.11%
<b>Prices</b>			
Highest share price	247.0	299.2	251.8
Lowest share price	193.3	236.1	145.8

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 28 February 2023

Holding	Investment	Market value £'000	Percentage of total net assets
<b>UK Equities (97.14%)</b>		<b>235,032</b>	<b>98.45</b>
<b>Basic Materials (1.96%)</b>		<b>4,697</b>	<b>1.97</b>
707,845	Bodycote	4,697	1.97
<b>Consumer Discretionary (21.93%)</b>		<b>50,180</b>	<b>21.02</b>
337,865	Bellway	7,487	3.14
966,704	Crest Nicholson	2,359	0.99
243,481	CVS++	4,565	1.91
164,038	Dunelm	2,060	0.86
1,380,880	Hollywood Bowl	3,356	1.41
1,219,010	Howden Joinery	8,735	3.66
1,773,793	Hyve	1,816	0.76
1,098,440	Joules*	-	-
109,092	Keywords Studios++	3,153	1.32
1,017,272	Marks & Spencer	1,627	0.68
1,140,821	Moonpig	1,338	0.56
470,351	Redrow	2,394	1.00
348,638	RELX	8,723	3.65
83,122	Whitbread	2,567	1.08
<b>Consumer Staples (2.83%)</b>		<b>8,153</b>	<b>3.42</b>
101,505	Coca-Cola HBC	2,158	0.91
221,231	Greggs	5,995	2.51
<b>Financials (18.07%)</b>		<b>56,229</b>	<b>23.55</b>
602,994	Chesnara	1,716	0.72
385,649	Close Brothers	3,899	1.63
408,458	Hargreaves Lansdown	3,388	1.42
323,141	Hiscox	3,682	1.54
359,883	Intermediate Capital	5,044	2.11
505,112	JTC	3,889	1.63
13,721,812	Lloyds Banking	7,219	3.02
56,528	London Stock Exchange	4,200	1.76

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
137,901	Molten Ventures	535	0.23
2,345,233	NatWest	6,853	2.87
1,187,324	OSB	6,607	2.77
724,706	Prudential	9,197	3.85
<b>Health Care (0.99%)</b>		<b>2,772</b>	<b>1.16</b>
1,155,051	Spire Healthcare	2,772	1.16
<b>Industrials (23.39%)</b>		<b>57,150</b>	<b>23.94</b>
102,077	Ashtead	5,622	2.35
2,296,437	Coats	1,679	0.70
143,847	Diploma	3,999	1.68
1,292,990	DS Smith	4,360	1.83
491,981	FDM	4,054	1.70
1,429,606	Genuit	4,475	1.87
559,819	Grafton	5,321	2.23
164,155	IMI	2,554	1.07
448,767	Marshalls	1,504	0.63
674,224	Midwich++	3,361	1.41
346,611	Mondi	4,839	2.03
145,702	Morgan Sindall	2,614	1.09
140,571	Oxford Instruments	3,493	1.46
428,589	Porvair	2,666	1.12
586,675	Robert Walters	2,957	1.24
200,349	RS	1,957	0.82
48,222	Spectris	1,695	0.71
<b>Real Estate (7.48%)</b>		<b>14,384</b>	<b>6.02</b>
1,174,486	Grainger	2,981	1.25
435,659	Rightmove	2,442	1.02
286,780	Segro REIT	2,361	0.99
3,477,003	Sirius Real Estate	2,914	1.22
282,323	Unite REIT	2,774	1.16
178,534	Workspace REIT	912	0.38

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Technology (12.61%)</b>		<b>20,914</b>	<b>8.76</b>
565,636	Auto Trader	3,367	1.41
450,172	Blanco Technology <sup>++</sup>	817	0.34
169,145	DiscoverIE	1,444	0.60
369,654	GB <sup>++</sup>	1,234	0.52
233,618	Instem <sup>++</sup>	1,542	0.65
413,806	Kainos	5,752	2.41
305,686	Sage	2,288	0.96
370,055	Softcat	4,470	1.87
<b>Telecommunications (3.57%)</b>		<b>6,633</b>	<b>2.78</b>
274,463	Gamma Communications <sup>++</sup>	3,195	1.34
3,446,223	Vodafone	3,438	1.44
<b>Utilities (4.31%)</b>		<b>13,920</b>	<b>5.83</b>
821,607	Drax	5,225	2.19
351,382	National Grid	3,681	1.54
287,333	SSE	5,014	2.10
Total investment assets		235,032	98.45
Net other assets		3,708	1.55
<b>Total Net Assets</b>		<b>238,740</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities within the meaning of the FCA rules.

The percentage figures in brackets show the comparative holding as at 28 February 2022.

<sup>++</sup> AIM listed.

\* Suspended.

# Financial Statements

## Statement of Total Return

For the year ended 28 February 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(13,852)		(6,500)
Revenue	2	8,018		7,029	
Expenses	3	(2,228)		(3,133)	
Interest payable and similar charges		(2)		(3)	
Net revenue before taxation		5,788		3,893	
Taxation	4	(16)		13	
Net revenue after taxation			5,772		3,906
<b>Total return before distributions</b>			<b>(8,080)</b>		<b>(2,594)</b>
Distributions	5		(5,772)		(3,906)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(13,852)</b>		<b>(6,500)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2023

	2023		2022	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>289,503</b>		<b>312,880</b>
Amounts receivable on the issue of shares	9,769		53,144	
Amounts payable on the cancellation of shares	(51,437)		(73,441)	
		(41,668)		(20,297)
Dilution adjustment		-		75
Change in net assets attributable to shareholders from investment activities (see above)		(13,852)		(6,500)
Retained distribution on accumulation shares		4,757		3,345
<b>Closing net assets attributable to shareholders</b>		<b>238,740</b>		<b>289,503</b>

# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			235,032		281,233
<b>Current assets:</b>					
Debtors	6	242		2,040	
Cash and bank balances		4,695		7,678	
			4,937		9,718
<b>Total assets</b>			<b>239,969</b>		<b>290,951</b>
<b>Liabilities:</b>					
Creditors	7	(879)		(1,191)	
Distribution payable		(350)		(257)	
			(1,229)		(1,448)
<b>Total liabilities</b>			<b>(1,229)</b>		<b>(1,448)</b>
<b>Net assets attributable to shareholders</b>			<b>238,740</b>		<b>289,503</b>

# Notes to the Financial Statements

## 1 Net Capital Losses

	2023 £'000	2022 £'000
Non-derivative securities	(13,846)	(6,488)
Other losses	-	(7)
Transaction charges	(6)	(5)
<b>Net capital losses</b>	<b>(13,852)</b>	<b>(6,500)</b>

## 2 Revenue

	2023 £'000	2022 £'000
Bank and margin interest	79	5
Overseas dividends	188	-
UK dividends	7,547	6,902
UK REIT	204	122
<b>Total revenue</b>	<b>8,018</b>	<b>7,029</b>

## 3 Expenses

	2023 £'000	2022 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	2,011	2,796
Dealing charge	53	77
General administration charge*	157	113
Registration fees**	-	114
	<b>2,221</b>	<b>3,100</b>
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Depositary's fees**	-	19
Safe custody fees	7	9
	<b>7</b>	<b>28</b>
<b>Other:</b>		
Audit fee**	-	5
	-	5
<b>Total expenses</b>	<b>2,228</b>	<b>3,133</b>

Irrecoverable VAT is included in the above expenses, where relevant.

\* The fixed general administration charge was introduced from 1 September 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 £10,200 (2022: £9,480).

\*\* These figures represent the charges to 31 August 2021, which have now been replaced by the fixed general administration charge.

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2023 £'000	2022 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	16	(13)
<b>Total taxation (note 4b)</b>	<b>16</b>	<b>(13)</b>

#### (b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2022: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

<b>Net revenue before taxation</b>	<b>5,788</b>	<b>3,893</b>
Corporation tax at 20% (2022: 20%)	1,158	779
Effects of:		
Revenue not subject to taxation	(1,547)	(1,380)
Overseas taxes	16	(13)
Excess allowable expenses	389	601
<b>Total tax charge for year (note 4a)</b>	<b>16</b>	<b>(13)</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

#### (c) Factors that may affect future tax charge

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £7,588,000 (2022: £7,198,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

### 5 Distributions

	2023 £'000	2022 £'000
Distribution	5,107	3,602
Add: Income deducted on cancellation of shares	864	686
Deduct: Income received on issue of shares	(199)	(382)
<b>Total distributions for the year</b>	<b>5,772</b>	<b>3,906</b>

Details of the distribution per share are set out in this fund's distribution table.

# Notes to the Financial Statements

## Continued

### 6 Debtors

	2023 £'000	2022 £'000
Accrued revenue	128	321
Amounts receivable from the ACD for the issue of shares	14	81
Overseas withholding tax recoverable	100	67
Sales awaiting settlement	-	1,571
<b>Total debtors</b>	<b>242</b>	<b>2,040</b>

### 7 Creditors

	2023 £'000	2022 £'000
Accrued expenses payable to ACD	165	209
Accrued expenses payable to the Depositary or associates of the Depositary	3	2
Amounts payable to the ACD for cancellation of shares	632	975
Other accrued expenses	5	5
Purchases awaiting settlement	74	-
<b>Total creditors</b>	<b>879</b>	<b>1,191</b>

### 8 Related Party Transactions

abrdr Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to abrdr Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 7.

Amounts payable to abrdr Fund Managers Limited, in respect of expenses are disclosed in note 3 and any amounts due at the year end in note 7.

### 9 Portfolio Transaction Costs

	Purchases		Sales	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Trades in the year</b>				
Equities	47,031	69,575	71,537	94,246
Corporate actions	210	-	8,398	-
<b>Trades in the year before transaction costs</b>	<b>47,241</b>	<b>69,575</b>	<b>79,935</b>	<b>94,246</b>

# Notes to the Financial Statements

## Continued

	Purchases		Sales	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Trades in the year</b>				
<b>Commissions</b>				
Equities	26	37	(40)	(55)
<b>Total commissions</b>	<b>26</b>	<b>37</b>	<b>(40)</b>	<b>(55)</b>
<b>Taxes</b>				
Equities	207	280	-	-
<b>Total taxes</b>	<b>207</b>	<b>280</b>	<b>-</b>	<b>-</b>
<b>Total transaction costs</b>	<b>233</b>	<b>317</b>	<b>(40)</b>	<b>(55)</b>
<b>Total net trades in the year after transaction costs</b>	<b>47,474</b>	<b>69,892</b>	<b>79,895</b>	<b>94,191</b>

	Purchases		Sales	
	2023 %	2022 %	2023 %	2022 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.05	0.05	0.06	0.06
<b>Taxes</b>				
Equities	0.44	0.40	-	-

	2023 %	2022 %
<b>Total transaction costs expressed as a percentage of net asset value</b>		
Commissions	0.03	0.03
Taxes	0.08	0.08

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.32% (2022: 0.38%), this is representative of the average spread on the assets held during the year.

## 10 Shares in Issue Reconciliation

	Opening shares 2022	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2023
Retail accumulation	32,588,173	877,203	(2,654,508)	(2,045,333)	28,765,535
Institutional accumulation	28,662,269	1,394,108	(9,676,589)	69,062	20,448,850
Institutional income	18,980,666	1,798,748	(5,049,662)	(125,227)	15,604,525
Institutional regulated accumulation	18,688,260	965,847	(1,127,334)	-	18,526,773

# Notes to the Financial Statements

## Continued

	Opening shares 2022	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2023
Institutional A accumulation	23,500	-	-	-	23,500
Platform 1 accumulation	99,302,469	2,503,632	(19,364,859)	3,079,217	85,520,459
Platform 1 income	11,310,100	707,296	(2,620,767)	174,252	9,570,881
ZC accumulation	3,021,285	26,793	(1,007,099)	-	2,040,979

## 11 Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2023 £'000	2023 £'000	2023 £'000	2022 £'000	2022 £'000	2022 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	235,032	-	-	281,233	-	-
<b>Total investment assets</b>	<b>235,032</b>	<b>-</b>	<b>-</b>	<b>281,233</b>	<b>-</b>	<b>-</b>

## 12 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

### Foreign currency risk

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 28 February 2023, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £11,752,000 (2022: £14,062,000).

# Notes to the Financial Statements

## Continued

### **Financial derivatives instrument risk**

The fund had no exposure to derivatives as at 28 February 2023 (2022: £Nil).

### **Liquidity risk**

All of the fund's financial liabilities are payable on demand or in less than one year, 2023 £1,229,000 (2022: £1,448,000).

# Distribution Table

For the year ended 28 February 2023 (in pence per share)

## Final dividend distribution

Group 1 – shares purchased prior to 1 March 2022

Group 2 – shares purchased between 1 March 2022 and 28 February 2023

	Revenue	Equalisation	Distribution paid 28/04/23	Distribution paid 29/04/22
<b>Retail accumulation</b>				
Group 1	3.1614	-	3.1614	1.4380
Group 2	1.7834	1.3780	3.1614	1.4380
<b>Institutional accumulation</b>				
Group 1	4.5433	-	4.5433	2.7580
Group 2	2.5801	1.9632	4.5433	2.7580
<b>Institutional income</b>				
Group 1	1.4018	-	1.4018	0.8624
Group 2	0.5767	0.8251	1.4018	0.8624
<b>Institutional regulated accumulation</b>				
Group 1	3.6929	-	3.6929	2.5954
Group 2	1.1150	2.5779	3.6929	2.5954
<b>Institutional A accumulation</b>				
Group 1	0.9872	-	0.9872	0.3144
Group 2	0.9872	-	0.9872	0.3144
<b>Platform 1 accumulation</b>				
Group 1	2.4473	-	2.4473	1.4535
Group 2	1.1382	1.3091	2.4473	1.4535
<b>Platform 1 income</b>				
Group 1	1.3711	-	1.3711	0.8250
Group 2	0.6678	0.7033	1.3711	0.8250
<b>ZC accumulation</b>				
Group 1	6.9348	-	6.9348	5.2027
Group 2	4.1950	2.7398	6.9348	5.2027

## 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 Government Bond Fund

For the year ended 28 February 2023

## Investment Objective

To generate income and some growth over the long term (5 years or more) by investing in UK Government bonds.

Performance Target: To achieve the return of the FTSE Actuaries UK Conventional Gilts All Stocks Index plus 0.5% per annum (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

Performance Comparator: IA UK Gilt Sector Average.

The ACD believes this is an appropriate target/comparator for the fund based on the investment policy of the fund and the constituents of the index/sector.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 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) and money-market instruments, and cash.

### Management Process

- The management team use their discretion (active management) to identify investments after analysing global economic and market conditions (for example, interest rates and inflation) in addition to analysing of individual bonds and derivatives.
- In seeking to achieve the Performance Target, the 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 1.5%. Due to the fund's risk constraints, the intention is that the fund's performance profile will not deviate significantly from that of the FTSE Actuaries UK Conventional Gilts All Stocks Index over the longer 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").
- 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

Over the period under review, the fund returned -20.28%. (Source: FactSet, Platform 1 Accumulation Shares.) This compared to a return of -19.80% for our performance target (Source: FactSet, FTSE Actuaries UK Conventional Gilts All Stocks Index +0.5%).

Source: FTSE International Limited ('FTSE') © FTSE2023. 'FTSE®' is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence. RAFI® is a registered trademark of Research Affiliates, LLC. All rights in the FTSE indices and/or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.

Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

Companies selected for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.

## Market Review

The review period was a difficult one for government bonds. UK government bonds, or Gilts, fell over the period, amid a global environment of rising interest rates and falling sovereign prices. The 10-year Gilt yield rose from 1.38% at the end of February 2022 to 3.84% at the end of February 2023. Over the past 12 months, most developed central banks hiked rates to bring down persistent high inflation. Japan was the only G7 economy to maintain its dovish stance and hold interest rates steady, maintaining its dovish stance. Elsewhere, the rapid rate of monetary tightening has weakened the outlook for global growth, increasing investor concerns for a recession in 2023.

# abrdn UK Government Bond Fund

## Continued

In the UK, high inflation levels led the Bank of England (BoE) to hike rates during the review period. In March 2023, the Bank Rate, as set by the Monetary Policy Committee (MPC), stood at 0.5%. Meanwhile, in July 2022, the UK's consumer price index (CPI) reached 10.1%. As a result, at the end of August 2022, the Bank Rate increased to 1.75%. Between the start of August and the end of September, the 10-year Gilt yield rose by over 2.2 percentage points. As rates increased, bond prices came under further pressure.

Another development to affect the Gilt market was political turmoil. In late September, Chancellor Kwasi Kwarteng introduced a mini-budget, which heralded the biggest programme of tax cuts in 50 years – to be funded by new borrowing. Investors in UK assets were shocked, and the market reaction was extreme. Sterling fell sharply while Gilt yields soared. The yield on the 10-year Gilt went to over 4.5%. UK pension funds were forced, because of higher yields leading to margin calls, to liquidate bond holdings. The BoE was obliged to step in to limit the damage, saying it would support the market by buying Gilts. This move calmed the market somewhat before month-end. Nevertheless, it was the worst quarter ever for Gilts.

In late October, Rishi Sunak became the new Prime Minister. UK government bonds recovered some lost ground in October and November, outperforming other core government bond market peers, before weakening again in December in tandem with other global fixed income markets. Amid the political chaos, the BoE continued to tighten policy rates aggressively. It lifted rates by 75bps in November and a further 50bps in December, taking the cash rate to 3.5%. Meanwhile, the stabilisation in bond markets in the fourth quarter attracted strong inflows to the asset class from investors enticed by the highest yields in a decade. Nevertheless, this left total returns for the calendar year down 23.83% – a humbling and unforgettable year for UK government bonds. In summary, the BoE increased its base rate eight times over the course of 2022, as inflation in the UK continued to climb, hitting a 41-year-high annual rate of 11.1%.

At the start 2023, investors welcomed positive news as CPI data from Europe's largest economies suggested that inflationary pressures cooled sharply in December, igniting a sustained rally in UK government bonds. The BoE opined that inflation had likely peaked, suggesting there could be a pause in the current policy tightening. Latest data supported this view as UK annual CPI eased to 10.5% in December, continuing its decline from a 41-year high of 11.1% in October. The yield on the UK's 10-year Gilt fell below 3.20% in January. Yet, more recently in February 2023, the Bank of England decided to raise interest rates

by 50 basis points to 4.0%, pushing the cost of borrowing to its highest level since late 2008. The yield on the 10-year Gilt finished February below 3.78%.

## Portfolio Activity and Review

Given the volatility over the period, the fund adopted a flexible approach to duration management, although remained predominantly positioned with a short bias relative to the benchmark.

Early in the 12-month review period, curve trading and inflation positions were disappointing. 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 and central banks globally pushed front-dated expectations to extremes. While the fund was initially well positioned for a rising yield environment, some of the extreme curve moves were difficult to navigate, and performance early in the period was negative.

Over the second quarter of 2022, fund performance was flat versus the benchmark. However, the review period was characterised by violent swings in yields and curves, which presented extremely challenging conditions for many of our core holdings. 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. While headline duration was kept close to neutral until June, we began to pivot towards an outright long exposure in front-dated UK government bonds by mid-June. Our decision was vindicated as the MPC chose to hike by 25bps and not by a greater amount. This caused short-dated yields to rally into quarter end. As the quarter ended, we reduced our outright duration bias by selling bonds and reducing the Australian long we had added earlier in the quarter, leaving fund duration close to neutral.

The third quarter was characterised by violent swings in yields and curves. These presented extremely challenging conditions for many of our core holdings. From a performance perspective, duration and cross-market trading were positive drivers. Losses came from gilt relative value strategies and curve positions. The fund was positioned short duration for most of the quarter, ending with a neutral duration. Although our core position was for higher global yields, the speed of the moves meant that sizing and where the duration was held were tactical in nature. For much of the quarter, duration positioning was used as a hedge against the front-end UK curve positions. This meant that although the fund's headline duration was short, its beta was closer to neutral.

# abrdrn UK Government Bond Fund

## Continued

In terms of total and excess returns, the final quarter of 2022 was a strong quarter for the fund when compared to its benchmark. UK government bonds recovered some of the losses suffered in the prior three quarters. Against this backdrop, active management generated a significant excess return over the benchmark. There were notable positive contributions across all the main strategy types within the fund, including duration, relative value, yield curve and country spreads. Our duration management was net positive for excess returns, with the fund adopting a short bias relative to the benchmark. Our decision to maintain curve-steepening strategies in the UK government bond market, despite the temporary intervention by the BoE, was the single largest positive contributor to excess returns.

While 2022 has been a tough calendar year for UK government bond investors, with extreme volatility and deeply negative total returns across the asset class, active management has generated positive excess returns, and the fund has outperformed its benchmark. 2023 started with a better tone for fixed income, leading to positive total returns year to date.

## Portfolio Outlook and Strategy

UK government bonds contended with aggressive monetary policy tightening amid a backdrop of elevated inflation and suffered deeply negative total returns in 2022. Yet, the investing scene in 2023 is different for Gilts. Nominal government bond yields are at their most attractive levels for more than a decade, and with most economists forecasting recession, they potentially offer protection to investors looking for defensive assets and portfolio diversification. Nevertheless, we recognise that there are potential factors that may support nominal government bond yields remaining around current levels or potentially climbing modestly higher. Government bond yields are likely to remain volatile, but trade within a narrower range than 2022.

### Rates Team

March 2023

# abrdn UK 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 28 February 2023.

The fund is rated as 4 because of the extent to which the following risk factors apply:

- The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- The fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

# Comparative Tables

	2023	2022	2021
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	77.23	80.59	84.78
Return before operating charges*	(15.41)	(2.74)	(3.39)
Operating charges	(0.49)	(0.62)	(0.80)
Return after operating charges*	(15.90)	(3.36)	(4.19)
Distributions	(0.59)	-	-
Retained distributions on accumulation shares	0.59	-	-
Closing net asset value per share	61.33	77.23	80.59
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(20.59%)	(4.17%)	(4.94%)
<b>Other information</b>			
Closing net asset value (£'000)	2,570	3,648	4,317
Closing number of shares	4,192,357	4,723,296	5,357,064
Operating charges	0.72%	0.77%	0.92%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	78.99	84.78	90.53
Lowest share price	56.24	76.55	80.37

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.

# Comparative Tables

## Continued

	2023	2022	2021
Retail income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	48.77	50.89	53.54
Return before operating charges*	(9.73)	(1.73)	(2.15)
Operating charges	(0.31)	(0.39)	(0.50)
Return after operating charges*	(10.04)	(2.12)	(2.65)
Distributions	(0.37)	-	-
Closing net asset value per share	38.36	48.77	50.89
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(20.59%)	(4.17%)	(4.95%)
<b>Other information</b>			
Closing net asset value (£'000)	584	921	1,084
Closing number of shares	1,520,989	1,887,894	2,129,270
Operating charges	0.72%	0.77%	0.92%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	49.88	53.54	57.17
Lowest share price	35.41	48.34	50.75

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2023	2022	2021
Institutional accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	82.81	86.06	90.15
Return before operating charges*	(16.55)	(2.95)	(3.63)
Operating charges	(0.22)	(0.30)	(0.46)
Return after operating charges*	(16.77)	(3.25)	(4.09)
Distributions	(0.93)	(0.32)	(0.23)
Retained distributions on accumulation shares	0.93	0.32	0.23
Closing net asset value per share	66.04	82.81	86.06
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(20.25%)	(3.78%)	(4.54%)
<b>Other information</b>			
Closing net asset value (£'000)	6,349	8,924	10,261
Closing number of shares	9,614,619	10,776,474	11,923,647
Operating charges	0.30%	0.35%	0.50%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	84.70	90.83	96.28
Lowest share price	60.46	82.07	85.76

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2023	2022	2021
Institutional income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	48.95	51.07	53.63
Return before operating charges*	(9.77)	(1.75)	(2.16)
Operating charges	(0.13)	(0.18)	(0.27)
Return after operating charges*	(9.90)	(1.93)	(2.43)
Distributions	(0.55)	(0.19)	(0.13)
Closing net asset value per share	38.50	48.95	51.07
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(20.22%)	(3.78%)	(4.53%)
<b>Other information</b>			
Closing net asset value (£'000)	9,740	12,086	12,976
Closing number of shares	25,297,072	24,689,207	25,409,824
Operating charges	0.30%	0.35%	0.50%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	50.07	53.82	57.28
Lowest share price	35.56	48.63	50.96

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

<b>Platform 1 accumulation</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	61.01	63.44	66.49
Return before operating charges*	(12.19)	(2.17)	(2.67)
Operating charges	(0.19)	(0.26)	(0.38)
Return after operating charges*	(12.38)	(2.43)	(3.05)
Distributions	(0.66)	(0.21)	(0.13)
Retained distributions on accumulation shares	0.66	0.21	0.13
Closing net asset value per share	48.63	61.01	63.44
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(20.29%)	(3.83%)	(4.59%)
<b>Other information</b>			
Closing net asset value (£'000)	2,798	3,957	5,268
Closing number of shares	5,753,359	6,486,285	8,303,948
Operating charges	0.35%	0.40%	0.55%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	62.41	66.93	71.00
Lowest share price	44.54	60.47	63.24

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

	2023	2022	2021
Platform 1 income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	56.64	59.09	62.05
Return before operating charges*	(11.31)	(2.02)	(2.48)
Operating charges	(0.17)	(0.24)	(0.35)
Return after operating charges*	(11.48)	(2.26)	(2.83)
Distributions	(0.61)	(0.19)	(0.13)
Closing net asset value per share	44.55	56.64	59.09
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(20.27%)	(3.82%)	(4.56%)
<b>Other information</b>			
Closing net asset value (£'000)	607	942	1,130
Closing number of shares	1,361,426	1,663,060	1,911,619
Operating charges	0.35%	0.40%	0.55%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	57.94	62.27	66.27
Lowest share price	41.14	56.26	58.95

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

ZC accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	91.18	94.54	98.69
Return before operating charges*	(18.24)	(3.25)	(4.00)
Operating charges	(0.08)	(0.11)	(0.15)
Return after operating charges*	(18.32)	(3.36)	(4.15)
Distributions	(1.19)	(0.58)	(0.61)
Retained distributions on accumulation shares	1.19	0.58	0.61
Closing net asset value per share	72.86	91.18	94.54
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(20.09%)	(3.55%)	(4.21%)
<b>Other information</b>			
Closing net asset value (£'000)	32,286	38,729	1,764
Closing number of shares	44,312,950	42,474,459	1,866,009
Operating charges	0.10%	0.12%	0.15%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	93.27	99.96	105.4
Lowest share price	66.66	90.36	93.89

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.

# Portfolio Statement

As at 28 February 2023

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Bonds (99.29%)</b>		<b>54,572</b>	<b>99.34</b>
<b>Euro Denominated Bonds (0.72%)</b>		-	-
<b>Government Bonds (0.72%)</b>		-	-
<b>Sterling Denominated Bonds (98.57%)</b>		<b>54,572</b>	<b>99.34</b>
<b>Corporate Bonds (1.42%)</b>		<b>1,210</b>	<b>2.20</b>
less than 5 years to maturity			
142,000	Asian Infrastructure Investment Bank 4.375% 2026	141	0.26
250,000	CPPIB Capital 4.375% 2026	249	0.45
100,000	Dexia Credit Local 0.5% 2023	98	0.18
380,000	Network Rail Infrastructure Finance 4.75% 2024	380	0.69
175,000	Oesterreichische Kontrollbank 1.25% 2023	170	0.31
200,000	PRS Finance 1.75% 2026	172	0.31
<b>Government Bonds (97.15%)</b>		<b>53,362</b>	<b>97.14</b>
less than 5 years to maturity			
389,000	BNG Bank 1.625% 2025	363	0.66
393,000	CPPIB Capital 1.25% 2027	338	0.61
100,000	Development Bank of Japan 1.125% 2023	99	0.18
87,000	European Investment Bank 1.125% 2025	81	0.15
100,000	FMS Wertmanagement 0.625% 2023	97	0.18
200,000	FMS Wertmanagement 1.125% 2023	196	0.36
200,000	FMS Wertmanagement 1.125% 2023	199	0.36
38,000	Inter-American Development Bank 1.25% 2023	37	0.07
250,000	KFW 1.125% 2025	232	0.42
247,000	KFW 3.75% 2027	241	0.44
190,000	Kommunalbanken 0.25% 2025	169	0.31
129,000	Kommunalbanken 4% 2026	127	0.23
131,000	Kommunekredit 0.375% 2024	122	0.22
407,000	Landwirtschaftliche Rentenbank 1.125% 2023	396	0.72
59,000	Nordic Investment Bank 1.125% 2023	57	0.10
38,000	Nordic Investment Bank 1.125% 2025	35	0.06
222,000	Nordic Investment Bank 3.875% 2026	218	0.40
345,000	Ontario (Province of Canada) 0.25% 2026	293	0.53
270,000	Ontario Teachers' Finance Trust 1.125% 2026	242	0.44

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
183,000	Svensk Exportkredit 1.375% 2023	178	0.32
1,645,500	UK (Govt of) 0.125% 2024	1,588	2.89
237,700	UK (Govt of) 0.125% 2026	215	0.39
1,118,900	UK (Govt of) 0.125% 2028	940	1.71
2,698,500	UK (Govt of) 0.25% 2025	2,509	4.57
2,374,900	UK (Govt of) 0.375% 2026	2,102	3.83
1,684,916	UK (Govt of) 0.75% 2023	1,663	3.03
541,500	UK (Govt of) 1.25% 2027	488	0.89
508,828	UK (Govt of) 1.5% 2026	473	0.86
1,921,000	UK (Govt of) 2.25% 2023	1,904	3.47
70,000	UK (Govt of) 2.75% 2024	69	0.13
1,386,900	UK (Govt of) 3.5% 2025	1,368	2.49
1,662,100	UK (Govt of) 4.125% 2027	1,672	3.04
1,151,800	UK (Govt of) 4.25% 2027	1,178	2.14
between 5 and 10 years to maturity			
216,000	PRS Finance 2% 2029	188	0.34
62,000	Tennessee Valley Authority 5.625% 2032	66	0.12
1,155,700	UK (Govt of) 0.25% 2031	867	1.58
2,031,100	UK (Govt of) 0.375% 2030	1,585	2.88
647,700	UK (Govt of) 0.5% 2029	535	0.97
1,535,200	UK (Govt of) 0.875% 2029	1,282	2.33
1,513,500	UK (Govt of) 1% 2032	1,199	2.18
1,318,800	UK (Govt of) 1.625% 2028	1,181	2.15
383,300	UK (Govt of) 4.25% 2032	400	0.73
183,500	UK (Govt of) 4.75% 2030	197	0.36
748,183	UK (Govt of) 6% 2028	835	1.52
between 10 and 15 years to maturity			
1,955,200	UK (Govt of) 0.625% 2035	1,324	2.41
2,314,300	UK (Govt of) 0.875% 2033	1,731	3.15
967,600	UK (Govt of) 1.75% 2037	724	1.32
509,000	UK (Govt of) 3.75% 2038	489	0.89
590,200	UK (Govt of) 4.25% 2036	607	1.10
781,500	UK (Govt of) 4.5% 2034	827	1.51

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
between 15 and 25 years to maturity			
783,100	UK (Govt of) 0.875% 2046	406	0.74
214,500	UK (Govt of) 1.125% 2039	140	0.25
1,250,300	UK (Govt of) 1.25% 2041	784	1.43
906,364	UK (Govt of) 1.5% 2047	539	0.98
1,053,000	UK (Govt of) 3.25% 2044	918	1.67
1,063,700	UK (Govt of) 3.5% 2045	960	1.75
877,200	UK (Govt of) 4.25% 2039	890	1.62
1,475,214	UK (Govt of) 4.25% 2040	1,495	2.72
1,069,900	UK (Govt of) 4.25% 2046	1,080	1.97
1,481,724	UK (Govt of) 4.5% 2042	1,551	2.82
323,900	UK (Govt of) 4.75% 2038	349	0.63
greater than 25 years to maturity			
771,000	CPPIB Capital 1.625% 2071	323	0.59
161,000	UK (Govt of) 0.5% 2061	54	0.10
134,600	UK (Govt of) 0.625% 2050	58	0.11
286,400	UK (Govt of) 1.125% 2073	118	0.22
959,100	UK (Govt of) 1.25% 2051	503	0.92
1,011,500	UK (Govt of) 1.5% 2053	560	1.02
320,200	UK (Govt of) 1.625% 2054	182	0.33
618,000	UK (Govt of) 1.625% 2071	323	0.59
1,226,700	UK (Govt of) 1.75% 2049	764	1.39
861,500	UK (Govt of) 1.75% 2057	503	0.92
951,078	UK (Govt of) 2.5% 2065	678	1.23
770,841	UK (Govt of) 3.5% 2068	707	1.29
1,635,487	UK (Govt of) 3.75% 2052	1,536	2.80
818,516	UK (Govt of) 3.75% 2053	766	1.39
1,019,500	UK (Govt of) 4% 2060	1,025	1.87
1,120,500	UK (Govt of) 4.25% 2049	1,138	2.07
1,051,300	UK (Govt of) 4.25% 2055	1,086	1.98
<b>Collective Investment Schemes (0.43%)</b>		<b>321</b>	<b>0.58</b>
321	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc+	321	0.58

