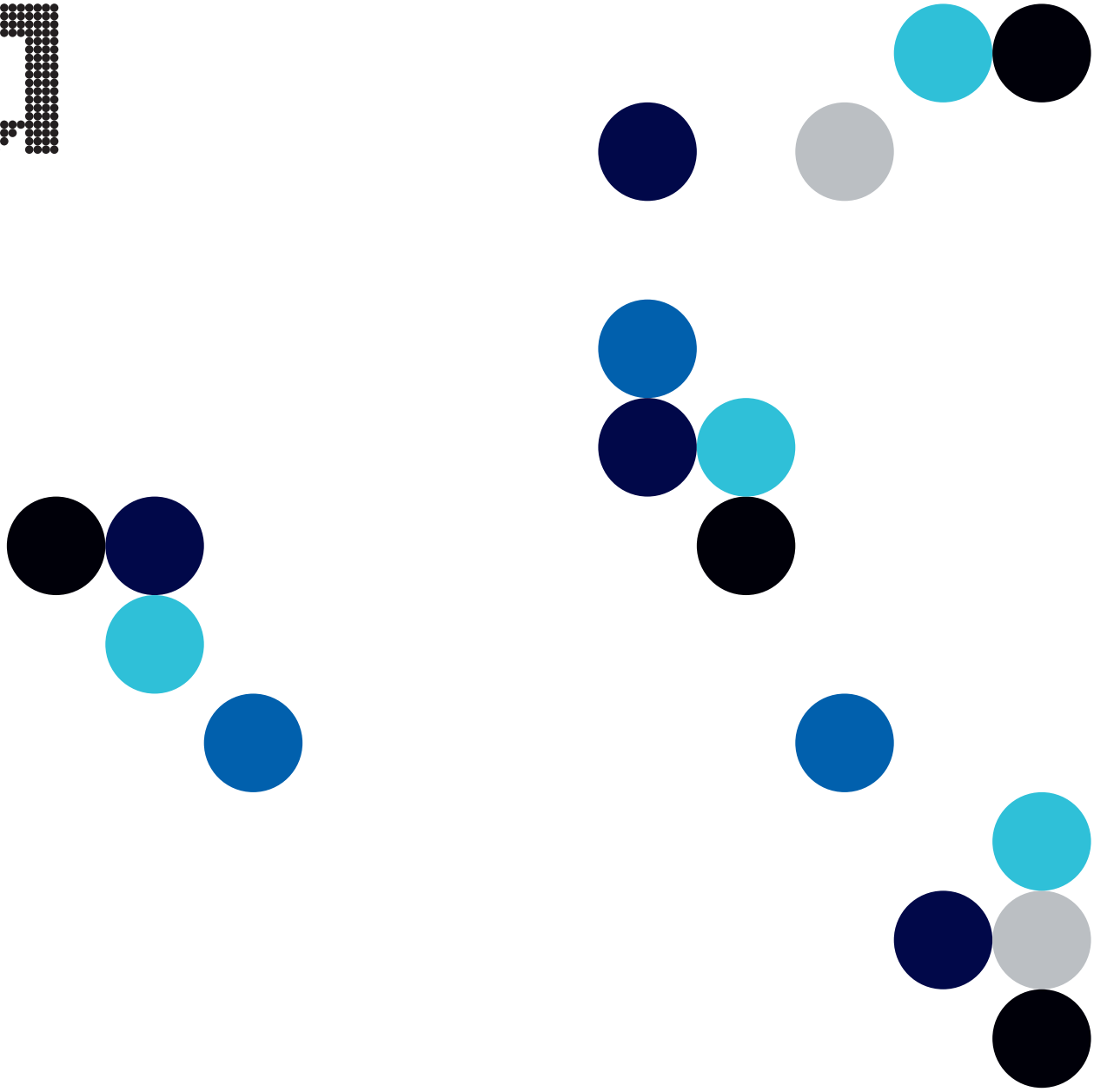

abrdn OEIC II

Annual Long Report
For the year ended 29 February 2024

abrdn.com

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Report of the Authorised Corporate Director

abrdn 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 sixteen open funds and eight closed funds.

Appointments

Authorised Corporate Director

abrdn Fund Managers Limited

Registered Office

280 Bishopsgate
London
EC2M 4AG

Correspondence Address

PO Box 12233
Chelmsford
CM99 2EE

Investment Adviser

abrdn Investment Management Limited

Registered office

1 George Street
Edinburgh
EH2 2LL

Depositary

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
St Vincent Plaza
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 Inc 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 period ended 29 February 2024 are given in the following pages of this report.

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

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 share on 14 January 2016. ASI UK Recovery Equity Fund is no longer open to investors, having redeemed all shares on 22 October 2020. abrdn UK Growth Equity Fund is no longer open to investors, having merged into abrdn UK Sustainable and Responsible Investment Equity Fund on 3 March 2023. abrdn UK High Alpha Equity Fund is no longer open to investors, having merged into abrdn UK Sustainable and Responsible Investment Equity Fund on 3 March 2023. abrdn Europe ex UK Growth Equity Fund is no longer open to investors, having merged into abrdn Europe ex UK Equity Fund on 3 March 2023. abrdn Asian Pacific Growth Equity Fund is no longer open to investors, having merged into abrdn Asia Pacific Equity Fund on 12 May 2023. abrdn Emerging Markets Opportunities Equity Fund is no longer open to investors, having merged into abrdn Emerging Markets Equity Fund on 12 May 2023. abrdn UK High Income Equity Fund is no longer open to investors, having merged into abrdn UK Income Equity Fund in abrdn OEIC I on 27 October 2023. Subsequent to the year end, the ACD closed the abrdn American Income Equity Fund on 14 May 2024.

It is the intention of the ACD to merge the abrdn Global Focused Equity Fund and abrdn Investment Grade Corporate Bond Fund in the second half of the year.

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.

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

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

Developments and Prospectus Updates Since 1 March 2023

- On 3 March 2023, the abrdn UK Growth Equity Fund (OEIC II) and abrdn UK High Alpha Equity Fund (OEIC II) merged into the abrdn UK Sustainable and Responsible Investment Equity Fund (OEIC I).

Report of the Authorised Corporate Director

Continued

- On 3 March 2023, the abrdn Europe ex UK Growth Equity Fund (OEIC II) merged into the abrdn Europe ex UK Equity Fund (OEIC I).
- On 3 March 2023, the abrdn European High Yield Bond Fund (OEIC I) merged into the abrdn High Yield Bond Fund (OEIC II).
- On 3 March 2023, the abrdn High Yield Bond Fund Z Acc was launched.
- On 7 March 2023, Mr. Neil Machray was appointed as a director of abrdn Fund Managers Limited.
- On 28 March 2023, the abrdn Sterling Corporate Bond Fund Z Inc was launched.
- On 12 April 2023, the abrdn UK High Income Equity Fund Institutional A Inc was closed.
- On 12 May 2023, abrdn Asian Pacific Growth Equity Fund (OEIC II) and abrdn Asia Pacific and Japan Equity Fund (OEIC I) merged into abrdn Asia Pacific Equity Fund (OEIC I).
- On 12 May 2023, abrdn (AAM) Sterling Government Bond Fund (OEIC I) merged into abrdn UK Government Bond Fund (OEIC II).
- On 12 May 2023, abrdn Emerging Markets Opportunities Equity Fund (OEIC II) merged into abrdn Emerging Markets Equity Fund (OEIC I).
- On 12 May 2023, the abrdn UK Government Bond Fund Z Acc was launched.
- On 22 May 2023, the abrdn American Unconstrained Equity Fund (the "Fund") changed its investment objective and policy to better reflect the new investment strategy. Consequently, the fund has also changed its name to abrdn North American Small & Mid Cap Equity Fund, as well as its Benchmark and the Performance Target from S&P 500 Index plus 3% per annum over a rolling three-year period before charges to Russell 2500 Index plus 3% over a rolling five-year period before charges.
- On 22 May 2023, the abrdn Global Balanced Growth Fund (the "Fund") has replaced its Performance Target referencing the Investment Association's Mixed Investment 40-85% Shares Sector average return ("Existing Benchmark") to a Benchmark with a basket of indices representative of 70% global equities, 25% global bonds and 5% money markets, as detailed in the updated Investment Objective of the fund. The Existing Benchmark has been retained as a Performance Comparator. The change has been made to better reflect alignment with the fund's management process and reflect the global nature of the investment universe available to the Fund. In addition, the Investment Policy of the fund has also been updated to improve transparency around the types of assets the fund is permitted to hold.
- On 21 June 2023, the abrdn UK High Income Equity Fund Institutional S Acc and Institutional S Inc closed.
- On 23 June 2023, the abrdn UK Smaller Companies Fund Z Acc was launched.
- On 23 June 2023, the abrdn (AAM) UK Smaller Companies Fund (OEIC I) merged into the abrdn UK Smaller Companies Fund (OEIC II).
- On 31 July 2023, the abrdn Europe ex UK Smaller Companies Fund updated the Investment Objective and Policy ("IOP") to reflect a change in Performance benchmark from EMIX Smaller European Companies ex UK Index to MSCI Europe ex UK Small Cap Index.
- On 6 September 2023, the abrdn Global Income Equity Fund changed name to abrdn Global Infrastructure Equity Fund and changed its investment objective and policy to better reflect the new investment strategy. Consequently, the fund has also changed its Benchmark and the Performance Target from MSCI AC World Index over a rolling five year period (before charges) to S&P Global Infrastructure Net Total Return Index over a rolling five year period (after charges). All details were communicated to investors regarding the changes.
- On 6 September 2023, the Investment Manager of abrdn Global Infrastructure Equity Fund, appointed abrdn Inc as discretionary investment manager of such of the Funds' cash, securities, and other assets as it may place under abrdn Inc's management (the "Portfolios").
- On 13 September 2023, abrdn Investment Grade Corporate Bond Fund Inst S Acc shareclass closed.
- On 30 September 2023, Mr. Neil Machray resigned as a director of abrdn Fund Managers Limited.
- On 27 October 2023, the abrdn UK High Income Equity Fund (OEIC II) merged into abrdn UK Income Equity Fund (OEIC I).
- On 27 October 2023, abrdn Multi-Asset Fund (OEIC I) merged into abrdn Global Balanced Growth Fund (OEIC II).
- On 23 November 2023, Mrs. Denise Thomas resigned as a director of abrdn Fund Managers Limited.
- On 21 December 2023, the abrdn UK Ethical Equity Fund Institutional A Acc was closed.
- On 21 December 2023, the benchmarks for abrdn Sterling Corporate Bond Fund, abrdn Global Balanced Growth Fund, abrdn High Yield Bond Fund, abrdn Investment Grade Corporate Bond Fund and abrdn

Report of the Authorised Corporate Director

Continued

UK Smaller Companies Fund were updated to reflect a rebrand by the benchmark provider. These changes neither alter the constituents of the benchmark, nor do they impact the relevant fund's risk profile.

- On 21 December 2023, the Global exposure sum of notionals figure was updated.
- 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 (unaudited)

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

Climate-related Financial Disclosures (unaudited)

The recommendations by the Taskforce for Climate-related Financial Disclosures (TCFD) – initiated by the Financial Stability Board in 2015 and adopted in 2017 – provide organisations with a consistent framework for disclosing financial impacts of climate-related risks and opportunities. The disclosure in line with TCFD recommendations enables external stakeholders to gain a better understanding of the climate-related risks and opportunities (including how they are managed) that are likely to impact the organisation's future financial position as reflected in its income statement, cash flow statement, and balance sheet. The TCFD has developed 11 recommendations which are structured around four thematic areas, notably governance, strategy, risk management and metrics and target. In Policy Statement 21/24 the Financial Conduct Authority (FCA) have created a regulatory framework for asset managers, life insurers and FCA-regulated pension providers to make climate-related disclosures consistent with the recommendations of the TCFD. As a result of the disclosure requirements abrdn OEIC II is required to perform a detailed annual assessment, determining financial impacts of climate-related risks and opportunities. The resulting findings are published at **Fund literature | abrdn**.

Cross Holding Table as at 29 February 2024

		Holding Fund					
		abrdn Emerging Markets Income Equity Fund		abrdn UK Government Bond Fund		abrdn Investment Grade Corporate Bond Fund	
		Number of Shares	Market Value £'000	Number of Shares	Market Value £'000	Number of Shares	Market Value £'000
Investor Fund	abrdn Global Balanced Growth Fund	9,776,308	11,135	5,735,497	5,101	6,070,213	5,523

No other such cross-holdings, between other funds in abrdn OEIC II, were held as at 29 February 2024.

Cross Holding Table as at 28 February 2023

There were no cross holdings between funds in abrdn OEIC II as at 28 February 2023.

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, 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
24 June 2024

Adam Shanks
Director
24 June 2024

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

24 June 2024

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 29 February 2024 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 29 February 2024 and of the net revenue/net expense and the net capital gains/net capital losses on the property of each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with the Instrument of Incorporation, the Statement of Recommended Practice relating to Authorised Funds, and the COLL Rules.

Basis for opinion

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

Emphasis of matter – non going concern basis of preparation

In respect of abrdn American Income Equity Fund, abrdn Asian Pacific Growth Equity Fund, abrdn Emerging Markets Opportunities Equity Fund, abrdn Europe ex UK Growth Equity Fund, abrdn Global Focused Equity Fund, abrdn Investment Grade Corporate Bond Fund, abrdn UK Growth Equity Fund, abrdn UK High Alpha Equity Fund, abrdn UK High Income Equity 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 American Income Equity Fund, abrdn Asian Pacific Growth Equity Fund, abrdn Emerging Markets Opportunities Equity Fund, abrdn Europe ex UK Growth Equity Fund, abrdn Global Focused Equity Fund, abrdn Investment Grade Corporate Bond Fund, abrdn UK Growth Equity Fund, abrdn UK High Alpha Equity Fund, abrdn UK High Income Equity 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.

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

Continued

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Continued

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.

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

Auditor's responsibilities

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

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

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

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

Wiqas Qaiser
for and on behalf of KPMG LLP, Statutory Auditor

20 Castle Terrace
Edinburgh
EH1 2EG
24 June 2024

Investment Report

1 March 2023 – 29 February 2024

Global Overview

Global stock markets rose strongly both in sterling and local currency terms despite a turbulent 12-month period. After major central banks raised interest rates faster and further than anticipated in 2023, inflationary pressures lessened in many countries over the course of the period. Meanwhile, global economic growth held up better than many investors had anticipated. While 2023 started with strong stock market gains, the collapse of two regional US banks and the forced sale of Credit Suisse to UBS in March that year evoked fears of a banking crisis. After more market volatility in April and May, equities performed strongly over June and July. Despite encouraging inflation data, hawkish rhetoric from central banks continued to weigh on bonds. Both equities and bonds generated negative returns in August, September and October on concerns that interest rates would stay higher for longer. However, equities and bonds then notably recovered towards the end of the 12-month period as reassuring inflation trends led investors to look ahead to the prospect of rate cuts in 2024.

The UK stock market, as represented by the FTSE All-Share Index, advanced in sterling terms over the period. The FTSE 100 Index, home to many so-called defensive multinational companies, lagged those of many overseas markets while slightly outperforming the domestically focused FTSE 250 Index. Although smaller UK companies were held back for much of 2023 by heightened economic uncertainty, they performed strongly towards the end of the period given an improving outlook for the domestic economy. The Bank of England (BoE) announced five more interest-rate increases through August 2023, taking its base rate from 3.50% at the start of 2023 to 5.25% by the end of it. As a result, UK annual consumer inflation continued to trend downwards over the period. However, it remained above the BoE's 2% target in part due to elevated food prices. UK annual core inflation in January 2024 stayed flat month on month, coming in at a lower-than-expected 5.1%. In the final quarter of 2023. UK gross domestic product (GDP) declined by 0.3% compared with the third quarter, when it fell by 0.1%. Meanwhile, the yield on 10-year Gilts declined from around 3.9% to around 3.6%.

US share prices, as measured by the broad S&P 500 Index, rose strongly in sterling terms and by even more in US dollar terms over the 12-month period, showing resilience despite the turmoil in the banking sector in March 2023. Technology stocks particularly enjoyed impressive gains fuelled by the continued growth of artificial intelligence (AI) and other innovative sectors. NVIDIA, Microsoft and Alphabet were among the stocks that enjoyed strong advances due to generative AI optimism. Investor concerns that interest rates could stay higher for longer led to stocks notably weakening in August, September and October. However, equities rebounded towards the end of the period as these fears eased due to encouraging inflation trends. A sustained fall in annual inflation meant that the US Federal Reserve (Fed) only raised rates by 25 basis points (bps) at both its March and May meetings in 2023, ending the trend with a final 25 bps increase in July. This move took the target range for the fed funds rate to 5.25-5.50%, the highest level since 2001. The US labour market remained resilient, with the unemployment rate holding below 4% throughout the period. Meanwhile, the 10-year Treasury yield also remained relatively stable at around 4%.

Continental Europe's stock markets, as measured by the FTSE World Europe ex UK Index, rose over the 12-month period both in sterling and in euro terms. Following a period of surging inflation, higher interest rates and the continued effects of the Russia-Ukraine war through 2022 and early 2023, investor sentiment in the region improved at the start of the period due to declining annual inflation and an unexpectedly resilient European economy, with continued low unemployment. As a result, European equities performed well until the summer of 2023, then weakening over August, September and October on concerns about further monetary tightening and slowing economic growth. However, those fears then eased, leading to a notable rebound in equities towards the end of the period. Equities in Germany and France were particularly strong, hitting new highs in February 2024. Meanwhile, the European Central Bank (ECB) continued to raise interest rates over the course of 2023 against a benchmark inflation target rate of 2%. The ECB's 25 bps increase in September, the sixth hike of the year, took the base rate to 4.50%. Against this backdrop, annual inflation declined from 2.8% in January 2024 to 2.6% in February. Meanwhile, eurozone GDP remained flat in the fourth quarter of 2023. This was after a 0.1% fall in output in the previous quarter, meaning that a technical recession was narrowly avoided. Elsewhere, the yield on 10-year German Bunds ended the 12-month review period slightly above 2.0%.

The Japanese stock market, as measured by the TOPIX Index, recorded a strong double-digit gain in yen terms over the 12-month period; it increased more modestly in sterling terms due to the depreciation of the yen. The rally in equities was broad-based as Japanese shares benefitted from improving corporate governance and shareholder returns. Annual core inflation declined, dropping from 3.1% in August to 2.6% in December, yet remaining above the Bank of Japan's (BoJ's) 2% target. Throughout the period, the BoJ maintained its key short-term interest rate at -0.1% and the 10-year government bond yield target at around 0%, with minor adjustments to

its yield-curve control policy. Solid company results and an increased focus by Japanese companies on shareholder returns helped share prices climb higher over the period. However, the Japanese economy unexpectedly shrank by 0.1% in the fourth quarter of 2023, having contracted by 0.8% over the previous three months, meaning that there was a technical recession. This was due to weak domestic consumption, although there was a positive contribution from net trade.

Stock markets in the Asia Pacific (excluding Japan) region declined over the 12-month period in sterling terms but fell by less in local-currency terms. Share prices in China had risen sharply from the end of 2022 through to January 2023, helped by the reopening of the Chinese economy. However, from April onwards, Chinese share prices began to relinquish their post-reopening gains due to concerns over slowing economic growth, driven in particular by the highly-indebted property sector and a strong US dollar. Chinese equities continued to weaken, and fell sharply in January 2024, following disappointing fourth-quarter economic growth data and the central bank's decision to maintain key lending rates despite various stimulus measures aimed at boosting investor sentiment. Yet in February 2024, markets in China recovered, boosted by encouraging post-Lunar New Year spending and travel data, a cut to the mortgage-rate benchmark, and signs that China's state-backed funds were buying key A-share exchange-traded funds to support the equity market. Elsewhere in the region, the Taiwanese and South Korean stock markets both recorded strong gains over the 12-month period, helped by their relatively high weightings to the technology sector. Share prices of semiconductor giants like Taiwan Semiconductor Manufacturing Co (TSMC) in Taiwan and Samsung Electronics in South Korea were buoyed by strong global chip demand and optimism around AI. Meanwhile, Indian equities outperformed on the back of robust macroeconomic data, unchanged benchmark rates and growth initiatives outlined in the government's 2024-25 Interim Budget. In February 2024, Indian equities hit fresh new highs following robust corporate earnings, rise in domestic investor participation and inflows from foreign institutional investors, coupled more recently with moderating inflation levels.

In fixed income, global government bonds mostly recorded gains in local-currency terms, but performance was more mixed in sterling terms. After years of record-low interest rates, many central banks significantly raised rates in an effort to contain inflation. Initially, interest rate hikes caused yields to climb in the US, Germany, and Japan. Yet UK Gilts remained flat due to slowing growth and easing core inflation. Later in the period, central banks paused hikes as inflation subsided, but maintained a watchful stance due to persistently high core inflation. As a result, yields in the US, Germany, and the UK notably fell in the latter part of the review period, while those in Japan saw minor declines. Corporate bonds had a solid performance over the 12-month period. Against a backdrop of sharply rising interest rates, they had a subdued start. But spreads tightened and later strengthened, especially in the US, as risk appetite improved and recession fears eased with reduced inflation. High-yield (HY) bonds outperformed on their income and improving issuer outlook, while investment-grade (IG) bonds benefited from longer durations. In aggregate, IG bonds underperformed riskier HY bonds.

Outlook

Global markets are currently navigating a complex landscape. Unpredictable economic factors, geopolitical tensions as well as mixed inflation and growth signals create a challenging environment for both equity and bond markets. Yet, there is optimism for a soft landing, meaning a slowdown in economic growth without a technical recession, particularly in the US, as the interest rate tightening cycle concludes.

Investors are increasingly focused on the potential for central bank interest rate cuts later this year. Stock markets worldwide are likely to remain volatile as we approach the end of the rate tightening cycle, with the full impact of higher borrowing costs still uncertain. We anticipate a shift towards rate cuts by developed market central banks in the second quarter of 2024, potentially leading to lower bond yields. As a result, our focus lies on capital preservation for equities and the value proposition of government bonds in anticipation of future interest rate cuts. In addition, careful sector and security selection remains crucial within the corporate bond market.

March 2024

Sustainability Standards Group Report (unaudited)

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.

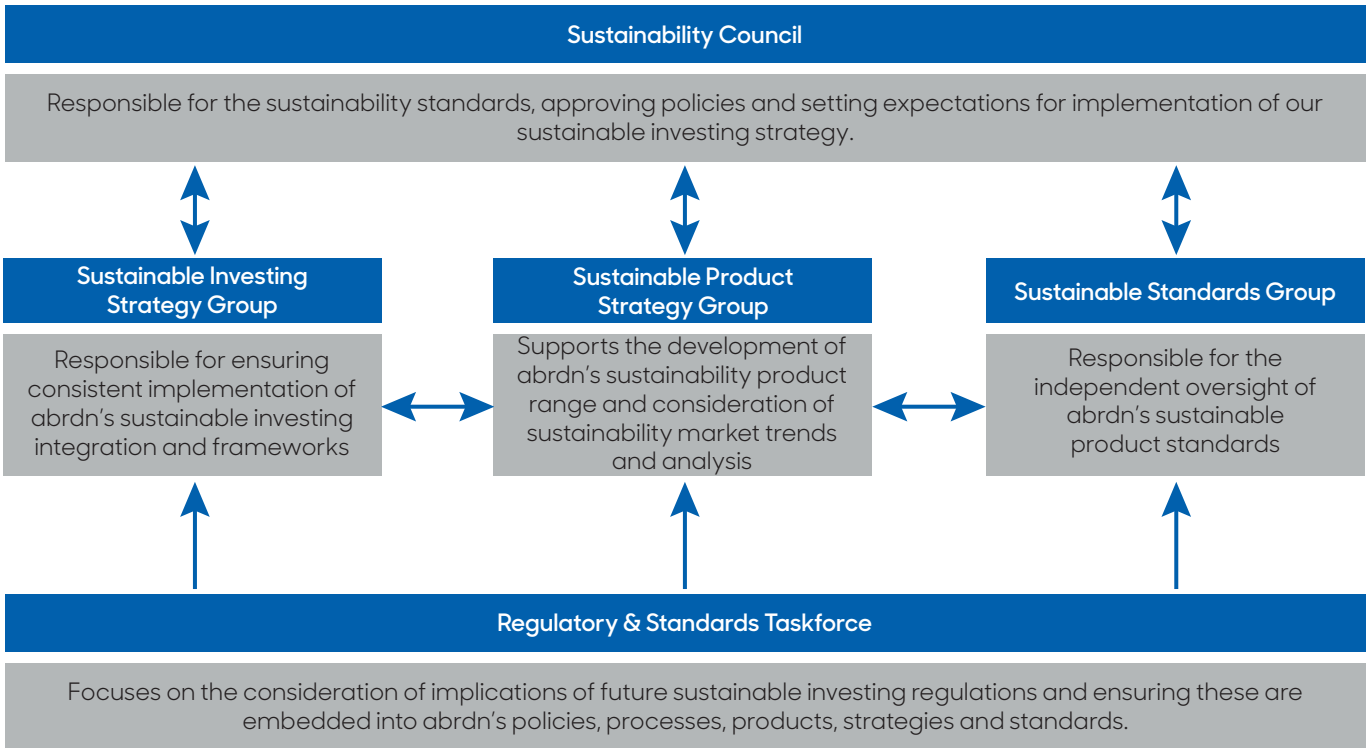
At the final meeting of the Ethical Funds Advisory Group it was agreed to move the oversight and application of the ethical criteria to abrdn's recently formed Sustainability Standards Group. This Group oversees the criteria and application of sustainability standards across all of abrdn's sustainable 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 (unaudited)

Continued

Ethical Investor Survey 2023

The overall objective of the 2023 survey was to update on client attitudes and perceptions to ethical investing to inform the development of the abrdn ethical investing approach. We asked for feedback on the importance of areas for consideration, as well as opinions on current issues that could affect the investment approach. The survey was sent to 6,813 investors* and received a 5.5% response rate.

Key Findings:

- Environmental factors continue to dominate in terms of investor importance.
- Environmental degradation, companies linked to deforestation, and companies that significantly contribute to climate change rated as the top three most important factors.
- Human rights' issues continue to rate highly for investors and rated joint third in importance from investors.
- Ethical issues for gaming companies received less interest than previous years but remains a concern for investors.

*Investors surveyed in 2023 are Phoenix (95%) and abrdn (5%) customers.

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 Record - abrdn UK Ethical Equity Fund

abrdn votes on all holdings held in the funds except where for practical reasons, such as share-blocking, it is not appropriate to do so. For the annual period between 1 March 2023 to 29 February 2024, we voted at 63 company meetings and a total of 1,188 proposals on behalf of the abrdn UK Ethical Equity Fund.

We voted against the approval of the remuneration report at Instem as we were concerned by the large salary increases granted to the CEO and the CFO. The company did not disclose the STI or LTI maximum award limits, and the vesting of LTI awards is subject to continued employment rather than the achievement of performance hurdles.

We opposed RS Group's remuneration policy at the company's 2022 AGM as we were not supportive of the introduction of an additional LTI worth 750 percent of salary. As awards under this plan were granted after the AGM, a vote against the remuneration report in 2023 was considered appropriate.

Following a consultation in 2022 we voted against SSE's revised remuneration policy and Performance Share Plan. We were not supportive of the increase in PSP grant from 200 percent to 250 percent of salary. We were of the view that this was not appropriate in the context of the developing cost of living crisis. Awards were granted at the new maximum during the year, and as we remain of the view that awards should not have been increased, we voted against the remuneration report in 2023.

We also abstained on the approval of a Net Zero Transition Report at the SSE AGM. While we welcome the intention to increase climate-related transparency and accountability, we have reservations about the implications of Say on Climate votes. We are of the view that presenting climate strategy as a standalone voting item risks diminishing both the integration of climate in strategy and the direct responsibility and accountability of the board and individual directors. Should this resolution be approved, it may limit the scope for subsequent challenge. We believe that the most effective means for abrdn to encourage high-quality climate disclosure is through a combination of targeted engagement and voting on conventional resolutions, focussed on our highest financed emitters and companies we identify as climate laggards.

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**, under **Fund Centre**.

For any additional information, please write to Dan Grandage, Head of Sustainable Investing, abrdn, 280 Bishopsgate, London EC2M 4AG.

Dan Grandage

Chair abrdn's Sustainability Standards Group
15th March 2024

Notes to the Financial Statements of abrdn OEIC II

For the year ended 29 February 2024

1 Accounting Policies for all Funds

a. Basis of preparation

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

For all funds apart from abrdn American Income Equity Fund, abrdn Asian Pacific Growth Equity Fund, abrdn Emerging Markets Opportunities Equity Fund, abrdn Europe ex UK Growth Equity Fund, abrdn Global Focused Equity Fund, abrdn Investment Grade Corporate Bond Fund, abrdn UK Growth Equity Fund, abrdn UK High Alpha Equity Fund, abrdn UK High Income Equity 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. abrdn UK Growth Equity Fund is no longer open to investors, having merged into abrdn UK Sustainable and Responsible Investment Equity Fund on 3 March 2023. abrdn UK High Alpha Equity Fund is no longer open to investors, having merged into abrdn UK Sustainable and Responsible Investment Equity Fund on 3 March 2023. abrdn Europe ex UK Growth Equity Fund is no longer open to investors, having merged into abrdn Europe ex UK Equity Fund on 3 March 2023. abrdn Asian Pacific Growth Equity Fund is no longer open to investors, having merged into abrdn Asia Pacific Equity Fund on 12 May 2023. abrdn Emerging Markets Opportunities Equity Fund is no longer open to investors, having merged into abrdn Emerging Markets Equity Fund on 12 May 2023. abrdn UK High Income Equity Fund is no longer open to investors, having merged into abrdn UK Income Equity Fund on 27 October 2023.

Subsequent to the year end, the ACD closed the abrdn American Income Equity Fund on 14 May 2024. It is the intention of the ACD to merge the abrdn Global Focused Equity Fund and abrdn Investment Grade Corporate Bond Fund in the second half of the year.

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 were also not prepared on a going concern basis.

For the funds not prepared on a going concern basis, no adjustments were required to the financial statements to adjust assets or liabilities to their realisable values or to provide for liabilities arising from the decision to terminate the funds. No liabilities have been recorded for costs of the terminations as the intention is that the 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 29 February 2024. The SORP defines fair value as the market value of each security, in an active market, this is generally the quoted bid price.

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

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.

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.

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 abrdn policy collateral or margin must be exchanged to limit the exposure to investors should an agreement fail. Collateral is exchanged at an agreement level on a net basis following abrdn policy at a counterparty level within a fund. Collateral is monitored and where required exchanged daily, Collateral is bilateral in nature exchanged between the two counterparties in a transaction. Margin is similar to collateral limiting the risk for investors. The main difference is the exchange of initial margin, required before a contract is opened. Once opened the exchange of variation margin is monitored and where required exchanged daily. Both collateral and margin do not affect the valuation of the asset they are protecting or the fund unless re-hypothecated (used to buy) into another investment asset. All funds do not re-hypothecate but may use liquidity collective investments to manage cash effectively.

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.

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.

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 29 February 2024

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 3.69%. (Source: FactSet, Institutional Accumulation, net of fees). This compared to a return of 4.37% 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 interest-rate positioning and, to a lesser extent, credit decisions positively contributed to relative performance. Sector allocation was beneficial; the main positives were consumer cyclical and collateralised bonds, whereas consumer non-cyclical and other financials

lagged. Security selection had a neutral effect; the largest positives were consumer non-cyclical and government-related bonds, with consumer cyclical and collateralised bonds lagging. By credit rating, AAA-rated bonds positively contributed, but there was a minor negative effect from AA-rated bonds. By issuer, the largest contributors were Wellcome Trust, European Investment Bank, Johnson & Johnson and British Land. The main detractors were the Government of Canada, BPCE, the Federal National Mortgage Association and the Government of Sweden.

Market Review

Corporate bonds had a solid performance over the 12-month period.

Turbulence in the global banking sector in March 2023 caused credit spreads – the yield premium received by investors in return for the typically greater risk of lending to companies rather than governments – to widen to levels last seen in the autumn of 2022. This was largely driven by the collapse of Credit Suisse and concerns around regional banks in the US. However, the negative effect of wider credit spreads was offset by lower government bond yields amid a flight to safety. Nonetheless, a backdrop of sharply rising interest rates, stubbornly high annual inflation and a worsening economic outlook meant that challenging market conditions persisted over April and May.

Calm then returned to corporate bond markets over the next few months. Spreads tightened on growing expectations that global inflation pressures may be peaking. This fuelled investors' hopes that the current cycle of interest-rate rises could be nearing its end and helped corporate bonds to perform better as investors' appetite for riskier assets started to return. As a result, corporate bond markets exhibited strong performance towards the end of the period, with spreads ending significantly lower than where they were before the volatility seen in March 2023. Underlying UK government bond yields also fell, and this, coupled with tightening credit spreads, produced strong total returns from the asset class.

The Bank of England (BoE) announced a further four interest-rate increases over the period, taking its base rate from 3.50% at the start of 2023 to 5.25% by the end of it. Following the 50-basis-point (bp) hike in February, the BoE increased its base rate by a further 25 bps in both March and May, by 50 bps in June and then by 25 bps in August. As a result, UK annual consumer inflation continued to trend downwards over the period. However, it has still remained above the BoE's 2% target, as well as the rates recorded in both the US and eurozone, in part due to elevated food prices. UK annual core inflation in January 2024 stayed flat month on month, coming in at a lower-than-expected 5.1%.

Portfolio Activity and Review

We continued switching out of AAA-rated corporates into supranationals, such as the European Investment Bank and KfW. In the primary market, we bought attractive new supranational bonds, including the 2025 bonds of CPP Investments, the Asian Development Bank and the 2031 bonds of KfW. The fund deployed cash balances which had built up into attractive new deals from US issuers Ford Motors and MetLife, as well as topping up bank exposure via senior non-preferred issues from Société Générale and Crédit Agricole. We closed our position in Sweden's Kommuninvest. In addition, the fund took profits in holdings which had performed well, including FirstGroup 2024s, CaixaBank Additional Tier-1 bonds and BPCE Tier 2 bonds.

Portfolio Outlook and Strategy

While the fundamental backdrop for 2024 remains uncertain, investment-grade credit continues to attract interest. Credit spreads are approaching tight levels on a historic basis. However, at this stage of the cycle, where we are close to renewed economic growth and lower interest rates, that is normal. We expect policy rates to fall in the UK this year, providing comfort to bond buyers. For the time being, the two worst potential scenarios for bonds – reflation (and no rate cuts) or a hard landing (which would be bad for credit markets) – appear to be off the table. We expect heightened yield volatility as we transition to a lower inflation environment and subsequent rate cuts. Sector and security selection remain key at current valuations.

Sterling IG Aggregate Team

March 2024

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. The risk and reward indicator changed from 3 to 4 on 6 October 2023.

Typically lower rewards, lower risk — **Typically higher rewards, higher risk**

Risk and reward indicator table as at 29 February 2024.

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

- Credit Risk – The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- Interest Rate Risk – The fund invests in securities which can be subject to price fluctuation for a variety of reasons including changes in interest rates or inflation expectations.
- ABS/MBS Risk – Asset and mortgage backed securities are subject to prepayment and extension risk and additional liquidity and default risk compared to other credit securities.
- Derivatives Risk – The use of derivatives may involve additional liquidity, credit and counterparty risks and may lead to substantial loss and increased volatility in adverse market conditions. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

Comparative Tables

Retail accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	86.90	96.09	99.42
Return before operating charges*	3.96	(8.28)	(2.32)
Operating charges	(0.89)	(0.91)	(1.01)
Return after operating charges*	3.07	(9.19)	(3.33)
Distributions	(1.60)	(1.19)	(0.94)
Retained distributions on accumulation shares	1.60	1.19	0.94
Closing net asset value per share	89.97	86.90	96.09
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	3.53%	(9.56%)	(3.35%)
Other information			
Closing net asset value (£'000)	4,402	4,937	6,670
Closing number of shares	4,892,437	5,681,365	6,941,136
Operating charges	1.02%	1.01%	1.02%
Direct transaction costs	-	-	-
Prices			
Highest share price	91.47	97.17	101.3
Lowest share price	84.27	82.67	95.45

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

Comparative Tables

Continued

Retail income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	48.88	54.78	57.22
Return before operating charges*	2.21	(4.70)	(1.32)
Operating charges	(0.50)	(0.52)	(0.58)
Return after operating charges*	1.71	(5.22)	(1.90)
Distributions	(0.89)	(0.68)	(0.54)
Closing net asset value per share	49.70	48.88	54.78
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	3.50%	(9.53%)	(3.32%)
Other information			
Closing net asset value (£'000)	1,085	1,273	1,901
Closing number of shares	2,184,162	2,604,583	3,470,619
Operating charges	1.02%	1.01%	1.02%
Direct transaction costs	-	-	-
Prices			
Highest share price	50.79	55.40	58.15
Lowest share price	47.22	46.80	54.56

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

Institutional accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	95.56	105.22	108.41
Return before operating charges*	4.37	(9.08)	(2.54)
Operating charges	(0.58)	(0.58)	(0.65)
Return after operating charges*	3.79	(9.66)	(3.19)
Distributions	(2.17)	(1.72)	(1.46)
Retained distributions on accumulation shares	2.17	1.72	1.46
Closing net asset value per share	99.35	95.56	105.22
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	3.97%	(9.18%)	(2.94%)
Other information			
Closing net asset value (£'000)	5,574	5,819	4,941
Closing number of shares	5,609,966	6,089,474	4,695,447
Operating charges	0.60%	0.59%	0.60%
Direct transaction costs	-	-	-
Prices			
Highest share price	100.9	106.4	110.6
Lowest share price	92.79	90.76	104.5

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

Comparative Tables

Continued

Institutional income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	49.21	55.15	57.60
Return before operating charges*	2.22	(4.74)	(1.32)
Operating charges	(0.29)	(0.30)	(0.35)
Return after operating charges*	1.93	(5.04)	(1.67)
Distributions	(1.11)	(0.90)	(0.78)
Closing net asset value per share	50.03	49.21	55.15
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	3.92%	(9.14%)	(2.90%)
Other information			
Closing net asset value (£'000)	2,138	2,489	2,240
Closing number of shares	4,272,799	5,057,996	4,062,331
Operating charges	0.60%	0.59%	0.60%
Direct transaction costs	-	-	-
Prices			
Highest share price	51.15	55.77	58.58
Lowest share price	47.55	47.14	54.98

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 S accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	51.19	56.24	57.81
Return before operating charges*	2.34	(4.85)	(1.35)
Operating charges	(0.19)	(0.20)	(0.22)
Return after operating charges*	2.15	(5.05)	(1.57)
Distributions	(1.28)	(1.04)	(0.93)
Retained distributions on accumulation shares	1.28	1.04	0.93
Closing net asset value per share	53.34	51.19	56.24
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	4.20%	(8.98%)	(2.72%)
Other information			
Closing net asset value (£'000)	249	1,584	2,632
Closing number of shares	466,780	3,095,090	4,679,770
Operating charges	0.38%	0.37%	0.38%
Direct transaction costs	-	-	-
Prices			
Highest share price	54.17	56.87	59.06
Lowest share price	49.75	48.57	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	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	44.61	50.00	52.21
Return before operating charges*	2.02	(4.30)	(1.20)
Operating charges	(0.17)	(0.17)	(0.20)
Return after operating charges*	1.85	(4.47)	(1.40)
Distributions	(1.10)	(0.92)	(0.81)
Closing net asset value per share	45.36	44.61	50.00
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	4.15%	(8.94%)	(2.68%)
Other information			
Closing net asset value (£'000)	55,861	106,879	120,992
Closing number of shares	123,161,783	239,563,006	241,986,214
Operating charges	0.38%	0.37%	0.38%
Direct transaction costs	-	-	-
Prices			
Highest share price	46.38	50.56	53.12
Lowest share price	43.12	42.75	49.86

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

Comparative Tables

Continued

Retail CAT accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	87.75	97.01	100.35
Return before operating charges*	4.00	(8.35)	(2.34)
Operating charges	(0.89)	(0.91)	(1.00)
Return after operating charges*	3.11	(9.26)	(3.34)
Distributions	(1.63)	(1.22)	(0.98)
Retained distributions on accumulation shares	1.63	1.22	0.98
Closing net asset value per share	90.86	87.75	97.01
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	3.54%	(9.55%)	(3.33%)
Other information			
Closing net asset value (£'000)	16,527	17,565	21,599
Closing number of shares	18,189,050	20,017,038	22,264,555
Operating charges	1.00%	1.00%	1.00%
Direct transaction costs	-	-	-
Prices			
Highest share price	92.37	98.10	102.2
Lowest share price	85.09	83.47	96.36

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

Retail CAT income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	49.21	55.15	57.59
Return before operating charges*	2.22	(4.74)	(1.32)
Operating charges	(0.49)	(0.51)	(0.57)
Return after operating charges*	1.73	(5.25)	(1.89)
Distributions	(0.91)	(0.69)	(0.55)
Closing net asset value per share	50.03	49.21	55.15
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	3.52%	(9.52%)	(3.28%)
Other information			
Closing net asset value (£'000)	2,875	3,141	3,903
Closing number of shares	5,747,759	6,382,137	7,077,274
Operating charges	1.00%	1.00%	1.00%
Direct transaction costs	-	-	-
Prices			
Highest share price	51.13	55.77	58.53
Lowest share price	47.53	47.11	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

Institutional regulated accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	70.42	77.38	79.57
Return before operating charges*	3.22	(6.67)	(1.87)
Operating charges	(0.28)	(0.29)	(0.32)
Return after operating charges*	2.94	(6.96)	(2.19)
Distributions	(1.74)	(1.42)	(1.24)
Retained distributions on accumulation shares	1.74	1.42	1.24
Closing net asset value per share	73.36	70.42	77.38
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	4.17%	(8.99%)	(2.75%)
Other information			
Closing net asset value (£'000)	2,592	3,041	5,088
Closing number of shares	3,532,761	4,317,931	6,574,347
Operating charges	0.40%	0.39%	0.40%
Direct transaction costs	-	-	-
Prices			
Highest share price	74.51	78.26	81.28
Lowest share price	68.43	66.83	76.85

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

Platform 1 accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	56.32	62.05	63.96
Return before operating charges*	2.58	(5.36)	(1.49)
Operating charges	(0.37)	(0.37)	(0.42)
Return after operating charges*	2.21	(5.73)	(1.91)
Distributions	(1.25)	(0.99)	(0.87)
Retained distributions on accumulation shares	1.25	0.99	0.87
Closing net asset value per share	58.53	56.32	62.05
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	3.92%	(9.23%)	(2.99%)
Other information			
Closing net asset value (£'000)	2,891	3,169	4,870
Closing number of shares	4,938,780	5,626,137	7,849,006
Operating charges	0.65%	0.64%	0.65%
Direct transaction costs	-	-	-
Prices			
Highest share price	59.47	62.75	65.26
Lowest share price	54.69	53.51	61.63

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

Platform 1 income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	46.57	52.19	54.53
Return before operating charges*	2.11	(4.48)	(1.27)
Operating charges	(0.30)	(0.31)	(0.35)
Return after operating charges*	1.81	(4.79)	(1.62)
Distributions	(1.03)	(0.83)	(0.72)
Closing net asset value per share	47.35	46.57	52.19
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	3.89%	(9.18%)	(2.97%)
Other information			
Closing net asset value (£'000)	1,257	1,507	2,083
Closing number of shares	2,654,579	3,234,581	3,991,564
Operating charges	0.65%	0.64%	0.65%
Direct transaction costs	-	-	-
Prices			
Highest share price	48.41	52.78	55.45
Lowest share price	45.00	44.61	52.02

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

ZC accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	71.62	78.47	80.44
Return before operating charges*	3.28	(6.78)	(1.89)
Operating charges	(0.07)	(0.07)	(0.08)
Return after operating charges*	3.21	(6.85)	(1.97)
Distributions	(1.99)	(1.66)	(1.44)
Retained distributions on accumulation shares	1.99	1.66	1.44
Closing net asset value per share	74.83	71.62	78.47
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	4.48%	(8.73%)	(2.45%)
Other information			
Closing net asset value (£'000)	42	42	50
Closing number of shares	56,398	59,011	63,693
Operating charges	0.10%	0.09%	0.10%
Direct transaction costs	-	-	-
Prices			
Highest share price	75.96	79.35	82.27
Lowest share price	69.67	67.89	77.92

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

ZA income[A]	2022 pence per share
Change in net assets per share	
Opening net asset value per share	53.45
Return before operating charges*	(0.03)
Operating charges	(0.01)
Return after operating charges*	(0.04)
Distributions	(0.93)
Redemption value as at 7 January 2022	(52.48)
Closing net asset value per share	-
* after direct transaction costs of:	-
Performance	
Return after charges	(0.07%)
Other information	
Closing net asset value (£'000)	-
Closing number of shares	-
Operating charges	0.02%
Direct transaction costs	-
Prices	
Highest share price	54.39
Lowest share price	52.47

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.
The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.
Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.
Highest and Lowest prices are based on official published daily NAVs.
[A] Standard Life Income closed on 7 January 2022.

Portfolio Statement

As at 29 February 2024

Holding	Investment	Market value £'000	Percentage of total net assets
Bonds (97.63%)		**92,876**	**97.26**
Euro Denominated Bonds (1.51%)		**2,283**	**2.39**
Corporate Bonds (0.57%)		**858**	**0.90**
less than 5 years to maturity			
1,000,000	Microsoft 3.125% 2028	858	0.90
Government Bonds (0.94%)		**1,425**	**1.49**
less than 5 years to maturity			
1,800,000	Temasek Financial I 1.5% 2028	1,425	1.49
Sterling Denominated Bonds (91.77%)		**87,469**	**91.60**
Corporate Bonds (35.51%)		**38,742**	**40.57**
less than 5 years to maturity			
3,070,000	Asian Infrastructure Investment Bank 4.375% 2026	3,041	3.18
2,320,000	Cie de Financement Foncier 5.5% 2027	2,329	2.44
2,500,000	Commonwealth Bank of Australia 3% 2026	2,380	2.49
1,139,000	CPPIB Capital 4.375% 2026	1,128	1.18
1,500,000	KFW 4.125% 2026	1,485	1.55
1,700,000	KFW 6% 2028	1,818	1.90
2,000,000	Landwirtschaftliche Rentenbank 1.375% 2025	1,897	1.99
1,174,000	Lloyds Bank 4.875% 2027	1,174	1.23
2,000,000	Lloyds Bank 5.125% 2025	1,994	2.09
1,000,000	Lloyds Bank 6% 2029	1,055	1.10
900,000	Muenchener Hypothekenbank 0.5% 2024	866	0.91
2,000,000	National Australia Bank 3% 2026	1,903	1.99
2,500,000	Nationwide Building Society 5.625% 2026	2,523	2.64
1,015,000	New York Life Global Funding 1.25% 2026	920	0.96
674,000	New York Life Global Funding 4.35% 2025	666	0.70
2,000,000	Santander UK 5.75% 2026	2,021	2.12
between 5 and 10 years to maturity			
2,320,000	Broadgate Financing 4.821% 2033	2,251	2.36
800,000	Broadgate Financing 4.851% 2031	642	0.67
1,595,000	Canary Wharf Finance II 6.455% 2030	101	0.11

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,551,000	Inter-American Development Bank 2.375% 2029	1,405	1.47
1,186,000	Inter-American Development Bank 4% 2029	1,162	1.22
1,125,000	KFW 4.875% 2031	1,167	1.22
350,000	New York Life Global Funding 4.95% 2029	353	0.37
between 10 and 15 years to maturity			
1,900,000	Wellcome Trust Finance 4.625% 2036	1,899	1.99
between 15 and 25 years to maturity			
1,033,000	Temasek Financial I 5.125% 2040	1,065	1.12
greater than 25 years to maturity			
3,030,000	Wellcome Trust 1.5% 2071	1,218	1.28
521,000	Wellcome Trust 2.517% 2118	279	0.29
Government Bonds (56.26%)		**48,727**	**51.03**
less than 5 years to maturity			
1,803,000	Asian Development Bank 1.375% 2025	1,737	1.82
2,885,000	Asian Development Bank 3.875% 2026	2,838	2.97
842,000	Asian Development Bank 3.875% 2027	826	0.87
1,200,000	Asian Development Bank 6.125% 2025	1,218	1.28
2,000,000	Asian Infrastructure Investment Bank 1.125% 2026	1,835	1.92
839,000	Asian Infrastructure Investment Bank 4% 2027	825	0.86
1,672,000	BNG Bank 0.375% 2025	1,542	1.62
2,000,000	BNG Bank 1.625% 2025	1,903	1.99
1,000,000	BNG Bank 4.25% 2029	995	1.04
1,512,000	CPPIB Capital 6% 2025	1,524	1.60
750,000	European Bank for Reconstruction & Development 5.625% 2028	785	0.82
500,000	European Investment Bank 4% 2029	495	0.52
1,200,000	European Investment Bank 6% 2028	1,286	1.35
808,000	Export Development Canada 3.875% 2028	793	0.83
1,149,000	Export Development Canada 4% 2026	1,130	1.18
2,500,000	FMS Wertmanagement 1.375% 2025	2,408	2.52
2,400,000	Inter-American Development Bank 0.5% 2026	2,166	2.27
3,000,000	International Bank for Reconstruction & Development 0.25% 2026	2,706	2.83
802,000	International Bank for Reconstruction & Development 3.875% 2028	787	0.82

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,500,000	International Bank for Reconstruction & Development 4.875% 2028	1,527	1.60
4,000,000	International Finance 0.75% 2027	3,526	3.69
1,180,000	KFW 3.75% 2027	1,153	1.21
698,000	Kommunalbanken 4% 2026	686	0.72
931,000	Kommunekredit 4.25% 2025	919	0.96
2,000,000	Nederlandse Waterschapsbank 0.875% 2026	1,813	1.90
892,000	Nederlandse Waterschapsbank 4.5% 2025	885	0.93
2,000,000	Nordic Investment Bank 3.875% 2026	1,962	2.05
between 5 and 10 years to maturity			
3,500,000	CPPIB Capital 1.125% 2029	2,899	3.04
2,900,000	European Investment Bank 5.625% 2032	3,189	3.34
between 15 and 25 years to maturity			
750,000	European Investment Bank 4.5% 2044	732	0.77
1,000,000	European Investment Bank 5% 2039	1,050	1.10
greater than 25 years to maturity			
600,000	European Investment Bank 4.625% 2054	587	0.61
Swedish Krona Denominated Bonds (0.88%)		**-**	**-**
Government bonds (0.88%)		**-**	**-**
US Dollar Denominated Bonds (3.47%)		**3,124**	**3.27**
Corporate Bonds (3.47%)		**3,124**	**3.27**
less than 5 years to maturity			
1,500,000	New York Life Global Funding 3% 2028	1,104	1.16
between 10 and 15 years to maturity			
2,000,000	Johnson & Johnson 5.95% 2037	1,741	1.82
greater than 25 years to maturity			
540,000	President and Fellows of Harvard College 2.517% 2050	279	0.29

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Collective Investment Schemes (3.30%)		**1,096**	**1.15**
1,096	abrdn Liquidity Fund (Lux) - Sterling Fund Z1 Inc+	1,096	1.15
Derivatives (-1.30%)		**(176)**	**(0.19)**
Forward Currency Contracts (0.02%)		**(19)**	**(0.02)**
	Buy CAD 8,403 Sell GBP 4,900 21/05/2024	-	-
	Buy GBP 5,807 Sell CAD 9,965 21/05/2024	-	-
	Buy GBP 2,334,958 Sell EUR 2,735,713 21/05/2024	(15)	(0.02)
	Buy GBP 3,229,361 Sell USD 4,092,909 21/05/2024	(4)	-
	Buy USD 149,972 Sell GBP 118,122 21/05/2024	-	-
Futures (0.04%)		**33**	**0.03**
23	Long Euro Bond Future 07/03/2024	(28)	(0.03)
(28)	Short Canadian 10 Year Bond Future 19/06/2024	(2)	-
(21)	Short Euro-Bobl Future 07/03/2024	18	0.02
(9)	Short Euro-Buxl 30 Year Future 07/03/2024	52	0.05
(3)	Short Long Gilt Future 26/06/2024	1	-
(11)	Short US 5 Year Note (CBT) Future 28/06/2024	(3)	-
(3)	Short US 10 Year Ultra Future 18/06/2024	(1)	-
(3)	Short US Ultra Bond (CBT) Future 18/06/2024	(4)	(0.01)
Interest Rate Swaps (-1.36%)		**(190)**	**(0.20)**
GBP 4,526,000	Pay floating GBP-SONIA receive fixed 3.692% 13/12/2028	(77)	(0.08)
GBP 2,403,000	Pay floating GBP-SONIA receive fixed 3.777% 07/12/2027	(38)	(0.04)
GBP 9,405,000	Pay floating GBP-SONIA receive fixed 4.272% 15/12/2025	(75)	(0.08)
Total investment assets and liabilities		93,796	98.22
Net other assets		1,697	1.78
Total Net Assets		**95,493**	**100.00**

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities, or are regulated collective investment schemes or are approved derivatives within the meaning of the FCA rules.
The percentage figures in brackets show the comparative holding as at 28 February 2023.
+ Managed by subsidiaries of abrdn plc.

Financial Statements

Statement of Total Return

For the year ended 29 February 2024

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Income:					
Net capital gains/(losses)	1		1,321		(18,221)
Revenue	2	4,233		3,673	
Expenses	3	(691)		(783)	
Interest payable and similar charges	4	(420)		(92)	
Net revenue before taxation		3,122		2,798	
Taxation	5	-		-	
Net revenue after taxation			3,122		2,798
Total return before distributions			**4,443**		**(15,423)**
Distributions	6		(3,122)		(2,798)
Change in net assets attributable to shareholders from investment activities			**1,321**		**(18,221)**

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 29 February 2024

	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Opening net assets attributable to shareholders		**151,446**		**176,969**
Amounts receivable on the issue of shares	27,660		23,060	
Amounts payable on the cancellation of shares	(85,640)		(30,949)	
		(57,980)		(7,889)
Dilution adjustment		47		7
Change in net assets attributable to shareholders from investment activities (see above)		1,321		(18,221)
Retained distribution on accumulation shares		658		580
Unclaimed distributions		1		-
Closing net assets attributable to shareholders		**95,493**		**151,446**

Balance Sheet

As at 29 February 2024

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Assets:					
Fixed assets:					
Investment assets			94,043		153,463
Current assets:					
Debtors	7	2,072		2,514	
Cash and bank balances	8	1,200		2,728	
			3,272		5,242
Total assets			**97,315**		**158,705**
Liabilities:					
Investment liabilities			(247)		(2,576)
Creditors	9	(1,146)		(4,153)	
Distribution payable		(429)		(530)	
			(1,575)		(4,683)
Total liabilities			**(1,822)**		**(7,259)**
Net assets attributable to shareholders			**95,493**		**151,446**

Notes to the Financial Statements

1 Net Capital Gains/(Losses)

	2024 £'000	2023 £'000
Non-derivative securities	130	(21,077)
Derivative contracts	818	4,016
Forward currency contracts	383	(1,155)
Other gains	2	2
Transaction charges	(12)	(7)
Net capital gains/(losses)	**1,321**	**(18,221)**

2 Revenue

	2024 £'000	2023 £'000
Bank and margin interest	162	101
Interest on debt securities	4,071	3,572
Total revenue	**4,233**	**3,673**

3 Expenses

	2024 £'000	2023 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	566	642
Dealing charge	31	35
General administration charge	88	99
	685	**776**
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	9	10
	9	**10**
Other:		
Subsidised fees*	(3)	(3)
	(3)	**(3)**
Total expenses	**691**	**783**

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £14,700 (2023: £13,500).
* Subsidised fees are paid by the ACD.

Notes to the Financial Statements

Continued

4 Interest Payable and Similar Charges

	2024 £'000	2023 £'000
Derivative expense	415	90
Interest payable	5	2
Total interest payable & similar charges	**420**	**92**

5 Taxation

	2024 £'000	2023 £'000
(a) Analysis of charge in year		
Total taxation (note 5b)	-	-

(b) Factors affecting total tax charge for the year

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

Net revenue before taxation	**3,122**	**2,798**
Corporation tax at 20% (2023: 20%)	624	560
Effects of:		
Distributions treated as tax deductible	(624)	(560)
Total tax charge for year (note 5a)	-	-

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

(c) Factors that may affect future tax charge

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

6 Distributions

	2024 £'000	2023 £'000
First interim distribution	833	738
Second interim distribution	830	753
Third interim distribution	620	637
Final distribution	612	658
	2,895	2,786
Add: Income deducted on cancellation of shares	297	53
Deduct: Income received on issue of shares	(70)	(41)
Total distributions for the year	**3,122**	**2,798**

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

Notes to the Financial Statements

Continued

7 Debtors

	2024 £'000	2023 £'000
Accrued revenue	1,352	2,378
Amounts receivable from the ACD for the issue of shares	1	133
Expenses reimbursement receivable from the ACD	3	3
Sales awaiting settlement	716	-
Total debtors	**2,072**	**2,514**

8 Liquidity

	2024 £'000	2023 £'000
Cash and bank balances		
Cash at bank	5	2
Cash at broker	1,195	2,726
	1,200	**2,728**
abrdn Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	1,096	4,994
Net liquidity	**2,296**	**7,722**

* 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.

9 Creditors

	2024 £'000	2023 £'000
Accrued expenses payable to ACD	62	59
Accrued expenses payable to the Depositary or associates of the Depositary	3	4
Amounts payable to the ACD for cancellation of shares	381	326
Other accrued expenses	-	6
Purchases awaiting settlement	700	3,758
Total creditors	**1,146**	**4,153**

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.

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 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	
Trades in the year	**2024 £'000**	**2023 £'000**	**2024 £'000**	**2023 £'000**
Bonds	21,574	41,928	76,150	34,158
Trades in the year before transaction costs	**21,574**	**41,928**	**76,150**	**34,158**
Total net trades in the year after transaction costs	**21,574**	**41,928**	**76,150**	**34,158**

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 0.28% (2023: 0.34%), this is representative of the average spread on the assets held during the year.

12 Shares in Issue Reconciliation

	Opening shares 2023	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2024
Retail accumulation	5,681,365	31,001	(800,641)	(19,288)	4,892,437
Retail income	2,604,583	4,143	(366,959)	(57,605)	2,184,162
Institutional accumulation	6,089,474	222,835	(753,766)	51,423	5,609,966
Institutional income	5,057,996	75,226	(1,267,361)	406,938	4,272,799
Institutional S accumulation	3,095,090	-	(2,628,310)	-	466,780
Institutional S income	239,563,006	57,190,860	(173,299,788)	(292,295)	123,161,783
Retail CAT accumulation	20,017,038	87,312	(1,879,908)	(35,392)	18,189,050
Retail CAT income	6,382,137	914	(635,292)	-	5,747,759
Institutional regulated accumulation	4,317,931	2,318,418	(3,103,588)	-	3,532,761
Platform 1 accumulation	5,626,137	176,946	(861,761)	(2,542)	4,938,780
Platform 1 income	3,234,581	197,216	(687,708)	(89,510)	2,654,579
ZC accumulation	59,011	-	(2,613)	-	56,398

Notes to the Financial Statements

Continued

13 Fair Value Hierarchy

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

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

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

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

Fair value of investment assets	2024 £'000 Level 1	2024 £'000 Level 2	2024 £'000 Level 3	2023 £'000 Level 1	2023 £'000 Level 2	2023 £'000 Level 3
Bonds	9,907	82,969	-	28,427	119,433	-
Collective Investment Schemes	-	1,096	-	-	4,994	-
Derivatives	71	-	-	114	495	-
Total investment assets	**9,978**	**84,065**	**-**	**28,541**	**124,922**	**-**
Fair value of investment liabilities						
Derivatives	(38)	(209)	-	(52)	(2,524)	-
Total investment liabilities	**(38)**	**(209)**	**-**	**(52)**	**(2,524)**	**-**

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:

2024	Floating rate financial assets/ (liabilities) £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
Currency				
UK Sterling	2,110	87,469	5,903	95,482
Canadian Dollar	-	-	(3)	(3)
Euro	-	2,283	(2,278)	5
US Dollar	(4)	3,124	(3,111)	9
Total	**2,106**	**92,876**	**511**	**95,493**

2023	Floating rate financial assets/ (liabilities) £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
Currency				
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)
Total	**6,276**	**147,250**	**(2,080)**	**151,446**

Other price risk

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

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

VaR

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

2024	Minimum	Maximum	Average
VaR 99% 1 Month	3.09%	3.95%	3.48%

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

At the year end date, there was a 1% chance of the portfolio value falling (or rising) more than 3.23%, £3,029,000 (2023: 4.08%, £6,150,000) 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.