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Derivatives (-0.76%)		(289)	(0.52)
Forward Currency Contracts (0.00%)		(2)	-
	Buy AUD 3,126 Sell GBP 1,784 19/04/2023	-	-
	Buy AUD 5,842 Sell GBP 3,338 19/04/2023	-	-
	Buy AUD 7,914 Sell GBP 4,531 19/04/2023	-	-
	Buy AUD 10,958 Sell GBP 6,301 19/04/2023	-	-
	Buy AUD 11,557 Sell GBP 6,670 19/04/2023	-	-
	Buy AUD 11,901 Sell GBP 6,799 19/04/2023	-	-
	Buy AUD 13,130 Sell GBP 7,427 19/04/2023	-	-
	Buy AUD 13,198 Sell GBP 7,606 19/04/2023	-	-
	Buy AUD 22,400 Sell GBP 12,896 19/04/2023	(1)	-
	Buy AUD 22,934 Sell GBP 12,949 19/04/2023	-	-
	Buy AUD 24,762 Sell GBP 14,215 19/04/2023	-	-
	Buy AUD 31,012 Sell GBP 17,727 19/04/2023	(1)	-
	Buy AUD 199,710 Sell GBP 114,081 19/04/2023	(3)	-
	Buy EUR 5,146 Sell GBP 4,547 19/04/2023	-	-
	Buy EUR 5,154 Sell GBP 4,575 19/04/2023	-	-
	Buy EUR 8,928 Sell GBP 7,994 19/04/2023	-	-
	Buy EUR 45,728 Sell GBP 40,652 19/04/2023	(1)	-
	Buy GBP 2,091 Sell AUD 3,615 19/04/2023	-	-
	Buy GBP 3,804 Sell AUD 6,803 19/04/2023	-	-
	Buy GBP 6,517 Sell AUD 11,441 19/04/2023	-	-
	Buy GBP 10,282 Sell AUD 17,898 19/04/2023	-	-
	Buy GBP 19,314 Sell AUD 34,458 19/04/2023	-	-
	Buy GBP 20,861 Sell AUD 36,558 19/04/2023	(1)	-
	Buy GBP 27,979 Sell AUD 48,538 19/04/2023	2	-
	Buy GBP 52,612 Sell AUD 92,171 19/04/2023	1	-
	Buy GBP 1,284 Sell EUR 1,451 19/04/2023	-	-
	Buy GBP 2,303 Sell EUR 2,584 19/04/2023	-	-
	Buy GBP 5,414 Sell EUR 6,161 19/04/2023	-	-
	Buy GBP 6,179 Sell EUR 6,942 19/04/2023	-	-
	Buy GBP 8,426 Sell EUR 9,462 19/04/2023	-	-
	Buy GBP 14,821 Sell EUR 16,513 19/04/2023	-	-
	Buy GBP 44,762 Sell EUR 50,125 19/04/2023	1	-
	Buy GBP 2,167 Sell USD 2,633 19/04/2023	-	-
	Buy GBP 5,650 Sell USD 6,772 19/04/2023	-	-

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
	Buy GBP 7,072 Sell USD 8,476 19/04/2023	-	-
	Buy GBP 7,635 Sell USD 9,281 19/04/2023	-	-
	Buy GBP 8,263 Sell USD 10,211 19/04/2023	-	-
	Buy GBP 10,425 Sell USD 12,968 19/04/2023	-	-
	Buy GBP 10,608 Sell USD 13,086 19/04/2023	-	-
	Buy GBP 12,968 Sell USD 15,821 19/04/2023	-	-
	Buy GBP 48,004 Sell USD 57,427 19/04/2023	1	-
	Buy USD 3,351 Sell GBP 2,781 19/04/2023	-	-
	Buy USD 7,976 Sell GBP 6,552 19/04/2023	-	-
	Buy USD 8,797 Sell GBP 7,122 19/04/2023	-	-
	Buy USD 10,397 Sell GBP 8,638 19/04/2023	-	-
	Buy USD 10,727 Sell GBP 8,946 19/04/2023	-	-
	Buy USD 10,848 Sell GBP 9,013 19/04/2023	-	-
	Buy USD 12,078 Sell GBP 10,013 19/04/2023	-	-
	Buy USD 12,093 Sell GBP 9,911 19/04/2023	-	-
	Buy USD 19,101 Sell GBP 15,437 19/04/2023	-	-
	Buy USD 55,203 Sell GBP 45,762 19/04/2023	-	-
<b>Futures (0.05%)</b>		<b>(11)</b>	<b>(0.02)</b>
42	Long US 2 Year Note (CBT) Future 30/06/2023	(16)	(0.03)
15	Long US 5 Year Note (CBT) Future 30/06/2023	1	-
(3)	Short Long Gilt Future 28/06/2023	2	0.01
(18)	Short US 10 Year Ultra Future 21/06/2023	2	-
<b>Inflation Swaps (-0.40%)</b>		<b>-</b>	<b>-</b>
<b>Interest Rate Swaps (-0.41%)</b>		<b>(276)</b>	<b>(0.50)</b>
EUR 151,000	Pay fixed 2.07172% receive floating EURIBOR 06/01/2056	11	0.02
EUR 151,000	Pay fixed 2.0827% receive floating EURIBOR 06/01/2056	11	0.02
EUR 604,000	Pay fixed 2.095% receive floating EURIBOR 09/01/2056	41	0.07
GBP 1,871,000	Pay fixed 2.764% receive floating GBP-SONIA 01/12/2032	44	0.08
GBP 1,871,000	Pay fixed 2.846% receive floating GBP-SONIA 30/11/2032	39	0.07
AUD 2,791,000	Pay floating AUD-BBR-BBSW receive fixed 3.8075% 10/08/2032	(52)	(0.10)
AUD 3,750,000	Pay floating AUD-BBR-BBSW receive fixed 4.4071% 02/09/2032	(23)	(0.04)
EUR 383,000	Pay floating EURIBOR receive fixed 2.848% 06/01/2036	(7)	(0.01)

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
EUR 383,000	Pay floating EURIBOR receive fixed 2.84911% 06/01/2036	(7)	(0.01)
EUR 1,532,000	Pay floating EURIBOR receive fixed 2.87% 09/01/2036	(24)	(0.04)
GBP 5,399,500	Pay floating GBP-SONIA receive fixed 1.5933% 01/02/2024	(155)	(0.28)
GBP 5,399,500	Pay floating GBP-SONIA receive fixed 1.6088% 01/02/2024	(154)	(0.28)
Total investment assets and liabilities		54,604	99.40
Net other assets		330	0.60
<b>Total Net Assets</b>		<b>54,934</b>	<b>100.00</b>

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities, or are regulated collective investment schemes or are approved derivatives within the meaning of the FCA rules.

The percentage figures in brackets show the comparative holding as at 28 February 2022.

+ Managed by subsidiaries of abrdn plc.

# Financial Statements

## Statement of Total Return

For the year ended 28 February 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(14,410)		(4,405)
Revenue	2	954		419	
Expenses	3	(117)		(166)	
Interest payable and similar charges		(28)		-	
Net revenue before taxation		809		253	
Taxation	5	-		-	
Net revenue after taxation			809		253
<b>Total return before distributions</b>			<b>(13,601)</b>		<b>(4,152)</b>
Distributions	6		(809)		(256)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(14,410)</b>		<b>(4,408)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2023

	2023		2022	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>69,207</b>		<b>36,800</b>
Amounts receivable on the issue of shares	8,765		43,872	
Amounts payable on the cancellation of shares	(9,294)		(7,366)	
		(529)		36,506
Dilution adjustment		3		19
Change in net assets attributable to shareholders from investment activities (see above)		(14,410)		(4,408)
Retained distribution on accumulation shares		663		290
<b>Closing net assets attributable to shareholders</b>		<b>54,934</b>		<b>69,207</b>

# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			55,049		69,542
<b>Current assets:</b>					
Debtors	7	522		773	
Cash and bank balances	8	344		658	
			866		1,431
<b>Total assets</b>			<b>55,915</b>		<b>70,973</b>
<b>Liabilities:</b>					
Investment liabilities			(445)		(1,053)
Creditors	9	(443)		(682)	
Distribution payable		(93)		(31)	
			(536)		(713)
<b>Total liabilities</b>			<b>(981)</b>		<b>(1,766)</b>
<b>Net assets attributable to shareholders</b>			<b>54,934</b>		<b>69,207</b>

# Notes to the Financial Statements

## 1 Net Capital Losses

	2023 £'000	2022 £'000
Non-derivative securities	(14,348)	(3,977)
Derivative contracts	(30)	(424)
Forward currency contracts	(24)	4
Other gains	4	2
Subsidised fees taken from the capital account*	-	1
Transaction charges	(12)	(11)
<b>Net capital losses</b>	<b>(14,410)</b>	<b>(4,405)</b>

\*\*Subsidised fees are paid by the ACD.

## 2 Revenue

	2023 £'000	2022 £'000
Bank and margin interest	11	1
Derivative revenue	-	4
Interest on debt securities	943	414
<b>Total revenue</b>	<b>954</b>	<b>419</b>

## 3 Expenses

	2023 £'000	2022 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	70	110
Dealing charge	2	3
General administration charge*	44	27
Registration fees**	-	15
	<b>116</b>	<b>155</b>
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Depositary's fees**	-	2
Safe custody fees	2	2
	<b>2</b>	<b>4</b>

# Notes to the Financial Statements

## Continued

	2023 £'000	2022 £'000
<b>Other:</b>		
Audit fee**	-	7
Subsidised fees***	(1)	(7)
Expense cap adjustment in respect of prior year	-	7
	(1)	7
<b>Total expenses</b>	<b>117</b>	<b>166</b>

Irrecoverable VAT is included in the above expenses, where relevant

\* The fixed general administration charge was introduced from 1 September 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 £13,500 (2022: £12,540).

\*\* These figures represent the charges to 31 August 2021, which have now been replaced by the fixed general administration charge.

\*\*\* Subsidised fees are paid by the ACD.

## 4 Interest Payable and Similar Charges

	2023 £'000	2022 £'000
Derivative expense	27	-
Interest payable	1	-
<b>Total interest payable &amp; similar charges</b>	<b>28</b>	<b>-</b>

## 5 Taxation

	2023 £'000	2022 £'000
<b>(a) Analysis of charge in year</b>		
<b>Total taxation (note 5b)</b>	<b>-</b>	<b>-</b>

### (b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2022: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

	2023 £'000	2022 £'000
<b>Net revenue before taxation</b>	<b>809</b>	<b>253</b>
Corporation tax at 20% (2022: 20%)	162	51
Effects of:		
Distributions treated as tax deductible	(162)	(51)
<b>Total tax charge for year (note 5a)</b>	<b>-</b>	<b>-</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

### (c) Factors that may affect future tax charge

At the year end there are no surplus expenses and therefore no deferred tax asset in the current or prior year.

# Notes to the Financial Statements

## Continued

### 6 Distributions (including the movement between net revenue and distributions)

	2023 £'000	2022 £'000
Interim distribution	319	145
Final distribution	498	196
	817	341
Add: Income deducted on cancellation of shares	21	6
Deduct: Income received on issue of shares	(29)	(91)
<b>Total distributions for the year</b>	<b>809</b>	<b>256</b>
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	809	253
Shortfall transfer from capital to revenue	-	3
<b>Total distributions for the year</b>	<b>809</b>	<b>256</b>

Details of the distribution per share are set out in this fund's distribution tables.

### 7 Debtors

	2023 £'000	2022 £'000
Accrued revenue	284	307
Amounts receivable from the ACD for the issue of shares	19	2
Expenses reimbursement receivable from the ACD	1	4
Sales awaiting settlement	218	460
<b>Total debtors</b>	<b>522</b>	<b>773</b>

### 8 Liquidity

	2023 £'000	2022 £'000
<b>Cash and bank balances</b>		
Cash at bank	1	2
Cash at broker	343	656
	<b>344</b>	<b>658</b>
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	321	300
<b>Net liquidity</b>	<b>665</b>	<b>958</b>

\* Although reflected in the investment assets figure, liquidity funds are used by the fund as a liquidity vehicle and commonly reflects collateral held by the fund. Therefore, the ACD considers the net liquidity position of the fund as the aggregate of cash at bank and in hand, bank overdrafts and liquidity fund positions.

# Notes to the Financial Statements

## Continued

### 9 Creditors

	2023 £'000	2022 £'000
Accrued expenses payable to ACD	8	11
Accrued expenses payable to the Depositary or associates of the Depositary	5	3
Amounts payable to the ACD for cancellation of shares	29	201
Other accrued expenses	6	6
Purchases awaiting settlement	395	461
<b>Total creditors</b>	<b>443</b>	<b>682</b>

### 10 Related Party Transactions

abrtn Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to abrtn Fund Managers Limited at the end of the accounting year are disclosed in notes 7 and 9.

Amounts payable to abrtn Fund Managers Limited, in respect of expenses are disclosed in note 3 and any amounts due at the year end in note 9.

Amounts receivable from abrtn Fund Managers Limited in respect of subsidised fees are disclosed in notes 1 and 3 and any amounts due at the year end in note 7 and 9.

### 11 Portfolio Transaction Costs

There are no transaction costs associated with the purchases or sales of bonds during the year, or in the prior year.

Bonds are dealt on a spread agreed between buyer and seller with reference to the expected cashflows and current credit profiles.

	Purchases		Sales	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Trades in the year</b>				
Bonds	75,663	124,750	75,246	87,988
<b>Trades in the year before transaction costs</b>	<b>75,663</b>	<b>124,750</b>	<b>75,246</b>	<b>87,988</b>
<b>Total net trades in the year after transaction costs</b>	<b>75,663</b>	<b>124,750</b>	<b>75,246</b>	<b>87,988</b>

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.15% (2022: 0.10%), this is representative of the average spread on the assets held during the year.

# Notes to the Financial Statements

## Continued

### 12 Shares in Issue Reconciliation

	Opening shares 2022	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2023
Retail accumulation	4,723,296	114,226	(319,338)	(325,827)	4,192,357
Retail income	1,887,894	33,635	(366,148)	(34,392)	1,520,989
Institutional accumulation	10,776,474	961,215	(2,098,998)	(24,072)	9,614,619
Institutional income	24,689,207	7,095,364	(6,487,499)	-	25,297,072
Platform 1 accumulation	6,486,285	305,180	(1,482,029)	443,923	5,753,359
Platform 1 income	1,663,060	628,105	(959,324)	29,585	1,361,426
ZC accumulation	42,474,459	5,883,160	(4,044,669)	-	44,312,950

### 13 Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2023 £'000	2023 £'000	2023 £'000	2022 £'000	2022 £'000	2022 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Bonds	51,975	2,597	-	66,843	1,871	-
Collective Investment Schemes	-	321	-	-	300	-
Derivatives	5	151	-	66	462	-
<b>Total investment assets</b>	<b>51,980</b>	<b>3,069</b>	<b>-</b>	<b>66,909</b>	<b>2,633</b>	<b>-</b>
<b>Fair value of investment liabilities</b>						
Derivatives	(16)	(429)	-	(33)	(1,020)	-
<b>Total investment liabilities</b>	<b>(16)</b>	<b>(429)</b>	<b>-</b>	<b>(33)</b>	<b>(1,020)</b>	<b>-</b>

### 14 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

#### Foreign currency risk

The fund's net exposure to foreign currencies (including any instruments used to hedge against foreign currencies) is not significant. Therefore, the financial statements are not subject to any significant risk of currency movements. This is consistent with the exposure during the prior year.

# Notes to the Financial Statements

## Continued

### Interest rate risk

Interest rate risk is an unfavourable change in interest rates that can affect the price of a security, which in turn results in the portfolio experiencing a loss. Interest rate changes not only affect fixed income products but have material impacts on funding arrangements and other asset types.

The following table shows separately the value of investments at fixed interest rates, at variable rates and those that are non-interest bearing instruments.

The interest rate risk profile of the fund's investments at the year end consists of:

2023	Floating rate financial assets/ (liabilities) £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>Currency</b>				
UK Sterling	438	54,572	(71)	54,939
Australian Dollar	(74)	-	70	(4)
Euro	25	-	(25)	-
US Dollar	-	-	(1)	(1)
<b>Total</b>	<b>389</b>	<b>54,572</b>	<b>(27)</b>	<b>54,934</b>

2022	Floating rate financial assets/ (liabilities) £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>Currency</b>				
UK Sterling	446	68,217	597	69,260
Euro	(45)	497	(477)	(25)
US Dollar	-	-	(28)	(28)
<b>Total</b>	<b>401</b>	<b>68,714</b>	<b>92</b>	<b>69,207</b>

### Other price risk

The fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Adviser in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

### VaR

The table below indicates the VaR of the fund, measured as the maximum one month loss in value from adverse changes in market risk factors (e.g. equity prices, interest rates, inflation rates and foreign currency exchange rates) that is expected with a 99 percent level of confidence. Calculated on this basis, the VaR indicates that the net asset value of the fund could be expected to fall over a one-month period by more than the corresponding VaR in 1% of cases, assuming the fund does not alter its positioning over that period.

# Notes to the Financial Statements

## Continued

2023	Minimum	Maximum	Average
VaR 99% 1 Month	5.05%	8.69%	6.70%

2022	Minimum	Maximum	Average
VaR 99% 1 Month	4.79%	5.54%	5.09%

At the year end date, there was a 1% chance of the portfolio value falling (or rising) more than 7.94%, £4,334,000 (2022: 4.99%, £3,420,000) in a one month period.

This calculation is generally determined by the use of an industry recognised medium term risk model, typically based on 3–5 year history. The method assumes normal market conditions and that the portfolio remains unchanged.

### Counterparty risk

#### Credit quality of debt security investment assets

The following table shows the credit quality of the part of the investment portfolio that is invested in debt securities.

2023	Market value £'000	Percentage of total net assets %
Investment grade securities	54,403	99.03
Below investment grade securities	-	-
Unrated securities	169	0.31
<b>Total value of securities</b>	<b>54,572</b>	<b>99.34</b>

2022	Market value £'000	Percentage of total net assets %
Investment grade securities	68,714	99.29
Below investment grade securities	-	-
Unrated securities	-	-
<b>Total value of securities</b>	<b>68,714</b>	<b>99.29</b>

Investment grade information used in the above table is based on credit ratings issued by market vendors.

### Financial derivatives instrument risk

These types of transaction can introduce market exposure greater than the market value of the instrument. These transactions exchange benefits with a third party at a future date creating both counterparty and concentration risk. The Investment Adviser's policies for managing these risks are outlined in the fund's prospectus.

# Notes to the Financial Statements

## Continued

At the balance sheet date the fund had the following exposures:

	2023		2022	
	Market exposure £'000	Market value £'000	Market exposure £'000	Market value £'000
<b>Leveraged instruments</b>				
Forward currency contracts	727	(2)	575	(1)
Futures	10,436	(11)	8,233	33
Swaps	20,991	(276)	55,762	(557)
<b>Total market exposure</b>	<b>32,154</b>	<b>(289)</b>	<b>64,570</b>	<b>(525)</b>

The total market exposure is the sum of the notional derivative contracts on a gross basis with no offsetting.

The fund uses the commitment method to calculate global exposure. Leverage is not significant in this context.

### Counterparty risk

Where the fund enters market transactions this creates concentration risk where a clearing broker operates on an exchange. Where the clearing broker is not solvent the market exposure can be transferred. Exposure is reduced by the daily exchange of margin by both parties held in the name of the depositary. At the year end the fund had the following clearing broker exposure.

2023	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
<b>Broker or exchange exposure</b>					
Goldman Sachs	(287)	342	301	356	0.65
	<b>(287)</b>	<b>342</b>	<b>301</b>	<b>356</b>	<b>0.65</b>

2022	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
<b>Broker or exchange exposure</b>					
Goldman Sachs	(524)	656	384	516	0.75
	<b>(524)</b>	<b>656</b>	<b>384</b>	<b>516</b>	<b>0.75</b>

### Bilateral agreements

Where the fund enters bilateral agreements this introduces counterparty risk. Where a counterparty defaults on their obligation, exposure is reduced by the collateral held/pledged by both parties.

Certain derivatives are conducted on a master ISDA (International Swaps and Derivatives Association) agreement. Positions are collateralised daily in line with the agreement including a right of termination at fair value and a right of recall/substitution on any stock collateral within 24 hours.

# Notes to the Financial Statements

## Continued

At the balance sheet date the fund had the following positions.

2023 Counterparties	Forwards £'000	Collateral (held)/pledged		Net exposure £'000
		Cash £'000	Stock £'000	
Bank of America Merrill Lynch	(1)	-	-	(1)
BNP Paribas	2	-	-	2
JP Morgan	(2)	-	-	(2)
Morgan Stanley	1	-	-	1
Royal Bank of Canada	(1)	-	-	(1)
UBS	(1)	-	-	(1)
<b>Total</b>	<b>(2)</b>	<b>-</b>	<b>-</b>	<b>(2)</b>

Collateral positions for Swaps are aggregated, not at individual trade level.

The Prospectus outlines allowable collateral. There have been no changes in the year.

Top Ten SFTR Issuers 2023	Type	Collateral Stock £'000
United Kingdom (Gov't of)	Bond	301
		<b>301</b>

2022 Counterparties	Forwards £'000	Collateral (held)/pledged		Net exposure £'000
		Cash £'000	Stock £'000	
Credit Agricole	(1)	-	-	(1)
<b>Total</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>(1)</b>

Collateral positions for Swaps is aggregated, not at individual trade level.

Top Ten SFTR Issuers 2022	Type	Collateral Stock £'000
United Kingdom (Gov't of)	Bond	384
		<b>384</b>

# Notes to the Financial Statements

## Continued

### Liquidity risk

The following table provides a maturity analysis of the fund's financial liabilities on a contractual basis.

2023	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
<b>Derivatives</b>					
Investment liabilities	-	(332)	-	(113)	(445)
<b>Non-derivatives</b>					
Other creditors	-	(443)	-	-	(443)
Distribution payable	-	(93)	-	-	(93)
<b>Total financial liabilities</b>	<b>-</b>	<b>(858)</b>	<b>-</b>	<b>(113)</b>	<b>(981)</b>

2022	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
<b>Derivatives</b>					
Investment liabilities	-	(29)	(487)	(537)	(1,053)
<b>Non-derivatives</b>					
Other creditors	-	(682)	-	-	(682)
Distribution payable	-	(31)	-	-	(31)
<b>Total financial liabilities</b>	<b>-</b>	<b>(742)</b>	<b>(487)</b>	<b>(537)</b>	<b>(1,766)</b>

# Distribution Tables

For the year ended 28 February 2023 (in pence per share)

## Interim interest distribution

Group 1 – shares purchased prior to 1 March 2022

Group 2 – shares purchased between 1 March 2022 and 31 August 2022

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
<b>Retail accumulation</b>				
Group 1	0.1876	-	0.1876	-
Group 2	0.1395	0.0481	0.1876	-
<b>Retail income</b>				
Group 1	0.1184	-	0.1184	-
Group 2	0.0623	0.0561	0.1184	-
<b>Institutional accumulation</b>				
Group 1	0.3656	-	0.3656	0.1233
Group 2	0.2711	0.0945	0.3656	0.1233
<b>Institutional income</b>				
Group 1	0.2162	-	0.2162	0.0732
Group 2	0.1216	0.0946	0.2162	0.0732
<b>Platform 1 accumulation</b>				
Group 1	0.2550	-	0.2550	0.0750
Group 2	0.1802	0.0748	0.2550	0.0750
<b>Platform 1 income</b>				
Group 1	0.2368	-	0.2368	0.0699
Group 2	0.2119	0.0249	0.2368	0.0699
<b>ZC accumulation</b>				
Group 1	0.4886	-	0.4886	0.2617
Group 2	0.2624	0.2262	0.4886	0.2617

# Distribution Tables

For the year ended 28 February 2023 (in pence per share) continued

## Final interest distribution

Group 1 – shares purchased prior to 1 September 2022

Group 2 – shares purchased between 1 September 2022 and 28 February 2023

	Revenue	Equalisation	Distribution paid 28/04/23	Distribution paid 29/04/22
<b>Retail accumulation</b>				
Group 1	0.3981	-	0.3981	-
Group 2	0.2145	0.1836	0.3981	-
<b>Retail income</b>				
Group 1	0.2507	-	0.2507	-
Group 2	0.1842	0.0665	0.2507	-
<b>Institutional accumulation</b>				
Group 1	0.5686	-	0.5686	0.2009
Group 2	0.0956	0.4730	0.5686	0.2009
<b>Institutional income</b>				
Group 1	0.3343	-	0.3343	0.1190
Group 2	0.2120	0.1223	0.3343	0.1190
<b>Platform 1 accumulation</b>				
Group 1	0.4065	-	0.4065	0.1321
Group 2	0.2390	0.1675	0.4065	0.1321
<b>Platform 1 income</b>				
Group 1	0.3754	-	0.3754	0.1230
Group 2	0.2006	0.1748	0.3754	0.1230
<b>ZC accumulation</b>				
Group 1	0.6986	-	0.6986	0.3155
Group 2	0.4400	0.2586	0.6986	0.3155

## 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 Growth Equity Fund

For the year ended 28 February 2023

## Investment Objective

To generate growth over the long term (5 years or more) by investing in UK equities (company shares).

**Performance Target:** To achieve the return of the FTSE All-Share Index, plus 3% per annum over rolling three year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

**Performance Comparator:** IA UK All Companies Equity Sector Average.

The ACD believes this is an appropriate target/comparator for the fund based on the investment policy of the fund and the constituents of the index/sector.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 70% in equities and equity related securities of companies 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 abrdn) and 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 identifying companies where the management team have a different view than that of the market, and which align with their views regarding future economic and business conditions.
- 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 8%. Due to the fund's risk constraints, the intention is that the fund's performance profile will not deviate significantly from that of the FTSE All-Share Index over the longer 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 28 February 2023, the value of abrdn UK Growth Equity Fund Platform 1 Accumulation increased by 6.83% compared to an increase of 10.47% in the performance target, the FTSE All-Share Index +3%.

Source: FactSet, Basis: total return, published NAV to NAV, net of annual charges, UK net income reinvested, GBP.

FTSE International Limited ('FTSE') © FTSE 2023. 'FTSE' is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence. RAFI® is a registered trade mark of Research Affiliates, LLC. All rights in the FTSE indices and/or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.

Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

Companies selected for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.

The fund's underweight allocation and stock selection in the consumer discretionary sector was the main driver of underperformance versus the benchmark index. Other detractors were stock selection in basic materials and an above-index-position in the telecommunications sector. Meanwhile, an underweight exposure to and stock selection in the utilities sector also weighed on returns.

Not holding BP stock was the leading detractor during the period as shares performed well given the increase in energy prices. Exposure to clothing retailer ASOS also weighed on relative returns as the company was affected by challenges in supply chains issues and rising costs. Meanwhile, an underweight positioning in HSBC detracted from returns. Other detractors included above-index holdings in Moonpig, which weakened on results that showed discretionary purchases by customers had fallen, and piping manufacturer Genuit, as its weak financials

# abrdn UK Growth Equity Fund

## Continued

put pressure on the share price. Countryside also underperformed, as the company faced headwinds to the broader housebuilding sector, as did Vodafone, whose earnings suffered mainly due to higher costs. Lastly, pub and hotel operator Marston's performed poorly against the backdrop of a tough economic cycle.

On the upside, stock selection helped generate relative returns versus the index in the healthcare and technology sectors, compensating for some of the negative performance of the fund. Meanwhile, an underweight positioning and stock selection in the real estate sector was also beneficial. Stock selection in the consumer staples and financial sectors as well as a slightly overweight position in the energy sector, which benefited from the significant rise in energy prices, also contributed to positive returns.

The most significant contributing holding was Go-Ahead, which runs regional bus operations in the UK. In August 2022, it received a new bid approach from a transport infrastructure consortium, and the sale completed in October 2022. Holding Thungela Resources was also helpful as the resource company rose on favourable moves in commodity prices, reflecting global energy shortages. Pharmaceutical company Indivior, which is involved in tackling the US opioid issue, was another strong performer in the fund. The company has continued to show strong prescription trends for its Sublocade product. Another contributor was Euromoney, which received a takeover offer from a consortium involving Astorg Asset Management and Epiris. This buyout completed in November 2022. Similarly, France's Schneider Electric made an offer for a complete takeover of the software company AVEVA Group. The transaction was finalised in January 2023. Elsewhere, not holding British American Tobacco during the period also contributed to relative returns.

### Market Review

The UK stock market, as represented by the FTSE All-Share Index, rose over the period. The FTSE 100 Index, home of large, multinational companies that often benefit from a weak pound, held up well in the global market sell-off. In contrast, the FTSE 250 Index, which contains mid-sized companies typically more focused on the domestic UK economy, fell over the period.

Several factors explained the FTSE 100 Index's relative resilience. As well as benefiting from currency effects, it is home to many so-called defensive shares that tend to

hold their value better when the stock market falls. It also contains several major energy companies. These were boosted by higher energy prices, particularly after the outbreak of war in Eastern Europe.

Inflation dominated the economic landscape. The annual inflation rate increased steadily, hitting a 41-year high of 11.1% in October, before it began to recede. The Bank of England reacted to surging inflation with successive interest-rate rises, taking the base rate from 0.25% at the start of 2022 to 3.50% by the calendar year's end. The central bank increased the base rate by a further 0.50% in February.

In economic news, in January 2023, the International Monetary Fund predicted that the UK would be the only major developed economy to experience a negative growth rate across the whole of 2023. Figures published by S&P Global indicated that private-sector activity in Britain declined for a sixth consecutive month in January, falling at its fastest pace since 2021. Yet, UK equities made solid progress in January on renewed hopes that central banks could soon start to slow the pace of interest-rate rises. Meanwhile, despite increased volatility in February, UK shares enjoyed monthly gains during the month as well. In the final days of the month, sterling increased to almost US\$1.21 against the US dollar, buoyed by the agreement between the UK and the European Union (EU) regarding post-Brexit trading arrangements in Northern Ireland.

### Portfolio Activity and Review

In terms of portfolio activity, there were numerous transactions in the past 12 months. The fund initiated positions in the financial sector, with investments in Lloyds Banking and NatWest Group. We also added Hargreaves Lansdown, a direct-to-consumer investment platform, Oxford Instruments, a technology company with access to structural growth markets, and utility company SSE. In addition, we bought shares in a number of businesses, including industrial equipment rental company Ashtead Group, enterprise software company Sage Group and IT infrastructure provider Softcat. We also added to RELX following a positive meeting with the company's management team.

Elsewhere, the fund topped up positions in several companies, including residential property developer Bellway, safety equipment group Halma, packaging and paper group Mondi, medical products company ConvaTec, Howden Joinery, which sells products to the building trade and Prudential, which increased the fund's

# abrdn UK Growth Equity Fund

## Continued

international exposure. Other additions included student accommodation provider Unite Group, merchant banker Close Brothers Group, power generation business Drax, piping manufacturer Genuit, international recruitment business FDM Group and private equity investor Intermediate Capital.

On the other hand, the fund trimmed positions in beverage company Diageo, RS Group, which supplies industrial and electronics products, pharmaceutical company AstraZeneca and financial services provider OSB Group. We also exited Standard Chartered, HSBC and Barclays. Elsewhere, the fund sold out of miners Anglo American and Rio Tinto and natural resource company Glencore due to deteriorating macroeconomic forecasts. Meanwhile, the fund sold out of retailer ASOS, consumer goods giant Reckitt Benckiser, investment management group Ashmore, engineered ceramics company Vesuvius and Vodafone. Finally, we also exited Go-Ahead, AVEVA Group and Euromoney after these companies accepted takeover bids.

## Portfolio Outlook and Strategy

On 3 March 2023 abrdn UK Growth Equity Fund merged with abrdn UK Sustainable and Responsible Investment Equity Fund, a sub-fund of abrdn OEIC I.

### UK Equity Team

March 2023

# abrdn UK Growth 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 28 February 2023.

The fund is rated as 6 because of the extent to which the following risk factors apply:

- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

# Comparative Tables

Retail accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	351.74	331.11	318.17
Return before operating charges*	24.07	25.33	16.95
Operating charges	(4.63)	(4.70)	(4.01)
Return after operating charges*	19.44	20.63	12.94
Distributions	(8.24)	(6.81)	(5.04)
Retained distributions on accumulation shares	8.24	6.81	5.04
Closing net asset value per share	371.18	351.74	331.11
* after direct transaction costs of:	1.67	0.87	0.31
<b>Performance</b>			
Return after charges	5.53%	6.23%	4.07%
<b>Other information</b>			
Closing net asset value (£'000)	82,866	77,989	77,899
Closing number of shares	22,325,210	22,172,596	23,526,842
Operating charges	1.31%	1.32%	1.33%
Direct transaction costs	0.47%	0.25%	0.10%
<b>Prices</b>			
Highest share price	379.6	372.0	343.3
Lowest share price	323.3	335.5	234.8

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2023	2022	2021
Institutional accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	419.42	392.97	375.84
Return before operating charges*	28.82	30.04	20.10
Operating charges	(3.55)	(3.59)	(2.97)
Return after operating charges*	25.27	26.45	17.13
Distributions	(11.84)	(10.09)	(7.64)
Retained distributions on accumulation shares	11.84	10.09	7.64
Closing net asset value per share	444.69	419.42	392.97
* after direct transaction costs of:	2.00	1.04	0.36
<b>Performance</b>			
Return after charges	6.02%	6.73%	4.56%
<b>Other information</b>			
Closing net asset value (£'000)	9,205	9,526	10,093
Closing number of shares	2,070,065	2,271,186	2,568,320
Operating charges	0.84%	0.85%	0.86%
Direct transaction costs	0.47%	0.25%	0.10%
<b>Prices</b>			
Highest share price	454.8	442.6	407.1
Lowest share price	386.6	398.1	277.4

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

<b>Institutional regulated accumulation<sup>A</sup></b>	<b>2021 pence per share</b>
<b>Change in net assets per share</b>	
Opening net asset value per share	119.67
Return before operating charges*	(20.33)
Operating charges	(0.03)
Return after operating charges*	(20.36)
Distributions	-
Retained distributions on accumulation shares	-
Redemption value as at 27 March 2020	(99.31)
Closing net asset value per share	-
* after direct transaction costs of:	0.01
<b>Performance</b>	
Return after charges	(17.01%)
<b>Other information</b>	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	0.40%
Direct transaction costs	0.10%
<b>Prices</b>	
Highest share price	124.1
Lowest share price	83.34

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> Institutional regulated accumulation share class was closed on 27 March 2020.

# Comparative Tables

## Continued

	2023	2022	2021
Platform 1 accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	84.92	79.61	76.18
Return before operating charges*	5.84	6.08	4.09
Operating charges	(0.76)	(0.77)	(0.66)
Return after operating charges*	5.08	5.31	3.43
Distributions	(2.35)	(2.00)	(1.51)
Retained distributions on accumulation shares	2.35	2.00	1.51
Closing net asset value per share	90.00	84.92	79.61
* after direct transaction costs of:	0.40	0.21	0.08
<b>Performance</b>			
Return after charges	5.98%	6.67%	4.50%
<b>Other information</b>			
Closing net asset value (£'000)	9,381	8,145	8,349
Closing number of shares	10,423,505	9,590,969	10,488,269
Operating charges	0.89%	0.90%	0.91%
Direct transaction costs	0.47%	0.25%	0.10%
<b>Prices</b>			
Highest share price	92.03	89.63	82.48
Lowest share price	78.25	80.65	56.22

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

ZC accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	140.78	130.92	124.27
Return before operating charges*	9.74	10.00	6.78
Operating charges	(0.13)	(0.14)	(0.13)
Return after operating charges*	9.61	9.86	6.65
Distributions	(5.06)	(4.43)	(3.42)
Retained distributions on accumulation shares	5.06	4.43	3.42
Closing net asset value per share	150.39	140.78	130.92
* after direct transaction costs of:	0.67	0.35	0.12
<b>Performance</b>			
Return after charges	6.83%	7.53%	5.35%
<b>Other information</b>			
Closing net asset value (£'000)	1,859	1,732	1,582
Closing number of shares	1,236,058	1,230,495	1,208,395
Operating charges	0.09%	0.10%	0.11%
Direct transaction costs	0.47%	0.25%	0.10%
<b>Prices</b>			
Highest share price	153.8	148.0	135.5
Lowest share price	130.4	132.6	91.75

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2021 pence per share
<b>Standard Life income<sup>A</sup></b>	
<b>Change in net assets per share</b>	
Opening net asset value per share	60.71
Return before operating charges*	(10.41)
Operating charges	-
Return after operating charges*	(10.41)
Redemption value as at 27 March 2020	(50.30)
Closing net asset value per share	-
* after direct transaction costs of:	-
<b>Performance</b>	
Return after charges	(17.15%)
<b>Other information</b>	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	0.02%
Direct transaction costs	0.10%
<b>Prices</b>	
Highest share price	62.85
Lowest share price	44.74

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> Standard Life income share class was closed on 27 March 2020.

# Portfolio Statement

As at 28 February 2023

Holding	Investment	Market value £'000	Percentage of total net assets
<b>UK Equities (99.50%)</b>		<b>101,745</b>	<b>98.48</b>
<b>Basic Materials (11.39%)</b>		<b>3,450</b>	<b>3.34</b>
312,672	Bodycote	2,075	2.01
20,953	Croda International	1,375	1.33
<b>Consumer Discretionary (12.27%)</b>		<b>15,049</b>	<b>14.57</b>
148,670	Bellway	3,295	3.19
90,610	Dunelm	1,138	1.10
374,445	Howden Joinery	2,683	2.60
665,953	Moonpig	781	0.75
200,536	RELX	5,017	4.86
257,262	Watches of Switzerland	2,135	2.07
<b>Consumer Staples (12.18%)</b>		<b>10,886</b>	<b>10.54</b>
87,941	Coca-Cola HBC	1,870	1.81
86,760	Diageo	3,061	2.96
39,982	Greggs	1,083	1.05
117,809	Unilever	4,872	4.72
<b>Energy (12.59%)</b>		<b>610</b>	<b>0.59</b>
2,325,004	Savannah Energy*	610	0.59
<b>Financials (19.95%)</b>		<b>23,349</b>	<b>22.60</b>
326,322	Close Brothers	3,299	3.19
244,553	Hargreaves Lansdown	2,028	1.96
203,907	Hiscox	2,324	2.24
85,166	Intermediate Capital	1,194	1.16
76,256	JTC	587	0.57
4,038,261	Lloyds Banking	2,125	2.06
32,895	London Stock Exchange	2,444	2.37

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,170,617	NatWest	3,421	3.31
376,871	OSB	2,097	2.03
301,804	Prudential	3,830	3.71
<b>Health Care (12.70%)</b>		<b>13,684</b>	<b>13.24</b>
77,738	AstraZeneca	8,456	8.18
1,057,209	ConvaTec	2,370	2.30
51,957	Dechra Pharmaceuticals	1,419	1.37
48,605	Genus	1,439	1.39
<b>Industrials (8.25%)</b>		<b>20,224</b>	<b>19.58</b>
66,104	Ashtead	3,641	3.52
2,837,518	Coats	2,074	2.01
402,745	DS Smith	1,358	1.32
224,484	FDM	1,850	1.79
415,652	Genuit	1,301	1.26
39,022	Halma	844	0.82
387,802	Marshalls	1,300	1.26
167,897	Mondi	2,344	2.27
74,866	Oxford Instruments	1,860	1.80
113,184	RS	1,106	1.07
134,085	Weir	2,546	2.46
<b>Real Estate (1.03%)</b>		<b>2,082</b>	<b>2.01</b>
211,918	Unite REIT	2,082	2.01
<b>Technology (3.55%)</b>		<b>6,162</b>	<b>5.96</b>
354,828	Auto Trader	2,112	2.04
155,226	GB++	518	0.50
210,149	Sage	1,573	1.52
162,172	Softcat	1,959	1.90

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Telecommunications (3.28%)		-	-
Utilities (2.31%)		6,249	6.05
394,289	Drax	2,508	2.43
214,402	SSE	3,741	3.62
Collective Investment Schemes (0.39%)		-	-
Total investment assets		101,745	98.48
Net other assets		1,566	1.52
<b>Total Net Assets</b>		<b>103,311</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities within the meaning of the FCA rules.  
The percentage figures in brackets show the comparative holding as at 28 February 2022.

++ AIM listed.  
\* Suspended

# Financial Statements

## Statement of Total Return

For the year ended 28 February 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains	1		3,331		4,225
Revenue	2	3,804		3,313	
Expenses	3	(1,246)		(1,234)	
Interest payable and similar charges		(1)		-	
Net revenue before taxation		2,557		2,079	
Taxation	4	(16)		(8)	
Net revenue after taxation			2,541		2,071
<b>Total return before distributions</b>			<b>5,872</b>		<b>6,296</b>
Distributions	5		(2,541)		(2,071)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>3,331</b>		<b>4,225</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2023

	2023		2022	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>97,392</b>		<b>97,923</b>
Amounts receivable on the issue of shares	17,791		1,731	
Amounts payable on the cancellation of shares	(17,628)		(8,472)	
		163		(6,741)
Dilution adjustment		32		-
Change in net assets attributable to shareholders from investment activities (see above)		3,331		4,225
Retained distribution on accumulation shares		2,393		1,985
<b>Closing net assets attributable to shareholders</b>		<b>103,311</b>		<b>97,392</b>

# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			101,745		97,287
<b>Current assets:</b>					
Debtors	6	292		312	
Cash and bank balances	7	2,824		1	
			3,116		313
<b>Total assets</b>			<b>104,861</b>		<b>97,600</b>
<b>Liabilities:</b>					
Creditors	8	(1,550)		(208)	
			(1,550)		(208)
<b>Total liabilities</b>			<b>(1,550)</b>		<b>(208)</b>
<b>Net assets attributable to shareholders</b>			<b>103,311</b>		<b>97,392</b>

# Notes to the Financial Statements

## 1 Net Capital Gains

	2023 £'000	2022 £'000
Non-derivative securities	3,337	4,229
Transaction charges	(6)	(4)
<b>Net capital gains</b>	<b>3,331</b>	<b>4,225</b>

## 2 Revenue

	2023 £'000	2022 £'000
Bank and margin interest	42	1
Overseas dividends	80	122
UK dividends	3,643	3,172
UK REIT	39	18
<b>Total revenue</b>	<b>3,804</b>	<b>3,313</b>

## 3 Expenses

	2023 £'000	2022 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	1,219	1,199
Dealing charge	6	4
General administration charge*	18	8
Registration fees**	-	9
	<b>1,243</b>	<b>1,220</b>
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Depositary's fees**	-	6
Safe custody fees	3	3
	<b>3</b>	<b>9</b>
<b>Other:</b>		
Audit fee**	-	5
	-	5
<b>Total expenses</b>	<b>1,246</b>	<b>1,234</b>

Irrecoverable VAT is included in the above expenses, where relevant.

\* The fixed general administration charge was introduced from 1 September 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 £10,200 (2022: £9,480).

\*\* These figures represent the charges to 31 August 2021, which have now been replaced by the fixed general administration charge.

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2023 £'000	2022 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	16	8
<b>Total taxation (note 4b)</b>	<b>16</b>	<b>8</b>

#### (b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2022: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

<b>Net revenue before taxation</b>	<b>2,557</b>	<b>2,079</b>
Corporation tax at 20% (2022: 20%)	511	416
Effects of:		
Revenue not subject to taxation	(744)	(659)
Overseas taxes	16	8
Excess allowable expenses	233	243
<b>Total tax charge for year (note 4a)</b>	<b>16</b>	<b>8</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

#### (c) Factors that may affect future tax charge

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £13,098,000 (2022: £12,865,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

### 5 Distributions

	2023 £'000	2022 £'000
Distribution	2,393	1,985
Add: Income deducted on cancellation of shares	354	111
Deduct: Income received on issue of shares	(206)	(25)
<b>Total distributions for the year</b>	<b>2,541</b>	<b>2,071</b>

Details of the distribution per share are set out in this fund's distribution table.

# Notes to the Financial Statements

## Continued

### 6 Debtors

	2023 £'000	2022 £'000
Accrued revenue	273	290
Amounts receivable from the ACD for the issue of shares	-	3
Overseas withholding tax recoverable	19	19
<b>Total debtors</b>	<b>292</b>	<b>312</b>

### 7 Liquidity

	2023 £'000	2022 £'000
<b>Cash and bank balances</b>		
Cash at bank	2,824	1
	<b>2,824</b>	<b>1</b>
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	-	377
<b>Net liquidity</b>	<b>2,824</b>	<b>378</b>

\* Although reflected in the investment assets figure, liquidity funds are used by the fund as a liquidity vehicle. Therefore, the ACD considers the net liquidity position of the fund as the aggregate of cash at bank and in hand, bank overdrafts and liquidity fund positions.

### 8 Creditors

	2023 £'000	2022 £'000
Accrued expenses payable to ACD	107	90
Accrued expenses payable to the Depositary or associates of the Depositary	2	1
Amounts payable to the ACD for cancellation of shares	111	112
Other accrued expenses	5	5
Purchases awaiting settlement	1,325	-
<b>Total creditors</b>	<b>1,550</b>	<b>208</b>

### 9 Related Party Transactions

abrdr Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to abrdr Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to abrdr Fund Managers Limited, in respect of expenses are disclosed in note 3 and any amounts due at the year end in note 8.

# Notes to the Financial Statements

## Continued

### 10 Portfolio Transaction Costs

	Purchases		Sales	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Trades in the year</b>				
Equities	87,443	46,581	82,015	50,815
Corporate actions	-	-	4,431	-
<b>Trades in the year before transaction costs</b>	<b>87,443</b>	<b>46,581</b>	<b>86,446</b>	<b>50,815</b>
<b>Commissions</b>				
Equities	39	28	(34)	(29)
<b>Total commissions</b>	<b>39</b>	<b>28</b>	<b>(34)</b>	<b>(29)</b>
<b>Taxes</b>				
Equities	418	191	-	-
<b>Total taxes</b>	<b>418</b>	<b>191</b>	<b>-</b>	<b>-</b>
<b>Total transaction costs</b>	<b>457</b>	<b>219</b>	<b>(34)</b>	<b>(29)</b>
<b>Total net trades in the year after transaction costs</b>	<b>87,900</b>	<b>46,800</b>	<b>86,412</b>	<b>50,786</b>
	Purchases		Sales	
	2023 %	2022 %	2023 %	2022 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.05	0.06	0.04	0.06
<b>Taxes</b>				
Equities	0.48	0.41	-	-
			2023 %	2022 %
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Commissions			0.07	0.06
Taxes			0.40	0.19

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.12% (2022: 0.12%), this is representative of the average spread on the assets held during the year.

# Notes to the Financial Statements

## Continued

### 11 Shares in Issue Reconciliation

	Opening shares 2022	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2023
Retail accumulation	22,172,596	2,995,801	(2,401,557)	(441,630)	22,325,210
Institutional accumulation	2,271,186	29,253	(249,202)	18,828	2,070,065
Platform 1 accumulation	9,590,969	8,692,417	(9,590,182)	1,730,301	10,423,505
ZC accumulation	1,230,495	26,803	(21,240)	-	1,236,058

### 12 Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2023 £'000	2023 £'000	2023 £'000	2022 £'000	2022 £'000	2022 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equities	101,135	-	610*	96,910	-	-
Collective Investment Schemes	-	-	-	-	377	-
<b>Total investment assets</b>	<b>101,135</b>	<b>-</b>	<b>610</b>	<b>96,910</b>	<b>377</b>	<b>-</b>

\* The Level 3 assets include Savannah Energy which has been valued at the last traded price.

### 13 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

#### Foreign currency risk

The fund's net exposure to foreign currencies (including any instruments used to hedge against foreign currencies) is not significant. Therefore, the financial statements are not subject to any significant risk of currency movements. This is consistent with the exposure during the prior year.

#### Interest rate risk

The majority of the fund's financial assets are in non-interest bearing assets. Therefore, the fund's exposure to interest rate risk is considered insignificant. This is consistent with the exposure during the prior year.

#### Other price risk

The fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Adviser in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

# Notes to the Financial Statements

## Continued

As at 28 February 2023, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £5,087,000 (2022: £4,864,000).

### **Financial derivatives instrument risk**

The fund had no exposure to derivatives as at 28 February 2023 (2022: £Nil).

### **Liquidity risk**

All of the fund's financial liabilities are payable on demand or in less than one year, 2023 £1,540,000 (2022: £208,000).

## 14 Subsequent Event

On 3 March 2023 the fund closed following its merger into abrdn UK Sustainable and Responsible Investment Equity Fund in abrdn OEIC I.

# Distribution Table

For the year ended 28 February 2023 (in pence per share)

## Final dividend distribution

Group 1 – shares purchased prior to 1 March 2022

Group 2 – shares purchased between 1 March 2022 and 28 February 2023

	Revenue	Equalisation	Distribution paid 28/04/23	Distribution paid 29/04/22
<b>Retail accumulation</b>				
Group 1	8,2427	-	8,2427	6,8078
Group 2	4,6921	3,5506	8,2427	6,8078
<b>Institutional accumulation</b>				
Group 1	11,8374	-	11,8374	10,0866
Group 2	6,1232	5,7142	11,8374	10,0866
<b>Platform 1 accumulation</b>				
Group 1	2,3534	-	2,3534	2,0000
Group 2	1,5941	0,7593	2,3534	2,0000
<b>ZC accumulation</b>				
Group 1	5,0556	-	5,0556	4,4339
Group 2	3,5763	1,4793	5,0556	4,4339

## 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 High Alpha Equity Fund

For the year ended 28 February 2023

## Investment Objective

To generate growth over the long term (5 years or more) by investing in UK equities (company shares).

**Performance Target:** To achieve the return of the FTSE 350 Index plus 4% 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.

**Performance Comparator:** IA UK All Companies Equity Sector Average.

The ACD believes this is an appropriate target/comparator for the fund based on the investment policy of the fund and the constituents of the index/sector

## Investment Policy

### Portfolio Securities

- The fund will invest at least 70% in equities and equity related securities of companies 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 abrdn) and 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, with sector weightings within the portfolio typically a by-product of the underlying stock exposure.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on identifying companies where the management team have a different view than that of the market, and which align with their views regarding future economic and business conditions.
- In seeking to achieve the Performance Target, the FTSE 350 Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 10%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the FTSE 350 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 28 February 2023, the value of abrdn UK High Alpha Equity Fund Platform 1 Accumulation increased by 6.73% compared to an increase of 11.83% in the performance target, the FTSE 350 Index +4%.

Source: FactSet, Basis: total return, published NAV to NAV, net of annual charges, UK net income reinvested, GBP.

FTSE International Limited ('FTSE') © FTSE 2023. 'FTSE' is a trademark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence. RAFI is a registered trademark of Research Affiliates, LLC. All rights in the FTSE indices and/or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data. No further distribution of FTSE data is permitted without FTSE's express written consent.

Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

Companies selected for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.

From a stock-specific perspective, the main detractors included Moonpig Group, which weakened as its results indicated that discretionary purchases by customers had fallen. Vodafone also proved to be a drag on performance, with sentiment affected by disappointing results from the mobile network. Construction products group Genuit was among a number of stocks affected by concerns in the middle of 2022 that UK domestic economic policy might lead to a slowdown in construction activity. Not holding BP proved costly as it surged on the back of higher energy prices, although that was mitigated to some extent by our holding in Royal Dutch Shell.

Our holdings in Countryside Partnerships and Bellway also detracted as mortgage rates rose sharply after the 'mini-budget' impacting affordability and demand for new homes. For Countryside, performance was further hindered when its growth targets proved to be too optimistic, resulting in the departure of the CEO. On the upside, Go-Ahead Group, Euromoney and Thungela Resources were among the top-performing stocks. Shares

# abrdn UK High Alpha Equity Fund

## Continued

in pharmaceutical business Indivior advanced after the company raised guidance for its Sublocade opioid-use treatment. Late in the period, NatWest Group shares rose due to growing optimism over prospects for the UK economy, with rising interest rates also set to benefit the bank's profitability.

### Market Review

The UK stock market, as represented by the FTSE All-Share Index, rose in sterling terms over the period. The FTSE 100 Index, home of large, multinational companies that often benefit from a weak pound, held up well in the global market sell-off. In contrast, the FTSE 250 Index, which contains smaller companies typically more focused on the domestic UK economy, fell over the period.

Several factors explained the FTSE 100 Index's relative resilience. As well as benefiting from currency effects, it is home to many so-called defensive shares that tend to hold their value better when the stock market falls. It also contains several energy and mining companies. These were boosted by high commodity prices, particularly after the outbreak of war in Eastern Europe.

Inflation dominated the economic landscape. The annual inflation rate increased steadily, hitting a 41-year high of 11.1% in October, before it began to recede. The Bank of England reacted to surging inflation with successive interest-rate rises, taking the base rate from 0.25% at the start of 2022 to 3.50% by the calendar year's end, followed by a further 0.50% rise in February.

### Portfolio Activity and Review

It was a busy period in terms of trading activity, as the fund merged into the UK Sustainable and Responsible Investment Fund towards the end of the financial year, and we therefore made several transactions to align the fund with the new mandate. We introduced 20 new holdings to the portfolio over the period, including Oxford Instruments and Sage. Oxford Instruments' diversification should provide resilience to the portfolio, while software group Sage was recently upgraded to a buy, and also provides some diversification. Given the essential nature of the product, improving quality and high recurring revenues, the business should prove to be resilient through any downturn.

We exited ASOS, British Land, Entain and Countryside Partnerships in the period on weakening outlooks. We took also profits in Glencore after its recent strong performance. We exited Aveva after the company was bought by its majority shareholder Schneider Electric. We took the decision to sell the fund holding in Standard Chartered in favour of Natwest where we have greater

confidence in the returns of the UK domestic bank and see the valuation as attractive. In addition, we sold a number of positions during the period due to the change in mandate.

### Portfolio Outlook and Strategy

On 3 March 2023 abrdn UK High Alpha Equity Fund merged with abrdn UK Sustainable and Responsible Investment Equity Fund, a sub-fund of abrdn OEIC I.

### UK Equity Team

March 2023

# abrdn UK High Alpha 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 28 February 2023.

The fund is rated as 6 because of the extent to which the following risk factors apply:

- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

# Comparative Tables

	2023	2022	2021
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	217.25	206.74	191.73
Return before operating charges*	14.65	13.42	17.41
Operating charges	(2.85)	(2.91)	(2.40)
Return after operating charges*	11.80	10.51	15.01
Distributions	(7.84)	(6.76)	(4.40)
Retained distributions on accumulation shares	7.84	6.76	4.40
Closing net asset value per share	229.05	217.25	206.74
* after direct transaction costs of:	0.91	0.61	0.39
<b>Performance</b>			
Return after charges	5.43%	5.08%	7.83%
<b>Other information</b>			
Closing net asset value (£'000)	61,980	64,899	65,957
Closing number of shares	27,060,190	29,873,307	31,903,636
Operating charges	1.31%	1.32%	1.33%
Direct transaction costs	0.42%	0.27%	0.22%
<b>Prices</b>			
Highest share price	234.3	230.2	213.3
Lowest share price	199.3	209.5	132.4

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2023	2022	2021
Retail income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	88.24	86.59	82.24
Return before operating charges*	5.85	5.65	7.24
Operating charges	(1.14)	(1.20)	(1.02)
Return after operating charges*	4.71	4.45	6.22
Distributions	(3.14)	(2.80)	(1.87)
Closing net asset value per share	89.81	88.24	86.59
* after direct transaction costs of:	0.37	0.25	0.17
<b>Performance</b>			
Return after charges	5.34%	5.14%	7.56%
<b>Other information</b>			
Closing net asset value (£'000)	6,381	7,560	7,854
Closing number of shares	7,104,837	8,567,579	9,069,973
Operating charges	1.31%	1.32%	1.33%
Direct transaction costs	0.42%	0.27%	0.22%
<b>Prices</b>			
Highest share price	92.36	94.82	89.79
Lowest share price	79.26	86.44	56.75

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2023	2022	2021
Institutional accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	225.09	213.20	196.77
Return before operating charges*	15.24	13.83	18.03
Operating charges	(1.90)	(1.94)	(1.60)
Return after operating charges*	13.34	11.89	16.43
Distributions	(8.14)	(6.99)	(4.53)
Retained distributions on accumulation shares	8.14	6.99	4.53
Closing net asset value per share	238.43	225.09	213.20
* after direct transaction costs of:	0.95	0.63	0.40
<b>Performance</b>			
Return after charges	5.93%	5.58%	8.35%
<b>Other information</b>			
Closing net asset value (£'000)	3,129	3,151	3,264
Closing number of shares	1,312,124	1,399,667	1,530,873
Operating charges	0.84%	0.85%	0.86%
Direct transaction costs	0.42%	0.27%	0.22%
<b>Prices</b>			
Highest share price	243.8	238.0	219.8
Lowest share price	207.1	216.1	135.9

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2023	2022	2021
Institutional income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	65.24	63.72	60.23
Return before operating charges*	4.34	4.16	5.34
Operating charges	(0.54)	(0.57)	(0.48)
Return after operating charges*	3.80	3.59	4.86
Distributions	(2.33)	(2.07)	(1.37)
Closing net asset value per share	66.71	65.24	63.72
* after direct transaction costs of:	0.27	0.18	0.12
<b>Performance</b>			
Return after charges	5.82%	5.63%	8.07%
<b>Other information</b>			
Closing net asset value (£'000)	344	371	371
Closing number of shares	516,106	568,594	582,208
Operating charges	0.84%	0.85%	0.86%
Direct transaction costs	0.42%	0.27%	0.22%
<b>Prices</b>			
Highest share price	68.59	69.94	66.03
Lowest share price	58.77	63.91	41.58

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

<b>Platform 1 accumulation</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	101.67	96.35	88.99
Return before operating charges*	6.88	6.25	8.12
Operating charges	(0.91)	(0.93)	(0.76)
Return after operating charges*	5.97	5.32	7.36
Distributions	(3.68)	(3.16)	(2.05)
Retained distributions on accumulation shares	3.68	3.16	2.05
Closing net asset value per share	107.64	101.67	96.35
* after direct transaction costs of:	0.43	0.28	0.18
<b>Performance</b>			
Return after charges	5.87%	5.52%	8.27%
<b>Other information</b>			
Closing net asset value (£'000)	7,193	6,044	5,970
Closing number of shares	6,681,781	5,944,535	6,196,941
Operating charges	0.89%	0.90%	0.91%
Direct transaction costs	0.42%	0.27%	0.22%
<b>Prices</b>			
Highest share price	110.1	107.5	99.37
Lowest share price	93.53	97.66	61.45

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

	2023	2022	2021
Platform 1 income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	75.26	73.54	69.55
Return before operating charges*	5.01	4.80	6.17
Operating charges	(0.66)	(0.70)	(0.59)
Return after operating charges*	4.35	4.10	5.58
Distributions	(2.69)	(2.38)	(1.59)
Closing net asset value per share	76.92	75.26	73.54
* after direct transaction costs of:	0.31	0.21	0.14
<b>Performance</b>			
Return after charges	5.78%	5.58%	8.02%
<b>Other information</b>			
Closing net asset value (£'000)	1,537	1,111	1,167
Closing number of shares	1,998,718	1,476,192	1,586,393
Operating charges	0.89%	0.90%	0.91%
Direct transaction costs	0.42%	0.27%	0.22%
<b>Prices</b>			
Highest share price	79.10	80.70	76.21
Lowest share price	67.78	73.72	48.01

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

ZC accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	273.41	257.03	235.50
Return before operating charges*	18.62	16.66	21.77
Operating charges	(0.24)	(0.28)	(0.24)
Return after operating charges*	18.38	16.38	21.53
Distributions	(9.92)	(8.45)	(5.44)
Retained distributions on accumulation shares	9.92	8.45	5.44
Closing net asset value per share	291.79	273.41	257.03
* after direct transaction costs of:	1.16	0.76	0.46
<b>Performance</b>			
Return after charges	6.72%	6.37%	9.14%
<b>Other information</b>			
Closing net asset value (£'000)	114	105	93
Closing number of shares	39,204	38,442	36,122
Operating charges	0.09%	0.10%	0.11%
Direct transaction costs	0.42%	0.27%	0.22%
<b>Prices</b>			
Highest share price	298.3	288.0	264.8
Lowest share price	252.8	260.7	162.7

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 28 February 2023

Holding	Investment	Market value £'000	Percentage of total net assets
<b>UK Equities (99.67%)</b>		<b>79,289</b>	<b>98.28</b>
<b>Basic Materials (11.21%)</b>		<b>2,686</b>	<b>3.33</b>
243,270	Bodycote	1,614	2.00
16,333	Croda International	1,072	1.33
<b>Consumer Discretionary (12.46%)</b>		<b>11,732</b>	<b>14.54</b>
115,892	Bellway	2,568	3.18
70,498	Dunelm	886	1.10
291,888	Howden Joinery	2,092	2.59
519,663	Moonpig	610	0.76
156,322	RELX	3,911	4.85
200,542	Watches of Switzerland	1,665	2.06
<b>Consumer Staples (12.52%)</b>		<b>8,490</b>	<b>10.52</b>
68,552	Coca-Cola HBC	1,457	1.80
67,631	Diageo	2,386	2.96
31,167	Greggs	845	1.05
91,930	Unilever	3,802	4.71
<b>Energy (12.90%)</b>		<b>449</b>	<b>0.56</b>
1,711,921	Savannah Energy*	449	0.56
<b>Financials (19.61%)</b>		<b>18,183</b>	<b>22.54</b>
253,890	Close Brothers	2,567	3.18
190,635	Hargreaves Lansdown	1,581	1.96
158,950	Hiscox	1,811	2.25
66,388	Intermediate Capital	930	1.15
59,505	JTC	458	0.57
3,147,918	Lloyds Banking	1,656	2.05
24,718	London Stock Exchange	1,837	2.28

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
912,523	NatWest	2,666	3.30
295,248	OSB	1,643	2.04
239,104	Prudential	3,034	3.76
<b>Health Care (12.72%)</b>		<b>10,638</b>	<b>13.19</b>
60,572	AstraZeneca	6,589	8.17
815,496	ConvaTec	1,828	2.27
40,502	Dechra Pharmaceuticals	1,107	1.37
37,622	Genus	1,114	1.38
46,936	NMC Health**	-	-
<b>Industrials (8.23%)</b>		<b>15,842</b>	<b>19.63</b>
51,529	Ashtead	2,838	3.52
2,207,690	Coats	1,614	2.00
313,949	DS Smith	1,059	1.31
174,656	FDM	1,439	1.78
323,392	Genuit	1,012	1.25
30,213	Halma	654	0.81
301,941	Marshalls	1,012	1.25
130,879	Mondi	1,827	2.27
57,967	Oxford Instruments	1,441	1.79
98,431	RS	962	1.19
104,522	Weir	1,984	2.46
<b>Real Estate (1.03%)</b>		<b>1,623</b>	<b>2.01</b>
165,195	Unite REIT	1,623	2.01
<b>Technology (3.38%)</b>		<b>4,775</b>	<b>5.92</b>
276,596	Auto Trader	1,646	2.04
121,002	GB++	404	0.50
160,531	Sage	1,201	1.49
126,175	Softcat	1,524	1.89

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Telecommunications (3.30%)		-	-
Utilities (2.31%)		4,871	6.04
307,358	Drax	1,955	2.42
167,131	SSE	2,916	3.62
Collective Investment Schemes (0.19%)		-	-
Total investment assets		79,289	98.28
Net other assets		1,389	1.72
<b>Total Net Assets</b>		<b>80,678</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities, or are regulated collective investment schemes within the meaning of the FCA rules.  
The percentage figures in brackets show the comparative holding as at 28 February 2022.

++ AIM listed.  
\* Suspended  
\*\* Delisted.

# Financial Statements

## Statement of Total Return

For the year ended 28 February 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains	1		2,367		2,856
Revenue	2	2,921		2,704	
Expenses	3	(1,000)		(1,098)	
Interest payable and similar charges		(1)		-	
Net revenue before taxation		1,920		1,606	
Taxation	4	(17)		-	
Net revenue after taxation			1,903		1,606
<b>Total return before distributions</b>			<b>4,270</b>		<b>4,462</b>
Distributions	5		(2,901)		(2,691)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>1,369</b>		<b>1,771</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2023

	2023		2022	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>83,241</b>		<b>84,676</b>
Amounts receivable on the issue of shares	551		1,206	
Amounts payable on the cancellation of shares	(7,053)		(6,793)	
		(6,502)		(5,587)
Dilution adjustment		2		-
Change in net assets attributable to shareholders from investment activities (see above)		1,369		1,771
Retained distribution on accumulation shares		2,567		2,380
Unclaimed distributions		1		1
<b>Closing net assets attributable to shareholders</b>		<b>80,678</b>		<b>83,241</b>

# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			79,289		83,125
<b>Current assets:</b>					
Debtors	6	234		268	
Cash and bank balances	7	2,383		2	
			2,617		270
<b>Total assets</b>			<b>81,906</b>		<b>83,395</b>
<b>Liabilities:</b>					
Creditors	8	(1,183)		(119)	
Distribution payable		(45)		(35)	
			(1,228)		(154)
<b>Total liabilities</b>			<b>(1,228)</b>		<b>(154)</b>
<b>Net assets attributable to shareholders</b>			<b>80,678</b>		<b>83,241</b>

# Notes to the Financial Statements

## 1 Net Capital Gains

	2023 £'000	2022 £'000
Non-derivative securities	2,371	2,861
Transaction charges	(4)	(5)
<b>Net capital gains</b>	<b>2,367</b>	<b>2,856</b>

## 2 Revenue

	2023 £'000	2022 £'000
Bank and margin interest	29	1
Overseas dividends	66	3
UK dividends	2,794	2,671
UK REIT	32	29
<b>Total revenue</b>	<b>2,921</b>	<b>2,704</b>

## 3 Expenses

	2023 £'000	2022 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	985	1,072
Dealing charge	4	4
General administration charge*	9	4
Registration fees**	-	5
	<b>998</b>	<b>1,085</b>
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Depositary's fees**	-	6
Safe custody fees	2	2
	<b>2</b>	<b>8</b>
<b>Other:</b>		
Audit fee**	-	5
	-	5
<b>Total expenses</b>	<b>1,000</b>	<b>1,098</b>

Irrecoverable VAT is included in the above expenses, where relevant.