2024	Market value of £'000	Percentage of total net assets %
Investment grade securities	92,876	97.26
Below investment grade securities	-	-
Unrated securities	-	-
Total value of securities	**92,876**	**97.26**

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

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

Financial derivatives instrument risk

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

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

	2024		2023	
Leveraged instruments	Market exposure £'000	Market value £'000	Market exposure £'000	Market value £'000
Forward currency contracts	5,711	(19)	10,082	27
Futures	9,477	33	45,460	62
Swaps	16,334	(190)	71,304	(2,056)
Total market exposure	**31,522**	**(176)**	**126,846**	**(1,967)**

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

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

Counterparty risk

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

2024 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	(157)	1,195	-	1,038	1.09
	(157)	**1,195**	**-**	**1,038**	**1.09**

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
	(1,994)	**2,726**	**3,058**	**3,790**	**2.50**

Bilateral agreements

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

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

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

		Collateral (held)/pledged		
2024 Counterparties	Forwards £'000	Cash £'000	Stock £'000	Net exposure £'000
BNP Paribas	(4)	-	-	(4)
NatWest Markets	(15)	-	-	(15)
Total	**(19)**	**-**	-	**(19)**

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

2023 Counterparties	Forwards £'000	Collateral (held)/pledged Cash £'000	 Stock £'000	 Net exposure £'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)
Total	**27**	**-**	-	**27**

Issuers 2023	Type	Collateral Stock £'000
United Kingdom (Gov't of)	Bond	3,058
		3,058

Liquidity risk

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

2024	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
Derivatives					
Investment liabilities	-	(57)	(190)	-	(247)
Non-derivatives					
Other creditors	-	(1,146)	-	-	(1,146)
Distribution payable	-	(429)	-	-	(429)
Total financial liabilities	**-**	**(1,632)**	**(190)**	-	**(1,822)**

2023	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
Derivatives					
Investment liabilities	-	(75)	(1,893)	(608)	(2,576)
Non-derivatives					
Other creditors	-	(4,153)	-	-	(4,153)
Distribution payable	-	(530)	-	-	(530)
Total financial liabilities	**-**	**(4,758)**	**(1,893)**	(608)	**(7,259)**

Distribution Tables

For the year ended 29 February 2024 (in pence per share)

First interim interest distribution

Group 1 - shares purchased prior to 1 March 2023
Group 2 - shares purchased between 1 March 2023 and 31 May 2023

	Revenue	Equalisation	Distribution paid 31/07/23	Distribution paid 29/07/22
Retail accumulation				
Group 1	0.3331	-	0.3331	0.3033
Group 2	0.2432	0.0899	0.3331	0.3033
Retail income				
Group 1	0.1874	-	0.1874	0.1729
Group 2	0.0999	0.0875	0.1874	0.1729
Institutional accumulation				
Group 1	0.4686	-	0.4686	0.4417
Group 2	0.2642	0.2044	0.4686	0.4417
Institutional income				
Group 1	0.2413	-	0.2413	0.2315
Group 2	0.1090	0.1323	0.2413	0.2315
Institutional S accumulation				
Group 1	0.2797	-	0.2797	0.2668
Group 2	0.2797	-	0.2797	0.2668
Institutional S income				
Group 1	0.2438	-	0.2438	0.2373
Group 2	0.1257	0.1181	0.2438	0.2373
Retail CAT accumulation				
Group 1	0.3398	-	0.3398	0.3092
Group 2	0.2153	0.1245	0.3398	0.3092
Retail CAT income				
Group 1	0.1905	-	0.1905	0.1757
Group 2	0.1208	0.0697	0.1905	0.1757
Institutional regulated accumulation				
Group 1	0.3813	-	0.3813	0.3633
Group 2	0.3612	0.0201	0.3813	0.3633
Platform 1 accumulation				
Group 1	0.2691	-	0.2691	0.2529
Group 2	0.0903	0.1788	0.2691	0.2529

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

	Revenue	Equalisation	Distribution paid 31/07/23	Distribution paid 29/07/22
Platform 1 income				
Group 1	0.2225	-	0.2225	0.2127
Group 2	0.1278	0.0947	0.2225	0.2127
ZC accumulation				
Group 1	0.4423	-	0.4423	0.4270
Group 2	0.4423	-	0.4423	0.4270

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

Second interim interest distribution

Group 1 - shares purchased prior to 1 June 2023
Group 2 - shares purchased between 1 June 2023 and 31 August 2023

	Revenue	Equalisation	Distribution paid 31/10/23	Distribution paid 31/10/22
Retail accumulation				
Group 1	0.4162	-	0.4162	0.3283
Group 2	0.2826	0.1336	0.4162	0.3283
Retail income				
Group 1	0.2332	-	0.2332	0.1866
Group 2	0.1386	0.0946	0.2332	0.1866
Institutional accumulation				
Group 1	0.5580	-	0.5580	0.4664
Group 2	0.3341	0.2239	0.5580	0.4664
Institutional income				
Group 1	0.2859	-	0.2859	0.2434
Group 2	0.1265	0.1594	0.2859	0.2434
Institutional S accumulation				
Group 1	0.3278	-	0.3278	0.2795
Group 2	0.3278	-	0.3278	0.2795
Institutional S income				
Group 1	0.2836	-	0.2836	0.2471
Group 2	0.1566	0.1270	0.2836	0.2471
Retail CAT accumulation				
Group 1	0.4236	-	0.4236	0.3342
Group 2	0.2893	0.1343	0.4236	0.3342
Retail CAT income				
Group 1	0.2367	-	0.2367	0.1894
Group 2	0.1617	0.0750	0.2367	0.1894
Institutional regulated accumulation				
Group 1	0.4464	-	0.4464	0.3809
Group 2	0.1797	0.2667	0.4464	0.3809
Platform 1 accumulation				
Group 1	0.3218	-	0.3218	0.2674
Group 2	0.1973	0.1245	0.3218	0.2674

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

	Revenue	Equalisation	Distribution paid 31/10/23	Distribution paid 31/10/22
Platform 1 income				
Group 1	0.2648	-	0.2648	0.2241
Group 2	0.1153	0.1495	0.2648	0.2241
ZC accumulation				
Group 1	0.5076	-	0.5076	0.4429
Group 2	0.5076	-	0.5076	0.4429

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

Third interim interest distribution

Group 1 - shares purchased prior to 1 September 2023
Group 2 - shares purchased between 1 September 2023 and 30 November 2023

	Revenue	Equalisation	Distribution paid 31/01/24	Distribution paid 31/01/23
Retail accumulation				
Group 1	0.3766	-	0.3766	0.2960
Group 2	0.2407	0.1359	0.3766	0.2960
Retail income				
Group 1	0.2100	-	0.2100	0.1675
Group 2	0.1136	0.0964	0.2100	0.1675
Institutional accumulation				
Group 1	0.5160	-	0.5160	0.4244
Group 2	0.2757	0.2403	0.5160	0.4244
Institutional income				
Group 1	0.2629	-	0.2629	0.2205
Group 2	0.1799	0.0830	0.2629	0.2205
Institutional S accumulation				
Group 1	0.3052	-	0.3052	0.2550
Group 2	0.3052	-	0.3052	0.2550
Institutional S income				
Group 1	0.2628	-	0.2628	0.2244
Group 2	0.1604	0.1024	0.2628	0.2244
Retail CAT accumulation				
Group 1	0.3842	-	0.3842	0.3039
Group 2	0.2552	0.1290	0.3842	0.3039
Retail CAT income				
Group 1	0.2135	-	0.2135	0.1716
Group 2	0.1418	0.0717	0.2135	0.1716
Institutional regulated accumulation				
Group 1	0.4163	-	0.4163	0.3475
Group 2	0.1753	0.2410	0.4163	0.3475
Platform 1 accumulation				
Group 1	0.2970	-	0.2970	0.2433
Group 2	0.0859	0.2111	0.2970	0.2433

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

	Revenue	Equalisation	Distribution paid 31/01/24	Distribution paid 31/01/23
Platform 1 income				
Group 1	0.2430	-	0.2430	0.2028
Group 2	0.0758	0.1672	0.2430	0.2028
ZC accumulation				
Group 1	0.4782	-	0.4782	0.4058
Group 2	0.4782	-	0.4782	0.4058

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

Final interest distribution

Group 1 - shares purchased prior to 1 December 2023
Group 2 - shares purchased between 1 December 2023 and 29 February 2024

	Revenue	Equalisation	Distribution paid 30/04/24	Distribution paid 28/04/23
Retail accumulation				
Group 1	0.4745	-	0.4745	0.2673
Group 2	0.3019	0.1726	0.4745	0.2673
Retail income				
Group 1	0.2635	-	0.2635	0.1509
Group 2	0.1439	0.1196	0.2635	0.1509
Institutional accumulation				
Group 1	0.6277	-	0.6277	0.3924
Group 2	0.2417	0.3860	0.6277	0.3924
Institutional income				
Group 1	0.3180	-	0.3180	0.2030
Group 2	0.0635	0.2545	0.3180	0.2030
Institutional S accumulation				
Group 1	0.3661	-	0.3661	0.2388
Group 2	0.3661	-	0.3661	0.2388
Institutional S income				
Group 1	0.3135	-	0.3135	0.2089
Group 2	0.1697	0.1438	0.3135	0.2089
Retail CAT accumulation				
Group 1	0.4825	-	0.4825	0.2693
Group 2	0.3182	0.1643	0.4825	0.2693
Retail CAT income				
Group 1	0.2671	-	0.2671	0.1515
Group 2	0.1764	0.0907	0.2671	0.1515
Institutional regulated accumulation				
Group 1	0.4999	-	0.4999	0.3250
Group 2	0.4999	-	0.4999	0.3250
Platform 1 accumulation				
Group 1	0.3625	-	0.3625	0.2250
Group 2	0.0707	0.2918	0.3625	0.2250

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

	Revenue	Equalisation	Distribution paid 30/04/24	Distribution paid 28/04/23
Platform 1 income				
Group 1	0.2950	-	0.2950	0.1868
Group 2	0.1004	0.1946	0.2950	0.1868
ZC accumulation				
Group 1	0.5661	-	0.5661	0.3841
Group 2	0.5661	-	0.5661	0.3841

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 29 February 2024

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 13.46%. (Source: FactSet, Institutional Accumulation Shares). This compared with a return of 24.85% for our performance target (Source: FactSet, S&P 500 Index). Meanwhile, the Institutional Income share class yield was 2.05% over the period, versus the target yield of 1.40% (the S&P 500 Index).

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

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

The fund gained but underperformed the market over the review period largely due to stock selection. Sector wise, the communication services and healthcare sectors were key detractors from relative performance. Conversely, the industrials and consumer staples sectors were favourable.

At the stock level, our lack of exposure to tech companies (NVIDIA, Alphabet, Meta), whose share prices surged, hurt performance. The fund does not hold these companies as they offer low or no dividends. Alphabet does not

pay dividends while NVIDIA's dividends have remained negligible. Meanwhile, Meta did not pay any dividends until its recent announcement in February 2024. Similarly, Amazon, another company the fund does not hold due to the lack of dividends, also detracted for the fund. Its shares performed strongly as investors focused on the company's cost-cutting upside and the momentum in Amazon Web Services.

Conversely, Broadcom contributed to relative performance following strong quarterly results year to date. Furthermore, its management stated that the company's semiconductor products may benefit from the growth in artificial intelligence (AI)-related spending. Meanwhile, Microsoft Corporation performed well as investors continued to gain more confidence in its ability to monetise developments in AI across a wide range of its products. The fund's lack of exposure to Tesla, which was weak during the period, was also favourable.

Market Review

US equities, as measured by the S&P 500, recorded strong gains over the 12 months to 29 February 2024 in sterling terms.

Growth-focused stocks, such as technology companies, performed particularly well. These stocks were more sensitive to the prospect of monetary tightening coming to an end, and then reversing, because of the favourable effect on their future discounted earnings.

Markets experienced turmoil early in the review period along with increasing interest rates and following the banking sector collapses which led to fears of a recession. However, authorities' actions to stabilise the financial sector restored confidence. Meanwhile, the compromise agreement to suspend the US debt ceiling until January 2025, signed into law in June, removed the risk of a default and boosted investor confidence.

Faced with a relatively robust economy, the US Federal Reserve (Fed) continued to tighten monetary policy in to mid 2023. As a result, the target range for the fed funds rate reached 5.25-5.50%, a 22-year high, in July 2023. Subsequently, the Fed maintained this rate for the rest of the period. The possibility of interest rates remaining elevated for a longer period weighed on markets during August to October. Additionally, the outbreak of war in the Middle East added to the uncertainty around inflation. Despite a dovish tone in late 2023, the Fed's messaging turned cautious in early 2024 and its Chairman Jerome Powell added that a rate reduction in March 2024 seemed unlikely. Nonetheless, given the sustained fall in the Fed's targeted inflation measure, three rate cuts – as forecast by the Fed's committee members in December's 'dot plot' – could still be possible in 2024. Against this backdrop, US stocks performed well later in the review period.

Portfolio Activity and Review

We initiated and exited the following companies solely due to the fund's proposed conversion into a value benchmark and higher dividend focus. In this regard, we initiated agricultural sciences company FMC Corporation, real estate investment trust Gaming and Leisure Properties, medical device provider Medtronic, Restaurant Brands International and beverage company Keurig Dr Pepper and automotive and industrial replacement parts distributor Genuine Parts. We also initiated leading industrial company Honeywell International and our preferred waste company Waste Management while exiting its less-preferred peer Waste Connections. Within utilities we introduced renewables operator NextEra Energy and diversified utility Essential Utilities. Meanwhile, in financials, we bought Royal Bank of Canada and derivatives exchange operator CME Group. Elsewhere, we initiated semiconductor manufacturer Texas Instruments.

Conversely, the fund sold Home Depot due to the risks in a recessionary environment, especially given the high interest-rate backdrop. We also sold Tetra Tech due to lower dividend payments. We believe there are high yielding value opportunities elsewhere. In communication services, the fund disposed of Verizon Communications in favour of our preferred connectivity holding Comcast, and because of the former's weaker balance sheet and a lower return on invested capital. We also offloaded Activision Blizzard after the company was sold to Microsoft. In healthcare, we sold Johnson & Johnson due to higher conviction in its pharmaceutical peers such as Merck & Co, AbbVie and Bristol-Myers Squibb Company. We also disposed of Royalty Pharma due to future risks to pharmaceutical pricing and the company's ability to finance future deals. Meanwhile, we sold LPL Financial given our higher conviction in its wealth management peers such as Charles Schwab and Goldman Sachs, and due to LPL's low dividends as well. We also disposed of Centerpoint Energy in favour of holding its utility peer CMS Energy Corporation. Elsewhere, we offloaded FMC Corporation in favour of other preferred companies. Lasty, we sold Marvell Technology due to higher conviction in Broadcom given its overlapping AI exposure, higher cash flows and moats in different business segments.

abrdn American Income Equity Fund

Continued

Portfolio Outlook and Strategy

US economic growth has been resilient, benefiting from several factors such as unwinding supply-chain pressures, falling energy prices, and higher productivity growth. Despite tighter credit conditions and greatly reduced household savings, the chances of a soft landing versus a mild recession are becoming more balanced as inflation subsides.

DM Income and Real Assets Equity Team

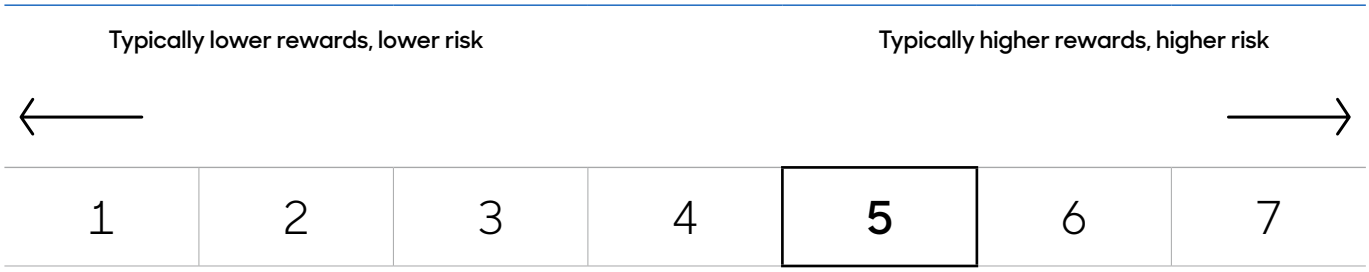
March 2024

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.



Risk and reward indicator table as at 29 February 2024.

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

- Equity Risk - The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- Concentration Risk - A concentrated portfolio (whether by number of holdings, geographic location or sector) may be more volatile and less liquid than a diversified one.
- Derivatives Risk - The use of derivatives may involve additional liquidity, credit and counterparty risks. In some cases the risk of loss from derivatives may be increased where a small change in the value of the underlying investment may have a larger impact on the value of the derivative.

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

Comparative Tables

Retail accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	108.23	105.71	85.94
Return before operating charges*	16.34	3.96	21.04
Operating charges	(1.45)	(1.44)	(1.27)
Return after operating charges*	14.89	2.52	19.77
Distributions	(1.09)	(0.28)	(0.21)
Retained distributions on accumulation shares	1.09	0.28	0.21
Closing net asset value per share	123.12	108.23	105.71
* after direct transaction costs of:	0.04	0.04	0.04
Performance			
Return after charges	13.76%	2.38%	23.00%
Other information			
Closing net asset value (£'000)	257	229	196
Closing number of shares	208,947	211,458	185,320
Operating charges	1.31%	1.31%	1.32%
Direct transaction costs	0.04%	0.04%	0.04%
Prices			
Highest share price	123.0	118.1	111.3
Lowest share price	104.1	100.1	86.20

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

Retail income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	95.53	95.11	78.64
Return before operating charges*	14.29	3.55	19.24
Operating charges	(1.29)	(1.28)	(1.21)
Return after operating charges*	13.00	2.27	18.03
Distributions	(2.20)	(1.85)	(1.56)
Closing net asset value per share	106.33	95.53	95.11
* after direct transaction costs of:	0.04	0.03	0.04
Performance			
Return after charges	13.61%	2.39%	22.93%
Other information			
Closing net asset value (£'000)	64	36	36
Closing number of shares	60,555	37,033	38,064
Operating charges	1.31%	1.31%	1.32%
Direct transaction costs	0.04%	0.04%	0.04%
Prices			
Highest share price	106.9	105.7	100.6
Lowest share price	91.88	89.62	78.89

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

Comparative Tables

Continued

Institutional accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	111.52	108.46	87.78
Return before operating charges*	16.94	4.01	21.55
Operating charges	(0.97)	(0.95)	(0.87)
Return after operating charges*	15.97	3.06	20.68
Distributions	(1.63)	(1.19)	(0.90)
Retained distributions on accumulation shares	1.63	1.19	0.90
Closing net asset value per share	127.49	111.52	108.46
* after direct transaction costs of:	0.05	0.04	0.04
Performance			
Return after charges	14.32%	2.82%	23.56%
Other information			
Closing net asset value (£'000)	145,435	207,300	161,734
Closing number of shares	114,071,639	185,881,271	149,122,060
Operating charges	0.84%	0.84%	0.85%
Direct transaction costs	0.04%	0.04%	0.04%
Prices			
Highest share price	127.4	121.4	114.1
Lowest share price	107.3	102.8	88.05

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.

Comparative Tables

Continued

Institutional income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	98.41	97.58	80.33
Return before operating charges*	14.70	2.97	19.56
Operating charges	(0.85)	(0.83)	(0.82)
Return after operating charges*	13.85	2.14	18.74
Distributions	(2.29)	(1.31)	(1.49)
Closing net asset value per share	109.97	98.41	97.58
* after direct transaction costs of:	0.04	0.03	0.04
Performance			
Return after charges	14.07%	2.19%	23.33%
Other information			
Closing net asset value (£'000)	1,331	2,073	109
Closing number of shares	1,210,439	2,106,506	112,098
Operating charges	0.84%	0.84%	0.85%
Direct transaction costs	0.04%	0.04%	0.04%
Prices			
Highest share price	110.5	108.0	103.1
Lowest share price	94.67	92.08	80.58

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 S accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	102.82	99.84	80.61
Return before operating charges*	15.65	3.73	19.91
Operating charges	(0.78)	(0.75)	(0.68)
Return after operating charges*	14.87	2.98	19.23
Distributions	(1.65)	(1.26)	(1.04)
Retained distributions on accumulation shares	1.65	1.26	1.04
Closing net asset value per share	117.69	102.82	99.84
* after direct transaction costs of:	0.04	0.04	0.04
Performance			
Return after charges	14.46%	2.98%	23.86%
Other information			
Closing net asset value (£'000)	2	2	1
Closing number of shares	1,432	1,432	1,432
Operating charges	0.72%	0.72%	0.73%
Direct transaction costs	0.04%	0.04%	0.04%
Prices			
Highest share price	117.6	111.8	105.0
Lowest share price	98.92	94.71	80.86

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

Institutional S income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	91.08	90.08	73.99
Return before operating charges*	13.75	3.38	18.19
Operating charges	(0.68)	(0.67)	(0.62)
Return after operating charges*	13.07	2.71	17.57
Distributions	(2.10)	(1.71)	(1.48)
Closing net asset value per share	102.05	91.08	90.08
* after direct transaction costs of:	0.04	0.03	0.03
Performance			
Return after charges	14.35%	3.01%	23.75%
Other information			
Closing net asset value (£'000)	2	1	1
Closing number of shares	1,504	1,504	1,504
Operating charges	0.72%	0.72%	0.73%
Direct transaction costs	0.04%	0.04%	0.04%
Prices			
Highest share price	102.5	100.4	95.14
Lowest share price	87.63	85.05	74.23

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

Comparative Tables

Continued

Platform 1 accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	111.20	108.20	87.60
Return before operating charges*	16.89	4.00	21.52
Operating charges	(1.05)	(1.00)	(0.92)
Return after operating charges*	15.84	3.00	20.60
Distributions	(1.57)	(1.13)	(0.85)
Retained distributions on accumulation shares	1.57	1.13	0.85
Closing net asset value per share	127.04	111.20	108.20
* after direct transaction costs of:	0.05	0.04	0.04
Performance			
Return after charges	14.24%	2.77%	23.52%
Other information			
Closing net asset value (£'000)	11,823	2,935	1,416
Closing number of shares	9,306,179	2,639,562	1,308,772
Operating charges	0.89%	0.89%	0.90%
Direct transaction costs	0.04%	0.04%	0.04%
Prices			
Highest share price	126.9	121.1	113.9
Lowest share price	107.0	102.6	87.87

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

Comparative Tables

Continued

Platform 1 income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	98.27	97.41	80.20
Return before operating charges*	14.76	3.67	19.64
Operating charges	(0.91)	(0.90)	(0.84)
Return after operating charges*	13.85	2.77	18.80
Distributions	(2.28)	(1.91)	(1.59)
Closing net asset value per share	109.84	98.27	97.41
* after direct transaction costs of:	0.04	0.04	0.04
Performance			
Return after charges	14.09%	2.84%	23.44%
Other information			
Closing net asset value (£'000)	1,783	1,034	428
Closing number of shares	1,623,461	1,052,633	439,432
Operating charges	0.89%	0.89%	0.90%
Direct transaction costs	0.04%	0.04%	0.04%
Prices			
Highest share price	110.4	108.5	102.9
Lowest share price	94.53	91.91	80.45

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

ZC accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	117.31	113.23	90.97
Return before operating charges*	17.92	4.19	22.36
Operating charges	(0.11)	(0.11)	(0.10)
Return after operating charges*	17.81	4.08	22.26
Distributions	(2.64)	(2.13)	(1.74)
Retained distributions on accumulation shares	2.64	2.13	1.74
Closing net asset value per share	135.12	117.31	113.23
* after direct transaction costs of:	0.05	0.04	0.04
Performance			
Return after charges	15.18%	3.60%	24.47%
Other information			
Closing net asset value (£'000)	100	74	113
Closing number of shares	73,806	62,632	99,716
Operating charges	0.09%	0.09%	0.10%
Direct transaction costs	0.04%	0.04%	0.04%
Prices			
Highest share price	135.0	127.2	119.0
Lowest share price	112.9	107.6	91.24

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

ZA income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	80.16	78.78	64.30
Return before operating charges*	12.07	2.92	15.76
Operating charges	(0.01)	(0.01)	(0.01)
Return after operating charges*	12.06	2.91	15.75
Distributions	(1.82)	(1.53)	(1.27)
Closing net asset value per share	90.40	80.16	78.78
* after direct transaction costs of:	0.03	0.03	0.03
Performance			
Return after charges	15.04%	3.69%	24.49%
Other information			
Closing net asset value (£'000)	9,109	4,549	6,053
Closing number of shares	10,076,624	5,674,925	7,683,073
Operating charges	0.01%	0.01%	0.02%
Direct transaction costs	0.04%	0.04%	0.04%
Prices			
Highest share price	90.82	88.10	83.13
Lowest share price	77.14	74.52	64.51

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

Portfolio Statement

As at 29 February 2024

Holding	Investment	Market value £'000	Percentage of total net assets
North American Equities (97.10%)		**164,504**	**96.82**
Communication Services (6.54%)		**7,066**	**4.16**
48,400	Cogent Communications	3,094	1.82
117,407	Comcast 'A'	3,972	2.34
Consumer Discretionary (4.69%)		**12,099**	**7.12**
39,232	Genuine Parts	4,630	2.72
64,945	Restaurant Brands International	3,987	2.35
44,450	TJX	3,482	2.05
Consumer Staples (5.44%)		**12,589**	**7.41**
98,854	Coca-Cola	4,685	2.76
6,088	Costco Wholesale	3,576	2.10
183,213	Keurig Dr Pepper	4,328	2.55
Energy (5.80%)		**10,184**	**5.99**
175,772	Baker Hughes	4,106	2.41
114,894	Enbridge	3,121	1.84
26,283	Phillips 66	2,957	1.74
Financials (16.72%)		**25,546**	**15.04**
104,072	Bank of America	2,836	1.67
60,684	Charles Schwab	3,198	1.88
15,364	CME	2,674	1.57
6,764	Goldman Sachs	2,077	1.22
36,043	JPMorgan Chase	5,295	3.12
6,958	Mastercard 'A'	2,607	1.54
73,246	MetLife	4,035	2.38
36,816	Royal Bank of Canada	2,824	1.66

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Health Care (16.79%)		**26,736**	**15.74**
21,935	AbbVie	3,045	1.79
71,507	Bristol-Myers Squibb	2,867	1.69
60,008	CVS Health	3,525	2.08
14,398	Danaher	2,879	1.69
70,637	Medtronic	4,656	2.74
66,428	Merck	6,676	3.93
7,924	UnitedHealth	3,088	1.82
Industrials (8.91%)		**13,853**	**8.15**
20,099	Canadian National Railway	2,060	1.21
58,462	Emerson Electric	4,933	2.90
13,914	Honeywell International	2,185	1.29
9,469	Trane Technologies	2,109	1.24
15,795	Waste Management	2,566	1.51
Information Technology (25.30%)		**37,793**	**22.24**
8,600	Accenture 'A'	2,544	1.50
26,766	Analog Devices	4,056	2.39
49,668	Apple	7,096	4.18
8,118	Broadcom	8,333	4.90
38,845	Cisco Systems	1,483	0.87
37,494	Microsoft	12,250	7.21
15,364	Texas Instruments	2,031	1.19
Materials (1.98%)		**3,683**	**2.17**
19,907	Air Products and Chemicals	3,683	2.17
Real Estate (1.55%)		**6,508**	**3.83**
10,242	American Tower REIT	1,610	0.95
136,347	Gaming and Leisure Properties REIT	4,898	2.88

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Utilities (3.38%)		**8,447**	**4.97**
74,599	CMS Energy	3,381	1.99
95,278	Essential Utilities	2,619	1.54
56,142	NextEra Energy	2,447	1.44
Collective Investment Schemes (2.74%)		**5,689**	**3.35**
5,690	abrdn Liquidity Fund (Lux) - Sterling Fund Z1 Inc+	5,689	3.35
Total investment assets		170,193	100.17
Net other liabilities		(287)	(0.17)
Total Net Assets		**169,906**	**100.00**

All investments are listed on recognised stock exchanges and are approved securities, or are regulated collective investment schemes within the meaning of the FCA rules.
The percentage figures in brackets show the comparative holding as at 28 February 2023.
Prior year classifications for some sectors have been updated to reflect current year classifications.
+ Managed by subsidiaries of abrdn plc.

Financial Statements

Statement of Total Return

For the year ended 29 February 2024

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Income:					
Net capital gains	1		22,165		2,473
Revenue	2	5,143		4,001	
Expenses	3	(1,634)		(1,495)	
Net revenue before taxation		3,509		2,506	
Taxation	4	(672)		(531)	
Net revenue after taxation			2,837		1,975
Total return before distributions			**25,002**		**4,448**
Distributions	5		(2,851)		(1,991)
Change in net assets attributable to shareholders from investment activities			**22,151**		**2,457**

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 29 February 2024

	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Opening net assets attributable to shareholders		**218,233**		**170,087**
Amounts receivable on the issue of shares	30,411		102,950	
Amounts payable on the cancellation of shares	(103,343)		(59,224)	
		(72,932)		43,726
Dilution adjustment		(1)		34
Change in net assets attributable to shareholders from investment activities (see above)		22,151		2,457
Retained distribution on accumulation shares		2,455		1,929
Closing net assets attributable to shareholders		**169,906**		**218,233**

Balance Sheet

As at 29 February 2024

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Assets:					
Fixed assets:					
Investment assets			170,193		217,885
Current assets:					
Debtors	6	570		502	
Cash and bank balances	7	28		26	
			598		528
Total assets			**170,791**		**218,413**
Liabilities:					
Creditors	8	(815)		(147)	
Distribution payable		(70)		(33)	
			(885)		(180)
Total liabilities			**(885)**		**(180)**
Net assets attributable to shareholders			**169,906**		**218,233**

Notes to the Financial Statements

1 Net Capital Gains

	2024 £'000	2023 £'000
Non-derivative securities	22,335	2,719
Other losses	(163)	(236)
Transaction charges	(7)	(10)
Net capital gains	**22,165**	**2,473**

2 Revenue

	2024 £'000	2023 £'000
Bank and margin interest	276	90
Overseas dividends	4,652	3,852
Overseas REIT	213	59
Stocklending revenue	2	-
Total revenue	**5,143**	**4,001**

3 Expenses

	2024 £'000	2023 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	1,466	1,345
Dealing charge	5	1
General administration charge	155	142
	1,626	**1,488**
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	8	7
	8	**7**
Total expenses	**1,634**	**1,495**

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £11,100 (2023: £10,200).

Notes to the Financial Statements

Continued

4 Taxation

	2024 £'000	2023 £'000
(a) Analysis of charge in year		
Overseas taxes	672	531
Total taxation (note 4b)	**672**	**531**

(b) Factors affecting total tax charge for the year

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

Net revenue before taxation	**3,509**	**2,506**
Corporation tax at 20% (2023: 20%)	702	501
Effects of:		
Revenue not subject to taxation	(930)	(770)
Overseas taxes	672	531
Overseas tax expensed	(7)	(2)
Excess allowable expenses	235	271
Total tax charge for year (note 4a)	**672**	**531**

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 £1,307,000 (2023: £1,072,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

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

	2024 £'000	2023 £'000
First interim distribution	746	501
Second interim distribution	562	413
Third interim distribution	724	634
Final distribution	662	522
	2,694	2,070
Add: Income deducted on cancellation of shares	210	54
Deduct: Income received on issue of shares	(53)	(133)
Total distributions for the year	**2,851**	**1,991**

	2024 £'000	2023 £'000
Movement between net revenue and distributions		
Net revenue after taxation	2,837	1,975
Expenses charged to capital	14	16
Total distributions for the year	**2,851**	**1,991**

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

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

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

6 Debtors

	2024 £'000	2023 £'000
Accrued revenue	289	317
Amounts receivable from the ACD for the issue of shares	25	184
Overseas withholding tax recoverable	1	1
Sales awaiting settlement	255	-
Total debtors	**570**	**502**

7 Liquidity

	2024 £'000	2023 £'000
Cash and bank balances		
Cash at bank	28	26
	28	**26**
abrdn Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	5,689	5,989
Net liquidity	**5,717**	**6,015**

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

8 Creditors

	2024 £'000	2023 £'000
Accrued expenses payable to ACD	143	139
Accrued expenses payable to the Depositary or associates of the Depositary	1	1
Amounts payable to the ACD for cancellation of shares	671	2
Other accrued expenses	-	5
Total creditors	**815**	**147**

Notes to the Financial Statements

Continued

9 Related Party Transactions

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

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

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

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

10 Portfolio Transaction Costs

	Purchases		Sales	
Trades in the year	**2024 £'000**	**2023 £'000**	**2024 £'000**	**2023 £'000**
Equities	75,177	116,400	140,409	74,896
Corporate actions	-	-	4,538	-
Trades in the year before transaction costs	**75,177**	**116,400**	**144,947**	**74,896**
Commissions				
Equities	30	35	(48)	(28)
Total commissions	**30**	**35**	**(48)**	**(28)**
Taxes				
Equities	-	-	(1)	(1)
Total taxes	**-**	**-**	**(1)**	**(1)**
Total transaction costs	**30**	**35**	**(49)**	**(29)**
Total net trades in the year after transaction costs	**75,207**	**116,435**	**144,898**	**74,867**

	Purchases		Sales	
	2024 %	**2023 %**	**2024 %**	**2023 %**
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.04	0.03	0.03	0.04

	2024 %	2023 %
Total transaction costs expressed as a percentage of net asset value		
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 0.05% (2023: 0.03%), this is representative of the average spread on the assets held during the year.

11 Shares in Issue Reconciliation

	Opening shares 2023	Creations during the year	Cancellations during the year	Closing shares 2024
Retail accumulation	211,458	6,438,599	(6,441,110)	208,947
Retail income	37,033	23,522	-	60,555
Institutional accumulation	185,881,271	2,873,541	(74,683,173)	114,071,639
Institutional income	2,106,506	1,120,642	(2,016,709)	1,210,439
Institutional S accumulation	1,432	-	-	1,432
Institutional S income	1,504	-	-	1,504
Platform 1 accumulation	2,639,562	11,147,649	(4,481,032)	9,306,179
Platform 1 income	1,052,633	955,120	(384,292)	1,623,461
ZC accumulation	62,632	35,685	(24,511)	73,806
ZA income	5,674,925	6,008,855	(1,607,156)	10,076,624

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).

Fair value of investment assets	2024 £'000 Level 1	2024 £'000 Level 2	2024 £'000 Level 3	2023 £'000 Level 1	2023 £'000 Level 2	2023 £'000 Level 3
Equities	164,504	-	-	211,896	-	-
Collective Investment Schemes	-	5,689	-	-	5,989	-
Total investment assets	**164,504**	**5,689**	**-**	**211,896**	**5,989**	**-**

13 Risk Management Policies and Disclosures

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

Foreign currency risk

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

Currency	Net foreign currency exposure 2024 £'000	Net foreign currency exposure 2023 £'000
Canadian Dollar	5,946	5,066
US Dollar	159,103	207,156
Total	**165,049**	**212,222**

At 29 February 2024, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £8,252,000 (2023: £10,611,000).

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 29 February 2024, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £8,510,000 (2023: £10,894,000).

Financial derivatives instrument risk

The fund had no exposure to derivatives as at 29 February 2024 (2023: £Nil).

Bilateral agreements

The fund receives 85% of the revenue returns from stock lending. The gross earnings for the year are £2,000 (2023: £Nil) and expenses paid to the lending agent, Citibank, are £Nil (2023: £Nil).

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2024 £885,000 (2023: £180,000).

14 Subsequent Event

The ACD closed the abrdn American Income Equity Fund on 14 May 2024.

Distribution Tables

For the year ended 29 February 2024 (in pence per share)

First interim dividend distribution

Group 1 - shares purchased prior to 1 March 2023
Group 2 - shares purchased between 1 March 2023 and 31 May 2023

	Revenue	Equalisation	Distribution paid 31/07/23	Distribution paid 29/07/22
Retail accumulation				
Group 1	0.2345	-	0.2345	0.1683
Group 2	0.1941	0.0404	0.2345	0.1683
Retail income				
Group 1	0.5126	-	0.5126	0.4715
Group 2	0.4739	0.0387	0.5126	0.4715
Institutional accumulation				
Group 1	0.3692	-	0.3692	0.3039
Group 2	0.1807	0.1885	0.3692	0.3039
Institutional income				
Group 1	0.5484	-	0.5484	0.4829
Group 2	0.4978	0.0506	0.5484	0.4829
Institutional S accumulation				
Group 1	0.3826	-	0.3826	0.3365
Group 2	0.3826	-	0.3826	0.3365
Institutional S income				
Group 1	0.4899	-	0.4899	0.4427
Group 2	0.4899	-	0.4899	0.4427
Platform 1 accumulation				
Group 1	0.3542	-	0.3542	0.2895
Group 2	0.2238	0.1304	0.3542	0.2895
Platform 1 income				
Group 1	0.5281	-	0.5281	0.4825
Group 2	0.3804	0.1477	0.5281	0.4825
ZC accumulation				
Group 1	0.6077	-	0.6077	0.5379
Group 2	0.3785	0.2292	0.6077	0.5379
ZA income				
Group 1	0.4238	-	0.4238	0.3884
Group 2	0.1043	0.3195	0.4238	0.3884

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

Second interim dividend distribution

Group 1 - shares purchased prior to 1 June 2023
Group 2 - shares purchased between 1 June 2023 and 31 August 2023

	Revenue	Equalisation	Distribution paid 31/10/23	Distribution paid 31/10/22
Retail accumulation				
Group 1	0.1866	-	0.1866	0.0123
Group 2	0.1568	0.0298	0.1866	0.0123
Retail income				
Group 1	0.4588	-	0.4588	0.4632
Group 2	0.4588	-	0.4588	0.4632
Institutional accumulation				
Group 1	0.2995	-	0.2995	0.2951
Group 2	0.1744	0.1251	0.2995	0.2951
Institutional income				
Group 1	0.4731	-	0.4731	-
Group 2	0.1993	0.2738	0.4731	-
Institutional S accumulation				
Group 1	0.3254	-	0.3254	0.2918
Group 2	0.3254	-	0.3254	0.2918
Institutional S income				
Group 1	0.4400	-	0.4400	0.4334
Group 2	0.4400	-	0.4400	0.4334
Platform 1 accumulation				
Group 1	0.2844	-	0.2844	0.2821
Group 2	0.1146	0.1698	0.2844	0.2821
Platform 1 income				
Group 1	0.4797	-	0.4797	0.4744
Group 2	0.2675	0.2122	0.4797	0.4744
ZC accumulation				
Group 1	0.5460	-	0.5460	0.5308
Group 2	0.0991	0.4469	0.5460	0.5308
ZA income				
Group 1	0.3800	-	0.3800	0.3802
Group 2	0.3800	-	0.3800	0.3802

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

Third interim dividend distribution

Group 1 - shares purchased prior to 1 September 2023
Group 2 - shares purchased between 1 September 2023 and 30 November 2023

	Revenue	Equalisation	Distribution paid 31/01/24	Distribution paid 31/01/23
Retail accumulation				
Group 1	0.3346	-	0.3346	-
Group 2	0.3149	0.0197	0.3346	-
Retail income				
Group 1	0.6075	-	0.6075	0.4950
Group 2	0.6075	-	0.6075	0.4950
Institutional accumulation				
Group 1	0.4777	-	0.4777	0.3364
Group 2	0.3170	0.1607	0.4777	0.3364
Institutional income				
Group 1	0.6296	-	0.6296	0.3929
Group 2	0.5481	0.0815	0.6296	0.3929
Institutional S accumulation				
Group 1	0.4720	-	0.4720	0.3442
Group 2	0.4720	-	0.4720	0.3442
Institutional S income				
Group 1	0.5809	-	0.5809	0.4480
Group 2	0.5809	-	0.5809	0.4480
Platform 1 accumulation				
Group 1	0.4765	-	0.4765	0.3234
Group 2	0.3320	0.1445	0.4765	0.3234
Platform 1 income				
Group 1	0.6263	-	0.6263	0.5080
Group 2	0.2335	0.3928	0.6263	0.5080
ZC accumulation				
Group 1	0.7369	-	0.7369	0.5775
Group 2	0.3737	0.3632	0.7369	0.5775
ZA income				
Group 1	0.5020	-	0.5020	0.4100
Group 2	0.5020	-	0.5020	0.4100

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

Final dividend distribution

Group 1 - shares purchased prior to 1 December 2023
Group 2 - shares purchased between 1 December 2023 and 29 February 2024

	Revenue	Equalisation	Distribution paid 30/04/24	Distribution paid 28/04/23
Retail accumulation				
Group 1	0.3332	-	0.3332	0.1043
Group 2	0.1717	0.1615	0.3332	0.1043
Retail income				
Group 1	0.6192	-	0.6192	0.4198
Group 2	0.6192	-	0.6192	0.4198
Institutional accumulation				
Group 1	0.4807	-	0.4807	0.2590
Group 2	0.0731	0.4076	0.4807	0.2590
Institutional income				
Group 1	0.6369	-	0.6369	0.4314
Group 2	0.0643	0.5726	0.6369	0.4314
Institutional S accumulation				
Group 1	0.4727	-	0.4727	0.2842
Group 2	0.4727	-	0.4727	0.2842
Institutional S income				
Group 1	0.5929	-	0.5929	0.3855
Group 2	0.5929	-	0.5929	0.3855
Platform 1 accumulation				
Group 1	0.4528	-	0.4528	0.2384
Group 2	0.1411	0.3117	0.4528	0.2384
Platform 1 income				
Group 1	0.6409	-	0.6409	0.4459
Group 2	0.3538	0.2871	0.6409	0.4459
ZC accumulation				
Group 1	0.7487	-	0.7487	0.4856
Group 2	0.0902	0.6585	0.7487	0.4856
ZA income				
Group 1	0.5124	-	0.5124	0.3481
Group 2	0.5124	-	0.5124	0.3481

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 Income Equity Fund

For the year ended 29 February 2024

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 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 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 rose by 6.29% (Source: Morningstar Direct, Institutional Accumulation). This compared to a return of 4.49% in the MSCI Emerging Markets Index (Source: FactSet). Meanwhile, the Institutional Income's yield was 4.10% over the period, versus a yield of 2.70% in the MSCI Emerging Markets Index.

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

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

The fund outperformed its benchmark over the period, driven by strong stock selection. High dividend stocks Power Grid Corporation of India and Bank of Georgia were the top contributors to relative gains. The former benefitted from the broader push for infrastructure development in India, while the latter rallied on the back of robust results. Investors also reacted positively to Bank of Georgia's acquisition of Armenian lender Ameriabank towards the period-end, which is expected to give an immediate uplift to returns and earnings, while providing greater optionality for future growth.

abrdn Emerging Markets Income Equity Fund

Continued

From a country perspective, stock selection in Taiwan proved rewarding as our semiconductor and technology hardware holdings were buoyed by an artificial intelligence-driven tech rally, alongside expectations of a broader technology recovery as the year progressed, particularly in the memory sector. High dividend company MediaTek fared well, as did Taiwan Union Technology, which we sold following its strong performance. Dividend growth stock Taiwan Semiconductor Manufacturing Co also outperformed.

Our investments in Brazil added further to relative returns. Sentiment towards state-owned oil firm Petrobras, a high dividend name, improved amid higher energy prices and a lack of government intervention on capital allocation, fuel pricing and dividend policy. High dividend company Telefonica Brasil was underpinned by better pricing power and cash flow generation.

Stock picks in China, including the off-benchmark position in Hong Kong, hampered relative gains. Our domestic consumption-focused names sold off despite solid fundamentals, due to a slower-than-expected pace of economic recovery in China following the post-Covid reopening and as investors rotated into large state-owned enterprises and value names. Sports apparel company Li Ning, liquor maker Wuliangye Yibin and luxury car dealer Zhongsheng Group, all dividend growth stocks, trailed the broader market. Healthcare services firm Hangzhou Tigermed, another dividend growth company, was weighed down by slowing domestic outsourcing research and development demand. Our Hong Kong-listed holdings were not spared from the sell-off, as weak investor sentiment carried over to the H-share market.

Market Review

Emerging market equities rose over the 12 months under review, though they lagged developed markets. Sentiment was driven largely by interest rate expectations and China's economic outlook.

Successive interest rate hikes from the US Federal Reserve (Fed) to tame inflation and the prospect of higher-for-longer rates had initially dampened the outlook for the asset class. As the period progressed, markets turned hopeful that interest rates might be nearing a peak, and that the US economy was on track for a soft landing. However, expectations around US monetary policy easing were tempered in the new year as the Fed held rates steady.

Meanwhile, concerns over China's outlook persisted as economic data missed the market's high expectations. Authorities rolled out proactive policies to help the economy, particularly the troubled property sector. Green shoots for a prolonged economic recovery emerged as the measures filtered through, but investors remained on the side lines, waiting for a more sustainable and meaningful rebound.

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 China, we introduced funeral services provider Fu Shou Yuan, e-commerce company JD.com, Shenzhen Mindray Bio-Medical Electronics and electric scooter manufacturer Yadea Group. We also added Indian lender ICICI Bank and Container Corporation of India, alongside Taiwanese equipment testing firm Sporton International. Purchases in South-East Asia included Singapore-based AEM Holdings and CapitaLand India Trust as well as Malaysia Airports and Bank Negara Indonesia. Furthermore, we participated in the initial public offering of Air Astana, a low-cost, efficient airline operating with a dominant market share in Kazakhstan and a high share in the Central Asia region.

Five new positions were established in Latin America. These included Mexican airport operator Grupo Aeroportuario del Sureste, together with Brazilian financial services company Itau Unibanco, dental service provider Odontoprev, health services provider Rede D'Or Sao Luiz and agricultural producer SLC Agricola.

In the Middle East and Africa, we bought South African mining company Anglo American Platinum and Tabreed, a utility company based in the United Arab Emirates.

Apart from the sale of Taiwan Union Technology, we also exited AIA Group, Alchip Technologies, Amoy Diagnostics, Banco Bradesco, China Construction Bank, CIMB Group, Cisarua Mountain Dairy, Fomento Economico Mexicano, GlobalWafers, Impala Platinum, InPost, ITC, KMC Kuei Meng, Larsen & Toubro, Meituan, Pacific Basin Shipping, Reliance Industries, Saudi Arabian Oil Co, Terrafina, United Tractors and Yinson Holdings to fund more attractive opportunities elsewhere.

Separately, our holding in Indian housing finance provider HDFC was converted to HDFC Bank shares after the two entities merged.

abrdn Emerging Markets Income Equity Fund

Continued

Portfolio Outlook and Strategy

The outlook for emerging markets remains encouraging. With inflation near target levels in many parts of emerging markets, we are at the early stages of a monetary easing cycle – ahead of the US, where the rate cycle has peaked.

More recently, economic data around the world has started to look more positive. The US economy appears increasingly likely to avoid a significant slowdown. Elsewhere, India remains underpinned by a robust domestic economy. The incumbent government is expected to retain power in the upcoming general parliamentary elections, ensuring policy continuity. We are also monitoring China's stimulus progress carefully as Beijing deals with the country's economic challenges.

Broadly, emerging market valuations remain undemanding, both relative to history and versus the US.

We expect the fund's balanced exposure to high dividend and dividend growth businesses to support performance both in periods of market dislocation and greater optimism. The portfolio remains focused on firms with sustainable free cash flow generation, pricing power and comfortably manageable debt levels.

Our companies are, on the whole, delivering results, which we believe will be rewarded by the market. Furthermore, we are continuing to identify companies with attractive valuations, where we hold strong fundamental insights regarding their future income potential. Over the medium and longer term, we believe 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 2024

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. The risk and reward indicator changed from 5 to 6 on 14 April 2023.

Risk and reward indicator table as at 29 February 2024.

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

- Equity Risk - The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- Emerging Markets Risk - The fund may invest in emerging markets, where political, economic, legal and regulatory systems are less developed. As a result, investing in emerging markets may involve higher volatility and a greater risk of loss than investing in developed markets. In particular, where the fund invests in Variable Interest Entity (VIE) structures to gain exposure to industries with foreign ownership restrictions or invests in Chinese assets via Stock Connect / Bond Connect, there are additional operational risks, which are outlined in the prospectus.
- Credit Risk - The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- Interest Rate Risk - The fund invests in securities which can be subject to price fluctuation for a variety of reasons including changes in interest rates or inflation expectations.
- Derivatives Risk - The use of derivatives may involve additional liquidity, credit and counterparty risks. In some cases the risk of loss from derivatives may be increased where a small change in the value of the underlying investment may have a larger impact on the value of the derivative.

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

Comparative Tables

Retail accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	93.87	94.58	102.88
Return before operating charges*	7.11	0.50	(6.92)
Operating charges	(1.27)	(1.21)	(1.38)
Return after operating charges*	5.84	(0.71)	(8.30)
Distributions	(2.80)	(3.12)	(1.76)
Retained distributions on accumulation shares	2.80	3.12	1.76
Closing net asset value per share	99.71	93.87	94.58
* after direct transaction costs of:	0.13	0.11	0.09
Performance			
Return after charges	6.22%	(0.75%)	(8.07%)
Other information			
Closing net asset value (£'000)	10,825	9,078	10,167
Closing number of shares	10,855,876	9,671,300	10,749,442
Operating charges	1.34%	1.34%	1.34%
Direct transaction costs	0.14%	0.11%	0.09%
Prices			
Highest share price	100.3	99.78	106.9
Lowest share price	90.95	81.10	95.00

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

Retail income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	67.34	71.08	79.72
Return before operating charges*	4.85	0.30	(5.21)
Operating charges	(0.89)	(0.89)	(1.06)
Return after operating charges*	3.96	(0.59)	(6.27)
Distributions	(2.81)	(3.15)	(2.37)
Closing net asset value per share	68.49	67.34	71.08
* after direct transaction costs of:	0.09	0.08	0.07
Performance			
Return after charges	5.88%	(0.83%)	(7.87%)
Other information			
Closing net asset value (£'000)	27	227	259
Closing number of shares	38,933	336,399	365,033
Operating charges	1.34%	1.34%	1.34%
Direct transaction costs	0.14%	0.11%	0.09%
Prices			
Highest share price	70.32	71.93	82.67
Lowest share price	62.99	58.87	71.16

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

Institutional accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	99.27	99.58	107.80
Return before operating charges*	7.51	0.52	(7.28)
Operating charges	(0.87)	(0.83)	(0.94)
Return after operating charges*	6.64	(0.31)	(8.22)
Distributions	(3.42)	(3.72)	(2.35)
Retained distributions on accumulation shares	3.42	3.72	2.35
Closing net asset value per share	105.91	99.27	99.58
* after direct transaction costs of:	0.14	0.11	0.10
Performance			
Return after charges	6.69%	(0.31%)	(7.63%)
Other information			
Closing net asset value (£'000)	192,993	238,516	238,821
Closing number of shares	182,222,163	240,268,711	239,829,992
Operating charges	0.87%	0.87%	0.87%
Direct transaction costs	0.14%	0.11%	0.09%
Prices			
Highest share price	106.5	105.5	112.2
Lowest share price	96.21	85.64	100.0

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

Comparative Tables

Continued

Institutional income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	71.35	74.97	83.67
Return before operating charges*	5.16	0.31	(5.49)
Operating charges	(0.61)	(0.61)	(0.72)
Return after operating charges*	4.55	(0.30)	(6.21)
Distributions	(2.97)	(3.32)	(2.49)
Closing net asset value per share	72.93	71.35	74.97
* after direct transaction costs of:	0.10	0.08	0.07
Performance			
Return after charges	6.38%	(0.40%)	(7.42%)
Other information			
Closing net asset value (£'000)	7,613	6,276	6,688
Closing number of shares	10,439,235	8,796,100	8,920,656
Operating charges	0.87%	0.87%	0.87%
Direct transaction costs	0.14%	0.11%	0.09%
Prices			
Highest share price	74.52	76.18	86.82
Lowest share price	67.03	62.29	75.82

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

Platform 1 accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	98.67	99.02	107.26
Return before operating charges*	7.48	0.52	(7.25)
Operating charges	(0.92)	(0.87)	(0.99)
Return after operating charges*	6.56	(0.35)	(8.24)
Distributions	(3.34)	(3.66)	(2.28)
Retained distributions on accumulation shares	3.34	3.66	2.28
Closing net asset value per share	105.23	98.67	99.02
* after direct transaction costs of:	0.14	0.11	0.10
Performance			
Return after charges	6.65%	(0.35%)	(7.68%)
Other information			
Closing net asset value (£'000)	40,030	24,704	24,004
Closing number of shares	38,042,241	25,037,389	24,241,814
Operating charges	0.92%	0.92%	0.92%
Direct transaction costs	0.14%	0.11%	0.09%
Prices			
Highest share price	105.8	104.8	111.6
Lowest share price	95.62	85.13	99.45

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

Platform 1 income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	70.94	74.57	83.28
Return before operating charges*	5.15	0.31	(5.47)
Operating charges	(0.64)	(0.64)	(0.76)
Return after operating charges*	4.51	(0.33)	(6.23)
Distributions	(2.96)	(3.30)	(2.48)
Closing net asset value per share	72.49	70.94	74.57
* after direct transaction costs of:	0.10	0.08	0.07
Performance			
Return after charges	6.36%	(0.44%)	(7.48%)
Other information			
Closing net asset value (£'000)	27,984	27,087	28,894
Closing number of shares	38,606,295	38,182,896	38,747,049
Operating charges	0.92%	0.92%	0.92%
Direct transaction costs	0.14%	0.11%	0.09%
Prices			
Highest share price	74.09	75.75	86.41
Lowest share price	66.62	61.94	75.42

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

ZC accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	106.35	105.94	113.84
Return before operating charges*	8.02	0.53	(7.76)
Operating charges	(0.13)	(0.12)	(0.14)
Return after operating charges*	7.89	0.41	(7.90)
Distributions	(4.43)	(4.68)	(3.34)
Retained distributions on accumulation shares	4.43	4.68	3.34
Closing net asset value per share	114.24	106.35	105.94
* after direct transaction costs of:	0.15	0.12	0.10
Performance			
Return after charges	7.42%	0.39%	(6.94%)
Other information			
Closing net asset value (£'000)	387,230	514,569	518,756
Closing number of shares	338,968,494	483,865,854	489,668,219
Operating charges	0.12%	0.12%	0.12%
Direct transaction costs	0.14%	0.11%	0.09%
Prices			
Highest share price	114.9	113.0	118.8
Lowest share price	103.1	91.55	106.3

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

Comparative Tables

Continued

ZA income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	77.52	80.77	89.41
Return before operating charges*	5.64	0.34	(5.95)
Operating charges	(0.03)	(0.03)	(0.04)
Return after operating charges*	5.61	0.31	(5.99)
Distributions	(3.21)	(3.56)	(2.65)
Closing net asset value per share	79.92	77.52	80.77
* after direct transaction costs of:	0.11	0.09	0.08
Performance			
Return after charges	7.24%	0.38%	(6.70%)
Other information			
Closing net asset value (£'000)	3,020	4,829	5,738
Closing number of shares	3,779,521	6,229,322	7,104,106
Operating charges	0.04%	0.04%	0.04%
Direct transaction costs	0.14%	0.11%	0.09%
Prices			
Highest share price	81.23	82.71	92.90
Lowest share price	73.37	67.50	81.67

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.

Portfolio Statement

As at 29 February 2024

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (99.67%)		**666,617**	**99.54**
Europe, Middle East & African Equities (6.80%)		**33,614**	**5.02**
Georgia (1.19%)		**11,181**	**1.67**
237,640	Bank of Georgia	11,181	1.67
Nigeria (1.07%)		**2,993**	**0.45**
2,141,306	Seplat Energy	2,993	0.45
Poland (0.44%)		**-**	**-**
Russia (0.00%)		**-**	**-**
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+++	-	-
Saudi Arabia (1.31%)		**3,097**	**0.46**
165,480	Al Rajhi Bank	3,097	0.46
South Africa (2.41%)		**11,480**	**1.71**
50,124	Anglo American Platinum	1,522	0.22
1,433,414	Sanlam	4,335	0.65
1,451,997	Vodacom	5,623	0.84
United Arab Emirates (0.38%)		**4,863**	**0.73**
5,465,578	Americana Restaurants International	4,011	0.60
1,170,493	National Central Cooling	852	0.13

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Latin America Equities (12.76%)		**102,723**	**15.34**
Brazil (4.10%)		**40,508**	**6.05**
1,775,164	B3	3,621	0.54
1,123,472	Itaú Unibanco	5,239	0.78
1,801,438	Odontoprev	3,451	0.51
1,518,280	Petroleo Brasileiro (Preference)	9,694	1.45
657,581	Rede D'Or Sao Luiz	2,649	0.40
976,934	SLC Agricola	3,055	0.46
1,476,851	Telefonica Brasil	12,799	1.91
Chile (0.77%)		**3,637**	**0.54**
92,637	Sociedad Quimica y Minera de Chile ADR*	3,637	0.54
Colombia (0.38%)		**2,806**	**0.42**
413,275	Geopark	2,806	0.42
Mexico (6.54%)		**48,532**	**7.25**
1,181,824	Grupo Aeroportuario del Centro Norte	8,075	1.21
310,220	Grupo Aeroportuario del Sureste 'B'	7,201	1.07
1,762,331	Grupo Financiero Banorte 'O'	14,390	2.15
4,924,852	Grupo México 'B'	18,866	2.82
Peru (0.97%)		**7,240**	**1.08**
53,596	Credicorp	7,240	1.08
Pacific Basin Equities (80.11%)		**530,280**	**79.18**
China (26.05%)		**155,765**	**23.26**
2,537,000	Alibaba	18,663	2.79
1,207,170	ANTA Sports Products	9,356	1.40
149,662	Autohome ADR	3,074	0.46
361,253	China Tourism Duty Free 'A'	3,452	0.52

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
4,068,000	Country Garden Services	2,461	0.37
8,062,000	Fu Shou Yuan International	4,168	0.62
746,400	Hangzhou Tigermed Consulting 'H'	2,054	0.31
746,935	Hefei Meiya Optoelectronic Technology 'A'	1,581	0.24
1,782,935	Inner Mongolia Yili Industrial 'A'	5,544	0.83
385,750	JD.com 'A'	3,469	0.52
2,173,344	Joinn Laboratories China 'H'	2,164	0.32
274,600	Li Auto 'A'	4,913	0.73
3,859,500	Li Ning	7,607	1.14
751,284	LONGi Green Energy Technology 'A'	1,751	0.26
1,108,910	Midea 'A'	7,620	1.14
927,560	NetEase	16,504	2.46
2,965,186	Ping An Insurance 'H'	10,510	1.57
152,700	Shenzhen Mindray Bio-Medical Electronics 'A'	4,844	0.72
899,200	Tencent	25,152	3.75
14,664,682	Tianhe Chemicals**	-	-
746,479	Wuliangye Yibin 'A'	11,650	1.74
1,868,000	Yadea	2,313	0.34
4,769,000	Zhongsheng	6,915	1.03
Hong Kong (3.91%)		**17,063**	**2.55**
7,115,800	Budweiser Brewing	9,111	1.36
550,950	China Lumena New Materials**	-	-
88,800	China Metal Recycling**	-	-
6,133,481	SITC International*	7,952	1.19
India (12.56%)		**90,008**	**13.44**
190,102	Bajaj Holdings & Investment	16,855	2.52
612,488	Container Corporation of India	5,746	0.86
755,958	Crompton Greaves Consumer Electricals	2,103	0.31
1,687,150	HDFC Bank	22,645	3.38
463,993	ICICI Bank	4,667	0.70
866,477	Mahanagar Gas	12,266	1.83
6,881,236	Power Grid Corporation of India	18,566	2.77
182,581	Tata Consultancy Services	7,160	1.07

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Indonesia (4.71%)		**36,186**	**5.40**
36,134,000	Bank Mandiri	12,724	1.90
6,800,700	Bank Negara Indonesia	2,044	0.30
35,859,205	Bank Rakyat Indonesia	11,048	1.65
51,667,400	Telkom Indonesia	10,370	1.55
Kazakhstan (2.08%)		**14,146**	**2.11**
229,210	Air Astana GDR	1,685	0.25
153,031	Kaspi.KZ ADR	12,461	1.86
Macau (0.82%)		**5,370**	**0.80**
2,384,547	Sands China	5,370	0.80
Malaysia (2.24%)		**10,178**	**1.52**
3,634,500	Malaysia Airports	5,086	0.76
5,458,031	RHB Bank	5,092	0.76
Philippines (0.44%)		**4,527**	**0.68**
19,626,800	Asian Terminals	4,527	0.68
Singapore (0.00%)		**6,430**	**0.96**
1,701,400	AEM	2,141	0.32
7,222,500	CapitaLand India Trust	4,289	0.64
South Korea (11.54%)		**83,810**	**12.51**
92,236	HD Korea Shipbuilding & Offshore Engineering	6,127	0.91
10,505	LG Chem (Preference)	1,871	0.28
180,016	Samsung Electronics	7,834	1.17
1,118,797	Samsung Electronics (Preference)	42,177	6.30
266,948	Samsung Engineering	3,899	0.58
847,109	Shinhan Financial	21,902	3.27

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Taiwan (14.92%)		**103,643**	**15.48**
1,444,423	Chroma ATE	8,417	1.26
770,000	Hon Hai Precision Industry	1,983	0.30
828,000	MediaTek	23,504	3.51
636,800	Sporton International	3,751	0.56
3,823,899	Taiwan Semiconductor Manufacturing	65,988	9.85
Thailand (0.84%)		**3,154**	**0.47**
18,345,800	Digital Telecommunications Infrastructure Fund	3,154	0.47
Collective Investment Schemes (0.00%)		**5**	**-**
5	abrdn Liquidity Fund (Lux) - Sterling Fund Z1 Inc+	5	-
Total investment assets		666,622	99.54
Net other assets		3,100	0.46
Total Net Assets		**669,722**	**100.00**

All investments are listed on recognised stock exchanges and are approved securities, or are regulated collective investment schemes within the meaning of the FCA rules.
The percentage figures in brackets show the comparative holding as at 28 February 2023.
+ Managed by subsidiaries of abrdn plc.
+++ Priced per abrdn VPC.
* A portion of this security is on loan at the period end.
** Delisted.