\* The fixed general administration charge was introduced from 1 September 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 £10,200 (2022: £9,480).

\*\* These figures represent the charges to 31 August 2021, which have now been replaced by the fixed general administration charge.

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2023 £'000	2022 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	17	-
<b>Total taxation (note 4b)</b>	<b>17</b>	<b>-</b>

#### (b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2022: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

<b>Net revenue before taxation</b>	<b>1,920</b>	<b>1,606</b>
Corporation tax at 20% (2022: 20%)	384	321
Effects of:		
Revenue not subject to taxation	(572)	(534)
Overseas taxes	17	-
Excess allowable expenses	188	213
<b>Total tax charge for year (note 4a)</b>	<b>17</b>	<b>-</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

#### (c) Factors that may affect future tax charge

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £4,222,000 (2022: £4,034,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

### 5 Distributions (including the movement between net revenue and distributions)

	2023 £'000	2022 £'000
First interim distribution	890	809
Second interim distribution	854	994
Third interim distribution	690	551
Final distribution	439	321
	2,873	2,675
Add: Income deducted on cancellation of shares	34	24
Deduct: Income received on issue of shares	(6)	(8)
<b>Total distributions for the year</b>	<b>2,901</b>	<b>2,691</b>

# Notes to the Financial Statements

## Continued

	2023 £'000	2022 £'000
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	1,903	1,606
Expenses charged to capital	998	1,085
<b>Total distributions for the year</b>	<b>2,901</b>	<b>2,691</b>

Expenses taken to capital include the ACD, Registration, Dealing expenses and the General administration charge.

Where deductions are made from capital these may limit the growth in value of the relevant fund. However, more income is generally available to distribute to shareholders.

Details of the distribution per share are set out in this fund's distribution tables.

## 6 Debtors

	2023 £'000	2022 £'000
Accrued revenue	211	249
Amounts receivable from the ACD for the issue of shares	7	-
Overseas withholding tax recoverable	16	19
<b>Total debtors</b>	<b>234</b>	<b>268</b>

## 7 Liquidity

	2023 £'000	2022 £'000
<b>Cash and bank balances</b>		
Cash at bank	2,383	2
	<b>2,383</b>	<b>2</b>
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund*	-	162
<b>Net liquidity</b>	<b>2,383</b>	<b>164</b>

\* Although reflected in the investment assets figure, liquidity funds are used by the fund as a liquidity vehicle. Therefore, the ACD considers the net liquidity position of the fund as the aggregate of cash at bank and in hand, bank overdrafts and liquidity fund positions.

## 8 Creditors

	2023 £'000	2022 £'000
Accrued expenses payable to ACD	92	84
Accrued expenses payable to the Depositary or associates of the Depositary	2	1
Amounts payable to the ACD for cancellation of shares	45	29
Other accrued expenses	5	5
Purchases awaiting settlement	1,039	-
<b>Total creditors</b>	<b>1,183</b>	<b>119</b>

# Notes to the Financial Statements

## Continued

### 9 Related Party Transactions

abrdr Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to abrdr Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to abrdr Fund Managers Limited, in respect of expenses are disclosed in note 3 and any amounts due at the year end in note 8.

### 10 Portfolio Transaction Costs

	Purchases		Sales	
	2023	2022	2023	2022
Trades in the year	£'000	£'000	£'000	£'000
Equities	58,141	44,693	61,236	48,566
Corporate actions	-	-	3,298	-
<b>Trades in the year before transaction costs</b>	<b>58,141</b>	<b>44,693</b>	<b>64,534</b>	<b>48,566</b>
<b>Commissions</b>				
Equities	29	24	(26)	(28)
<b>Total commissions</b>	<b>29</b>	<b>24</b>	<b>(26)</b>	<b>(28)</b>
<b>Taxes</b>				
Equities	282	187	-	-
<b>Total taxes</b>	<b>282</b>	<b>187</b>	<b>-</b>	<b>-</b>
<b>Total transaction costs</b>	<b>311</b>	<b>211</b>	<b>(26)</b>	<b>(28)</b>
<b>Total net trades in the year after transaction costs</b>	<b>58,452</b>	<b>44,904</b>	<b>64,508</b>	<b>48,538</b>
	Purchases		Sales	
	2023	2022	2023	2022
	%	%	%	%
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.05	0.05	0.04	0.06
<b>Taxes</b>				
Equities	0.48	0.42	-	-

# Notes to the Financial Statements

## Continued

	2023 %	2022 %
<b>Total transaction costs expressed as a percentage of net asset value</b>		
Commissions	0.07	0.06
Taxes	0.35	0.21

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.10% (2022: 0.12%), this is representative of the average spread on the assets held during the year.

## 11 Shares in Issue Reconciliation

	Opening shares 2022	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2023
Retail accumulation	29,873,307	79,854	(2,304,480)	(588,491)	27,060,190
Retail income	8,567,579	33,541	(753,472)	(742,811)	7,104,837
Institutional accumulation	1,399,667	40,633	(140,708)	12,532	1,312,124
Institutional income	568,594	20,851	(73,339)	-	516,106
Platform 1 accumulation	5,944,535	172,777	(661,784)	1,226,253	6,681,781
Platform 1 income	1,476,192	84,921	(430,399)	868,004	1,998,718
ZC accumulation	38,442	762	-	-	39,204

## 12 Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2023 £'000 Level 1	2023 £'000 Level 2	2023 £'000 Level 3	2022 £'000 Level 1	2022 £'000 Level 2	2022 £'000 Level 3
<b>Fair value of investment assets</b>						
Equities	78,840	-	449*	82,963	-	-
Collective Investment Schemes	-	-	-	-	162	-
<b>Total investment assets</b>	<b>78,840</b>	<b>-</b>	<b>449</b>	<b>82,963</b>	<b>162</b>	<b>-</b>

\* The Level 3 assets include Savannah Energy which has been valued at the last traded price.

# Notes to the Financial Statements

## Continued

### 13 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

#### Foreign currency risk

The fund's net exposure to foreign currencies (including any instruments used to hedge against foreign currencies) is not significant. Therefore, the financial statements are not subject to any significant risk of currency movements. This is consistent with the exposure during the prior year.

#### Interest rate risk

The majority of the fund's financial assets are in non-interest bearing assets. Therefore, the fund's exposure to interest rate risk is considered insignificant. This is consistent with the exposure during the prior year.

#### Other price risk

The fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Adviser in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

As at 28 February 2023, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £3,964,000 (2022: £4,156,000).

#### Financial derivatives instrument risk

The fund had no exposure to derivatives as at 28 February 2023 (2022: £Nil).

#### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2023 £1,228,000 (2022: £154,000).

### 14 Subsequent Event

On 3 March 2023 the fund closed following its merger into abrdn UK Sustainable and Responsible Investment Fund in abrdn OEIC I.

# Distribution Tables

For the year ended 28 February 2023 (in pence per share)

## First interim dividend distribution

Group 1 – shares purchased prior to 1 March 2022

Group 2 – shares purchased between 1 March 2022 and 31 May 2022

	Revenue	Equalisation	Distribution paid 29/07/22	Distribution paid 30/07/21
<b>Retail accumulation</b>				
Group 1	2.3659	-	2.3659	1.9882
Group 2	1.0791	1.2868	2.3659	1.9882
<b>Retail income</b>				
Group 1	0.9610	-	0.9610	0.8327
Group 2	0.2177	0.7433	0.9610	0.8327
<b>Institutional accumulation</b>				
Group 1	2.4525	-	2.4525	2.0513
Group 2	0.4588	1.9937	2.4525	2.0513
<b>Institutional income</b>				
Group 1	0.7108	-	0.7108	0.6130
Group 2	0.1845	0.5263	0.7108	0.6130
<b>Platform 1 accumulation</b>				
Group 1	1.1077	-	1.1077	0.9269
Group 2	0.3851	0.7226	1.1077	0.9269
<b>Platform 1 income</b>				
Group 1	0.8199	-	0.8199	0.7075
Group 2	0.0239	0.7960	0.8199	0.7075
<b>ZC accumulation</b>				
Group 1	2.9808	-	2.9808	2.4731
Group 2	1.7182	1.2626	2.9808	2.4731

# Distribution Tables

For the year ended 28 February 2023 (in pence per share) continued

## Second interim dividend distribution

Group 1 – shares purchased prior to 1 June 2022

Group 2 – shares purchased between 1 June 2022 and 31 August 2022

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
<b>Retail accumulation</b>				
Group 1	2.3198	-	2.3198	2.5152
Group 2	1.6948	0.6250	2.3198	2.5152
<b>Retail income</b>				
Group 1	0.9324	-	0.9324	1.0441
Group 2	0.3416	0.5908	0.9324	1.0441
<b>Institutional accumulation</b>				
Group 1	2.4080	-	2.4080	2.5988
Group 2	1.8556	0.5524	2.4080	2.5988
<b>Institutional income</b>				
Group 1	0.6907	-	0.6907	0.7698
Group 2	0.4318	0.2589	0.6907	0.7698
<b>Platform 1 accumulation</b>				
Group 1	1.0875	-	1.0875	1.1743
Group 2	0.5531	0.5344	1.0875	1.1743
<b>Platform 1 income</b>				
Group 1	0.7967	-	0.7967	0.8883
Group 2	0.2886	0.5081	0.7967	0.8883
<b>ZC accumulation</b>				
Group 1	2.9335	-	2.9335	3.1425
Group 2	2.1592	0.7743	2.9335	3.1425

# Distribution Tables

For the year ended 28 February 2023 (in pence per share) continued

## Third interim dividend distribution

Group 1 – shares purchased prior to 1 September 2022

Group 2 – shares purchased between 1 September 2022 and 30 November 2022

	Revenue	Equalisation	Distribution paid 31/01/23	Distribution paid 31/01/22
<b>Retail accumulation</b>				
Group 1	1.9070	-	1.9070	1.4215
Group 2	1.3728	0.5342	1.9070	1.4215
<b>Retail income</b>				
Group 1	0.7584	-	0.7584	0.5836
Group 2	0.1890	0.5694	0.7584	0.5836
<b>Institutional accumulation</b>				
Group 1	1.9820	-	1.9820	1.4703
Group 2	0.6505	1.3315	1.9820	1.4703
<b>Institutional income</b>				
Group 1	0.5624	-	0.5624	0.4306
Group 2	0.3161	0.2463	0.5624	0.4306
<b>Platform 1 accumulation</b>				
Group 1	0.8949	-	0.8949	0.6642
Group 2	0.5340	0.3609	0.8949	0.6642
<b>Platform 1 income</b>				
Group 1	0.6485	-	0.6485	0.4968
Group 2	0.1810	0.4675	0.6485	0.4968
<b>ZC accumulation</b>				
Group 1	2.4189	-	2.4189	1.7806
Group 2	1.8805	0.5384	2.4189	1.7806

# Distribution Tables

For the year ended 28 February 2023 (in pence per share) continued

## Final dividend distribution

Group 1 – shares purchased prior to 1 December 2022

Group 2 – shares purchased between 1 December 2022 and 28 February 2023

	Revenue	Equalisation	Distribution paid 28/04/23	Distribution paid 29/04/22
<b>Retail accumulation</b>				
Group 1	1.2469	-	1.2469	0.8381
Group 2	0.7349	0.5120	1.2469	0.8381
<b>Retail income</b>				
Group 1	0.4915	-	0.4915	0.3417
Group 2	0.2653	0.2262	0.4915	0.3417
<b>Institutional accumulation</b>				
Group 1	1.2972	-	1.2972	0.8679
Group 2	0.7975	0.4997	1.2972	0.8679
<b>Institutional income</b>				
Group 1	0.3650	-	0.3650	0.2525
Group 2	0.1780	0.1870	0.3650	0.2525
<b>Platform 1 accumulation</b>				
Group 1	0.5858	-	0.5858	0.3921
Group 2	0.3267	0.2591	0.5858	0.3921
<b>Platform 1 income</b>				
Group 1	0.4210	-	0.4210	0.2914
Group 2	0.0710	0.3500	0.4210	0.2914
<b>ZC accumulation</b>				
Group 1	1.5858	-	1.5858	1.0536
Group 2	0.9833	0.6025	1.5858	1.0536

## 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 High Income Equity Fund

For the year ended 28 February 2023

## Investment Objective

To generate income and some growth over the long term (5 years or more) by investing in UK equities (company shares).

**Performance Target:** To deliver a yield greater than that of the FTSE 350 Index over a rolling five year period (before charges) and achieve a return in excess of the FTSE 350 Index over a rolling five year period (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

**Performance Comparator:** IA UK Equity Income sector average.

The ACD believes that this is an appropriate target/comparator for the fund based on the investment policy of the fund.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 70% in equities and equity related securities of companies incorporated or domiciled in the UK or having significant operations and/or exposure to the UK.
- The fund may also invest in other funds (including those managed by abrdn) and 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 identifying companies where the management team have a different view of a company's prospects than that of the market, and which align with their views regarding future economic and business conditions. The fund aims to generate a high income relative to its benchmark index, in line with the performance target of a yield greater than that of the FTSE 350 Index over a rolling five year period (before charges).
- In seeking to achieve the Performance Target, the FTSE 350 Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 9%. Due to the income nature of the management process, the fund's performance profile may deviate significantly from that of the FTSE 350 Index.

## Derivatives and Techniques

- The fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth at proportionate risk (often referred to as "Efficient Portfolio Management").
- Derivative usage in the fund is expected to be very limited. Where derivatives are used, this would mainly be in response to significant inflows into the fund so that in these instances, cash can be invested while maintaining the fund's existing allocations to company shares.

## Performance Review

For the year ended 28 February 2023, the value of abrdn UK High Income Equity Fund Platform 1 Accumulation increased by 9.83% compared to an increase of 7.61% in the performance target, the FTSE 350 Index. Meanwhile, the Platform 1 Income's yield was 4.48% over the period, versus a yield target of 3.79% (FTSE 350 Index).

Source: FactSet, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

FTSE International Limited ('FTSE') © FTSE 2023. 'FTSE' is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence. RAFI is a registered trade mark of Research Affiliates, LLC. All rights in the FTSE indices and/or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.

Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

Companies selected for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.

Sector allocation was positive for performance, with particular strength from the fund's overweight allocation in the energy sector. However, stock selection weighed on potential returns in the energy sector. An underweight allocation in real estate as well as stock selection in the consumer staples, financials and healthcare sectors contributed to positive returns as well.

An above-index position in BP as well as holding Kosmos Energy and Go-Ahead Group were the most significant contributors to relative returns. In August 2022, Go-Ahead, which runs regional bus operations in the UK, received a new bid approach from a transport infrastructure consortium and shares gained. This sale completed in October 2022. Meanwhile, other top contributors included overweight allocations in exploration and production company Energean, investment manager Man Group and investment banking group Standard Chartered.

# abrdn UK High Income Equity Fund

## Continued

On the negative side, stock selection in the consumer discretionary sector was the leading detractor. Meanwhile, stock selection in the basic materials and industrials sectors also weighed on relative returns, offsetting some of the positive performance of the fund.

An overweight exposure to sports betting and gaming company Entain Group was the leading detractor during the period. Meanwhile, an underweight positioning in HSBC and Royal Dutch Shell also weighed on relative returns. Other detractors included above-index holdings in casino operator Rank Group, piping manufacturer Genuit and chemicals company Synthomer, which all performed poorly due to the backdrop of a tough economic cycle.

### Market Review

The UK stock market, as represented by the FTSE All-Share Index, rose over the period. The FTSE 100 Index, home of large, multinational companies that often benefit from a weak pound, held up well in the global market sell-off. In contrast, the FTSE 250 Index, which contains mid-sized companies typically more focused on the domestic UK economy, fell over the period.

Several factors explained the FTSE 100 Index's relative resilience. As well as benefiting from currency effects, it is home to many so-called defensive shares that tend to hold their value better when the stock market falls. It also contains several major energy companies. These were boosted by higher energy prices, particularly after the outbreak of war in Eastern Europe.

Inflation dominated the economic landscape. The annual inflation rate increased steadily, hitting a 41-year high of 11.1% in October, before it began to recede. The Bank of England reacted to surging inflation with successive interest-rate rises, taking the base rate from 0.25% at the start of 2022 to 3.50% by the calendar year's end. The central bank increased the base rate by a further 0.50% in February.

In economic news, in January 2023, the International Monetary Fund predicted that the UK would be the only major developed economy to experience a negative growth rate across the whole of 2023. Figures published by S&P Global indicated that private-sector activity in Britain declined for a sixth consecutive month in January, falling at its fastest pace since 2021. Yet, UK equities made solid progress in January on renewed hopes that central banks could soon start to slow the pace of interest-rate rises. Meanwhile, despite increased volatility in February, UK shares enjoyed monthly gains during the month as well. In the final days of the month, sterling increased to almost US\$1.21 against the US dollar, buoyed by the agreement between the UK and the European Union (EU) regarding post-Brexit trading arrangements in Northern Ireland.

### Portfolio Activity and Review

In terms of portfolio activity, there were numerous transactions over the past 12 months. The fund initiated positions in several businesses, including distributor of industrial products RS Group, public transport company National Express, construction company Morgan Sindall, packaging business DS Smith, home construction company Taylor Wimpey, landscaping and building provider Marshall's and Hikma Pharmaceuticals, which manufactures branded and non-branded generic medicines.

Elsewhere, we added to existing positions by purchasing shares in equipment rental company Ashtead, drinks supplier Diageo, financial services company Legal & General and insurance group Prudential to increase the fund's international exposure. The fund also increased investments in merchant banker Close Brothers, private equity investor Intermediate Capital and chemicals business Synthomer.

On the other hand, the fund trimmed existing positions housebuilder Bellway, aerospace and defence company BAE systems, multinational tobacco companies Imperial Brands and British American Tobacco, Howden Joinery, which sells products to the building trade, metals and mining company Ro Tinto and utility company SSE.

Elsewhere, the fund sold housebuilder Persimmon, student accommodation provider Unite Group and cinema operator Cineworld. We also sold out of Moonpig, which weakened on results that showed discretionary purchases by customers had fallen. Finally, the fund also exited Go-Ahead and AVEVA Group after both companies accepted takeover bids.

### Portfolio Outlook and Strategy

The global economy is slowing as inflationary pressures take their toll, with a high risk of recession in the UK and other major countries. Although macro drivers affect the stock market, we remain confident we can navigate this choppy environment. The UK equity market is highly diverse, allowing access a wide range of companies with different drivers.

Therefore, we remain focused on bottom-up stock picking, examining prospects on a company-by-company basis over the fund's three- to five-year investment horizon. The focus is on finding businesses within the acceptable universe defined by the fund's ethical policy, that are well positioned for growth, and have resilient earnings streams and underappreciated business models.

### UK Equity Team

March 2023

# abrdn UK High 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 28 February 2023.

The fund is rated as 6 because of the extent to which the following risk factors apply:

- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector.
- The shares of small and mid-cap companies may be less liquid and more volatile than those of larger companies.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

# Comparative Tables

	2023	2022	2021
Retail accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	260.18	225.42	217.14
Return before operating charges*	25.04	38.02	10.90
Operating charges	(3.47)	(3.26)	(2.62)
Return after operating charges*	21.57	34.76	8.28
Distributions	(12.25)	(10.21)	(7.26)
Retained distributions on accumulation shares	12.25	10.21	7.26
Closing net asset value per share	281.75	260.18	225.42
* after direct transaction costs of:	0.22	0.18	0.18
<b>Performance</b>			
Return after charges	8.29%	15.42%	3.81%
<b>Other information</b>			
Closing net asset value (£'000)	80,535	76,878	72,288
Closing number of shares	28,583,229	29,548,360	32,068,080
Operating charges	1.30%	1.31%	1.32%
Direct transaction costs	0.08%	0.07%	0.09%
<b>Prices</b>			
Highest share price	284.4	268.0	232.4
Lowest share price	242.3	228.3	152.3

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2023	2022	2021
Retail income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	73.71	66.52	66.39
Return before operating charges*	6.94	11.12	3.12
Operating charges	(0.97)	(0.95)	(0.79)
Return after operating charges*	5.97	10.17	2.33
Distributions	(3.43)	(2.98)	(2.20)
Closing net asset value per share	76.25	73.71	66.52
* after direct transaction costs of:	0.06	0.05	0.05
<b>Performance</b>			
Return after charges	8.10%	15.29%	3.51%
<b>Other information</b>			
Closing net asset value (£'000)	14,158	16,914	16,395
Closing number of shares	18,567,903	22,946,296	24,648,172
Operating charges	1.30%	1.31%	1.32%
Direct transaction costs	0.08%	0.07%	0.09%
<b>Prices</b>			
Highest share price	79.77	77.06	69.42
Lowest share price	67.62	67.38	46.49

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.

# Comparative Tables

## Continued

	2023	2022	2021
Institutional accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	296.91	256.04	245.43
Return before operating charges*	28.67	43.25	12.51
Operating charges	(2.54)	(2.38)	(1.90)
Return after operating charges*	26.13	40.87	10.61
Distributions	(14.01)	(11.62)	(8.22)
Retained distributions on accumulation shares	14.01	11.62	8.22
Closing net asset value per share	323.04	296.91	256.04
* after direct transaction costs of:	0.25	0.20	0.20
<b>Performance</b>			
Return after charges	8.80%	15.96%	4.32%
<b>Other information</b>			
Closing net asset value (£'000)	149,508	189,161	185,507
Closing number of shares	46,281,208	63,709,836	72,453,189
Operating charges	0.83%	0.84%	0.85%
Direct transaction costs	0.08%	0.07%	0.09%
<b>Prices</b>			
Highest share price	326.0	305.8	263.7
Lowest share price	276.5	259.4	172.2

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2023	2022	2021
Institutional income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	84.17	75.59	75.07
Return before operating charges*	7.95	12.67	3.58
Operating charges	(0.71)	(0.69)	(0.57)
Return after operating charges*	7.24	11.98	3.01
Distributions	(3.93)	(3.40)	(2.49)
Closing net asset value per share	87.48	84.17	75.59
* after direct transaction costs of:	0.07	0.06	0.06
<b>Performance</b>			
Return after charges	8.60%	15.85%	4.01%
<b>Other information</b>			
Closing net asset value (£'000)	6,764	7,500	8,801
Closing number of shares	7,731,714	8,910,268	11,643,206
Operating charges	0.83%	0.84%	0.85%
Direct transaction costs	0.08%	0.07%	0.09%
<b>Prices</b>			
Highest share price	91.20	87.97	78.83
Lowest share price	77.45	76.57	52.58

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Institutional regulated accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	333.40	286.22	273.16
Return before operating charges*	32.30	48.42	14.06
Operating charges	(1.32)	(1.24)	(1.00)
Return after operating charges*	30.98	47.18	13.06
Distributions	(15.76)	(13.01)	(9.17)
Retained distributions on accumulation shares	15.76	13.01	9.17
Closing net asset value per share	364.38	333.40	286.22
* after direct transaction costs of:	0.28	0.23	0.22
<b>Performance</b>			
Return after charges	9.29%	16.48%	4.78%
<b>Other information</b>			
Closing net asset value (£'000)	26,967	25,810	24,642
Closing number of shares	7,400,673	7,741,428	8,609,648
Operating charges	0.38%	0.39%	0.40%
Direct transaction costs	0.08%	0.07%	0.09%
<b>Prices</b>			
Highest share price	367.7	343.3	294.6
Lowest share price	310.6	289.9	191.7

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2023	2022	2021
Institutional A income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	46.49	42.07	42.11
Return before operating charges*	4.43	7.04	1.96
Operating charges	(0.74)	(0.73)	(0.61)
Return after operating charges*	3.69	6.31	1.35
Distributions	(2.21)	(1.89)	(1.39)
Closing net asset value per share	47.97	46.49	42.07
* after direct transaction costs of:	0.04	0.03	0.03
<b>Performance</b>			
Return after charges	7.94%	15.00%	3.21%
<b>Other information</b>			
Closing net asset value (£'000)	-	32	62
Closing number of shares	200	69,573	148,037
Operating charges	1.58%	1.59%	1.60%
Direct transaction costs	0.08%	0.07%	0.09%
<b>Prices</b>			
Highest share price	50.27	48.61	43.92
Lowest share price	42.58	42.62	29.49

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.

# Comparative Tables

## Continued

Institutional S accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	72.11	62.12	59.48
Return before operating charges*	6.98	10.52	3.07
Operating charges	(0.56)	(0.53)	(0.43)
Return after operating charges*	6.42	9.99	2.64
Distributions	(3.39)	(2.82)	(2.00)
Retained distributions on accumulation shares	3.39	2.82	2.00
Closing net asset value per share	78.53	72.11	62.12
* after direct transaction costs of:	0.06	0.05	0.05
<b>Performance</b>			
Return after charges	8.90%	16.08%	4.44%
<b>Other information</b>			
Closing net asset value (£'000)	1	1	1
Closing number of shares	1,602	1,602	1,602
Operating charges	0.76%	0.77%	0.78%
Direct transaction costs	0.08%	0.07%	0.09%
<b>Prices</b>			
Highest share price	79.26	74.25	63.98
Lowest share price	67.16	62.92	41.73

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

Institutional S income	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	50.97	45.74	45.36
Return before operating charges*	4.81	7.67	2.21
Operating charges	(0.39)	(0.38)	(0.32)
Return after operating charges*	4.42	7.29	1.89
Distributions	(2.37)	(2.06)	(1.51)
Closing net asset value per share	53.02	50.97	45.74
* after direct transaction costs of:	0.04	0.04	0.04
<b>Performance</b>			
Return after charges	8.67%	15.94%	4.17%
<b>Other information</b>			
Closing net asset value (£'000)	1	1	1
Closing number of shares	2,004	2,004	2,004
Operating charges	0.76%	0.77%	0.78%
Direct transaction costs	0.08%	0.07%	0.09%
<b>Prices</b>			
Highest share price	55.25	53.27	47.70
Lowest share price	46.93	46.34	31.78

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

<b>Platform 1 accumulation</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	94.60	81.62	78.29
Return before operating charges*	9.14	13.78	3.97
Operating charges	(0.86)	(0.80)	(0.64)
Return after operating charges*	8.28	12.98	3.33
Distributions	(4.46)	(3.70)	(2.62)
Retained distributions on accumulation shares	4.46	3.70	2.62
Closing net asset value per share	102.88	94.60	81.62
* after direct transaction costs of:	0.08	0.06	0.06
<b>Performance</b>			
Return after charges	8.75%	15.90%	4.25%
<b>Other information</b>			
Closing net asset value (£'000)	23,150	19,236	19,173
Closing number of shares	22,502,756	20,333,390	23,490,451
Operating charges	0.88%	0.89%	0.90%
Direct transaction costs	0.08%	0.07%	0.09%
<b>Prices</b>			
Highest share price	103.8	97.42	84.08
Lowest share price	88.11	82.68	54.92

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2023	2022	2021
Platform 1 income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	62.88	56.50	56.16
Return before operating charges*	5.94	9.47	2.66
Operating charges	(0.56)	(0.55)	(0.46)
Return after operating charges*	5.38	8.92	2.20
Distributions	(2.93)	(2.54)	(1.86)
Closing net asset value per share	65.33	62.88	56.50
* after direct transaction costs of:	0.05	0.04	0.04
<b>Performance</b>			
Return after charges	8.56%	15.79%	3.92%
<b>Other information</b>			
Closing net asset value (£'000)	17,804	16,020	16,377
Closing number of shares	27,253,014	25,475,588	28,984,599
Operating charges	0.88%	0.89%	0.90%
Direct transaction costs	0.08%	0.07%	0.09%
<b>Prices</b>			
Highest share price	68.13	65.72	58.93
Lowest share price	57.84	57.24	39.34

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

ZC accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	180.02	154.08	146.62
Return before operating charges*	17.50	26.09	7.59
Operating charges	(0.16)	(0.15)	(0.13)
Return after operating charges*	17.34	25.94	7.46
Distributions	(8.52)	(7.01)	(4.93)
Retained distributions on accumulation shares	8.52	7.01	4.93
Closing net asset value per share	197.36	180.02	154.08
* after direct transaction costs of:	0.16	0.12	0.12
<b>Performance</b>			
Return after charges	9.63%	16.84%	5.09%
<b>Other information</b>			
Closing net asset value (£'000)	5,144	487	405
Closing number of shares	2,606,570	270,398	262,623
Operating charges	0.08%	0.09%	0.10%
Direct transaction costs	0.08%	0.07%	0.09%
<b>Prices</b>			
Highest share price	199.1	185.3	158.6
Lowest share price	167.7	156.1	102.9

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

ZA income	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	62.98	56.09	55.25
Return before operating charges*	5.98	9.43	2.69
Operating charges	-	(0.01)	(0.01)
Return after operating charges*	5.98	9.42	2.68
Distributions	(2.95)	(2.53)	(1.84)
Closing net asset value per share	66.01	62.98	56.09
* after direct transaction costs of:	0.05	0.04	0.04
<b>Performance</b>			
Return after charges	9.50%	16.79%	4.85%
<b>Other information</b>			
Closing net asset value (£'000)	5,199	6,501	8,444
Closing number of shares	7,876,367	10,323,201	15,053,727
Operating charges	-	0.01%	0.02%
Direct transaction costs	0.08%	0.07%	0.09%
<b>Prices</b>			
Highest share price	68.39	65.79	58.42
Lowest share price	58.25	56.82	38.72

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on 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 28 February 2023

Holding	Investment	Market value £'000	Percentage of total net assets
<b>UK Equities (99.57%)</b>		<b>326,103</b>	<b>99.05</b>
<b>Basic Materials (10.23%)</b>		<b>27,054</b>	<b>8.22</b>
208,998	Anglo American	6,028	1.83
352,708	Bodycote	2,340	0.71
2,076,274	Glencore	10,284	3.12
119,074	Rio Tinto	6,800	2.07
1,048,972	Synthomer	1,602	0.49
<b>Consumer Discretionary (8.88%)</b>		<b>21,572</b>	<b>6.55</b>
87,260	Bellway	1,934	0.59
1,547,076	Dr. Martens	2,472	0.75
186,710	Dunelm	2,345	0.71
437,320	Entain	5,943	1.80
620,221	Halfords	1,306	0.40
298,791	Howden Joinery	2,141	0.65
45,021	National Express	56	0.02
397,887	Pets at Home	1,539	0.47
1,852,945	Rank	1,653	0.50
1,772,776	Taylor Wimpey	2,183	0.66
<b>Consumer Staples (11.75%)</b>		<b>31,179</b>	<b>9.47</b>
315,653	British American Tobacco	9,921	3.01
135,502	Coca-Cola HBC	2,881	0.87
181,535	Diageo	6,406	1.95
425,613	Imperial Brands	8,529	2.59
83,239	Unilever	3,442	1.05
<b>Energy (20.05%)</b>		<b>73,485</b>	<b>22.32</b>
3,850,355	BP	21,192	6.44
7,063,706	Diversified Energy	7,353	2.23
815,433	Energean	9,826	2.99
1,034,641	Ithaca Energy	1,821	0.55
500,791	Kosmos Energy	3,405	1.03

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
28,856,242	Savannah Energy*	7,575	2.30
820,064	Shell	20,715	6.29
817,660	Wood	1,598	0.49
<b>Financials (22.22%)</b>		<b>78,756</b>	<b>23.92</b>
701,805	Ashmore	1,891	0.57
6,363,486	Barclays	11,112	3.38
697,816	Bridgepoint	1,740	0.53
376,937	Close Brothers	3,811	1.16
658,581	Conduit	3,250	0.99
867,585	Direct Line Insurance	1,564	0.47
386,728	Hiscox	4,407	1.34
1,336,675	HSBC	8,495	2.58
207,225	Intermediate Capital	2,904	0.88
1,922,181	Legal & General	4,917	1.49
1,603,096	M&G	3,434	1.04
1,323,299	Man	3,513	1.07
1,890,816	NatWest	5,525	1.68
520,015	OSB	2,894	0.88
898,903	Phoenix	5,692	1.73
566,484	Prudential	7,189	2.18
818,619	Standard Chartered	6,418	1.95
<b>Health Care (11.38%)</b>		<b>38,216</b>	<b>11.61</b>
248,108	AstraZeneca	26,989	8.20
1,138,459	ConvaTec	2,552	0.77
450,150	GSK	6,416	1.95
130,446	Hikma Pharmaceutical	2,259	0.69
163,962	NMC Health**	-	-
<b>Industrials (5.63%)</b>		<b>35,104</b>	<b>10.66</b>
112,749	Ashtead	6,210	1.88
456,874	BAE Systems	4,102	1.24
562,943	DS Smith	1,898	0.58

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
486,410	FDM	4,008	1.22
661,771	Genuit	2,071	0.63
331,731	Inchcape	3,017	0.92
828,800	Marshalls	2,778	0.84
211,896	Mondi	2,958	0.90
127,828	Morgan Sindall	2,293	0.70
277,658	RS	2,713	0.82
357,801	Vesuvius	1,479	0.45
67,528	XP Power	1,577	0.48
<b>Real Estate (0.64%)</b>		-	-
<b>Technology (1.28%)</b>		<b>1,521</b>	<b>0.46</b>
125,928	Softcat	1,521	0.46
<b>Telecommunications (2.93%)</b>		<b>4,839</b>	<b>1.47</b>
4,849,877	Vodafone	4,839	1.47
<b>Utilities (4.58%)</b>		<b>14,377</b>	<b>4.37</b>
765,648	National Grid	8,020	2.44
364,275	SSE	6,357	1.93
<b>Collective Investment Schemes (0.28%)</b>		<b>1,330</b>	<b>0.40</b>
1,330	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc+	1,330	0.40
Total investment assets		327,433	99.45
Net other assets		1,798	0.55
<b>Total Net Assets</b>		<b>329,231</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities, or are regulated collective investment schemes within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 28 February 2022.

+ Managed by subsidiaries of abrdn plc.

\* Suspended

\*\* Delisted.

# Financial Statements

## Statement of Total Return

For the year ended 28 February 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains	1		14,583		42,035
Revenue	2	16,494		15,502	
Expenses	3	(3,179)		(3,347)	
Interest payable and similar charges		(3)		-	
Net revenue before taxation		13,312		12,155	
Taxation	4	(350)		(324)	
Net revenue after taxation			12,962		11,831
<b>Total return before distributions</b>			<b>27,545</b>		<b>53,866</b>
Distributions	5		(16,132)		(15,144)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>11,413</b>		<b>38,722</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2023

	2023		2022	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>358,541</b>		<b>352,096</b>
Amounts receivable on the issue of shares	17,030		3,095	
Amounts payable on the cancellation of shares	(71,445)		(48,111)	
		(54,415)		(45,016)
Change in net assets attributable to shareholders from investment activities (see above)		11,413		38,722
Retained distribution on accumulation shares		13,686		12,733
Unclaimed distributions		6		6
<b>Closing net assets attributable to shareholders</b>		<b>329,231</b>		<b>358,541</b>

# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			327,433		357,989
<b>Current assets:</b>					
Debtors	6	4,968		1,661	
Cash and bank balances	7	1		4	
			4,969		1,665
<b>Total assets</b>			<b>332,402</b>		<b>359,654</b>
<b>Liabilities:</b>					
Creditors	8	(2,441)		(420)	
Distribution payable		(730)		(693)	
			(3,171)		(1,113)
<b>Total liabilities</b>			<b>(3,171)</b>		<b>(1,113)</b>
<b>Net assets attributable to shareholders</b>			<b>329,231</b>		<b>358,541</b>

# Notes to the Financial Statements

## 1 Net Capital Gains

	2023 £'000	2022 £'000
Non-derivative securities	14,598	42,042
Other losses	(10)	(4)
Transaction charges	(5)	(3)
<b>Net capital gains</b>	<b>14,583</b>	<b>42,035</b>

## 2 Revenue

	2023 £'000	2022 £'000
Bank and margin interest	78	3
Overseas dividends	1,139	1,209
UK dividends	15,277	14,177
UK REIT	-	113
<b>Total revenue</b>	<b>16,494</b>	<b>15,502</b>

## 3 Expenses

	2023 £'000	2022 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	2,955	3,084
Dealing charge	18	18
General administration charge*	197	104
Registration fees**	-	107
	<b>3,170</b>	<b>3,313</b>
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Depositary's fees**	-	20
Safe custody fees	9	9
	<b>9</b>	<b>29</b>
<b>Other:</b>		
Audit fee**	-	5
	-	5
<b>Total expenses</b>	<b>3,179</b>	<b>3,347</b>

Irrecoverable VAT is included in the above expenses, where relevant.

\* The fixed general administration charge was introduced from 1 September 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 £10,200 (2022: £9,480).

\*\* These figures represent the charges to 31 August 2021, which have now been replaced by the fixed general administration charge.

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2023 £'000	2022 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	350	324
<b>Total taxation (note 4b)</b>	<b>350</b>	<b>324</b>

#### (b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2022: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

<b>Net revenue before taxation</b>	<b>13,312</b>	<b>12,155</b>
Corporation tax at 20% (2022: 20%)	2,662	2,431
Effects of:		
Revenue not subject to taxation	(3,283)	(3,077)
Overseas taxes	350	324
Excess allowable expenses	621	646
<b>Total tax charge for year (note 4a)</b>	<b>350</b>	<b>324</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

#### (c) Factors that may affect future tax charge

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £19,412,000 (2022: £18,791,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

### 5 Distributions (including the movement between net revenue and distributions)

	2023 £'000	2022 £'000
Interim distribution	10,316	9,487
Final distribution	5,392	5,219
	15,708	14,706
Add: Income deducted on cancellation of shares	698	476
Deduct: Income received on issue of shares	(274)	(38)
<b>Total distributions for the year</b>	<b>16,132</b>	<b>15,144</b>
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	12,962	11,831
Expenses charged to capital	3,170	3,313
<b>Total distributions for the year</b>	<b>16,132</b>	<b>15,144</b>

# 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

	2023 £'000	2022 £'000
Accrued revenue	1,762	1,472
Amounts receivable from the ACD for the issue of shares	13	100
Overseas withholding tax recoverable	69	89
Sales awaiting settlement	3,124	-
<b>Total debtors</b>	<b>4,968</b>	<b>1,661</b>

## 7 Liquidity

	2023 £'000	2022 £'000
<b>Cash and bank balances</b>		
Cash at bank	1	4
	<b>1</b>	<b>4</b>
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund*	1,330	987
<b>Net liquidity</b>	<b>1,331</b>	<b>991</b>

\* Although reflected in the investment assets figure, liquidity funds are used by the fund as a liquidity vehicle. Therefore, the ACD considers the net liquidity position of the fund as the aggregate of cash at bank and in hand, bank overdrafts and liquidity fund positions.

## 8 Creditors

	2023 £'000	2022 £'000
Accrued expenses payable to ACD	253	275
Accrued expenses payable to the Depositary or associates of the Depositary	4	2
Amounts payable to the ACD for cancellation of shares	2,179	138
Other accrued expenses	5	5
<b>Total creditors</b>	<b>2,441</b>	<b>420</b>

# Notes to the Financial Statements

## Continued

### 9 Related Party Transactions

abrdr Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to abrdr Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to abrdr Fund Managers Limited, in respect of expenses are disclosed in note 3 and any amounts due at the year end in note 8.

### 10 Portfolio Transaction Costs

	Purchases		Sales	
	2023	2022	2023	2022
Trades in the year	£'000	£'000	£'000	£'000
Equities	46,597	48,974	90,354	84,528
Corporate actions	-	-	2,025	-
<b>Trades in the year before transaction costs</b>	<b>46,597</b>	<b>48,974</b>	<b>92,379</b>	<b>84,528</b>
<b>Commissions</b>				
Equities	28	27	(46)	(57)
<b>Total commissions</b>	<b>28</b>	<b>27</b>	<b>(46)</b>	<b>(57)</b>
<b>Taxes</b>				
Equities	209	177	-	-
<b>Total taxes</b>	<b>209</b>	<b>177</b>	<b>-</b>	<b>-</b>
<b>Total transaction costs</b>	<b>237</b>	<b>204</b>	<b>(46)</b>	<b>(57)</b>
<b>Total net trades in the year after transaction costs</b>	<b>46,834</b>	<b>49,178</b>	<b>92,333</b>	<b>84,471</b>
	Purchases		Sales	
	2023	2022	2023	2022
	%	%	%	%
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.06	0.05	0.05	0.07
<b>Taxes</b>				
Equities	0.45	0.36	-	-

# Notes to the Financial Statements

## Continued

	2023 %	2022 %
<b>Total transaction costs expressed as a percentage of net asset value</b>		
Commissions	0.02	0.02
Taxes	0.06	0.05

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.09% (2022: 0.10%), this is representative of the average spread on the assets held during the year.

## 11 Shares in Issue Reconciliation

	Opening shares 2022	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2023
Retail accumulation	29,548,360	2,743,929	(2,416,117)	(1,292,943)	28,583,229
Retail income	22,946,296	293,218	(1,607,700)	(3,063,911)	18,567,903
Institutional accumulation	63,709,836	369,929	(17,805,490)	6,933	46,281,208
Institutional income	8,910,268	261,829	(1,518,937)	78,554	7,731,714
Institutional regulated accumulation	7,741,428	600,842	(941,597)	-	7,400,673
Institutional A income	69,573	-	(69,373)	-	200
Institutional S accumulation	1,602	-	-	-	1,602
Institutional S income	2,004	-	-	-	2,004
Platform 1 accumulation	20,333,390	688,199	(2,041,697)	3,522,864	22,502,756
Platform 1 income	25,475,588	953,702	(2,650,952)	3,474,676	27,253,014
ZC accumulation	270,398	2,907,502	(571,330)	-	2,606,570
ZA income	10,323,201	-	(2,446,834)	-	7,876,367

## 12 Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2023 £'000	2023 £'000	2023 £'000	2022 £'000	2022 £'000	2022 £'000
<b>Fair value of investment assets</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Equities	318,528	-	7,575*	357,002	-	-
Collective Investment Schemes	-	1,330	-	-	987	-
<b>Total investment assets</b>	<b>318,528</b>	<b>1,330</b>	<b>7,575</b>	<b>357,002</b>	<b>987</b>	<b>-</b>

\* The Level 3 assets include Savannah Energy which has been valued at the last traded price.

# Notes to the Financial Statements

## Continued

### 13 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

#### Foreign currency risk

The fund's net exposure to foreign currencies (including any instruments used to hedge against foreign currencies) is not significant. Therefore, the financial statements are not subject to any significant risk of currency movements. This is consistent with the exposure during the prior year.

#### Interest rate risk

The majority of the fund's financial assets are in non-interest bearing assets. Therefore, the fund's exposure to interest rate risk is considered insignificant. This is consistent with the exposure during the prior year.

#### Other price risk

The fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Adviser in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

As at 28 February 2023, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £16,372,000 (2022: £17,899,000).

#### Financial derivatives instrument risk

The fund had no exposure to derivatives as at 28 February 2023 (2022: £Nil).

#### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2023 £3,171,000 (2022: £1,113,000).

### 14 Subsequent Event

It is the intention of the ACD to merge abrdn UK High Income Equity Fund, in the second half of the year, into abrdn UK Income Equity Fund in abrdn OEIC I.

# Distribution Tables

For the year ended 28 February 2023 (in pence per share)

## Interim dividend distribution

Group 1 – shares purchased prior to 1 March 2022

Group 2 – shares purchased between 1 March 2022 and 31 August 2022

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
<b>Retail accumulation</b>				
Group 1	7.6436	-	7.6436	6.4245
Group 2	2.6119	5.0317	7.6436	6.4245
<b>Retail income</b>				
Group 1	2.1656	-	2.1656	1.8957
Group 2	1.1055	1.0601	2.1656	1.8957
<b>Institutional accumulation</b>				
Group 1	8.7326	-	8.7326	7.3057
Group 2	5.8430	2.8896	8.7326	7.3057
<b>Institutional income</b>				
Group 1	2.4755	-	2.4755	2.1569
Group 2	1.2985	1.1770	2.4755	2.1569
<b>Institutional regulated accumulation</b>				
Group 1	9.8163	-	9.8163	8.1760
Group 2	4.4096	5.4067	9.8163	8.1760
<b>Institutional A income</b>				
Group 1	1.3653	-	1.3653	1.1989
Group 2	1.3653	-	1.3653	1.1989
<b>Institutional S accumulation</b>				
Group 1	2.1156	-	2.1156	1.7774
Group 2	2.1156	-	2.1156	1.7774
<b>Institutional S income</b>				
Group 1	1.5007	-	1.5007	1.3101
Group 2	1.5007	-	1.5007	1.3101
<b>Platform 1 accumulation</b>				
Group 1	2.7820	-	2.7820	2.3287
Group 2	1.2689	1.5131	2.7820	2.3287
<b>Platform 1 income</b>				
Group 1	1.8493	-	1.8493	1.6121
Group 2	0.8726	0.9767	1.8493	1.6121

# Distribution Tables

For the year ended 28 February 2023 (in pence per share) continued

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
<b>ZC accumulation</b>				
Group 1	5.3041	-	5.3041	4.4045
Group 2	2.9735	2.3306	5.3041	4.4045
<b>ZA income</b>				
Group 1	1.8559	-	1.8559	1.6037
Group 2	1.8559	-	1.8559	1.6037

# Distribution Tables

For the year ended 28 February 2023 (in pence per share) continued

## Final dividend distribution

Group 1 – shares purchased prior to 1 September 2022

Group 2 – shares purchased between 1 September 2022 and 28 February 2023

	Revenue	Equalisation	Distribution paid 28/04/23	Distribution paid 29/04/22
<b>Retail accumulation</b>				
Group 1	4.6083	-	4.6083	3.7841
Group 2	3.0481	1.5602	4.6083	3.7841
<b>Retail income</b>				
Group 1	1.2678	-	1.2678	1.0880
Group 2	0.6674	0.6004	1.2678	1.0880
<b>Institutional accumulation</b>				
Group 1	5.2784	-	5.2784	4.3129
Group 2	3.4541	1.8243	5.2784	4.3129
<b>Institutional income</b>				
Group 1	1.4530	-	1.4530	1.2408
Group 2	1.1540	0.2990	1.4530	1.2408
<b>Institutional regulated accumulation</b>				
Group 1	5.9473	-	5.9473	4.8371
Group 2	3.3036	2.6437	5.9473	4.8371
<b>Institutional A income</b>				
Group 1	0.8400	-	0.8400	0.6868
Group 2	0.8400	-	0.8400	0.6868
<b>Institutional S accumulation</b>				
Group 1	1.2769	-	1.2769	1.0466
Group 2	1.2769	-	1.2769	1.0466
<b>Institutional S income</b>				
Group 1	0.8734	-	0.8734	0.7536
Group 2	0.8734	-	0.8734	0.7536
<b>Platform 1 accumulation</b>				
Group 1	1.6810	-	1.6810	1.3743
Group 2	0.6248	1.0562	1.6810	1.3743
<b>Platform 1 income</b>				
Group 1	1.0851	-	1.0851	0.9271
Group 2	0.5595	0.5256	1.0851	0.9271

# Distribution Tables

For the year ended 28 February 2023 (in pence per share) continued

	Revenue	Equalisation	Distribution paid 28/04/23	Distribution paid 29/04/22
<b>ZC accumulation</b>				
Group 1	3.2190	-	3.2190	2.6098
Group 2	2.5061	0.7129	3.2190	2.6098
<b>ZA income</b>				
Group 1	1.0943	-	1.0943	0.9263
Group 2	1.0943	-	1.0943	0.9263

## 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 Opportunities Equity Fund (closed)

For the year ended 28 February 2023

## Investment Objective

To generate growth over the long term (5 years or more) by investing in UK small and mid-capitalisation equities (company shares).

Performance Target: To achieve the return of the FTSE All-Share ex FTSE 100 ex Investment Trusts Index, plus 3% 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 smaller and 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.
- Smaller and mid-capitalisation companies are defined as any stock not included in the FTSE 100 Index.
- The fund may invest up to 30% in larger capitalisation companies listed, incorporated or domiciled in the UK.
- The fund may also invest in other funds (including those managed by abrdrn) and money-market instruments, and cash.

### Management Process

- The management team use their discretion (active management) to 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 exhibit a range of high quality characteristics, operate in growing markets and display positive business momentum.
- In seeking to achieve the Performance Target, the FTSE All-Share ex FTSE 100 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 FTSE All-Share ex FTSE 100 ex Investment Trusts Index.

Please note: The fund's ability to buy and sell small and mid-capitalisation shares and the associated costs can be affected during periods of market stress. In certain circumstances investors in the fund may not be able to sell their investment when they want to.

### Derivatives and Techniques

- The fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivative usage in the fund is expected to be very limited. Where derivatives are used, this would mainly be in response to significant inflows into the fund so that in these instances, cash can be invested while maintaining the fund's existing allocations to company shares.

## Performance Review

For the period 1 March 2022 to 31 January 2023 (the fund closed on 24 February 2023), the value of abrdrn UK Opportunities Equity Fund Platform 1 Accumulation decreased by 15.05% compared to a drop of 0.41% in the performance target, the FTSE All-Share Index ex FTSE 100 ex Investment Trusts Index +3%.

Source: FactSet, Basis: total return, published NAV to NAV, net of annual charges, UK net income reinvested, GBP.

FTSE International Limited ('FTSE') © FTSE 2023. 'FTSE' is a trademark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence. RAFI® is a registered trademark of Research Affiliates, LLC. All rights in the FTSE indices and/or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data. No further distribution of FTSE data is permitted without FTSE's express written consent.

Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

Companies selected for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.

From a stock-specific perspective, the main detractors included Marshalls, which was caused by weakness in RMI (repair, maintenance and improvement) markets due to the consumer squeeze and areas of discretionary spend which some consumers delayed.

Future weighed on returns although the underperformance appeared unjustified given that its trading has remained solid, with results matching consensus forecasts. GB Group struggled against the headwinds of a sharp drop in new cryptocurrency users to its crypto customers, as well as weaker end market activity in some other sectors. Construction products group Genuit

# abrdn UK Opportunities Equity Fund (closed)

## Continued

was among a number of stocks affected by concerns in the middle of 2022 that UK domestic economic policy might lead to a slowdown in construction activity. Retailer Hotel Chocolat was the largest detractor as its shares dropped after forecasts were downgraded due to expectations of weakness in consumer spending and the decision to curtail the company's retail businesses in the US and Japan.

The underperformance was partially mitigated by good returns from Keywords Studios as investors responded positively to five earnings upgrades in 2022. The company enjoyed better-than-expected organic revenue growth and a decent increase in its profit margins. Pets At Home Group made a positive contribution late in the period thanks to an earnings update which showed continued strong trading. Alpha Financial Markets Consulting and JD Sports were among other stocks to perform well, with the latter reporting first-half figures near the top of expectations. Details of a new strategy outlined at a capital markets day in February were also well received. Not owning Direct Line Insurance, TUI, Carnival and Tritax Big Box REIT also proved beneficial to relative performance as they were very weak during the period.

### Market Review

The UK stock market, as represented by the FTSE All-Share Index, rose in sterling terms over the period although the FTSE 250 Index, which generally contains smaller companies more focused on the domestic UK economy, was weaker.

High inflation, monetary tightening and the ongoing Russia-Ukraine war weighed on UK equities in the first half of the period under review, with the Bank of England (BoE) warning of a risk of recession in 2023. The BoE reacted to surging inflation with successive interest-rate rises, taking the base rate to 4.00% by the end of the period. Political uncertainty did little to reduce share-price volatility, with prime minister Boris Johnson's resignation in July and the tax-cutting strategy unveiled by his successor Liz Truss in September adding to market turbulence.

However, UK equities enjoyed a positive final quarter of 2022 as hopes rose that inflation had peaked and that central banks would soon slow the pace of monetary-policy tightening. That progress continued into the new year, helped by the prospect of a resurgent Chinese economy and more positive comments from the BoE that suggested the British economy was on course to experience a less severe downturn than previously expected.

### Portfolio Activity and Review

We initiated several new positions in the fund, including North Sea gas producer Serica Energy which has a track record of improving assets. We expect gas prices to remain elevated due to the lack of available storage, and a further attraction is that the firm's balance sheet is in a net-cash position thanks to healthy cash generation. We also opened a new position in Telecom Plus based on our belief that the business has a structural advantage and is ideally positioned thanks to its multi-service proposition. It can - unlike its competitors - afford to offer sustainable discounts to the OFGEM price cap and it has a unique partner model. Energean was another addition in the period as we expect a significant lift in free cash flow as production ramps up. We felt the company's assets offered an attractive combination of growth and minimal commodity-price risk.

We sold a number of holdings ahead of the fund's closure in February 2023, including Hotel Chocolat, Trustpilot, Molten Ventures and Dr. Martens. Trustpilot saw a number of downgrades in 2022, and Dr. Martens was sold due to a profit warning early in 2023 and concerns about the credibility of the firm's management team. We sold our holding in Jet2 in September 2022 because of expectations that consumer spending would probably decline, but we subsequently went back into the stock later in the period. Genuit was divested in January 2023 after a disappointing year for the group due to lacklustre end-markets for the company and earnings downgrades in October. An increase in downside risk to Molten Venture's net asset value was behind our decision to sell our holding in Molten Ventures.

# abrdn UK Opportunities Equity Fund (closed)

Continued

## Portfolio Outlook and Strategy

On 24 February 2023 abrdn UK Opportunities Equity Fund merged with abrdn UK Mid-Cap Equity Fund, a sub-fund of abrdn OEIC I.

**Smaller Companies Equity Team**

March 2022

# abrdn UK Opportunities 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 24 February 2023.

The fund is rated as 6 because of the extent to which the following risk factors apply:

- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- The shares of small and mid-cap companies may be less liquid and more volatile than those of larger companies.
- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector.
- 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

<b>Retail accumulation<sup>A</sup></b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	280.82	284.55	254.37
Return before operating charges*	(43.25)	0.57	33.59
Operating charges	(3.12)	(4.30)	(3.41)
Return after operating charges*	(46.37)	(3.73)	30.18
Distributions	(2.35)	(0.14)	-
Retained distributions on accumulation shares	2.35	0.14	-
Redemption value as at 24 February 2023	(234.45)	-	-
Closing net asset value per share	-	280.82	284.55
* after direct transaction costs of:	0.27	0.21	0.37
<b>Performance</b>			
Return after charges	(16.51%)	(1.31%)	11.86%
<b>Other information</b>			
Closing net asset value (£'000)	-	21,645	24,424
Closing number of shares	-	7,708,045	8,582,980
Operating charges	1.31%	1.31%	1.33%
Direct transaction costs	0.11%	0.07%	0.14%
<b>Prices</b>			
Highest share price	287.1	368.5	296.5
Lowest share price	201.2	269.4	167.1

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> Retail Accumulation share class closed on 24 February 2023.

# Comparative Tables

## Continued

	2023	2022	2021
Retail income <sup>A</sup>	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	255.19	258.69	231.25
Return before operating charges*	(39.34)	0.53	30.54
Operating charges	(2.83)	(3.91)	(3.10)
Return after operating charges*	(42.17)	(3.38)	27.44
Distributions	(2.13)	(0.12)	-
Redemption value as at 24 February 2023	(210.89)	-	-
Closing net asset value per share	-	255.19	258.69
* after direct transaction costs of:	0.24	0.19	0.33
<b>Performance</b>			
Return after charges	(16.52%)	(1.31%)	11.87%
<b>Other information</b>			
Closing net asset value (£'000)	-	450	503
Closing number of shares	-	176,436	194,508
Operating charges	1.31%	1.31%	1.33%
Direct transaction costs	0.11%	0.07%	0.14%
<b>Prices</b>			
Highest share price	260.9	334.9	269.6
Lowest share price	181.7	244.8	151.9

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> Retail income share class closed on 24 February 2023.

# Comparative Tables

## Continued

Institutional accumulation <sup>A</sup>	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	322.07	324.81	289.00
Return before operating charges*	(49.64)	0.42	38.32
Operating charges	(2.29)	(3.16)	(2.51)
Return after operating charges*	(51.93)	(2.74)	35.81
Distributions	(3.99)	(1.92)	(0.44)
Retained distributions on accumulation shares	3.99	1.92	0.44
Redemption value as at 24 February 2023	(270.14)	-	-
Closing net asset value per share	-	322.07	324.81
* after direct transaction costs of:	0.31	0.24	0.42
<b>Performance</b>			
Return after charges	(16.12%)	(0.84%)	12.39%
<b>Other information</b>			
Closing net asset value (£'000)	-	33,500	28,418
Closing number of shares	-	10,401,389	8,749,147
Operating charges	0.84%	0.84%	0.86%
Direct transaction costs	0.11%	0.07%	0.14%
<b>Prices</b>			
Highest share price	329.4	421.7	338.4
Lowest share price	231.4	308.9	189.9

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> Institutional accumulation share class closed on 24 February 2023.

# Comparative Tables

## Continued

Institutional income <sup>A</sup>	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	261.84	265.49	236.52
Return before operating charges*	(40.40)	0.50	31.35
Operating charges	(1.85)	(2.58)	(2.04)
Return after operating charges*	(42.25)	(2.08)	29.31
Distributions	(3.23)	(1.57)	(0.34)
Redemption value as at 24 February 2023	(216.36)	-	-
Closing net asset value per share	-	261.84	265.49
* after direct transaction costs of:	0.25	0.20	0.34
<b>Performance</b>			
Return after charges	(16.14%)	(0.78%)	12.39%
<b>Other information</b>			
Closing net asset value (£'000)	-	936	965
Closing number of shares	-	357,340	363,605
Operating charges	0.84%	0.84%	0.86%
Direct transaction costs	0.11%	0.07%	0.14%
<b>Prices</b>			
Highest share price	267.8	343.8	276.7
Lowest share price	186.5	251.9	155.4

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> Institutional income share class closed on 24 February 2023.

# Comparative Tables

## Continued

Institutional regulated accumulation <sup>A</sup>	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	232.02	232.95	206.34
Return before operating charges*	(35.76)	0.13	27.46
Operating charges	(0.77)	(1.06)	(0.85)
Return after operating charges*	(36.53)	(0.93)	26.61
Distributions	(3.77)	(2.59)	(1.24)
Retained distributions on accumulation shares	3.77	2.59	1.24
Redemption value as at 24 February 2023	(195.49)	-	-
Closing net asset value per share	-	232.02	232.95
* after direct transaction costs of:	0.22	0.18	0.30
<b>Performance</b>			
Return after charges	(15.75%)	(0.40%)	12.90%
<b>Other information</b>			
Closing net asset value (£'000)	-	67,575	72,947
Closing number of shares	-	29,124,226	31,314,321
Operating charges	0.39%	0.39%	0.41%
Direct transaction costs	0.11%	0.07%	0.14%
<b>Prices</b>			
Highest share price	237.4	303.1	242.7
Lowest share price	167.2	222.5	135.6

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> Institutional Regulated accumulation share class closed on 24 February 2023.

# Comparative Tables

## Continued

<b>Platform 1 accumulation<sup>A</sup></b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	129.88	131.05	116.66
Return before operating charges*	(20.01)	0.18	15.46
Operating charges	(0.98)	(1.35)	(1.07)
Return after operating charges*	(20.99)	(1.17)	14.39
Distributions	(1.55)	(0.70)	(0.11)
Retained distributions on accumulation shares	1.55	0.70	0.11
Redemption value as at 24 February 2023	(108.89)	-	-
Closing net asset value per share	-	129.88	131.05
* after direct transaction costs of:	0.12	0.10	0.17
<b>Performance</b>			
Return after charges	(16.16%)	(0.89%)	12.33%
<b>Other information</b>			
Closing net asset value (£'000)	-	24,924	25,323
Closing number of shares	-	19,189,650	19,322,973
Operating charges	0.89%	0.89%	0.91%
Direct transaction costs	0.11%	0.07%	0.14%
<b>Prices</b>			
Highest share price	132.9	170.1	136.5
Lowest share price	93.29	124.6	76.65

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> Platform 1 accumulation share class closed on 24 February 2023.

# Comparative Tables

## Continued

	2023	2022	2021
Platform 1 income <sup>A</sup>	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	121.77	123.47	110.01
Return before operating charges*	(18.79)	0.23	14.56
Operating charges	(0.91)	(1.27)	(1.00)
Return after operating charges*	(19.70)	(1.04)	13.56
Distributions	(1.45)	(0.66)	(0.10)
Redemption value as at 24 February 2023	(100.62)	-	-
Closing net asset value per share	-	121.77	123.47
* after direct transaction costs of:	0.12	0.09	0.16
<b>Performance</b>			
Return after charges	(16.18%)	(0.84%)	12.33%
<b>Other information</b>			
Closing net asset value (£'000)	-	913	1,076
Closing number of shares	-	749,440	871,488
Operating charges	0.89%	0.89%	0.91%
Direct transaction costs	0.11%	0.07%	0.14%
<b>Prices</b>			
Highest share price	124.5	159.9	128.6
Lowest share price	86.72	117.1	72.28

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> Platform 1 income share class closed on 24 February 2023.

# Comparative Tables

## Continued

ZC accumulation <sup>A</sup>	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	360.97	361.32	319.08
Return before operating charges*	(55.69)	0.04	42.58
Operating charges	(0.26)	(0.39)	(0.34)
Return after operating charges*	(55.95)	(0.35)	42.24
Distributions	(6.79)	(5.28)	(2.90)
Retained distributions on accumulation shares	6.79	5.28	2.90
Redemption value as at 24 February 2023	(305.02)	-	-
Closing net asset value per share	-	360.97	361.32
* after direct transaction costs of:	0.34	0.27	0.46
<b>Performance</b>			
Return after charges	(15.50%)	(0.10%)	13.24%
<b>Other information</b>			
Closing net asset value (£'000)	-	704	613
Closing number of shares	-	195,141	169,677
Operating charges	0.09%	0.09%	0.11%
Direct transaction costs	0.11%	0.07%	0.14%
<b>Prices</b>			
Highest share price	369.5	470.9	376.4
Lowest share price	260.6	346.2	209.8

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> ZC accumulation share class closed on 24 February 2023.

# Financial Statements

## Statement of Total Return

For the year ended 28 February 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(25,442)		(2,384)
Revenue	2	2,661		2,383	
Expenses	3	(806)		(1,254)	
Interest payable and similar charges		(1)		-	
Net revenue before taxation		1,854		1,129	
Taxation	4	-		11	
Net revenue after taxation			1,854		1,140
<b>Total return before distributions</b>			<b>(23,588)</b>		<b>(1,244)</b>
Distributions	5		(1,854)		(1,140)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(25,442)</b>		<b>(2,384)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2023

	2023		2022	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>150,647</b>		<b>154,269</b>
Amounts receivable on the issue of shares	6,064		26,944	
Amounts payable on the cancellation of shares	(29,517)		(29,303)	
Amounts payable on inspecie transfers*	(103,560)		-	
		(127,013)		(2,359)
Dilution adjustment		44		-
Change in net assets attributable to shareholders from investment activities (see above)		(25,442)		(2,384)
Retained distribution on accumulation shares		1,764		1,121
<b>Closing net assets attributable to shareholders</b>		<b>-</b>		<b>150,647</b>

\* Inspecie transfer due to the merger of the fund into abrdn UK Mid-Cap Equity Fund in abrdn OEIC I on 24 February 2023.

# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			-		151,222
<b>Current assets:</b>					
Debtors	6	-		1,084	
Cash and bank balances	7	75		29	
			75		1,113
<b>Total assets</b>			<b>75</b>		<b>152,335</b>
<b>Liabilities:</b>					
Creditors	8	(65)		(1,683)	
Distribution payable		(10)		(5)	
			(75)		(1,688)
<b>Total liabilities</b>			<b>(75)</b>		<b>(1,688)</b>
<b>Net assets attributable to shareholders</b>			<b>-</b>		<b>150,647</b>

# Notes to the Financial Statements

## 1 Net Capital Gains

	2023 £'000	2022 £'000
Non-derivative securities	(25,439)	(2,379)
Other gains/(losses)	2	(1)
Transaction charges	(5)	(4)
<b>Net capital losses</b>	<b>(25,442)</b>	<b>(2,384)</b>

## 2 Revenue

	2023 £'000	2022 £'000
Bank and margin interest	71	5
UK dividends	2,542	2,320
UK REIT	48	58
<b>Total revenue</b>	<b>2,661</b>	<b>2,383</b>

## 3 Expenses

	2023 £'000	2022 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	715	1,099
Dealing charge	9	15
General administration charge*	79	61
Registration fees**	-	59
	<b>803</b>	<b>1,234</b>
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Depositary's fees**	-	10
Safe custody fees	3	5
	<b>3</b>	<b>15</b>
<b>Other:</b>		
Audit fee**	-	5
	-	5
<b>Total expenses</b>	<b>806</b>	<b>1,254</b>

Irrecoverable VAT is included in the above expenses, where relevant.

\* The fixed general administration charge was introduced from 1 September 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 £6,120 (2022: £9,480).

\*\* These figures represent the charges to 31 August 2022, which have now been replaced by the fixed general administration charge.

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2023 £'000	2022 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	-	(11)
<b>Total taxation (note 4b)</b>	-	<b>(11)</b>

#### (b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2022: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

<b>Net revenue before taxation</b>	<b>1,854</b>	<b>1,129</b>
Corporation tax at 20% (2022: 20%)	371	226
Effects of:		
Revenue not subject to taxation	(508)	(464)
Overseas taxes	-	(11)
Excess allowable expenses	137	238
<b>Total tax charge for year (note 4a)</b>	-	<b>(11)</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

#### (c) Factors that may affect future tax charge

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £5,312,000 (2022: £5,174,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

### 5 Distributions

	2023 £'000	2022 £'000
Interim distribution	1,081	575
Special distribution	708	-
Final distribution	-	557
	1,789	1,132
Add: Income deducted on cancellation of shares	81	49
Deduct: Income received on issue of shares	(16)	(41)
<b>Total distributions for the year</b>	<b>1,854</b>	<b>1,140</b>

Details of the distribution per share are set out in this fund's distribution tables.