Financial Statements

Statement of Total Return

For the year ended 29 February 2024

		2024		2023	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains/(losses)	1		21,346		(31,375)
Revenue	2	37,332		41,263	
Expenses	3	(3,224)		(3,217)	
Interest payable and similar charges		(29)		(21)	
Net revenue before taxation		34,079		38,025	
Taxation	4	(5,794)		(4,539)	
Net revenue after taxation			28,285		33,486
Total return before distributions			**49,631**		**2,111**
Distributions	5		(31,335)		(35,117)
Change in net assets attributable to shareholders from investment activities			**18,296**		**(33,006)**

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 29 February 2024

	2024		2023	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		**825,286**		**833,327**
Amounts receivable on the issue of shares	46,967		66,281	
Amounts payable on the cancellation of shares	(250,325)		(74,476)	
		(203,358)		(8,195)
Dilution adjustment		425		-
Change in net assets attributable to shareholders from investment activities (see above)		18,296		(33,006)
Retained distribution on accumulation shares		29,073		33,160
Closing net assets attributable to shareholders		**669,722**		**825,286**

Balance Sheet

As at 29 February 2024

		2024		2023	
		£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			666,622		822,525
Current assets:					
Debtors	6	8,331		4,700	
Cash and bank balances	7	1,162		7,048	
			9,493		11,748
Total assets			**676,115**		**834,273**
Liabilities:					
Provisions for liabilities	8		(3,179)		(2,574)
Bank overdrafts	7	-		(975)	
Creditors	9	(3,049)		(5,257)	
Distribution payable		(165)		(181)	
			(3,214)		(6,413)
Total liabilities			**(6,393)**		**(8,987)**
Net assets attributable to shareholders			**669,722**		**825,286**

Notes to the Financial Statements

1 Net Capital Gains/(Losses)

	2024 £'000	2023 £'000
Non-derivative securities	21,627	(31,756)
Forward currency contracts	2	-
Other (losses)/gains	(233)	451
Transaction charges	(50)	(70)
Net capital gains/(losses)	**21,346**	**(31,375)**

2 Revenue

	2024 £'000	2023 £'000
Bank and margin interest	70	11
Overseas dividends	35,473	40,162
Overseas REIT	564	486
Stocklending revenue	73	-
UK dividends	1,152	604
Total revenue	**37,332**	**41,263**

3 Expenses

	2024 £'000	2023 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	2,359	2,332
Dealing charge	29	26
General administration charge	605	633
	2,993	**2,991**
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Depositary's fees	-	(1)
Revenue collection expenses	20	15
Safe custody fees	211	205
	231	**219**
Other:		
Professional fees	-	7
	-	7
Total expenses	**3,224**	**3,217**

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £11,100 (2023: £10,200).

4 Taxation

	2024 £'000	2023 £'000
(a) Analysis of charge in year		
Overseas taxes	3,043	3,203
Overseas capital gains tax in capital	2,147	325
Total current tax	5,190	3,528
Deferred tax (note 4c)	604	1,011
Total taxation (note 4b)	**5,794**	**4,539**

(b) Factors affecting total tax charge for the year

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

Net revenue before taxation	**34,079**	**38,025**
Corporation tax at 20% (2023: 20%)	6,816	7,605
Effects of:		
Revenue not subject to taxation	(7,000)	(7,846)
Overseas taxes	3,043	3,203
Overseas tax expensed	(66)	(60)
Excess allowable expenses	250	301
Overseas capital gains tax	2,147	325
Deferred tax	604	1,011
Total tax charge for year (note 4a)	**5,794**	**4,539**

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

(c) Deferred tax

Deferred tax charge at the start of the year	2,575	1,564
Deferred tax charge in statement of total return for year (note 4a)	604	1,011
Provision at the end of the year	**3,179**	**2,575**

(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 £2,252,000 (2023: £2,002,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

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

	2024 £'000	2023 £'000
First interim distribution	11,469	10,499
Second interim distribution	12,893	16,298
Third interim distribution	4,001	5,002
Final distribution	2,281	3,205
	30,644	35,004
Add: Income deducted on cancellation of shares	833	378
Deduct: Income received on issue of shares	(142)	(265)
Total distributions for the year	**31,335**	**35,117**

Movement between net revenue and distributions		
Net revenue after taxation	28,285	33,486
Expenses charged to capital	299	295
Overseas capital gains tax on realised gains	2,147	325
Overseas deferred capital gains tax on unrealised gains	604	1,010
Undistributed revenue brought forward	-	1
Total distributions for the year	**31,335**	**35,117**

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

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

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

6 Debtors

	2024 £'000	2023 £'000
Accrued revenue	1,899	2,276
Amounts receivable from the ACD for the issue of shares	407	223
Overseas withholding tax recoverable	1,053	818
Sales awaiting settlement	4,972	1,383
Total debtors	**8,331**	**4,700**

Notes to the Financial Statements

Continued

7 Liquidity

	2024 £'000	2023 £'000
Cash and bank balances		
Cash at bank	1,162	7,048
	1,162	**7,048**
Bank overdrafts		
Overdraft at bank	-	(975)
	-	**(975)**
abrdn Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	5	5
Net liquidity	**1,167**	**6,078**

* 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

	2024 £'000	2023 £'000
The provisions for liabilities comprise:		
Overseas capital gains tax	3,179	2,574
Total provisions for liabilities	**3,179**	**2,574**

9 Creditors

	2024 £'000	2023 £'000
Accrued expenses payable to ACD	356	259
Accrued expenses payable to the Depositary or associates of the Depositary	37	65
Amounts payable to the ACD for cancellation of shares	414	93
Capital gains tax payable	226	-
Other accrued expenses	-	5
Purchases awaiting settlement	2,016	4,835
Total creditors	**3,049**	**5,257**

Notes to the Financial Statements

Continued

10 Related Party Transactions

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

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

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

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

11 Portfolio Transaction Costs

	Purchases		Sales	
Trades in the year	**2024 £'000**	**2023 £'000**	**2024 £'000**	**2023 £'000**
Equities	272,960	322,203	451,534	287,002
Corporate actions	-	-	22	130
Trades in the year before transaction costs	**272,960**	**322,203**	**451,556**	**287,132**
Commissions				
Equities	145	224	(212)	(126)
Total commissions	**145**	**224**	**(212)**	**(126)**
Taxes				
Equities	185	176	(524)	(416)
Total taxes	**185**	**176**	**(524)**	**(416)**
Total transaction costs	**330**	**400**	**(736)**	**(542)**
Total net trades in the year after transaction costs	**273,290**	**322,603**	**450,820**	**286,590**

	Purchases		Sales	
	2024 %	**2023 %**	**2024 %**	**2023 %**
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.05	0.07	0.05	0.04
Taxes				
Equities	0.07	0.05	0.12	0.14

Notes to the Financial Statements

Continued

	2024 %	2023 %
Total transaction costs expressed as a percentage of net asset value		
Commissions	0.05	0.04
Taxes	0.09	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 0.27% (2023: 0.23%), this is representative of the average spread on the assets held during the year.

12 Shares in Issue Reconciliation

	Opening shares 2023	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2024
Retail accumulation	9,671,300	2,324,244	(1,126,915)	(12,753)	10,855,876
Retail income	336,399	170,449	(49,856)	(418,059)	38,933
Institutional accumulation	240,268,711	26,361,383	(84,645,655)	237,724	182,222,163
Institutional income	8,796,100	2,614,807	(1,046,917)	75,245	10,439,235
Platform 1 accumulation	25,037,389	14,087,685	(856,978)	(225,855)	38,042,241
Platform 1 income	38,182,896	3,570,435	(3,466,545)	319,509	38,606,295
ZC accumulation	483,865,854	18,516	(144,914,716)	(1,160)	338,968,494
ZA income	6,229,322	-	(2,449,801)	-	3,779,521

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).

Fair value of investment assets	2024 £'000 Level 1	2024 £'000 Level 2	2024 £'000 Level 3*	2023 £'000 Level 1	2023 £'000 Level 2	2023 £'000 Level 3*
Equities	666,617	-	-	822,520	-	-
Collective Investment Schemes	-	5	-	-	5	-
Total investment assets	**666,617**	**5**	**-**	**822,520**	**5**	**-**

* 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 2024 £'000	Net foreign currency exposure 2023 £'000
Brazilian Real	40,315	34,346
China Renminbi	36,442	57,815
Euro	-	3,637
Hong Kong Dollar	140,595	196,256
Hungarian Forint	-	1
Indian Rupee	91,350	103,054
Indonesian Rupiah	36,538	39,263
Malaysian Ringgit	10,178	18,487
Mexican Peso	48,715	54,445
Nigeria Naira	(58)	(34)
Philippines Peso	4,527	3,619
Russian Ruble	1	-
Saudi Riyal	3,097	10,812
Singapore Dollar	6,430	-
South Africa Rand	11,480	19,919
South Korean Won	83,253	96,347
Taiwan Dollar	104,618	125,018
Thai Baht	3,236	7,062
UAE Dirham	4,863	3,109
US Dollar	31,986	35,134
Total	**657,566**	**808,290**

At 29 February 2024, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £32,878,000 (2023: £40,414,000).

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 29 February 2024, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £33,331,000 (2023: £41,126,000).

Financial derivatives instrument risk

The fund had no exposure to derivatives as at 29 February 2024 (2023: £Nil).

Bilateral agreements

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

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

		Collateral (held)/pledged		
2024 Counterparties	Stock on loan £'000	Cash £'000	Stock* £'000	Net exposure £'000
UBS	1,932	-	(2,147)	(215)
Total	**1,932**	**-**	**(2,147)**	**(215)**

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

The prospectus outlines allowable collateral.

Top Ten SFTR Issuers

2024	Type	Collateral Stock £'000
Rolls-Royce	Equity	(214)
Ocado	Equity	(214)
WestRock	Equity	(214)
General Mills	Equity	(214)
PG&E	Equity	(214)
A.O. Smith	Equity	(214)
PPG Industries	Equity	(213)
Covestro	Equity	(212)
LY	Equity	(109)
Olympus	Equity	(109)
Combined issuers outside top 10	Equity	(220)
		(2,147)

The fund receives 85% of the revenue returns from stock lending. The gross earnings for the year are £86,000 (2023: £Nil) and expenses paid to the lending agent, Citibank, are £13,000 (2023: £Nil).

There were no counterparties or SFTR issuers at 28 February 2023.

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2024 £6,393,000 (2023: £8,987,000).

Distribution Tables

For the year ended 29 February 2024 (in pence per share)

First interim dividend distribution

Group 1 - shares purchased prior to 1 March 2023
Group 2 - shares purchased between 1 March 2023 and 31 May 2023

	Revenue	Equalisation	Distribution paid 31/07/23	Distribution paid 29/07/22
Retail accumulation				
Group 1	1.0563	-	1.0563	0.9791
Group 2	0.5274	0.5289	1.0563	0.9791
Retail income				
Group 1	0.9709	-	0.9709	0.9438
Group 2	0.0530	0.9179	0.9709	0.9438
Institutional accumulation				
Group 1	1.2306	-	1.2306	1.1374
Group 2	0.9965	0.2341	1.2306	1.1374
Institutional income				
Group 1	1.0284	-	1.0284	0.9935
Group 2	0.2191	0.8093	1.0284	0.9935
Platform 1 accumulation				
Group 1	1.2115	-	1.2115	1.1199
Group 2	0.7980	0.4135	1.2115	1.1199
Platform 1 income				
Group 1	1.0226	-	1.0226	0.9881
Group 2	0.5480	0.4746	1.0226	0.9881
ZC accumulation				
Group 1	1.5076	-	1.5076	1.3765
Group 2	1.4665	0.0411	1.5076	1.3765
ZA income				
Group 1	1.1124	-	1.1124	1.0616
Group 2	1.1124	-	1.1124	1.0616

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

Second interim dividend distribution

Group 1 - shares purchased prior to 1 June 2023
Group 2 - shares purchased between 1 June 2023 and 31 August 2023

	Revenue	Equalisation	Distribution paid 31/10/23	Distribution paid 31/10/22
Retail accumulation				
Group 1	1.3214	-	1.3214	1.6550
Group 2	0.4206	0.9008	1.3214	1.6550
Retail income				
Group 1	1.0860	-	1.0860	1.4268
Group 2	0.9524	0.1336	1.0860	1.4268
Institutional accumulation				
Group 1	1.4763	-	1.4763	1.8483
Group 2	0.7248	0.7515	1.4763	1.8483
Institutional income				
Group 1	1.1448	-	1.1448	1.5052
Group 2	0.4425	0.7023	1.1448	1.5052
Platform 1 accumulation				
Group 1	1.4462	-	1.4462	1.8285
Group 2	0.8205	0.6257	1.4462	1.8285
Platform 1 income				
Group 1	1.1398	-	1.1398	1.4957
Group 2	0.4936	0.6462	1.1398	1.4957
ZC accumulation				
Group 1	1.6745	-	1.6745	2.1269
Group 2	0.2369	1.4376	1.6745	2.1269
ZA income				
Group 1	1.2166	-	1.2166	1.6136
Group 2	1.2166	-	1.2166	1.6136

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

Third interim dividend distribution

Group 1 - shares purchased prior to 1 September 2023
Group 2 - shares purchased between 1 September 2023 and 30 November 2023

	Revenue	Equalisation	Distribution paid 31/01/24	Distribution paid 31/01/23
Retail accumulation				
Group 1	0.3073	-	0.3073	0.3331
Group 2	0.1245	0.1828	0.3073	0.3331
Retail income				
Group 1	0.4614	-	0.4614	0.4585
Group 2	-	0.4614	0.4614	0.4585
Institutional accumulation				
Group 1	0.4646	-	0.4646	0.4657
Group 2	0.2121	0.2525	0.4646	0.4657
Institutional income				
Group 1	0.4899	-	0.4899	0.4866
Group 2	0.3127	0.1772	0.4899	0.4866
Platform 1 accumulation				
Group 1	0.4509	-	0.4509	0.4500
Group 2	0.1889	0.2620	0.4509	0.4500
Platform 1 income				
Group 1	0.4876	-	0.4876	0.4840
Group 2	0.2335	0.2541	0.4876	0.4840
ZC accumulation				
Group 1	0.7813	-	0.7813	0.7013
Group 2	0.3360	0.4453	0.7813	0.7013
ZA income				
Group 1	0.5455	-	0.5455	0.5287
Group 2	0.5455	-	0.5455	0.5287

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

Final dividend distribution

Group 1 - shares purchased prior to 1 December 2023
Group 2 - shares purchased between 1 December 2023 and 29 February 2024

	Revenue	Equalisation	Distribution paid 30/04/24	Distribution paid 28/04/23
Retail accumulation				
Group 1	0.1194	-	0.1194	0.1518
Group 2	0.0350	0.0844	0.1194	0.1518
Retail income				
Group 1	0.2894	-	0.2894	0.3189
Group 2	0.1221	0.1673	0.2894	0.3189
Institutional accumulation				
Group 1	0.2463	-	0.2463	0.2712
Group 2	0.1216	0.1247	0.2463	0.2712
Institutional income				
Group 1	0.3117	-	0.3117	0.3373
Group 2	0.1386	0.1731	0.3117	0.3373
Platform 1 accumulation				
Group 1	0.2270	-	0.2270	0.2584
Group 2	0.1014	0.1256	0.2270	0.2584
Platform 1 income				
Group 1	0.3104	-	0.3104	0.3353
Group 2	0.1473	0.1631	0.3104	0.3353
ZC accumulation				
Group 1	0.4623	-	0.4623	0.4739
Group 2	0.2057	0.2566	0.4623	0.4739
ZA income				
Group 1	0.3370	-	0.3370	0.3583
Group 2	0.3370	-	0.3370	0.3583

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 29 February 2024

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 counties 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 9.65% (Source: FactSet, Institutional Accumulation, net of fees). This compared to a return of 10.74% for our performance target (Source: FactSet, FTSE World Europe ex UK Index). From an income perspective, the Institutional share class yield stood at 3.52% at the year end versus the index yield target of 2.83%.

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

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

Our holdings in the technology sector made a strong contribution to performance over the period, mainly due to stock selection. BE Semiconductor was among the top performers as it benefited from optimism about an improvement in the semiconductor cycle and AI along with evidence of a broadening in customer adoption of hybrid-bonding products. SAP also made strong gains thanks to healthy revenue growth and increased market confidence about the company's business positioning in areas such as the cloud. Elsewhere, Swedish property platform Hemnet Group added to returns following an impressive trading update that increased confidence in the company's earnings recovery and transaction volumes.

abrdn Europe ex UK Income Equity Fund

Continued

Novo Nordisk's stock benefited from news that trial results showed a substantial cardiovascular risk benefit from weight loss induced by the firm's GLP-1 medication. This news led to greater confidence in the long-term opportunity for its obesity franchise, alongside continued strong earnings momentum driven by its GLP1 franchise. Evidence of improving growth momentum in the second quarter of 2023 gave a boost to shares in Universal Music Group, and Schneider Electric performed well after the company issued results that demonstrated organic growth levels ahead of expectations, as well as increasing confidence in its outlook given rising demand for electrification

By contrast, our holdings in the financials sectors were the largest detractors from performance, again mainly due to stock selection. Shares in Bank of Ireland fell partly on read-across from weakness in UK banks given lower-than-expected net interest margin delivery. Nordea Bank and Finecobank were also weak in the period. In the utilities sector, RWE underperformed as rising bond yields put pressure on renewables developers and other long-duration assets. Weakness in the gas and power market resulted in the company guiding towards the bottom end of 2023 net income expectations, despite a strong finish to the year.

Payment service provider Edenred fell back on concerns about potential regulatory intervention in France and an investigation into its Italian business relating to a 2019 tender. However, the potential financial penalties related to the latter are likely to be immaterial, and the company continued to see very strong top-line momentum at its two main business units. Fears about the potentially damaging impact of AI weighed on Teleperformance's shares and Neste's share price reacted negatively to news that Sweden, one of its most important markets, planned to cut its biofuel mandate for diesel from 2024.

Market Review

Continental Europe's stock markets, as measured by the FTSE World Europe ex UK Index, rose over the 12-month period in sterling terms as inflation continued to fall and hopes grew that central banks would soon start to cut interest rates. They underperformed the markets in the US and Japan, but did better than emerging markets, especially China. Early in the period, the collapse of US-based Silicon Valley Bank led to some volatility as investors questioned the health of the global banking system. In Europe, contagion culminated in the takeover of Credit Suisse by UBS, but markets subsequently recovered much of their prior losses as confidence was restored.

In the second half of 2023 the mood turned more positive despite ongoing macroeconomic concerns. Share prices were bolstered by hopes that the global economy could achieve a 'soft landing' following the period of monetary tightening, although the outbreak of conflict between Palestine and Israel in October led to increases in commodity prices as well as disruption of vital international shipping routes in the Red Sea. The prospect of cuts to interest rates in 2024 as well as advances in artificial intelligence (AI) boosted shares prices across the technology sector, while gains in European markets were also supported by strength in financial stocks as a result of rising rates.

In economic news, the rate of inflation in the eurozone fell consistently throughout the period and stood at 2.6% in February 2024. The European Central Bank (ECB) raised interest rates on six occasions between February and September, moving the deposit rate to 4.5%, a multi-decade high. Investors expected the ECB to begin to reduce rates in the first half of 2024, although ECB president Christine Lagarde warned that rates would only be cut once inflation was clearly under control. Growth in the euro area was sluggish over the period, with weakness in the German economy in particular.

Portfolio Activity and Review

We introduced five new holdings to the portfolio in the period. KPN is a well-run telecoms company operating in the Netherlands in a relatively stable three-player market. The firm has a solid management team and balance sheet, and its free cash flow is set to inflect positively on a multi-year view as capital expenditure declines. In Danone, the French consumer-staples company, we see reasons to be optimistic about the turnaround of the business. Success in the US offers a playbook for driving growth in the European dairy business and we believe there is potential for the company to generate more attractive earnings and dividend growth.

The fund also bought a new position in clothing company Inditex due to the strength of its adaptable business model and its value proposition. The firm's return to modest store growth raises the prospect of improving revenue growth and there is the possibility of extra cash returns to shareholders. We initiated a holding in pharmaceutical businesses Novartis, where management continue to implement corporate restructuring that has the potential to lead to improved margins and returns. Income credentials appeared to be attractive given the combination of dividend yield and share buyback plans. Pernod Ricard was another purchase thanks to its attractive valuation given the firm's strong franchise and compounding business, while the dividend yield was at a high in historical terms.

On the other hand, we sold our holding in Sandoz, a business which span out of Novartis and did not appear to be a particularly attractive asset. We also exited DSM-Firmenich as a result of further earnings downgrade risk from its vitamin business, and Roche, a position we had been reducing in favour of other pharmaceutical exposures, along with our holdings in Teleperformance and Partners Group.

Portfolio Outlook and Strategy

We are cautiously optimistic on the outlook for corporate profitability moving further into 2024, but enthusiasm is tempered to some degree by the scale of the recent rally and the extent to which improving economic data may suggest the need for higher interest rates for longer. Even if the trajectory of interest rates has proved less steep than some were expecting, it remains the case that higher rates are raising financing costs and increasing 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 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 following the Covid-19 pandemic and the war in Ukraine, markets will be much more interested in companies that are resilient to this tougher backdrop. The good news is that this is 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 more 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.

DM Income and Real Assets Equity Team

March 2024

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 29 February 2024.

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

- Interest Rate Risk – The fund invests in securities which can be subject to price fluctuation for a variety of reasons including changes in interest rates or inflation expectations.
- Derivatives Risk – The use of derivatives may involve additional liquidity, credit and counterparty risks. In some cases the risk of loss from derivatives may be increased where a small change in the value of the underlying investment may have a larger impact on the value of the derivative.

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

Comparative Tables

Retail accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	176.17	156.35	145.94
Return before operating charges*	18.75	21.94	12.56
Operating charges	(2.35)	(2.12)	(2.15)
Return after operating charges*	16.40	19.82	10.41
Distributions	(4.35)	(3.02)	(2.81)
Retained distributions on accumulation shares	4.35	3.02	2.81
Closing net asset value per share	192.57	176.17	156.35
* after direct transaction costs of:	0.19	0.22	0.11
Performance			
Return after charges	9.31%	12.68%	7.13%
Other information			
Closing net asset value (£'000)	9,040	8,121	7,603
Closing number of shares	4,694,631	4,609,586	4,862,477
Operating charges	1.32%	1.31%	1.32%
Direct transaction costs	0.10%	0.14%	0.07%
Prices			
Highest share price	193.5	179.5	176.1
Lowest share price	168.2	139.3	146.7

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

Comparative Tables

Continued

Retail income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	103.55	94.70	91.11
Return before operating charges*	10.67	13.05	7.91
Operating charges	(1.35)	(1.25)	(1.32)
Return after operating charges*	9.32	11.80	6.59
Distributions	(3.87)	(2.95)	(3.00)
Closing net asset value per share	109.00	103.55	94.70
* after direct transaction costs of:	0.11	0.13	0.07
Performance			
Return after charges	9.00%	12.46%	7.23%
Other information			
Closing net asset value (£'000)	723	793	1,043
Closing number of shares	663,666	765,455	1,101,878
Operating charges	1.32%	1.31%	1.32%
Direct transaction costs	0.10%	0.14%	0.07%
Prices			
Highest share price	109.8	105.9	107.6
Lowest share price	97.76	84.38	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.

Comparative Tables

Continued

Institutional accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	190.80	168.52	156.56
Return before operating charges*	20.40	23.73	13.45
Operating charges	(1.64)	(1.45)	(1.49)
Return after operating charges*	18.76	22.28	11.96
Distributions	(5.59)	(3.84)	(3.74)
Retained distributions on accumulation shares	5.59	3.84	3.74
Closing net asset value per share	209.56	190.80	168.52
* after direct transaction costs of:	0.21	0.24	0.12
Performance			
Return after charges	9.83%	13.22%	7.64%
Other information			
Closing net asset value (£'000)	131,271	118,873	279,222
Closing number of shares	62,642,332	62,302,294	165,692,685
Operating charges	0.85%	0.84%	0.85%
Direct transaction costs	0.10%	0.14%	0.07%
Prices			
Highest share price	210.5	194.4	189.5
Lowest share price	182.2	150.2	157.4

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 income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	112.53	102.42	98.06
Return before operating charges*	11.64	14.19	8.51
Operating charges	(0.95)	(0.88)	(0.92)
Return after operating charges*	10.69	13.31	7.59
Distributions	(4.21)	(3.20)	(3.23)
Closing net asset value per share	119.01	112.53	102.42
* after direct transaction costs of:	0.12	0.14	0.07
Performance			
Return after charges	9.50%	13.00%	7.74%
Other information			
Closing net asset value (£'000)	142,732	178,016	210,611
Closing number of shares	119,932,695	158,200,886	205,625,631
Operating charges	0.85%	0.84%	0.85%
Direct transaction costs	0.10%	0.14%	0.07%
Prices			
Highest share price	119.9	115.0	116.2
Lowest share price	106.4	91.27	98.59

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

Institutional S accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	105.58	93.10	86.29
Return before operating charges*	11.31	13.17	7.52
Operating charges	(0.79)	(0.69)	(0.71)
Return after operating charges*	10.52	12.48	6.81
Distributions	(3.26)	(2.29)	(2.27)
Retained distributions on accumulation shares	3.26	2.29	2.27
Closing net asset value per share	116.10	105.58	93.10
* after direct transaction costs of:	0.11	0.13	0.07
Performance			
Return after charges	9.96%	13.40%	7.89%
Other information			
Closing net asset value (£'000)	2	1	1
Closing number of shares	1,336	1,336	1,336
Operating charges	0.73%	0.72%	0.73%
Direct transaction costs	0.10%	0.14%	0.07%
Prices			
Highest share price	116.6	107.5	104.6
Lowest share price	100.8	82.97	86.76

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

Institutional S income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	75.27	68.43	65.41
Return before operating charges*	7.81	9.47	5.72
Operating charges	(0.55)	(0.50)	(0.53)
Return after operating charges*	7.26	8.97	5.19
Distributions	(2.80)	(2.13)	(2.17)
Closing net asset value per share	79.73	75.27	68.43
* after direct transaction costs of:	0.08	0.10	0.05
Performance			
Return after charges	9.65%	13.11%	7.93%
Other information			
Closing net asset value (£'000)	1	1	1
Closing number of shares	1,637	1,637	1,637
Operating charges	0.73%	0.72%	0.73%
Direct transaction costs	0.10%	0.14%	0.07%
Prices			
Highest share price	80.33	76.93	77.65
Lowest share price	71.22	60.99	65.76

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

Platform 1 accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	141.91	125.43	116.59
Return before operating charges*	15.15	17.64	10.01
Operating charges	(1.29)	(1.16)	(1.17)
Return after operating charges*	13.86	16.48	8.84
Distributions	(4.09)	(2.80)	(2.72)
Retained distributions on accumulation shares	4.09	2.80	2.72
Closing net asset value per share	155.77	141.91	125.43
* after direct transaction costs of:	0.15	0.18	0.09
Performance			
Return after charges	9.77%	13.14%	7.58%
Other information			
Closing net asset value (£'000)	32,048	29,927	26,440
Closing number of shares	20,574,064	21,088,853	21,079,338
Operating charges	0.90%	0.89%	0.90%
Direct transaction costs	0.10%	0.14%	0.07%
Prices			
Highest share price	156.5	144.6	141.1
Lowest share price	135.5	111.8	117.2

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

Platform 1 income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	96.94	88.29	84.57
Return before operating charges*	10.02	12.20	7.35
Operating charges	(0.86)	(0.80)	(0.84)
Return after operating charges*	9.16	11.40	6.51
Distributions	(3.62)	(2.75)	(2.79)
Closing net asset value per share	102.48	96.94	88.29
* after direct transaction costs of:	0.10	0.12	0.06
Performance			
Return after charges	9.45%	12.91%	7.70%
Other information			
Closing net asset value (£'000)	30,804	32,314	23,551
Closing number of shares	30,059,181	33,332,459	26,675,514
Operating charges	0.90%	0.89%	0.90%
Direct transaction costs	0.10%	0.14%	0.07%
Prices			
Highest share price	103.2	99.08	100.2
Lowest share price	91.66	78.68	85.03

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

ZC accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	210.56	184.60	170.22
Return before operating charges*	22.69	26.14	14.57
Operating charges	(0.21)	(0.18)	(0.19)
Return after operating charges*	22.48	25.96	14.38
Distributions	(7.80)	(5.66)	(5.51)
Retained distributions on accumulation shares	7.80	5.66	5.51
Closing net asset value per share	233.04	210.56	184.60
* after direct transaction costs of:	0.23	0.26	0.13
Performance			
Return after charges	10.68%	14.06%	8.45%
Other information			
Closing net asset value (£'000)	17,823	764	759
Closing number of shares	7,647,914	362,836	411,050
Operating charges	0.10%	0.09%	0.10%
Direct transaction costs	0.10%	0.14%	0.07%
Prices			
Highest share price	234.1	214.4	207.1
Lowest share price	201.1	164.5	171.2

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	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	126.25	113.96	108.21
Return before operating charges*	13.14	15.87	9.34
Operating charges	(0.02)	(0.02)	(0.02)
Return after operating charges*	13.12	15.85	9.32
Distributions	(4.73)	(3.56)	(3.57)
Closing net asset value per share	134.64	126.25	113.96
* after direct transaction costs of:	0.13	0.16	0.08
Performance			
Return after charges	10.39%	13.91%	8.61%
Other information			
Closing net asset value (£'000)	6,138	6,319	7,570
Closing number of shares	4,559,096	5,004,825	6,642,306
Operating charges	0.02%	0.01%	0.02%
Direct transaction costs	0.10%	0.14%	0.07%
Prices			
Highest share price	135.6	129.0	129.0
Lowest share price	119.7	101.6	108.8

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

Portfolio Statement

As at 29 February 2024

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (98.04%)		**365,281**	**98.57**
European Equities (98.04%)		**365,281**	**98.57**
Denmark (5.78%)		**28,087**	**7.58**
215,830	Novo Nordisk 'B'	20,381	5.50
458,505	Tryg	7,706	2.08
Finland (5.51%)		**5,272**	**1.42**
94,627	Neste	2,055	0.55
334,610	Nordea Bank	3,217	0.87
France (28.95%)		**106,297**	**28.68**
48,737	Air Liquide	7,834	2.11
315,707	AXA	8,879	2.40
179,543	Danone	9,065	2.45
169,017	Edenred	6,621	1.79
940,703	Engie	11,939	3.22
12,693	LVMH	9,152	2.47
17,077	Pernod Ricard	2,258	0.61
157,428	Sanofi	11,837	3.19
71,221	Schneider Electric	12,780	3.45
283,605	TotalEnergies	14,312	3.86
114,738	Vinci	11,620	3.13
Germany (13.81%)		**57,668**	**15.56**
9,054	Deutsche Boerse	1,506	0.41
733,991	Deutsche Telekom	13,821	3.73
117,939	Mercedes-Benz	7,445	2.01
303,126	RWE	8,054	2.17
114,759	SAP	17,022	4.59
62,733	Siemens	9,820	2.65
Ireland (3.27%)		**4,539**	**1.23**
659,033	Bank of Ireland	4,539	1.23

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Italy (4.53%)		**23,927**	**6.46**
2,092,083	Enel	10,529	2.84
181,579	FinecoBank	1,985	0.54
4,540,540	Intesa Sanpaolo	11,413	3.08
Netherlands (14.37%)		**63,944**	**17.26**
21,417	ASML	15,949	4.30
63,384	BE Semiconductor Industries	9,061	2.45
949,433	ING	10,307	2.78
2,568,755	Koninklijke KPN	7,432	2.01
354,956	Universal Music	8,463	2.28
102,075	Wolters Kluwer	12,732	3.44
Norway (1.04%)		**4,232**	**1.14**
220,170	Aker BP	4,232	1.14
Spain (3.99%)		**21,237**	**5.73**
147,242	Amadeus IT	6,850	1.85
186,296	Iberdrola	1,692	0.46
361,867	Industria de Diseno Textil	12,695	3.42
Sweden (3.43%)		**15,115**	**4.08**
232,617	Atlas Copco 'A'	3,199	0.86
250,505	Hemnet	6,044	1.63
269,174	Volvo 'B'	5,872	1.59
Switzerland (13.36%)		**34,963**	**9.43**
54,819	Cie Financiere Richemont	6,917	1.87
67,356	Nestle	5,549	1.50
208,299	Novartis	16,734	4.51

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
128,861	SIG	2,023	0.54
8,863	Zurich Insurance	3,740	1.01
Collective Investment Schemes (1.29%)		**2,981**	**0.80**
1,925	abrdn Liquidity Fund (Lux) - Euro Fund Z3 Inc+	1,647	0.44
1,334	abrdn Liquidity Fund (Lux) - Sterling Fund Z1 Inc+	1,334	0.36
Total investment assets		368,262	99.37
Net other assets		2,320	0.63
Total Net Assets		**370,582**	**100.00**

All investments are listed on recognised stock exchanges and are approved securities, or are regulated collective investment schemes within the meaning of the FCA rules.
The percentage figures in brackets show the comparative holding as at 28 February 2023.
+ Managed by subsidiaries of abrdn plc.

Financial Statements

Statement of Total Return

For the year ended 29 February 2024

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Income:					
Net capital gains	1		21,885		41,617
Revenue	2	13,797		18,494	
Expenses	3	(2,833)		(4,035)	
Interest payable and similar charges		(6)		(33)	
Net revenue before taxation		10,958		14,426	
Taxation	4	(690)		(2,318)	
Net revenue after taxation			10,268		12,108
Total return before distributions			**32,153**		**53,725**
Distributions	5		(11,789)		(13,909)
Change in net assets attributable to shareholders from investment activities			**20,364**		**39,816**

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 29 February 2024

	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Opening net assets attributable to shareholders		**375,129**		**556,801**
Amounts receivable on the issue of shares	70,398		110,163	
Amounts payable on the cancellation of shares	(99,799)		(338,137)	
		(29,401)		(227,974)
Dilution adjustment		53		58
Change in net assets attributable to shareholders from investment activities (see above)		20,364		39,816
Retained distribution on accumulation shares		4,437		6,428
Closing net assets attributable to shareholders		**370,582**		**375,129**

Balance Sheet

As at 29 February 2024

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Assets:					
Fixed assets:					
Investment assets			368,262		372,621
Current assets:					
Debtors	6	3,583		4,526	
Cash and bank balances	7	2		205	
			3,585		4,731
Total assets			**371,847**		**377,352**
Liabilities:					
Creditors	8	(729)		(1,487)	
Distribution payable		(536)		(736)	
			(1,265)		(2,223)
Total liabilities			**(1,265)**		**(2,223)**
Net assets attributable to shareholders			**370,582**		**375,129**

Notes to the Financial Statements

1 Net Capital Gains

	2024 £'000	2023 £'000
Non-derivative securities	21,737	41,995
Other gains/(losses)	171	(359)
Transaction charges	(23)	(19)
Net capital gains	**21,885**	**41,617**

2 Revenue

	2024 £'000	2023 £'000
Bank and margin interest	236	107
Overseas dividends	13,561	18,387
Total revenue	**13,797**	**18,494**

3 Expenses

	2024 £'000	2023 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	2,510	3,587
Dealing charge	32	32
General administration charge	261	371
	2,803	**3,990**
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	30	45
	30	**45**
Total expenses	**2,833**	**4,035**

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £11,100 (2023: £10,200).

Notes to the Financial Statements

Continued

4 Taxation

	2024 £'000	2023 £'000
(a) Analysis of charge in year		
Overseas taxes	690	2,318
Total taxation (note 4b)	**690**	**2,318**

(b) Factors affecting total tax charge for the year

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

Net revenue before taxation	**10,958**	**14,426**
Corporation tax at 20% (2023: 20%)	2,192	2,885
Effects of:		
Revenue not subject to taxation	(2,712)	(3,677)
Overseas taxes	690	2,318
Excess allowable expenses	520	792
Total tax charge for year (note 4a)	**690**	**2,318**

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 £11,903,000 (2023: £11,383,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

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

	2024 £'000	2023 £'000
First interim distribution	8,139	11,177
Second interim distribution	1,579	405
Third interim distribution	1,183	757
Final distribution	737	938
	11,638	13,277
Add: Income deducted on cancellation of shares	325	771
Deduct: Income received on issue of shares	(174)	(139)
Total distributions for the year	**11,789**	**13,909**

Notes to the Financial Statements

Continued

	2024 £'000	2023 £'000
Movement between net revenue and distributions		
Net revenue after taxation	10,268	12,108
Expenses charged to capital	1,519	1,791
Shortfall transfer from capital to revenue	2	10
Total distributions for the year	**11,789**	**13,909**

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

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

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

6 Debtors

	2024 £'000	2023 £'000
Accrued revenue	11	9
Amounts receivable from the ACD for the issue of shares	80	182
Overseas withholding tax recoverable	3,492	4,335
Total debtors	**3,583**	**4,526**

7 Liquidity

	2024 £'000	2023 £'000
Cash and bank balances		
Cash at bank	2	205
	2	**205**
abrdn Liquidity Fund (Lux) - Euro Fund Z3 Inc*	1,647	4,382
abrdn Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	1,334	449
Net liquidity	**2,983**	**5,036**

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

Notes to the Financial Statements

Continued

8 Creditors

	2024 £'000	2023 £'000
Accrued expenses payable to ACD	298	259
Accrued expenses payable to the Depositary or associates of the Depositary	9	14
Amounts payable to the ACD for cancellation of shares	422	1,209
Other accrued expenses	-	5
Total creditors	**729**	**1,487**

9 Related Party Transactions

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

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

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

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

10 Portfolio Transaction Costs

	Purchases		Sales	
Trades in the year	**2024 £'000**	**2023 £'000**	**2024 £'000**	**2023 £'000**
Equities	188,184	216,382	212,991	415,685
Corporate actions	-	-	-	10,810
Trades in the year before transaction costs	**188,184**	**216,382**	**212,991**	**426,495**
Commissions				
Equities	70	127	(77)	(146)
Total commissions	**70**	**127**	**(77)**	**(146)**
Taxes				
Equities	216	385	-	-
Total taxes	**216**	**385**	**-**	**-**
Total transaction costs	**286**	**512**	**(77)**	**(146)**
Total net trades in the year after transaction costs	**188,470**	**216,894**	**212,914**	**426,349**

	Purchases		Sales	
	2024 %	2023 %	2024 %	2023 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.04	0.06	0.04	0.04
Taxes				
Equities	0.11	0.18	-	-

	2024 %	2023 %
Total transaction costs expressed as a percentage of net asset value		
Commissions	0.04	0.06
Taxes	0.06	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 0.03% (2023: 0.04%), this is representative of the average spread on the assets held during the year.

11 Shares in Issue Reconciliation

	Opening shares 2023	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2024
Retail accumulation	4,609,586	1,155,908	(974,888)	(95,975)	4,694,631
Retail income	765,455	34,331	(45,972)	(90,148)	663,666
Institutional accumulation	62,302,294	15,927,075	(15,797,128)	210,091	62,642,332
Institutional income	158,200,886	4,731,409	(44,067,424)	1,067,824	119,932,695
Institutional S accumulation	1,336	-	-	-	1,336
Institutional S income	1,637	-	-	-	1,637
Platform 1 accumulation	21,088,853	2,315,852	(2,672,669)	(157,972)	20,574,064
Platform 1 income	33,332,459	2,656,788	(4,785,688)	(1,144,378)	30,059,181
ZC accumulation	362,836	11,507,675	(4,218,708)	(3,889)	7,647,914
ZA income	5,004,825	-	(445,729)	-	4,559,096

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).

Fair value of investment assets	2024 £'000 Level 1	2024 £'000 Level 2	2024 £'000 Level 3	2023 £'000 Level 1	2023 £'000 Level 2	2023 £'000 Level 3
Equities	365,281	-	-	367,790	-	-
Collective Investment Schemes	-	2,981	-	-	4,831	-
Total investment assets	**365,281**	**2,981**	**-**	**367,790**	**4,831**	**-**

13 Risk Management Policies and Disclosures

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

Foreign currency risk

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

Currency	Net foreign currency exposure 2024 £'000	Net foreign currency exposure 2023 £'000
Danish Krone	28,542	22,738
Euro	287,466	286,880
Norwegian Krone	4,339	4,057
Swedish Krona	15,115	12,855
Swiss Franc	34,963	50,188
Total	**370,425**	**376,718**

At 29 February 2024, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £18,521,000 (2023: £18,836,000).

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 29 February 2024, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £18,413,000 (2023: £18,631,000).

Financial derivatives instrument risk

The fund had no exposure to derivatives as at 29 February 2024 (2023: £Nil).

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2024 £1,265,000 (2023: £2,223,000).

Distribution Tables

For the year ended 29 February 2024 (in pence per share)

First interim dividend distribution

Group 1 - shares purchased prior to 1 March 2023
Group 2 - shares purchased between 1 March 2023 and 31 May 2023

	Revenue	Equalisation	Distribution paid 31/07/23	Distribution paid 29/07/22
Retail accumulation				
Group 1	3.6893	-	3.6893	3.0200
Group 2	2.8708	0.8185	3.6893	3.0200
Retail income				
Group 1	2.5084	-	2.5084	2.1402
Group 2	1.4046	1.1038	2.5084	2.1402
Institutional accumulation				
Group 1	4.2237	-	4.2237	3.4574
Group 2	3.1643	1.0594	4.2237	3.4574
Institutional income				
Group 1	2.7276	-	2.7276	2.3163
Group 2	1.3359	1.3917	2.7276	2.3163
Institutional S accumulation				
Group 1	2.3805	-	2.3805	1.9547
Group 2	2.3805	-	2.3805	1.9547
Institutional S income				
Group 1	1.8222	-	1.8222	1.5473
Group 2	1.8222	-	1.8222	1.5473
Platform 1 accumulation				
Group 1	3.1236	-	3.1236	2.5577
Group 2	2.2980	0.8256	3.1236	2.5577
Platform 1 income				
Group 1	2.3497	-	2.3497	1.9964
Group 2	0.8763	1.4734	2.3497	1.9964
ZC accumulation				
Group 1	5.0665	-	5.0665	4.1415
Group 2	4.3987	0.6678	5.0665	4.1415
ZA income				
Group 1	3.0639	-	3.0639	2.5801
Group 2	3.0639	-	3.0639	2.5801

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

Second interim dividend distribution

Group 1 - shares purchased prior to 1 June 2023
Group 2 - shares purchased between 1 June 2023 and 31 August 2023

	Revenue	Equalisation	Distribution paid 31/10/23	Distribution paid 31/10/22
Retail accumulation				
Group 1	0.4291	-	0.4291	-
Group 2	0.1395	0.2896	0.4291	-
Retail income				
Group 1	0.5746	-	0.5746	0.1737
Group 2	0.4569	0.1177	0.5746	0.1737
Institutional accumulation				
Group 1	0.6918	-	0.6918	-
Group 2	0.4396	0.2522	0.6918	-
Institutional income				
Group 1	0.6260	-	0.6260	0.1882
Group 2	0.3591	0.2669	0.6260	0.1882
Institutional S accumulation				
Group 1	0.4235	-	0.4235	0.0187
Group 2	0.4235	-	0.4235	0.0187
Institutional S income				
Group 1	0.4123	-	0.4123	0.1252
Group 2	0.4123	-	0.4123	0.1252
Platform 1 accumulation				
Group 1	0.4966	-	0.4966	-
Group 2	0.3479	0.1487	0.4966	-
Platform 1 income				
Group 1	0.5389	-	0.5389	0.1622
Group 2	0.3086	0.2303	0.5389	0.1622
ZC accumulation				
Group 1	1.1615	-	1.1615	0.3103
Group 2	0.4663	0.6952	1.1615	0.3103
ZA income				
Group 1	0.7043	-	0.7043	0.2101
Group 2	0.7043	-	0.7043	0.2101

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

Third interim dividend distribution

Group 1 - shares purchased prior to 1 September 2023
Group 2 - shares purchased between 1 September 2023 and 30 November 2023

	Revenue	Equalisation	Distribution paid 31/01/24	Distribution paid 31/01/23
Retail accumulation				
Group 1	0.2335	-	0.2335	-
Group 2	0.1527	0.0808	0.2335	-
Retail income				
Group 1	0.4586	-	0.4586	0.2857
Group 2	0.3402	0.1184	0.4586	0.2857
Institutional accumulation				
Group 1	0.4783	-	0.4783	0.1173
Group 2	0.2852	0.1931	0.4783	0.1173
Institutional income				
Group 1	0.5000	-	0.5000	0.3098
Group 2	0.2101	0.2899	0.5000	0.3098
Institutional S accumulation				
Group 1	0.3143	-	0.3143	0.1159
Group 2	0.3143	-	0.3143	0.1159
Institutional S income				
Group 1	0.3310	-	0.3310	0.2034
Group 2	0.3310	-	0.3310	0.2034
Platform 1 accumulation				
Group 1	0.3375	-	0.3375	0.0734
Group 2	0.1598	0.1777	0.3375	0.0734
Platform 1 income				
Group 1	0.4306	-	0.4306	0.2671
Group 2	0.2783	0.1523	0.4306	0.2671
ZC accumulation				
Group 1	0.9242	-	0.9242	0.5367
Group 2	0.6104	0.3138	0.9242	0.5367
ZA income				
Group 1	0.5639	-	0.5639	0.3466
Group 2	0.5639	-	0.5639	0.3466

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

Final dividend distribution

Group 1 - shares purchased prior to 1 December 2023
Group 2 - shares purchased between 1 December 2023 and 29 February 2024

	Revenue	Equalisation	Distribution paid 30/04/24	Distribution paid 28/04/23
Retail accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Retail income				
Group 1	0.3242	-	0.3242	0.3502
Group 2	0.2451	0.0791	0.3242	0.3502
Institutional accumulation				
Group 1	0.1995	-	0.1995	0.2615
Group 2	-	0.1995	0.1995	0.2615
Institutional income				
Group 1	0.3538	-	0.3538	0.3809
Group 2	0.0633	0.2905	0.3538	0.3809
Institutional S accumulation				
Group 1	0.1421	-	0.1421	0.1990
Group 2	0.1421	-	0.1421	0.1990
Institutional S income				
Group 1	0.2357	-	0.2357	0.2565
Group 2	0.2357	-	0.2357	0.2565
Platform 1 accumulation				
Group 1	0.1293	-	0.1293	0.1722
Group 2	0.0690	0.0603	0.1293	0.1722
Platform 1 income				
Group 1	0.3048	-	0.3048	0.3283
Group 2	0.1558	0.1490	0.3048	0.3283
ZC accumulation				
Group 1	0.6452	-	0.6452	0.6690
Group 2	-	0.6452	0.6452	0.6690
ZA income				
Group 1	0.3999	-	0.3999	0.4267
Group 2	0.3999	-	0.3999	0.4267

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 29 February 2024

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 MSCI Europe ex UK Small Cap Index, plus 3% per annum over rolling five year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

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

Investment Policy

Portfolio Securities

- The fund will invest at least 70% in equities and equity related securities of 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 counties includes the emerging markets of Europe, but excludes the UK.
- Smaller capitalisation companies are defined as any stock included in the MSCI Europe ex UK Small Cap Index or, if not included within the index any stock having a market capitalisation smaller than that of the stock with the largest market capitalisation in such index.
- The fund may also invest in mid and larger capitalisation companies listed, incorporated or domiciled in European countries.
- The fund may also invest in other funds (including those managed by abrdn) 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 Europe ex UK Small Cap Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 9%. Due to the active nature of the investment process, the fund's performance profile may deviate significantly from that of the MSCI Europe ex UK 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 -1.61% (Source: FactSet, Institutional Accumulation, net of fees). This compared with a return of 2.48% for our performance target (Source: FactSet, the EMIX Smaller European Companies ex UK Index).

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

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

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

abrdn Europe ex UK Smaller Companies Fund

Continued

The fund underperformed the performance target over the period. From a stock-specific perspective, the main detractors included Switzerland-listed industrial company Komax which dropped back after a discouraging trading update and margin guidance for the year which disappointed some analysts. We still believe the long-term structural growth story remains intact, but we reduced our holding in the stock. France's Teleperformance was hit by a combination of concerns including weaker revenue growth guidance, the threat posed by artificial intelligence technology and the announcement of the significant acquisition of customer experience management firm Majorel. We subsequently sold the fund's position. Our holding in Italian banking platform, Fineco, was affected by the negative sentiment towards the banking sector early in the period although it later recovered some of the lost ground after releasing interim results that were ahead of expectations. Corbion, the Netherlands-listed producer of bio-based inputs and ingredients, also detracted as it faced several challenges, including cost headwinds and a slower-than-expected recovery in certain areas. We subsequently sold our holding.

On the plus side, the holding in French LNG membrane technology company, GTT, was the top performer over the period following a positive set of results which were ahead of expectations and a major new contract. Italian luxury brand Brunello Cucinelli was also relatively strong thanks to better-than-expected results and reassuring guidance. Denmark-listed financial services business, Simcorp, was another among the top contributors after it received a takeover bid from Deutsche Boerse at a 39% premium and Germany-listed software group Nemetschek made gains following the news that the company's move from a license to a subscription-based model had gone better than expected. Shares in Swedish industrial compounder Addtech performed well after its third quarter results highlighted strong margin and top-line performance in a difficult market environment.

Market Review

Continental Europe's stock markets, as measured by the FTSE World Europe ex UK Index, rose over the 12-month period in sterling terms as inflation continued to fall and hopes grew that central banks would soon start to cut interest rates. They underperformed the markets in the US and Japan, but did better than emerging markets, especially China. Early in the period, the collapse of US-based Silicon Valley Bank led to some volatility as investors questioned the health of the global banking system. In Europe, contagion culminated in the takeover of Credit Suisse by UBS, but markets subsequently recovered much of their prior losses as confidence was restored.

In the second half of 2023 the mood turned more positive despite ongoing macroeconomic concerns. Share prices were bolstered by hopes that the global economy could achieve a 'soft landing' following the period of monetary tightening, although the outbreak of conflict between Palestine and Israel in October led to increases in commodity prices as well as disruption of vital international shipping routes in the Red Sea. The prospect of cuts to interest rates in 2024 as well as advances in artificial intelligence (AI) boosted shares prices across the technology sector, while gains in European markets were also supported by strength in financial stocks as a result of rising rates.

In economic news, the rate of inflation in the eurozone fell consistently throughout the period and stood at 2.6% in February 2024. The European Central Bank (ECB) raised interest rates on six occasions between February and September, moving the deposit rate to 4.5%, a multi-decade high. Investors expected the ECB to begin to reduce rates in the first half of 2024, although ECB president Christine Lagarde warned that rates would only be cut once inflation was clearly under control. Growth in the euro area was sluggish over the period, with weakness in the German economy in particular.

Portfolio Activity and Review

We established a new position in Swedish outdoor accessories business Thule. It is the global leader in the manufacture of bike carriers for vehicles and associated items. The group boasts an excellent history of growth and innovation and has a strong roster of new products ready to launch.

We also topped up some of our existing holdings, including that in Nemetschek due to our increased confidence in its progress as it transitions from a license-based business model to a subscription-based model. We increased our holding in German oven manufacturer, Rational, following a positive company meeting that highlighted the launch of a new product. This has the potential to be a material driver of growth and would broaden out the addressable customer base significantly.

On the other hand, we reduced the holding in Komax, as mentioned above, and fully exited our positions in Danish software provider, Simcorp, following the takeover by Deutsche Boerse. We also exited our holdings in both Teleperformance and Corbion, as mentioned above.

abrdn Europe ex UK Smaller Companies Fund

Continued

Portfolio Outlook and Strategy

There is increasing evidence that previous interest rate increases are resulting in a slowdown in economies and, with that, a fall in inflation. This is encouraging investors to discount the fact that we are near the end of the rate hiking cycle, which is positive for risk assets such as equities. We expect quality and growth to do relatively well in this environment as the market starts to differentiate more between companies with strong balance-sheets and those weaker companies that will need to either refinance at higher rates or ask shareholders for more equity.

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.

DM Smaller Companies Equity Team

March 2024

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.

Risk and reward indicator table as at 29 February 2024.

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

- The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- The 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.
- Derivatives Risk - The use of derivatives may involve additional liquidity, credit and counterparty risks. In some cases the risk of loss from derivatives may be increased where a small change in the value of the underlying investment may have a larger impact on the value of the derivative.

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

Comparative Tables

Retail accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	378.21	390.55	366.39
Return before operating charges*	(4.01)	(7.69)	29.96
Operating charges	(4.73)	(4.65)	(5.80)
Return after operating charges*	(8.74)	(12.34)	24.16
Distributions	(3.89)	(3.49)	(1.09)
Retained distributions on accumulation shares	3.89	3.49	1.09
Closing net asset value per share	369.47	378.21	390.55
* after direct transaction costs of:	0.12	0.20	0.18
Performance			
Return after charges	(2.31%)	(3.16%)	6.59%
Other information			
Closing net asset value (£'000)	749	2,403	6,003
Closing number of shares	202,602	635,407	1,537,142
Operating charges	1.34%	1.34%	1.35%
Direct transaction costs	0.03%	0.06%	0.04%
Prices			
Highest share price	384.9	390.5	484.8
Lowest share price	309.3	297.1	363.4

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 accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	105.78	108.72	101.52
Return before operating charges*	(1.11)	(2.10)	8.25
Operating charges	(0.86)	(0.84)	(1.05)
Return after operating charges*	(1.97)	(2.94)	7.20
Distributions	(1.32)	(1.23)	(0.58)
Retained distributions on accumulation shares	1.32	1.23	0.58
Closing net asset value per share	103.81	105.78	108.72
* after direct transaction costs of:	0.03	0.06	0.05
Performance			
Return after charges	(1.86%)	(2.70%)	7.09%
Other information			
Closing net asset value (£'000)	11,004	11,136	4,451
Closing number of shares	10,600,363	10,527,619	4,094,306
Operating charges	0.87%	0.87%	0.88%
Direct transaction costs	0.03%	0.06%	0.04%
Prices			
Highest share price	107.7	109.2	134.7
Lowest share price	86.77	82.94	100.7

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

Comparative Tables

Continued

Institutional income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	55.27	57.56	53.98
Return before operating charges*	(0.64)	(1.20)	4.47
Operating charges	(0.44)	(0.45)	(0.56)
Return after operating charges*	(1.08)	(1.65)	3.91
Distributions	(0.69)	(0.64)	(0.33)
Closing net asset value per share	53.50	55.27	57.56
* after direct transaction costs of:	0.02	0.03	0.03
Performance			
Return after charges	(1.95%)	(2.87%)	7.24%
Other information			
Closing net asset value (£'000)	11	1	1
Closing number of shares	21,482	2,000	2,000
Operating charges	0.87%	0.87%	0.88%
Direct transaction costs	0.03%	0.06%	0.04%
Prices			
Highest share price	56.26	57.16	71.35
Lowest share price	44.72	43.33	53.55

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

ZC accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	111.84	114.08	105.73
Return before operating charges*	(1.12)	(2.12)	8.51
Operating charges	(0.13)	(0.12)	(0.16)
Return after operating charges*	(1.25)	(2.24)	8.35
Distributions	(2.13)	(1.92)	(1.45)
Retained distributions on accumulation shares	2.13	1.92	1.45
Closing net asset value per share	110.59	111.84	114.08
* after direct transaction costs of:	0.04	0.06	0.05
Performance			
Return after charges	(1.12%)	(1.96%)	7.90%
Other information			
Closing net asset value (£'000)	743	848	1,659
Closing number of shares	671,477	758,389	1,453,876
Operating charges	0.12%	0.12%	0.13%
Direct transaction costs	0.03%	0.06%	0.04%
Prices			
Highest share price	113.8	115.4	141.1
Lowest share price	92.19	87.44	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

Platform 1 accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	414.33	426.03	398.01
Return before operating charges*	(4.32)	(8.20)	32.38
Operating charges	(3.57)	(3.50)	(4.36)
Return after operating charges*	(7.89)	(11.70)	28.02
Distributions	(5.10)	(4.63)	(2.15)
Retained distributions on accumulation shares	5.10	4.63	2.15
Closing net asset value per share	406.44	414.33	426.03
* after direct transaction costs of:	0.14	0.22	0.19
Performance			
Return after charges	(1.90%)	(2.75%)	7.04%
Other information			
Closing net asset value (£'000)	25,110	39,850	41,363
Closing number of shares	6,177,922	9,617,895	9,708,822
Operating charges	0.92%	0.92%	0.93%
Direct transaction costs	0.03%	0.06%	0.04%
Prices			
Highest share price	421.7	427.8	528.1
Lowest share price	339.8	324.9	394.8

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 29 February 2024

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (95.22%)		**37,370**	**99.34**
European Equities (95.22%)		**37,370**	**99.34**
Belgium (2.19%)		**1,366**	**3.63**
88,897	Fagron	1,366	3.63
Denmark (1.52%)		**-**	**-**
Finland (3.56%)		**1,409**	**3.75**
93,321	Kesko 'B'	1,409	3.75
France (14.54%)		**4,346**	**11.55**
9,530	Eurazeo	636	1.69
15,850	Gaztransport Et Technigaz	1,938	5.15
35,949	Interparfums	1,584	4.21
20,745	Nexity	188	0.50
Germany (22.01%)		**10,653**	**28.32**
5,848	Amadeus Fire	541	1.44
28,953	CTS Eventim	1,808	4.81
12,917	Dermapharm	407	1.08
57,923	Jungheinrich (Preference)	1,425	3.79
22,067	Nemetschek	1,664	4.42
25,398	OHB	943	2.51
88,575	PATRIZIA	562	1.49
2,994	Rational	1,949	5.18
5,705	Sixt	423	1.13
9,604	Stabilus	498	1.32
19,224	Takkt	223	0.59
18,481	VIB Vermoegen	210	0.56
Ireland (0.84%)		**362**	**0.96**
94,041	Irish Continental	362	0.96

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Italy (21.39%)		**8,423**	**22.39**
79,802	Azimut	1,810	4.81
57,272	Brembo	560	1.49
23,012	Brunello Cucinelli	2,185	5.81
48,828	FinecoBank	534	1.42
17,062	Intercos	208	0.55
36,178	Interpump	1,357	3.61
21,370	MARR	207	0.55
10,920	Reply	1,197	3.18
23,249	Wiit	365	0.97
Netherlands (4.06%)		**642**	**1.71**
17,616	ASR Nederland	642	1.71
Norway (2.33%)		**1,235**	**3.28**
89,980	Borregaard	1,235	3.28
Spain (4.35%)		**2,178**	**5.79**
46,142	CIE Automotive	972	2.58
14,872	Vidrala	1,206	3.21
Sweden (8.92%)		**3,803**	**10.11**
102,194	AddTech 'B'	1,786	4.75
60,977	Bulten	321	0.85
11,065	Thule	238	0.63
87,123	Troax	1,458	3.88
Switzerland (9.51%)		**2,953**	**7.85**
15,546	Bachem	976	2.60
463	Interroll	1,156	3.07
4,080	Komax	601	1.60
2,211	VZ	220	0.58

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Collective Investment Schemes (4.80%)		**189**	**0.50**
80	abrdn Liquidity Fund (Lux) - Euro Fund Z3 Inc+	68	0.18
121	abrdn Liquidity Fund (Lux) - Sterling Fund Z1 Inc+	121	0.32
Total investment assets		37,559	99.84
Net other assets		58	0.16
Total Net Assets		**37,617**	**100.00**

All investments are listed on recognised stock exchanges and are approved securities, or are regulated collective investment schemes within the meaning of the FCA rules.
The percentage figures in brackets show the comparative holding as at 28 February 2023.
+ Managed by subsidiaries of abrdn plc.