# Notes to the Financial Statements

## Continued

### 6 Debtors

	2023 £'000	2022 £'000
Accrued revenue	-	162
Amounts receivable from the ACD for the issue of shares	-	314
Sales awaiting settlement	-	608
<b>Total debtors</b>	<b>-</b>	<b>1,084</b>

### 7 Liquidity

	2023 £'000	2022 £'000
<b>Cash and bank balances</b>		
Cash at bank	75	29
	<b>75</b>	<b>29</b>
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	-	5,217
<b>Net liquidity</b>	<b>75</b>	<b>5,246</b>

\* Although reflected in the investment assets figure, liquidity funds are used by the fund as a liquidity vehicle. Therefore, the ACD considers the net liquidity position of the fund as the aggregate of cash at bank and in hand, bank overdrafts and liquidity fund positions.

### 8 Creditors

	2023 £'000	2022 £'000
Accrued expenses payable to ACD	49	85
Accrued expenses payable to the Depositary or associates of the Depositary	1	2
Amounts payable to the ACD for cancellation of shares	-	718
Amounts payable on termination	10	-
Other accrued expenses	5	5
Purchases awaiting settlement	-	873
<b>Total creditors</b>	<b>65</b>	<b>1,683</b>

### 9 Related Party Transactions

abrDN Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to abrDN Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to abrDN Fund Managers Limited, in respect of expenses are disclosed in note 3 and any amounts due at the year end in note 8.

# Notes to the Financial Statements

## Continued

### 10 Portfolio Transaction Costs

	Purchases		Sales	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Trades in the year</b>				
Equities	27,888	39,477	148,846	41,820
Corporate actions	254	-	-	-
<b>Trades in the year before transaction costs</b>	<b>28,142</b>	<b>39,477</b>	<b>148,846</b>	<b>41,820</b>
<b>Commissions</b>				
Equities	14	17	(28)	(25)
<b>Total commissions</b>	<b>14</b>	<b>17</b>	<b>(28)</b>	<b>(25)</b>
<b>Taxes</b>				
Equities	86	73	-	-
<b>Total taxes</b>	<b>86</b>	<b>73</b>	<b>-</b>	<b>-</b>
<b>Total transaction costs</b>	<b>100</b>	<b>90</b>	<b>(28)</b>	<b>(25)</b>
<b>Total net trades in the year after transaction costs</b>	<b>28,242</b>	<b>39,567</b>	<b>148,818</b>	<b>41,795</b>
	Purchases		Sales	
	2023 %	2022 %	2023 %	2022 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.05	0.04	0.02	0.06
<b>Taxes</b>				
Equities	0.31	0.19	-	-
			2023 %	2022 %
<b>Total transaction costs expressed as a percentage of net asset value</b>				
Commissions			0.04	0.03
Taxes			0.07	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 Nil, due to the fund holding no investments at the year end (2022: 0.78%).

# Notes to the Financial Statements

## Continued

### 11 Shares in Issue Reconciliation

	Opening shares 2022	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2023
Retail accumulation	7,708,045	217,743	(7,583,652)	(342,136)	-
Retail income	176,436	9,356	(165,290)	(20,502)	-
Institutional accumulation	10,401,389	1,000,866	(11,404,593)	2,338	-
Institutional income	357,340	576	(357,916)	-	-
Institutional regulated accumulation	29,124,226	599,799	(29,724,025)	-	-
Platform 1 accumulation	19,189,650	1,177,595	(21,098,598)	731,353	-
Platform 1 income	749,440	74,502	(866,866)	42,924	-
ZC accumulation	195,141	1,524	(196,665)	-	-

### 12 Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2023 £'000 Level 1	2023 £'000 Level 2	2023 £'000 Level 3	2022 £'000 Level 1	2022 £'000 Level 2	2022 £'000 Level 3
Fair value of investment assets						
Equities	-	-	-	146,005	-	-
Collective Investment Schemes	-	-	-	-	5,217	-
Total investment assets	-	-	-	146,005	5,217	-

### 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.

# 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 28 February 2023, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by Nil due to the fund holding no investments at the year end (2022: £7,561,000).

### **Financial derivatives instrument risk**

The fund had no exposure to derivatives as at 28 February 2023 (2022: £Nil).

### **Liquidity risk**

All of the fund's financial liabilities are payable on demand or in less than one year, 2023 £65,000 (2022: £1,688,000).

# Distribution Tables

For the year ended 28 February 2023 (in pence per share)

## Interim dividend distribution

Group 1 – shares purchased prior to 1 March 2022

Group 2 – shares purchased between 1 March 2022 and 31 August 2022

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
<b>Retail accumulation</b>				
Group 1	1.4219	-	1.4219	0.0874
Group 2	0.9191	0.5028	1.4219	0.0874
<b>Retail income</b>				
Group 1	1.2932	-	1.2932	0.0804
Group 2	0.9632	0.3300	1.2932	0.0804
<b>Institutional accumulation</b>				
Group 1	2.3244	-	2.3244	0.9703
Group 2	1.6980	0.6264	2.3244	0.9703
<b>Institutional income</b>				
Group 1	1.8898	-	1.8898	0.7930
Group 2	1.5489	0.3409	1.8898	0.7930
<b>Institutional regulated accumulation</b>				
Group 1	2.1519	-	2.1519	1.2941
Group 2	1.6329	0.5190	2.1519	1.2941
<b>Platform 1 accumulation</b>				
Group 1	0.9077	-	0.9077	0.3540
Group 2	0.5929	0.3148	0.9077	0.3540
<b>Platform 1 income</b>				
Group 1	0.8510	-	0.8510	0.3336
Group 2	0.7128	0.1382	0.8510	0.3336
<b>ZC accumulation</b>				
Group 1	3.8439	-	3.8439	2.6270
Group 2	2.7502	1.0937	3.8439	2.6270

# Distribution Tables

For the year ended 28 February 2023 (in pence per share) continued

## Special dividend distribution

Group 1 – shares purchased prior to 1 September 2022

Group 2 – shares purchased between 1 September 2022 and 24 February 2023

	Revenue	Equalisation	Distribution paid 24/04/23
<b>Retail accumulation</b>			
Group 1	0.9267	-	0.9267
Group 2	0.5353	0.3914	0.9267
<b>Retail income</b>			
Group 1	0.8368	-	0.8368
Group 2	0.5024	0.3344	0.8368
<b>Institutional accumulation</b>			
Group 1	1.6620	-	1.6620
Group 2	1.2668	0.3952	1.6620
<b>Institutional income</b>			
Group 1	1.3394	-	1.3394
Group 2	0.8908	0.4486	1.3394
<b>Institutional regulated accumulation</b>			
Group 1	1.6135	-	1.6135
Group 2	1.2546	0.3589	1.6135
<b>Platform 1 accumulation</b>			
Group 1	0.6445	-	0.6445
Group 2	0.4903	0.1542	0.6445
<b>Platform 1 income</b>			
Group 1	0.5991	-	0.5991
Group 2	0.3842	0.2149	0.5991
<b>ZC accumulation</b>			
Group 1	2.9444	-	2.9444
Group 2	1.2414	1.7030	2.9444

# Distribution Tables

For the year ended 28 February 2023 (in pence per share) continued

## Final dividend distribution

Group 1 – shares purchased prior to 25 February 2023

Group 2 – shares purchased between 25 February 2023 and 28 February 2023

	Revenue	Equalisation	Distribution paid 28/04/23	Distribution paid 29/04/22
<b>Retail accumulation*</b>				
Group 1	-	-	-	0.0501
Group 2	-	-	-	0.0501
<b>Retail income*</b>				
Group 1	-	-	-	0.0435
Group 2	-	-	-	0.0435
<b>Institutional accumulation*</b>				
Group 1	-	-	-	0.9492
Group 2	-	-	-	0.9492
<b>Institutional income*</b>				
Group 1	-	-	-	0.7739
Group 2	-	-	-	0.7739
<b>Institutional regulated accumulation*</b>				
Group 1	-	-	-	1.2975
Group 2	-	-	-	1.2975
<b>Platform 1 accumulation*</b>				
Group 1	-	-	-	0.3445
Group 2	-	-	-	0.3445
<b>Platform 1 income*</b>				
Group 1	-	-	-	0.3239
Group 2	-	-	-	0.3239
<b>ZC accumulation*</b>				
Group 1	-	-	-	2.6537
Group 2	-	-	-	2.6537

## 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 Opportunities Equity Fund closed on 24 February 2023.

# abrdn UK Smaller Companies Fund

For the year ended 28 February 2023

## Investment Objective

To generate growth over the long term (5 years or more) by investing in UK small-capitalisation equities (company shares).

**Performance Target:** To achieve the return of the Numis Smaller Companies Plus AIM ex Investment Companies Index plus 3% 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.

**Performance Comparator:** IA UK Smaller Companies Sector Average.

The ACD believes this is an appropriate target/comparator for the fund based on the investment policy of the fund and the constituents of the index/sector.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 60% in small-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.
- Small capitalisation companies are defined as any stock having a market cap less than the 10th percentile stock of the overall UK equity market.
- The fund may also invest up to 40% in mid and larger capitalisation companies listed, incorporated or domiciled in the UK.
- The fund may also invest in other funds (including those managed by abrdn) and 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 exhibit 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 ex 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, should not exceed

10%. Due to the active nature of the Investment process, the fund's performance profile may deviate significantly from that of the Numis Smaller Companies Plus AIM ex Investment Companies 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

Over the period under review, the Fund returned -20.89% (Source: FactSet, Platform 1 Accumulation, net of fees). This compared to a return of -4.07% for our performance target (Source: FactSet, the Numis Smaller Companies Plus AIM ex Investment Companies Index +3%).

Any data contained herein which is attributed to a third party ("Third Party Data") is the property of (a) third party supplier(s) (the "Owner") and is licensed for use by abrdn\*\*. Third Party Data may not be copied or distributed. Third Party Data is provided "as is" and is not warranted to be accurate, complete or timely. To the extent permitted by applicable law, none of the Owner, abrdn\*\* or any other third party (including any third party involved in providing and/or compiling Third Party Data) shall have any liability for Third Party Data or for any use made of Third Party Data. Neither the Owner nor any other third party sponsors, endorses or promotes the fund or product to which Third Party Data relates.

\*\*abrdn means the relevant member of abrdn group, being abrdn plc together with its subsidiaries, subsidiary undertakings and associated companies (whether direct or indirect) from time to time.

Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

Companies selected for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.

# abrdn UK Smaller Companies Fund

## Continued

From a stock perspective, the main detractors included Watches of Switzerland (WoS), Future and Hilton Food Group (HFG). WoS' demand for luxury watches remained robust, and the management's clear focus on delivering its long-term plan underlines its commitment to profitable growth. The shares suffered from a negativity on growth businesses and consumer exposure by the market. We've seen a softening in jewellery demand, but this area only represents a small percentage of WoS' revenue exposure. The underperformance at Future appeared unjustified given that its trading has remained solid, with results matching consensus forecasts despite investor caution around consumer exposure stocks. The company has navigated a tough advertising and consumer market well. Future has also been dealing with cost inflationary pressures, particularly for energy and paper earlier in the period. HFG's shares fell sharply in response to a downgrade to the company's profitability. This was based on a surge in the price of salmon and other seafood, as well as volume weakness across many of its markets due to the cost-of-living crisis for which they had to absorb some of the margin pressure. However, HFG's meat business model has successfully withstood some severe cost pressures, protected by the cost-plus nature of its contracts.

On the upside, 4imprint Group was the top contributor to returns thanks to a combination of stronger trading, effective management of inflationary pressures, productivity gains in the firm's marketing programme and good operational gearing. Kainos Group also performed well as its results reflected good demand across the business, including in its workday and digital services. The company saw strong traction in the former, with revenues growing by 45% year on year in the first six months of Kainos' financial year. Alpha Financial Markets Consulting also added to returns after the company's strong first-half results showed an acceleration in growth across all divisions and regions. The firm has managed its CEO succession well, and its pipeline looks healthy. Telecom Plus made a positive contribution as an anticipated increase in new customer numbers led brokers to raise their profit forecasts. The scale of changes in the energy market, the fundamental reset that Ofgem is introducing and the cost-of-living crisis together created an attractive background for the company.

### Market Review

The UK small-cap market was weak in the period, underperforming the large-cap-centric FTSE 100 Index, with the latter benefiting from the fall in the pound and rising commodity prices. High inflation and further monetary tightening weighed on investor sentiment, along with uncertainty over UK domestic economic policy. In the first half of 2022, the Bank of England (BoE) warned of a

risk of recession in 2023 and reacted to surging inflation with successive interest-rate rises, taking the base rate to 4.00% by the end of the period. Political uncertainty did little to reduce share-price volatility, with prime minister Boris Johnson's resignation in July and the tax-cutting strategy unveiled by his successor Liz Truss in September adding to market turbulence.

However, UK equities enjoyed a positive final quarter of 2022 as hopes rose that inflation had peaked and that central banks would soon slow the pace of monetary-policy tightening. That progress continued into the new year, with the BoE turning more positive and suggesting the British economy was on course to experience a less severe downturn than previously expected.

### Portfolio Activity and Review

We introduced new positions in eight companies in the period. Spirent Communications has demonstrated a consistent earnings performance and benefits from a strong balance sheet as well as structural growth. Whilst there is some short term weakness in end markets, we are confident the 5G spend from customers will rebound. We also took a new position in engineering consultant Ricardo. The strategy laid out by the business several years ago has progressed strongly, creating a unique environmental and engineering consultancy with growth end markets, but there is still potential for cross-selling as well as organic growth and growth by acquisition. North Sea gas producer Serica Energy was another addition. The company has a track record of improving assets, and we expect gas prices to remain elevated due to the lack of available storage. In addition, the firm's balance sheet is in a net-cash position, and cash generation is healthy. We introduced Smart Metering Systems, a leader in the UK energy infrastructure market. It has a well-known and understood smart meter business that generates inflation-linked revenue which is particularly valuable in the current climate. The growth opportunity in battery grid infrastructure brings a lot of growth opportunities over future years, and we are confident they are thinking forward on capital support for that investment. Robert Walters, Paragon Banking Group, Coats Group and Ashtead Technology were also added to the portfolio.

We sold a number of positions, including Hotel Chocolat, Trustpilot, Molten Ventures and Clipper Logistics. Trustpilot saw a number of downgrades in 2022, and we sold out of Moonpig given the lack of progress on gift-attach rates. The latter company performed well during the pandemic, but its path to further growth has become increasingly challenging. We sold our holding in Clipper Logistics after a takeover bid by GXO. Meanwhile, an increase in downside risk to Molten Venture's net asset value was behind our decision to sell that position.

# abrdn UK Smaller Companies Fund

## Continued

### Portfolio Outlook and Strategy

UK valuations have derated significantly and are at attractive levels relative to other regions. The UK small- and mid-cap sectors look very attractive relative to large caps. With greater political stability and attractive valuations, we are starting to see international investors look towards their UK allocations, which have been towards the bottom of their historical range for some time.

We caveat this view with some macroeconomic caution. We are still seeing many challenges including high inflation, squeezed consumer spending and uncertainty over trade with China. There may be some further volatility before we see a more sustained recovery. However, there are reasons to believe UK earnings could be further through the downturn than other countries and that the UK market could recover earlier in this cycle than we have often seen historically. In 2023, we would hope for a more settled environment, and we have seen more rationalism in markets of late. Be it in a recession or just a tougher economic environment, we think our quality focus will prove relatively important.

### Smaller Companies Equity Team

March 2022

# abrdn 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 28 February 2023.

The fund is rated as 6 because of the extent to which the following risk factors apply:

- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- The shares of small and mid-cap companies may be less liquid and more volatile than those of larger companies.
- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector.
- 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

<b>Retail accumulation</b>	<b>2023</b> pence per share	<b>2022</b> pence per share	<b>2021</b> pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	987.87	942.34	834.27
Return before operating charges*	(203.36)	60.37	119.66
Operating charges	(11.26)	(14.84)	(11.59)
Return after operating charges*	(214.62)	45.53	108.07
Distributions	(4.96)	-	-
Retained distributions on accumulation shares	4.96	-	-
Closing net asset value per share	773.25	987.87	942.34
* after direct transaction costs of:	0.57	0.48	1.01
<b>Performance</b>			
Return after charges	(21.73%)	4.83%	12.95%
<b>Other information</b>			
Closing net asset value (£'000)	87,940	203,338	205,710
Closing number of shares	11,372,655	20,583,445	21,829,704
Operating charges	1.35%	1.36%	1.36%
Direct transaction costs	0.06%	0.04%	0.12%
<b>Prices</b>			
Highest share price	1,005	1,224	975.9
Lowest share price	697.2	927.0	578.3

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2023	2022	2021
Retail income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	90.18	87.08	77.88
Return before operating charges*	(18.57)	5.57	11.17
Operating charges	(1.03)	(1.37)	(1.08)
Return after operating charges*	(19.60)	4.20	10.09
Distributions	(1.47)	(1.10)	(0.89)
Closing net asset value per share	69.11	90.18	87.08
* after direct transaction costs of:	0.05	0.04	0.09
<b>Performance</b>			
Return after charges	(21.73%)	4.82%	12.96%
<b>Other information</b>			
Closing net asset value (£'000)	5,641	9,899	8,834
Closing number of shares	8,162,015	10,977,178	10,144,661
Operating charges	1.35%	1.36%	1.36%
Direct transaction costs	0.06%	0.04%	0.12%
<b>Prices</b>			
Highest share price	91.76	113.1	91.11
Lowest share price	63.64	85.66	53.99

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

	2023	2022	2021
Institutional accumulation	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	1,185.74	1,125.80	991.96
Return before operating charges*	(244.31)	71.52	142.84
Operating charges	(8.89)	(11.58)	(9.00)
Return after operating charges*	(253.20)	59.94	133.84
Distributions	(10.66)	(2.74)	(2.33)
Retained distributions on accumulation shares	10.66	2.74	2.33
Closing net asset value per share	932.54	1,185.74	1,125.80
* after direct transaction costs of:	0.69	0.58	1.20
<b>Performance</b>			
Return after charges	(21.35%)	5.32%	13.49%
<b>Other information</b>			
Closing net asset value (£'000)	185,160	377,312	450,520
Closing number of shares	19,855,556	31,820,746	40,017,854
Operating charges	0.88%	0.89%	0.89%
Direct transaction costs	0.06%	0.04%	0.12%
<b>Prices</b>			
Highest share price	1,207	1,466	1,165
Lowest share price	839.2	1,108	687.8

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

	2023	2022	2021
Institutional income	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	121.57	116.86	104.01
Return before operating charges*	(25.05)	7.39	14.98
Operating charges	(0.91)	(1.20)	(0.95)
Return after operating charges*	(25.96)	6.19	14.03
Distributions	(1.99)	(1.48)	(1.18)
Closing net asset value per share	93.62	121.57	116.86
* after direct transaction costs of:	0.07	0.06	0.13
<b>Performance</b>			
Return after charges	(21.35%)	5.30%	13.49%
<b>Other information</b>			
Closing net asset value (£'000)	11,644	24,299	34,052
Closing number of shares	12,437,952	19,987,193	29,140,230
Operating charges	0.88%	0.89%	0.89%
Direct transaction costs	0.06%	0.04%	0.12%
<b>Prices</b>			
Highest share price	123.8	152.1	122.2
Lowest share price	86.05	115.0	72.12

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.

# Comparative Tables

## Continued

Institutional regulated accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	607.27	574.26	504.01
Return before operating charges*	(125.28)	36.27	72.78
Operating charges	(2.48)	(3.26)	(2.53)
Return after operating charges*	(127.76)	33.01	70.25
Distributions	(7.52)	(4.09)	(3.27)
Retained distributions on accumulation shares	7.52	4.09	3.27
Closing net asset value per share	479.51	607.27	574.26
* after direct transaction costs of:	0.35	0.29	0.61
<b>Performance</b>			
Return after charges	(21.04%)	5.75%	13.94%
<b>Other information</b>			
Closing net asset value (£'000)	299,076	417,080	405,199
Closing number of shares	62,371,677	68,680,935	70,559,683
Operating charges	0.48%	0.49%	0.49%
Direct transaction costs	0.06%	0.04%	0.12%
<b>Prices</b>			
Highest share price	618.4	749.3	594.0
Lowest share price	430.9	565.0	349.6

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

Institutional A accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	99.16	94.89	84.29
Return before operating charges*	(20.39)	6.11	12.04
Operating charges	(1.40)	(1.84)	(1.44)
Return after operating charges*	(21.79)	4.27	10.60
Distributions	(0.22)	-	-
Retained distributions on accumulation shares	0.22	-	-
Closing net asset value per share	77.37	99.16	94.89
* after direct transaction costs of:	0.06	0.05	0.10
<b>Performance</b>			
Return after charges	(21.97%)	4.50%	12.58%
<b>Other information</b>			
Closing net asset value (£'000)	204	278	387
Closing number of shares	263,972	279,870	407,510
Operating charges	1.68%	1.69%	1.69%
Direct transaction costs	0.06%	0.04%	0.12%
<b>Prices</b>			
Highest share price	100.9	123.1	98.32
Lowest share price	69.84	93.34	58.42

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

# Comparative Tables

## Continued

Institutional S accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	129.22	122.54	107.85
Return before operating charges*	(26.64)	7.77	15.54
Operating charges	(0.83)	(1.09)	(0.85)
Return after operating charges*	(27.47)	6.68	14.69
Distributions	(1.29)	(0.47)	(0.39)
Retained distributions on accumulation shares	1.29	0.47	0.39
Closing net asset value per share	101.75	129.22	122.54
* after direct transaction costs of:	0.07	0.06	0.13
<b>Performance</b>			
Return after charges	(21.26%)	5.45%	13.62%
<b>Other information</b>			
Closing net asset value (£'000)	327,991	361,680	351,526
Closing number of shares	322,337,506	279,887,734	286,862,653
Operating charges	0.76%	0.77%	0.77%
Direct transaction costs	0.06%	0.04%	0.12%
<b>Prices</b>			
Highest share price	131.6	159.6	126.8
Lowest share price	91.53	120.6	74.79

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.

# Comparative Tables

## Continued

Institutional S income	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	111.71	107.24	95.34
Return before operating charges*	(23.04)	6.79	13.74
Operating charges	(0.72)	(0.96)	(0.75)
Return after operating charges*	(23.76)	5.83	12.99
Distributions	(1.83)	(1.36)	(1.09)
Closing net asset value per share	86.12	111.71	107.24
* after direct transaction costs of:	0.06	0.05	0.12
<b>Performance</b>			
Return after charges	(21.27%)	5.44%	13.62%
<b>Other information</b>			
Closing net asset value (£'000)	23,741	42,537	40,251
Closing number of shares	27,566,863	38,078,452	37,535,312
Operating charges	0.76%	0.77%	0.77%
Direct transaction costs	0.06%	0.04%	0.12%
<b>Prices</b>			
Highest share price	113.7	139.7	112.1
Lowest share price	79.13	105.5	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.

# Comparative Tables

## Continued

<b>Platform 1 accumulation</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	175.02	166.34	146.72
Return before operating charges*	(36.06)	10.59	21.12
Operating charges	(1.45)	(1.91)	(1.50)
Return after operating charges*	(37.51)	8.68	19.62
Distributions	(1.43)	(0.21)	(0.20)
Retained distributions on accumulation shares	1.43	0.21	0.20
Closing net asset value per share	137.51	175.02	166.34
* after direct transaction costs of:	0.10	0.09	0.18
<b>Performance</b>			
Return after charges	(21.43%)	5.22%	13.37%
<b>Other information</b>			
Closing net asset value (£'000)	244,606	333,850	349,254
Closing number of shares	177,884,560	190,747,032	209,965,532
Operating charges	0.98%	0.99%	0.99%
Direct transaction costs	0.06%	0.04%	0.12%
<b>Prices</b>			
Highest share price	178.2	216.5	172.2
Lowest share price	123.8	163.6	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

ZC accumulation	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	430.95	405.90	354.88
Return before operating charges*	(89.02)	25.46	51.35
Operating charges	(0.30)	(0.41)	(0.33)
Return after operating charges*	(89.32)	25.05	51.02
Distributions	(6.78)	(4.79)	(3.70)
Retained distributions on accumulation shares	6.78	4.79	3.70
Closing net asset value per share	341.63	430.95	405.90
* after direct transaction costs of:	0.25	0.21	0.43
<b>Performance</b>			
Return after charges	(20.73%)	6.17%	14.38%
<b>Other information</b>			
Closing net asset value (£'000)	7,118	10,029	9,193
Closing number of shares	2,083,621	2,327,231	2,264,767
Operating charges	0.08%	0.09%	0.09%
Direct transaction costs	0.06%	0.04%	0.12%
<b>Prices</b>			
Highest share price	439.1	530.7	419.6
Lowest share price	306.5	399.4	246.2

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

ZA income	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	285.76	272.23	240.21
Return before operating charges*	(59.11)	16.99	34.70
Operating charges	(0.01)	(0.02)	(0.02)
Return after operating charges*	(59.12)	16.97	34.68
Distributions	(4.62)	(3.44)	(2.66)
Closing net asset value per share	222.02	285.76	272.23
* after direct transaction costs of:	0.17	0.14	0.29
<b>Performance</b>			
Return after charges	(20.69%)	6.23%	14.44%
<b>Other information</b>			
Closing net asset value (£'000)	2,534	3,261	4,797
Closing number of shares	1,141,211	1,141,211	1,761,982
Operating charges	-	0.01%	0.01%
Direct transaction costs	0.06%	0.04%	0.12%
<b>Prices</b>			
Highest share price	291.1	356.0	284.2
Lowest share price	203.3	267.9	166.6

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 28 February 2023

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (95.15%)</b>		<b>1,137,378</b>	<b>95.13</b>
<b>UK Equities (95.15%)</b>		<b>1,137,378</b>	<b>95.13</b>
<b>Basic Materials (2.87%)</b>		<b>45,439</b>	<b>3.80</b>
2,248,937	Hill & Smith	31,035	2.60
2,609,380	Treatt	14,404	1.20
<b>Consumer Discretionary (27.71%)</b>		<b>307,067</b>	<b>25.68</b>
1,135,303	4imprint	50,805	4.25
1,679,892	CVS++	31,498	2.63
2,406,781	Focusrite++	17,762	1.49
1,558,418	Future	21,833	1.83
2,421,743	GlobalData++	29,666	2.48
11,387,442	Hollywood Bowl	27,672	2.32
9,856,551	LBG Media++	11,087	0.93
3,941,680	Motorpoint	5,538	0.46
2,998,305	Next Fifteen Communications++	31,002	2.59
4,338,458	Team17++	20,586	1.72
3,750,952	Watches of Switzerland	31,133	2.60
3,172,064	YouGov++	28,485	2.38
<b>Consumer Staples (6.08%)</b>		<b>60,603</b>	<b>5.07</b>
852,801	Cranswick	26,676	2.23
4,738,347	Hilton Food	33,927	2.84
<b>Energy (0.00%)</b>		<b>27,830</b>	<b>2.33</b>
3,888,120	Ashtead Technology++	11,859	0.99
6,190,444	Serica Energy++	15,971	1.34
<b>Financials (14.10%)</b>		<b>149,662</b>	<b>12.52</b>
4,645,499	AJ Bell	15,135	1.27
613,500	Brooks Macdonald++	12,822	1.07

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
3,236,420	Impax Asset Management++	25,859	2.16
5,868,946	JTC	45,191	3.78
1,245,331	Liontrust Asset Management	14,844	1.24
1,359,870	Mattioli Woods++	7,928	0.66
2,637,381	Mortgage Advice Bureau++	15,508	1.30
2,076,329	Paragon Banking	12,375	1.04
<b>Health Care (3.10%)</b>		<b>45,050</b>	<b>3.77</b>
822,407	Craneware++	11,473	0.96
2,976,726	Ergomed++	33,577	2.81
<b>Industrials (14.37%)</b>		<b>233,973</b>	<b>19.56</b>
4,822,714	Alpha Financial Markets Consulting++	21,172	1.77
8,540,059	Boku++	12,383	1.03
13,560,056	Coats	9,912	0.83
453,132	Diploma	12,597	1.05
5,916,467	DiscoverIE	50,527	4.22
3,292,137	Marlowe++	15,769	1.32
5,452,470	Marshalls	18,277	1.53
5,071,268	Midwich++	25,280	2.11
139,503	Ricardo	792	0.07
2,160,511	Robert Walters	10,889	0.91
2,437,041	Smart Metering Systems++	21,007	1.76
4,077,610	Volution	14,924	1.25
875,566	XP Power	20,444	1.71
<b>Real Estate (5.89%)</b>		<b>47,769</b>	<b>4.00</b>
2,744,254	Safestore REIT	27,772	2.33
23,862,669	Sirius Real Estate	19,997	1.67

# Portfolio Statement

As at 28 February 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Technology (15.87%)</b>		<b>141,472</b>	<b>11.83</b>
2,415,401	Auction Technology	16,715	1.40
10,398,898	Big Technologies++	24,645	2.06
10,514,893	Bytes Technology	41,996	3.51
2,252,784	GB++	7,520	0.63
2,959,244	Kainos	41,134	3.44
8,242,088	Kin & Carta	9,462	0.79
<b>Telecommunications (5.16%)</b>		<b>78,513</b>	<b>6.57</b>
2,750,901	Gamma Communications++	32,021	2.68
2,243,307	Spirent Communications	4,774	0.40
2,373,041	Telecom Plus	41,718	3.49
<b>Collective Investment Schemes (4.95%)</b>		<b>59,130</b>	<b>4.94</b>
59,130	Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund Z1 Inc+	59,130	4.94
Total investment assets		1,196,508	100.07
Net other liabilities		(853)	(0.07)
<b>Total Net Assets</b>		<b>1,195,655</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities, or are regulated collective investment schemes or are approved derivatives within the meaning of the FCA rules.

The percentage figures in brackets show the comparative holding as at 28 February 2022.

+ Managed by subsidiaries of abrdn plc.

++ AIM listed.

# Financial Statements

## Statement of Total Return

For the year ended 28 February 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital (losses)/gains	1		(393,944)		104,404
Revenue	2	27,405		22,476	
Expenses	3	(11,631)		(17,116)	
Interest payable and similar charges		-		(1)	
Net revenue before taxation		15,774		5,359	
Taxation	4	-		-	
Net revenue after taxation			15,774		5,359
<b>Total return before distributions</b>			<b>(378,170)</b>		<b>109,763</b>
Distributions	5		(16,551)		(6,725)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(394,721)</b>		<b>103,038</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2023

	2023		2022	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>1,783,563</b>		<b>1,859,723</b>
Amounts receivable on the issue of shares	50,510		96,338	
Amounts payable on the cancellation of shares	(258,509)		(281,048)	
		(207,999)		(184,710)
Dilution adjustment		279		-
Change in net assets attributable to shareholders from investment activities (see above)		(394,721)		103,038
Retained distribution on accumulation shares		14,533		5,512
<b>Closing net assets attributable to shareholders</b>		<b>1,195,655</b>		<b>1,783,563</b>

# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			1,196,508		1,785,427
<b>Current assets:</b>					
Debtors	6	2,868		3,597	
Cash and bank balances	7	1		12	
			2,869		3,609
<b>Total assets</b>			<b>1,199,377</b>		<b>1,789,036</b>
<b>Liabilities:</b>					
Creditors	8	(2,796)		(4,498)	
Distribution payable		(926)		(975)	
			(3,722)		(5,473)
<b>Total liabilities</b>			<b>(3,722)</b>		<b>(5,473)</b>
<b>Net assets attributable to shareholders</b>			<b>1,195,655</b>		<b>1,783,563</b>

# Notes to the Financial Statements

## 1 Net Capital (Losses)/Gains

	2023 £'000	2022 £'000
Non-derivative securities	(393,933)	104,412
Transaction charges	(11)	(8)
<b>Net capital (losses)/gains</b>	<b>(393,944)</b>	<b>104,404</b>

## 2 Revenue

	2023 £'000	2022 £'000
Bank and margin interest	1,601	106
Overseas dividends	342	260
UK dividends	24,626	21,264
UK REIT	836	846
<b>Total revenue</b>	<b>27,405</b>	<b>22,476</b>

## 3 Expenses

	2023 £'000	2022 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	10,357	15,233
Dealing charge	243	324
General administration charge*	999	728
Registration fees**	-	714
	<b>11,599</b>	<b>16,999</b>
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Depositary's fees**	-	63
Safe custody fees	32	49
	<b>32</b>	<b>112</b>
<b>Other:</b>		
Audit fee**	-	5
	-	5
<b>Total expenses</b>	<b>11,631</b>	<b>17,116</b>

Irrecoverable VAT is included in the above expenses, where relevant.

\* The fixed general administration charge was introduced from 1 September 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 £10,200 (2022: £9,480).