Statement of Total Return

For the year ended 29 February 2024

		2024		2023	
		£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(2,333)		(2,321)
Revenue	2	1,065		1,124	
Expenses	3	(371)		(442)	
Interest payable and similar charges		(5)		(3)	
Net revenue before taxation		689		679	
Taxation	4	(116)		(143)	
Net revenue after taxation			573		536
Total return before distributions			**(1,760)**		**(1,785)**
Distributions	5		(604)		(607)
Change in net assets attributable to shareholders from investment activities			**(2,364)**		**(2,392)**

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 29 February 2024

	2024		2023	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		**54,238**		**53,477**
Amounts receivable on the issue of shares	3,047		12,432	
Amounts payable on the cancellation of shares	(17,856)		(9,875)	
		(14,809)		2,557
Change in net assets attributable to shareholders from investment activities (see above)		(2,364)		(2,392)
Retained distribution on accumulation shares		552		596
Closing net assets attributable to shareholders		**37,617**		**54,238**

Balance Sheet

As at 29 February 2024

		2024		2023	
		£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			37,559		54,247
Current assets:					
Debtors	6	163		152	
Cash and bank balances	7	5		2	
			168		154
Total assets			**37,727**		**54,401**
Liabilities:					
Creditors	8	(110)		(163)	
			(110)		(163)
Total liabilities			**(110)**		**(163)**
Net assets attributable to shareholders			**37,617**		**54,238**

Notes to the Financial Statements

1 Net Capital Losses

	2024 £'000	2023 £'000
Non-derivative securities	(2,325)	(2,338)
Forward currency contracts	-	1
Other gains	2	29
Transaction charges	(10)	(13)
Net capital losses	**(2,333)**	**(2,321)**

2 Revenue

	2024 £'000	2023 £'000
Bank and margin interest	38	29
Overseas dividends	1,027	1,095
Total revenue	**1,065**	**1,124**

3 Expenses

	2024 £'000	2023 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	320	385
Dealing charge	15	17
General administration charge	32	36
	367	**438**
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	4	4
	4	**4**
Total expenses	**371**	**442**

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £11,100 (2023: £10,200).

Notes to the Financial Statements

Continued

4 Taxation

	2024 £'000	2023 £'000
(a) Analysis of charge in year		
Overseas taxes	116	143
Total taxation (note 4b)	**116**	**143**

(b) Factors affecting total tax charge for the year

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

Net revenue before taxation	**689**	**679**
Corporation tax at 20% (2023: 20%)	138	136
Effects of:		
Revenue not subject to taxation	(206)	(219)
Overseas taxes	116	143
Excess allowable expenses	68	83
Total tax charge for year (note 4a)	**116**	**143**

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 £734,000 (2023: £666,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

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

	2024 £'000	2023 £'000
Interim distribution	550	594
Final distribution	2	2
	552	596
Add: Income deducted on cancellation of shares	61	39
Deduct: Income received on issue of shares	(9)	(28)
Total distributions for the year	**604**	**607**

Movement between net revenue and distributions

Net revenue after taxation	573	536
Shortfall transfer from capital to revenue	31	71
Total distributions for the year	**604**	**607**

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

Notes to the Financial Statements

Continued

6 Debtors

	2024 £'000	2023 £'000
Accrued revenue	1	5
Overseas withholding tax recoverable	162	147
Total debtors	**163**	**152**

7 Liquidity

	2024 £'000	2023 £'000
Cash and bank balances		
Cash at bank	5	2
	5	**2**
abrdn Liquidity Fund (Lux) - Euro Fund Z3 Inc*	68	1,967
abrdn Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	121	635
Net liquidity	**194**	**2,604**

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

8 Creditors

	2024 £'000	2023 £'000
Accrued expenses payable to ACD	33	37
Accrued expenses payable to the Depositary or associates of the Depositary	1	3
Amounts payable to the ACD for cancellation of shares	76	118
Other accrued expenses	-	5
Total creditors	**110**	**163**

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	
Trades in the year	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Equities	1,948	13,230	12,726	7,289
Corporate actions	-	-	1,205	1,902
Trades in the year before transaction costs	**1,948**	**13,230**	**13,931**	**9,191**
Commissions				
Equities	2	11	(11)	(4)
Total commissions	**2**	**11**	**(11)**	**(4)**
Taxes				
Equities	1	13	-	-
Total taxes	**1**	**13**	**-**	**-**
Total transaction costs	**3**	**24**	**(11)**	**(4)**
Total net trades in the year after transaction costs	**1,951**	**13,254**	**13,920**	**9,187**

	Purchases		Sales	
	2024 %	2023 %	2024 %	2023 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.12	0.09	0.09	0.06
Taxes				
Equities	0.06	0.10	-	-

	2024 %	2023 %
Total transaction costs expressed as a percentage of net asset value		
Commissions	0.03	0.03
Taxes	-	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 0.19% (2023: 0.23%), this is representative of the average spread on the assets held during the year.

Notes to the Financial Statements

Continued

11 Shares in Issue Reconciliation

	Opening shares 2023	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2024
Retail accumulation	635,407	2,818	(153,930)	(281,693)	202,602
Institutional accumulation	10,527,619	2,219,348	(2,147,967)	1,363	10,600,363
Institutional income	2,000	19,482	-	-	21,482
ZC accumulation	758,389	43,238	(128,869)	(1,281)	671,477
Platform 1 accumulation	9,617,895	243,800	(3,939,948)	256,175	6,177,922

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).

Fair value of investment assets	2024 £'000 Level 1	2024 £'000 Level 2	2024 £'000 Level 3	2023 £'000 Level 1	2023 £'000 Level 2	2023 £'000 Level 3
Equities	37,370	-	-	51,645	-	-
Collective Investment Schemes	-	189	-	-	2,602	-
Total investment assets	**37,370**	**189**	**-**	**51,645**	**2,602**	**-**

13 Risk Management Policies and Disclosures

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

Foreign currency risk

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

Currency	Net foreign currency exposure 2024 £'000	Net foreign currency exposure 2023 £'000
Danish Krone	8	832
Euro	29,598	41,668
Norwegian Krone	1,241	1,269
Swedish Krona	3,803	4,836
Swiss Franc	2,953	5,158
Total	**37,603**	**53,763**

At 29 February 2024, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £1,880,000 (2023: £2,688,000).

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 29 February 2024, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £1,878,000 (2023: £2,712,000).

Financial derivatives instrument risk

The fund had no exposure to derivatives as at 29 February 2024 (2023: £Nil).

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2024 £110,000 (2023: £163,000).

Distribution Tables

For the year ended 29 February 2024 (in pence per share)

Interim dividend distribution

Group 1 - shares purchased prior to 1 March 2023
Group 2 - shares purchased between 1 March 2023 and 31 August 2023

	Revenue	Equalisation	Distribution paid 31/10/23	Distribution paid 31/10/22
Retail accumulation				
Group 1	3.8894	-	3.8894	3.4865
Group 2	2.8514	1.0380	3.8894	3.4865
Institutional accumulation				
Group 1	1.3243	-	1.3243	1.2305
Group 2	0.6925	0.6318	1.3243	1.2305
Institutional income				
Group 1	0.6910	-	0.6910	0.6415
Group 2	-	0.6910	0.6910	0.6415
ZC accumulation				
Group 1	1.8093	-	1.8093	1.6627
Group 2	0.4427	1.3666	1.8093	1.6627
Platform 1 accumulation				
Group 1	5.1024	-	5.1024	4.6343
Group 2	2.5508	2.5516	5.1024	4.6343

Distribution Tables

For the year ended 29 February 2024 (in pence per share) Continued

Final dividend distribution

Group 1 - shares purchased prior to 1 September 2023
Group 2 - shares purchased between 1 September 2023 and 29 February 2024

	Revenue	Equalisation	Distribution paid 30/04/24	Distribution paid 28/04/23
Retail accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Institutional accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Institutional income				
Group 1	-	-	-	-
Group 2	-	-	-	-
ZC accumulation				
Group 1	0.3247	-	0.3247	0.2591
Group 2	0.0983	0.2264	0.3247	0.2591
Platform 1 accumulation				
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 29 February 2024

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% Markit 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 (including in emerging markets) either directly or indirectly.
- The fund may hold other securities (e.g. investment trusts, sub-investment grade (high yield) bonds, supranational and other types of bonds, commodities and listed real estate) issued anywhere in the world (including in emerging markets) either directly or indirectly.
- The fund may invest up to 85% of its assets in global equities.
- 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 the 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 relative to the basket of assets with the aim of improving returns.
- The fund will be subject to constraints which are intended to manage risk captured within the portfolio securities. 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's 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 12-month period under review, the fund returned 6.73% (Source: Morningstar Direct, Institutional Accumulation shares). This compared to a return of 6.26% for our performance target (Source: Morningstar Direct, IA Mixed Investment 40-85% Shares Sector Average).

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

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

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

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

Equity portfolios

Within the equity portfolio, in the UK, having an underweight exposure to British American Tobacco was the largest contributor to performance after the stock lagged on weak US combustibles prompting an eye-watering £27 billion write-down of the carrying value of the division. Holding Relx also aided relative performance after the information technology company reported continued momentum in revenues and profits, with a further boost as a perceived beneficiary of artificial intelligence (AI) that helped push its valuation multiple higher. In addition, Intermediate Capital performed strongly on the back of a more benign macro-economic outlook and continued success at raising fresh assets to manage.

Conversely, in the UK, not owning Rolls-Royce was costly as its share performed well after a long period in the doldrums. The company reported significant growth in revenue, profit, and cash-flow generation, and raised its medium-term targets. Watches of Switzerland also lagged after reporting a profit warning attributed to a slowdown in UK consumer demand for luxury watches and jewellery. Finally, Prudential saw its share price give back the significant price rally that occurred just prior to the start of this period. The company reported encouraging results, including a pick-up in new business activity in Hong Kong, one of its key markets, but this was overshadowed by investor appetite souring on China exposure.

Moving on to the US, the top contributor was Amazon. The company benefitted from the reacceleration of growth in the cloud computing business (AWS), in addition to surprising positively on the extent of margin improvement in its US retail operations. Similarly, Microsoft also helped the fund's relative return as the stock benefitted from investor confidence that the cloud computing business (Azure) is now re-accelerating after a period of slower growth at the start of 2023. Holding Marvell was a positive as well. Despite a near term slowdown in some of its chips for telecoms and datacenter applications, the company benefitted from the growth in its products associated with AI deployment (i.e., mainly chips for handling the large data flows needed for AI computing).

On the other hand, within US equities, the largest negative contribution from the fund's holdings was SVB Financial, whose shares were suspended after a failed capital raising and subsequent run deposits in the following 24 hours. Air Products and Chemicals: also detracted from relative returns. The market reacted negatively to announcements of cost over-runs on some of the large hydrogen production projects by the company. Finally, Charles Schwab stock suffered amid investor concern that declining deposits would put pressure on net interest margin (NIM).

In Europe, Novo Nordisk was the leading equity contributor. The company raised its guidance multiple times during 2023 driven by continued strength in its GLP-1 franchise for treating diabetes and obesity, and issued 2024 guidance for 21-29% operating profit growth – particularly impressive given Novo Nordisk is Europe's largest company. We have owned Novo Nordisk since 2009 as one of our consistently largest active bets. Holding ASML was also beneficial as its shares rallied hard in the last few months following the company reporting extremely strong orders which further underpinned the company's 2025 guidance, leading to earnings upgrades for the world's dominant provider of EUV tools, a technology crucial to delivering further progress in the semiconductor industry. ASML has been one of the fund's top holdings for the past 5 years and the exposure proved again beneficial. In addition, shares of Partners Group were boosted by investor views that we have reached peak US interest rates.

In contrast, the leading detractor from relative returns was Pernod Ricard. The company's shares weakened after said it announced that it expected a more challenging near term environment in its key markets, US and China. In the US, there is ongoing retailer inventory destocking owing to higher than usual inventory levels due to previous supply constraints, and in China, there is a softening of consumer sentiment driven by a more uncertain monetary environment. However, we believe these issues to be shorter term, and do not think that the company's attractive medium-term prospects are being fully reflected in the share price. Another leading detractor was Ørsted as the company issued an impairment on several US offshore wind projects planned for completion in 2025-26, due to a combination of higher assumed costs, lower assumed tax credits, and higher interest rates which all feed to a lower appraised asset value. Shares underperformed as the market questioned Ørsted's

credibility in the US, and the wider value of its development franchise; however, we believe that the reaction has been overdone and the valuation is attractive, only pricing in current assets in operation and not ascribing any value either to assets under construction or to future pipeline projects, and more reflects the current negative market sentiment towards the offshore wind industry and long duration assets. In addition, holding Edenred was a negative in relative terms as an investigation into their Italian business relating to a 2019 tender caused the shares to underperform. However, the potential financial penalties related to the probe are likely immaterial with the company also continuing to see very strong top line momentum from its two main business units and we remain long-term holders.

Government bond portfolio

Given the volatility in early 2023, the fund started March 2023 with a flexible approach to duration management. Positive strategies included a US curve steepener – long 2s vs 10s – where the fund held the trade at the beginning of the period and took profits in March, and then entered the trade again in June. The other strategy that contributed to relative returns was the long cross-market Australia position, while Australia continued to be our favoured long. We held the position versus the UK at the start of the period and then re-entered versus the US at the end of the period.

On the other hand, the long UK Gilts versus German Bunds strategy detracted from returns. The surprise stickiness of UK inflation in May and June saw UK Gilts materially underperform in cross-market pairing.

A further contributor of performance came from the cross market positioning. In the early months of the period, the fund was long Australia versus US and this strategy worked well, while the fund took profits in September and October. Later in December, the fund started to oppose the under-performance of 30-year UK Gilts versus German Bunds, a strategy that worked well into year end, but acted as a small drag on performance in January.

Portfolio Activity and Review

Equity portfolios

In the UK, the portfolio activity key changes included introducing new positions in Serco and Balfour Beatty, and increasing the exposure to Sirius Real Estate. Outsourcing business Serco is a turnaround story some years in the making, where we see it as now well placed to return to growth at higher margins and where the improved opportunity is not reflected in the share price. Balfour Beatty is a construction firm with exposure to favourable end markets including power, utility, and transport infrastructure, where the multi-year opportunity is not recognised at the current valuation. Lastly, we took advantage of an equity raise to increase the position in Sirius Real Estate. An operator and owner of industrial, storage, and office assets in the UK and Germany, its direct-to-consumer marketing and operating capability allied with scale allows it to generate an attractive return on capital, and even allowing for recently increased interest rates.

Funding for these transactions came from a mix of sales including the exits of Dechra, Auto Trader, and British American Tobacco. Veterinary pharmaceuticals business Dechra agreed to a £4.5 billion buyout of the business by private equity. Auto Trader, an owner of an online marketplace to support the sale of cars, was sold after a strong run in both earnings and valuation left the risk-reward opportunity more evenly balanced, so we recycled the position into new opportunities. Lastly, we exited the position in British American Tobacco due to concerns over the sustainability of its cash-flows.

Turning to the US, the fund purchased Eli Lilly as we believe that the growth prospects for GLP-1 anti-obesity drugs are better than the market expects. We also entered Proctor and Gamble as we see the company continuing to benefit from its investment in new products and improved marketing made since the pandemic. Finally, the fund purchased American Express as we believe that the company will be able to continue to grow new customers and fee revenues as it rolls out new credit and charge card products.

Conversely, we exited Bank of America since we became concerned that investors will likely take a more negative view on the outlook for NIM as US interest rates peak. Another exit was Emerson Electric. We see risks to top line growth in a weaker economic environment, and have questions marks over management's approach to capital allocation. Finally, we also sold Horizon Therapeutics after the company was bid for over the review period.

In Europe, we topped up Adyen, reacting to negative share price moves which suggested that growth fades extremely aggressively and that the business was structurally less profitable We believed that these fears were overdone and were now more than priced in the shares. In addition, we took advantage of an attractive valuation to introduce DSM-Firmenich, an improving quality ingredients company where deal synergies from their merger with prestige fine fragrances leader Firmenich, combined with self-help within their vitamins business, were not yet being priced in by the market.

Conversely, we exited our lowest conviction holding Prosus due to incremental concerns about capital allocation and lack of management alignment.

abrdn Global Balanced Growth Fund

Continued

Government bond portfolio

UK forward-looking data started to turn as the aggressive monetary policy tightening enacted by the Bank of England (BoE) since December 2021 was finally having an impact. The difficulty for the BoE was that the more backward-looking data was still looking uncomfortably high. The key data sets watched by the BoE are private sector wages and services inflation. For the BoE to stop hiking they would need to see these two data sets start to recede. As a result of this development, the fund went long UK duration. Gilts underperformed dramatically over the summer months due to the narrative that UK inflation was out of control. We believed that narrative was incorrect and were therefore happy to hold UK duration.

As the fund headed into the third quarter, the two key positions for the fund were long duration and steeper curves. The fund went into the period holding a long duration bias, and this worked against it initially. As yields continued to rise in October, we felt the move was overdone and therefore started to increase position sizing. The fund held long positions across Germany, US and UK in both the 5 and 10-year part of the curve. In November, the fund added a very front-end position in the UK by buying December 2025 Sonia futures. As yields went higher in November and December, the fund started to take profits and ended the calendar year neutral. In January, the fund added a short duration position, on the view that markets had gone too far and early January supply would weigh on yields. Yields indeed went higher and the fund then took profits. Finally, the fund finished the period by adding back a long duration position in US treasuries.

The other key theme for the fund over the period was curve steepening. In August and September, the fund held US and UK 2 vs 10s steepeners. We then took profits on the UK and US curve position. The fund went back into US curve steepeners in November, subsequently taking profits in early January.

As we headed into the new calendar year, we felt that global yields had moved too far and we therefore moved tactically short. Meanwhile, yields moved higher and the fund took profits. We now feel that yields are largely rangebound, and where we believe value lies is in the divergence between Europe and UK versus the US. We are therefore positioned long UK and Europe versus the US.

Finally, the fund continued to be active in Gilt relative strategies.

Portfolio Outlook and Strategy

Global markets are currently navigating a complex landscape. Unpredictable economic factors, geopolitical tensions as well as mixed inflation and growth signals create a challenging environment for both equity and bond markets. Yet, there is optimism for a soft landing, meaning a slowdown in economic growth without a technical recession, particularly in the US, as the interest rate tightening cycle concludes. In global equities, we expect that markets will pay attention to the second-quarter reporting season to see if earnings are holding up despite cost pressures and economic uncertainties as global growth potentially slows. Meanwhile, central banks in developed markets are expected to start decreasing interest rates. Therefore, we will continue to exercise due diligence to manage volatility.

Within fixed income, recent conditions have been frustrating for investment managers. Economic data continues to surprise to the upside and economic forecasts have seen significant revision. Accordingly, holding any longer-term strategic trades has proven difficult. Prices in government bond markets have been particularly volatile. There have been many false dawns, for both bond bulls and bears. It is now a question of when – not if – the BoE cuts rates. Elsewhere, the first major political event of the year was the budget, which took place on 6 March 2024. On the political front, the UK will go to the polls this year - Prime Minister Sunak was eager to talk down the chances of a Spring election. With the widening chasm between Labour and the Tories in the polls, Sunak will need as much time as possible if he is to salvage a (very unlikely) win. Beyond domestic factors, several global events could significantly impact government bond markets. Geopolitical tensions, particularly those that disrupt energy supplies or global trade, can trigger risk aversion and flight-to-safety behaviour. This could potentially lead investors to seek the relative stability of government bonds, driving prices up and yields down. Conversely, a global economic slowdown could dampen inflation expectations, causing bond yields to decline. Additionally, policy decisions by major central banks around the world, especially the US Federal Reserve, can influence global interest rates and, by extension, impact the demand for UK Gilts.

Asset Allocation Solutions Team

March 2024

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 29 February 2024.

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

- Equity Risk - The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- Emerging Markets Risk - The fund may invest in emerging markets, where political, economic, legal and regulatory systems are less developed. As a result, investing in emerging markets may involve higher volatility and a greater risk of loss than investing in developed markets. In particular, where the fund invests in Variable Interest Entity (VIE) structures to gain exposure to industries with foreign ownership restrictions or invests in Chinese assets via Stock Connect / Bond Connect, there are additional operational risks, which are outlined in the prospectus.
- Credit Risk - The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- Interest Rate Risk - The fund invests in securities which can be subject to price fluctuation for a variety of reasons including changes in interest rates or inflation expectations.
- High Yield Credit Risk - The fund invests in high yield bonds which typically carry a greater risk of default than those with lower yields.
- Derivatives Risk - The use of derivatives may involve additional liquidity, credit and counterparty risks and may lead to substantial loss and increased volatility in adverse market conditions. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

Comparative Tables

Retail accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	196.33	204.28	198.48
Return before operating charges*	14.84	(5.78)	8.00
Operating charges	(2.05)	(2.17)	(2.20)
Return after operating charges*	12.79	(7.95)	5.80
Distributions	(3.77)	(2.65)	(1.49)
Retained distributions on accumulation shares	3.77	2.65	1.49
Closing net asset value per share	209.12	196.33	204.28
* after direct transaction costs of:	0.08	0.09	0.10
Performance			
Return after charges	6.51%	(3.89%)	2.92%
Other information			
Closing net asset value (£'000)	352,690	294,686	326,952
Closing number of shares	168,652,377	150,094,149	160,047,774
Operating charges	1.04%*	1.10%^	1.04%
Direct transaction costs	0.04%	0.05%	0.05%
Prices			
Highest share price	209.1	208.6	220.8
Lowest share price	189.3	183.4	199.1

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.
^ In July 2020, the Investment Association issued Guidance on Disclosure of Fund Charges and Costs effective from 30 June 2022 which updated the Ongoing Charges disclosure requirements to include indirect costs associated with funds' holdings of closed-ended investment funds. This resulted in an increase of 0.07% in the Ongoing Charges figures disclosed as at 28 February 2023.
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Comparative Tables

Continued

Retail income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	123.67	130.43	127.61
Return before operating charges*	9.23	(3.69)	5.19
Operating charges	(1.29)	(1.38)	(1.41)
Return after operating charges*	7.94	(5.07)	3.78
Distributions	(2.37)	(1.69)	(0.96)
Closing net asset value per share	129.24	123.67	130.43
* after direct transaction costs of:	0.05	0.06	0.06
Performance			
Return after charges	6.42%	(3.89%)	2.96%
Other information			
Closing net asset value (£'000)	4,059	1,637	1,801
Closing number of shares	3,140,481	1,323,831	1,381,212
Operating charges	1.04%*	1.10%^	1.04%
Direct transaction costs	0.04%	0.05%	0.05%
Prices			
Highest share price	129.9	133.3	141.3
Lowest share price	117.7	116.2	127.5

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Comparative Tables

Continued

Institutional accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	223.89	231.98	224.44
Return before operating charges*	16.99	(6.56)	9.02
Operating charges	(1.41)	(1.53)	(1.48)
Return after operating charges*	15.58	(8.09)	7.54
Distributions	(5.25)	(3.96)	(2.70)
Retained distributions on accumulation shares	5.25	3.96	2.70
Closing net asset value per share	239.47	223.89	231.98
* after direct transaction costs of:	0.09	0.11	0.11
Performance			
Return after charges	6.96%	(3.49%)	3.36%
Other information			
Closing net asset value (£'000)	62,908	23,138	27,865
Closing number of shares	26,269,407	10,334,362	12,011,839
Operating charges	0.62%*	0.68%^	0.62%
Direct transaction costs	0.04%	0.05%	0.05%
Prices			
Highest share price	239.4	237.0	250.4
Lowest share price	216.5	208.8	226.0

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Comparative Tables

Continued

Institutional income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	121.86	128.53	125.76
Return before operating charges*	9.06	(3.65)	5.11
Operating charges	(0.77)	(0.84)	(0.83)
Return after operating charges*	8.29	(4.49)	4.28
Distributions	(2.79)	(2.18)	(1.51)
Closing net asset value per share	127.36	121.86	128.53
* after direct transaction costs of:	0.05	0.06	0.06
Performance			
Return after charges	6.80%	(3.49%)	3.40%
Other information			
Closing net asset value (£'000)	8,997	980	1,306
Closing number of shares	7,064,300	804,256	1,016,005
Operating charges	0.62%*	0.68%^	0.62%
Direct transaction costs	0.04%	0.05%	0.05%
Prices			
Highest share price	128.2	131.4	139.4
Lowest share price	116.0	114.6	125.9

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Comparative Tables

Continued

Retail CAT accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	148.68	154.65	150.20
Return before operating charges*	11.21	(4.37)	6.05
Operating charges	(1.49)	(1.60)	(1.60)
Return after operating charges*	9.72	(5.97)	4.45
Distributions	(2.90)	(2.05)	(1.19)
Retained distributions on accumulation shares	2.90	2.05	1.19
Closing net asset value per share	158.40	148.68	154.65
* after direct transaction costs of:	0.06	0.07	0.07
Performance			
Return after charges	6.54%	(3.86%)	2.96%
Other information			
Closing net asset value (£'000)	171,359	173,623	190,716
Closing number of shares	108,178,566	116,778,921	123,319,959
Operating charges	1.00%*	1.07%^	1.00%
Direct transaction costs	0.04%	0.05%	0.05%
Prices			
Highest share price	158.4	157.9	167.1
Lowest share price	143.4	138.9	150.8

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Comparative Tables

Continued

Platform 1 accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	105.55	109.42	105.91
Return before operating charges*	8.00	(3.10)	4.26
Operating charges	(0.71)	(0.77)	(0.75)
Return after operating charges*	7.29	(3.87)	3.51
Distributions	(2.42)	(1.81)	(1.22)
Retained distributions on accumulation shares	2.42	1.81	1.22
Closing net asset value per share	112.84	105.55	109.42
* after direct transaction costs of:	0.04	0.05	0.05
Performance			
Return after charges	6.91%	(3.54%)	3.31%
Other information			
Closing net asset value (£'000)	18,777	19,705	19,081
Closing number of shares	16,640,025	18,668,583	17,438,338
Operating charges	0.67%*	0.73%^	0.67%
Direct transaction costs	0.04%	0.05%	0.05%
Prices			
Highest share price	112.8	111.8	118.1
Lowest share price	102.0	98.47	106.6

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Comparative Tables

Continued

Platform 1 income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	89.37	94.26	92.23
Return before operating charges*	6.66	(2.67)	3.75
Operating charges	(0.60)	(0.66)	(0.66)
Return after operating charges*	6.06	(3.33)	3.09
Distributions	(2.03)	(1.56)	(1.06)
Closing net asset value per share	93.40	89.37	94.26
* after direct transaction costs of:	0.04	0.04	0.05
Performance			
Return after charges	6.78%	(3.53%)	3.35%
Other information			
Closing net asset value (£'000)	1,781	2,070	1,728
Closing number of shares	1,906,798	2,316,647	1,832,966
Operating charges	0.67%*	0.73%^	0.67%
Direct transaction costs	0.04%	0.05%	0.05%
Prices			
Highest share price	94.04	96.36	102.2
Lowest share price	85.08	84.03	92.29

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

Continued

ZC accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	95.30	98.38	94.76
Return before operating charges*	6.99	(2.91)	3.74
Operating charges	(0.11)	(0.17)	(0.12)
Return after operating charges*	6.88	(3.08)	3.62
Distributions	(2.48)	(2.04)	(1.59)
Retained distributions on accumulation shares	2.48	2.04	1.59
Closing net asset value per share	102.18	95.30	98.38
* after direct transaction costs of:	0.04	0.05	0.05
Performance			
Return after charges	7.22%	(3.13%)	3.82%
Other information			
Closing net asset value (£'000)	2,261	2,139	2,325
Closing number of shares	2,212,686	2,244,091	2,363,150
Operating charges	0.12%*	0.18%^	0.12%
Direct transaction costs	0.04%	0.05%	0.05%
Prices			
Highest share price	102.1	100.6	106.1
Lowest share price	92.28	88.77	95.40

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.
^ In July 2020, the Investment Association issued Guidance on Disclosure of Fund Charges and Costs effective from 30 June 2022 which updated the Ongoing Charges disclosure requirements to include indirect costs associated with funds' holdings of closed-ended investment funds. This resulted in an increase of 0.07% in the Ongoing Charges figures disclosed as at 28 February 2023.
* In December 2023, the Investment Association issued Guidance on Disclosure of Fund Charges and Costs effective from 30 November 2023 which updated the Ongoing Charges disclosure requirements to exclude indirect costs associated with funds' holdings of closed-ended investment funds.

Portfolio Statement

As at 29 February 2024

Holding	Investment	Market value £'000	Percentage of total net assets
Bonds (11.22%)		**50,063**	**8.04**
Euro Denominated Bonds (0.03%)		**348**	**0.06**
Corporate Bonds (0.03%)		**348**	**0.06**
less than 5 years to maturity			
125,000	Cromwell EREIT 2.125% 2025	101	0.02
Perpetual			
300,000	Volkswagen International Finance 4.625% fixed to floating Perpetual	247	0.04
Sterling Denominated Bonds (11.05%)		**49,109**	**7.88**
Corporate Bonds (5.56%)		**28,865**	**4.63**
less than 5 years to maturity			
150,000	AA Bond 6.269% 2025	150	0.02
200,000	ABN AMRO Bank 5.25% 2026	200	0.03
146,000	ABP Finance 6.25% 2026	149	0.02
150,000	Anglian Water Services Financing 2.625% 2027	138	0.02
150,000	Assura Financing REIT 3% 2028	136	0.02
150,000	AT&T 5.5% 2027	151	0.02
202,000	Athene Global Funding 1.75% 2027	177	0.03
200,000	Banco Santander 1.5% 2026	184	0.03
300,000	Banco Santander 4.75% fixed to floating 2028	292	0.05
200,000	Bank of America 7% 2028	214	0.03
300,000	Banque Federative du Credit Mutuel 1.75% 2024	292	0.05
226,000	BAT International Finance 4% 2026	218	0.04
200,000	BMW International Investment 5.5% 2026	202	0.03
150,000	BNP Paribas 3.375% 2026	144	0.02
150,000	Cadent Finance 2.125% 2028	132	0.02
300,000	CaixaBank 1.5% fixed to floating 2026	279	0.05
59,000	Citigroup 5.875% 2024	59	0.01
150,000	Clydesdale Bank 4.625% 2026	148	0.02
150,000	Commonwealth Bank of Australia 3% 2026	143	0.02
200,000	Cooperatieve Rabobank 1.875% fixed to floating 2028	179	0.03
100,000	Coventry Building Society 7% fixed to floating 2027	102	0.02
151,000	CPUK Finance 3.588% 2025	146	0.02
150,000	CPUK Finance 3.69% 2028	137	0.02
218,000	Credit Suisse 7.75% 2026	227	0.04

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
150,000	Danske Bank 4.625% fixed to floating 2027	148	0.02
87,000	Deutsche Bahn Finance 3.125% 2026	84	0.01
200,000	Deutsche Bank 4% fixed to floating 2026	194	0.03
100,000	DWR Cymru Financing UK 1.625% 2026	92	0.02
90,000	Enel Finance International 5.625% 2024	90	0.01
162,000	Ford Motor Credit 5.625% 2028	160	0.03
226,000	Hammerson REIT 3.5% 2025	217	0.04
150,000	Hammerson REIT 6% 2026	149	0.02
313,000	HSBC 3% fixed to floating 2028	288	0.05
300,000	ING 1.125% fixed to floating 2028	257	0.04
204,000	Lloyds Banking 2% fixed to floating 2028	183	0.03
150,000	Morgan Stanley 2.625% 2027	139	0.02
122,000	Nationwide Building Society 6.125% 2028	126	0.02
151,000	Nationwide Building Society 6.178% fixed to floating 2027	153	0.02
150,000	PACCAR Financial Europe 2.375% 2025	146	0.02
165,000	Santander UK 3.625% 2026	159	0.03
258,000	Santander UK 7.098% fixed to floating 2027	264	0.04
204,000	Severn Trent Utilities Finance 3.625% 2026	198	0.03
200,000	Societe Generale 1.875% 2024	196	0.03
150,000	Southern Water Services Finance 1.625% 2027	131	0.02
116,000	Telereal Securitisation 4.9741% 2027	42	0.01
200,000	Thames Water Utilities Finance 4% 2025	192	0.03
151,000	Tritax Big Box REIT 2.625% 2026	140	0.02
321,000	UBS 2.25% fixed to floating 2028	290	0.05
120,000	UBS 7% fixed to floating 2027	124	0.02
179,000	Unite REIT 3.5% 2028	166	0.03
134,000	United Utilities Water 5.625% 2027	136	0.02
151,000	Verizon Communications 1.125% 2028	128	0.02
150,000	Virgin Money UK 4% fixed to floating 2027	143	0.02
300,000	Volkswagen Financial Services 1.875% 2024	292	0.05
228,000	Wells Fargo 3.473% fixed to floating 2028	214	0.03
150,000	Welltower REIT 4.8% 2028	147	0.02
150,000	Westfield America Management REIT 2.125% 2025	144	0.02
100,000	Westfield Stratford City Finance No 2 1.642% 2026	90	0.01
316,000	Workspace REIT 2.25% 2028	266	0.04
150,000	Yorkshire Building Society 3.375% fixed to floating 2028	136	0.02
150,000	Yorkshire Building Society 6.375% fixed to floating 2028	152	0.02
76,000	Yorkshire Power Finance 7.25% 2028	81	0.01

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
between 5 and 10 years to maturity			
181,000	Anglo American Capital 3.375% 2029	164	0.03
151,000	Assura Financing REIT 1.5% 2030	120	0.02
200,000	Banco Santander 2.25% fixed to floating 2032	173	0.03
176,000	Bank of America 3.584% fixed to floating 2031	161	0.03
166,000	Barclays 3.25% 2033	138	0.02
172,000	Barclays 6.369% fixed to floating 2031	176	0.03
100,000	Barclays 7.09% fixed to floating 2029	105	0.02
152,000	Barclays 8.407% fixed to floating 2032	160	0.03
151,000	Berkeley 2.5% 2031	114	0.02
300,000	BNP Paribas 2% fixed to floating 2031	272	0.04
115,000	Broadgate Financing 4.821% 2033	112	0.02
115,000	Broadgate Financing 4.851% 2031	92	0.02
115,000	Broadgate Financing 4.999% 2031	110	0.02
55,000	Canary Wharf Finance II 6.455% 2033	4	-
200,000	Deutsche Bank 6.125% fixed to floating 2030	198	0.03
219,000	E.ON International Finance 6.25% 2030	231	0.04
209,000	Enel Finance International 2.875% 2029	187	0.03
202,000	ENW Finance 4.893% 2032	200	0.03
246,000	Grainger 3% 2030	206	0.03
150,000	Heathrow Funding 2.75% 2029	132	0.02
150,000	Heathrow Funding 6.45% 2031	160	0.03
100,000	Lloyds Banking 1.985% fixed to floating 2031	89	0.01
150,000	Lloyds Banking 6.625% fixed to floating 2033	150	0.02
150,000	Meadowhall Finance 4.988% 2032	71	0.01
202,000	Morgan Stanley 5.789% fixed to floating 2033	208	0.03
221,000	National Australia Bank 1.699% fixed to floating 2031	196	0.03
150,000	NATS (En Route) 1.375% 2031	130	0.02
150,000	NatWest 2.105% fixed to floating 2031	134	0.02
160,000	NatWest 3.619% fixed to floating 2029	148	0.02
302,000	NatWest 3.622% fixed to floating 2030	291	0.05
100,000	NatWest 7.416% fixed to floating 2033	103	0.02
227,000	Nordea Bank 1.625% fixed to floating 2032	194	0.03
100,000	Northumbrian Water Finance 4.5% 2031	94	0.02
238,000	Orange 5.625% 2034	249	0.04
226,000	Pension Insurance 5.625% 2030	213	0.03
151,000	Realty Income REIT 1.75% 2033	112	0.02
200,000	Societe Generale 5.75% fixed to floating 2032	198	0.03

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
151,000	South Eastern Power Networks 5.625% 2030	156	0.03
202,000	Swedbank 5.875% fixed to floating 2029	205	0.03
150,000	Telefonica Emisiones 5.445% 2029	151	0.02
150,000	Telereal Securitisation 6.1645% 2031	122	0.02
200,000	UBS 1.875% fixed to floating 2029	172	0.03
262,000	Virgin Money UK 2.625% fixed to floating 2031	236	0.04
200,000	Volkswagen Financial Services 5.875% 2029	203	0.03
150,000	Yorkshire Building Society 3.511% fixed to floating 2030	133	0.02
between 10 and 15 years to maturity			
167,000	BAT International Finance 6% 2034	162	0.03
151,000	Bazalgette Finance 2.75% 2034	121	0.02
151,000	Cadent Finance 2.625% 2038	105	0.02
151,000	DWR Cymru Financing UK 2.375% 2034	110	0.02
151,000	DWR Cymru Financing UK 2.5% 2036	115	0.02
550,000	E.ON International Finance 5.875% 2037	560	0.09
150,000	Eversholt Funding 6.697% 2035	124	0.02
100,000	Gatwick Funding 4.625% 2034	93	0.02
100,000	Gatwick Funding 5.75% 2037	100	0.02
166,000	Land Securities Capital Markets REIT 2.625% 2037	125	0.02
151,000	Lloyds Banking 2.707% fixed to floating 2035	119	0.02
150,000	McDonald's 3.75% 2038	128	0.02
302,000	Metropolitan Housing Trust 1.875% 2036	207	0.03
302,000	Morhomes 3.4% 2038	237	0.04
227,000	National Grid Electricity Transmission 2.75% 2035	177	0.03
113,000	Octagon Healthcare Funding 5.333% 2035	78	0.01
150,000	Ørsted 5.125% 2034	145	0.02
151,000	Paragon Treasury 2% 2036	104	0.02
155,000	Peabody Capital No 2 2.75% 2034	124	0.02
302,000	Scottish Hydro Electric Transmission 2.25% 2035	226	0.04
150,000	Southern Water Services Finance 3% 2037	106	0.02
151,000	Stonewater Funding 1.625% 2036	102	0.02
151,000	TC Dudgeon Ofto 3.158% 2038	112	0.02
471,000	Thames Water Utilities Finance 5.125% 2037	396	0.06
150,000	Transport for London 5% 2035	148	0.02
101,000	United Utilities Water Finance 5.75% 2036	105	0.02
150,000	Walmart 5.25% 2035	157	0.03
150,000	Yorkshire Water Finance 5.5% 2035	144	0.02

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
between 15 and 25 years to maturity			
150,000	America Movil 4.375% 2041	132	0.02
104,000	Anglian Water Services Financing 6% 2039	108	0.02
172,000	Annington Funding 3.935% 2047	128	0.02
165,000	Aspire Defence Finance 4.674% 2040	125	0.02
209,000	AT&T 4.25% 2043	171	0.03
150,000	AT&T 7% 2040	169	0.03
151,000	Bromford Housing 3.125% 2048	106	0.02
50,000	Channel Link Enterprises Finance 6.341% 2046	38	0.01
150,000	Circle Anglia Social Housing 5.2% 2044	140	0.02
166,000	Connect Plus M25 Issuer 2.607% 2039	118	0.02
300,000	EDF 5.5% 2041	280	0.04
151,000	Eversholt Funding 3.529% 2042	117	0.02
146,000	Heathrow Funding 4.625% 2046	125	0.02
136,000	HSBC 6% 2040	132	0.02
227,000	Motability Operations 2.375% 2039	158	0.03
123,000	National Grid Electricity Distribution South Wales 5.35% 2039	120	0.02
100,000	Ørsted 5.375% 2042	97	0.02
100,000	Realty Income REIT 6% 2039	104	0.02
100,000	Sanctuary Capital 5% 2047	94	0.02
150,000	Segro REIT 5.125% 2041	145	0.02
251,000	Severn Trent Utilities Finance 2% 2040	159	0.03
120,000	Tesco Property Finance 3 5.744% 2040	107	0.02
302,000	Tesco Property Finance 4 5.8006% 2040	276	0.04
150,000	Wheatley Capital 4.375% 2044	131	0.02
greater than 25 years to maturity			
100,000	Accent Capital 2.625% 2049	63	0.01
151,000	Aviva 4% fixed to floating 2055	122	0.02
226,000	Aviva 4.375% fixed to floating 2049	208	0.03
198,000	Blend Funding 3.508% 2059	139	0.02
350,000	EDF 5.125% 2050	302	0.05
152,000	Hyde Housing Association 1.75% 2055	71	0.01
150,000	Legal & General 3.75% fixed to floating 2049	133	0.02
165,000	Legal & General 4.5% fixed to floating 2050	149	0.02
150,000	M&G 5.625% fixed to floating 2051	141	0.02
150,000	M&G 6.34% fixed to floating 2063	141	0.02
100,000	Motability Operations 5.625% 2054	103	0.02

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
100,000	NGG Finance 5.625% fixed to floating 2073	99	0.02
153,000	Northern Powergrid Northeast 1.875% 2062	73	0.01
151,000	Notting Hill Genesis 4.375% 2054	128	0.02
151,000	Ørsted 2.5% fixed to floating 3021	106	0.02
150,000	Peabody Capital No 2 4.625% 2053	133	0.02
151,000	RL Finance No 4 4.875% fixed to floating 2049	122	0.02
152,000	University of Cambridge 2.35% 2078	87	0.01
151,000	Vattenfall 2.5% fixed to floating 2083	129	0.02
181,000	Vodafone 3.375% 2049	123	0.02
162,000	Vodafone 5.125% 2052	146	0.02
187,000	Zurich Finance Ireland Designated Activity 5.125% fixed to floating 2052	178	0.03
Perpetual			
200,000	Assicurazioni Generali 6.269% fixed to floating Perpetual	202	0.03
150,000	BP Capital Markets 4.25% fixed to floating Perpetual	141	0.02
100,000	EDF 5.875% fixed to floating Perpetual	94	0.02
200,000	Lloyds Banking 7.875% fixed to floating Perpetual	193	0.03
Government Bonds (5.49%)		**20,244**	**3.25**
less than 5 years to maturity			
271,000	BNG Bank 1.625% 2025	258	0.04
200,000	BNG Bank 4.25% 2029	199	0.03
250,000	CPPIB Capital 1.25% 2027	221	0.04
83,000	European Investment Bank 0.75% 2024	81	0.01
34,000	European Investment Bank 1.125% 2025	32	0.01
136,000	KFW 1.125% 2025	129	0.02
100,000	Kommunekredit 0.375% 2024	97	0.02
15,000	Nordic Investment Bank 1.125% 2025	14	-
103,000	Ontario Teachers' Finance Trust 1.125% 2026	95	0.02
844,000	UK (Govt of) 0.5% 2029	712	0.11
645,300	UK (Govt of) 1% 2024	642	0.10
2,300	UK (Govt of) 1.625% 2028	2	-
1,815,800	UK (Govt of) 3.5% 2025	1,785	0.29
2,353,100	UK (Govt of) 4.125% 2027	2,344	0.38
1,290,600	UK (Govt of) 4.5% 2028	1,309	0.21
67,100	UK (Govt of) 6% 2028	73	0.01

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
between 5 and 10 years to maturity			
535,900	UK (Govt of) 0.25% 2031	408	0.07
278,800	UK (Govt of) 0.375% 2030	221	0.04
427,400	UK (Govt of) 0.875% 2033	321	0.05
939,200	UK (Govt of) 3.25% 2033	883	0.14
428,400	UK (Govt of) 4.75% 2030	448	0.07
between 10 and 15 years to maturity			
824,400	UK (Govt of) 1.75% 2037	611	0.10
1,884,000	UK (Govt of) 4.5% 2034	1,941	0.31
between 15 and 25 years to maturity			
52,000	UK (Govt of) 0.875% 2046	26	-
2,175,000	UK (Govt of) 1.25% 2041	1,332	0.21
183,827	UK (Govt of) 1.5% 2047	104	0.02
268,600	UK (Govt of) 1.75% 2049	158	0.03
222,561	UK (Govt of) 4.25% 2040	218	0.03
250,000	UK (Govt of) 4.25% 2046	240	0.04
455,214	UK (Govt of) 4.5% 2042	456	0.07
590,100	UK (Govt of) 4.75% 2043	608	0.10
greater than 25 years to maturity			
500,000	CPPIB Capital 1.625% 2071	201	0.03
209,600	UK (Govt of) 0.625% 2050	85	0.01
533,200	UK (Govt of) 1.25% 2051	261	0.04
1,558,100	UK (Govt of) 1.5% 2053	798	0.13
282,300	UK (Govt of) 1.625% 2054	148	0.02
112,816	UK (Govt of) 3.5% 2068	93	0.01
270,204	UK (Govt of) 3.75% 2052	237	0.04
668,423	UK (Govt of) 3.75% 2053	582	0.09
263,350	UK (Govt of) 4% 2060	241	0.04
871,000	UK (Govt of) 4% 2063	796	0.13
71,000	UK (Govt of) 4.25% 2049	68	0.01
182,400	UK (Govt of) 4.25% 2055	174	0.03
610,500	UK (Govt of) 4.375% 2054	592	0.10

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
US Dollar Denominated Bonds (0.14%)		**606**	**0.10**
Corporate Bonds (0.14%)		**606**	**0.10**
less than 5 years to maturity			
116,000	Charter Communications Operating 4.908% 2025	90	0.01
greater than 25 years to maturity			
226,000	Verizon Communications 3.55% 2051	130	0.02
Perpetual			
286,000	BNP Paribas 7.75% fixed to floating Perpetual	228	0.04
200,000	ING FRN Perpetual	158	0.03
Equities (55.24%)		**343,835**	**55.20**
European Equities (14.37%)		**65,702**	**10.55**
Austria (0.18%)		**-**	**-**
Belgium (0.11%)		**1,030**	**0.17**
63,576	Azelis	1,030	0.17
Denmark (1.40%)		**5,515**	**0.89**
46,334	Novo Nordisk 'B'	4,375	0.70
25,724	Ørsted	1,140	0.19
Finland (1.03%)		**-**	**-**
France (2.39%)		**12,596**	**2.02**
39,253	Dassault Systemes	1,450	0.23
34,035	Edenred	1,333	0.21
5,754	L'Oreal	2,174	0.35
3,857	LVMH	2,781	0.45
11,689	Pernod Ricard	1,546	0.25
14,239	Schneider Electric	2,555	0.41
41,724	Ubisoft Entertainment	757	0.12

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Germany (2.84%)		**8,283**	**1.33**
13,395	Deutsche Boerse	2,228	0.36
10,940	Hannover Rueck	2,231	0.36
18,423	Knorr-Bremse	1,021	0.16
24,135	Nemetschek	1,820	0.29
1,136,564	Sirius Real Estate	983	0.16
Ireland (0.58%)		**4,034**	**0.65**
13,637	Accenture 'A'	4,034	0.65
Israel (0.24%)		**4,173**	**0.67**
21,546	Nice ADR	4,173	0.67
Italy (0.42%)		**1,431**	**0.23**
54,133	Amplifon	1,431	0.23
Luxembourg (0.33%)		**-**	**-**
Netherlands (2.00%)		**14,023**	**2.25**
1,937	Adyen	2,419	0.39
6,383	ASML	4,753	0.76
17,104	Heineken	1,250	0.20
18,794	NXP Semiconductors	3,705	0.60
15,200	Wolters Kluwer	1,896	0.30
Norway (0.56%)		**1,265**	**0.20**
57,472	Schibsted 'B'	1,265	0.20
Spain (0.12%)		**-**	**-**

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Sweden (0.73%)		**1,709**	**0.27**
143,925	Atlas Copco 'B'	1,709	0.27
Switzerland (1.44%)		**11,643**	**1.87**
54,744	Coca-Cola HBC	1,349	0.22
12,635	DSM-Firmenich	1,070	0.17
829,175	Glencore	3,110	0.50
3,303	Lonza	1,370	0.22
1,614	Partners	1,839	0.30
5,300	Sika	1,215	0.19
13,482	Straumann	1,690	0.27
North American Equities (16.11%)		**162,920**	**26.16**
Bermuda (0.20%)		**1,002**	**0.16**
88,526	Hiscox	1,002	0.16
Canada (0.55%)		**7,660**	**1.23**
47,332	Canadian Pacific Kansas City	3,180	0.51
12,142	Lululemon Athletica	4,480	0.72
United States (15.36%)		**154,258**	**24.77**
14,842	Air Products and Chemicals	2,746	0.44
96,180	Alphabet 'A'	10,516	1.69
80,230	Amazon.com	11,200	1.80
32,219	Amdocs	2,320	0.37
27,113	American Express	4,699	0.75
25,169	Analog Devices	3,814	0.61
35,900	Apple	5,129	0.82
18,971	Atkore	2,541	0.41
198,006	Baker Hughes	4,626	0.74
106,068	Boston Scientific	5,553	0.89
3,503	Broadcom	3,596	0.58
13,954	Cadence Design Systems	3,358	0.54

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
62,247	Charles Schwab	3,280	0.53
38,359	CVS Health	2,253	0.36
14,891	Danaher	2,978	0.48
8,849	Eli Lilly	5,264	0.85
36,300	Fiserv	4,283	0.69
12,485	Goldman Sachs	3,834	0.62
13,564	Hubbell	4,079	0.65
20,993	LPL Financial	4,440	0.71
76,730	Marvell Technology	4,342	0.70
14,738	Mastercard 'A'	5,521	0.89
37,717	Merck	3,790	0.61
51,768	MetLife	2,852	0.46
49,395	Microsoft	16,139	2.59
5,724	MSCI	2,538	0.41
5,715	O'Reilly Automotive	4,909	0.79
36,462	Procter & Gamble	4,575	0.73
19,441	ResMed	2,668	0.43
88,170	Royalty Pharma 'A'	2,115	0.34
69,732	TJX	5,462	0.88
12,219	UnitedHealth	4,762	0.76
4,962	Veralto	339	0.05
23,006	Waste Management	3,737	0.60
UK Equities (24.76%)		**115,213**	**18.49**
Basic Materials (1.30%)		**4,467**	**0.72**
101,697	Anglo American	1,730	0.28
184,303	Bodycote	1,139	0.18
31,470	Rio Tinto	1,598	0.26
Consumer Discretionary (2.19%)		**12,507**	**2.01**
29,917	Bellway	807	0.13
133,293	Howden Joinery	1,102	0.17
735,154	JD Sports Fashion	866	0.14
79,697	Jet2++	1,111	0.18
436,829	Moonpig	733	0.12

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
142,630	RELX	4,935	0.79
667,312	Taylor Wimpey	919	0.15
245,935	Watches of Switzerland	994	0.16
84,192	WH Smith	1,040	0.17
Consumer Staples (2.64%)		**11,112**	**1.78**
128,006	Diageo	3,791	0.61
94,081	Hilton Food	750	0.12
54,108	Imperial Brands	922	0.15
146,124	Unilever	5,649	0.90
Energy (3.82%)		**17,518**	**2.81**
1,182,839	BP	5,449	0.88
125,265	Energean	1,276	0.20
225,907	Harbour Energy	570	0.09
2,591,080	Savannah Energy*	518	0.08
366,615	Shell	9,006	1.45
474,363	Wood	699	0.11
Financials (6.81%)		**24,506**	**3.93**
191,270	Allfunds	1,073	0.17
374,569	Ashmore	775	0.12
1,379,929	Barclays	2,269	0.36
156,000	Close Brothers	541	0.09
166,394	Hargreaves Lansdown	1,212	0.20
1,183,312	HSBC	7,270	1.17
79,832	Intermediate Capital	1,537	0.25
33,163	London Stock Exchange	2,943	0.47
529,943	NatWest	1,267	0.20
235,301	OSB	978	0.16
273,716	Prudential	2,128	0.34
376,459	Standard Chartered	2,513	0.40

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Health Care (3.50%)		**16,559**	**2.66**
89,082	AstraZeneca	8,892	1.43
778,979	ConvaTec	1,916	0.31
55,300	Genus	990	0.16
84,153	GSK	1,401	0.22
631,799	Haleon	2,094	0.34
73,836	Indivior	1,266	0.20
72,916	NMC Health*	-	-
Industrials (1.96%)		**16,214**	**2.60**
39,100	Ashtead	2,220	0.36
21,223	BAE Systems	263	0.04
306,602	Balfour Beatty	1,040	0.17
339,600	DS Smith	1,094	0.18
373,033	Genuit	1,505	0.24
277,052	Inchcape	1,888	0.30
790,000	Kier	1,073	0.17
336,580	Marshalls	1,007	0.16
131,641	Melrose Industries	836	0.13
22,481	Morgan Sindall	526	0.09
288,023	Rentokil Initial	1,262	0.20
139,968	RS	1,055	0.17
870,712	Serco	1,630	0.26
168,368	Vesuvius	815	0.13
Real Estate (0.24%)		**1,893**	**0.30**
224,000	Segro REIT	1,893	0.30
Technology (0.61%)		**3,001**	**0.48**
99,958	Sage	1,243	0.20
119,805	Softcat	1,758	0.28

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Telecommunications (0.77%)		**2,785**	**0.45**
410,687	Helios Towers	310	0.05
84,384	Telecom Plus	1,232	0.20
1,799,333	Vodafone	1,243	0.20
Utilities (0.92%)		**4,651**	**0.75**
141,906	Drax	661	0.11
149,641	National Grid	1,552	0.25
150,063	SSE	2,438	0.39
Collective Investment Schemes (21.62%)		**215,095**	**34.53**
41,598,397	abrdn (Lothian) Japan Trust Institutional Acc+	22,692	3.64
14,151,963	abrdn (Lothian) Pacific Basin Trust Institutional Acc+	25,148	4.04
9,776,308	abrdn Emerging Markets Income Equity Fund ZC Acc+	11,135	1.79
1,661,036	abrdn Europe ex UK Equity Fund Z Acc+	6,370	1.02
4,115,190	abrdn Global Government Bond Fund SICAV I Z Acc+	48,554	7.80
2,045,808	abrdn Global High Yield Bond Fund SICAV II D Acc+	31,408	5.04
6,070,213	abrdn Investment Grade Corporate Bond Fund ZC Acc+	5,523	0.89
11,642,233	abrdn Japan Equity Enhanced Index Fund X Acc+	19,094	3.06
1,297,559	abrdn Japanese Sustainable Equity Fund SICAV I Z Acc+	13,730	2.20
620,242	abrdn Select Emerging Markets Bond Fund SICAV I Z Acc+	26,340	4.23
5,735,497	abrdn UK Government Bond Fund Z Acc+	5,101	0.82
Derivatives (-0.39%)		**167**	**0.03**
Forward Currency Contracts (-0.15%)		**4**	**-**
	Buy CAD 2,400 Sell GBP 1,399 06/06/2024	-	-
	Buy EUR 2,051 Sell GBP 1,762 05/03/2024	-	-
	Buy EUR 2,400 Sell GBP 2,063 05/03/2024	-	-
	Buy EUR 2,920 Sell GBP 2,501 05/03/2024	-	-
	Buy EUR 3,600 Sell GBP 3,077 05/03/2024	-	-
	Buy EUR 4,400 Sell GBP 3,755 05/03/2024	-	-
	Buy EUR 4,630 Sell GBP 4,012 05/03/2024	-	-
	Buy EUR 5,710 Sell GBP 4,871 05/03/2024	-	-

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
	Buy EUR 7,020 Sell GBP 6,044 05/03/2024	–	–
	Buy EUR 8,040 Sell GBP 6,964 05/03/2024	–	–
	Buy EUR 14,980 Sell GBP 12,956 05/03/2024	–	–
	Buy EUR 414,050 Sell GBP 354,378 05/03/2024	–	–
	Buy EUR 2,595 Sell GBP 2,227 06/06/2024	–	–
	Buy GBP 1,659 Sell CAD 2,847 06/06/2024	–	–
	Buy GBP 525 Sell EUR 615 05/03/2024	–	–
	Buy GBP 1,399 Sell EUR 1,635 05/03/2024	–	–
	Buy GBP 1,474 Sell EUR 1,720 05/03/2024	–	–
	Buy GBP 1,869 Sell EUR 2,160 05/03/2024	–	–
	Buy GBP 1,884 Sell EUR 2,200 05/03/2024	–	–
	Buy GBP 1,981 Sell EUR 2,300 05/03/2024	–	–
	Buy GBP 2,028 Sell EUR 2,360 05/03/2024	–	–
	Buy GBP 3,363 Sell EUR 3,920 05/03/2024	–	–
	Buy GBP 6,425 Sell EUR 7,400 05/03/2024	–	–
	Buy GBP 7,230 Sell EUR 8,410 05/03/2024	–	–
	Buy GBP 7,750 Sell EUR 9,001 05/03/2024	–	–
	Buy GBP 8,868 Sell EUR 10,200 05/03/2024	–	–
	Buy GBP 8,923 Sell EUR 10,375 05/03/2024	–	–
	Buy GBP 11,073 Sell EUR 12,831 05/03/2024	–	–
	Buy GBP 341,873 Sell EUR 394,674 05/03/2024	4	–
	Buy GBP 355,552 Sell EUR 414,050 06/06/2024	–	–
	Buy GBP 1,505 Sell USD 1,916 05/03/2024	–	–
	Buy GBP 1,567 Sell USD 1,976 05/03/2024	–	–
	Buy GBP 1,821 Sell USD 2,296 05/03/2024	–	–
	Buy GBP 2,333 Sell USD 2,953 05/03/2024	–	–
	Buy GBP 2,424 Sell USD 3,079 05/03/2024	–	–
	Buy GBP 2,476 Sell USD 3,132 05/03/2024	–	–
	Buy GBP 2,485 Sell USD 3,144 05/03/2024	–	–
	Buy GBP 2,766 Sell USD 3,508 05/03/2024	–	–
	Buy GBP 4,451 Sell USD 5,664 05/03/2024	–	–
	Buy GBP 4,590 Sell USD 5,796 05/03/2024	–	–
	Buy GBP 4,697 Sell USD 5,993 05/03/2024	–	–
	Buy GBP 4,932 Sell USD 6,198 05/03/2024	–	–
	Buy GBP 5,731 Sell USD 7,262 05/03/2024	–	–
	Buy GBP 7,660 Sell USD 9,625 05/03/2024	–	–
	Buy GBP 8,931 Sell USD 11,375 05/03/2024	–	–
	Buy GBP 14,661 Sell USD 18,483 05/03/2024	–	–

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
	Buy GBP 610,625 Sell USD 772,489 05/03/2024	-	-
	Buy GBP 611,077 Sell USD 775,430 06/06/2024	(2)	-
	Buy USD 1,203 Sell GBP 952 05/03/2024	-	-
	Buy USD 2,336 Sell GBP 1,835 05/03/2024	-	-
	Buy USD 3,171 Sell GBP 2,523 05/03/2024	-	-
	Buy USD 4,593 Sell GBP 3,634 05/03/2024	-	-
	Buy USD 10,695 Sell GBP 8,500 05/03/2024	-	-
	Buy USD 12,570 Sell GBP 9,918 05/03/2024	-	-
	Buy USD 15,542 Sell GBP 12,366 05/03/2024	-	-
	Buy USD 16,024 Sell GBP 12,571 05/03/2024	-	-
	Buy USD 23,325 Sell GBP 18,380 05/03/2024	-	-
	Buy USD 775,430 Sell GBP 611,425 05/03/2024	2	-
Futures (-0.24%)		**163**	**0.03**
8	Long Euro Bond Future 07/03/2024	(13)	-
2	Long Long Gilt Future 26/06/2024	2	-
14	Long Long Gilt Future 26/06/2024	10	-
130	Long MSCI Emerging Markets Index Future 15/03/2024	155	0.03
(8)	Short Canadian 10 Year Bond Future 19/06/2024	(1)	-
(2)	Short Euro-Buxl 30 Year Future 07/03/2024	10	-
(1)	Short US 10 Year Ultra Future 18/06/2024	-	-
Total investment assets and liabilities		609,160	97.80
Net other assets		13,672	2.20
Total Net Assets		**622,832**	**100.00**

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities, or are regulated collective investment schemes or are approved derivatives within the meaning of the FCA rules.
The percentage figures in brackets show the comparative holding as at 28 February 2023.
+Managed by subsidiaries of abrdn plc.
++ AIM listed.
* Delisted.

Financial Statements

Statement of Total Return

For the year ended 29 February 2024

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Income:					
Net capital gains/(losses)	1		32,403		(29,495)
Revenue	2	15,785		12,949	
Expenses	3	(5,104)		(5,119)	
Interest payable and similar charges		(6)		(9)	
Net revenue before taxation		10,675		7,821	
Taxation	4	(263)		(341)	
Net revenue after taxation			10,412		7,480
Total return before distributions			**42,815**		**(22,015)**
Distributions	5		(10,412)		(7,480)
Change in net assets attributable to shareholders from investment activities			**32,403**		**(29,495)**

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 29 February 2024

	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Opening net assets attributable to shareholders		**517,978**		**571,774**
Amounts receivable on the issue of shares	2,845		4,245	
Amounts payable on the cancellation of shares	(51,264)		(35,847)	
Amounts receivable on inspecie transfers*	110,633		-	
		62,214		(31,602)
Change in net assets attributable to shareholders from investment activities (see above)		32,403		(29,495)
Retained distribution on accumulation shares		10,237		7,301
Closing net assets attributable to shareholders		**622,832**		**517,978**

*Relating to an inspecie transfer from abrdn Multi-Asset Fund on 27 October 2023.

Balance Sheet

As at 29 February 2024

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Assets:					
Fixed assets:					
Investment assets			609,176		456,866
Current assets:					
Debtors	6	1,856		2,927	
Cash and bank balances	7	14,277		63,172	
			16,133		66,099
Total assets			**625,309**		**522,965**
Liabilities:					
Investment liabilities			(16)		(2,655)
Bank overdrafts	7	-		(11)	
Creditors	8	(2,360)		(2,287)	
Distribution payable		(101)		(34)	
			(2,461)		(2,332)
Total liabilities			**(2,477)**		**(4,987)**
Net assets attributable to shareholders			**622,832**		**517,978**

Notes to the Financial Statements

1 Net Capital Gains/(Losses)

	2024 £'000	2023 £'000
Non-derivative securities	34,024	(20,869)
Derivative contracts	562	(7,938)
Forward currency contracts	(2,342)	(644)
Other gains/(losses)	188	(14)
Transaction charges	(29)	(30)
Net capital gains/(losses)	**32,403**	**(29,495)**

2 Revenue

	2024 £'000	2023 £'000
ACD fee rebates on collective investment scheme holdings	347	494
Bank and margin interest	2,363	996
Derivative revenue	125	57
Income from Overseas Collective Investment Schemes		
Unfranked income	1,328	705
Income from UK Collective Investment Schemes		
Franked income	1,144	1,187
Unfranked income	15	-
Interest income	41	-
Interest on debt securities	2,779	1,477
Overseas dividends	2,972	3,065
Overseas REIT	77	55
Stocklending revenue	1	-
UK dividends	4,580	4,878
UK REIT	13	35
Total revenue	**15,785**	**12,949**

Notes to the Financial Statements

Continued

3 Expenses

	2024 £'000	2023 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	5,067	5,100
Dealing charge	10	10
General administration charge	50	39
	5,127	**5,149**
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Depositary's fees	-	(4)
Safe custody fees	23	24
	23	**20**
Other:		
Professional fees	-	3
Subsidised fees*	(46)	(53)
	(46)	(50)
Total expenses	**5,104**	**5,119**

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £14,700 (2023: £13,500).
* Subsidised fees are paid by the ACD.

4 Taxation

	2024 £'000	2023 £'000
(a) Analysis of charge in year		
Overseas taxes	263	341
Total taxation (note 4b)	**263**	**341**

(b) Factors affecting total tax charge for the year

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

Net revenue before taxation	**10,675**	**7,821**
Corporation tax at 20% (2023: 20%)	2,135	1,564
Effects of:		
Revenue not subject to taxation	(1,739)	(1,827)
Overseas taxes	263	341

	2024 £'000	2023 £'000
Overseas tax expensed	(3)	(2)
Excess allowable expenses	(393)	263
Total tax charge for year (note 4a)	**263**	**341**

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 £6,551,000 (2023: £6,944,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

5 Distributions

	2024 £'000	2023 £'000
Interim distribution	6,710	4,191
Final distribution	3,694	3,186
	10,404	7,377
Add: Income deducted on cancellation of shares	245	132
Deduct: Income received on issue of shares	(237)	(29)
Total distributions for the year	**10,412**	**7,480**

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

6 Debtors

	2024 £'000	2023 £'000
Accrued revenue	1,416	1,296
Amounts receivable from the ACD for the issue of shares	19	3
Expenses reimbursement receivable from the ACD	46	53
Overseas withholding tax recoverable	372	421
Sales awaiting settlement	-	1,154
United Kingdom income tax recoverable	3	-
Total debtors	**1,856**	**2,927**

Notes to the Financial Statements

Continued

7 Liquidity

	2024 £'000	2023 £'000
Cash and bank balances		
Cash at bank	10	56
Cash at broker	82	7,911
Deposits with original maturity of less than 3 months	14,185	55,205
	14,277	**63,172**
Bank overdrafts		
Collateral cash pledged by counterparties^	-	(11)
	-	**(11)**
Net liquidity	**14,277**	**63,161**

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

8 Creditors

	2024 £'000	2023 £'000
Accrued expenses payable to ACD	480	392
Accrued expenses payable to the Depositary or associates of the Depositary	7	12
Amounts payable to the ACD for cancellation of shares	956	589
Other accrued expenses	-	6
Purchases awaiting settlement	917	1,288
Total creditors	**2,360**	**2,287**

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.

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 8.

The management fee rebate received by the fund is from investments in other funds managed by abrdn plc. During the year £347,000 (2023: £494,000) has been recognised and is included in the total rebate amounts in notes 1 and 2. The balance due to the fund at the year end in respect of this amounted to £Nil (2023: £Nil) and is included in the Management fee rebate receivable amount disclosed in note 6.

10 Portfolio Transaction Costs

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

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

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

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

	Purchases		Sales	
Trades in the year	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Bonds	63,598	48,352	71,368	32,309
Equities	112,014	69,028	169,911	141,015
Collective investment schemes	133,370	20,269	44,107	25,150
Inspecie transactions	92,131	-	-	-
Corporate actions	-	-	206	1,002
Trades in the year before transaction costs	**401,113**	**137,649**	**285,592**	**199,476**
Commissions				
Equities	45	38	(56)	(55)
Total commissions	**45**	**38**	**(56)**	**(55)**
Taxes				
Equities	111	157	(1)	(4)
Total taxes	**111**	**157**	**(1)**	**(4)**
Total transaction costs	**156**	**195**	**(57)**	**(59)**
Total net trades in the year after transaction costs	**401,269**	**137,844**	**285,535**	**199,417**

	Purchases		Sales	
	2024 %	2023 %	2024 %	2023 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.04	0.06	0.03	0.04
Taxes				
Equities	0.10	0.23	-	-

	2024 %	2023 %
Total transaction costs expressed as a percentage of net asset value		
Commissions	0.02	0.02
Taxes	0.02	0.03

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.06% (2023: 0.13%), this is representative of the average spread on the assets held during the year.

11 Shares in Issue Reconciliation

	Opening shares 2023	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2024
Retail accumulation	150,094,149	32,019,881	(12,967,113)	(494,540)	168,652,377
Retail income	1,323,831	2,007,651	(190,076)	(925)	3,140,481
Institutional accumulation	10,334,362	18,423,447	(2,836,534)	348,132	26,269,407
Institutional income	804,256	6,680,986	(466,652)	45,710	7,064,300
Retail CAT accumulation	116,778,921	1,481,916	(9,756,010)	(326,261)	108,178,566
Platform 1 accumulation	18,668,583	532,419	(3,229,860)	668,883	16,640,025
Platform 1 income	2,316,647	188,218	(537,014)	(61,053)	1,906,798
ZC accumulation	2,244,091	140,218	(136,704)	(34,919)	2,212,686

12 Fair Value Hierarchy

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

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

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

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

	2024 £'000 Level 1	2024 £'000 Level 2	2024 £'000 Level 3*	2023 £'000 Level 1	2023 £'000 Level 2	2023 £'000 Level 3*
Fair value of investment assets						
Bonds	19,563	30,500	-	27,595	30,582	-
Equities	343,317	-	518	285,524	-	594
Collective Investment Schemes	-	215,095	-	-	111,973	-
Derivatives	177	6	-	589	9	-
Total investment assets	**363,057**	**245,601**	**518**	**313,708**	**142,564**	**594**

	2024 £'000 Level 1	2024 £'000 Level 2	2024 £'000 Level 3*	2023 £'000 Level 1	2023 £'000 Level 2	2023 £'000 Level 3*
Fair value of investment liabilities						
Derivatives	(14)	(2)	-	(1,857)	(798)	-
Total investment liabilities	**(14)**	**(2)**	**-**	**(1,857)**	**(798)**	**-**

* Savannah Energy PLC which is part of the fund's investment portfolio is considered as level 3 investment. The security was suspended on 13 December 2022 due to challenges to complete the acquisition of an energy business in South Sudan, the ACD continues to value the investment based on the last trading price without any adjustment and as such there is estimation uncertainty involved in the valuation of the security. Given the performance of the underlying business and the general performance of oil and gas sector, the ACD consider valuation basis as appropriate, however continues to monitor the valuation including underlying performance of the Company.

13 Risk Management Policies and Disclosures

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

Foreign currency risk

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

Currency	Net foreign currency exposure 2024 £'000	Net foreign currency exposure 2023 £'000
Australian Dollar	-	(38)
Canadian Dollar	(1)	960
Danish Krone	5,581	7,401
Euro	35,099	47,341
Japanese Yen	-	15,221
Norwegian Krone	1,272	2,909
Swedish Krona	1,709	5,495
Swiss Franc	6,114	1,247
US Dollar	280,767	127,116
Total	**330,541**	**207,652**

At 29 February 2024, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £16,527,000 (2023: £10,383,000).

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.

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

2024	Floating rate financial assets/ (liabilities) £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
Currency				
UK Sterling	14,281	49,109	228,901	292,291
Canadian Dollar	-	-	(1)	(1)
Danish Krone	-	-	5,581	5,581
Euro	(9)	348	34,760	35,099
Norwegian Krone	-	-	1,272	1,272
Swedish Krona	-	-	1,709	1,709
Swiss Franc	-	-	6,114	6,114
US Dollar	163	448	280,156	280,767
Total	**14,435**	**49,905**	**558,492**	**622,832**

2023	Floating rate financial assets/ (liabilities) £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
Currency				
UK Sterling	63,263	57,146	189,919	310,326
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
Total	**63,391**	**57,947**	**396,640**	**517,978**

Other price risk

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

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

VaR

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

2024	Minimum	Maximum	Average
VaR 99% 1 Month	4.98%	6.70%	6.26%

2023	Minimum	Maximum	Average
VaR 99% 1 Month	6.53%	8.02%	7.03%

At the year end date, there was a 1% chance of the portfolio value falling (or rising) more than 6.39%, £38,946,000 (2023: 6.76%, £30,705,000) 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.

2024	Market value £'000	Percentage of total net assets %
Investment grade securities	49,234	7.89
Below investment grade securities	829	0.15
Unrated securities	-	-
Total value of securities	**50,063**	**8.04**

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
Total value of securities	**58,177**	**11.22**

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

Financial derivatives instrument risk

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

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

	2024		2023	
Leveraged instruments	Market exposure £'000	Market value £'000	Market exposure £'000	Market value £'000
Forward currency contracts	4	3,145	16,289	(789)
Futures	163	8,579	156,631	(1,268)
Total market exposure	**167**	**11,724**	**172,920**	**(2,057)**

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

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

Counterparty risk

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

2024 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	163	82	-	245	0.04
	163	**82**	**-**	**245**	**0.04**

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	(1,268)	7,910	-	6,642	1.28
	(1,268)	**7,910**	**-**	**6,642**	**1.28**

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.

		Collateral (held)/pledged		
2024 Counterparties	**Forwards £'000**	**Cash £'000**	**Stock £'000**	**Net exposure £'000**
UBS	4	-	-	4
Total	**4**	**-**	**-**	**4**

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

The fund receives 85% of the revenue returns from stock lending. The gross earnings for the year are £1,000 (2023: £Nil) and expenses paid to the lending agent, Citibank, are £Nil (2023: £Nil).

			Collateral (held)/pledged		
2023 Counterparties	**Swaps £'000**	**Forwards £'000**	**Cash £'000**	**Stock* £'000**	**Net exposure £'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
Total	**-**	**(789)**	**(10)**	**805**	**6**

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

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

Issuers 2023	**Type**	**Collateral Stock £'000**
United Kingdom (Gov't of)	Bond	805
		805

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2024 £2,477,000 (2023: £4,987,000).

Distribution Tables

For the year ended 29 February 2024 (in pence per share)

Interim dividend distribution

Group 1 - shares purchased prior to 1 March 2023
Group 2 - shares purchased between 1 March 2023 and 31 August 2023

	Revenue	Equalisation	Distribution paid 31/10/23	Distribution paid 31/10/22
Retail accumulation				
Group 1	2.6013	-	2.6013	1.4923
Group 2	1.5771	1.0242	2.6013	1.4923
Retail income				
Group 1	1.6390	-	1.6390	0.9529
Group 2	0.7929	0.8461	1.6390	0.9529
Institutional accumulation				
Group 1	3.4384	-	3.4384	2.1760
Group 2	2.0430	1.3954	3.4384	2.1760
Institutional income				
Group 1	1.8649	-	1.8649	1.2058
Group 2	1.5801	0.2848	1.8649	1.2058
Retail CAT accumulation				
Group 1	1.9908	-	1.9908	1.1531
Group 2	1.1288	0.8620	1.9908	1.1531
Platform 1 accumulation				
Group 1	1.5943	-	1.5943	0.9993
Group 2	0.9494	0.6449	1.5943	0.9993
Platform 1 income				
Group 1	1.3504	-	1.3504	0.8609
Group 2	0.8742	0.4762	1.3504	0.8609
ZC accumulation				
Group 1	1.5465	-	1.5465	1.1094
Group 2	0.8179	0.7286	1.5465	1.1094

Distribution Tables

For the year ended 29 February 2024 (in pence per share) Continued

Final dividend distribution

Group 1 - shares purchased prior to 1 September 2023
Group 2 - shares purchased between 1 September 2023 and 29 February 2024

	Revenue	Equalisation	Distribution paid 30/04/24	Distribution paid 28/04/23
Retail accumulation				
Group 1	1.1721	-	1.1721	1.1617
Group 2	0.8377	0.3344	1.1721	1.1617
Retail income				
Group 1	0.7279	-	0.7279	0.7358
Group 2	0.5219	0.2060	0.7279	0.7358
Institutional accumulation				
Group 1	1.8144	-	1.8144	1.7831
Group 2	1.2814	0.5330	1.8144	1.7831
Institutional income				
Group 1	0.9251	-	0.9251	0.9783
Group 2	0.6704	0.2547	0.9251	0.9783
Retail CAT accumulation				
Group 1	0.9070	-	0.9070	0.9002
Group 2	0.5418	0.3652	0.9070	0.9002
Platform 1 accumulation				
Group 1	0.8282	-	0.8282	0.8151
Group 2	0.4353	0.3929	0.8282	0.8151
Platform 1 income				
Group 1	0.6772	-	0.6772	0.6954
Group 2	0.4799	0.1973	0.6772	0.6954
ZC accumulation				
Group 1	0.9292	-	0.9292	0.9293
Group 2	0.3951	0.5341	0.9292	0.9293

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 29 February 2024

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 19.77% (Source: Morningstar Direct, Institutional Accumulation, net of fees). This compared to a return of 21.50% for our performance target (Source: FactSet, MSCI AC World Net Total Return Index +3%).

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

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

From a stock-specific perspective, not owning NVIDIA weighed on relative returns as its shares performed well. The company is seeing increased data centre sales, while Google has chosen to use NVIDIA's L4 inference chips for running its artificial intelligence (AI) models. Charles Schwab's share price fell significantly in the aftermath of Silicon Valley Bank's failure. The banking industry experienced an indiscriminate sell-off in March 2023, and Charles Schwab came under pressure due to the debate around its balance sheet financing. Tencent Holdings' shares saw a significant sell-off in December on the release of a draft gaming regulation paper, which, among other measures, proposed a cap on in-game charges that may raise uncertainties around the company's monetisation abilities going forward. Diageo shares fell as the company issued a profit warning after a steep slowdown in its Latin America & Caribbean division.

By contrast, Vertiv Holdings, a supplier of components for datacentres, added to relative returns as the adoption of AI could provide a tailwind for its thermal offering, increasing investor confidence in the company's growth prospects. Amazon.com shares performed well as investors focused on the company's cost-cutting upside and the momentum in Amazon Web Services. Microsoft outperformed the market as it announced strong results that showed strength in AI and robust growth from the other major segments of the company. Emerson Electric reported good results and upgraded guidance as the energy sector tailwind continued to support near-term earnings.

abrdn Global Focused Equity Fund

Continued

Market Review

Global stock markets rose strongly in sterling terms and even more notably in local-currency terms over the 12 months. The prospect of monetary tightening coming to an end, with potential rate cuts ahead in 2024, supported global equity markets as investor risk appetite improved.

After central banks in Western economies had raised interest rates faster and much further than previously anticipated to counter multi-decade-high inflation, inflationary pressures lessened in many countries over the course of the period. Meanwhile, global economic growth held up better than many investors expected, defying fears of a recession triggered by higher rates.

As US and eurozone inflation continued to trend down, investor hopes rose that an end to interest-rate rises could be in sight. However, the collapse of two regional US banks and the forced sale of Credit Suisse to rival UBS in March evoked fears of a banking crisis. Despite an initial sell-off, stock markets recovered. After more market volatility in April and May, equities performed strongly over June and July due to news of a compromise agreement on the US debt ceiling and further encouraging inflation data. However, rhetoric from central banks continued to be hawkish. Equities generated negative returns in August, September and October on concerns that interest rates would stay higher for longer. However, equities then notably recovered towards the end of the period as reassuring inflation trends led to investors looking ahead to the prospect of rate cuts in 2024.

Portfolio Activity and Review

We sold our position in BAWAG Group as we reduced our exposure to smaller, less liquid names on the back of several prominent bank failures in March 2023.

We divested our small position in Meituan, which we received after Tencent spun off its stake in the company.

We also disposed of our holding in RingCentral, the US-listed software company. With the shares having underperformed over the past two years, we lost confidence in management's ability to jump-start growth. This was after yet another disappointing earnings release, with revenue guidance for 2024 coming in below consensus expectations.

Portfolio Outlook and Strategy

Macroeconomic factors remain as unpredictable as ever, with investors scrutinising the latest data and trying to predict when a pause or pivot in the direction of interest rates might occur. Geopolitical pressures remain elevated throughout the world. Recessionary and inflationary concerns persist as global growth slows. However, investors seem to be pricing in the likelihood of a soft landing for the US economy as the tightening cycle nears its end. Our main focus remains at the stock level, ensuring the portfolio is well diversified on both a regional and sectoral basis, and robust enough to preserve capital in periods of market weakness. We aim to have exposure to higher-quality businesses with the financial strength to withstand volatility and that are exposed to strong structural drivers for long-term growth.

DM Sustainable and Thematic Equity Team

March 2024

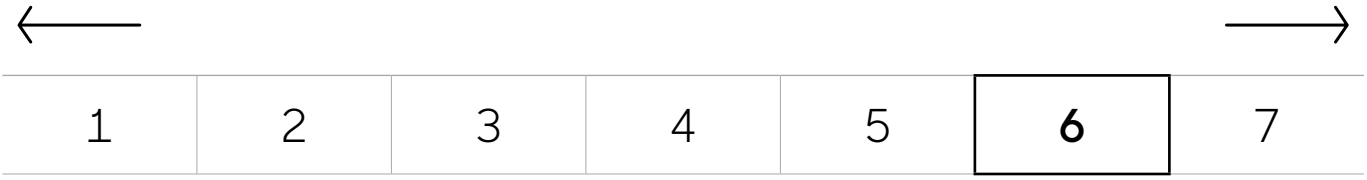
abrdn Global Focused Equity Fund

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. The risk and reward indicator changed from 5 to 6 on 14 April 2023.

Typically lower rewards, lower risk — **Typically higher rewards, higher risk**



Risk and reward indicator table as at 29 February 2024.

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

- Equity Risk – The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- Concentration Risk – A concentrated portfolio (whether by number of holdings, geographic location or sector) may be more volatile and less liquid than a diversified one.
- Emerging Markets Risk – The fund may invest in emerging markets, where political, economic, legal and regulatory systems are less developed. As a result, investing in emerging markets may involve higher volatility and a greater risk of loss than investing in developed markets. In particular, where the fund invests in Variable Interest Entity (VIE) structures to gain exposure to industries with foreign ownership restrictions or invests in Chinese assets via Stock Connect/Bond Connect, there are additional operational risks, which are outlined in the prospectus.
- Derivatives Risk – The use of derivatives may involve additional liquidity, credit and counterparty risks. In some cases the risk of loss from derivatives may be increased where a small change in the value of the underlying investment may have a larger impact on the value of the derivative.

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

Comparative Tables

Retail accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	157.35	152.85	157.04
Return before operating charges*	33.08	6.56	(1.89)
Operating charges	(2.27)	(2.06)	(2.30)
Return after operating charges*	30.81	4.50	(4.19)
Distributions	(0.08)	-	-
Retained distributions on accumulation shares	0.08	-	-
Closing net asset value per share	188.16	157.35	152.85
* after direct transaction costs of:	0.05	0.09	0.15
Performance			
Return after charges	19.58%	2.94%	(2.67%)
Other information			
Closing net asset value (£'000)	10,910	10,388	13,590
Closing number of shares	5,798,489	6,602,120	8,890,887
Operating charges	1.36%	1.36%	1.39%
Direct transaction costs	0.03%	0.06%	0.09%
Prices			
Highest share price	188.2	165.7	177.7
Lowest share price	151.1	137.6	145.9

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

Comparative Tables

Continued

Retail income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	78.58	76.32	78.41
Return before operating charges*	16.51	3.29	(0.94)
Operating charges	(1.13)	(1.03)	(1.15)
Return after operating charges*	15.38	2.26	(2.09)
Distributions	(0.04)	-	-
Closing net asset value per share	93.92	78.58	76.32
* after direct transaction costs of:	0.02	0.05	0.08
Performance			
Return after charges	19.57%	2.96%	(2.67%)
Other information			
Closing net asset value (£'000)	672	756	888
Closing number of shares	715,780	961,508	1,163,843
Operating charges	1.36%	1.36%	1.39%
Direct transaction costs	0.03%	0.06%	0.09%
Prices			
Highest share price	93.96	82.77	88.71
Lowest share price	75.46	68.70	72.83

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

Comparative Tables

Continued

Institutional accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	182.21	176.16	180.12
Return before operating charges*	38.43	7.60	(2.21)
Operating charges	(1.73)	(1.55)	(1.75)
Return after operating charges*	36.70	6.05	(3.96)
Distributions	(1.00)	(0.84)	(0.08)
Retained distributions on accumulation shares	1.00	0.84	0.08
Closing net asset value per share	218.91	182.21	176.16
* after direct transaction costs of:	0.06	0.11	0.17
Performance			
Return after charges	20.14%	3.43%	(2.20%)
Other information			
Closing net asset value (£'000)	9,715	11,215	13,118
Closing number of shares	4,437,695	6,155,075	7,447,036
Operating charges	0.89%	0.89%	0.92%
Direct transaction costs	0.03%	0.06%	0.09%
Prices			
Highest share price	218.9	191.9	204.5
Lowest share price	175.0	158.8	168.1

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 regulated accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	165.95	159.79	162.74
Return before operating charges*	34.99	6.93	(2.06)
Operating charges	(0.84)	(0.77)	(0.89)
Return after operating charges*	34.15	6.16	(2.95)
Distributions	(1.62)	(1.40)	(0.76)
Retained distributions on accumulation shares	1.62	1.40	0.76
Closing net asset value per share	200.10	165.95	159.79
* after direct transaction costs of:	0.05	0.10	0.16
Performance			
Return after charges	20.58%	3.86%	(1.81%)
Other information			
Closing net asset value (£'000)	700	40,040	47,310
Closing number of shares	349,648	24,127,971	29,606,756
Operating charges	0.49%	0.49%	0.52%
Direct transaction costs	0.03%	0.06%	0.09%
Prices			
Highest share price	200.1	174.8	185.3
Lowest share price	159.4	144.2	152.5

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

Comparative Tables

Continued

Institutional S accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	81.38	78.63	80.37
Return before operating charges*	17.16	3.40	(1.00)
Operating charges	(0.72)	(0.65)	(0.74)
Return after operating charges*	16.44	2.75	(1.74)
Distributions	(0.49)	(0.42)	(0.08)
Retained distributions on accumulation shares	0.49	0.42	0.08
Closing net asset value per share	97.82	81.38	78.63
* after direct transaction costs of:	0.02	0.05	0.08
Performance			
Return after charges	20.20%	3.50%	(2.16%)
Other information			
Closing net asset value (£'000)	1,220	2,047	2,132
Closing number of shares	1,247,410	2,515,193	2,711,872
Operating charges	0.84%	0.84%	0.87%
Direct transaction costs	0.03%	0.06%	0.09%
Prices			
Highest share price	97.81	85.71	91.26
Lowest share price	78.16	70.89	75.03

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

Platform 1 accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	131.67	127.42	130.42
Return before operating charges*	27.75	5.50	(1.59)
Operating charges	(1.39)	(1.25)	(1.41)
Return after operating charges*	26.36	4.25	(3.00)
Distributions	(0.58)	(0.48)	-
Retained distributions on accumulation shares	0.58	0.48	-
Closing net asset value per share	158.03	131.67	127.42
* after direct transaction costs of:	0.04	0.08	0.13
Performance			
Return after charges	20.02%	3.34%	(2.30%)
Other information			
Closing net asset value (£'000)	18,478	18,426	17,346
Closing number of shares	11,692,687	13,993,892	13,613,086
Operating charges	0.99%	0.99%	1.02%
Direct transaction costs	0.03%	0.06%	0.09%
Prices			
Highest share price	158.0	138.7	147.9
Lowest share price	126.5	114.8	121.6

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

ZC accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	162.58	155.92	158.16
Return before operating charges*	34.47	6.79	(2.04)
Operating charges	(0.16)	(0.13)	(0.20)
Return after operating charges*	34.31	6.66	(2.24)
Distributions	(2.28)	(2.00)	(1.42)
Retained distributions on accumulation shares	2.28	2.00	1.42
Closing net asset value per share	196.89	162.58	155.92
* after direct transaction costs of:	0.05	0.10	0.15
Performance			
Return after charges	21.10%	4.27%	(1.42%)
Other information			
Closing net asset value (£'000)	3,334	3,580	3,442
Closing number of shares	1,693,219	2,201,691	2,207,854
Operating charges	0.09%	0.09%	0.12%
Direct transaction costs	0.03%	0.06%	0.09%
Prices			
Highest share price	196.9	171.2	180.6
Lowest share price	156.2	140.9	148.8

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 29 February 2024

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (98.14%)		**43,063**	**95.63**
European Equities (20.91%)		**7,650**	**16.99**
Austria (3.96%)		**-**	**-**
Germany (10.24%)		**4,076**	**9.05**
22,435	CTS Eventim	1,401	3.11
26,707	Mercedes-Benz	1,686	3.74
37,234	RWE	989	2.20
Poland (2.83%)		**2,107**	**4.68**
170,693	InPost	2,107	4.68
Spain (3.88%)		**1,467**	**3.26**
51,522	Cellnex Telecom	1,467	3.26
Japanese Equities (3.90%)		**1,599**	**3.55**
23,400	Sony	1,599	3.55
North American Equities (60.61%)		**29,095**	**64.61**
United States (60.61%)		**29,095**	**64.61**
12,771	AbbVie	1,773	3.94
19,035	Alphabet 'C'	2,101	4.67
17,842	Amazon.com	2,491	5.53
8,624	Analog Devices	1,307	2.90
45,830	Boston Scientific	2,399	5.33
30,403	Charles Schwab	1,602	3.56
26,469	Coca-Cola	1,254	2.78
24,840	Emerson Electric	2,096	4.65
5,313	Mastercard 'A'	1,990	4.42
8,230	Microsoft	2,689	5.97
4,866	S&P Global	1,647	3.66
13,746	Tetra Tech	1,925	4.27

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
23,496	TJX	1,840	4.09
34,984	Vertiv	1,867	4.15
13,016	Waste Management	2,114	4.69
Pacific Basin Equities (5.25%)		**2,001**	**4.44**
China (3.30%)		**1,017**	**2.26**
36,357	Tencent	1,017	2.26
23,966,000	Tianhe Chemicals**	-	-
Hong Kong (0.00%)		**-**	**-**
1,055,400	China Metal Recycling**	-	-
Taiwan (1.95%)		**984**	**2.18**
57,000	Taiwan Semiconductor Manufacturing	984	2.18
UK Equities (7.47%)		**2,718**	**6.04**
Consumer Staples (3.64%)		**1,264**	**2.81**
42,661	Diageo	1,264	2.81
Health Care (3.83%)		**1,454**	**3.23**
14,570	AstraZeneca	1,454	3.23
Collective Investment Schemes (1.75%)		**1,892**	**4.20**
1,892	abrdn Liquidity Fund (Lux) - Sterling Fund Z1 Inc+	1,892	4.20
Total investment assets		44,955	99.83
Net other assets		74	0.17
Total Net Assets		**45,029**	**100.00**

All investments are listed on recognised stock exchanges and are approved securities, or are regulated collective investment schemes within the meaning of the FCA rules.
The percentage figures in brackets show the comparative holding as at 28 February 2023.
+ Managed by subsidiaries of abrdn plc.
** Delisted.

Statement of Total Return

For the year ended 29 February 2024

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Income:					
Net capital gains	1		10,395		2,368
Revenue	2	1,027		1,401	
Expenses	3	(509)		(684)	
Interest payable and similar charges		-		(3)	
Net revenue before taxation		518		714	
Taxation	4	(114)		(167)	
Net revenue after taxation			404		547
Total return before distributions			**10,799**		**2,915**
Distributions	5		(404)		(550)
Change in net assets attributable to shareholders from investment activities			**10,395**		**2,365**

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 29 February 2024

	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Opening net assets attributable to shareholders		**86,452**		**97,826**
Amounts receivable on the issue of shares	8,114		11,809	
Amounts payable on the cancellation of shares	(60,121)		(26,061)	
		(52,007)		(14,252)
Dilution adjustment		22		-
Change in net assets attributable to shareholders from investment activities (see above)		10,395		2,365
Retained distribution on accumulation shares		167		513
Closing net assets attributable to shareholders		**45,029**		**86,452**

Balance Sheet

As at 29 February 2024

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Assets:					
Fixed assets:					
Investment assets			44,955		86,355
Current assets:					
Debtors	6	166		203	
Cash and bank balances	7	7		28	
			173		231
Total assets			**45,128**		**86,586**
Liabilities:					
Creditors	8	(99)		(134)	
			(99)		(134)
Total liabilities			**(99)**		**(134)**
Net assets attributable to shareholders			**45,029**		**86,452**

Notes to the Financial Statements

1 Net Capital Gains

	2024 £'000	2023 £'000
Non-derivative securities	10,278	2,313
Other gains	121	59
Transaction charges	(4)	(4)
Net capital gains	**10,395**	**2,368**

2 Revenue

	2024 £'000	2023 £'000
Bank and margin interest	49	34
Overseas dividends	870	1,253
UK dividends	108	114
Total revenue	**1,027**	**1,401**

3 Expenses

	2024 £'000	2023 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	456	605
Dealing charge	9	9
General administration charge	40	61
	505	**675**
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fees	4	6
	4	**6**
Other:		
Professional fees	-	3
	-	**3**
Total expenses	**509**	**684**

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £11,100 (2023: £10,200).

Notes to the Financial Statements

Continued

4 Taxation

	2024 £'000	2023 £'000
(a) Analysis of charge in year		
Overseas taxes	114	167
Total taxation (note 4b)	**114**	**167**

(b) Factors affecting total tax charge for the year

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

Net revenue before taxation	**518**	**714**
Corporation tax at 20% (2023: 20%)	103	143
Effects of:		
Revenue not subject to taxation	(195)	(273)
Overseas taxes	114	167
Excess allowable expenses	92	130
Total tax charge for year (note 4a)	**114**	**167**

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 £2,596,000 (2023: £2,504,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

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

	2024 £'000	2023 £'000
Distribution	168	513
Add: Income deducted on cancellation of shares	253	51
Deduct: Income received on issue of shares	(17)	(14)
Total distributions for the year	**404**	**550**

Movement between net revenue and distributions		
Net revenue after taxation	404	547
Shortfall transfer from capital to revenue	-	3
Total distributions for the year	**404**	**550**

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

Notes to the Financial Statements

Continued

6 Debtors

	2024 £'000	2023 £'000
Accrued revenue	59	109
Amounts receivable from the ACD for the issue of shares	4	20
Overseas withholding tax recoverable	103	74
Total debtors	**166**	**203**

7 Liquidity

	2024 £'000	2023 £'000
Cash and bank balances		
Cash at bank	7	28
	7	**28**
abrdn Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	1,892	1,513
Net liquidity	**1,899**	**1,541**

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

8 Creditors

	2024 £'000	2023 £'000
Accrued expenses payable to ACD	40	50
Accrued expenses payable to the Depositary or associates of the Depositary	1	2
Amounts payable to the ACD for cancellation of shares	58	77
Other accrued expenses	-	5
Total creditors	**99**	**134**

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	
Trades in the year	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Equities	-	22,052	52,074	35,875
Corporate actions	-	-	-	177
Trades in the year before transaction costs	**-**	**22,052**	**52,074**	**36,052**
Commissions				
Equities	-	12	(12)	(15)
Total commissions	**-**	**12**	**(12)**	**(15)**
Taxes				
Equities	-	20	(5)	(9)
Total taxes	**-**	**20**	**(5)**	**(9)**
Total transaction costs	**-**	**32**	**(17)**	**(24)**
Total net trades in the year after transaction costs	**-**	**22,084**	**52,057**	**36,028**

	Purchases		Sales	
	2024 %	2023 %	2024 %	2023 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	-	0.05	0.02	0.04
Taxes				
Equities	-	0.09	0.01	0.02

	2024 %	2023 %
Total transaction costs expressed as a percentage of net asset value		
Commissions	0.02	0.03
Taxes	0.01	0.03

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.04% (2023: 0.06%), this is representative of the average spread on the assets held during the year.

Notes to the Financial Statements

Continued

11 Shares in Issue Reconciliation

	Opening shares 2023	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2024
Retail accumulation	6,602,120	3,832,124	(4,535,048)	(100,707)	5,798,489
Retail income	961,508	38,691	(284,419)	-	715,780
Institutional accumulation	6,155,075	33,019	(2,010,484)	260,085	4,437,695
Institutional regulated accumulation	24,127,971	600,822	(24,379,145)	-	349,648
Institutional S accumulation	2,515,193	237,312	(1,505,095)	-	1,247,410
Platform 1 accumulation	13,993,892	240,482	(2,327,436)	(214,251)	11,692,687
ZC accumulation	2,201,691	59,470	(547,201)	(20,741)	1,693,219

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).

Fair value of investment assets	2024 £'000 Level 1	2024 £'000 Level 2	2024 £'000 Level 3	2023 £'000 Level 1	2023 £'000 Level 2	2023 £'000 Level 3
Equities	43,063	-	-	84,842	-	-
Collective Investment Schemes	-	1,892	-	-	1,513	-
Total investment assets	**43,063**	**1,892**	**-**	**84,842**	**1,513**	**-**

13 Risk Management Policies and Disclosures

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

Foreign currency risk

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

Currency	Net foreign currency exposure 2024 £'000	Net foreign currency exposure 2023 £'000
Danish Krone	-	15
Euro	7,742	18,130
Hong Kong Dollar	1,017	2,852
Japanese Yen	1,599	3,375
Taiwan Dollar	992	1,698
US Dollar	29,160	52,480
Total	**40,510**	**78,550**

At 29 February 2024, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £2,026,000 (2023: £3,927,000).

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 29 February 2024, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £2,248,000 (2023: £4,318,000).

Financial derivatives instrument risk

The fund had no exposure to derivatives as at 29 February 2024 (2023: £Nil).

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2024 £99,000 (2023: £134,000).

Distribution Table

For the year ended 29 February 2024 (in pence per share)

Final dividend distribution

Group 1 - shares purchased prior to 1 March 2023
Group 2 - shares purchased between 1 March 2023 and 29 February 2024

	Revenue	Equalisation	Distribution paid 30/04/24	Distribution paid 28/04/23
Retail accumulation				
Group 1	0.0809	-	0.0809	-
Group 2	-	0.0809	0.0809	-
Retail income				
Group 1	0.0377	-	0.0377	-
Group 2	0.0066	0.0311	0.0377	-
Institutional accumulation				
Group 1	0.9976	-	0.9976	0.8419
Group 2	0.3689	0.6287	0.9976	0.8419
Institutional regulated accumulation				
Group 1	1.6180	-	1.6180	1.4049
Group 2	0.6844	0.9336	1.6180	1.4049
Institutional S accumulation				
Group 1	0.4890	-	0.4890	0.4154
Group 2	0.4890	-	0.4890	0.4154
Platform 1 accumulation				
Group 1	0.5806	-	0.5806	0.4814
Group 2	0.1046	0.4760	0.5806	0.4814
ZC accumulation				
Group 1	2.2817	-	2.2817	1.9973
Group 2	1.2145	1.0672	2.2817	1.9973

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 Infrastructure Equity Fund (formerly abrdn Global Income Equity Fund)

For the year ended 29 February 2024

Investment Objective

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

Performance Target: To achieve a return in excess of the S&P Global Infrastructure Net Total Return Index over a rolling five year period (after charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

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

Investment Policy

Portfolio Securities

- The fund will invest at least 80% in equities and equity related securities of companies listed on global stock exchanges in infrastructure related sectors or listed companies that have a significant proportion of infrastructure assets or derive a significant proportion of their revenues or profits from infrastructure assets.
- The fund may also invest in other funds (including those managed by abrdn), money-market instruments, and cash.

Management Process

- The management team use their discretion (active management) to maintain a diverse asset mix of infrastructure assets 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 S&P Global Infrastructure Net Total Return Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 9%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the index.

Derivatives and Techniques

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

Performance Review

The fund returned 2.98% over the review period (source: FactSet, Institutional Accumulation, net of fees). This compares with a target benchmark return of 2.59% (Source: FactSet, S&P Global Infrastructure Net Index). On 6 September 2023, the fund's mandate was changed, and it switched from the abrdn Global Income Equity Fund to the abrdn Global Infrastructure Equity Fund. In line with the switch from a dividend-focused fund to one with a thematic focus on infrastructure stocks, we made numerous changes to the portfolio's composition.

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 mandate change took place on 6 September 2023, which was six days after the interim report. Therefore, for the purpose of this performance section,

abrdn Global Infrastructure Equity Fund (formerly abrdn Global Income Equity Fund)

Continued

we have focused on the top contributors and detractors from 6 September 2023. If you wish to review the companies that contributed or detracted from the fund's performance during its prior income mandate, please refer back to the interim report.

In terms of individual stock contributors, Vistra Corp. was the fund's top contributing name. The US independent power producer posted strong second-quarter earnings that were ahead of consensus expectations as power prices and output continued to be strong. Management also expressed confidence in achieving the initial guidance laid out for 2024 and 2025 as the company builds out its hedge book. International Container Terminal Services, a global port operator based in the Philippines, outperformed as data points from some of its key ports, such as Melbourne, Manila and Mexico, showed continued market-share gains. Ferrovial, the Spanish infrastructure company, was a new addition to the fund in line with its new mandate, and this proved beneficial to the fund's returns. Ferrovial has the longest concession duration of all its peers, so it sees an outsized impact from falling interest rates on its underlying asset valuations. Also, the company announced the sale of its Heathrow stake (for £2.4 billion) and an increase in tolls on the 407 Electronic Toll Route outside Toronto for the first time since COVID-19. Vinci, a Europe-based owner of infrastructure concessions and a construction company, reported strong earnings during the period. Traffic at its airports continues to improve as economies reopen post COVID-19 lockdowns. In addition, the company's construction order book is at a record high.

By contrast, NextEra Energy Partners, the US renewables operator, detracted as it announced that it would cut dividend growth guidance from 12-15% to 5-8% as a result of the higher cost of capital that has reduced its ability to acquire new renewable assets. Elsewhere, EDP Renováveis also lagged as the Portuguese renewable-energy company joined the rest of the green-energy companies in Europe that underperformed over the period, despite posting decent earnings. IHS Holding, the African tower operator, also underperformed. Sentiment continues to be negatively affected by the Nigerian currency devaluation and the disagreement that the company is having with MTN (its largest customer and shareholder). Algonquin Power & Utilities Corp., the US energy utility, sold off over the period as investors grew more negative about renewable returns and valuations, primarily driven by higher interest rates. Algonquin is in the process of selling off its renewable business, which is roughly 50% of the company, so the share price could be sensitive to any changes in the valuation that investors ascribe to renewables overall.

Market Review

Global stock markets rose strongly in sterling terms and even more notably in local-currency terms over the 12 months. The prospect of monetary tightening coming to an end, with potential rate cuts ahead in 2024, supported global equity markets as investor risk appetite improved.

After central banks in Western economies had raised interest rates faster and much further than previously anticipated to counter multi-decade-high inflation, inflationary pressures lessened in many countries over the period. Meanwhile, global economic growth held up better than many investors expected, defying fears of a recession triggered by higher rates.

As US and eurozone inflation continued to trend down, investor hopes rose that an end to interest-rate rises could be in sight. However, the collapse of two regional US banks and the forced sale of Credit Suisse to rival UBS in March evoked fears of a banking crisis. Despite an initial sell-off, stock markets recovered. After more market volatility in April and May, equities performed strongly over June and July due to news of a compromise agreement on the US debt ceiling and further encouraging inflation data. However, rhetoric from central banks continued to be hawkish. Equities generated negative returns in August, September and October on concerns that interest rates would stay higher for longer. However, equities then notably recovered towards the end of the period as reassuring inflation trends led to investors looking ahead to the prospect of rate cuts in 2024.

Portfolio Activity and Review

The portfolio trades highlighted in the previous interim report reflected trading decisions taken with the fund's income-focused mandate in mind. Subsequently, from 6 September 2023, when the fund adopted an infrastructure mandate, we sold numerous holdings that no longer aligned with the fund's thematic focus. Instead, we initiated many new holdings to align with the new mandate.

Since the transition, the main addition to the portfolio has been a holding in Japan Airport Terminal (JAT). The operational model in Japan is different from that of most other major airports: the government owns the runway, while JAT operates the terminals at Haneda, located just outside Tokyo. In general, we like the airport business due to passenger growth above GDP levels and the captive audience for retail and food, with modern airports increasingly resembling high-end shopping malls. Specifically for JAT, with international passenger volumes only recovering to 73% of pre-COVID-19 levels

abrdn Global Infrastructure Equity Fund (formerly abrdn Global Income Equity Fund)

Continued

(adjusted for the new slots issued in 2020) and a promising schedule of new flights – particularly from China – we see good momentum in passenger numbers and revenue growth. This is because international passengers are typically more valuable, as they tend to spend more. The shares have been weak over the past few months as investors have lost some patience with the China recovery story. However, the company continues to perform well operationally, despite the muted recovery in China passenger numbers.

Portfolio Outlook and Strategy

Macroeconomic factors remain as unpredictable as ever, with investors scrutinising the latest data and trying to predict when a pause or pivot in the direction of interest rates might occur. Geopolitical pressures remain elevated throughout the world. Recessionary and inflationary concerns persist as global growth slows. However, investors seem to be pricing in the likelihood of a soft landing for the US economy as the tightening cycle nears its end. Our main focus remains at the stock level, ensuring the portfolio is well diversified on both a regional and sectoral basis, and robust enough to preserve capital in periods of market weakness. We aim to have exposure to higher-quality businesses with the financial strength to withstand volatility and that are exposed to strong structural drivers for long-term growth.

Looking back on 2023, the overarching driver of the infrastructure group was the direction of interest rates and the impact this will have on returns within the energy transition. With inflation concerns abating and expectations of no further rate rises by the major central banks, we saw a relief rally of sorts across most infrastructure sectors into year end. The expectations from here are that we see a recovery in momentum for renewal projects, as well as a volume recovery across the industrial-focused transportation sectors, such as rail. With all this focus on more near-term trends, it's important not to lose sight of the long-term structural drivers that we see in infrastructure, namely the energy transition, digital acceleration and increasing urbanisation. One thing to watch in the second half of the year is the US election and what that means for government-sponsored initiatives like the Inflation Reduction Act.

DM Income & Real Assets Equity Team

March 2024

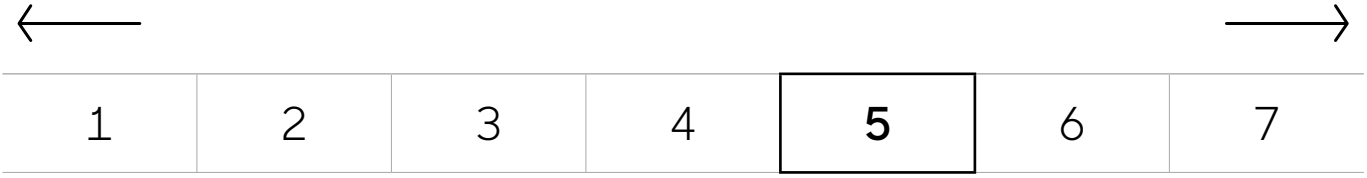
abrdn Global Infrastructure Equity Fund (formerly abrdn Global Income Equity Fund)

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 29 February 2024.

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

- Equity Risk - The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- Concentration Risk - A concentrated portfolio (whether by number of holdings, geographic location or sector) may be more volatile and less liquid than a diversified one.
- Emerging Markets Risk - The fund may invest in emerging markets, where political, economic, legal and regulatory systems are less developed. As a result, investing in emerging markets may involve higher volatility and a greater risk of loss than investing in developed markets. In particular, where the fund invests in Variable Interest Entity (VIE) structures to gain exposure to industries with foreign ownership restrictions or invests in Chinese assets via Stock Connect/Bond Connect, there are additional operational risks, which are outlined in the prospectus.
- Derivatives Risk - The use of derivatives may involve additional liquidity, credit and counterparty risks. In some cases the risk of loss from derivatives may be increased where a small change in the value of the underlying investment may have a larger impact on the value of the derivative.

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

Comparative Tables

Retail accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	132.14	126.65	113.67
Return before operating charges*	5.00	7.19	14.64
Operating charges	(1.75)	(1.70)	(1.66)
Return after operating charges*	3.25	5.49	12.98
Distributions	(2.01)	(1.35)	(1.34)
Retained distributions on accumulation shares	2.01	1.35	1.34
Closing net asset value per share	135.39	132.14	126.65
* after direct transaction costs of:	0.22	0.04	0.09
Performance			
Return after charges	2.46%	4.33%	11.42%
Other information			
Closing net asset value (£'000)	321	9,094	8,856
Closing number of shares	237,080	6,882,146	6,992,869
Operating charges	1.32%	1.31%	1.32%
Direct transaction costs	0.16%	0.04%	0.07%
Prices			
Highest share price	140.0	137.8	134.8
Lowest share price	121.3	121.0	113.9

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

Retail income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	96.14	94.30	86.67
Return before operating charges*	3.60	5.34	11.13
Operating charges	(1.25)	(1.25)	(1.25)
Return after operating charges*	2.35	4.09	9.88
Distributions	(2.69)	(2.25)	(2.25)
Closing net asset value per share	95.80	96.14	94.30
* after direct transaction costs of:	0.15	0.03	0.07
Performance			
Return after charges	2.44%	4.34%	11.40%
Other information			
Closing net asset value (£'000)	253	232	253
Closing number of shares	264,471	241,158	267,706
Operating charges	1.32%	1.31%	1.32%
Direct transaction costs	0.16%	0.04%	0.07%
Prices			
Highest share price	99.60	101.6	100.8
Lowest share price	86.81	89.24	86.82

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

Retail Founder accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	360.73	344.74	308.50
Return before operating charges*	13.81	19.56	39.73
Operating charges	(3.69)	(3.57)	(3.49)
Return after operating charges*	10.12	15.99	36.24
Distributions	(6.59)	(4.75)	(4.68)
Retained distributions on accumulation shares	6.59	4.75	4.68
Closing net asset value per share	370.85	360.73	344.74
* after direct transaction costs of:	0.59	0.12	0.24
Performance			
Return after charges	2.81%	4.64%	11.75%
Other information			
Closing net asset value (£'000)	78,303	83,155	85,451
Closing number of shares	21,114,099	23,052,026	24,787,319
Operating charges	1.02%	1.01%	1.02%
Direct transaction costs	0.16%	0.04%	0.07%
Prices			
Highest share price	383.2	375.6	366.7
Lowest share price	331.8	329.6	309.1

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

Retail Founder income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	100.43	98.22	90.00
Return before operating charges*	3.77	5.57	11.57
Operating charges	(1.01)	(1.01)	(1.01)
Return after operating charges*	2.76	4.56	10.56
Distributions	(2.81)	(2.35)	(2.34)
Closing net asset value per share	100.38	100.43	98.22
* after direct transaction costs of:	0.16	0.03	0.07
Performance			
Return after charges	2.75%	4.64%	11.73%
Other information			
Closing net asset value (£'000)	1,498	1,420	1,498
Closing number of shares	1,492,337	1,413,513	1,524,877
Operating charges	1.02%	1.01%	1.02%
Direct transaction costs	0.16%	0.04%	0.07%
Prices			
Highest share price	104.3	106.0	104.9
Lowest share price	90.85	93.02	90.16

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

Institutional accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	141.12	134.63	120.27
Return before operating charges*	5.41	7.65	15.49
Operating charges	(1.21)	(1.16)	(1.13)
Return after operating charges*	4.20	6.49	14.36
Distributions	(2.82)	(2.09)	(2.05)
Retained distributions on accumulation shares	2.82	2.09	2.05
Closing net asset value per share	145.32	141.12	134.63
* after direct transaction costs of:	0.23	0.05	0.09
Performance			
Return after charges	2.98%	4.82%	11.94%
Other information			
Closing net asset value (£'000)	2,768	2,789	3,299
Closing number of shares	1,904,851	1,976,754	2,450,271
Operating charges	0.85%	0.84%	0.85%
Direct transaction costs	0.16%	0.04%	0.07%
Prices			
Highest share price	150.1	146.8	143.2
Lowest share price	129.9	128.8	120.5

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

Comparative Tables

Continued

Institutional income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	102.59	100.17	91.63
Return before operating charges*	3.89	5.66	11.78
Operating charges	(0.87)	(0.85)	(0.86)
Return after operating charges*	3.02	4.81	10.92
Distributions	(2.88)	(2.39)	(2.38)
Closing net asset value per share	102.73	102.59	100.17
* after direct transaction costs of:	0.17	0.03	0.07
Performance			
Return after charges	2.94%	4.80%	11.92%
Other information			
Closing net asset value (£'000)	318	270	344
Closing number of shares	309,226	262,807	343,640
Operating charges	0.85%	0.84%	0.85%
Direct transaction costs	0.16%	0.04%	0.07%
Prices			
Highest share price	106.7	108.2	107.0
Lowest share price	92.91	94.92	91.80

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

Comparative Tables

Continued

Institutional Founder accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	402.09	382.63	340.98
Return before operating charges*	15.45	21.77	43.93
Operating charges	(2.42)	(2.31)	(2.28)
Return after operating charges*	13.03	19.46	41.65
Distributions	(9.05)	(6.94)	(6.77)
Retained distributions on accumulation shares	9.05	6.94	6.77
Closing net asset value per share	415.12	402.09	382.63
* after direct transaction costs of:	0.66	0.13	0.26
Performance			
Return after charges	3.24%	5.09%	12.21%
Other information			
Closing net asset value (£'000)	4,680	5,335	6,020
Closing number of shares	1,127,370	1,326,889	1,573,358
Operating charges	0.60%	0.59%	0.60%
Direct transaction costs	0.16%	0.04%	0.07%
Prices			
Highest share price	428.7	417.7	406.8
Lowest share price	370.7	366.3	341.7

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

Institutional Founder income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	105.42	102.68	93.69
Return before operating charges*	3.99	5.81	12.05
Operating charges	(0.63)	(0.61)	(0.62)
Return after operating charges*	3.36	5.20	11.43
Distributions	(2.96)	(2.46)	(2.44)
Closing net asset value per share	105.82	105.42	102.68
* after direct transaction costs of:	0.17	0.04	0.07
Performance			
Return after charges	3.19%	5.06%	12.20%
Other information			
Closing net asset value (£'000)	192	283	314
Closing number of shares	181,624	268,841	305,593
Operating charges	0.60%	0.59%	0.60%
Direct transaction costs	0.16%	0.04%	0.07%
Prices			
Highest share price	109.9	111.0	109.6
Lowest share price	95.62	97.36	93.86

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

Platform 1 accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	137.71	131.44	117.49
Return before operating charges*	5.27	7.47	15.12
Operating charges	(1.24)	(1.20)	(1.17)
Return after operating charges*	4.03	6.27	13.95
Distributions	(2.68)	(1.98)	(1.94)
Retained distributions on accumulation shares	2.68	1.98	1.94
Closing net asset value per share	141.74	137.71	131.44
* after direct transaction costs of:	0.22	0.05	0.09
Performance			
Return after charges	2.93%	4.77%	11.87%
Other information			
Closing net asset value (£'000)	9,092	11,423	10,691
Closing number of shares	6,414,435	8,294,951	8,133,168
Operating charges	0.90%	0.89%	0.90%
Direct transaction costs	0.16%	0.04%	0.07%
Prices			
Highest share price	146.4	143.3	139.8
Lowest share price	126.7	125.7	117.7

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Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.
Highest and Lowest prices are based on official published daily NAVs.