\*\* These figures represent the charges to 31 August 2021, which have now been replaced by the fixed general administration charge.

# Notes to the Financial Statements

## Continued

### 4 Taxation

	2023 £'000	2022 £'000
<b>(a) Analysis of charge in year</b>		
Total taxation (note 4b)	-	-

#### (b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2022: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

<b>Net revenue before taxation</b>	<b>15,774</b>	<b>5,359</b>
Corporation tax at 20% (2022: 20%)	3,155	1,072
Effects of:		
Revenue not subject to taxation	(4,994)	(4,305)
Excess allowable expenses	1,839	3,233
<b>Total tax charge for year (note 4a)</b>	<b>-</b>	<b>-</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

#### (c) Factors that may affect future tax charge

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £30,729,000 (2022: £28,890,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

### 5 Distributions (including the movement between net revenue and distributions)

	2023 £'000	2022 £'000
Distribution	15,144	6,487
Add: Income deducted on cancellation of shares	1,573	486
Deduct: Income received on issue of shares	(166)	(248)
<b>Total distributions for the year</b>	<b>16,551</b>	<b>6,725</b>

#### Movement between net revenue and distributions

Net revenue after taxation	15,774	5,359
Expenses charged to capital	462	766
Equalisation on conversion	315	-
Shortfall transfer from capital to revenue	-	600
<b>Total distributions for the year</b>	<b>16,551</b>	<b>6,725</b>

Details of the distribution per share are set out in this fund's distribution table.

# Notes to the Financial Statements

## Continued

### 6 Debtors

	2023 £'000	2022 £'000
Accrued revenue	1,580	1,206
Amounts receivable from the ACD for the issue of shares	180	641
Sales awaiting settlement	1,108	1,750
<b>Total debtors</b>	<b>2,868</b>	<b>3,597</b>

### 7 Liquidity

	2023 £'000	2022 £'000
<b>Cash and bank balances</b>		
Cash at bank	1	12
	<b>1</b>	<b>12</b>
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund*	59,130	88,298
<b>Net liquidity</b>	<b>59,131</b>	<b>88,310</b>

\* Although reflected in the investment assets figure, liquidity funds are used by the fund as a liquidity vehicle. Therefore, the ACD considers the net liquidity position of the fund as the aggregate of cash at bank and in hand, bank overdrafts and liquidity fund positions.

### 8 Creditors

	2023 £'000	2022 £'000
Accrued expenses payable to ACD	754	1,172
Accrued expenses payable to the Depositary or associates of the Depositary	10	9
Amounts payable to the ACD for cancellation of shares	1,727	3,312
Other accrued expenses	5	5
Purchases awaiting settlement	300	-
<b>Total creditors</b>	<b>2,796</b>	<b>4,498</b>

### 9 Related Party Transactions

abrdr Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to abrdr Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 8.

Amounts payable to abrdr Fund Managers Limited, in respect of expenses are disclosed in note 3 and any amounts due at the year end in note 8.

# Notes to the Financial Statements

## Continued

### 10 Portfolio Transaction Costs

	Purchases		Sales	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Trades in the year</b>				
Equities	206,692	295,732	375,997	484,231
Corporate actions	2,526	-	-	-
<b>Trades in the year before transaction costs</b>	<b>209,218</b>	<b>295,732</b>	<b>375,997</b>	<b>484,231</b>
<b>Commissions</b>				
Equities	176	170	(307)	(324)
<b>Total commissions</b>	<b>176</b>	<b>170</b>	<b>(307)</b>	<b>(324)</b>
<b>Taxes</b>				
Equities	480	404	(1)	(1)
<b>Total taxes</b>	<b>480</b>	<b>404</b>	<b>(1)</b>	<b>(1)</b>
<b>Total transaction costs</b>	<b>656</b>	<b>574</b>	<b>(308)</b>	<b>(325)</b>
<b>Total net trades in the year after transaction costs</b>	<b>209,874</b>	<b>296,306</b>	<b>375,689</b>	<b>483,906</b>
	Purchases		Sales	
	2023 %	2022 %	2023 %	2022 %
<b>Total transaction costs expressed as a percentage of asset type cost</b>				
<b>Commissions</b>				
Equities	0.08	0.06	0.08	0.07
<b>Taxes</b>				
Equities	0.23	0.14	-	-
			2023 %	2022 %
	<b>Total transaction costs expressed as a percentage of net asset value</b>			
Commissions			0.03	0.02
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 0.97% (2022: 1.00%), this is representative of the average spread on the assets held during the year.

# Notes to the Financial Statements

## Continued

### 11 Shares in Issue Reconciliation

	Opening shares 2022	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2023
Retail accumulation	20,583,445	82,647	(1,496,012)	(7,797,425)	11,372,655
Retail income	10,977,178	974,696	(1,897,252)	(1,892,607)	8,162,015
Institutional accumulation	31,820,746	445,052	(9,818,088)	(2,592,154)	19,855,556
Institutional income	19,987,193	599,943	(6,875,765)	(1,273,419)	12,437,952
Institutional regulated accumulation	68,680,935	1,895,979	(8,205,237)	-	62,371,677
Institutional A accumulation	279,870	-	(15,898)	-	263,972
Institutional S accumulation	279,887,734	11,969,812	(52,171,010)	82,650,970	322,337,506
Institutional S income	38,078,452	728,697	(14,137,165)	2,896,879	27,566,863
Platform 1 accumulation	190,747,032	12,412,097	(25,607,263)	332,694	177,884,560
ZC accumulation	2,327,231	54,085	(297,695)	-	2,083,621
ZA income	1,141,211	-	-	-	1,141,211

### 12 Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2023 £'000 Level 1	2023 £'000 Level 2	2023 £'000 Level 3	2022 £'000 Level 1	2022 £'000 Level 2	2022 £'000 Level 3
<b>Fair value of investment assets</b>						
Equities	1,137,378	-	-	1,697,129	-	-
Collective Investment Schemes	-	59,130	-	-	88,298	-
<b>Total investment assets</b>	<b>1,137,378</b>	<b>59,130</b>	<b>-</b>	<b>1,697,129</b>	<b>88,298</b>	<b>-</b>

### 13 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

#### Foreign currency risk

The fund's net exposure to foreign currencies (including any instruments used to hedge against foreign currencies) is not significant. Therefore, the financial statements are not subject to any significant risk of currency movements. This is consistent with the exposure during the prior year.

#### Interest rate risk

The majority of the fund's financial assets are in non-interest bearing assets. Therefore, the fund's exposure to interest rate risk is considered insignificant. This is consistent with the exposure during the prior year.

# Notes to the Financial Statements

## Continued

### **Other price risk**

The fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Adviser in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

As at 28 February 2023, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £59,825,000 (2022: £89,271,000).

### **Financial derivatives instrument risk**

The fund had no exposure to derivatives as at 28 February 2023 (2022: £Nil).

### **Liquidity risk**

All of the fund's financial liabilities are payable on demand or in less than one year, 2023 £3,722,000 (2022: £5,473,000).

# Distribution Table

For the year ended 28 February 2023 (in pence per share)

## Final dividend distribution

Group 1 – shares purchased prior to 1 March 2022

Group 2 – shares purchased between 1 March 2022 and 28 February 2023

	Revenue	Equalisation	Distribution paid 28/04/23	Distribution paid 29/04/22
<b>Retail accumulation</b>				
Group 1	4.9610	-	4.9610	-
Group 2	3.3166	1.6444	4.9610	-
<b>Retail income</b>				
Group 1	1.4747	-	1.4747	1.1027
Group 2	0.8315	0.6432	1.4747	1.1027
<b>Institutional accumulation</b>				
Group 1	10.6625	-	10.6625	2.7403
Group 2	6.9430	3.7195	10.6625	2.7403
<b>Institutional income</b>				
Group 1	1.9930	-	1.9930	1.4831
Group 2	0.9516	1.0414	1.9930	1.4831
<b>Institutional regulated accumulation</b>				
Group 1	7.5187	-	7.5187	4.0869
Group 2	4.9111	2.6076	7.5187	4.0869
<b>Institutional A accumulation</b>				
Group 1	0.2232	-	0.2232	-
Group 2	0.2232	-	0.2232	-
<b>Institutional S accumulation</b>				
Group 1	1.2932	-	1.2932	0.4712
Group 2	0.8290	0.4642	1.2932	0.4712
<b>Institutional S income</b>				
Group 1	1.8324	-	1.8324	1.3618
Group 2	1.1413	0.6911	1.8324	1.3618
<b>Platform 1 accumulation</b>				
Group 1	1.4259	-	1.4259	0.2113
Group 2	0.9196	0.5063	1.4259	0.2113

# Distribution Table

For the year ended 28 February 2023 (in pence per share) continued

	Revenue	Equalisation	Distribution paid 28/04/23	Distribution paid 29/04/22
<b>ZC accumulation</b>				
Group 1	6.7767	-	6.7767	4.7919
Group 2	4.9165	1.8602	6.7767	4.7919
<b>ZA income</b>				
Group 1	4.6221	-	4.6221	3.4448
Group 2	4.6221	-	4.6221	3.4448

## 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 Short Duration Credit Fund (closed)

For the year ended 28 February 2023

## Investment Objective (prior to closure)

To generate income and some growth over the short term (1 to 3 years) by investing in Sterling-denominated corporate bonds.

Performance Target: To achieve the return of the Bloomberg Sterling Corporate and Collateralised Index (Hedged to 2 year duration) 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, including sub-sovereigns, - sub-investment grade, inflation-linked, convertible, asset backed and mortgage backed bonds. The fund will employ techniques to reduce (hedge) risk related to currency movements on non-Sterling bonds.
- The fund may also invest in other funds (including those managed by abrdn) and money-market instruments, and cash.

### Management Process

- The management team use their discretion (active management) to identify bonds and derivatives based on analysis of global economic and market conditions (for example, interest rates and inflation) and analysis of a company's prospects and creditworthiness compared to that of the market.
- In seeking to achieve the Performance Target, the Bloomberg Sterling Corporate and Collateralised Index (Hedged to 2 year duration) is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 3%. Due to the fund's risk constraints, the intention is that the fund's performance profile will not deviate significantly from that of the Bloomberg Sterling Corporate and Collateralised Index (Hedged to 2 year duration) 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 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").
- In particular, the fund will use derivatives to reduce the fund's exposure to interest rate risk to a level consistent with that of the Bloomberg Sterling Corporate and Collateralised Index (Hedged to 2 year duration).
- In addition the fund may use derivative instruments to manage expected changes in inflation, currencies or credit worthiness of corporations or governments.
- The fund may also invest in other funds which may use derivatives extensively although these investments shall be in line with fund's overall risk profile.

## Performance Review

For the period to 31 May 2022, the fund returned -2.26%. (Source: FactSet, Platform 1 Accumulation, net of fees.) This compared to a return of -1.60% for our performance target. (Source: FactSet, the Bloomberg Barclays Sterling Corporate and Collateralised Index (Hedged to 2-year duration) +1%.)

Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

Companies selected for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.

BLOOMBERG® is a trademark and service mark of Bloomberg Finance L.P. and its affiliates (collectively "Bloomberg"). BARCLAYS® is a trademark and service mark of Barclays Bank Plc (collectively with its affiliates, "Barclays"), used under license. Bloomberg or Bloomberg's licensors, including Barclays, own all proprietary rights in the Bloomberg Barclays Indices. Neither Bloomberg nor Barclays is affiliated with abrdn, and neither approves, endorses, reviews or recommends the ASI Short Duration Credit Fund. Neither Bloomberg nor Barclays guarantees the timeliness, accurateness or completeness of any data or information relating to the Bloomberg Barclays Sterling Corporate and Collateralised Index (Hedged to 2-year duration), and neither shall be liable in any way to the ASI Short Duration Credit Fund, investors in ASI Short Duration Credit Fund or other third parties in respect of the use or accuracy of the Bloomberg Barclays Sterling Corporate and Collateralised Index (Hedged to 2-year duration) or any data included therein.

The fund's duration was less than the index, which was beneficial for returns over the period. Government bonds and supranational issuers were the biggest contributors, notably a longer dated gilt. Banks were among the top performers, including NatWest, Virgin Money and Caixabank. Conversely, HSBC and Rabobank weighed on returns. Tesco's property bonds also lagged.

# ASI Short Duration Credit Fund (closed)

Continued

## Portfolio Activity and Review

All portfolio holdings were sold during the year as the fund closed on 22 June 2022.

## Portfolio Outlook and Strategy

The fund closed on 22 June 2022 and is in the process of terminating.

**Sterling IG Aggregate Team**

March 2023

# ASI Short Duration Credit 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 22 June 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.
- 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.
- 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.

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

<b>Retail accumulation<sup>A</sup></b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	95.31	95.82	92.63
Return before operating charges*	(3.50)	0.52	4.18
Operating charges	(0.30)	(1.03)	(0.99)
Return after operating charges*	(3.80)	(0.51)	3.19
Distributions	-	(2.00)	(2.30)
Retained distributions on accumulation shares	-	2.00	2.30
Redemption value as at 22 June 2022	(91.51)	-	-
Closing net asset value per share	-	95.31	95.82
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(3.99%)	(0.53%)	3.44%
<b>Other information</b>			
Closing net asset value (£'000)	-	9,624	9,821
Closing number of shares	-	10,097,869	10,249,415
Operating charges	1.03%	1.05%	1.07%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	96.47	98.91	96.95
Lowest share price	91.51	95.44	84.20

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> Retail accumulation share class closed on 22 June 2022.

# Comparative Tables

## Continued

	2023	2022	2021
Retail income <sup>A</sup>	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	53.96	55.38	54.86
Return before operating charges*	(2.53)	0.32	2.45
Operating charges	(0.17)	(0.59)	(0.58)
Return after operating charges*	(2.70)	(0.27)	1.87
Distributions	-	(1.15)	(1.35)
Redemption value as at 22 June 2022	(51.26)	-	-
Closing net asset value per share	-	53.96	55.38
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(5.00%)	(0.49%)	3.41%
<b>Other information</b>			
Closing net asset value (£'000)	-	2,247	2,478
Closing number of shares	-	4,164,574	4,474,701
Operating charges	1.03%	1.05%	1.07%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	54.61	56.82	56.39
Lowest share price	51.26	54.30	49.88

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> Retail income share class closed on 22 June 2022.

# Comparative Tables

## Continued

Institutional accumulation <sup>A</sup>	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	102.33	102.45	98.63
Return before operating charges*	(3.75)	0.54	4.45
Operating charges	(0.19)	(0.66)	(0.63)
Return after operating charges*	(3.94)	(0.12)	3.82
Distributions	-	(2.59)	(2.86)
Retained distributions on accumulation shares	-	2.59	2.86
Redemption value as at 22 June 2022	(98.39)	-	-
Closing net asset value per share	-	102.33	102.45
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(3.85%)	(0.12%)	3.87%
<b>Other information</b>			
Closing net asset value (£'000)	-	3,300	5,421
Closing number of shares	-	3,224,666	5,291,386
Operating charges	0.61%	0.63%	0.65%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	103.6	106.1	103.6
Lowest share price	98.39	102.2	89.67

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> Institutional accumulation share class closed on 22 June 2022.

# Comparative Tables

## Continued

Institutional income <sup>A</sup>	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	53.89	55.30	54.79
Return before operating charges*	(2.60)	0.33	2.44
Operating charges	(0.10)	(0.36)	(0.35)
Return after operating charges*	(2.70)	(0.03)	2.09
Distributions	-	(1.38)	(1.58)
Redemption value as at 22 June 2022	(51.19)	-	-
Closing net asset value per share	-	53.89	55.30
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(5.01%)	(0.05%)	3.81%
<b>Other information</b>			
Closing net asset value (£'000)	-	2,174	3,395
Closing number of shares	-	4,034,969	6,138,791
Operating charges	0.61%	0.63%	0.65%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	54.53	56.80	56.34
Lowest share price	51.19	54.27	49.83

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> Institutional income share class closed on 22 June 2022.

# Comparative Tables

## Continued

<b>Platform 1 accumulation<sup>A</sup></b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	70.25	70.36	67.77
Return before operating charges*	(2.59)	0.38	3.06
Operating charges	(0.14)	(0.49)	(0.47)
Return after operating charges*	(2.73)	(0.11)	2.59
Distributions	-	(1.74)	(1.93)
Retained distributions on accumulation shares	-	1.74	1.93
Redemption value as at 22 June 2022	(67.52)	-	-
Closing net asset value per share	-	70.25	70.36
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(3.88%)	(0.16%)	3.82%
<b>Other information</b>			
Closing net asset value (£'000)	-	6,189	10,208
Closing number of shares	-	8,809,939	14,507,064
Operating charges	0.66%	0.68%	0.70%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	71.10	72.82	71.16
Lowest share price	67.52	70.22	61.62

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> Platform 1 accumulation share class closed on 22 June 2022.

# Comparative Tables

## Continued

<b>Platform 1 income<sup>A</sup></b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
	<b>pence per share</b>	<b>pence per share</b>	<b>pence per share</b>
<b>Change in net assets per share</b>			
Opening net asset value per share	55.68	57.15	56.61
Return before operating charges*	(2.68)	0.33	2.53
Operating charges	(0.11)	(0.40)	(0.39)
Return after operating charges*	(2.79)	(0.07)	2.14
Distributions	-	(1.40)	(1.60)
Redemption value as at 22 June 2022	(52.89)	-	-
Closing net asset value per share	-	55.68	57.15
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(5.00%)	(0.12%)	3.78%
<b>Other information</b>			
Closing net asset value (£'000)	-	7,467	7,672
Closing number of shares	-	13,409,190	13,425,221
Operating charges	0.66%	0.68%	0.70%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	56.35	58.69	58.22
Lowest share price	52.89	56.08	51.48

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> Platform 1 income share class closed on 22 June 2022.

# Comparative Tables

## Continued

Standard Life accumulation <sup>A</sup>	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	106.15	105.74	101.29
Return before operating charges*	(3.89)	0.56	4.60
Operating charges	(0.04)	(0.15)	(0.15)
Return after operating charges*	(3.93)	0.41	4.45
Distributions	-	(3.21)	(3.45)
Retained distributions on accumulation shares	-	3.21	3.45
Redemption value as at 22 June 2022	(102.22)	-	-
Closing net asset value per share	-	106.15	105.74
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(3.70%)	0.39%	4.39%
<b>Other information</b>			
Closing net asset value (£'000)	-	77	77
Closing number of shares	-	72,847	72,381
Operating charges	0.11%	0.13%	0.15%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	107.4	109.8	106.9
Lowest share price	102.2	105.6	92.12

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.

<sup>A</sup> Standard life accumulation share class closed on 22 June 2022.

# Comparative Tables

## Continued

	2023	2022	2021
Standard Life income <sup>A</sup>	pence per share	pence per share	pence per share
<b>Change in net assets per share</b>			
Opening net asset value per share	31.51	32.32	32.02
Return before operating charges*	(1.57)	0.24	1.44
Operating charges	-	(0.02)	(0.02)
Return after operating charges*	(1.57)	0.22	1.42
Distributions	-	(1.03)	(1.12)
Redemption value as at 22 June 2022	(29.94)	-	-
Closing net asset value per share	-	31.51	32.32
* after direct transaction costs of:	-	-	-
<b>Performance</b>			
Return after charges	(4.98%)	0.68%	4.43%
<b>Other information</b>			
Closing net asset value (£'000)	-	1	1
Closing number of shares	-	3,149	3,149
Operating charges	0.03%	0.05%	0.07%
Direct transaction costs	-	-	-
<b>Prices</b>			
Highest share price	31.89	33.26	32.97
Lowest share price	29.94	31.78	29.13

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.

<sup>A</sup> Standard life income share class closed on 22 June 2022.

# Portfolio Statement

As at 28 February 2023

Investment	Market value £'000	Percentage of total net assets
<b>Holding</b>		
Bonds (87.77%)	-	-
Euro Denominated Bonds (2.41%)	-	-
Corporate Bonds (2.41%)	-	-
Sterling Denominated Bonds (85.36%)	-	-
Corporate Bonds (84.88%)	-	-
Government Bonds (0.48%)	-	-
Collective Investment Schemes (6.75%)	-	-
Derivatives (4.32%)	-	-
Interest Rate Swaps (4.32%)	-	-
Total investment assets	-	-
Net other liabilities	-	-
<b>Total Net Assets</b>	-	-

The percentage figures in brackets show the comparative holding as at 28 February 2022.

# Financial Statements

## Statement of Total Return

For the year ended 28 February 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(1,386)		(775)
Revenue	2	366		1,084	
Expenses	3	(63)		(272)	
Interest payable and similar charges	4	-		(12)	
Net revenue before taxation		303		800	
Taxation	5	(5)		-	
Net revenue after taxation			298		800
<b>Total return before equalisation</b>			<b>(1,088)</b>		<b>25</b>
Equalisation on shares	6		(276)		(800)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(1,364)</b>		<b>(775)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2023

	2023		2022	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>31,079</b>		<b>39,073</b>
Amounts receivable on the issue of shares	1,106		3,842	
Amounts payable on the cancellation of shares	(31,011)		(11,546)	
		(29,905)		(7,704)
Dilution adjustment		37		18
Change in net assets attributable to shareholders from investment activities (see above)		(1,364)		(775)
Retained distribution on accumulation shares		153		467
<b>Closing net assets attributable to shareholders</b>		<b>-</b>		<b>31,079</b>

# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Fixed assets:</b>					
Investment assets			-		31,248
<b>Current assets:</b>					
Debtors	7	5		529	
Cash and bank balances	8	13		598	
			18		1,127
<b>Total assets</b>			<b>18</b>		<b>32,375</b>
<b>Liabilities:</b>					
Investment liabilities			-		(530)
Bank overdrafts	8	-		(540)	
Creditors	9	(18)		(159)	
Distribution payable		-		(67)	
			(18)		(766)
<b>Total liabilities</b>			<b>(18)</b>		<b>(1,296)</b>
<b>Net assets attributable to shareholders</b>			<b>-</b>		<b>31,079</b>

# Notes to the Financial Statements

## 1 Net Capital Losses

	2023 £'000	2022 £'000
Non-derivative securities	(2,390)	(1,643)
Derivative contracts	1,013	839
Forward currency contracts	(4)	35
Other losses	(2)	(2)
Transaction charges	(3)	(4)
<b>Net capital losses</b>	<b>(1,386)</b>	<b>(775)</b>

## 2 Revenue

	2023 £'000	2022 £'000
Bank and margin interest	2	-
Derivative revenue	10	-
<b>Income from Overseas Collective Investment Schemes</b>		
Unfranked income	93	90
Interest on debt securities	261	994
<b>Total revenue</b>	<b>366</b>	<b>1,084</b>

## 3 Expenses

	2023 £'000	2022 £'000
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Authorised Corporate Director's periodic charge	56	235
Dealing charge	2	8
General administration charge*	4	8
Registration fees**	-	10
	<b>62</b>	<b>261</b>
<b>Payable to the Depositary or associates of the Depositary, and agents of either of them:</b>		
Depositary's fees**	-	2
Safe custody fees	1	2
	<b>1</b>	<b>4</b>

# Notes to the Financial Statements

## Continued

	2023 £'000	2022 £'000
<b>Other:</b>		
Audit fee**	-	7
	-	7
<b>Total expenses</b>	<b>63</b>	<b>272</b>

Irrecoverable VAT is included in the above expenses, where relevant.

\* The fixed general administration charge was introduced from 1 September 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 £6,840 (2022: £12,540).

\*\* These figures represent the charges to 31 August 2021, which have now been replaced by the fixed general administration charge.

## 4 Interest Payable and Similar Charges

	2023 £'000	2022 £'000
Derivative expense	-	12
<b>Total interest payable &amp; similar charges</b>	<b>-</b>	<b>12</b>

## 5 Taxation

	2023 £'000	2022 £'000
<b>(a) Analysis of charge in year</b>		
Corporation tax	5	-
<b>Total taxation (note 5b)</b>	<b>5</b>	<b>-</b>

### (b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2022: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

<b>Net revenue before taxation</b>	<b>303</b>	<b>800</b>
Corporation tax at 20% (2022: 20%)	61	160
Effects of:		
Distributions treated as tax deductible	(56)	(160)
<b>Total tax charge for year (note 5a)</b>	<b>5</b>	<b>-</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

### (c) Factors that may affect future tax charge

At the year end there are no surplus expenses and therefore no deferred tax asset in the current or prior year.

# Notes to the Financial Statements

## Continued

### 6 Distributions (including the movement between net revenue and distributions)

	2023 £'000	2022 £'000
First interim distribution	163	176
Special distribution	81	-
Second interim distribution	-	246
Third interim distribution	-	184
Final distribution	-	169
	244	775
Add: Income deducted on cancellation of shares	35	36
Deduct: Income received on issue of shares	(3)	(11)
<b>Total distributions for the year</b>	<b>276</b>	<b>800</b>
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	298	800
Transfer of income to capital	(18)	-
Undistributed revenue carried forward	(4)	-
<b>Total distributions for the year</b>	<b>276</b>	<b>800</b>

Details of the distribution per share are set out in this fund's distribution tables.

### 7 Debtors

	2023 £'000	2022 £'000
Accrued revenue	5	435
Amounts receivable from the ACD for the issue of shares	-	94
<b>Total debtors</b>	<b>5</b>	<b>529</b>

### 8 Liquidity

	2023 £'000	2022 £'000
<b>Cash and bank balances</b>		
Cash at bank	13	13
Deposits with original maturity of less than 3 months	-	585
	<b>13</b>	<b>598</b>
<b>Bank overdrafts</b>		
Overdraft at broker	-	(540)
	<b>-</b>	<b>(540)</b>
<b>Net liquidity</b>	<b>13</b>	<b>58</b>

# Notes to the Financial Statements

## Continued

### 9 Creditors

	2023 £'000	2022 £'000
Accrued expenses payable to ACD	-	23
Accrued expenses payable to the Depositary or associates of the Depositary	-	1
Amounts payable to the ACD for cancellation of shares	-	34
Amounts payable on termination	8	-
Other accrued expenses	6	6
Income Tax payable	4	-
Purchases awaiting settlement	-	95
<b>Total creditors</b>	<b>18</b>	<b>159</b>

### 10 Related Party Transactions

abrdn Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issue and paid on cancellation of shares are disclosed in the statement of change in net assets attributable to shareholders.

Any amounts due from or due to abrdn Fund Managers Limited at the end of the accounting year are disclosed in notes 7 and 9.

Amounts payable to abrdn Fund Managers Limited, in respect of expenses are disclosed in note 3 and any amounts due at the year end in note 9.

### 11 Portfolio Transaction Costs

There are no transaction costs associated with the purchases or sales of bonds, collective investment schemes and derivatives during the year, or in the prior year.

Bonds are dealt on a spread agreed between buyer and seller with reference to the expected cashflows and current credit profiles.

Collective investments operate within the terms of the offer document or prospectus. Typically we do not invest into funds that require an initial charge to be made. The underlying price may contain an estimation of cost known as a dilution levy which is applied from time to time.

Derivatives are dealt on a spread agreed between buyer and seller with reference to the underlying investment.

	Purchases		Sales	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Trades in the year</b>				
Bonds	125	2,803	25,221	8,605
Collective investment schemes	-	-	1,934	-
<b>Trades in the year before transaction costs</b>	<b>125</b>	<b>2,803</b>	<b>27,155</b>	<b>8,605</b>
<b>Total net trades in the year after transaction costs</b>	<b>125</b>	<b>2,803</b>	<b>27,155</b>	<b>8,605</b>

# Notes to the Financial Statements

## Continued

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 Nil due to the fund holding no investments at the year end (2022: 0.64%).

## 12 Shares in Issue Reconciliation

	Opening shares 2022	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2023
Retail accumulation	10,097,869	139,136	(10,234,678)	(2,327)	-
Retail income	4,164,574	33,450	(4,198,024)	-	-
Institutional accumulation	3,224,666	48,930	(3,243,564)	(30,032)	-
Institutional income	4,034,969	5,013	(4,039,982)	-	-
Platform 1 accumulation	8,809,939	1,284,767	(10,141,607)	46,901	-
Platform 1 income	13,409,190	18,952	(13,428,142)	-	-
Standard Life accumulation	72,847	-	(72,847)	-	-
Standard Life income	3,149	-	(3,149)	-	-

## 13 Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2023 £'000 Level 1	2023 £'000 Level 2	2023 £'000 Level 3	2022 £'000 Level 1	2022 £'000 Level 2	2022 £'000 Level 3
<b>Fair value of investment assets</b>						
Bonds	-	-	-	150	27,128	-
Collective Investment Schemes	-	-	-	-	2,098	-
Derivatives	-	-	-	-	1,872	-
<b>Total investment assets</b>	-	-	-	<b>150</b>	<b>31,098</b>	-
<b>Fair value of investment liabilities</b>						
Derivatives	-	-	-	-	(530)	-
<b>Total investment liabilities</b>	-	-	-	-	<b>(530)</b>	-

# Notes to the Financial Statements

## Continued

### 14 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

#### Foreign currency risk

The fund's net exposure to foreign currencies (including any instruments used to hedge against foreign currencies) is not significant. Therefore, the financial statements are not subject to any significant risk of currency movements. This is consistent with the exposure during the prior year.

#### Interest rate risk

Interest rate risk is an unfavourable change in interest rates that can affect the price of a security, which in turn results in the portfolio experiencing a loss. Interest rate changes not only affect fixed income products but have material impacts on funding arrangements and other asset types.

The following table shows separately the value of investments at fixed interest rates, at variable rates and those that are non-interest bearing instruments.

The interest rate risk profile of the fund's investments at the year end consists of:

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>2023</b>				
<b>Currency</b>				
UK Sterling	12	-	(13)	(1)
US Dollar	1	-	-	1
<b>Total</b>	<b>13</b>	<b>-</b>	<b>(13)</b>	<b>-</b>

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>2022</b>				
<b>Currency</b>				
UK Sterling	2,704	25,209	3,160	31,073
Euro	594	164	(759)	(1)
US Dollar	7	-	-	7
<b>Total</b>	<b>3,305</b>	<b>25,373</b>	<b>2,401</b>	<b>31,079</b>

#### Other price risk

Each fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Adviser in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

# Notes to the Financial Statements

## Continued

### VaR

The fund closed on 22 June 2022, therefore VaR is not presented for the year to 28 February 2023. The table below indicates the VaR of the fund's financial instruments, measured as the potential 1 month loss in value from adverse changes in equity prices, interest rates, inflation rates and foreign currency exchange rates, with a 99 percent confidence level. Calculated on this basis, the table indicates that the net value of the fund's financial assets and liabilities could be expected to change by more than the stated amount on only two days out of 200, in response to either price, interest rate, inflation or foreign currency exchange rate changes.

2022	Minimum	Maximum	Average
VaR 99% 1 Month	2.39%	5.18%	3.70%

At the year end date, there was a 1% chance of the portfolio value falling (or rising) more than 2.45% £753,000 in a one month period.

This calculation is generally determined by the use of an industry recognised medium term risk model, typically based on 3–5 year history. The method assumes normal market conditions and that the portfolio remains unchanged.

### Counterparty risk

#### Credit quality of debt security investment assets

The fund closed on 22 June 2022 and held no investments at the period end. The following table shows the credit quality of the part of the investment portfolio that is invested in debt securities.

2022	Market value £'000	Percentage of total net assets %
Investment grade securities	25,281	81.34
Below investment grade securities	1,725	5.55
Unrated securities	272	0.88
<b>Total value of securities</b>	<b>27,278</b>	<b>87.77</b>

Investment grade information used in the above table is based on credit ratings issued by market vendors.

### Financial derivatives instrument risk

These types of transaction can introduce market exposure greater than the market value of the instrument. These transactions exchange benefits with a third party at a future date creating both counterparty and concentration risk. The Investment Adviser's policies for managing these risks are outlined in the fund's prospectus.

The fund closed on 22 June 2022 and held no derivatives at the year end.

At the prior balance sheet date the fund had the following exposures:

	2022	
	Market exposure £'000	Market value £'000
<b>Leveraged instruments</b>		
Forward currency contracts	780	-
Swaps	31,470	1,342
<b>Total market exposure</b>	<b>32,250</b>	<b>1,342</b>

The total market exposure is the sum of the notional derivative contracts on a gross basis with no offsetting.

The fund uses the commitment method to calculate global exposure. Leverage is not significant in this context.

# Notes to the Financial Statements

## Continued

### Counterparty risk

Where the fund enters market transactions this creates concentration risk where a clearing broker operates on an exchange. Where the clearing broker is not solvent the market exposure can be transferred. Exposure is reduced by the daily exchange of margin by both parties held in the name of the depositary. At the year end the fund had the following clearing broker exposure.

The fund closed on 22 June 2022 and held no derivatives at the year end.

At the prior 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 %
Goldman Sachs	1,342	(540)	112	914	2.94
	<b>1,342</b>	<b>(540)</b>	<b>112</b>	<b>914</b>	<b>2.94</b>

### Bilateral agreements

Where the fund enters bilateral agreements this introduces counterparty risk. Where a counterparty defaults on their obligation, exposure is reduced by the collateral held/pledged by both parties.

At the prior year end the fund had the following clearing broker exposure.

The Prospectus outlines allowable collateral. There have been no changes in the year.

Issuers 2022	Type	Collateral Stock £'000
United Kingdom (Gov't of)	Bond	112
		<b>112</b>

### Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2023 £13,000.

The following table provides a maturity analysis of the fund's financial liabilities on a contractual basis at the prior year end.

2022	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
<b>Derivatives</b>					
Investment liabilities	-	(1)	(225)	(304)	(530)
<b>Non-derivatives</b>					
Other creditors	-	(159)	-	-	(159)
Bank overdrafts	(540)	-	-	-	(540)
Distribution payable	-	(67)	-	-	(67)
<b>Total financial liabilities</b>	<b>(540)</b>	<b>(227)</b>	<b>(225)</b>	<b>(304)</b>	<b>(1,296)</b>

# Distribution Tables

For the year ended 28 February 2023 (in pence per share)

## First interim interest distribution

Group 1 – shares purchased prior to 1 March 2022

Group 2 – shares purchased between 1 March 2022 and 31 May 2022

	Revenue	Equalisation	Distribution paid 29/07/22	Distribution paid 30/07/21
<b>Retail accumulation</b>				
Group 1	0.5323	-	0.5323	0.4147
Group 2	0.2708	0.2615	0.5323	0.4147
<b>Retail income</b>				
Group 1	0.3014	-	0.3014	0.2396
Group 2	0.2717	0.0297	0.3014	0.2396
<b>Institutional accumulation</b>				
Group 1	0.6792	-	0.6792	0.5537
Group 2	0.2979	0.3813	0.6792	0.5537
<b>Institutional income</b>				
Group 1	0.3576	-	0.3576	0.2988
Group 2	0.1792	0.1784	0.3576	0.2988
<b>Platform 1 accumulation</b>				
Group 1	0.4574	-	0.4574	0.3716
Group 2	0.2811	0.1763	0.4574	0.3716
<b>Platform 1 income</b>				
Group 1	0.3625	-	0.3625	0.3012
Group 2	0.2282	0.1343	0.3625	0.3012
<b>Standard Life accumulation</b>				
Group 1	0.8380	-	0.8380	0.7056
Group 2	0.8380	-	0.8380	0.7056
<b>Standard Life income</b>				
Group 1	0.2543	-	0.2543	0.2331
Group 2	0.2543	-	0.2543	0.2331

# Distribution Tables

For the year ended 28 February 2023 (in pence per share) continued

## Special dividend distribution

Group 1 – shares purchased prior to 1 June 2022

Group 2 – shares purchased between 1 June 2022 and 22 June 2022

	Revenue	Equalisation	Distribution paid 22/08/22
<b>Retail accumulation</b>			
Group 1	0.4527	-	0.4527
Group 2	0.4156	0.0371	0.4527
<b>Retail income</b>			
Group 1	0.2542	-	0.2542
Group 2	0.2515	0.0027	0.2542
<b>Institutional accumulation</b>			
Group 1	0.5140	-	0.5140
Group 2	0.4822	0.0318	0.5140
<b>Institutional income</b>			
Group 1	0.2688	-	0.2688
Group 2	0.2656	0.0032	0.2688
<b>Platform 1 accumulation</b>			
Group 1	0.2776	-	0.2776
Group 2	0.2714	0.0062	0.2776
<b>Platform 1 income</b>			
Group 1	0.2764	-	0.2764
Group 2	0.2531	0.0233	0.2764
<b>Standard Life accumulation</b>			
Group 1	0.5637	-	0.5637
Group 2	0.5637	-	0.5637
<b>Standard Life income</b>			
Group 1	0.1664	-	0.1664
Group 2	0.1664	-	0.1664

# Distribution Tables

For the year ended 28 February 2023 (in pence per share) continued

## Second interim interest distribution

Group 1 – shares purchased prior to 23 June 2022

Group 2 – shares purchased between 23 June 2022 and 31 August 2022

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
<b>Retail accumulation<sup>A</sup></b>				
Group 1	-	-	-	0.6442
Group 2	-	-	-	0.6442
<b>Retail income<sup>A</sup></b>				
Group 1	-	-	-	0.3708
Group 2	-	-	-	0.3708
<b>Institutional accumulation<sup>A</sup></b>				
Group 1	-	-	-	0.8031
Group 2	-	-	-	0.8031
<b>Institutional income<sup>A</sup></b>				
Group 1	-	-	-	0.4310
Group 2	-	-	-	0.4310
<b>Platform 1 accumulation<sup>A</sup></b>				
Group 1	-	-	-	0.5428
Group 2	-	-	-	0.5428
<b>Platform 1 income<sup>A</sup></b>				
Group 1	-	-	-	0.4367
Group 2	-	-	-	0.4367
<b>Standard Life accumulation<sup>A</sup></b>				
Group 1	-	-	-	0.9655
Group 2	-	-	-	0.9655
<b>Standard Life income<sup>A</sup></b>				
Group 1	-	-	-	0.3020
Group 2	-	-	-	0.3020

# Distribution Tables

For the year ended 28 February 2023 (in pence per share) continued

## Third interim interest distribution

Group 1 – shares purchased prior to 1 September 2022

Group 2 – shares purchased between 1 September 2022 and 30 November 2022

	Revenue	Equalisation	Distribution paid 31/01/23	Distribution paid 31/01/22
<b>Retail accumulation<sup>A</sup></b>				
Group 1	-	-	-	0.4839
Group 2	-	-	-	0.4839
<b>Retail income<sup>A</sup></b>				
Group 1	-	-	-	0.2771
Group 2	-	-	-	0.2771
<b>Institutional accumulation<sup>A</sup></b>				
Group 1	-	-	-	0.6316
Group 2	-	-	-	0.6316
<b>Institutional income<sup>A</sup></b>				
Group 1	-	-	-	0.3360
Group 2	-	-	-	0.3360
<b>Platform 1 accumulation<sup>A</sup></b>				
Group 1	-	-	-	0.4245
Group 2	-	-	-	0.4245
<b>Platform 1 income<sup>A</sup></b>				
Group 1	-	-	-	0.3394
Group 2	-	-	-	0.3394
<b>Standard Life accumulation<sup>A</sup></b>				
Group 1	-	-	-	0.7879
Group 2	-	-	-	0.7879
<b>Standard Life income<sup>A</sup></b>				
Group 1	-	-	-	0.2486
Group 2	-	-	-	0.2486

# Distribution Tables

For the year ended 28 February 2023 (in pence per share) continued

## Final interest distribution

Group 1 – shares purchased prior to 1 December 2022

Group 2 – shares purchased between 1 December 2022 and 28 February 2023

	Revenue	Equalisation	Distribution paid 28/04/23	Distribution paid 29/04/22
<b>Retail accumulation<sup>A</sup></b>				
Group 1	-	-	-	0.4582
Group 2	-	-	-	0.4582
<b>Retail income<sup>A</sup></b>				
Group 1	-	-	-	0.2609
Group 2	-	-	-	0.2609
<b>Institutional accumulation<sup>A</sup></b>				
Group 1	-	-	-	0.6014
Group 2	-	-	-	0.6014
<b>Institutional income<sup>A</sup></b>				
Group 1	-	-	-	0.3183
Group 2	-	-	-	0.3183
<b>Platform 1 accumulation<sup>A</sup></b>				
Group 1	-	-	-	0.4025
Group 2	-	-	-	0.4025
<b>Platform 1 income<sup>A</sup></b>				
Group 1	-	-	-	0.3220
Group 2	-	-	-	0.3220
<b>Standard Life accumulation<sup>A</sup></b>				
Group 1	-	-	-	0.7557
Group 2	-	-	-	0.7557
<b>Standard Life income<sup>A</sup></b>				
Group 1	-	-	-	0.2419
Group 2	-	-	-	0.2419

## 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.

<sup>A</sup> ASI Short Duration Credit Fund closed on 22 June 2022.

# ASI UK Recovery Equity Fund (closed)

For the year ended 28 February 2023

## Investment Report

ASI UK Recovery Equity Fund is no longer open to investors, having redeemed all shares on 22 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 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 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

<b>Retail accumulation<sup>A</sup></b>	<b>2021 pence per share</b>
<b>Change in net assets per share</b>	
Opening net asset value per share	147.12
Return before operating charges*	(39.79)
Operating charges	(0.96)
Return after operating charges*	(40.75)
Distributions	-
Retained distributions on accumulation shares	-
Redemption value as at 22 October 2020	(106.37)
Closing net asset value per share	-
* after direct transaction costs of:	0.36
<b>Performance</b>	
Return after charges	(27.70%)
<b>Other information</b>	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	1.40%
Direct transaction costs	0.53%
<b>Prices</b>	
Highest share price	148.9
Lowest share price	84.83

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> Retail accumulation share class closed on 22 October 2020.

# Comparative Tables

## Continued

	2021 pence per share
<b>Institutional accumulation<sup>A</sup></b>	
<b>Change in net assets per share</b>	
Opening net asset value per share	158.28
Return before operating charges*	(42.67)
Operating charges	(0.69)
Return after operating charges*	(43.36)
Distributions	-
Retained distributions on accumulation shares	-
Redemption value as at 22 October 2020	(114.92)
Closing net asset value per share	-
* after direct transaction costs of:	0.39
<b>Performance</b>	
Return after charges	(27.39%)
<b>Other information</b>	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	0.93%
Direct transaction costs	0.53%
<b>Prices</b>	
Highest share price	160.2
Lowest share price	91.27

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> Institutional accumulation share class closed on 22 October 2020.

# Comparative Tables

## Continued

	2021 pence per share
<b>Platform 1 accumulation<sup>A</sup></b>	
<b>Change in net assets per share</b>	
Opening net asset value per share	78.87
Return before operating charges*	(21.49)
Operating charges	(0.38)
Return after operating charges*	(21.87)
Distributions	-
Retained distributions on accumulation shares	-
Redemption value as at 22 October 2020	(57.00)
Closing net asset value per share	-
* after direct transaction costs of:	0.19
<b>Performance</b>	
Return after charges	(27.73%)
<b>Other information</b>	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	1.03%
Direct transaction costs	0.53%
<b>Prices</b>	
Highest share price	79.81
Lowest share price	45.48

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> Platform 1 accumulation share class closed on 22 October 2020.

# Comparative Tables

## Continued

	2021 pence per share
<b>Standard Life accumulation<sup>A</sup></b>	
<b>Change in net assets per share</b>	
Opening net asset value per share	172.93
Return before operating charges*	(48.24)
Operating charges	(0.10)
Return after operating charges*	(48.34)
Distributions	-
Retained distributions on accumulation shares	-
Redemption value as at 22 October 2020	(124.59)
Closing net asset value per share	-
* after direct transaction costs of:	0.42
<b>Performance</b>	
Return after charges	(27.95%)
<b>Other information</b>	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	0.13%
Direct transaction costs	0.53%
<b>Prices</b>	
Highest share price	175.0
Lowest share price	99.76

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> Standard Life accumulation share class closed on 22 October 2020.

# Comparative Tables

## Continued

	2021 pence per share
<b>Standard Life income<sup>A</sup></b>	
<b>Change in net assets per share</b>	
Opening net asset value per share	133.22
Return before operating charges*	(37.03)
Operating charges	(0.03)
Return after operating charges*	(37.06)
Distributions	-
Redemption value as at 30 September 2020	(96.16)
Closing net asset value per share	-
* after direct transaction costs of:	0.30
<b>Performance</b>	
Return after charges	(27.82%)
<b>Other information</b>	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	0.05%
Direct transaction costs	0.53%
<b>Prices</b>	
Highest share price	134.7
Lowest share price	76.74

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.

Highest and Lowest prices are based on official published daily NAVs.

<sup>A</sup> Standard Life income share class closed on 30 September 2020.

# Portfolio Statement

As at 28 February 2023

Holding	Investment	Market value £'000	Percentage of total net assets
UK Equities (0.00%)		-	-
Energy (0.00%)		-	-
7,840,618	Utilitywise**	-	-
Total investment assets		-	-
Net other liabilities		-	-
<b>Total Net Assets</b>		-	-

The security is classified as an unapproved investment in accordance with the Financial Conduct Authority Regulations.  
The percentage figures in brackets show the comparative holding as at 28 February 2022.

\*\* Delisted.

# Financial Statements

## Statement of Total Return

For the year ended 28 February 2023

	Notes	2023		2022	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains			-		-
Revenue	1	-		3	
Expenses	2	-		1	
Net revenue before taxation		-		4	
Taxation	3	-		3	
Net revenue after taxation			-		7
Total return before distribution			-		7
Distributions	4		-		-
<b>Change in net assets attributable to shareholders from investment activities</b>			-		<b>7</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2023

	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		-		-
		-		-
Change in net assets attributable to shareholders from investment activities (see above)		-		7
Change in residual payment due in respect of fund closure		-		(7)
<b>Closing net assets attributable to shareholders</b>		-		-

# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Current assets:</b>					
Cash and bank balances		7		7	
			7		7
<b>Total assets</b>			<b>7</b>		<b>7</b>
<b>Liabilities:</b>					
Creditors	5	(7)		(7)	
			(7)		(7)
<b>Total liabilities</b>			<b>(7)</b>		<b>(7)</b>
<b>Net assets attributable to shareholders</b>			<b>-</b>		<b>-</b>

# Notes to the Financial Statements

## 1 Revenue

	2023 £'000	2022 £'000
Underwriting commission	-	3
<b>Total revenue</b>	<b>-</b>	<b>3</b>

## 2 Expenses

	2023 £'000	2022 £'000
<b>Other:</b>		
Audit fee	-	(1)
	-	(1)
<b>Total expenses</b>	<b>-</b>	<b>(1)</b>

Irrecoverable VAT is included in the above expenses, where relevant.

The audit fee for the year, including VAT, was £2,400 (2022: £2,400). The audit fees for 2023 will be paid by the ACD.

## 3 Taxation

	2023 £'000	2022 £'000
<b>(a) Analysis of charge in year</b>		
Overseas taxes	-	(3)
<b>Total taxation (note 4b)</b>	<b>-</b>	<b>(3)</b>

### (b) Factors affecting current tax charge for the year

The tax assessed for the year is equal to (2022: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:

<b>Net revenue before taxation</b>	<b>-</b>	<b>4</b>
Corporation tax at 20% (2022: 20%)	-	1
Effects of:		
Overseas taxes	-	(3)
Excess allowable expenses	-	(1)
<b>Total tax charge for year (note 4a)</b>	<b>-</b>	<b>(3)</b>

Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

### (c) Factors that may affect future tax charge

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £905,000 (2022: £905,000) 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

### 4 Distributions (including the movement between net revenue and distributions)

	2023 £'000	2022 £'000
Add: Income deducted on cancellation of shares	-	-
Deduct: Income received on issue of shares	-	-
<b>Total distributions for the year</b>	-	-
<b>Movement between net revenue and distributions</b>		
Net revenue after taxation	-	7
Transfer to capital	-	(7)
<b>Total distributions for the year</b>	-	-

### 5 Creditors

	2023 £'000	2022 £'000
Amounts payable on termination	7	7
<b>Total creditors</b>	<b>7</b>	<b>7</b>

### 6 Related Party Transactions

abrdr Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party. There were no transactions with the ACD during the current or prior year.

### 7 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

The fund closed on 22 October 2020.

#### Foreign currency risk

The fund's net exposure to foreign currencies (including any instruments used to hedge against foreign currencies) is not significant. Therefore, the financial statements are not subject to any significant risk of currency movements. This is consistent with the exposure during the prior year.

#### Interest rate risk

Interest rate risk is an unfavourable change in interest rates that can affect the price of a security, which in turn results in the portfolio experiencing a loss. Interest rate changes not only affect fixed income products but have material impacts on funding arrangements and other asset types.

The following table shows separately the value of investments at fixed interest rates, at variable rates and those that are non-interest bearing instruments.

# Notes to the Financial Statements

## Continued

The interest rate risk profile of the fund's investments at the year end consists of:

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>2023</b>				
Currency				
UK Sterling	7	-	(7)	-
<b>Total</b>	<b>7</b>	<b>-</b>	<b>(7)</b>	<b>-</b>

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
<b>2022</b>				
Currency				
UK Sterling	7	-	(7)	-
<b>Total</b>	<b>7</b>	<b>-</b>	<b>(7)</b>	<b>-</b>

A one percent 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 (2022: £Nil). A one per cent decrease would have an equal and opposite effect.

### Financial derivatives instrument risk

The fund had no exposure to derivatives as at 28 February 2023 (2022: £Nil).

### Liquidity risk

All of the fund's financial liabilities are payable on termination of the fund which is expected to be completed within one to five years, 2023 £7,000 (2022: £7,000).

# Global Emerging Markets Equity Unconstrained Fund (closed)

For the year ended 28 February 2023

Global Emerging Markets Equity Unconstrained Fund is no longer open to investors, having redeemed all shares on 14 January 2016. 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 this fund has not been prepared on a going concern basis. At the time of the share cancellation, all realisable securities were sold. One security which was not immediately realisable due to a trading suspension, or due to being delisted, continues to be held at the current balance sheet date. Should an opportunity to sell it for value arise, it will be sold, otherwise abrdn will, in conjunction with the Depositary, pursue any possible residual value from it until all such opportunities have been reasonably exhausted.

# Portfolio Statement

As at 28 February 2023

Holding	Investment	Market value £'000	Percentage of total net assets
Pacific Basin Equities (0.00%)		-	-
China (0.00%)		-	-
5,196,000	Tianhe Chemicals**	-	-
Total investment assets		-	-
Net other assets		-	-
<b>Total Net Assets</b>		-	-

The security is classified as an unapproved investments in accordance with the Financial Conduct Authority Regulations.

The percentage figures in brackets show the comparative holding as at 28 February 2022.

\*\* Delisted.

# Financial Statements

## Statement of total return

For the year ended 28 February 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains			-		-
Revenue		-		-	
Expenses		-		-	
Net revenue before taxation		-		-	
Taxation	1	-		-	
Net revenue after taxation			-		-
<b>Total return before distributions</b>			-		-
Distributions			-		-
<b>Change in net assets attributable to shareholders from investment activities</b>			-		-

## Statement of change in net assets attributable to shareholders

For the year ended 28 February 2023

	2023		2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		-		-
Change in net assets attributable to shareholders from investment activities (see above)		-		-
<b>Closing net assets attributable to shareholders</b>		-		-

# Financial Statements

## Continued

### Balance Sheet

As at 28 February 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
<b>Current assets:</b>					
Cash and bank balances		1		1	
			1		1
<b>Total assets</b>			<b>1</b>		<b>1</b>
<b>Liabilities:</b>					
Creditors	2	(1)		(1)	
			(1)		(1)
<b>Total liabilities</b>			<b>(1)</b>		<b>(1)</b>
<b>Net assets attributable to shareholders</b>			<b>-</b>		<b>-</b>

# Notes to the Financial Statements

## 1 Taxation

### 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 £51,000 (2022: £51,000) 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.

## 2 Creditors

	2022 £'000	2021 £'000
Amounts payable on termination	1	1
<b>Total creditors</b>	<b>1</b>	<b>1</b>

## 3 Related Party Transactions

abrtn Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party.

There were no transactions with abrtn Fund Managers Limited in the current or prior year.

Any amounts due to abrtn Fund Managers Limited at the end of the accounting year in respect of the termination of the fund are disclosed in note 2.

## 4 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

The fund closed on 14 January 2016.

### 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 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: £Nil). A one per cent decrease would have an equal and opposite effect.

### Financial derivatives instrument risk

The fund had no exposure to derivatives as at 28 February 2023 (2022: Nil).

### Liquidity risk

All of the fund's financial liabilities are payable on the termination of the fund which is expected to be completed within one to five years, 2023 £1,000 (2022: £1,000).

# Remuneration

## Undertakings for Collective Investment Transferrable Securities V Directive (UCITS V)

### Remuneration Disclosure UCITS V Fund Annual Report and Accounts

#### Remuneration Policy

The abrdrn plc Remuneration Policy applies with effect from 1 January 2022. The purpose of the abrdrn plc Remuneration Policy (the "Policy") is to document clearly the remuneration policies, practices and procedures of abrdrn as approved by the abrdrn plc Remuneration Committee (the "Committee"). The Policy is available on request.

The Policy applies to employees of the abrdrn group of companies ("Group" or "abrdrn") including UCITS V Management Companies ("ManCos") and the UCITS V funds that the ManCo manages.

#### Remuneration Principles

abrdrn applies Group wide principles for remuneration policies, procedures and practices ensuring that:

- Remuneration within the Group is simple, transparent and fair.
- Our Policy supports our long-term strategy by reinforcing a performance-driven culture. It aligns the interests of our employees, shareholders and, importantly, our clients/customers.
- Our remuneration structure recognises the different challenges and priorities of roles and Vectors and Functions across the organisation as appropriate.
- Remuneration policies, procedures and practices promote good conduct, including sound and effective risk management and do not encourage risk taking that exceeds the level of tolerated risk appetite.
- Remuneration extends beyond the provision of fixed and variable pay, with a focus on the retirement provision and the wellbeing needs of our employees, as part of our remuneration philosophy.  
Total remuneration delivered is affordable for the Group.

#### Remuneration Framework

Employee remuneration is composed principally of fixed and variable elements of reward as follows:

- a) Fixed reward (fixed remuneration: salary and cash allowances, if appropriate); and Benefits (including pension).
- b) Variable reward (bonus, a proportion of which may be subject to retention or deferral depending on role and regulatory requirements; and senior employees may also be awarded a long-term incentive award).

Appropriate ratios of fixed: variable remuneration will be set to as to ensure that:

- a) Fixed and variable components of total remuneration are appropriately balanced and
- b) The fixed component is a sufficiently high proportion of total remuneration to allow abrdrn to operate a fully flexible policy on variable remuneration components, including having the ability to award no variable remuneration component in certain circumstances where either individual and/or Group performance does not support such award.

#### Base salary

Base salary provides a core reward for undertaking the role and depending on the role, geographical or business market variances or other indicators, additional fixed cash allowances may make up a portion of fixed remuneration. Periodic reviews take into account the employee's role, scope of responsibilities, skills and experience, salary benchmarks (where available) and, where relevant, any local legislative or regulatory requirements.

# Remuneration

## Continued

<b>Base salary</b>	<p>Base salary provides a core reward for undertaking the role and depending on the role, geographical or business market variances or other indicators, additional fixed cash allowances may make up a portion of fixed remuneration. Periodic reviews take into account the employee's role, scope of responsibilities, skills and experience, salary benchmarks (where available) and, where relevant, any local legislative or regulatory requirements.</p>
<b>Benefits (including retirement benefit where appropriate)</b>	<p>Benefits are made up of core benefits which are provided to all employees; and extra voluntary benefits that may be chosen by certain employees which may require contribution through salary sacrifice or other arrangements.</p> <p>Retirement benefits are managed in line with the relevant legislative requirements and governance structures. In certain, very limited circumstances, a cash allowance may be offered in lieu of a retirement arrangement.</p>
<b>Annual Performance Bonus Awards</b>	<p>Employees who have been employed during a performance year (1 January to 31 December) may be eligible to be considered for an annual bonus in respect of that year.</p> <p>Annual bonuses are based upon Group, Vector, Function, Team and Individual performance (with individual performance assessed against agreed goals and behaviours). The variable remuneration pool for all eligible employees, including Identified Staff or Material Risk Takers ("MRTs"), is determined initially by reference to profitability and other quantitative and qualitative financial and non-financial factors including risk considerations (on an ex-post and ex-ante basis). In reaching its final funding decision, the Committee exercises its judgement to ensure that the outcome reflects holistic Company performance considerations.</p> <p>abrdn Fund Managers Limited has specific obligations to act in the best interests of the UCITS funds it manages and its investors. Accordingly, the performance of the underlying funds and the interests of investors (including, where relevant, investment risk) are also taken into account as appropriate. The Risk and Capital Committee and the Audit Committee formally advise the Committee as part of this process.</p> <p>The overall bonus pool is allocated to vectors and functions based on absolute and relative performance for each vector and function, and their alignment with strategic priorities and risk considerations. Allocation by region and subdivision/team is determined on a discretionary basis by the vector, regional and functional heads based on the absolute and relative performance of the constituent teams and alignment with strategic priorities.</p> <p>Individual annual bonus awards are determined at the end of the 12-month performance period with performance assessed against financial and nonfinancial individual objectives, including behaviour and conduct. Individual awards for Identified Staff are reviewed and approved by the Committee (with some individual award approvals delegated, as appropriate, to the Group's Compensation Committee, over which the Committee retains oversight). In carrying out these approvals, the Committee seeks to ensure that outcomes are fair in the context of overall Group performance measures and adjusted, where appropriate, reflect input from the Risk and Capital Committee and the Audit Committee. Variable remuneration awards are subject to deferral for a period of up to three years. A retention period may also be applied as required by the relevant regulatory requirements. Deferral rates and periods comply, at a minimum, with regulatory requirements and may exceed these. In addition to the application of ex-ante adjustments described above, variable remuneration is subject to ex-post adjustment (malus / clawback arrangements).</p>
<b>Other elements of remuneration – selected employees</b>	<p>The following remuneration arrangements may be awarded in certain very limited circumstances:</p> <p><b>Carried Interest Plans</b> – These arrangements are designed to reward performance in roles where a carried interest plan is appropriate. Selected employees are granted carried interest shares in private market funds established by the Group.</p> <p><b>Buy-Out Awards/Guaranteed Bonuses</b> – These are intended to facilitate/support the recruitment of new employees. Buy-outs are not awarded, paid or provided unless they are in the context of hiring new employees. Guaranteed bonuses are not awarded, paid or provided unless they are exceptional and in the context of hiring new employees and limited to the first year of service. These awards are only made where such a payment or award is permitted under any relevant remuneration regulations and are designed to compensate for actual or expected remuneration foregone from previous employers by virtue of their recruitment.</p> <p><b>Retention and Special Performance Awards / LTIP</b> – Supports retention and/or the delivery of specific performance outcomes. The Company may determine that it is appropriate to grant an exceptional award in limited circumstances. Awards are structured to deliver specific retention and/or performance outcomes. Retention and/or special performance awards comply with all relevant regulatory requirements.</p> <p><b>Severance Pay</b> – Payment made to support an employee whose role is considered to be redundant. Severance payments comply with any legislative and regulatory requirements and any payments are inclusive of any statutory entitlement. In the event of severance, the treatment of any individual elements of an employee's remuneration is governed, as appropriate, by relevant plan or scheme rules.</p>

# Remuneration

## Continued

### Control Functions

The Group ensures that, as appropriate, senior employees engaged in a control function are independent from the business units they oversee and have appropriate authority to undertake their roles and duties. These include, but are not necessarily limited to, Risk, Compliance and Internal Audit function roles. Senior employees engaged in a control function are remunerated in a way that ensures they are independent from the business areas they oversee, have appropriate authority, and have their remuneration directly overseen by the Remuneration Committee.

### Conflicts of interest

The Remuneration Policy is designed to avoid conflicts of interest between the Group and its clients and is designed to adhere to local legislation, regulations or other provisions. In circumstances or jurisdictions where there is any conflict between the Policy and local legislation, regulations or other provisions then the latter prevail. Where the Committee receives input from members of management on the remuneration arrangements in operation across the Group this never relates to their own remuneration.

### Personal Investment Strategies

The Company adheres to the regulatory principles and industry best practice on the use of personal hedging strategies which act in restricting the risk alignment embedded in employee remuneration arrangements.

### UCITS V Identified Staff / MRTs

The 'Identified Staff' or MRTs of abrdn Fund Managers Limited are those employees who could have a material impact on the risk profile of abrdn Fund Managers Limited or the UCITS V Funds it manages. This broadly includes senior management, decision makers and control functions. For the purposes of this disclosure, 'Identified Staff' includes employees of entities to which activities have been delegated.

### Quantitative remuneration disclosure

The table below provides an overview of the following:

- Aggregate total remuneration paid by abrdn Fund Managers Limited to its entire staff; and
- Aggregate total remuneration paid by abrdn Fund Managers Limited to its UCITS V 'Identified Staff'.

Amounts shown reflect payments made during the financial reporting period in question. The reporting period runs from **1 January 2022 to 31 December 2022** inclusive.

	Headcount	Total Remuneration £'000
<b>abrdn Fund Managers Limited</b> <sup>1</sup>	<b>1,101</b>	<b>160,808</b>
of which		
Fixed remuneration		122,073
Variable remuneration		38,735
<b>abrdn Fund Managers Limited 'Identified Staff'</b> <sup>2</sup>	<b>85</b>	<b>52,178</b>
of which		
Senior Management <sup>3</sup>	46	34,570
Other 'Identified Staff'	39	17,608

<sup>1</sup> As there are a number of individuals indirectly and directly employed by abrdn Fund Managers Limited this figure represents an apportioned amount of abrdn's total remuneration fixed and variable pay, apportioned to the Management Company on an AUM basis, plus any carried interest paid. The Headcount figure provided reflects the number of beneficiaries calculated on a Full Time Equivalent basis.

<sup>2</sup> The Identified Staff disclosure relates to UCITS V MRTs and represents total compensation of those staff of the Management Company who are fully or partly involved in the activities of the Management Company

<sup>3</sup> Senior management are defined in this table as Management Company Directors and members of the abrdn plc Board, together with its Executive Committee, Investment Management Committee and Group Product Committee.

# Further Information

## Constitution

abrdrn OEIC II was incorporated on 22 May 1998, under the FCA Regulations. The Company is an open-ended investment company (OEIC) with variable capital under regulation 14 (authorisation) of the OEIC Regulations.

Consumers' rights and protections, including any derived from EU legislation, are currently unaffected by the result of the UK referendum to leave the European Union and will remain unchanged unless and until the UK Government changes the applicable legislation.

## Documentation and Prices

Copies of the current Prospectus and Key Investor Information Documents (KIIDs) for the abrdrn OEIC II, daily prices, together with the latest Annual (and if issued later the interim) Report and Accounts for any funds, are available to download at [abrdrn.com](http://abrdrn.com). A paper copy of the Report and Accounts is available on request from the ACD.

## Notices/Correspondence

Please send any notices to abrdrn Fund Managers Limited, PO Box 12233, Chelmsford, CM99 2EE. Any notice to the ACD will only be effective when actually received by the ACD. All notices will be sent to the investor at the address set out in the Application form or the latest address which the investor has notified to the ACD, and will be deemed to have been received three days after posting. Events detailed in these terms and conditions will be carried out on the dates specified, unless the dates are a non-business day, when they will be carried out on the next business day.

## Complaints and Compensation

If you need to complain about any aspect of our service, you should write to the Complaints Team, abrdrn, PO Box 12233, Chelmsford CM99 2EE, who will initiate our formal complaints procedure. If you prefer, you may call the Complaints Team on 0345 113 6966 or email [complaints@abrdrn.com](mailto:complaints@abrdrn.com) in the first instance.

Alternatively if you have a complaint about the Company or funds you can contact the Depositary directly. A leaflet detailing our complaints procedure is available on request. We will endeavour to respond 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](mailto:complaint.info@financial-ombudsman.org.uk) or telephone 0800 023 4567 (free for landlines and mobiles) or 0300 123 9123 (calls cost no more than calls to 01 and 02 numbers) or +44 20 7964 0500 (available from outside the UK – calls will be charged).

We are covered by the Financial Services Compensation Scheme, which means if we become insolvent, you may be entitled to compensation. The level of compensation will depend on the type of business and the circumstances of your claim. Investments are covered up to £85,000 for claims against firms that fail on or after 1 April 2019. Details are available from the FSCS Helpline on 0800 678 1100 or 020 7741 4100 and on the FSCS website: [www.fscs.org.uk](http://www.fscs.org.uk).

## UCITS

The funds were certified under the Undertaking for Collective Investment in Transferable Securities (UCITS) directive, which allows the ACD to market the funds in member States of the European Union subject to relevant local laws, specifically marketing laws.

## Important Information

The above document is strictly for information purposes only and should not be considered as an offer, investment recommendation or solicitation, to deal in any of the investments or funds mentioned herein and does not constitute investment research. abrDN Fund Managers Limited (abrDN) does not warrant the accuracy, adequacy or completeness of the information and materials. Any research or analysis used in the preparation of this document has been procured by abrDN for its own use and may have been acted on for its own purpose. The results thus obtained are made available only coincidentally and the information is not guaranteed as to its accuracy. Some of the information in this document may contain projections or other forward looking statements regarding future events or future financial performance of countries, markets or companies. These statements are only predictions and actual events or results may differ materially. The reader must make their own assessment of the relevance, accuracy and adequacy of the information contained in this document and make such independent investigations, as they may consider necessary or appropriate for the purpose of such assessment. Any opinion or estimate contained in this document is made on a general basis and is not to be relied on by the reader as advice. Neither abrDN nor any of its employees, associated group companies or agents have given any consideration to nor have they or any of them made any investigation of the investment objectives, financial situation or particular need of the reader, any specific person or group of persons. Accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of the reader, any person or group of persons acting on any information, opinion or estimate contained in this document. abrDN reserves the right to make changes and corrections to any information in this document at any time, without notice.

Issued by abrDN Fund Managers Limited. Authorised and regulated by the Financial Conduct Authority in the United Kingdom.