Comparative Tables

Continued

Platform 1 income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	101.90	99.54	91.09
Return before operating charges*	3.84	5.64	11.72
Operating charges	(0.91)	(0.90)	(0.90)
Return after operating charges*	2.93	4.74	10.82
Distributions	(2.86)	(2.38)	(2.37)
Closing net asset value per share	101.97	101.90	99.54
* after direct transaction costs of:	0.16	0.03	0.07
Performance			
Return after charges	2.88%	4.76%	11.88%
Other information			
Closing net asset value (£'000)	2,153	2,412	2,431
Closing number of shares	2,111,359	2,366,716	2,442,771
Operating charges	0.90%	0.89%	0.90%
Direct transaction costs	0.16%	0.04%	0.07%
Prices			
Highest share price	105.9	107.5	106.3
Lowest share price	92.25	94.30	91.25

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

Comparative Tables

Continued

ZC accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	124.31	117.72	104.38
Return before operating charges*	4.78	6.69	13.46
Operating charges	(0.12)	(0.10)	(0.12)
Return after operating charges*	4.66	6.59	13.34
Distributions	(3.42)	(2.75)	(2.66)
Retained distributions on accumulation shares	3.42	2.75	2.66
Closing net asset value per share	128.97	124.31	117.72
* after direct transaction costs of:	0.20	0.04	0.08
Performance			
Return after charges	3.75%	5.60%	12.78%
Other information			
Closing net asset value (£'000)	321	323	346
Closing number of shares	248,682	260,166	294,095
Operating charges	0.10%	0.09%	0.10%
Direct transaction costs	0.16%	0.04%	0.07%
Prices			
Highest share price	133.1	128.8	125.1
Lowest share price	115.0	112.9	104.6

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

Portfolio Statement

As at 29 February 2024

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (98.89%)		**99,132**	**99.23**
Emerging Market Equities (0.00%)		**4,763**	**4.77**
Brazil (0.00%)		**4,763**	**4.77**
1,168,500	CCR	2,560	2.56
273,900	Rumo	990	0.99
814,400	Serena Energia	1,213	1.22
European Equities (26.98%)		**28,798**	**28.83**
Austria (1.88%)		**-**	**-**
Denmark (1.96%)		**-**	**-**
Finland (3.83%)		**-**	**-**
France (6.44%)		**12,965**	**12.98**
29,900	Eiffage	2,575	2.58
218,200	Engie	2,769	2.77
154,100	Getlink	2,081	2.08
102,500	Veolia Environment	2,512	2.52
29,900	Vinci	3,028	3.03
Germany (3.37%)		**2,207**	**2.21**
83,057	RWE	2,207	2.21
Italy (0.00%)		**4,006**	**4.01**
475,265	Enel	2,392	2.39
184,300	Infrastrutture Wireless Italiane	1,614	1.62
Netherlands (2.06%)		**-**	**-**
Norway (2.10%)		**-**	**-**

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Spain (0.00%)		**9,620**	**9.63**
18,900	Aena	2,832	2.84
91,400	Cellnex Telecom	2,602	2.60
142,400	EDP Renovaveis	1,534	1.54
89,600	Ferrovial	2,652	2.65
Sweden (1.20%)		**-**	**-**
Switzerland (4.14%)		**-**	**-**
Japanese Equities (4.49%)		**1,030**	**1.03**
33,100	Japan Airport Terminal	1,030	1.03
Latin American Equities (0.00%)		**4,987**	**4.99**
Argentina (0.00%)		**1,717**	**1.72**
49,800	Corp America Airports	571	0.57
220,200	Loma Negra Cia Industrial Argentina ADR	1,146	1.15
Mexico (0.00%)		**3,270**	**3.27**
233,300	Grupo Aeroportuario del Centro Norte	1,594	1.59
205,000	Promotora y Operadora de Infraestructura	1,676	1.68
North American Equities (49.63%)		**44,379**	**44.42**
Canada (0.97%)		**6,724**	**6.73**
241,400	Algonquin Power & Utilities	1,115	1.12
39,100	Canadian Pacific Kansas City	2,627	2.63
109,800	Enbridge	2,982	2.98
United States (48.66%)		**37,655**	**37.69**
97,500	Altus Power	524	0.52
27,200	American Electric Power	1,832	1.83

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
17,764	American Tower REIT	2,792	2.79
77,000	CenterPoint Energy	1,673	1.68
16,600	Cheniere Energy	2,037	2.04
67,700	Clearway Energy 'C'	1,166	1.17
45,500	CMS Energy	2,063	2.07
152,400	CoreCivic	1,833	1.83
28,100	Crown Castle REIT	2,442	2.44
8,500	Dycom Industries	849	0.85
45,000	FirstEnergy	1,302	1.30
183,987	Kinder Morgan	2,528	2.53
60,228	NextEra Energy	2,625	2.63
75,400	NextEra Energy Partners	1,636	1.64
12,300	Norfolk Southern	2,460	2.46
87,500	PPL	1,823	1.83
7,900	Union Pacific	1,583	1.58
47,700	Vistra	2,054	2.06
9,700	Waste Management	1,576	1.58
100,600	Williams	2,857	2.86
Pacific Basin Equities (7.32%)		**7,832**	**7.84**
Australia (0.00%)		**1,181**	**1.18**
603,600	Aurizon	1,181	1.18
China (0.00%)		**154**	**0.15**
28,600	GDS ADR	154	0.15
8,100,000	Tianhe Chemicals**	-	-
Hong Kong (1.69%)		**1,198**	**1.20**
182,000	CLP	1,198	1.20
Indonesia (0.00%)		**750**	**0.75**
16,199,500	Sarana Menara Nusantara	750	0.75

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Malaysia (0.00%)		**2,136**	**2.14**
1,526,600	Malaysia Airports	2,136	2.14
Philippines (0.00%)		**2,413**	**2.42**
594,100	International Container Terminal Services	2,413	2.42
South Korea (2.82%)		**-**	**-**
Taiwan (2.81%)		**-**	**-**
UK Equities (10.47%)		**7,343**	**7.35**
Basic Materials (2.72%)		**-**	**-**
Consumer Discretionary (1.97%)		**909**	**0.91**
1,166,000	Mobico	909	0.91
Consumer Staples (1.39%)		**-**	**-**
Health Care (2.79%)		**-**	**-**
Industrials (0.00%)		**384**	**0.38**
173,000	IHS	384	0.38
Telecommunications (0.00%)		**2,838**	**2.84**
2,047,622	Helios Towers	1,544	1.55
1,872,900	Vodafone	1,294	1.29

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Utilities (1.60%)		**3,212**	**3.22**
123,600	National Grid	1,282	1.29
118,806	SSE	1,930	1.93
Total investment assets		99,132	99.23
Net other assets		767	0.77
Total Net Assets		**99,899**	**100.00**

All investments are listed on recognised stock exchanges and are approved securities within the meaning of the FCA rules.
The percentage figures in brackets show the comparative holding as at 28 February 2023.
** Delisted.

Statement of Total Return

For the year ended 29 February 2024

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Income:					
Net capital gains	1		708		3,983
Revenue	2	3,365		3,221	
Expenses	3	(1,042)		(1,181)	
Interest payable and similar charges		(1)		(1)	
Net revenue before taxation		2,322		2,039	
Taxation	4	(311)		(408)	
Net revenue after taxation			2,011		1,631
Total return before distributions			**2,719**		**5,614**
Distributions	5		(2,052)		(1,675)
Change in net assets attributable to shareholders from investment activities			**667**		**3,939**

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 29 February 2024

	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Opening net assets attributable to shareholders		**116,736**		**119,503**
Amounts receivable on the issue of shares	1,316		5,914	
Amounts payable on the cancellation of shares	(20,723)		(14,167)	
		(19,407)		(8,253)
Dilution adjustment		5		-
Change in net assets attributable to shareholders from investment activities (see above)		667		3,939
Retained distribution on accumulation shares		1,898		1,547
Closing net assets attributable to shareholders		**99,899**		**116,736**

Balance Sheet

As at 29 February 2024

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Assets:					
Fixed assets:					
Investment assets			99,132		115,444
Current assets:					
Debtors	6	547		494	
Cash and bank balances		405		1,157	
			952		1,651
Total assets			**100,084**		**117,095**
Liabilities:					
Creditors	7	(161)		(338)	
Distribution payable		(24)		(21)	
			(185)		(359)
Total liabilities			**(185)**		**(359)**
Net assets attributable to shareholders			**99,899**		**116,736**

Notes to the Financial Statements

1 Net Capital Gains

	2024 £'000	2023 £'000
Non-derivative securities	735	3,879
Other (losses)/gains	(17)	109
Transaction charges	(10)	(5)
Net capital gains	**708**	**3,983**

2 Revenue

	2024 £'000	2023 £'000
Bank and margin interest	40	14
Overseas dividends	2,783	2,783
Overseas REIT	199	76
Stocklending revenue	4	-
UK dividends	339	348
Total revenue	**3,365**	**3,221**

3 Expenses

	2024 £'000	2023 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	1,008	1,142
Dealing charge	7	7
General administration charge	17	18
	1,032	**1,167**
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fees	10	9
	10	**9**
Other:		
Professional fees	-	5
	-	5
Total expenses	**1,042**	**1,181**

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £11,100 (2023: £10,200).

4 Taxation

	2024 £'000	2023 £'000
(a) Analysis of charge in year		
Overseas taxes	311	408
Total taxation (note 4b)	**311**	**408**

(b) Factors affecting total tax charge for the year

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

Net revenue before taxation	**2,322**	**2,039**
Corporation tax at 20% (2023: 20%)	464	408
Effects of:		
Revenue not subject to taxation	(624)	(625)
Overseas taxes	311	408
Overseas tax expensed	(6)	(2)
Excess allowable expenses	166	219
Total tax charge for year (note 4a)	**311**	**408**

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 £3,152,000 (2023: £2,986,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

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

	2024 £'000	2023 £'000
First interim distribution	1,086	868
Second interim distribution	245	258
Third interim distribution	392	269
Final distribution	300	263
	2,023	1,658
Add: Income deducted on cancellation of shares	32	26
Deduct: Income received on issue of shares	(3)	(9)
Total distributions for the year	**2,052**	**1,675**

	2024 £'000	2023 £'000
Movement between net revenue and distributions		
Net revenue after taxation	2,011	1,631
Expenses charged to capital	41	44
Total distributions for the year	**2,052**	**1,675**

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

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

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

6 Debtors

	2024 £'000	2023 £'000
Accrued revenue	189	200
Amounts receivable from the ACD for the issue of shares	47	13
Overseas withholding tax recoverable	311	278
Sales awaiting settlement	-	3
Total debtors	**547**	**494**

7 Creditors

	2024 £'000	2023 £'000
Accrued expenses payable to ACD	81	91
Accrued expenses payable to the Depositary or associates of the Depositary	2	3
Amounts payable to the ACD for cancellation of shares	78	239
Other accrued expenses	-	5
Total creditors	**161**	**338**

8 Related Party Transactions

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

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

Any amounts due from or due to abrdn Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 7.

Amounts payable to abrdn Fund Managers Limited, in respect of expenses are disclosed in note 3 and any amounts due at the year end in note 7.

9 Portfolio Transaction Costs

	Purchases		Sales	
Trades in the year	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Equities	106,874	18,994	124,060	26,467
Corporate actions	-	-	-	162
Trades in the year before transaction costs	**106,874**	**18,994**	**124,060**	**26,629**
Commissions				
Equities	14	8	(20)	(12)
Total commissions	**14**	**8**	**(20)**	**(12)**
Taxes				
Equities	115	17	(23)	(4)
Total taxes	**115**	**17**	**(23)**	**(4)**
Total transaction costs	**129**	**25**	**(43)**	**(16)**
Total net trades in the year after transaction costs	**107,003**	**19,019**	**124,017**	**26,613**

	Purchases		Sales	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.01	0.04	0.02	0.05
Taxes				
Equities	0.11	0.09	0.02	0.01

	2024 %	2023 %
Total transaction costs expressed as a percentage of net asset value		
Commissions	0.03	0.02
Taxes	0.13	0.02

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.16% (2023: 0.05%), 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 2023	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2024
Retail accumulation	6,882,146	54,013	(6,699,079)	-	237,080
Retail income	241,158	37,463	(2,695)	(11,455)	264,471
Retail Founder accumulation	23,052,026	57,546	(1,907,363)	(88,110)	21,114,099
Retail Founder income	1,413,513	149,018	(18,734)	(51,460)	1,492,337
Institutional accumulation	1,976,754	11,225	(477,508)	394,380	1,904,851
Institutional income	262,807	2,039	(77,025)	121,405	309,226
Institutional Founder accumulation	1,326,889	12,312	(229,999)	18,168	1,127,370
Institutional Founder income	268,841	949	(88,166)	-	181,624
Platform 1 accumulation	8,294,951	371,297	(2,025,028)	(226,785)	6,414,435
Platform 1 income	2,366,716	250,053	(444,519)	(60,891)	2,111,359
ZC accumulation	260,166	20,384	(31,868)	-	248,682

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).

Fair value of investment assets	2024 £'000 Level 1	2024 £'000 Level 2	2024 £'000 Level 3	2023 £'000 Level 1	2023 £'000 Level 2	2023 £'000 Level 3
Equities	99,132	-	-	115,444	-	-
Total investment assets	**99,132**	**-**	**-**	**115,444**	**-**	**-**

12 Risk Management Policies and Disclosures

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

Foreign currency risk

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

Currency	Net foreign currency exposure 2024 £'000	Net foreign currency 2023 £'000
Australian Dollar	1,211	-
Brazilian Real	4,763	-
Canadian Dollar	4,097	1,127
Danish Krone	40	2,373
Euro	29,052	18,137
Hong Kong Dollar	1,198	1,970
Indonesian Rupiah	750	-
Japanese Yen	1,030	5,256
Malaysian Ringgit	2,136	-
Mexican Peso	3,270	-
Norwegian Krone	16	2,461
Philippines Peso	2,413	-
Singapore Dollar	-	22
South Korean Won	-	3,319
Swedish Krona	-	4,133
Swiss Franc	-	4,840
Taiwan Dollar	-	3,287
US Dollar	42,689	60,080
Total	**92,665**	**107,005**

At 29 February 2024, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £4,633,000 (2023: £5,350,000).

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 29 February 2024, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £4,957,000 (2023: £5,772,000).

Financial derivatives instrument risk

The fund had no exposure to derivatives as at 29 February 2024 (2023: £Nil).

Bilateral agreements

The fund receives 85% of the revenue returns from stock lending. The gross earnings for the year are £5,000 (2023: £Nil) and expenses paid to the lending agent, Citibank, are £1,000 (2023: £Nil).

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2024 £185,000 (2023: £359,000).

Distribution Tables

For the year ended 29 February 2024 (in pence per share)

First interim dividend distribution

Group 1 - shares purchased prior to 1 March 2023
Group 2 - shares purchased between 1 March 2023 and 31 May 2023

	Revenue	Equalisation	Distribution paid 31/07/23	Distribution paid 29/07/22
Retail accumulation				
Group 1	1.1510	-	1.1510	0.8164
Group 2	0.7346	0.4164	1.1510	0.8164
Retail income				
Group 1	1.1528	-	1.1528	0.9223
Group 2	1.0766	0.0762	1.1528	0.9223
Retail Founder accumulation				
Group 1	3.4163	-	3.4163	2.4882
Group 2	1.9415	1.4748	3.4163	2.4882
Retail Founder income				
Group 1	1.2046	-	1.2046	0.9611
Group 2	1.2046	-	1.2046	0.9611
Institutional accumulation				
Group 1	1.3973	-	1.3973	1.0306
Group 2	0.8686	0.5287	1.3973	1.0306
Institutional income				
Group 1	1.2310	-	1.2310	0.9803
Group 2	0.2447	0.9863	1.2310	0.9803
Institutional Founder accumulation				
Group 1	4.2368	-	4.2368	3.1753
Group 2	3.5496	0.6872	4.2368	3.1753
Institutional Founder income				
Group 1	1.2652	-	1.2652	1.0050
Group 2	0.4030	0.8622	1.2652	1.0050
Platform 1 accumulation				
Group 1	1.3461	-	1.3461	0.9893
Group 2	0.9777	0.3684	1.3461	0.9893
Platform 1 income				
Group 1	1.2225	-	1.2225	0.9740
Group 2	0.6827	0.5398	1.2225	0.9740
ZC accumulation				
Group 1	1.4679	-	1.4679	1.1286
Group 2	1.0874	0.3805	1.4679	1.1286

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

Second interim dividend distribution

Group 1 - shares purchased prior to 1 June 2023
Group 2 - shares purchased between 1 June 2023 and 31 August 2023

	Revenue	Equalisation	Distribution paid 31/10/23	Distribution paid 31/10/22
Retail accumulation				
Group 1	0.1869	-	0.1869	0.1674
Group 2	0.1280	0.0589	0.1869	0.1674
Retail income				
Group 1	0.4453	-	0.4453	0.4362
Group 2	0.3509	0.0944	0.4453	0.4362
Retail Founder accumulation				
Group 1	0.7802	-	0.7802	0.7230
Group 2	0.4629	0.3173	0.7802	0.7230
Retail Founder income				
Group 1	0.4655	-	0.4655	0.4549
Group 2	0.4655	-	0.4655	0.4549
Institutional accumulation				
Group 1	0.3662	-	0.3662	0.3416
Group 2	0.2084	0.1578	0.3662	0.3416
Institutional income				
Group 1	0.4759	-	0.4759	0.4645
Group 2	0.1345	0.3414	0.4759	0.4645
Institutional Founder accumulation				
Group 1	1.2986	-	1.2986	1.2188
Group 2	0.8205	0.4781	1.2986	1.2188
Institutional Founder income				
Group 1	0.4887	-	0.4887	0.4763
Group 2	0.1384	0.3503	0.4887	0.4763
Platform 1 accumulation				
Group 1	0.3397	-	0.3397	0.3165
Group 2	0.1755	0.1642	0.3397	0.3165
Platform 1 income				
Group 1	0.4726	-	0.4726	0.4613
Group 2	0.2183	0.2543	0.4726	0.4613
ZC accumulation				
Group 1	0.5603	-	0.5603	0.5280
Group 2	0.4129	0.1474	0.5603	0.5280

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

Third interim dividend distribution

Group 1 - shares purchased prior to 1 September 2023
Group 2 - shares purchased between 1 September 2023 and 30 November 2023

	Revenue	Equalisation	Distribution paid 31/01/24	Distribution paid 31/01/23
Retail accumulation				
Group 1	0.3978	-	0.3978	0.1857
Group 2	0.3262	0.0716	0.3978	0.1857
Retail income				
Group 1	0.5819	-	0.5819	0.4456
Group 2	0.4283	0.1536	0.5819	0.4456
Retail Founder accumulation				
Group 1	1.3498	-	1.3498	0.7711
Group 2	1.0752	0.2746	1.3498	0.7711
Retail Founder income				
Group 1	0.6086	-	0.6086	0.4650
Group 2	0.6086	-	0.6086	0.4650
Institutional accumulation				
Group 1	0.5840	-	0.5840	0.3603
Group 2	0.4032	0.1808	0.5840	0.3603
Institutional income				
Group 1	0.6219	-	0.6219	0.4746
Group 2	0.3089	0.3130	0.6219	0.4746
Institutional Founder accumulation				
Group 1	1.9163	-	1.9163	1.2712
Group 2	1.4262	0.4901	1.9163	1.2712
Institutional Founder income				
Group 1	0.6411	-	0.6411	0.4872
Group 2	0.3179	0.3232	0.6411	0.4872
Platform 1 accumulation				
Group 1	0.5549	-	0.5549	0.3348
Group 2	0.3705	0.1844	0.5549	0.3348
Platform 1 income				
Group 1	0.6183	-	0.6183	0.4716
Group 2	0.4347	0.1836	0.6183	0.4716
ZC accumulation				
Group 1	0.7471	-	0.7471	0.5440
Group 2	0.0120	0.7351	0.7471	0.5440

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

Final dividend distribution

Group 1 - shares purchased prior to 1 December 2023
Group 2 - shares purchased between 1 December 2023 and 29 February 2024

	Revenue	Equalisation	Distribution paid 30/04/24	Distribution paid 28/04/23
Retail accumulation				
Group 1	0.2786	-	0.2786	0.1811
Group 2	0.2015	0.0771	0.2786	0.1811
Retail income				
Group 1	0.5106	-	0.5106	0.4428
Group 2	0.3441	0.1665	0.5106	0.4428
Retail Founder accumulation				
Group 1	1.0394	-	1.0394	0.7650
Group 2	0.6844	0.3550	1.0394	0.7650
Retail Founder income				
Group 1	0.5349	-	0.5349	0.4652
Group 2	0.5349	-	0.5349	0.4652
Institutional accumulation				
Group 1	0.4746	-	0.4746	0.3571
Group 2	0.2489	0.2257	0.4746	0.3571
Institutional income				
Group 1	0.5556	-	0.5556	0.4751
Group 2	0.2785	0.2771	0.5556	0.4751
Institutional Founder accumulation				
Group 1	1.5974	-	1.5974	1.2700
Group 2	1.0330	0.5644	1.5974	1.2700
Institutional Founder income				
Group 1	0.5636	-	0.5636	0.4884
Group 2	0.2419	0.3217	0.5636	0.4884
Platform 1 accumulation				
Group 1	0.4377	-	0.4377	0.3362
Group 2	0.1978	0.2399	0.4377	0.3362

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

	Revenue	Equalisation	Distribution paid 30/04/24	Distribution paid 28/04/23
Platform 1 income				
Group 1	0.5421	-	0.5421	0.4724
Group 2	0.2139	0.3282	0.5421	0.4724
ZC accumulation				
Group 1	0.6465	-	0.6465	0.5475
Group 2	0.5427	0.1038	0.6465	0.5475

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 29 February 2024

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 3.83% (Source: FactSet, Institutional Accumulation, net of fees). This compared to a return of 6.07% for the benchmark MSCI AC World Small Cap Index, while our performance target returned 8.97% (Source: FactSet, MSCI AC World Small Cap Index +3%).

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

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

In terms of individual stock detractors, Keywords Studios was negatively affected by weaker industry sentiment as game developers' earnings results were mixed. The shares have been caught in the web of artificial intelligence (AI)-related losers as investors see the company as an outsourcer of labour rather than a technology company. In response, management held an investor briefing to explain how the company is using new technologies to its advantage. Insulin pump provider Insulet's shares fell sharply after the publication of Novo

Nordisk's weight loss drug (GLP) trial. Investors feared that the use of such drugs would drastically reduce Insulet's addressable market. Fox Factory Holding's shares fell after management announced a surprise acquisition. The shortfall in operations, although greater than expected, largely had been reflected in the share price. The shares are now close to their pandemic lows. Lattice Semiconductor Corporation's third-quarter results were in line with investor expectations. However, management cut fourth-quarter guidance on the back of weaker demand for industrial and automotive applications. The company, which supplies Field-Programmable Gate Array semiconductors, had been relatively immune to softer macroeconomic conditions. Therefore, the reduced guidance came as a surprise to investors.

On the positive side, Deckers Outdoor Corporation reported a stellar set of results as both of the company's core brands, UGG and HOKA, displayed strong sales momentum. Management upgraded guidance and pointed to new product releases in Spring 2024. Investors responded well to Asics Corporation's results and share buyback announcement. January sales grew 13% year on year, starting 2024 on a positive note for the company. Management continued to execute well on its strategy to expand sales in core product categories and improve margins. Thailand-listed Fabrinet continued to enjoy robust demand for its optical components, which feed into AI-enabled data centres. The requirements for optical interconnects in AI-enabled data centres far exceed those needed in traditional data centres and offer higher value-added content. Axon Enterprise continued its run of beating expectations and raising guidance, helped by an expanding addressable market. New product take-up was robust, as was demand for Axon's software suite. Demand for the company's core products is relatively insensitive to the wider economic environment.

Market Review

Global stock markets rose strongly in sterling terms and even more notably in local-currency terms over the 12 months. The prospect of monetary tightening coming to an end, with potential rate cuts ahead in 2024, supported global equity markets as investor risk appetite improved.

After central banks in Western economies had raised interest rates faster and much further than previously anticipated to counter multi-decade-high inflation, inflationary pressures lessened in many countries over the course of the period. Meanwhile, global economic growth held up better than many investors expected, defying fears of a recession triggered by higher rates.

As US and eurozone inflation continued to trend down, investor hopes rose that an end to interest-rate rises could be in sight. However, the collapse of two regional US banks and the forced sale of Credit Suisse to rival UBS in March evoked fears of a banking crisis. Despite an initial sell-off, stock markets recovered. After more market volatility in April and May, equities performed strongly over June and July due to news of a compromise agreement on the US debt ceiling and further encouraging inflation data. However, rhetoric from central banks continued to be hawkish. Equities generated negative returns in August, September and October on concerns that interest rates would stay higher for longer. However, equities then notably recovered towards the end of the period as reassuring inflation trends led to investors looking ahead to the prospect of rate cuts in 2024.

Portfolio Activity and Review

We initiated positions in several companies over the period.

MSA Safety manufactures and sells safety products globally across three core markets: Firefighter Safety, Gas Detection and Industrial PPE. In each of its product categories, MSA is either the market leader or the number two thanks to its product strength and continuous innovation. Demand tends to be non-discretionary and is often mandated by regulation, which is becoming increasingly stringent.

Another new holding was US-listed Napco Security Technologies, a provider of security hardware products, which has benefited from the mandated replacement of copper-based landlines with fibre optic-based cellular networks. The company has a similarly strong competitive offering in the school security segment. We have recently seen an uptick in funding for access control systems, alarms and video surveillance, which Napco provides.

In addition, we introduced a holding in Mexico-listed Regional, which boasts one of the highest and most consistent return profiles of all the banks in the small-cap universe. The current macroeconomic and political backdrop in Mexico is supportive for the stock, as interest rates are expected to decline and the political environment remains neutral. Regional continues to execute on its growth strategy, most notably with the push into new geographies and customer segments through the build-out of its 'Hey Banco' platform.

We also initiated a holding in Makalot Industrial. The company is one of the largest listed garment manufacturers globally. Over the last 18 months,

the industry has been negatively affected by a destocking cycle. However, management believes that this is now coming to an end. In the medium to long term, Makalot should continue to benefit from favourable industry tailwinds, such as growth in end-market demand and ongoing supplier consolidation. In addition, management-led growth initiatives such as new client wins, capacity expansion and an improving product mix further support the company's positive outlook.

Meanwhile, we introduced a position in Medpace Holdings, a leading contract research organisation in the US. The company offers a 'one stop shop' solution to its small- and medium-sized biotechnology and pharmaceutical customers.

Lastly, we initiated a position in Azimut Holding, an Italy-listed independent asset management company. In recent years, the company has diversified its operations geographically, notably in emerging markets, and by product. Indeed, the group has grown through organic product innovation and acquisition. Given the nature of its products, customers tend to be sticky. The company recently confirmed its guidance for this year and next year.

In terms of sales, we sold our holdings in Watches of Switzerland Group (WOSG) and Teleperformance. Rolex, which accounts for around 50% of WOSG's sales, announced the surprise acquisition of Bucherer, one of the largest watch retailers globally. This deal threw into question WOSG's future watch supply. Teleperformance's share price came under pressure as the company faced ESG concerns relating to content moderation procedures, as well as question marks over its opportunistic acquisition of Majorel.

We also divested FinecoBank after it experienced deposit outflows. In response to customers' search for yield, the company selectively started to pay for deposits. This marked a change in policy for FinecoBank. In addition to our operational concerns, the bank is off benchmark.

In addition, we disposed of our position in Envista Holdings, the US dental supply business. The company reported weaker-than-expected third-quarter results and downgraded guidance on the back of rising headwinds in the North American market. Management cited slowing end-demand, a trade-down effect, increased competitive pressure, and distribution disruption as negative factors.

Meanwhile, we sold our holding in Darling Ingredients. The company faced pressure regarding falling renewable diesel margins and fears of overcapacity in the industry. These concerns had been exacerbated by Darling's higher debt position, lower-than-expected operational efficiency and integration challenges on its new acquisitions.

We also divested our holding in Kainos Group due to a pause in earnings momentum.

Lastly, we sold our holding in US speciality vehicle manufacturer The Shyft Group as it continued to face challenges in its supply chain, specifically with regard to chassis supply and electric-vehicle batteries.

Portfolio Outlook and Strategy

At the macroeconomic level, we continue to monitor central bank activity and political developments. While we are seeing regional variances in economic data, interest-rate cuts have, to date, remained on hold. Noise on the political front is starting to heat up. As we enter the second half of the year, investors should be alert to potential policy changes in key markets, which may influence stock moves.

For the moment, markets continue to be driven by company-specific news, which is supportive for quality growth stock-pickers, such as ourselves. Earnings season has generally been positive for the stocks in the fund. The long-term structural growth themes underpinning a number of companies that we own, as well as company-specific initiatives, are leading to outperformance.

Along with fundamental improvement, corporate activity – in the form of corporate reform and mergers and acquisitions (M&A) – is picking up. This is especially evident in Japan, where the corporate reform agenda is now forcing change in the small-cap benchmark, and the UK, where M&A activity is highlighting the undervaluation of many small-cap companies.

In a challenging macroeconomic environment, we would expect quality companies with the ability to grow independently of the market to show greater resilience.

DM Smaller Companies Equity Team

March 2024

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 29 February 2024.

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

- Equity Risk - The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- Smaller and Mid Cap Risk - The shares of small and mid-cap companies may be less liquid and more volatile than those of larger companies.
- ESG Investment Risk - Applying ESG and sustainability criteria in the investment process may result in the exclusion of securities within the fund's benchmark or universe of potential investments. The interpretation of ESG and sustainability criteria is subjective meaning that the fund may invest in assets which similar funds do not (and thus perform differently) and which may not align with the personal views of any individual investor.
- Derivatives Risk - The use of derivatives may involve additional liquidity, credit and counterparty risks. In some cases the risk of loss from derivatives may be increased where a small change in the value of the underlying investment may have a larger impact on the value of the derivative.

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

Comparative Tables

Retail accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	162.74	176.47	183.12
Return before operating charges*	8.13	(11.43)	(3.70)
Operating charges	(2.26)	(2.30)	(2.95)
Return after operating charges*	5.87	(13.73)	(6.65)
Closing net asset value per share	168.61	162.74	176.47
* after direct transaction costs of:	0.08	0.09	0.19
Performance			
Return after charges	3.61%	(7.78%)	(3.63%)
Other information			
Closing net asset value (£'000)	106,912	138,037	255,962
Closing number of shares	63,408,865	84,818,200	145,045,978
Operating charges	1.46%	1.46%	1.46%
Direct transaction costs	0.05%	0.06%	0.09%
Prices			
Highest share price	168.3	179.8	233.2
Lowest share price	141.1	140.0	165.2

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

Institutional accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	174.84	188.64	194.72
Return before operating charges*	8.82	(12.21)	(4.05)
Operating charges	(1.57)	(1.59)	(2.03)
Return after operating charges*	7.25	(13.80)	(6.08)
Distributions	(0.48)	(0.08)	-
Retained distributions on accumulation shares	0.48	0.08	-
Closing net asset value per share	182.09	174.84	188.64
* after direct transaction costs of:	0.08	0.10	0.20
Performance			
Return after charges	4.15%	(7.32%)	(3.12%)
Other information			
Closing net asset value (£'000)	70,255	84,875	193,365
Closing number of shares	38,582,701	48,544,080	102,506,047
Operating charges	0.94%	0.94%	0.94%
Direct transaction costs	0.05%	0.06%	0.09%
Prices			
Highest share price	181.8	192.3	248.9
Lowest share price	152.1	149.9	176.6

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 S accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	129.59	139.57	143.82
Return before operating charges*	6.55	(9.02)	(3.02)
Operating charges	(0.95)	(0.96)	(1.23)
Return after operating charges*	5.60	(9.98)	(4.25)
Distributions	(0.57)	(0.30)	-
Retained distributions on accumulation shares	0.57	0.30	-
Closing net asset value per share	135.19	129.59	139.57
* after direct transaction costs of:	0.06	0.07	0.15
Performance			
Return after charges	4.32%	(7.15%)	(2.96%)
Other information			
Closing net asset value (£'000)	453,812	550,915	609,150
Closing number of shares	335,680,957	425,112,409	436,462,886
Operating charges	0.77%	0.77%	0.77%
Direct transaction costs	0.05%	0.06%	0.09%
Prices			
Highest share price	135.0	142.3	184.1
Lowest share price	112.9	110.9	130.7

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

Comparative Tables

Continued

Platform 1 accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	167.34	180.71	186.74
Return before operating charges*	8.42	(11.69)	(3.88)
Operating charges	(1.66)	(1.68)	(2.15)
Return after operating charges*	6.76	(13.37)	(6.03)
Distributions	(0.30)	-	-
Retained distributions on accumulation shares	0.30	-	-
Closing net asset value per share	174.10	167.34	180.71
* after direct transaction costs of:	0.08	0.10	0.19
Performance			
Return after charges	4.04%	(7.40%)	(3.23%)
Other information			
Closing net asset value (£'000)	191,627	210,316	290,300
Closing number of shares	110,068,511	125,678,976	160,647,107
Operating charges	1.04%	1.04%	1.04%
Direct transaction costs	0.05%	0.06%	0.09%
Prices			
Highest share price	173.8	184.2	238.5
Lowest share price	145.5	143.5	169.2

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

ZC accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	192.45	205.86	210.70
Return before operating charges*	9.86	(13.24)	(4.62)
Operating charges	(0.17)	(0.17)	(0.22)
Return after operating charges*	9.69	(13.41)	(4.84)
Distributions	(2.10)	(1.71)	(1.32)
Retained distributions on accumulation shares	2.10	1.71	1.32
Closing net asset value per share	202.14	192.45	205.86
* after direct transaction costs of:	0.09	0.11	0.22
Performance			
Return after charges	5.04%	(6.51%)	(2.30%)
Other information			
Closing net asset value (£'000)	163,878	168,336	171,983
Closing number of shares	81,072,507	87,467,779	83,544,419
Operating charges	0.09%	0.09%	0.09%
Direct transaction costs	0.05%	0.06%	0.09%
Prices			
Highest share price	201.8	210.0	271.0
Lowest share price	168.3	164.0	192.7

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 29 February 2024

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (96.68%)		**969,985**	**98.33**
European Equities (27.62%)		**196,902**	**19.96**
Finland (1.54%)		**2,508**	**0.26**
166,136	Kesko 'B'	2,508	0.26
France (3.50%)		**42,457**	**4.30**
347,300	Gaztransport Et Technigaz	42,457	4.30
Germany (5.12%)		**53,089**	**5.38**
578,628	CTS Eventim	36,136	3.66
689,063	Jungheinrich (Preference)	16,953	1.72
Ireland (3.45%)		**12,083**	**1.23**
843,188	Keywords Studios++	12,083	1.23
Italy (6.71%)		**33,674**	**3.41**
850,805	Azimut	19,303	1.95
383,004	Interpump	14,371	1.46
Netherlands (1.73%)		**-**	**-**
Poland (1.48%)		**15,921**	**1.61**
172,973	Dino Polska	15,921	1.61
Spain (1.81%)		**12,208**	**1.24**
579,603	CIE Automotive	12,208	1.24

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Sweden (2.28%)		**24,962**	**2.53**
1,428,015	AddTech 'B'	24,962	2.53
Japanese Equities (6.15%)		**75,169**	**7.62**
1,199,100	Asics	40,313	4.09
1,651,700	Sanwa	23,119	2.34
346,700	SHO-BOND	11,737	1.19
Latin American Equities (0.00%)		**24,005**	**2.43**
Mexico (0.00%)		**24,005**	**2.43**
3,264,043	Regional	24,005	2.43
North American Equities (42.60%)		**465,794**	**47.22**
United States (42.60%)		**465,794**	**47.22**
184,560	Advanced Drainage Systems	23,798	2.41
599,635	Altair Engineering 'A'	40,322	4.09
112,171	Axcelis Technologies	9,973	1.01
193,853	Axon Enterprise	47,041	4.77
259,611	BJ's Wholesale Club	14,976	1.52
102,657	Carlisle	28,383	2.88
46,140	Deckers Outdoor	32,592	3.30
131,568	Five Below	20,859	2.11
193,880	Fox Factory	7,746	0.78
516,258	Graphic Packaging	10,587	1.07
98,142	Insulet	12,711	1.29
108,610	Kadant	28,870	2.93
371,421	Lattice Semiconductor	22,489	2.28
47,632	Medpace	14,927	1.51
194,038	MSA Safety	28,245	2.86
809,402	Napco Security Technologies	28,768	2.92
434,987	Nextracker 'A'	19,309	1.96

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
72,577	Paylocity	9,674	0.98
32,978	Pool	10,377	1.05
193,970	SiteOne Landscape Supply	25,801	2.62
144,335	Texas Roadhouse	17,026	1.73
349,173	YETI	11,320	1.15
Pacific Basin Equities (15.74%)		**166,504**	**16.88**
Australia (6.40%)		**61,217**	**6.20**
2,828,439	ALS	17,210	1.74
5,238,491	Johns Lyng	16,881	1.71
9,228,898	Steadfast	27,126	2.75
India (1.15%)		**15,876**	**1.61**
1,052,196	KPIT Technologies	15,876	1.61
Taiwan (5.57%)		**50,870**	**5.16**
2,277,000	Makalot Industrial	21,156	2.14
2,651,229	Sinbon Electronics	17,140	1.74
314,236	Voltronic Power Technology	12,574	1.28
Thailand (2.62%)		**38,541**	**3.91**
226,462	Fabrinet	38,541	3.91
UK Equities (4.57%)		**41,611**	**4.22**
Consumer Discretionary (1.33%)		**9,233**	**0.94**
628,125	CVS++	9,233	0.94
Financials (1.43%)		**32,378**	**3.28**
1,681,967	Intermediate Capital	32,378	3.28

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Technology (1.81%)		-	-
Collective Investment Schemes (3.32%)		**14,225**	**1.44**
14,225	abrdn Liquidity Fund (Lux) - Sterling Fund Z1 Inc+	14,225	1.44
Total investment assets		984,210	99.77
Net other assets		2,274	0.23
Total Net Assets		**986,484**	**100.00**

All investments are listed on recognised stock exchanges and are approved securities, or are regulated collective investment schemes within the meaning of the FCA rules.
The percentage figures in brackets show the comparative holding as at 28 February 2023.
+ Managed by subsidiaries of abrdn plc.
++ AIM listed.

Statement of Total Return

For the year ended 29 February 2024

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Income:					
Net capital gains/(losses)	1		28,785		(125,632)
Revenue	2	13,425		13,241	
Expenses	3	(8,005)		(10,502)	
Interest payable and similar charges		(6)		(12)	
Net revenue before taxation		5,414		2,727	
Taxation	4	(2,620)		(812)	
Net revenue after taxation			2,794		1,915
Total return before distributions			**31,579**		**(123,717)**
Distributions	5		(4,580)		(2,817)
Change in net assets attributable to shareholders from investment activities			**26,999**		**(126,534)**

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 29 February 2024

	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Opening net assets attributable to shareholders		**1,152,479**		**1,520,760**
Amounts receivable on the issue of shares	41,372		78,847	
Amounts payable on the cancellation of shares	(238,478)		(323,398)	
		(197,106)		(244,551)
Change in net assets attributable to shareholders from investment activities (see above)		26,999		(126,534)
Retained distribution on accumulation shares		4,112		2,804
Closing net assets attributable to shareholders		**986,484**		**1,152,479**

Balance Sheet

As at 29 February 2024

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Assets:					
Fixed assets:					
Investment assets			984,210		1,152,503
Current assets:					
Debtors	6	6,178		7,357	
Cash and bank balances	7	19		45	
			6,197		7,402
Total assets			**990,407**		**1,159,905**
Liabilities:					
Provisions for liabilities	8		(926)		-
Creditors	9	(2,997)		(7,426)	
			(2,997)		(7,426)
Total liabilities			**(3,923)**		**(7,426)**
Net assets attributable to shareholders			**986,484**		**1,152,479**

Notes to the Financial Statements

1 Net Capital Gains/(Losses)

	2024 £'000	2023 £'000
Non-derivative securities	29,131	(125,211)
Other losses	(334)	(402)
Transaction charges	(12)	(19)
Net capital gains/(losses)	**28,785**	**(125,632)**

2 Revenue

	2024 £'000	2023 £'000
Bank and margin interest	1,144	609
Overseas dividends	11,153	10,717
UK dividends	1,128	1,915
Total revenue	**13,425**	**13,241**

3 Expenses

	2024 £'000	2023 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	6,976	9,299
Dealing charge	232	272
General administration charge	703	822
	7,911	**10,393**
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Depositary's fees	-	(2)
Safe custody fees	94	104
	94	**102**
Other:		
Professional fees	-	7
	-	**7**
Total expenses	**8,005**	**10,502**

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £11,100 (2023: £10,200).

4 Taxation

	2024 £'000	2023 £'000
(a) Analysis of charge in year		
Overseas taxes	1,077	837
Overseas capital gains tax	617	(25)
Total current tax	1,694	812
Deferred tax (note 4c)	926	-
Total taxation (note 4b)	**2,620**	**812**

(b) Factors affecting total tax charge for the year

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

Net revenue before taxation	**5,414**	**2,727**
Corporation tax at 20% (2023: 20%)	1,083	545
Effects of:		
Revenue not subject to taxation	(2,456)	(2,526)
Overseas taxes	1,077	837
Excess allowable expenses	1,373	1,981
Overseas capital gains tax	1,543	(25)
Total tax charge for year (note 4a)	**2,620**	**812**

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

(c) Deferred tax

Deferred tax charge in statement of total return for year (note 4a)	926	-
Provision at the end of the year	**926**	**-**

(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 £16,917,000 (2023: £15,544,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

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

	2024 £'000	2023 £'000
Distribution	4,112	2,804
Add: Income deducted on cancellation of shares	582	292
Deduct: Income received on issue of shares	(114)	(279)
Total distributions for the year	**4,580**	**2,817**
Movement between net revenue and distributions		
Net revenue after taxation	2,794	1,915
Overseas capital gains tax on realised gains	617	(25)
Shortfall transfer from capital to revenue	242	928
Overseas deferred capital gains tax on unrealised gains	926	-
Undistributed revenue brought forward	1	-
Undistributed revenue carried forward	-	(1)
Total distributions for the year	**4,580**	**2,817**

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

6 Debtors

	2024 £'000	2023 £'000
Accrued revenue	596	1,073
Amounts receivable from the ACD for the issue of shares	237	2,729
Overseas withholding tax recoverable	1,191	1,133
Sales awaiting settlement	4,154	2,422
Total debtors	**6,178**	**7,357**

7 Liquidity

	2024 £'000	2023 £'000
Cash and bank balances		
Cash at bank	19	45
	19	**45**
abrdn Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	14,225	38,217
Net liquidity	**14,244**	**38,262**

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

Notes to the Financial Statements

Continued

8 Provisions for Liabilities

	2024 £'000	2023 £'000
The provisions for liabilities comprise:		
Overseas capital gains tax	926	-
Total provisions for liabilities	**926**	**-**

9 Creditors

	2024 £'000	2023 £'000
Accrued expenses payable to ACD	773	729
Accrued expenses payable to the Depositary or associates of the Depositary	16	29
Amounts payable to the ACD for cancellation of shares	2,199	2,233
Capital gains tax payable	9	-
Other accrued expenses	-	5
Purchases awaiting settlement	-	4,430
Total creditors	**2,997**	**7,426**

10 Related Party Transactions

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

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

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

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

Notes to the Financial Statements

Continued

11 Portfolio Transaction Costs

	Purchases		Sales	
Trades in the year	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Equities	258,291	354,979	431,775	623,285
Trades in the year before transaction costs	**258,291**	**354,979**	**431,775**	**623,285**
Commissions				
Equities	150	198	(216)	(327)
Total commissions	**150**	**198**	**(216)**	**(327)**
Taxes				
Equities	56	127	(79)	(67)
Total taxes	**56**	**127**	**(79)**	**(67)**
Total transaction costs	**206**	**325**	**(295)**	**(394)**
Total net trades in the year after transaction costs	**258,497**	**355,304**	**431,480**	**622,891**

	Purchases		Sales	
	2024 %	2023 %	2024 %	2023 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.06	0.06	0.05	0.05
Taxes				
Equities	0.02	0.04	0.02	0.01

	2024 %	2023 %
Total transaction costs expressed as a percentage of net asset value		
Commissions	0.04	0.04
Taxes	0.01	0.02

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.29% (2023: 0.26%), this is representative of the average spread on the assets held during the year.

Notes to the Financial Statements

Continued

12 Shares in Issue Reconciliation

	Opening shares 2023	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2024
Retail accumulation	84,818,200	5,735,705	(24,949,864)	(2,195,176)	63,408,865
Institutional accumulation	48,544,080	2,609,781	(13,334,968)	763,808	38,582,701
Institutional S accumulation	425,112,409	106,188	(88,342,239)	(1,195,401)	335,680,957
Platform 1 accumulation	125,678,976	12,493,451	(30,413,029)	2,309,113	110,068,511
ZC accumulation	87,467,779	4,734,112	(11,085,677)	(43,707)	81,072,507

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).

Fair value of investment assets	2024 £'000 Level 1	2024 £'000 Level 2	2024 £'000 Level 3	2023 £'000 Level 1	2023 £'000 Level 2	2023 £'000 Level 3
Equities	969,985	-	-	1,114,286	-	-
Collective Investment Schemes	-	14,225	-	-	38,217	-
Total investment assets	**969,985**	**14,225**	**-**	**1,114,286**	**38,217**	**-**

14 Risk Management Policies and Disclosures

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

Foreign currency risk

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

Currency	Net foreign currency exposure 2024 £'000	Net foreign currency 2023 £'000
Australian Dollar	61,217	74,228
Euro	146,955	236,167
Indian Rupee	15,902	13,279
Japanese Yen	75,501	70,326
Mexican Peso	24,005	-
Polish Zloty	15,921	17,068
Swedish Krona	24,962	26,328
Taiwan Dollar	50,870	64,200
US Dollar	504,741	520,526
Total	**920,074**	**1,022,122**

At 29 February 2024, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £46,004,000 (2023: £51,106,000).

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 29 February 2024, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £49,211,000 (2023: £57,625,000).

Financial derivatives instrument risk

The fund had no exposure to derivatives as at 29 February 2024 (2023: £Nil).

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2024 £3,923,000 (2023: £7,426,000).

Distribution Table

For the year ended 29 February 2024 (in pence per share)

Final dividend distribution

Group 1 - shares purchased prior to 1 March 2023
Group 2 - shares purchased between 1 March 2023 and 29 February 2024

	Revenue	Equalisation	Distribution paid 30/04/24	Distribution paid 28/04/23
Retail accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Institutional accumulation				
Group 1	0.4799	-	0.4799	0.0792
Group 2	0.0752	0.4047	0.4799	0.0792
Institutional S accumulation				
Group 1	0.5662	-	0.5662	0.2991
Group 2	0.2603	0.3059	0.5662	0.2991
Platform 1 accumulation				
Group 1	0.2978	-	0.2978	-
Group 2	-	0.2978	0.2978	-
ZC accumulation				
Group 1	2.0955	-	2.0955	1.7085
Group 2	0.9693	1.1262	2.0955	1.7085

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 High Yield Bond Fund

For the year ended 29 February 2024

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 BofA GBP/Euro Fixed & Floating High Yield Non Financial 3% Constrained Index (Hedged 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 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, ICE BofA GBP/Euro Fixed & Floating High Yield Non Financial 3% Constrained (Hedged 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 BofA GBP/Euro Fixed & Floating High Yield Non Financial 3% Constrained (Hedged 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 10.74% (Source: Factset, Institutional Accumulation Shares) compared with the return of 12.56% for the fund's target (Source: Factset, ICE BofAML GBP/Euro Fixed & Floating High Yield Non-Financial 3% Constrained Index (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 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 biggest individual detractor to the fund's performance was an overweight position in Thames Water subordinated bonds. Thames Water's structure came under pressure in June 2023 after CEO Sarah Bentley stepped down on speculation that the UK government was considering putting the company into special administration. The

subordinated bonds dropped from the mid-80s to the 50s on the news and potential write-down risk, and we took the painful decision to exit at that level. Altice International bonds also detracted over the period due to an isolated incident of fraud. Our off-benchmark holdings in long-dated US Treasuries also contributed negatively. We believed that with the hiking cycle near its end, the risk/reward on long-duration sovereign bonds was attractive and preferable to long-dated corporate bonds. However, we have now sold these holdings, as we no longer see value.

On the other hand, the top contributor over the period was our large overweight position in United Group, the Eastern European telecommunications company. The payment-in-kind bonds experienced a dramatic jump in price after the successful sale of United Group's cellular tower assets at a much greater valuation than the market had expected (€1.2 billion). A lack of exposure to Atento, which provides customer relationship management software, was also beneficial to the fund's performance. Finally, a lack of exposure to Casino, the poorly performing and debt-ridden French supermarket group, contributed positively to the fund's performance. Casino's bonds collapsed in the first quarter of 2023 after a disappointing set of earnings. Casino also announced merger talks with rival retailer Teract – a deal that we believed could weaken the collateral package for existing Casino bondholders. We exited our underweight position in Casino bonds in the 50s during the first quarter of 2023. The bonds subsequently fell into the 20s during the second quarter.

Market Review

Early in the review period, banking fears were sparked by the collapse of Silicon Valley Bank (SVB) in the US. This triggered a run on deposits at various US regional banks and, indirectly, the failure of Credit Suisse (CS) in Europe. Financial authorities moved quickly to calm the storm: SVB was taken over by the State of California before entering bankruptcy and the Federal Deposit Insurance Corporation covered all depositors. Swiss peer UBS ultimately acquired CS. In addition to cauterising the problematic banks, authorities in the US and Europe were at pains to stress the idiosyncratic nature of the problems at SVB and CS and that the banking system was otherwise well-capitalised and resilient.

As we moved into July, evidence showed that pricing pressures were receding more rapidly than most had expected. Consumer and producer price inflation figures across Europe, Asia and the US generally came in below expectations. There were several remarks from central bank officials in August that added to hopes that central banks might be done with rate hikes. With that backdrop, and as banking crisis fears receded, high-yield markets performed strongly as hopes of a 'soft landing' for developed market economies grew.

In December, high-yield markets latched on to an apparently dovish pivot by the US Federal Reserve (Fed), with the Fed's dot plot signalling 75 basis points of cuts in 2024 and Chairman Powell confirming a 'preliminary' discussion around potential rate cuts. The 10-year US Treasury yield dropped back below 4% by year end, having touched 5% in mid-October, as optimism grew that inflation could be normalised without much damage to the real economy. Inflation data came in below expectations for October and November. US consumer price inflation (CPI) dropped to 3.1%, eurozone CPI fell to 2.4% and UK CPI was down to 3.9% from 6.7% in September. Against a backdrop of falling inflation expectations and government bond yields, high-yield bonds outperformed. In January, the European Central Bank held rates at 4.25% and the Fed held rates at 5.25%-5.50%. In February, the Bank of England held rates at 5.25%. Markets are now eager to speculate on how early the first rate cut will arrive.

Portfolio Activity and Review

It began as a busy period for new issuance in the European high-yield market, and the fund participated in a variety of deals. These included a rare sterling issue from Ford, which printed at a discount to its US dollar and euro curve, and a new deal from IHO Verwaltungs, which is a holding company that owns stakes in the automotive businesses Schaeffler and Continental. We added Benteler (a German family-owned automotive parts supplier) and Playtech (a gaming software business) in the second quarter of 2023. We also took advantage of the wide pricing of bank new issuance, adding A-rated Swedbank and the B1-rated Novo Banco. We also rolled exposure in new issues from Sazka (gaming), CABB (chemicals), Owens Illinois (packaging) and Lottomatica (gaming). In the third quarter of 2023, we bought bonds issued by TV and film production business Banijay, as we believed its content would remain in demand, and sterling bonds issued by Worldpay, as they were priced attractively for the credit profile of the business (BB/Ba3) and relative to the US dollar bonds issued in parallel. European high-yield issuance slowed in the fourth quarter of 2023, with new issuance mainly for refinancing purposes. We bought the Ineos Styrolution deal, as we felt it was priced attractively for a BB-rated issuer well-known to the market. The bonds performed strongly on the break and closed the year at 106 just six weeks after being issued at 100. We bought the new issue from Synlab, a lab diagnostics operator that returned to the market after being taken private by CVC. We have owned Synlab in a previous guise before its public listing and we felt the new issue was good value given its lower leverage relative to peers.

In terms of secondary trading, it was a very active period with too many trades to mention. Early in the period, we continued to trim outperforming credits and de-risk any cyclical exposures. To that end, we sold Autostrade, Grifols, Profine, True Potential and Nets bonds following strong performance. We exited Dufry (a duty-free retailer) and Klöckner Pentaplast (a troubled packaging business with elevated leverage). We also further reduced our exposure to the debt purchasing sector by selling Lowell and Intrum. We topped up high-quality issues in defensive sectors, such as BME (online retail), Banijay (TV production), Masmovil (telecommunications) and Ziggo (telecommunications). In the second quarter of 2023, we topped up holdings in the pharmaceuticals businesses Teva and Cheplapharm and added car park operator Empark and French frozen food producer Picard. We took profits on Nets, Banijay and Techem. We trimmed our Telecom Italia bonds after outperformance. We executed several relative-value switch trades, such as a swap from our Altice France euro-denominated secured bonds to the same maturity US dollar issue at a significant pickup in yield. The bonds are pari passu, meaning they carry equivalent rights and protection within the Altice France capital structure. We extended our exposure to automotive parts supplier Schaeffler from the 2027 maturity to the 2028 maturity at the widest spread differential this relationship has ever traded.

In the third quarter of 2023, we further reduced our exposure to consumer financials, particularly debt collectors. The European debt collection industry has received a lot of funding from the European high-yield bond market at low rates and much of this debt is now approaching maturity. We believed businesses might struggle to earn their cost of capital at market-implied interest rates. Other sales included the UK telecommunications wholesaler TalkTalk, where we took advantage of a jump in the bond price. We also sold our exposure to the UK-listed Victoria PLC after their auditor flagged possible accounting irregularities. We switched our euro-secured bonds for a shorter-dated US dollar subordinated bond issued by the Swiss telecommunications company UPC at a spread pickup. We also partially switched from a vendor financing note to a US dollar unsecured bond issued by the Dutch operator Ziggo. We sold holdings such as Matterhorn and Iliad on outperformance and rotated into higher-yielding bonds such as production company Banijay and theme park operator Merlin. We are also looking at ways of selectively covering our real estate underweight and took a starter position in the 2025 bonds issued by the Austrian operator Alstria. We believe that despite Alstria bonds falling in sympathy with the wider real estate universe, its 2025 bonds should be covered by existing liquidity or asset sales without having access to the market. The 10% yield on offer at a cash price in the low 80s looks attractive. After the big move in government bond yields, we sold our holdings in long-dated US Treasuries and our 2061 Gilt. We had sought to increase the duration of the fund via the purchases but no longer see value. We have lowered our overall fund duration to be in line with the market at around three years.

Finally, it is worth noting that we increased the size of the credit derivative hedge late in August to protect against downside risk in the event of spread widening. This was a short-term tactical position, rather than a long-term structural view.

Portfolio Outlook and Strategy

In our previous outlook, we were bullish on government bonds, as we expected central banks to cut interest rates faster than the market was projecting. This would underpin returns for most fixed income asset classes, where any spread widening because of a slowing economic backdrop would be offset by a decline in underlying yields. We expected 12-month returns of close to 8% given our muted default rate expectations for Europe in 2024. However, the scale and speed of the move higher in bond markets, high-yield bonds included, has forced us to re-calibrate our outlook. At these levels, government bonds look over-extended to us in the short term (though we still think they offer some value for longer-term investors). Yields increased in the first two trading sessions of January, and the rapid move tighter in credit spreads leaves the asset class more exposed to a sell-off, while the all-in yield no longer offers downside protection. We now anticipate mid-single-digit returns over the next 12 months (from here) and expect investors to get the opportunity to buy the asset class at 7%+ in the next few months (from 6.3% at the end of December 2023). At those valuations, we will be banging the drum for investors to buy high-yield bonds again.

European High Yield and Global Leveraged Loans Team

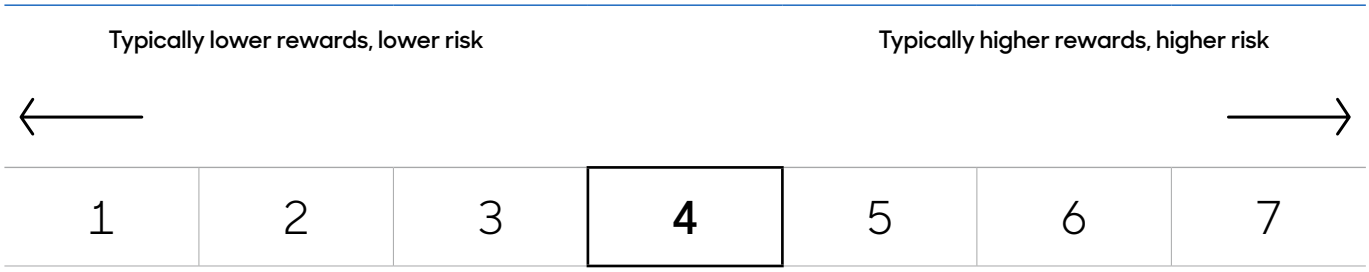
March 2024

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.



Risk and reward indicator table as at 29 February 2024.

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

- Credit Risk - The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- Interest Rate Risk - The fund invests in securities which can be subject to price fluctuation for a variety of reasons including changes in interest rates or inflation expectations.
- High Yield Credit Risk - The fund invests in high yield bonds which typically carry a greater risk of default than those with lower yields.
- ABS/MBS Risk - Asset and mortgage backed securities are subject to prepayment and extension risk and additional liquidity and default risk compared to other credit securities.
- Convertible Securities Risk - These investments can be changed into another form upon certain triggers as such they can exhibit risks typically associated with both bonds and equities. Contingent convertible securities (CoCos) are similar to convertible securities but have additional triggers which mean that they are more vulnerable to losses and volatile price movements and hence become less liquid.
- Derivatives Risk - The use of derivatives may involve additional liquidity, credit and counterparty risks and may lead to substantial loss and increased volatility in adverse market conditions. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

Comparative Tables

Retail accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	142.57	148.26	148.90
Return before operating charges*	16.47	(4.26)	0.91
Operating charges	(1.50)	(1.43)	(1.55)
Return after operating charges*	14.97	(5.69)	(0.64)
Distributions	(7.94)	(6.39)	(5.95)
Retained distributions on accumulation shares	7.94	6.39	5.95
Closing net asset value per share	157.54	142.57	148.26
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	10.50%	(3.84%)	(0.43%)
Other information			
Closing net asset value (£'000)	58,104	57,763	75,787
Closing number of shares	36,881,167	40,516,017	51,115,944
Operating charges	1.01%	1.01%	1.02%
Direct transaction costs	-	-	-
Prices			
Highest share price	158.6	149.7	154.7
Lowest share price	140.8	130.7	148.7

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

Retail income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	43.95	47.83	49.96
Return before operating charges*	4.96	(1.40)	0.35
Operating charges	(0.45)	(0.45)	(0.51)
Return after operating charges*	4.51	(1.85)	(0.16)
Distributions	(2.40)	(2.03)	(1.97)
Closing net asset value per share	46.06	43.95	47.83
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	10.26%	(3.87%)	(0.32%)
Other information			
Closing net asset value (£'000)	25,212	25,708	38,541
Closing number of shares	54,740,854	58,490,095	80,577,576
Operating charges	1.01%	1.01%	1.02%
Direct transaction costs	-	-	-
Prices			
Highest share price	46.98	48.28	51.08
Lowest share price	43.41	41.21	48.43

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

Comparative Tables

Continued

Institutional accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	153.65	159.27	159.44
Return before operating charges*	17.79	(4.57)	0.97
Operating charges	(1.11)	(1.05)	(1.14)
Return after operating charges*	16.68	(5.62)	(0.17)
Distributions	(9.08)	(7.36)	(6.90)
Retained distributions on accumulation shares	9.08	7.36	6.90
Closing net asset value per share	170.33	153.65	159.27
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	10.86%	(3.53%)	(0.11%)
Other information			
Closing net asset value (£'000)	24,966	15,914	18,980
Closing number of shares	14,657,626	10,357,487	11,916,458
Operating charges	0.69%	0.69%	0.70%
Direct transaction costs	-	-	-
Prices			
Highest share price	171.5	160.8	166.0
Lowest share price	151.8	140.6	159.4

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 income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	43.96	47.84	49.98
Return before operating charges*	4.96	(1.40)	0.34
Operating charges	(0.31)	(0.31)	(0.35)
Return after operating charges*	4.65	(1.71)	(0.01)
Distributions	(2.54)	(2.17)	(2.13)
Closing net asset value per share	46.07	43.96	47.84
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	10.58%	(3.57%)	(0.02%)
Other information			
Closing net asset value (£'000)	23,853	12,553	15,329
Closing number of shares	51,780,018	28,553,873	32,040,555
Operating charges	0.69%	0.69%	0.70%
Direct transaction costs	-	-	-
Prices			
Highest share price	47.03	48.30	51.13
Lowest share price	43.43	41.24	48.48

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.

Comparative Tables

Continued

Institutional regulated accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	227.17	234.78	234.32
Return before operating charges*	26.36	(6.73)	1.42
Operating charges	(0.94)	(0.88)	(0.96)
Return after operating charges*	25.42	(7.61)	0.46
Distributions	(14.16)	(11.53)	(10.88)
Retained distributions on accumulation shares	14.16	11.53	10.88
Closing net asset value per share	252.59	227.17	234.78
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	11.19%	(3.24%)	0.20%
Other information			
Closing net asset value (£'000)	32,606	28,226	30,837
Closing number of shares	12,908,506	12,424,815	13,134,196
Operating charges	0.39%	0.39%	0.40%
Direct transaction costs	-	-	-
Prices			
Highest share price	254.3	237.2	244.5
Lowest share price	224.5	207.7	234.2

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

Institutional S accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	70.66	73.13	72.97
Return before operating charges*	8.23	(2.08)	0.60
Operating charges	(0.42)	(0.39)	(0.44)
Return after operating charges*	7.81	(2.47)	0.16
Distributions	(4.33)	(3.48)	(3.37)
Retained distributions on accumulation shares	4.33	3.48	3.37
Closing net asset value per share	78.47	70.66	73.13
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	11.05%	(3.38%)	0.22%
Other information			
Closing net asset value (£'000)	1	1	1
Closing number of shares	1,531	1,531	1,531
Operating charges	0.57%	0.57%	0.58%
Direct transaction costs	-	-	-
Prices			
Highest share price	79.00	73.86	76.14
Lowest share price	69.84	64.63	72.94

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

Comparative Tables

Continued

Institutional S income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	47.43	51.62	53.92
Return before operating charges*	5.38	(1.51)	0.42
Operating charges	(0.28)	(0.28)	(0.31)
Return after operating charges*	5.10	(1.79)	0.11
Distributions	(2.83)	(2.40)	(2.41)
Closing net asset value per share	49.70	47.43	51.62
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	10.75%	(3.47%)	0.20%
Other information			
Closing net asset value (£'000)	1	1	1
Closing number of shares	1,893	1,893	1,893
Operating charges	0.57%	0.57%	0.58%
Direct transaction costs	-	-	-
Prices			
Highest share price	50.75	52.12	55.21
Lowest share price	46.85	44.50	52.34

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

Platform 1 accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	80.59	83.58	83.71
Return before operating charges*	9.32	(2.40)	0.51
Operating charges	(0.62)	(0.59)	(0.64)
Return after operating charges*	8.70	(2.99)	(0.13)
Distributions	(4.72)	(3.82)	(3.58)
Retained distributions on accumulation shares	4.72	3.82	3.58
Closing net asset value per share	89.29	80.59	83.58
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	10.80%	(3.58%)	(0.16%)
Other information			
Closing net asset value (£'000)	27,729	27,320	24,489
Closing number of shares	31,054,059	33,901,132	29,300,833
Operating charges	0.74%	0.74%	0.75%
Direct transaction costs	-	-	-
Prices			
Highest share price	89.90	84.39	87.11
Lowest share price	79.62	73.77	83.67

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

Platform 1 income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	51.90	56.48	58.99
Return before operating charges*	5.85	(1.66)	0.42
Operating charges	(0.39)	(0.39)	(0.45)
Return after operating charges*	5.46	(2.05)	(0.03)
Distributions	(2.97)	(2.53)	(2.48)
Closing net asset value per share	54.39	51.90	56.48
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	10.52%	(3.63%)	(0.05%)
Other information			
Closing net asset value (£'000)	31,740	33,377	29,787
Closing number of shares	58,360,620	64,312,921	52,743,553
Operating charges	0.74%	0.74%	0.75%
Direct transaction costs	-	-	-
Prices			
Highest share price	55.52	57.02	60.36
Lowest share price	51.27	48.68	57.22

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

Z Accumulation[A]	2024 pence per share
Change in net assets per share	
Opening net asset value per share	131.61[B]
Return before operating charges*	14.67
Operating charges	(0.12)
Return after operating charges*	14.55
Distributions	(8.56)
Retained distributions on accumulation shares	8.56
Closing net asset value per share	146.16
* after direct transaction costs of:	-
Performance	
Return after charges	11.06%
Other information	
Closing net asset value (£'000)	1
Closing number of shares	768
Operating charges	0.09%
Direct transaction costs	-
Prices	
Highest share price	147.1
Lowest share price	129.5

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.
The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.
Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.
Highest and Lowest prices are based on official published daily NAVs.
[A] Z Accumulation share class was launched on 3 March 2023.
[B] The opening net asset value stated is the share class launch price.

Comparative Tables

Continued

ZC accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	127.82	131.69	131.04
Return before operating charges*	14.87	(3.75)	0.78
Operating charges	(0.13)	(0.12)	(0.13)
Return after operating charges*	14.74	(3.87)	0.65
Distributions	(8.38)	(6.87)	(6.50)
Retained distributions on accumulation shares	8.38	6.87	6.50
Closing net asset value per share	142.56	127.82	131.69
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	11.53%	(2.94%)	0.50%
Other information			
Closing net asset value (£'000)	340	290	70,784
Closing number of shares	238,148	227,115	53,750,211
Operating charges	0.09%	0.09%	0.10%
Direct transaction costs	-	-	-
Prices			
Highest share price	143.5	133.1	137.1
Lowest share price	126.3	116.7	131.0

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

ZA income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	44.73	48.67	50.85
Return before operating charges*	5.05	(1.44)	0.35
Operating charges	(0.01)	(0.01)	(0.01)
Return after operating charges*	5.04	(1.45)	0.34
Distributions	(2.90)	(2.49)	(2.52)
Closing net asset value per share	46.87	44.73	48.67
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	11.27%	(2.98%)	0.67%
Other information			
Closing net asset value (£'000)	1	1	1
Closing number of shares	1,996	1,996	1,996
Operating charges	0.01%	0.01%	0.02%
Direct transaction costs	-	-	-
Prices			
Highest share price	47.92	49.17	52.11
Lowest share price	44.20	41.98	49.40

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

Portfolio Statement

As at 29 February 2024

Holding	Investment	Market value £'000	Percentage of total net assets
Bonds (92.21%)		**214,679**	**95.60**
Euro Denominated Bonds (68.92%)		**155,985**	**69.46**
Corporate Bonds (68.92%)		**155,985**	**69.46**
less than 5 years to maturity			
2,500,000	888 Acquisitions 7.558% 2027	2,079	0.93
1,380,000	Adient Global 3.5% 2024	175	0.08
4,328,000	Aggreko 5.25% 2026	3,683	1.64
2,110,000	Allwyn International 3.875% 2027	1,746	0.78
2,500,000	alstria office REIT 0.5% 2025	1,933	0.86
4,645,000	Altice Finco 4.75% 2028	3,329	1.48
5,672,000	Altice France 8% 2027	2,759	1.23
2,198,824	ARD Finance 5% 2027	739	0.33
2,500,000	Ardagh Metal Packaging Finance 2% 2028	1,855	0.83
1,600,000	Arena Luxembourg Finance 1.875% 2028	1,228	0.55
2,250,000	BCP V Modular Services Finance II 4.75% 2028	1,817	0.81
1,519,000	Benteler International 9.375% 2028	1,391	0.62
1,520,000	CAB SELAS 3.375% 2028	1,179	0.52
2,600,000	Cellnex Finance 1.5% 2028	2,019	0.90
1,878,000	Cerba Healthcare 3.5% 2028	1,393	0.62
3,183,000	Cheplapharm Arzneimittel 4.375% 2028	2,643	1.18
2,059,000	Cidron Aida Finco 5% 2028	1,701	0.76
1,653,000	Cirsa Finance International 10.375% 2027	1,370	0.61
1,970,000	Cullinan 4.625% 2026	1,499	0.67
1,000,000	DDM Debt 9% 2026	573	0.25
1,500,000	Dufry One 2% 2027	1,194	0.53
965,000	Forvia 2.375% 2027	768	0.34
950,000	Forvia 3.125% 2026	791	0.35
1,080,000	Forvia 7.25% 2026	973	0.43
505,000	Galapagos 5.375% 2021**	-	-
4,544,000	Goodyear Europe 2.75% 2028	3,494	1.56
781,000	Graphic Packaging International 2.625% 2029	617	0.27
1,719,000	Grifols 2.25% 2027	1,332	0.59
1,500,000	Grifols 3.875% 2028	1,093	0.49
1,620,000	Gruenenthal 3.625% 2026	1,362	0.61
1,065,000	Gruenenthal 4.125% 2028	891	0.40
874,000	HSE Finance 5.625% 2026	465	0.21

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
399,000	HSE Finance FRN 2026	239	0.11
2,648,000	HT Troplast 9.375% 2028	2,339	1.04
1,075,000	IHO Verwaltungs 3.875% 2027	894	0.40
1,261,480	IHO Verwaltungs 8.75% 2028	1,169	0.52
1,038,000	IMA Industria Macchine Automatiche FRN 2028	888	0.40
1,615,000	IQVIA 1.75% 2026	1,314	0.58
870,000	Jaguar Land Rover Automotive 4.5% 2028	735	0.33
593,000	Jaguar Land Rover Automotive 6.875% 2026	535	0.24
13,188	LHMC Finco 2 7.25% 2025	7	-
2,350,000	Lorca Telecom Bondco 4% 2027	1,969	0.88
798,000	Lottomatica 7.125% 2028	721	0.32
924,000	Lottomatica FRN 2028	799	0.36
2,590,000	Loxam 3.75% 2026	2,183	0.97
2,500,000	Matterhorn Telecom 3.125% 2026	2,077	0.92
1,514,000	Mobilux Finance 4.25% 2028	1,167	0.52
1,538,000	Monitchem 3 8.75% 2028	1,376	0.61
1,145,000	Mundys 1.875% 2028	892	0.40
1,881,000	Nomad Foods Bondco 2.5% 2028	1,483	0.66
1,296,000	OCI 3.625% 2025	983	0.44
722,000	OI European 6.25% 2028	641	0.29
2,567,000	Organon 2.875% 2028	2,029	0.90
2,378,000	Petroleos Mexicanos 4.75% 2029	1,709	0.76
2,100,000	Playtech 5.875% 2028	1,799	0.80
1,306,000	PrestigeBidCo FRN 2027	1,135	0.50
2,876,000	Samvardhana Motherson Automotive Systems 1.8% 2024	2,429	1.08
2,900,000	Schaeffler 3.375% 2028	2,380	1.06
1,200,000	Sigma 5.75% 2026	968	0.43
227,000	SoftBank 5% 2028	194	0.09
226,000	SoftBank 5.25% 2027	194	0.09
1,371,000	Standard Profil Automotive 6.25% 2026	999	0.44
2,185,000	Summer BC 5.75% 2026	1,843	0.82
3,189,938	Summer BidCo 10% 2029	2,794	1.24
2,503,000	Techem Verwaltungsgesellschaft 674 6% 2026	1,877	0.84
1,405,000	Techem Verwaltungsgesellschaft 675 2% 2025	1,180	0.53
4,085,000	TK Elevator Midco 4.375% 2027	3,378	1.50
2,250,000	Verisure 3.25% 2027	1,841	0.82
2,879,000	Verisure Midholding 5.25% 2029	2,378	1.06

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,978,000	Versuni 3.125% 2028	1,460	0.65
3,063,000	VZ Vendor Financing II 2.875% 2029	2,273	1.01
1,200,000	ZF Europe Finance 2% 2026	975	0.43
1,700,000	ZF Europe Finance 2.5% 2027	1,350	0.60
700,000	ZF Finance 3% 2025	585	0.26
between 5 and 10 years to maturity			
1,027,000	Allwyn Entertainment Financing UK 7.25% 2030	927	0.41
1,408,000	Banijay Entertainment 7% 2029	1,259	0.56
1,555,000	Carnival 1% 2029	1,036	0.46
3,400,000	Cellnex Finance 2% 2032	2,474	1.10
1,000,000	Chrome 5% 2029	630	0.28
1,200,000	CTEC II 5.25% 2030	914	0.41
2,045,000	Ephios Subco 3 7.875% 2031	1,864	0.83
1,100,000	Forvia 2.375% 2029	833	0.37
1,638,000	INEOS Finance 6.375% 2029	1,399	0.62
1,773,000	INEOS Quattro Finance 2 8.5% 2029*	1,587	0.71
2,000,000	Motion Finco 7.375% 2030	1,774	0.79
922,000	Novelis Sheet Ingot 3.375% 2029	741	0.33
4,500,000	Teva Pharmaceutical Finance Netherlands II 4.375% 2030	3,635	1.62
1,059,000	UGI International 2.5% 2029	802	0.36
1,032,000	United Group 5.25% 2030	839	0.37
870,000	United Group 6.75% 2031	755	0.34
1,700,000	Verallia 1.875% 2031	1,239	0.55
3,908,000	WEPA Hygieneprodukte 5.625% 2031	3,363	1.50
greater than 25 years to maturity			
2,226,000	Vodafone 2.625% fixed to floating 2080	1,809	0.81
Perpetual			
1,800,000	Abanca Corp Bancaria 6% fixed to floating Perpetual	1,452	0.65
3,400,000	Abertis Infraestructuras Finance 3.248% fixed to floating Perpetual	2,784	1.24
563,000	Banco BPM FRN Perpetual	478	0.21
400,000	Banco Santander 4.375% fixed to floating Perpetual	312	0.14
3,800,000	EDF 5% fixed to floating Perpetual	3,235	1.44
4,000,000	EDF FRN Perpetual	3,409	1.52
2,800,000	LeasePlan FRN Perpetual	2,388	1.06

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
4,514,814	Stichting 6.5% Perpetual	3,916	1.74
3,300,000	Telefonica Europe 3.875% fixed to floating Perpetual	2,747	1.22
1,200,000	Telefonica Europe 4.375% fixed to floating Perpetual	1,020	0.45
100,000	Telefonica Europe 7.125% fixed to floating Perpetual	92	0.04
Sterling Denominated Bonds (17.64%)		**40,124**	**17.87**
Corporate Bonds (17.64%)		**39,524**	**17.60**
less than 5 years to maturity			
1,600,000	Ardagh Packaging Finance 4.75% 2027	1,146	0.51
2,077,000	B&M European Value Retail 4% 2028	1,920	0.85
3,382,000	Bellis Acquisition 4.5% 2026	3,257	1.45
1,343,000	Cidron Aida Finco 6.25% 2028	1,293	0.58
1,500,000	Constellation Automotive Financing 4.875% 2027	1,245	0.55
1,200,000	Deuce Finco 5.5% 2027	1,125	0.50
863,000	Encore Capital 5.375% 2026	821	0.37
2,300,000	Ford Motor Credit 4.535% 2025	2,272	1.01
1,331,000	Ford Motor Credit 6.86% 2026	1,365	0.61
1,100,000	Iceland Bondco 10.875% 2027	1,163	0.52
2,283,000	Jerrold Finco 5.25% 2027	2,176	0.97
1,651,000	Kier 9% 2029	1,660	0.74
2,600,000	Market Bidco Finco 5.5% 2027	2,360	1.05
575,000	Pinewood Finance 3.25% 2025	561	0.25
2,192,000	Pinewood Finance 3.625% 2027	2,028	0.90
2,166,000	Premier Foods Finance 3.5% 2026	2,062	0.92
913,000	Punch Finance 6.125% 2026	881	0.39
2,881,000	Sherwood Financing 6% 2026	2,574	1.15
5,279,000	Virgin Media Vendor Financing Notes III 4.875% 2028	4,693	2.09
between 5 and 10 years to maturity			
524,000	GTCR W-2 Merger 8.5% 2031	564	0.25
1,738,000	Swedbank 5.875% fixed to floating 2029	1,766	0.79
2,300,000	Unique Pub Finance 6.464% 2032	2,401	1.07
Perpetual			
200,000	Barclays 6.375% fixed to floating Perpetual	191	0.08

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Government Bonds (0.00%)		**600**	**0.27**
greater than 25 years to maturity			
2,000,000	UK (Govt of) 0.5% 2061	600	0.27
US Dollar Denominated Bonds (5.65%)		**18,570**	**8.27**
Corporate Bonds (3.61%)		**18,570**	**8.27**
less than 5 years to maturity			
2,680,000	Altice France 8.125% 2027	1,947	0.87
336,000	Cheplapharm Arzneimittel 5.5% 2028	251	0.11
779,000	EnQuest 11.625% 2027	604	0.27
1,805,000	Ithaca Energy North Sea 9% 2026	1,434	0.64
4,000,000	Sunrise 5.5% 2028	3,058	1.36
1,800,000	Telenet Finance Luxembourg Notes 5.5% 2028	1,338	0.59
between 5 and 10 years to maturity			
500,000	Banijay Entertainment 8.125% 2029	409	0.18
1,500,000	CCO 4.75% 2032	958	0.43
1,100,000	Frontier Communications 8.625% 2031	881	0.39
2,500,000	Telecom Italia Capital 6.375% 2033	1,893	0.84
2,180,000	Ziggo Bond 5.125% 2030	1,474	0.66
between 10 and 15 years to maturity			
4,000,000	Telecom Italia Capital 7.2% 2036	3,142	1.40
Perpetual			
1,399,000	UBS 9.25% fixed to floating Perpetual	1,181	0.53
Government Bonds (2.04%)		**-**	**-**
Equities (0.00%)		**-**	**-**
UK Equities (0.00%)		**-**	**-**
Basic Materials (0.00%)		**-**	**-**
32,987,896,738	Luxfer***	-	-

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Collective Investment Schemes (5.06%)		**9,692**	**4.32**
8,567	abrdn Liquidity Fund (Lux) - Sterling Fund Z1 Inc+	8,567	3.82
108,483	abrdn Short Dated Enhanced Income Fund SICAV I Z Acc Hdg+	1,125	0.50
Derivatives (0.05%)		**(2,513)**	**(1.12)**
Credit Default Swaps (-0.38%)		**(2,225)**	**(0.99)**
EUR 14,000,000	Buy iTraxx Europe Series 38 20/12/2027 5%	(1,288)	(0.57)
EUR 4,000,000	Buy iTraxx Europe Series 39 20/06/2028 5%	(375)	(0.17)
EUR 6,000,000	Buy iTraxx Europe Series 39 20/06/2028 5%	(562)	(0.25)
Forward Currency Contracts (0.43%)		**(288)**	**(0.13)**
	Buy EUR 832,864 Sell GBP 712,349 15/03/2024	1	-
	Buy EUR 2,004,703 Sell GBP 1,717,945 15/03/2024	-	-
	Buy GBP 143,773 Sell EUR 168,249 15/03/2024	-	-
	Buy GBP 596,698 Sell EUR 698,552 15/03/2024	(2)	-
	Buy GBP 669,194 Sell EUR 781,824 15/03/2024	(1)	-
	Buy GBP 847,242 Sell EUR 988,640 15/03/2024	-	-
	Buy GBP 924,863 Sell EUR 1,078,049 15/03/2024	1	-
	Buy GBP 156,187,369 Sell EUR 182,677,209 15/03/2024	(348)	(0.16)
	Buy GBP 232,762 Sell USD 294,634 15/03/2024	-	-
	Buy GBP 1,650,526 Sell USD 2,086,387 15/03/2024	2	-
	Buy GBP 16,943,688 Sell USD 21,361,856 15/03/2024	59	0.03
Total investment assets and liabilities		221,858	98.80
Net other assets		2,696	1.20
Total Net Assets		**224,554**	**100.00**

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities, or are regulated collective investment schemes or are approved derivatives within the meaning of the FCA rules.
The percentage figures in brackets show the comparative holding as at 28 February 2023.
+ Managed by subsidiaries of abrdn plc.
* A portion of this security is on loan at the period end.
** Defaulted.
*** Delisted.

Statement of Total Return

For the year ended 29 February 2024

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Income:					
Net capital gains/(losses)	1		10,328		(20,102)
Revenue	2	14,325		12,195	
Expenses	3	(1,759)		(1,710)	
Interest payable and similar charges		(29)		(29)	
Net revenue before taxation		12,537		10,456	
Taxation	4	-		(13)	
Net revenue after taxation			12,537		10,443
Total return before distributions			**22,865**		**(9,659)**
Distributions	5		(12,537)		(10,443)
Change in net assets attributable to shareholders from investment activities			**10,328**		**(20,102)**

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 29 February 2024

	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Opening net assets attributable to shareholders		**201,154**		**304,537**
Amounts receivable on the issue of shares	13,946		6,879	
Amounts payable on the cancellation of shares	(37,533)		(96,880)	
Amounts receivable on inspecie transfers*	28,896		-	
		5,309		(90,001)
Dilution adjustment		17		382
Change in net assets attributable to shareholders from investment activities (see above)		10,328		(20,102)
Retained distribution on accumulation shares		7,745		6,337
Unclaimed distributions		1		1
Closing net assets attributable to shareholders		**224,554**		**201,154**

* Relating to an inspecie transfer from abrdn European High Yield Bond Fund on 3 March 2023.

Balance Sheet

As at 29 February 2024

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Assets:					
Fixed assets:					
Investment assets			224,434		196,624
Current assets:					
Debtors	6	2,657		2,374	
Cash and bank balances	7	2,778		5,609	
			5,435		7,983
Total assets			**229,869**		**204,607**
Liabilities:					
Investment liabilities			(2,576)		(858)
Bank overdrafts	7	(120)		(8)	
Creditors	8	(1,505)		(1,764)	
Distribution payable		(1,114)		(823)	
			(2,739)		(2,595)
Total liabilities			**(5,315)**		**(3,453)**
Net assets attributable to shareholders			**224,554**		**201,154**

Notes to the Financial Statements

1 Net Capital Gains/(Losses)

	2024 £'000	2023 £'000
Non-derivative securities	5,744	(13,606)
Derivative contracts	(1,678)	(52)
Forward currency contracts	6,324	(5,310)
Other losses	(46)	(1,118)
Transaction charges	(16)	(16)
Net capital gains/(losses)	**10,328**	**(20,102)**

2 Revenue

	2024 £'000	2023 £'000
Bank and margin interest	532	173
Interest on debt securities	13,793	12,022
Total revenue	**14,325**	**12,195**

3 Expenses

	2024 £'000	2023 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	1,602	1,574
Dealing charge	30	26
General administration charge	112	96
	1,744	**1,696**
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	15	14
	15	14
Total expenses	**1,759**	**1,710**

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £14,700 (2023: £13,500).

Notes to the Financial Statements

Continued

4 Taxation

	2024 £'000	2023 £'000
(a) Analysis of charge in year		
Corporation tax	-	3
Double taxation relief	-	(3)
Overseas taxes	-	13
Total taxation (note 4b)	**-**	**13**

(b) Factors affecting total tax charge for the year

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

Net revenue before taxation	**12,537**	**10,456**
Corporation tax at 20% (2023: 20%)	2,507	2,091
Effects of:		
Overseas taxes	-	13
Double taxation relief	-	(3)
Distributions treated as tax deductible	(2,507)	(2,088)
Total tax charge for year (note 4a)	**-**	**13**

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

(c) Factors that may affect future tax charge

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

5 Distributions

	2024 £'000	2023 £'000
First interim distribution	3,045	2,538
Second interim distribution	3,115	2,490
Third interim distribution	3,128	2,517
Final distribution	3,086	2,311
	12,374	9,856
Add: Income deducted on cancellation of shares	270	648
Deduct: Income received on issue of shares	(107)	(61)
Total distributions for the year	**12,537**	**10,443**

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

Notes to the Financial Statements

Continued

6 Debtors

	2024 £'000	2023 £'000
Accrued revenue	2,604	2,363
Amounts receivable from the ACD for the issue of shares	53	11
Total debtors	**2,657**	**2,374**

7 Liquidity

	2024 £'000	2023 £'000
Cash and bank balances		
Cash at bank	31	36
Cash at broker	2,437	774
Collateral cash pledged to counterparties~	310	-
Deposits with original maturity of less than 3 months	-	4,799
	2,778	**5,609**
Bank overdrafts		
Collateral cash pledged by counterparties^	(120)	-
Overdraft at bank	-	(8)
	(120)	**(8)**
abrdn Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	8,567	10,173
abrdn Short Dated Enhanced Income Fund SICAV I Z Acc Hdg+	1,125	-
Net liquidity	**12,350**	**15,774**

~ This reflects cash the fund retains beneficial ownership of however which is currently being used to manage bilateral counterparty exposure on out of the money derivative positions. While included as part of the net liquidity disclosure, this cash is therefore restricted until the related derivative contract expires.
^ This reflects cash the fund has taken receipt of to support in the money derivative positions and mitigate counterparty risk to the fund.
* Although reflected in the investment assets figure, liquidity funds are used by the fund as a liquidity vehicle and commonly reflects collateral held by the fund. Therefore, the ACD considers the net liquidity position of the fund as the aggregate of cash at bank and in hand, bank overdrafts and liquidity fund positions.

8 Creditors

	2024 £'000	2023 £'000
Accrued expenses payable to ACD	180	137
Accrued expenses payable to the Depositary or associates of the Depositary	5	8
Amounts payable to the ACD for cancellation of shares	241	282
Other accrued expenses	-	6
Purchases awaiting settlement	1,079	1,331
Total creditors	**1,505**	**1,764**

Notes to the Financial Statements

Continued

9 Related Party Transactions

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

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

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

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

10 Portfolio Transaction Costs

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

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

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

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

	Purchases		Sales	
Trades in the year	**2024 £'000**	**2023 £'000**	**2024 £'000**	**2023 £'000**
Bonds	104,467	68,436	111,311	158,278
Collective investment schemes	1,100	-	-	-
Inspecie transactions	27,990	-	-	-
Trades in the year before transaction costs	**133,557**	**68,436**	**111,311**	**158,278**
Total net trades in the year after transaction costs	**133,557**	**68,436**	**111,311**	**158,278**

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 0.96% (2023: 1.22%), this is representative of the average spread on the assets held during the year.

Notes to the Financial Statements

Continued

11 Shares in Issue Reconciliation

	Opening shares 2023	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2024
Retail accumulation	40,516,017	1,762,703	(4,592,792)	(804,761)	36,881,167
Retail income	58,490,095	4,547,050	(6,821,360)	(1,474,931)	54,740,854
Institutional accumulation	10,357,487	9,158,514	(5,185,173)	326,798	14,657,626
Institutional income	28,553,873	38,632,119	(17,770,821)	2,364,847	51,780,018
Institutional regulated accumulation	12,424,815	1,835,835	(1,352,144)	-	12,908,506
Institutional S accumulation	1,531	-	-	-	1,531
Institutional S income	1,893	-	-	-	1,893
Platform 1 accumulation	33,901,132	1,823,705	(5,473,908)	803,130	31,054,059
Platform 1 income	64,312,921	1,974,345	(7,171,820)	(754,826)	58,360,620
Z Accumulation	-	768	-	-	768
ZC accumulation	227,115	72,573	(57,640)	(3,900)	238,148
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).

Fair value of investment assets	2024 £'000 Level 1	2024 £'000 Level 2	2024 £'000 Level 3	2023 £'000 Level 1	2023 £'000 Level 2	2023 £'000 Level 3
Bonds	600	214,079	-	4,102	181,385	-
Collective Investment Schemes	-	9,692	-	-	10,173	-
Derivatives	-	63	-	-	964	-
Total investment assets	**600**	**223,834**	**-**	**4,102**	**192,522**	**-**
Fair value of investment liabilities						
Derivatives	-	(2,576)	-	-	(858)	-
Total investment liabilities	**-**	**(2,576)**	**-**	**-**	**(858)**	**-**

13 Risk Management Policies and Disclosures

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

Foreign currency risk

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

Interest rate risk

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

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

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

2024	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
Currency				
UK Sterling	12,342	40,124	174,960	227,426
Euro	3,069	152,924	(158,665)	(2,672)
US Dollar	-	18,570	(18,770)	(200)
Total	**15,411**	**211,618**	**(2,475)**	**224,554**

2023	Floating rate financial assets/ (liabilities) £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
Currency				
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)
Total	**19,336**	**181,925**	**(107)**	**201,154**

Other price risk

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

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

VaR

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

2024	Minimum	Maximum	Average
VaR 99% 1 Month	3.01%	4.22%	3.59%

2023	Minimum	Maximum	Average
VaR 99% 1 Month	4.16%	5.18%	4.64%

At the year end date, there was a 1% chance of the portfolio value falling (or rising) more than 3.02%, £6,694,000 (2023: 4.16%, £8,152,000) 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.

	Market value £'000	Percentage of total net assets %
2024		
Investment grade securities	10,082	4.50
Below investment grade securities	200,681	89.36
Unrated securities	3,916	1.74
Total value of securities	**214,679**	**95.60**

	Market value £'000	Percentage of total net assets %
2023		
Investment grade securities	8,985	4.47
Below investment grade securities	173,097	86.05
Unrated securities	3,405	1.69
Total value of securities	**185,487**	**92.21**

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

Financial derivatives instrument risk

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

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

	2024		2023	
Leveraged instruments	Market exposure £'000	Market value £'000	Market exposure £'000	Market value £'000
Forward currency contracts	180,738	(288)	153,341	860
Swaps	20,258	(2,225)	17,520	(754)
Total market exposure	**200,996**	**(2,513)**	**170,861**	**106**

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

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

Counterparty risk

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

2024 Broker or exchange exposure	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
Bank of America Merrill Lynch	(937)	-	-	(937)	(0.42)
Goldman Sachs	(1,288)	2,437	394	1,543	0.69
	(2,225)	**2,437**	**394**	**606**	**0.27**

2023 Broker or exchange exposure	Market value of derivatives £'000	Market value of cash £'000	Market value of stock £'000	Total £'000	Percentage of total net assets %
Goldman Sachs	(754)	774	1,944	1,964	0.98
	(754)	**774**	**1,944**	**1,964**	**0.98**

Bilateral agreements

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

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

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

2024 Counterparties	Forwards £'000	Stock on loan £'000	Repo £'000	Collateral (held)/pledged Cash £'000	Collateral (held)/pledged Stock £'000	Net exposure £'000
Barclays	61	-	-	(110)	-	(49)
BNP Paribas	-	1,611	-	-	(1,700)	(89)
Citigroup	(348)	-	-	310	-	(38)
HSBC	-	-	-	-	-	-
Morgan Stanley	(2)	-	-	(10)	-	(12)
Natwest Markets	-	-	-	-	-	-
Royal Bank of Canada	1	-	-	-	-	1
UBS	-	-	-	-	-	-
Total	**(288)**	**1,611**	**-**	**190**	**(1,700)**	**(187)**

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 2024	Type	Collateral Stock £'000
Netherlands (Govt of)	Bond	(1,350)
UK (Govt of)	Bond	394
Germany (Fed Rep of)	Bond	(350)
		(1,306)

2023 Counterparties	Forwards £'000	Stock on loan £'000	Repo £'000	Collateral (held)/pledged Cash £'000	Collateral (held)/pledged Stock £'000	Net exposure £'000
Barclays	26	-	-	-	-	26
Morgan Stanley	(104)	-	-	-	266	162
NatWest Markets	926	-	-	-	-	926
Royal Bank of Canada	12	-	-	-	-	12
Total	**860**	**-**	**-**	**-**	**266**	**1,126**

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

Issuers 2023	Type	Collateral Stock £'000
United States Treasury Notes	Bond	2,210
		2,210

Liquidity risk

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

2024	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
Derivatives					
Investment liabilities	-	(351)	(2,225)	-	(2,576)
Non-derivatives					
Other creditors	-	(1,505)	-	-	(1,505)
Bank overdrafts	(120)	-	-	-	(120)
Distribution payable	-	(1,114)	-	-	(1,114)
Total financial liabilities	**(120)**	**(2,970)**	**(2,225)**	**-**	**(5,315)**

2023	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
Derivatives					
Investment liabilities	-	(104)	(754)	-	(858)
Non-derivatives					
Other creditors	-	(1,764)	-	-	(1,764)
Bank overdrafts	(8)	-	-	-	(8)
Distribution payable	-	(823)	-	-	(823)
Total financial liabilities	**(8)**	**(2,691)**	**(754)**	**-**	**(3,453)**

Distribution Tables

For the year ended 29 February 2024 (in pence per share)

First interim interest distribution

Group 1 - shares purchased prior to 1 March 2023
Group 2 - shares purchased between 1 March 2023 and 31 May 2023

	Revenue	Equalisation	Distribution paid 31/07/23	Distribution paid 29/07/22
Retail accumulation				
Group 1	1.8767	-	1.8767	1.5671
Group 2	1.6909	0.1858	1.8767	1.5671
Retail income				
Group 1	0.5785	-	0.5785	0.5056
Group 2	0.5480	0.0305	0.5785	0.5056
Institutional accumulation				
Group 1	2.1484	-	2.1484	1.8112
Group 2	1.8701	0.2783	2.1484	1.8112
Institutional income				
Group 1	0.6146	-	0.6146	0.5440
Group 2	0.5834	0.0312	0.6146	0.5440
Institutional regulated accumulation				
Group 1	3.3511	-	3.3511	2.8466
Group 2	2.5573	0.7938	3.3511	2.8466
Institutional S accumulation				
Group 1	1.0283	-	1.0283	0.8735
Group 2	1.0283	-	1.0283	0.8735
Institutional S income				
Group 1	0.6835	-	0.6835	0.6075
Group 2	0.6835	-	0.6835	0.6075
Platform 1 accumulation				
Group 1	1.1165	-	1.1165	0.9400
Group 2	0.4872	0.6293	1.1165	0.9400
Platform 1 income				
Group 1	0.7189	-	0.7189	0.6351
Group 2	0.3633	0.3556	0.7189	0.6351
Z Accumulation				
Group 1	1.9789	-	1.9789	-
Group 2	1.9789	-	1.9789	-

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

	Revenue	Equalisation	Distribution paid 31/07/23	Distribution paid 29/07/22
ZC accumulation				
Group 1	1.9838	-	1.9838	1.7163
Group 2	1.1308	0.8530	1.9838	1.7163
ZA income				
Group 1	0.7012	-	0.7012	0.6331
Group 2	0.7012	-	0.7012	0.6331

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

Second interim interest distribution

Group 1 - shares purchased prior to 1 June 2023
Group 2 - shares purchased between 1 June 2023 and 31 August 2023

	Revenue	Equalisation	Distribution paid 31/10/23	Distribution paid 31/10/22
Retail accumulation				
Group 1	1.9594	-	1.9594	1.5856
Group 2	0.9455	1.0139	1.9594	1.5856
Retail income				
Group 1	0.5962	-	0.5962	0.5059
Group 2	0.3057	0.2905	0.5962	0.5059
Institutional accumulation				
Group 1	2.2416	-	2.2416	1.8258
Group 2	1.5319	0.7097	2.2416	1.8258
Institutional income				
Group 1	0.6321	-	0.6321	0.5420
Group 2	0.2053	0.4268	0.6321	0.5420
Institutional regulated accumulation				
Group 1	3.4933	-	3.4933	2.8611
Group 2	1.7778	1.7155	3.4933	2.8611
Institutional S accumulation				
Group 1	1.0734	-	1.0734	0.8526
Group 2	1.0734	-	1.0734	0.8526
Institutional S income				
Group 1	0.7110	-	0.7110	0.5964
Group 2	0.7110	-	0.7110	0.5964
Platform 1 accumulation				
Group 1	1.1648	-	1.1648	0.9480
Group 2	0.7044	0.4604	1.1648	0.9480
Platform 1 income				
Group 1	0.7398	-	0.7398	0.6331
Group 2	0.3821	0.3577	0.7398	0.6331
Z Accumulation				
Group 1	2.1430	-	2.1430	-
Group 2	2.1430	-	2.1430	-

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

	Revenue	Equalisation	Distribution paid 31/10/23	Distribution paid 31/10/22
ZC accumulation				
Group 1	2.0653	-	2.0653	1.7007
Group 2	0.4973	1.5680	2.0653	1.7007
ZA income				
Group 1	0.7298	-	0.7298	0.6216
Group 2	0.7298	-	0.7298	0.6216

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

Third interim interest distribution

Group 1 - shares purchased prior to 1 September 2023
Group 2 - shares purchased between 1 September 2023 and 30 November 2023

	Revenue	Equalisation	Distribution paid 31/01/24	Distribution paid 31/01/23
Retail accumulation				
Group 1	2.0348	-	2.0348	1.6767
Group 2	1.1017	0.9331	2.0348	1.6767
Retail income				
Group 1	0.6107	-	0.6107	0.5290
Group 2	0.5018	0.1089	0.6107	0.5290
Institutional accumulation				
Group 1	2.3236	-	2.3236	1.9207
Group 2	1.2762	1.0474	2.3236	1.9207
Institutional income				
Group 1	0.6466	-	0.6466	0.5634
Group 2	0.3701	0.2765	0.6466	0.5634
Institutional regulated accumulation				
Group 1	3.6208	-	3.6208	2.9987
Group 2	1.7067	1.9141	3.6208	2.9987
Institutional S accumulation				
Group 1	1.1067	-	1.1067	0.8931
Group 2	1.1067	-	1.1067	0.8931
Institutional S income				
Group 1	0.7194	-	0.7194	0.6164
Group 2	0.7194	-	0.7194	0.6164
Platform 1 accumulation				
Group 1	1.2083	-	1.2083	0.9980
Group 2	0.4395	0.7688	1.2083	0.9980
Platform 1 income				
Group 1	0.7568	-	0.7568	0.6589
Group 2	0.2871	0.4697	0.7568	0.6589
Z Accumulation				
Group 1	2.2160	-	2.2160	-
Group 2	2.2160	-	2.2160	-

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

	Revenue	Equalisation	Distribution paid 31/01/24	Distribution paid 31/01/23
ZC accumulation				
Group 1	2.1376	-	2.1376	1.7751
Group 2	0.2380	1.8996	2.1376	1.7751
ZA income				
Group 1	0.7343	-	0.7343	0.6426
Group 2	0.7343	-	0.7343	0.6426

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

Final interest distribution

Group 1 - shares purchased prior to 1 December 2023
Group 2 - shares purchased between 1 December 2023 and 29 February 2024

	Revenue	Equalisation	Distribution paid 30/04/24	Distribution paid 28/04/23
Retail accumulation				
Group 1	2.0646	-	2.0646	1.5574
Group 2	1.7367	0.3279	2.0646	1.5574
Retail income				
Group 1	0.6117	-	0.6117	0.4857
Group 2	0.4886	0.1231	0.6117	0.4857
Institutional accumulation				
Group 1	2.3653	-	2.3653	1.7973
Group 2	1.0214	1.3439	2.3653	1.7973
Institutional income				
Group 1	0.6484	-	0.6484	0.5203
Group 2	0.3194	0.3290	0.6484	0.5203
Institutional regulated accumulation				
Group 1	3.6943	-	3.6943	2.8234
Group 2	1.6255	2.0688	3.6943	2.8234
Institutional S accumulation				
Group 1	1.1172	-	1.1172	0.8611
Group 2	1.1172	-	1.1172	0.8611
Institutional S income				
Group 1	0.7126	-	0.7126	0.5747
Group 2	0.7126	-	0.7126	0.5747
Platform 1 accumulation				
Group 1	1.2292	-	1.2292	0.9318
Group 2	0.7175	0.5117	1.2292	0.9318
Platform 1 income				
Group 1	0.7592	-	0.7592	0.6073
Group 2	0.4324	0.3268	0.7592	0.6073
Z Accumulation				
Group 1	2.2238	-	2.2238	-
Group 2	2.2238	-	2.2238	-

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

	Revenue	Equalisation	Distribution paid 30/04/24	Distribution paid 28/04/23
ZC accumulation				
Group 1	2.1898	-	2.1898	1.6817
Group 2	1.6200	0.5698	2.1898	1.6817
ZA income				
Group 1	0.7393	-	0.7393	0.5945
Group 2	0.7393	-	0.7393	0.5945

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 Investment Grade Corporate Bond Fund

For the year ended 29 February 2024

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 Markit iBoxx Sterling Collateralized & Corporates Index 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 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 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 Markit 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 6.12%. (Source: FactSet, Institutional Accumulation, net of fees). This compared to a return of 7.08% for our performance target. (Source: FactSet, the iBoxx Sterling Collateralized & Corporates Index +0.8%).

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

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

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

The fund's credit decisions positively contributed to performance, while there was a neutral effect from interest-rate positioning. Security selection was beneficial, particularly in banks and collateralised bonds, but marginally detracted in government-related bonds and consumer non-cyclical. Sector allocation slightly

abrdn Investment Grade Corporate Bond Fund

Continued

detracted; it was most negative in government-related bonds and collateralised bonds, with the main positives being basic materials/industrials and consumer non-cyclical. By credit rating, BBB and A-rated bonds were the leaders, while AA-rated and high yield bonds lagged. By issuer, the largest contributors were WMB Holdings (Metrocentre), ANZ Group, Westpac Banking and Électricité de France. The main detractors were the off-benchmark holdings in Gilts, as well as positions in Thames Water, Prudential and BNP Paribas.

Market Review

Corporate bonds had a solid performance over the 12-month period.

Turbulence in the global banking sector in March 2023 caused credit spreads – the yield premium received by investors in return for the typically greater risk of lending to companies rather than governments – to widen to levels last seen in the autumn of 2022. This was largely driven by the collapse of Credit Suisse and concerns around regional banks in the US. However, the negative effect of wider credit spreads was offset by lower government bond yields amid a flight to safety. Nonetheless, a backdrop of sharply rising interest rates, stubbornly high annual inflation and a worsening economic outlook meant that challenging market conditions persisted over April and May.

Calm then returned to corporate bond markets over the next few months. Spreads tightened on growing expectations that global inflation pressures may be peaking. This fuelled investors' hopes that the current cycle of interest-rate rises could be nearing its end and helped corporate bonds to perform better as investors' appetite for riskier assets started to return. As a result, corporate bond markets exhibited strong performance towards the end of the period, with spreads ending significantly lower than where they were before the volatility seen in March 2023. Underlying UK government bond yields also fell, and this, coupled with tightening credit spreads, produced strong total returns from the asset class.

The Bank of England (BoE) announced a further four interest-rate increases over the period, taking its base rate from 3.50% at the start of 2023 to 5.25% by the end of it. Following the 50-basis-point (bp) hike in February, the BoE increased its base rate by a further 25 bps in both March and May, by 50 bps in June and then by 25 bps in August. As a result, UK annual consumer inflation continued to trend downwards over the period. However, it has still remained above the BoE's 2% target, as well as the rates recorded in both the US and eurozone, in part due to elevated food prices. UK annual core inflation in January 2024 stayed flat month on month, coming in at a lower-than-expected 5.1%.

Portfolio Activity and Review

In the primary market, we bought attractive new issue utilities bonds, including the 2036 bonds of United Utilities and the 2039 bonds of Anglican Water. We also bought Société Générale's 2033 issue and a new senior deal from BNP Paribas. We participated in new senior deals from Barclays and Coventry Building Society, and a UK Power Networks deal in sterling. The fund deployed cash balances that had built up into attractive new deals from US issuers Ford Motors and MetLife, as well as topping up bank exposure via senior non-preferred issues from Société Générale and Crédit Agricole. In the secondary market, we bought Wells Fargo and Santander. We added some Eon and Ørsted bonds on spread widening and lower-risk Additional Tier 1 dollar-denominated bonds from Westpac and Lloyds. We added to UK property specialist Grainger and Lloyds Tier 2 bonds. We used the tightening in spreads to trim risk and higher beta positions. Examples included trimming risk in Hammerson, Workspace, AT&T, Deutsche Bank, Virgin Money and UBS senior. In addition, the fund took profits in holdings that had performed well, including FirstGroup 2024s, CaixaBank Additional Tier-1 bonds and BPCE Tier 2 bonds. We also reduced long-term overweight positions in Gatwick and Heathrow to neutral. The discount built into airport spreads from Covid-19 has now completely gone. We also reduced Volkswagen and Yorkshire Housing. We disposed of NewRiver Real Estate Investment Trust and Royal Bank of Canada senior bonds.

Portfolio Outlook and Strategy

While the fundamental backdrop for 2024 remains uncertain, investment-grade credit continues to attract interest. Credit spreads are approaching tight levels on a historic basis. However, at this stage of the cycle, where we are close to renewed economic growth and lower interest rates, that is normal. We expect policy rates to fall in the UK this year, providing comfort to bond buyers. For the time being, the two worst potential scenarios for bonds – reflation (and no rate cuts) or a hard landing (which would be bad for credit markets) – appear to be off the table. We expect heightened yield volatility as we transition to a lower inflation environment and subsequent rate cuts. Sector and security selection remain key at current valuations.

Sterling IG Aggregate Team

March 2024

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**

Risk and reward indicator table as at 29 February 2024.

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

- Credit Risk – The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- Interest Rate Risk – The fund invests in securities which can be subject to price fluctuation for a variety of reasons including changes in interest rates or inflation expectations.
- ABS/MBS Risk – Asset and mortgage backed securities are subject to prepayment and extension risk and additional liquidity and default risk compared to other credit securities.
- Derivatives Risk – The use of derivatives may involve additional liquidity, credit and counterparty risks and may lead to substantial loss and increased volatility in adverse market conditions. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

Comparative Tables

Retail accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	139.61	161.83	169.34
Return before operating charges*	10.22	(20.74)	(5.76)
Operating charges	(1.43)	(1.48)	(1.75)
Return after operating charges*	8.79	(22.22)	(7.51)
Distributions	(5.05)	(3.99)	(3.48)
Retained distributions on accumulation shares	5.05	3.99	3.48
Closing net asset value per share	148.40	139.61	161.83
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	6.30%	(13.73%)	(4.43%)
Other information			
Closing net asset value (£'000)	51,156	54,978	73,353
Closing number of shares	34,471,156	39,378,998	45,326,446
Operating charges	1.01%	1.01%	1.02%
Direct transaction costs	-	-	-
Prices			
Highest share price	151.7	165.1	177.1
Lowest share price	134.5	123.8	162.1

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

Retail income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	51.11	60.92	65.06
Return before operating charges*	3.66	(7.77)	(2.14)
Operating charges	(0.52)	(0.55)	(0.67)
Return after operating charges*	3.14	(8.32)	(2.81)
Distributions	(1.82)	(1.49)	(1.33)
Closing net asset value per share	52.43	51.11	60.92
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	6.14%	(13.66%)	(4.32%)
Other information			
Closing net asset value (£'000)	14,367	15,689	21,822
Closing number of shares	27,402,669	30,696,065	35,821,496
Operating charges	1.01%	1.01%	1.02%
Direct transaction costs	-	-	-
Prices			
Highest share price	54.11	62.14	67.69
Lowest share price	48.83	46.03	61.34

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

Institutional accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	153.35	177.02	184.45
Return before operating charges*	11.26	(22.73)	(6.31)
Operating charges	(0.92)	(0.94)	(1.12)
Return after operating charges*	10.34	(23.67)	(7.43)
Distributions	(6.22)	(5.05)	(4.59)
Retained distributions on accumulation shares	6.22	5.05	4.59
Closing net asset value per share	163.69	153.35	177.02
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	6.74%	(13.37%)	(4.03%)
Other information			
Closing net asset value (£'000)	117,278	130,622	89,216
Closing number of shares	71,645,835	85,179,826	50,398,363
Operating charges	0.59%	0.59%	0.60%
Direct transaction costs	-	-	-
Prices			
Highest share price	167.2	180.6	193.3
Lowest share price	148.0	135.8	177.3

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 income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	50.91	60.69	64.81
Return before operating charges*	3.64	(7.75)	(2.13)
Operating charges	(0.30)	(0.32)	(0.39)
Return after operating charges*	3.34	(8.07)	(2.52)
Distributions	(2.03)	(1.71)	(1.60)
Closing net asset value per share	52.22	50.91	60.69
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	6.56%	(13.30%)	(3.89%)
Other information			
Closing net asset value (£'000)	23,732	28,290	38,200
Closing number of shares	45,443,408	55,565,770	62,947,170
Operating charges	0.59%	0.59%	0.60%
Direct transaction costs	-	-	-
Prices			
Highest share price	53.91	61.90	67.49
Lowest share price	48.66	45.88	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

Institutional regulated accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	144.34	166.27	172.91
Return before operating charges*	10.61	(21.34)	(5.94)
Operating charges	(0.57)	(0.59)	(0.70)
Return after operating charges*	10.04	(21.93)	(6.64)
Distributions	(6.15)	(5.05)	(4.66)
Retained distributions on accumulation shares	6.15	5.05	4.66
Closing net asset value per share	154.38	144.34	166.27
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	6.96%	(13.19%)	(3.84%)
Other information			
Closing net asset value (£'000)	415	388	489
Closing number of shares	269,041	269,041	293,918
Operating charges	0.39%	0.39%	0.40%
Direct transaction costs	-	-	-
Prices			
Highest share price	157.7	169.6	181.3
Lowest share price	139.4	127.7	166.5

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

Institutional S accumulation[A]	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	59.15	68.38	71.13
Return before operating charges*	(0.02)	(8.97)	(2.44)
Operating charges	(0.13)	(0.26)	(0.31)
Return after operating charges*	(0.15)	(9.23)	(2.75)
Distributions	(1.18)	(2.02)	(1.93)
Retained distributions on accumulation shares	1.18	2.02	1.93
Redemption value as at 13 September 2023	(59.00)	-	-
Closing net asset value per share	-	59.15	68.38
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(0.25%)	(13.50%)	(3.87%)
Other information			
Closing net asset value (£'000)	-	-	17
Closing number of shares	-	200	25,008
Operating charges	0.42%	0.42%	0.43%
Direct transaction costs	-	-	-
Prices			
Highest share price	60.76	69.76	74.58
Lowest share price	57.01	52.51	68.47

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.
The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.
Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.
Highest and Lowest prices are based on official published daily NAVs.
[A] Institutional S accumulation share class was closed on 13 September 2023.

Comparative Tables

Continued

Institutional S income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	44.19	52.68	56.26
Return before operating charges*	3.17	(6.73)	(1.85)
Operating charges	(0.19)	(0.20)	(0.24)
Return after operating charges*	2.98	(6.93)	(2.09)
Distributions	(1.84)	(1.56)	(1.49)
Closing net asset value per share	45.33	44.19	52.68
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	6.74%	(13.15%)	(3.71%)
Other information			
Closing net asset value (£'000)	8,523	15,178	39,954
Closing number of shares	18,801,428	34,346,369	75,845,024
Operating charges	0.42%	0.42%	0.43%
Direct transaction costs	-	-	-
Prices			
Highest share price	46.80	53.73	58.60
Lowest share price	42.25	39.83	53.12

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

Platform 1 accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	64.36	74.33	77.49
Return before operating charges*	4.72	(9.54)	(2.65)
Operating charges	(0.42)	(0.43)	(0.51)
Return after operating charges*	4.30	(9.97)	(3.16)
Distributions	(2.58)	(2.08)	(1.89)
Retained distributions on accumulation shares	2.58	2.08	1.89
Closing net asset value per share	68.66	64.36	74.33
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	6.68%	(13.41%)	(4.08%)
Other information			
Closing net asset value (£'000)	13,025	12,586	15,806
Closing number of shares	18,968,417	19,555,679	21,265,586
Operating charges	0.64%	0.64%	0.65%
Direct transaction costs	-	-	-
Prices			
Highest share price	70.16	75.83	81.17
Lowest share price	62.09	57.00	74.44

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

Platform 1 income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	47.24	56.31	60.14
Return before operating charges*	3.38	(7.19)	(1.99)
Operating charges	(0.30)	(0.32)	(0.39)
Return after operating charges*	3.08	(7.51)	(2.38)
Distributions	(1.86)	(1.56)	(1.45)
Closing net asset value per share	48.46	47.24	56.31
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	6.52%	(13.34%)	(3.96%)
Other information			
Closing net asset value (£'000)	6,171	7,359	10,097
Closing number of shares	12,735,089	15,576,641	17,930,870
Operating charges	0.64%	0.64%	0.65%
Direct transaction costs	-	-	-
Prices			
Highest share price	50.03	57.44	62.62
Lowest share price	45.15	42.57	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

ZC accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	85.38	98.07	101.67
Return before operating charges*	6.30	(12.61)	(3.50)
Operating charges	(0.08)	(0.08)	(0.10)
Return after operating charges*	6.22	(12.69)	(3.60)
Distributions	(3.90)	(3.25)	(3.05)
Retained distributions on accumulation shares	3.90	3.25	3.05
Closing net asset value per share	91.60	85.38	98.07
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	7.29%	(12.94%)	(3.54%)
Other information			
Closing net asset value (£'000)	5,777	234	255
Closing number of shares	6,306,347	274,043	259,555
Operating charges	0.09%	0.09%	0.10%
Direct transaction costs	-	-	-
Prices			
Highest share price	93.51	100.1	106.8
Lowest share price	82.53	75.47	98.19

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

Comparative Tables

Continued

ZA income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	41.42	49.38	52.74
Return before operating charges*	2.96	(6.31)	(1.74)
Operating charges	-	-	(0.01)
Return after operating charges*	2.96	(6.31)	(1.75)
Distributions	(1.90)	(1.65)	(1.61)
Closing net asset value per share	42.48	41.42	49.38
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	7.15%	(12.78%)	(3.32%)
Other information			
Closing net asset value (£'000)	435	2,466	3,073
Closing number of shares	1,024,087	5,952,829	6,224,214
Operating charges	0.01%	0.01%	0.02%
Direct transaction costs	-	-	-
Prices			
Highest share price	43.88	50.37	54.97
Lowest share price	39.61	37.35	49.84

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

ZB accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	85.82	98.48	102.01
Return before operating charges*	6.33	(12.66)	(3.53)
Operating charges	-	-	-
Return after operating charges*	6.33	(12.66)	(3.53)
Distributions	(4.00)	(3.34)	(3.16)
Retained distributions on accumulation shares	4.00	3.34	3.16
Closing net asset value per share	92.15	85.82	98.48
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	7.38%	(12.86%)	(3.46%)
Other information			
Closing net asset value (£'000)	1,545	1,772	1,935
Closing number of shares	1,676,265	2,064,688	1,965,053
Operating charges	-	-	-
Direct transaction costs	-	-	-
Prices			
Highest share price	94.06	100.5	107.2
Lowest share price	82.99	75.83	98.61

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.

Portfolio Statement

As at 29 February 2024

Holding	Investment	Market value £'000	Percentage of total net assets
Bonds (98.23%)		**237,765**	**98.08**
Euro Denominated Bonds (0.59%)		**3,488**	**1.44**
Corporate Bonds (0.59%)		**3,488**	**1.44**
less than 5 years to maturity			
1,300,000	Cromwell EREIT 2.125% 2025	1,054	0.44
between 5 and 10 years to maturity			
800,000	Bayerische Landesbank 1% fixed to floating 2031	599	0.25
500,000	Bayerische Landesbank 7% fixed to floating 2034	445	0.18
960,000	Digital Intrepid REIT 0.625% 2031	635	0.26
Perpetual			
1,000,000	AXA FRN Perpetual	755	0.31
Sterling Denominated Bonds (95.40%)		**232,612**	**95.95**
Corporate Bonds (93.59%)		**222,704**	**91.86**
less than 5 years to maturity			
280,000	AA Bond 6.269% 2025	280	0.12
1,100,000	ABN AMRO Bank 5.125% 2028	1,094	0.45
770,000	ABP Finance 6.25% 2026	785	0.32
685,000	Anglian Water Osprey Financing 2% 2028	552	0.23
700,000	Anglian Water Services Financing 2.625% 2027	641	0.26
1,026,000	Assura Financing REIT 3% 2028	930	0.38
800,000	AT&T 5.5% 2027	805	0.33
1,810,000	Athene Global Funding 1.75% 2027	1,586	0.65
900,000	Banco Santander 1.5% 2026	827	0.34
1,100,000	Banco Santander 4.75% fixed to floating 2028	1,072	0.44
2,400,000	Bank of America 7% 2028	2,572	1.06
600,000	BAT International Finance 2.25% 2028	523	0.22
410,000	BAT International Finance 4% 2026	396	0.16
700,000	Bazalgette Finance 2.375% 2027	632	0.26
1,000,000	BNP Paribas 1.875% 2027	885	0.37
2,400,000	CaixaBank 1.5% fixed to floating 2026	2,234	0.92
2,627,000	Citigroup 1.75% 2026	2,399	0.99
894,000	Coventry Building Society 7% fixed to floating 2027	916	0.38

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,250,000	CPUK Finance 3.69% 2028	1,144	0.47
1,312,000	Credit Suisse 7.75% 2026	1,367	0.56
1,874,000	Danske Bank 2.25% fixed to floating 2028	1,706	0.70
908,000	Danske Bank 4.625% fixed to floating 2027	895	0.37
800,000	Deutsche Bank 1.875% fixed to floating 2028	684	0.28
600,000	Deutsche Bank 2.625% 2024	585	0.24
1,800,000	Deutsche Bank 4% fixed to floating 2026	1,749	0.72
949,000	Ford Motor Credit 5.625% 2028	939	0.39
1,488,000	Hammerson REIT 3.5% 2025	1,429	0.59
1,162,000	Hammerson REIT 6% 2026	1,152	0.48
300,000	Hammerson REIT 7.25% 2028	307	0.13
950,000	Heathrow Funding 2.625% 2028	840	0.35
686,000	Heathrow Funding 6.75% 2026	709	0.29
546,000	HSBC 2.256% fixed to floating 2026	517	0.21
672,000	HSBC 2.625% 2028	603	0.25
700,000	ING 1.125% fixed to floating 2028	600	0.25
792,000	Land Securities Capital Markets REIT 2.399% 2029	703	0.29
1,200,000	Landesbank Baden-Wuerttemberg 1.125% 2025	1,093	0.45
3,150,000	Metrocentre Finance REIT 8.75% 2024	1,958	0.81
1,195,000	Metropolitan Life Global Funding I 4.5% 2027	1,178	0.49
1,018,000	Morgan Stanley 2.625% 2027	943	0.39
656,000	Nationwide Building Society 6.178% fixed to floating 2027	665	0.27
1,270,000	NatWest 2.057% fixed to floating 2028	1,125	0.46
700,000	Petroleos Mexicanos 3.75% 2025	641	0.26
1,659,000	Santander UK 3.625% 2026	1,598	0.66
2,392,000	Santander UK 7.098% fixed to floating 2027	2,451	1.01
889,000	Southern Water Services Finance 1.625% 2027	778	0.32
1,961,000	Telereal Securitisation 4.9741% 2027	712	0.29
1,230,000	Thames Water Utilities Finance 3.5% 2028	1,085	0.45
2,984,000	UBS 2.25% fixed to floating 2028	2,697	1.11
700,000	UBS 7% fixed to floating 2027	725	0.30
674,000	UBS FRN 2025	662	0.27
600,000	Unite REIT 3.5% 2028	557	0.23
500,000	Virgin Money UK 4% fixed to floating 2026	483	0.20
922,000	Virgin Money UK FRN 2025	911	0.38
1,500,000	Volkswagen Financial Services 1.375% 2028	1,254	0.52
1,400,000	Volkswagen Financial Services 1.875% 2024	1,363	0.56
1,000,000	Volkswagen International Finance 3.375% 2026	947	0.39

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
2,000,000	Wells Fargo 3.473% fixed to floating 2028	1,880	0.78
1,000,000	Welltower REIT 4.8% 2028	977	0.40
1,301,000	Westfield Stratford City Finance No 2 1.642% 2026	1,170	0.48
2,261,000	Workspace REIT 2.25% 2028	1,902	0.78
1,172,000	Yorkshire Building Society 6.375% fixed to floating 2028	1,190	0.49
between 5 and 10 years to maturity			
1,027,000	Annington Funding 2.308% 2032	789	0.33
2,215,000	Annington Funding 3.184% 2029	1,955	0.81
1,000,000	APA Infrastructure 3.5% 2030	887	0.37
823,000	Arqiva Financing 4.882% 2032	472	0.19
1,200,000	Arqiva Financing 5.34% 2030	1,172	0.48
955,000	Assura Financing REIT 1.5% 2030	758	0.31
1,200,000	Banco Santander 2.25% fixed to floating 2032	1,037	0.43
1,166,000	Bank of America 3.584% fixed to floating 2031	1,068	0.44
750,000	Barclays 3.25% 2033	624	0.26
900,000	Barclays 3.75% fixed to floating 2030	855	0.35
2,191,000	Barclays 6.369% fixed to floating 2031	2,238	0.92
1,029,000	Barclays 7.09% fixed to floating 2029	1,076	0.44
1,513,000	Barclays 8.407% fixed to floating 2032	1,589	0.66
825,000	Berkeley 2.5% 2031	620	0.26
1,000,000	BNP Paribas 1.25% 2031	751	0.31
1,300,000	BNP Paribas 2% fixed to floating 2031	1,179	0.49
1,000,000	BNP Paribas 6% fixed to floating 2029	1,030	0.42
700,000	Broadgate Financing 4.821% 2033	679	0.28
2,000,000	Broadgate Financing 5.098% 2033	1,601	0.66
1,035,000	Canary Wharf Finance II 6.455% 2033	66	0.03
700,000	Centrica 7% 2033	775	0.32
845,000	CPUK Finance 6.136% 2031	854	0.35
1,000,000	Deutsche Bank 6.125% fixed to floating 2030	988	0.41
1,036,000	E.ON International Finance 6.375% 2032	1,104	0.46
466,000	Eastern Power Networks 2.125% 2033	361	0.15
1,385,000	Enel Finance International 2.875% 2029	1,240	0.51
2,339,000	Grainger 3% 2030	1,962	0.81
900,000	Great Rolling Stock 6.5% 2031	678	0.28
1,492,000	HSBC 3% fixed to floating 2030	1,315	0.54
940,000	HSBC 6.8% fixed to floating 2031	995	0.41
2,672,000	Lloyds Banking 1.985% fixed to floating 2031	2,387	0.98

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
875,000	Lloyds Banking 6.625% fixed to floating 2033	876	0.36
1,000,000	London & Quadrant Housing Trust 2% 2032	785	0.32
743,000	London & Quadrant Housing Trust 4.625% 2033	703	0.29
340,000	London & Quadrant Housing Trust 7.93% 2033	275	0.11
700,000	Meadowhall Finance 4.986% 2032	316	0.13
900,000	Meadowhall Finance 4.988% 2032	428	0.18
1,252,000	Morgan Stanley 5.789% fixed to floating 2033	1,289	0.53
2,196,000	National Australia Bank 1.699% fixed to floating 2031	1,952	0.81
2,887,000	National Grid Electricity Distribution West Midlands 5.75% 2032	2,951	1.22
1,168,000	NATS (En Route) 1.375% 2031	1,011	0.42
1,235,000	NatWest 2.105% fixed to floating 2031	1,104	0.46
1,063,000	NatWest 3.619% fixed to floating 2029	985	0.41
1,700,000	NatWest 3.622% fixed to floating 2030	1,639	0.68
624,000	NatWest 7.416% fixed to floating 2033	641	0.26
432,000	NIE Finance 5.875% 2032	451	0.19
593,000	Northumbrian Water Finance 4.5% 2031	557	0.23
718,000	Notting Hill Genesis 3.75% 2032	645	0.27
800,000	Orange 5.625% 2034	838	0.35
1,009,000	Pension Insurance 3.625% 2032	803	0.33
982,000	Pension Insurance 5.625% 2030	927	0.38
2,131,000	Realty Income REIT 1.75% 2033	1,574	0.65
920,000	Severn Trent Utilities Finance 2.75% 2031	774	0.32
900,000	Societe Generale 5.75% fixed to floating 2032	891	0.37
1,000,000	Societe Generale 6.25% 2033	1,056	0.44
1,167,000	Swedbank 5.875% fixed to floating 2029	1,186	0.49
1,300,000	Telefonica Emisiones 5.445% 2029	1,312	0.54
999,000	Telereal Secured Finance 4.01% 2031	492	0.20
303,000	Telereal Securitisation 1.3657% 2031	179	0.07
418,000	Telereal Securitisation 1.9632% fixed to floating 2033	385	0.16
500,000	Telereal Securitisation FRN 2031	392	0.16
1,607,000	Time Warner Cable 5.75% 2031	1,539	0.63
1,000,000	Tritax Big Box REIT 3.125% 2031	860	0.35
900,000	UBS 1.875% fixed to floating 2029	776	0.32
1,600,000	Virgin Money UK 2.625% fixed to floating 2031	1,439	0.59
387,000	Yorkshire Building Society 3.511% fixed to floating 2030	343	0.14
971,000	Yorkshire Water Finance 1.75% 2032	712	0.29

Portfolio Statement

As at 29 February 2024 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	1,139	0.47
619,000	BAT International Finance 6% 2034	600	0.25
557,000	Bazalgette Finance 2.75% 2034	446	0.18
1,000,000	Cadent Finance 2.625% 2038	694	0.29
660,000	Canary Wharf Finance II 5.952% 2035	341	0.14
2,898,000	DWR Cymru Financing UK 2.375% 2034	2,109	0.87
950,000	E.ON International Finance 6.75% 2039	1,048	0.43
1,300,000	Enel 5.75% 2037	1,319	0.54
700,000	Eversholt Funding 6.697% 2035	576	0.24
400,000	Goldman Sachs 6.875% 2038	429	0.18
900,000	HSBC 8.201% fixed to floating 2034	974	0.40
500,000	Land Securities Capital Markets REIT 2.625% 2037	376	0.16
1,100,000	Lloyds Banking 2.707% fixed to floating 2035	869	0.36
738,000	McDonald's 3.75% 2038	628	0.26
700,000	Metropolitan Housing Trust 1.875% 2036	480	0.20
1,602,000	Morhomes 3.4% 2038	1,258	0.52
719,000	Northumbrian Water Finance 6.375% 2034	755	0.31
1,500,000	Octagon Healthcare Funding 5.333% 2035	1,034	0.43
800,000	Optivo Finance 2.857% 2035	622	0.26
1,471,000	Paragon Treasury 2% 2036	1,015	0.42
1,275,000	RMPA Services 5.337% 2038	832	0.34
872,000	Scottish Hydro Electric Transmission 2.25% 2035	652	0.27
368,000	Severn Trent Utilities Finance 4.625% 2034	346	0.14
625,000	South Eastern Power Networks 1.75% 2034	454	0.19
810,000	Southern Housing 2.375% 2036	580	0.24
1,959,000	Southern Water Services Finance 3% 2037	1,383	0.57
1,700,000	SSE 6.25% 2038	1,848	0.76
900,000	TC Dudgeon Ofto 3.158% 2038	669	0.28
355,000	Thames Water Utilities Finance 4.375% 2034	293	0.12
1,500,000	Thames Water Utilities Finance 5.125% 2037	1,260	0.52
700,000	Transport for London 5% 2035	693	0.29
850,000	United Utilities Water Finance 5.75% 2036	885	0.37
1,500,000	Verizon Communications 3.125% 2035	1,221	0.50
476,000	Yorkshire Water Finance 5.5% 2035	458	0.19

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
between 15 and 25 years to maturity			
800,000	America Movil 4.375% 2041	702	0.29
546,000	Anglian Water Services Financing 6% 2039	565	0.23
295,000	Annington Funding 3.935% 2047	220	0.09
541,000	Arqiva Financing 7.21% 2045	574	0.24
1,645,000	Aspire Defence Finance 4.674% 2040	1,248	0.51
600,000	AT&T 4.25% 2043	492	0.20
700,000	AT&T 4.875% 2044	617	0.25
1,300,000	AT&T 7% 2040	1,462	0.60
1,110,000	Blend Funding 3.459% 2047	826	0.34
700,000	BPHA Finance 4.816% 2044	648	0.27
550,000	Bromford Housing 3.125% 2048	386	0.16
398,000	BT 5.75% 2041	395	0.16
884,000	Channel Link Enterprises Finance 6.341% 2046	670	0.28
1,490,000	Connect Plus M25 Issuer 2.607% 2039	1,063	0.44
1,550,000	E.ON International Finance 6.125% 2039	1,616	0.67
1,000,000	EDF 5.5% 2041	932	0.38
1,776,000	Eversholt Funding 3.529% 2042	1,377	0.57
550,000	Futures Treasury 3.375% 2044	415	0.17
1,000,000	GlaxoSmithKline Capital 6.375% 2039	1,125	0.46
1,383,000	Heathrow Funding 4.625% 2046	1,186	0.49
1,815,000	Hexagon Housing Association 3.625% 2048	1,290	0.53
1,200,000	HSBC 6% 2040	1,167	0.48
800,000	London & Quadrant Housing Trust 5.486% 2042	800	0.33
1,154,000	Motability Operations 2.375% 2039	805	0.33
768,000	National Grid Electricity Distribution South Wales 5.35% 2039	751	0.31
1,140,000	Northumbrian Water Finance 5.125% 2042	1,045	0.43
1,300,000	Optivo Finance 3.283% 2048	898	0.37
800,000	Ørsted 5.375% 2042	772	0.32
1,050,000	Ørsted 5.75% 2040	1,063	0.44
609,000	Realty Income REIT 6% 2039	635	0.26
653,000	Severn Trent Utilities Finance 2% 2040	414	0.17
434,000	Sovereign Housing Capital 2.375% 2048	255	0.11
2,834,000	Tesco Property Finance 4 5.8006% 2040	2,590	1.07
1,414,000	Thames Water Utilities Finance 5.5% 2041	1,223	0.50
551,000	Wheatley Capital 4.375% 2044	482	0.20
653,000	Wrekin Housing 2.5% 2048	393	0.16

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
greater than 25 years to maturity			
451,000	AA Bond 5.5% 2050	434	0.18
655,000	Aviva 4% fixed to floating 2055	529	0.22
800,000	Aviva 4.375% fixed to floating 2049	735	0.30
1,400,000	Aviva 5.125% fixed to floating 2050	1,317	0.54
374,000	BAT International Finance 4% 2055	234	0.10
511,000	Blend Funding 2.922% 2054	327	0.14
1,213,000	Blend Funding 3.508% 2059	854	0.35
700,000	Channel Link Enterprises Finance 3.043% fixed to floating 2050	604	0.25
750,000	EDF 5.125% 2050	647	0.27
1,000,000	EDF 5.625% 2053	911	0.38
1,000,000	EDF 6% 2114	924	0.38
1,053,000	Gatwick Funding 2.875% 2049	659	0.27
750,000	Hyde Housing Association 1.75% 2055	349	0.14
1,486,000	Income Contingent Student Loans 2 2007-2009 2.5% 2058	865	0.36
451,000	Legal & General 3.75% fixed to floating 2049	399	0.16
420,000	Legal & General 4.5% fixed to floating 2050	380	0.16
1,800,000	M&G 5.56% fixed to floating 2055	1,611	0.66
423,000	Motability Operations 5.625% 2054	438	0.18
2,404,000	NGG Finance 5.625% fixed to floating 2073	2,369	0.98
850,000	Northern Powergrid Northeast 1.875% 2062	405	0.17
389,000	Northern Powergrid Northeast 3.25% 2052	272	0.11
670,000	Ørsted 2.5% fixed to floating 3021	472	0.19
1,143,000	Peabody Capital No 2 4.625% 2053	1,014	0.42
1,161,000	Penarian Housing Finance 3.212% 2052	816	0.34
700,000	RL Finance No 4 4.875% fixed to floating 2049	564	0.23
500,000	University of Cambridge 2.35% 2078	287	0.12
600,000	University of Cambridge 3.75% 2052	500	0.21
890,000	Vattenfall 2.5% fixed to floating 2083	758	0.31
900,000	Vodafone 3% 2056	536	0.22
919,000	Vodafone 3.375% 2049	626	0.26
1,014,000	Vodafone 5.125% 2052	912	0.38
887,000	Wellcome Trust 2.517% 2118	476	0.20
905,000	Zurich Finance Ireland Designated Activity 5.125% fixed to floating 2052	860	0.35

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Perpetual			
1,200,000	Assicurazioni Generali 6.269% fixed to floating Perpetual	1,209	0.50
598,000	AXA 5.453% fixed to floating Perpetual	601	0.25
700,000	Barclays FRN Perpetual	689	0.28
730,000	BP Capital Markets 4.25% fixed to floating Perpetual	684	0.28
1,881,000	Credit Agricole 7.5% fixed to floating Perpetual	1,858	0.77
700,000	EDF 5.875% fixed to floating Perpetual	661	0.27
700,000	HSBC Bank Capital Funding Sterling 1 5.844% fixed to floating Perpetual	722	0.30
800,000	Lloyds Banking 8.5% fixed to floating Perpetual	801	0.33
878,000	Nationwide Building Society 5.75% fixed to floating Perpetual	813	0.34
Government Bonds (1.81%)		**9,908**	**4.09**
between 5 and 10 years to maturity			
2,500,000	UK (Govt of) 4.75% 2030	2,614	1.08
between 10 and 15 years to maturity			
7,545,100	UK (Govt of) 0.625% 2035	5,130	2.12
between 15 and 25 years to maturity			
1,418,100	UK (Govt of) 3.25% 2044	1,182	0.49
greater than 25 years to maturity			
1,535,300	UK (Govt of) 2.5% 2065	982	0.40
US Dollar Denominated Bonds (2.24%)		**1,665**	**0.69**
Corporate Bonds (2.24%)		**1,665**	**0.69**
Perpetual			
1,000,000	Lloyds Banking FRN Perpetual	779	0.32
1,200,000	Westpac Banking 5% fixed to floating Perpetual	886	0.37
Collective Investment Schemes (1.04%)		**1,495**	**0.62**
1,495	abrdn Liquidity Fund (Lux) - Sterling Fund Z1 Inc+	1,495	0.62

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Derivatives (0.00%)		**(127)**	**(0.05)**
Credit Default Swaps (0.00%)		**(150)**	**(0.06)**
EUR 8,000,000	Buy iTraxx Europe Series 40 20/12/2028 1%	(150)	(0.06)
Forward Currency Contracts (0.01%)		**(21)**	**(0.01)**
	Buy GBP 777,905 Sell EUR 906,550 21/05/2024	(1)	-
	Buy GBP 2,733,518 Sell EUR 3,202,679 21/05/2024	(18)	(0.01)
	Buy GBP 1,675,228 Sell USD 2,123,192 21/05/2024	(2)	-
Futures (-0.01%)		**44**	**0.02**
60	Long Long Gilt Future 26/06/2024	44	0.02
Total investment assets and liabilities		239,133	98.65
Net other assets		3,291	1.35
Total Net Assets		**242,424**	**100.00**

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities, or are regulated collective investment schemes or are approved derivatives within the meaning of the FCA rules.
The percentage figures in brackets show the comparative holding as at 28 February 2023.
+ Managed by subsidiaries of abrdn plc.

Statement of Total Return

For the year ended 29 February 2024

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Income:					
Net capital gains/(losses)	1		6,576		(52,292)
Revenue	2	11,758		10,838	
Expenses	3	(1,759)		(1,972)	
Interest payable and similar charges		(7)		(3)	
Net revenue before taxation		9,992		8,863	
Taxation	4	-		-	
Net revenue after taxation			9,992		8,863
Total return before distributions			**16,568**		**(43,429)**
Distributions	5		(9,992)		(8,863)
Change in net assets attributable to shareholders from investment activities			**6,576**		**(52,292)**

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 29 February 2024

	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Opening net assets attributable to shareholders		**269,562**		**294,217**
Amounts receivable on the issue of shares	35,734		68,282	
Amounts payable on the cancellation of shares	(77,071)		(47,205)	
		(41,337)		21,077
Dilution adjustment		180		287
Change in net assets attributable to shareholders from investment activities (see above)		6,576		(52,292)
Retained distribution on accumulation shares		7,439		6,269
Unclaimed distributions		4		4
Closing net assets attributable to shareholders		**242,424**		**269,562**

Balance Sheet

As at 29 February 2024

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Assets:					
Fixed assets:					
Investment assets			239,304		267,632
Current assets:					
Debtors	6	4,212		4,650	
Cash and bank balances	7	213		341	
			4,425		4,991
Total assets			**243,729**		**272,623**
Liabilities:					
Investment liabilities			(171)		(32)
Creditors	8	(593)		(2,416)	
Distribution payable		(541)		(613)	
			(1,134)		(3,029)
Total liabilities			**(1,305)**		**(3,061)**
Net assets attributable to shareholders			**242,424**		**269,562**

Notes to the Financial Statements

1 Net Capital Gains/(Losses)

	2024 £'000	2023 £'000
Non-derivative securities	6,972	(51,271)
Derivative contracts	(562)	(133)
Forward currency contracts	172	(863)
Other losses	-	(18)
Transaction charges	(6)	(7)
Net capital gains/(losses)	**6,576**	**(52,292)**

2 Revenue

	2024 £'000	2023 £'000
Bank and margin interest	124	80
Derivative revenue	19	3
Interest on debt securities	11,615	10,755
Total revenue	**11,758**	**10,838**

3 Expenses

	2024 £'000	2023 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	1,579	1,769
Dealing charge	13	19
General administration charge	150	165
	1,742	**1,953**
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	17	19
	17	**19**
Total expenses	**1,759**	**1,972**

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £14,700 (2023: £13,500).

Notes to the Financial Statements

Continued

4 Taxation

	2024 £'000	2023 £'000
(a) Analysis of charge in year		
Total taxation (note 4b)	-	-

(b) Factors affecting total tax charge for the year

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

Net revenue before taxation	**9,992**	**8,863**
Corporation tax at 20% (2023: 20%)	1,998	1,773
Effects of:		
Distributions treated as tax deductible	(1,998)	(1,773)
Total tax charge for year (note 4a)	-	-

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

(c) Factors that may affect future tax charge

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

5 Distributions

	2024 £'000	2023 £'000
First interim distribution	2,304	2,107
Second interim distribution	2,534	2,131
Third interim distribution	2,434	2,327
Final distribution	2,442	2,346
	9,714	8,911
Add: Income deducted on cancellation of shares	370	184
Deduct: Income received on issue of shares	(92)	(232)
Total distributions for the year	**9,992**	**8,863**

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

Notes to the Financial Statements

Continued

6 Debtors

	2024 £'000	2023 £'000
Accrued revenue	4,022	4,359
Amounts receivable from the ACD for the issue of shares	42	34
Sales awaiting settlement	148	257
Total debtors	**4,212**	**4,650**

7 Liquidity

	2024 £'000	2023 £'000
Cash and bank balances		
Cash at bank	4	2
Cash at broker	209	339
	213	**341**
abrdn Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	1,495	2,805
Net liquidity	**1,708**	**3,146**

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

8 Creditors

	2024 £'000	2023 £'000
Accrued expenses payable to ACD	171	148
Accrued expenses payable to the Depositary or associates of the Depositary	3	7
Amounts payable to the ACD for cancellation of shares	419	1,107
Other accrued expenses	-	6
Purchases awaiting settlement	-	1,148
Total creditors	**593**	**2,416**

9 Related Party Transactions

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

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

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

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

Notes to the Financial Statements

Continued

10 Portfolio Transaction Costs

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

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

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

	Purchases		Sales	
Trades in the year	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Bonds	67,029	107,076	100,797	77,939
Trades in the year before transaction costs	**67,029**	**107,076**	**100,797**	**77,939**
Total net trades in the year after transaction costs	**67,029**	**107,076**	**100,797**	**77,939**

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.64% (2023: 0.80%), this is representative of the average spread on the assets held during the year.

11 Shares in Issue Reconciliation

	Opening shares 2023	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2024
Retail accumulation	39,378,998	39,633	(4,743,382)	(204,093)	34,471,156
Retail income	30,696,065	78,867	(3,253,780)	(118,483)	27,402,669
Institutional accumulation	85,179,826	17,697,231	(31,375,424)	144,202	71,645,835
Institutional income	55,565,770	1,490,010	(12,150,100)	537,728	45,443,408
Institutional regulated accumulation	269,041	-	-	-	269,041
Institutional S accumulation	200	-	(200)	-	-
Institutional S income	34,346,369	259,930	(15,676,096)	(128,775)	18,801,428
Platform 1 accumulation	19,555,679	2,973,256	(3,649,270)	88,752	18,968,417
Platform 1 income	15,576,641	757,363	(3,280,406)	(318,509)	12,735,089
ZC accumulation	274,043	6,048,731	(16,427)	-	6,306,347
ZA income	5,952,829	-	(4,928,742)	-	1,024,087
ZB accumulation	2,064,688	289,690	(678,113)	-	1,676,265

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).

Fair value of investment assets	2024 £'000 Level 1	2024 £'000 Level 2	2024 £'000 Level 3	2023 £'000 Level 1	2023 £'000 Level 2	2023 £'000 Level 3
Bonds	9,908	227,857	-	4,890	259,899	-
Collective Investment Schemes	-	1,495	-	-	2,805	-
Derivatives	44	-	-	-	38	-
Total investment assets	**9,952**	**229,352**	**-**	**4,890**	**262,742**	**-**
Fair value of investment liabilities						
Derivatives	-	(171)	-	(31)	(1)	-
Total investment liabilities	**-**	**(171)**	**-**	**(31)**	**(1)**	**-**

13 Risk Management Policies and Disclosures

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

Foreign currency risk

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

Interest rate risk

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

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

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

2024	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
Currency				
UK Sterling	4,362	230,002	8,206	242,570
Euro	755	2,733	(3,653)	(165)
US Dollar	779	886	(1,646)	19
Total	**5,896**	**233,621**	**2,907**	**242,424**

2023	Floating rate financial assets/ (liabilities) £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
Currency				
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)
Total	**8,228**	**259,707**	**1,627**	**269,562**

Other price risk

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

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

VaR

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

2024	Minimum	Maximum	Average
VaR 99% 1 Month	5.72%	6.81%	6.21%

2023	Minimum	Maximum	Average
VaR 99% 1 Month	4.31%	7.29%	5.74%

At the year end date, there was a 1% chance of the portfolio value falling (or rising) more than 5.72%, £13,668,000 (2023: 6.81%, £18,223,000) 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.

	Market value £'000	Percentage of total net assets %
2024		
Investment grade securities	228,969	94.45
Below investment grade securities	6,838	2.81
Unrated securities	1,958	0.81
Total value of securities	**237,765**	**98.07**

	Market value £'000	Percentage of total net assets %
2023		
Investment grade securities	254,042	94.24
Below investment grade securities	9,435	3.50
Unrated securities	1,312	0.49
Total value of securities	**264,789**	**98.23**

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

Financial derivatives instrument risk

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

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

	2024		2023	
Leveraged instruments	**Market exposure £'000**	**Market value £'000**	**Market exposure £'000**	**Market value £'000**
Forward currency contracts	5,203	(21)	8,000	37
Futures	5,885	44	7,778	(31)
Swaps	6,844	(150)	-	-
Total market exposure	**17,932**	**(127)**	**15,778**	**6**

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

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

Counterparty risk

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

2024 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	44	209	-	253	0.10
	44	**209**	**-**	**253**	**0.10**

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	(31)	339	-	308	0.11
	(31)	**339**	**-**	**308**	**0.11**

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.

			Collateral (held)/pledged		
2024 Counterparties	Swaps £'000	Forwards £'000	Cash £'000	Stock £'000	Net exposure £'000
Bank of America Merrill Lynch	(150)	-	-	-	(150)
BNP Paribas	-	(2)	-	-	(2)
NatWest Markets	-	(18)	-	-	(18)
UBS	-	(1)	-	-	(1)
Total	**(150)**	**(21)**	**-**	**-**	**(171)**

		Collateral (held)/pledged		
2023 Counterparties	Forwards £'000	Cash £'000	Stock £'000	Net exposure £'000
Bank of America Merrill Lynch	(1)	-	-	(1)
Citigroup	22	-	-	22
JP Morgan	14	-	-	14
Royal Bank of Canada	2	-	-	2
Total	**37**	**-**	**-**	**37**

Liquidity risk

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

2024	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
Derivatives					
Investment liabilities	-	(21)	(150)	-	(171)
Non-derivatives					
Other creditors	(593)	-	-	-	(593)
Distribution payable	(541)	-	-	-	(541)
Total financial liabilities	**(1,134)**	**(21)**	**(150)**	**-**	**(1,305)**

2023	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
Derivatives					
Investment liabilities	-	(32)	-	-	(32)
Non-derivatives					
Other creditors	(2,416)	-	-	-	(2,416)
Distribution payable	(613)	-	-	-	(613)
Total financial liabilities	**(3,029)**	**(32)**	**-**	**-**	**(3,061)**

Distribution Tables

For the year ended 29 February 2024 (in pence per share)

First interim interest distribution

Group 1 - shares purchased prior to 1 March 2023
Group 2 - shares purchased between 1 March 2023 and 31 May 2023

	Revenue	Equalisation	Distribution paid 31/07/23	Distribution paid 29/07/22
Retail accumulation				
Group 1	1.1587	-	1.1587	0.8950
Group 2	0.7192	0.4395	1.1587	0.8950
Retail income				
Group 1	0.4241	-	0.4241	0.3368
Group 2	0.3299	0.0942	0.4241	0.3368
Institutional accumulation				
Group 1	1.4368	-	1.4368	1.1625
Group 2	0.7184	0.7184	1.4368	1.1625
Institutional income				
Group 1	0.4771	-	0.4771	0.3985
Group 2	0.2035	0.2736	0.4771	0.3985
Institutional regulated accumulation				
Group 1	1.4260	-	1.4260	1.1742
Group 2	1.4260	-	1.4260	1.1742
Institutional S accumulation				
Group 1	0.5550	-	0.5550	0.4787
Group 2	0.5550	-	0.5550	0.4787
Institutional S income				
Group 1	0.4333	-	0.4333	0.3681
Group 2	0.2112	0.2221	0.4333	0.3681
Platform 1 accumulation				
Group 1	0.5948	-	0.5948	0.4789
Group 2	0.2774	0.3174	0.5948	0.4789
Platform 1 income				
Group 1	0.4366	-	0.4366	0.3629
Group 2	0.3048	0.1318	0.4366	0.3629
ZC accumulation				
Group 1	0.9090	-	0.9090	0.7654
Group 2	0.3959	0.5131	0.9090	0.7654

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

	Revenue	Equalisation	Distribution paid 31/07/23	Distribution paid 29/07/22
ZA income				
Group 1	0.4499	-	0.4499	0.3951
Group 2	0.4499	-	0.4499	0.3951
ZB accumulation				
Group 1	0.9327	-	0.9327	0.7896
Group 2	0.6269	0.3058	0.9327	0.7896

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

Second interim interest distribution

Group 1 - shares purchased prior to 1 June 2023
Group 2 - shares purchased between 1 June 2023 and 31 August 2023

	Revenue	Equalisation	Distribution paid 31/10/23	Distribution paid 31/10/22
Retail accumulation				
Group 1	1.2382	-	1.2382	0.9480
Group 2	0.6235	0.6147	1.2382	0.9480
Retail income				
Group 1	0.4495	-	0.4495	0.3548
Group 2	0.2135	0.2360	0.4495	0.3548
Institutional accumulation				
Group 1	1.5220	-	1.5220	1.2114
Group 2	1.3916	0.1304	1.5220	1.2114
Institutional income				
Group 1	0.5005	-	0.5005	0.4125
Group 2	0.2799	0.2206	0.5005	0.4125
Institutional regulated accumulation				
Group 1	1.5054	-	1.5054	1.2162
Group 2	1.5054	-	1.5054	1.2162
Institutional S accumulation				
Group 1	0.6250	-	0.6250	0.4974
Group 2	0.6250	-	0.6250	0.4974
Institutional S income				
Group 1	0.4530	-	0.4530	0.3788
Group 2	0.2723	0.1807	0.4530	0.3788
Platform 1 accumulation				
Group 1	0.6307	-	0.6307	0.5000
Group 2	0.3393	0.2914	0.6307	0.5000
Platform 1 income				
Group 1	0.4586	-	0.4586	0.3762
Group 2	0.2144	0.2442	0.4586	0.3762
ZC accumulation				
Group 1	0.9552	-	0.9552	0.7867
Group 2	0.6269	0.3283	0.9552	0.7867

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

	Revenue	Equalisation	Distribution paid 31/10/23	Distribution paid 31/10/22
ZA income				
Group 1	0.4665	-	0.4665	0.4020
Group 2	0.4665	-	0.4665	0.4020
ZB accumulation				
Group 1	0.9790	-	0.9790	0.8102
Group 2	0.3869	0.5921	0.9790	0.8102

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

Third interim interest distribution

Group 1 - shares purchased prior to 1 September 2023
Group 2 - shares purchased between 1 September 2023 and 30 November 2023

	Revenue	Equalisation	Distribution paid 31/01/24	Distribution paid 31/01/23
Retail accumulation				
Group 1	1.2824	-	1.2824	1.0474
Group 2	0.7597	0.5227	1.2824	1.0474
Retail income				
Group 1	0.4614	-	0.4614	0.3894
Group 2	0.2263	0.2351	0.4614	0.3894
Institutional accumulation				
Group 1	1.5731	-	1.5731	1.3036
Group 2	0.8472	0.7259	1.5731	1.3036
Institutional income				
Group 1	0.5122	-	0.5122	0.4404
Group 2	0.2897	0.2225	0.5122	0.4404
Institutional regulated accumulation				
Group 1	1.5545	-	1.5545	1.2955
Group 2	1.5545	-	1.5545	1.2955
Institutional S accumulation				
Group 1	-	-	-	0.5280
Group 2	-	-	-	0.5280
Institutional S income				
Group 1	0.4630	-	0.4630	0.4008
Group 2	0.4052	0.0578	0.4630	0.4008
Platform 1 accumulation				
Group 1	0.6519	-	0.6519	0.5394
Group 2	0.3472	0.3047	0.6519	0.5394
Platform 1 income				
Group 1	0.4695	-	0.4695	0.4029
Group 2	0.2744	0.1951	0.4695	0.4029
ZC accumulation				
Group 1	0.9855	-	0.9855	0.8271
Group 2	0.4044	0.5811	0.9855	0.8271

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

	Revenue	Equalisation	Distribution paid 31/01/24	Distribution paid 31/01/23
ZA income				
Group 1	0.4758	-	0.4758	0.4175
Group 2	0.4758	-	0.4758	0.4175
ZB accumulation				
Group 1	1.0096	-	1.0096	0.8491
Group 2	1.0096	-	1.0096	0.8491

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

Final interest distribution

Group 1 - shares purchased prior to 1 December 2023
Group 2 - shares purchased between 1 December 2023 and 29 February 2024

	Revenue	Equalisation	Distribution paid 30/04/24	Distribution paid 28/04/23
Retail accumulation				
Group 1	1.3718	-	1.3718	1.0993
Group 2	0.8892	0.4826	1.3718	1.0993
Retail income				
Group 1	0.4892	-	0.4892	0.4057
Group 2	0.1786	0.3106	0.4892	0.4057
Institutional accumulation				
Group 1	1.6831	-	1.6831	1.3677
Group 2	0.5834	1.0997	1.6831	1.3677
Institutional income				
Group 1	0.5426	-	0.5426	0.4581
Group 2	0.2952	0.2474	0.5426	0.4581
Institutional regulated accumulation				
Group 1	1.6636	-	1.6636	1.3592
Group 2	1.6636	-	1.6636	1.3592
Institutional S accumulation				
Group 1	-	-	-	0.5150
Group 2	-	-	-	0.5150
Institutional S income				
Group 1	0.4904	-	0.4904	0.4167
Group 2	0.1282	0.3622	0.4904	0.4167
Platform 1 accumulation				
Group 1	0.6976	-	0.6976	0.5661
Group 2	0.3694	0.3282	0.6976	0.5661
Platform 1 income				
Group 1	0.4973	-	0.4973	0.4192
Group 2	0.2347	0.2626	0.4973	0.4192
ZC accumulation				
Group 1	1.0550	-	1.0550	0.8677
Group 2	0.9321	0.1229	1.0550	0.8677

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

	Revenue	Equalisation	Distribution paid 30/04/24	Distribution paid 28/04/23
ZA income				
Group 1	0.5037	-	0.5037	0.4336
Group 2	0.5037	-	0.5037	0.4336
ZB accumulation				
Group 1	1.0812	-	1.0812	0.8906
Group 2	1.0812	-	1.0812	0.8906

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 North American Small & Mid-Cap Equity Fund (formerly abrdn American Unconstrained Equity Fund)

For the year ended 29 February 2024

Investment Objective

To generate growth over the long term (5 years or more) by investing in US and Canadian small and mid-capitalisation equities (company shares).

Performance Target: To achieve the return of the Russell 2500 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 and mid-capitalisation companies listed, incorporated or domiciled in the United States of America (US) and Canada or companies that derive a significant proportion of their revenues or profits from US or Canadian operations or have a significant proportion of their assets there.
- For all investments, small and mid-capitalisation companies are defined as any stock having a market capitalisation less than the 20th percentile stock of the Russell 3000 Index (which is used as a representation of the overall US market).
- The fund may also invest in larger capitalisation companies listed, incorporated, or domiciled in the US and Canada.
- Investment in companies listed, incorporated or domiciled in or having a significant proportion of their assets in Canada or deriving a signification proportion of their revenue or profits from Canadian operations is not expected to exceed 20% of the fund's assets.
- 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 finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the Performance Target, the Russell 2500 Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. The expected variation ("tracking error") between the returns of the fund and the index is not ordinarily expected to exceed 10%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the index.
- Please note: The fund's ability to buy and sell small and mid-capitalisation shares and the associated costs can be affected during periods of market stress. In certain circumstances investors in the fund may not be able to sell their investment when they want to.

Derivatives and Techniques

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

Performance Review

Over the period under review, the fund returned 4.54%. (Source: FactSet, Institutional Accumulation Shares, net of fees). This compared with a return of 23.23% for our performance target (Source: FactSet, Russell 2500 Index + 3%).

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

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

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

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Continued

The fund underperformed its benchmark, largely due to stock selection. Sector wise, financials weighed on relative performance following the collapse of Silicon Valley Bank (SVB). The healthcare, information technology (IT) and industrials sectors were also notable detractors from performance. Conversely, the real estate sector benefitted the fund.

At the stock level, holding SVB Financial Group (parent of SVB) was unfavourable. The shares fell substantially in the day before trading was suspended and lost most of their remaining value when trading restarted several weeks later, and we subsequently disposed of our position. Ameresco's shares underperformed as the company had to issue additional debt due to a project delay. We sold our position as project delays due to supply shortages were increasingly limiting the company's visibility. Meanwhile, CONMED was negative. It experienced weakness stemming from new competition in the high growth segment of its business in addition to industry-wide concerns that new weight loss drugs will impact demand.

On the other hand, CyberArk Software added to returns as demand for the company's identity access management solutions accelerated after several high-profile hacks. e.l.f. Beauty, which was a new initiation in the second half of the period, was also positive. Its shares outperformed as sales momentum persisted and the company continued its above-category growth. The recent strong earnings release and an increase in guidance also helped its shares. Meanwhile, Onto Innovation contributed to performance as it confirmed a large order for its advanced packaging system, a segment benefiting from demand for artificial intelligence.

Market review

US equities rose strongly over the 12 months to 29 February 2024 in sterling terms.

Growth-focused stocks, such as technology companies, performed particularly well. These stocks were more sensitive to the prospect of monetary tightening coming to an end, and then reversing, because of the favourable effect on their future discounted earnings.

Markets experienced turmoil early in the review period along with increasing interest rates and following the banking sector collapses which led to fears of a recession. However, authorities' actions to stabilise the financial sector restored confidence. Meanwhile, the compromise agreement to suspend the US debt ceiling until January 2025, signed into law in June, removed the risk of a default and boosted investor confidence.

Faced with a relatively robust economy, the US Federal Reserve (Fed) continued to tighten monetary policy in to mid 2023. As a result, the target range for the fed funds rate reached 5.25-5.50%, a 22-year high, in July 2023. Subsequently, the Fed maintained this rate for the rest of the period. The possibility of interest rates remaining elevated for a longer period weighed on markets during August to October. Additionally, the outbreak of war in the Middle East added to the uncertainty around inflation. Despite a dovish tone in late 2023, the Fed's messaging turned cautious in early 2024 and its Chairman Jerome Powell added that a rate reduction in March 2024 seemed unlikely. Nonetheless, given the sustained fall in the Fed's targeted inflation measure, three rate cuts – as forecast by the Fed's committee members in December's 'dot plot' – could still be possible in 2024. Against this backdrop, US stocks performed well later in the review period.

Portfolio Activity and Review

The fund transitioned during the first half of the review period, from an unconstrained large cap fund to a small- and mid-cap fund. As a result, many of the buys and sells during this period were driven by the reshaping of the portfolio to closely mirror the team's existing small and mid-cap portfolios.

In key portfolio activity during the first half of the period, the fund initiated Merit Medical Systems due to improved financial performance as a result of efforts from its Foundations for Growth programme. We also bought Magnolia Oil & Gas, a high-quality exploration and production company with a conservative balance sheet and focus on positive earnings growth, and Alphatec Holdings, a leading innovator for spinal procedures, which could benefit from positive earnings before interest, tax, depreciation and amortisation as it grows further penetration of lateral procedures in a wider array of indications.

The second half of the period was a busy one in terms of trading activity. The fund initiated Brinker International, a casual dining operator, as the company's focus on improving quality and execution has resulted in improved trends in the business. Also, within the consumer segments, we bought Steven Madden, a designer of footwear, apparel, and accessories. We believe the company's strong operations and clean balance sheet have the potential to continue supporting long-term earnings growth and shareholder-friendly capital allocation policies. We introduced Boot Barn, a leading national retailer in the niche western, country, and workwear market. We liked the company's exposure to footwear and everyday apparel items, which reduce fashion and markdown risk, as well as the potential long unit-growth runway ahead for the company. Meanwhile, we bought The Vita Coco Company, a leading producer of coconut water products, a category benefiting from secular health and wellness tailwinds. We believe the

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Continued

company's exposure to growing demographics, as well as its advantaged supply chain, can support sustainable earnings growth. As mentioned earlier in the report, we initiated e.l.f. Beauty, a cosmetic company that offers premium products at an affordable price point.

Elsewhere, in industrials, we initiated MSA Safety, which manufactures and sells safety products. In each of its product categories, MSA is either the market leader or the number two due to its product strength and continuous innovation. We bought Parsons Corporation as the IT services company's wide variety of cyber security solutions, management and design tools, and other offerings make them a provider of choice for the US Government. As budget authorisations continue to accelerate for IT and services, we believe that the firm could perform well. We also introduced The AZEK Company, a manufacturer of composite products for housing applications that is benefiting from the switching from higher maintenance wood products to lower maintenance polyvinyl chloride (PVC)-based products. Vertiv Holdings was another new holding, and we like this manufacturer of colling solutions as it is benefiting from the growth of data centers.

In communication services, we initiated Integral Ad Science Holding, a provider of independent measurement and verification tools for the digital advertisement industry. The company maintains a leading market position in the digital advertising space, an area benefiting from a secular shift from traditional mediums. In healthcare, we introduced Pacira Biosciences, a biotechnology company that specializes in non-opioid pain management therapies, a niche market that we are optimistic about in the coming years. We favour the fact that Pacira has a strong balance sheet, attractive margins and healthy free cash flow unlike most small-cap biotechnology companies. Elsewhere, we bought SM Energy, a high-quality exploration and production company that is growing its inventory in the Midland Basin and South Texas. We think the company has potential to take advantage of the commodity backdrop, which is supportive to higher energy prices.

We initiated WSFS Financial, a regional bank operating in the Delaware and Greater Philadelphia region. We believe that investors underappreciate the company's diverse deposit base and loan portfolio, growing wealth management business and track record of winning market share over time. We also introduced Materion Corporation, a producer of high-performance engineered materials serving multiple end markets, including the semiconductor industry. Lastly we initiated, Doubleverify Holdings, an internet advertisement verification company as continued strong growth expected from the expansion of advertising dollars into social media increases the size of the market and the need of advertisers to ensure suitability of publishers for their advertisements.

Conversely, we sold Dorman Products, as demand for the company's discretionary products remains uncertain, while increased rates continue to weigh on profitability. We disposed of Burlington Stores due to concerns over the company's ability to execute turnaround plans amid a challenged consumer environment. We also offloaded National Vision Holdings, an eyewear retailer and optical exam provider, as we believe labour constraints could be a structural headwind, affecting both sales and profitability. Meanwhile, we sold SunOpta, a manufacturer of plant-based milks and fruit products, because the category-wide plant-based beverage slowdown, combined with the higher-rate-environment, has pressured earnings growth. We also disposed of Darling Ingredients. The company faced pressure regarding falling renewable diesel margins and fears of overcapacity in the industry. These concerns had been exacerbated by its higher debt position, lower-than-expected operational efficiency and integration challenges on its new acquisitions. We sold WD-40, a manufacturer of multi-purpose lubricants, to fund higher conviction ideas.

Elsewhere, CI Financial was sold over concerns about both the company's ability to monetise its US wealth business and its increasing leverage. We also disposed of First Interstate BancSystem to fund higher conviction ideas. We sold engineered equipment manufacturer Chart Industries since we were less satisfied with the outlook for return on capital. We disposed of The Shyft Group, a manufacturer of truck and van products, as we believe the demand environment for the company's e-commerce van offerings remains muted. We also sold SolarEdge Technologies as we believed the macroeconomic environment could continue to postpone US demand recovery. We offloaded Wolfspeed, a semiconductor material and devices company in favour of more attractive opportunities elsewhere. We sold healthcare stock Cryoport as growth in its commercial services business has disappointed, and we lack conviction in the outlook as cellular therapy growth has been slower than expected. We also disposed of Inmode after the aesthetics device company acknowledged headwinds in leasing rates and approvals for purchases of its equipment by care providers and demand for procedures showed impact from tougher economic conditions. Lastly, we sold Crown Holdings as the growth outlook for aluminium cans looked lower over the coming years.

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Portfolio Outlook and Strategy

US economic growth has been resilient, benefiting from several factors such as unwinding supply-chain pressures, falling energy prices, and higher productivity growth. Despite tighter credit conditions and greatly reduced household savings, the chances of a soft landing versus a mild recession are becoming more balanced as inflation subsides.

Against this backdrop, the outlook for small- and mid-cap stocks remains positive for several reasons. Firstly, small-cap stocks trade at a significant discount compared to their larger counterparts. We expect a broadening out of the market away from the 'Magnificent Seven' as investors grow more confident in the direction of the Fed's rate policy. Moreover, corporate balance sheets are flush with cash, often triggering merger and acquisition activity, with smaller companies historically benefiting as a result. Finally, higher-quality companies continue to be inexpensive relative to lower-quality companies, which is a core investment tenet of the small-cap strategy.

DM Smaller Companies Equity Team

March 2024

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Risk and Reward Profile

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

Risk and reward indicator table as at 29 February 2024.

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

- Equity Risk - The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- Smaller and Mid Cap Risk - The shares of small and mid-cap companies may be less liquid and more volatile than those of larger companies.
- Concentration Risk - A concentrated portfolio (whether by number of holdings, geographic location or sector) may be more volatile and less liquid than a diversified one.
- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector, or closely related group of industries or sectors.
- Derivatives Risk - The use of derivatives may involve additional liquidity, credit and counterparty risks. In some cases the risk of loss from derivatives may be increased where a small change in the value of the underlying investment may have a larger impact on the value of the derivative.

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

Comparative Tables

Retail accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	208.39	212.03	183.99
Return before operating charges*	13.16	(0.79)	30.92
Operating charges	(2.72)	(2.85)	(2.88)
Return after operating charges*	10.44	(3.64)	28.04
Closing net asset value per share	218.83	208.39	212.03
* after direct transaction costs of:	0.18	0.13	0.12
Performance			
Return after charges	5.01%	(1.72%)	15.24%
Other information			
Closing net asset value (£'000)	30,153	33,256	34,065
Closing number of shares	13,779,162	15,958,638	16,065,638
Operating charges	1.33%	1.34%	1.34%
Direct transaction costs	0.09%	0.06%	0.05%
Prices			
Highest share price	220.5	231.1	236.4
Lowest share price	183.3	191.3	184.6

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

Retail income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	103.16	104.96	91.07
Return before operating charges*	6.50	(0.39)	15.31
Operating charges	(1.34)	(1.41)	(1.42)
Return after operating charges*	5.16	(1.80)	13.89
Distributions	-	-	-
Closing net asset value per share	108.32	103.16	104.96
* after direct transaction costs of:	0.09	0.06	0.06
Performance			
Return after charges	5.00%	(1.71%)	15.25%
Other information			
Closing net asset value (£'000)	947	955	1,056
Closing number of shares	874,175	926,039	1,005,942
Operating charges	1.33%	1.34%	1.34%
Direct transaction costs	0.09%	0.06%	0.05%
Prices			
Highest share price	109.2	114.4	117.0
Lowest share price	90.71	94.69	91.37

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 accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	249.67	252.85	218.37
Return before operating charges*	15.93	(0.96)	36.70
Operating charges	(2.11)	(2.22)	(2.22)
Return after operating charges*	13.82	(3.18)	34.48
Distributions	(0.28)	(0.62)	(0.09)
Retained distributions on accumulation shares	0.28	0.62	0.09
Closing net asset value per share	263.49	249.67	252.85
* after direct transaction costs of:	0.22	0.15	0.14
Performance			
Return after charges	5.54%	(1.26%)	15.79%
Other information			
Closing net asset value (£'000)	4,589	5,159	5,709
Closing number of shares	1,741,851	2,066,217	2,258,015
Operating charges	0.86%	0.87%	0.87%
Direct transaction costs	0.09%	0.06%	0.05%
Prices			
Highest share price	265.4	276.1	281.6
Lowest share price	220.2	228.4	219.1

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	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	100.72	101.88	87.84
Return before operating charges*	6.50	(0.34)	14.86
Operating charges	(0.78)	(0.82)	(0.82)
Return after operating charges*	5.72	(1.16)	14.04
Distributions	(0.26)	(0.37)	(0.18)
Retained distributions on accumulation shares	0.26	0.37	0.18
Closing net asset value per share	106.44	100.72	101.88
* after direct transaction costs of:	0.09	0.06	0.06
Performance			
Return after charges	5.68%	(1.14%)	15.98%
Other information			
Closing net asset value (£'000)	1	1	1
Closing number of shares	1,340	1,340	1,340
Operating charges	0.79%	0.80%	0.80%
Direct transaction costs	0.09%	0.06%	0.05%
Prices			
Highest share price	107.3	111.3	113.4
Lowest share price	88.95	92.08	88.13

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

Comparative Tables

Continued

Platform 1 accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	184.10	186.53	161.17
Return before operating charges*	11.68	(0.70)	27.08
Operating charges	(1.65)	(1.73)	(1.72)
Return after operating charges*	10.03	(2.43)	25.36
Distributions	(0.12)	(0.37)	0.00
Retained distributions on accumulation shares	0.12	0.37	0.00
Closing net asset value per share	194.13	184.10	186.53
* after direct transaction costs of:	0.16	0.11	0.10
Performance			
Return after charges	5.45%	(1.30%)	15.73%
Other information			
Closing net asset value (£'000)	10,982	12,194	12,755
Closing number of shares	5,656,872	6,623,701	6,838,283
Operating charges	0.91%	0.92%	0.92%
Direct transaction costs	0.09%	0.06%	0.05%
Prices			
Highest share price	195.6	203.7	207.8
Lowest share price	162.3	168.5	161.7

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	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	228.68	229.86	197.04
Return before operating charges*	14.65	(0.89)	33.10
Operating charges	(0.25)	(0.29)	(0.28)
Return after operating charges*	14.40	(1.18)	32.82
Distributions	(1.95)	(2.30)	(1.81)
Retained distributions on accumulation shares	1.95	2.30	1.81
Closing net asset value per share	243.08	228.68	229.86
* after direct transaction costs of:	0.20	0.14	0.12
Performance			
Return after charges	6.30%	(0.51%)	16.66%
Other information			
Closing net asset value (£'000)	1,272	1,296	1,518
Closing number of shares	523,322	566,534	660,541
Operating charges	0.11%	0.12%	0.12%
Direct transaction costs	0.09%	0.06%	0.05%
Prices			
Highest share price	244.9	251.9	255.6
Lowest share price	202.7	208.1	197.7

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 29 February 2024

Holding	Investment	Market value £'000	Percentage of total net assets
North American Equities (97.29%)		**46,403**	**96.79**
Communication Services (3.45%)		**695**	**1.45**
84,886	Integral Ad Science	695	1.45
Consumer Discretionary (12.29%)		**4,702**	**9.81**
57,635	Aritzia*	1,203	2.51
21,955	Boot Barn	1,604	3.34
26,796	Brinker International	981	2.05
27,051	Steven Madden	914	1.91
Consumer Staples (4.37%)		**3,043**	**6.35**
7,352	e.l.f. Beauty	1,210	2.53
16,299	Performance Food	989	2.06
40,962	Vita Coco	844	1.76
Energy (3.27%)		**2,356**	**4.91**
36,502	ChampionX	896	1.87
55,081	Magnolia Oil & Gas 'A'	986	2.05
13,693	SM Energy	474	0.99
Financials (16.69%)		**7,041**	**14.69**
25,685	Donnelley Financial Solutions	1,310	2.73
5,503	LPL Financial	1,164	2.43
8,252	PJT Partners	687	1.43
47,783	Seacoast Banking Corporation of Florida	912	1.90
42,426	TMX	875	1.83
13,995	Wintrust	1,064	2.22
30,717	WSFS Financial	1,029	2.15

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Health Care (18.87%)		**4,789**	**9.99**
74,930	Alphatec	795	1.66
10,212	CONMED	648	1.35
23,611	Harmony Biosciences	597	1.25
15,086	Integer	1,316	2.74
12,003	Merit Medical Systems	723	1.51
30,254	Pacira BioSciences	710	1.48
Industrials (5.95%)		**11,933**	**24.89**
8,163	ArcBest	920	1.92
11,831	Atkore	1,584	3.30
31,902	ATS	948	1.98
30,368	AZEK	1,154	2.41
11,678	Casella Waste Systems 'A'	831	1.73
8,404	MSA Safety	1,223	2.55
16,088	Parsons	1,024	2.14
8,342	Tetra Tech	1,168	2.44
11,314	Trex	820	1.71
25,545	Vertiv	1,364	2.84
28,283	Werner Enterprises	897	1.87
Information Technology (26.73%)		**8,099**	**16.89**
12,845	Amdocs	925	1.93
7,761	CyberArk Software	1,613	3.37
20,672	DoubleVerify	504	1.05
5,055	Manhattan Associates	1,011	2.11
5,560	Nice ADR	1,077	2.24
7,686	Onto Innovation	1,116	2.33
17,753	Perficient	908	1.89
13,905	Workiva	945	1.97

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Materials (3.98%)		**2,437**	**5.08**
62,532	Graphic Packaging	1,282	2.67
10,880	Materion	1,155	2.41
Real Estate (1.69%)		**487**	**1.02**
9,583	Terreno Realty REIT	487	1.02
Utilities (0.00%)		**821**	**1.71**
29,853	Essential Utilities	821	1.71
Collective Investment Schemes (1.98%)		**1,699**	**3.54**
2,149	abrdn Liquidity Fund (Lux) - US Dollar Fund Z1 Inc+	1,699	3.54
Total investment assets		48,102	100.33
Net other liabilities		(158)	(0.33)
Total Net Assets		**47,944**	**100.00**

All investments are listed on recognised stock exchanges and are approved securities, or are regulated collective investment schemes within the meaning of the FCA rules.
The percentage figures in brackets show the comparative holding as at 28 February 2023.
+ Managed by subsidiaries of abrdn plc.
* A portion of this security is on loan at the period end.

Financial Statements

Statement of Total Return

For the year ended 29 February 2024

		2024		2023	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains/(losses)	1		2,185		(178)
Revenue	2	526		732	
Expenses	3	(545)		(663)	
Interest payable and similar charges		-		(3)	
Net (expense)/revenue before taxation		(19)		66	
Taxation	4	(65)		(100)	
Net expense after taxation			(84)		(34)
Total return before distributions			**2,101**		**(212)**
Distributions	5		(25)		(51)
Change in net assets attributable to shareholders from investment activities			**2,076**		**(263)**

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 29 February 2024

	2024		2023	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		**52,861**		**55,104**
Amounts receivable on the issue of shares	16,256		51,908	
Amounts payable on the cancellation of shares	(23,275)		(53,938)	
		(7,019)		(2,030)
Dilution adjustment		4		–
Change in net assets attributable to shareholders from investment activities (see above)		2,076		(263)
Retained distribution on accumulation shares		22		50
Closing net assets attributable to shareholders		**47,944**		**52,861**

Balance Sheet

As at 29 February 2024

		2024		2023	
		£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			48,102		52,473
Current assets:					
Debtors	6	26		509	
Cash and bank balances	7	43		47	
			69		556
Total assets			**48,171**		**53,029**
Liabilities:					
Creditors	8	(227)		(168)	
			(227)		(168)
Total liabilities			**(227)**		**(168)**
Net assets attributable to shareholders			**47,944**		**52,861**

Notes to the Financial Statements

1 Net Capital Gains/(Losses)

	2024 £'000	2023 £'000
Non-derivative securities	2,168	(270)
Other gains	30	110
Transaction charges	(13)	(18)
Net capital gains/(losses)	**2,185**	**(178)**

2 Revenue

	2024 £'000	2023 £'000
Bank and margin interest	63	35
Overseas dividends	437	673
Overseas REIT	26	24
Total revenue	**526**	**732**

3 Expenses

	2024 £'000	2023 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	524	639
Dealing charge	5	6
General administration charge	14	16
	543	**661**
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	2	2
	2	2
Total expenses	**545**	**663**

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £11,100 (2023: £10,200).

4 Taxation

	2024 £'000	2023 £'000
(a) Analysis of charge in year		
Overseas taxes	65	100
Total taxation (note 4b)	**65**	**100**

(b) Factors affecting total tax charge for the year

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

Net (expense)/revenue before taxation	**(19)**	**66**
Corporation tax at 20% (2023: 20%)	(4)	13
Effects of:		
Revenue not subject to taxation	(87)	(134)
Overseas taxes	65	100
Overseas tax expensed	(1)	(1)
Excess allowable expenses	92	122
Total tax charge for year (note 4a)	**65**	**100**

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

(c) 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 £2,355,000 (2023: £2,263,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

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

	2024 £'000	2023 £'000
Distribution	22	50
Add: Income deducted on cancellation of shares	5	7
Deduct: Income received on issue of shares	(2)	(6)
Total distributions for the year	**25**	**51**

Movement between net expense and distributions

Net expense after taxation	(84)	(34)
Shortfall transfer from capital to revenue	109	85
Total distributions for the year	**25**	**51**

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

Notes to the Financial Statements

Continued

6 Debtors

	2024 £'000	2023 £'000
Accrued revenue	25	44
Amounts receivable from the ACD for the issue of shares	-	1
Overseas withholding tax recoverable	1	1
Sales awaiting settlement	-	463
Total debtors	**26**	**509**

7 Liquidity

	2024 £'000	2023 £'000
Cash and bank balances		
Cash at bank	43	47
	43	**47**
abrdn Liquidity Fund (Lux) - US Dollar Fund Z1 Inc*	1,699	1,045
Net liquidity	**1,742**	**1,092**

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

8 Creditors

	2024 £'000	2023 £'000
Accrued expenses payable to ACD	45	47
Accrued expenses payable to the Depositary or associates of the Depositary	3	5
Amounts payable to the ACD for cancellation of shares	179	111
Other accrued expenses	-	5
Total creditors	**227**	**168**

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	
Trades in the year	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Equities	74,706	51,438	82,035	54,021
Trades in the year before transaction costs	**74,706**	**51,438**	**82,035**	**54,021**
Commissions				
Equities	21	17	(22)	(17)
Total commissions	**21**	**17**	**(22)**	**(17)**
Taxes				
Equities	-	-	(1)	(1)
Total taxes	**-**	**-**	**(1)**	**(1)**
Total transaction costs	**21**	**17**	**(23)**	**(18)**
Total net trades in the year after transaction costs	**74,727**	**51,455**	**82,012**	**54,003**

	Purchases		Sales	
	2024 %	2023 %	2024 %	2023 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.03	0.03	0.03	0.03

	2024 %	2023 %
Total transaction costs expressed as a percentage of net asset value		
Commissions	0.09	0.06

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.09% (2023: 0.02%), this is representative of the average spread on the assets held during the year.

11 Shares in Issue Reconciliation

	Opening shares 2023	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2024
Retail accumulation	15,958,638	7,520,575	(9,575,310)	(124,741)	13,779,162
Retail income	926,039	34,877	(86,741)	-	874,175
Institutional accumulation	2,066,217	15,787	(353,274)	13,121	1,741,851

	Opening shares 2023	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2024
Institutional S accumulation	1,340	-	-	-	1,340
Platform 1 accumulation	6,623,701	493,455	(1,583,228)	122,944	5,656,872
ZC accumulation	566,534	13,549	(56,761)	-	523,322

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).

Fair value of investment assets	2024 £'000 Level 1	2024 £'000 Level 2	2024 £'000 Level 3	2023 £'000 Level 1	2023 £'000 Level 2	2023 £'000 Level 3
Equities	46,403	-	-	51,428	-	-
Collective Investment Schemes	-	1,699	-	-	1,045	-
Total investment assets	**46,403**	**1,699**	**-**	**51,428**	**1,045**	**-**

13 Risk Management Policies and Disclosures

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

Foreign currency risk

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

Currency	Net foreign currency exposure 2024 £'000	Net foreign currency exposure 2023 £'000
Canadian Dollar	3,030	-
Euro	3	4
US Dollar	45,138	53,023
Total	**48,171**	**53,027**

At 29 February 2024, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £2,409,000 (2023: £2,651,000).

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 29 February 2024, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £2,405,000 (2023: £2,624,000).

Financial derivatives instrument risk

The fund had no exposure to derivatives as at 29 February 2024 (2023: £Nil).

Bilateral agreements

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

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

		Collateral (held)/pledged		
2024 Counterparties	Stock on loan* £'000	Cash £'000	Stock* £'000	Net exposure £'000
UBS	87	-	(96)	(9)
Total	87	-	(96)	(9)

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

The prospectus outlines allowable collateral.

Top Ten SFTR Issuers

2024	Type	Collateral Stock £'000
Rolls-Royce	Equity	(10)
Ocado Group	Equity	(10)
WestRock	Equity	(10)
General Mills	Equity	(10)
PG&E	Equity	(9)
A.O. Smith	Equity	(9)
PPG Industries	Equity	(9)
Covestro	Equity	(9)

2024	Type	Collateral Stock £'000
LY	Equity	(5)
Olympus	Equity	(5)
Combined issuers outside top 10	Equity	(10)
		(96)

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

There were no counterparties or SFTR issuers at 28 February 2023.

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2024 £227,000 (2023: £168,000).

Distribution Table

For the year ended 29 February 2024 (in pence per share)

Final dividend distribution

Group 1 - shares purchased prior to 1 March 2023
Group 2 - shares purchased between 1 March 2023 and 29 February 2024

	Revenue	Equalisation	Distribution paid 30/04/24	Distribution paid 28/04/23
Retail accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Retail income				
Group 1	-	-	-	-
Group 2	-	-	-	-
Institutional accumulation				
Group 1	0.2831	-	0.2831	0.6237
Group 2	0.0409	0.2422	0.2831	0.6237
Institutional S accumulation				
Group 1	0.2604	-	0.2604	0.3656
Group 2	0.2604	-	0.2604	0.3656
Platform 1 accumulation				
Group 1	0.1182	-	0.1182	0.3669
Group 2	-	0.1182	0.1182	0.3669
ZC accumulation				
Group 1	1.9508	-	1.9508	2.3044
Group 2	1.0207	0.9301	1.9508	2.3044

Equalisation

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

abrdn Sterling Corporate Bond Fund

For the year ended 29 February 2024

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 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 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 Markit 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 6.45%. (Source: FactSet, Institutional Accumulation, net of fees). This compared to a return of 5.88% for our performance target. (Source: Morningstar Direct, the IA Sterling Corporate Bond Sector Average).

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

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

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

The fund's credit decisions positively contributed to relative performance, while there was only a minor negative effect from interest-rate positioning. Security selection was beneficial, particularly in collateralised bonds and banks, but marginally detracted in government-related bonds and consumer non-cyclical. Sector allocation slightly detracted; it was most negative in government-related bonds and collateralised bonds, with the main positives being basic materials/industrials and consumer non-cyclical. By credit rating, BBB and A-rated bonds were the leaders, while high yield and AA bonds lagged. By issuer, the largest contributors were WMB Holdings, ANZ Group, Westpac Banking and Lloyds Banking Group. The main

abrdn Sterling Corporate Bond Fund

Continued

detractors were UBS Group, the Government of the UK, Deutsche Bank and Prudential.

Market Review

Corporate bonds had a solid performance over the 12-month period.

Turbulence in the global banking sector in March 2023 caused credit spreads – the yield premium received by investors in return for the typically greater risk of lending to companies rather than governments – to widen to levels last seen in the autumn of 2022. This was largely driven by the collapse of Credit Suisse and concerns around regional banks in the US. However, the negative effect of wider credit spreads was offset by lower government bond yields amid a flight to safety. Nonetheless, a backdrop of sharply rising interest rates, stubbornly high annual inflation and a worsening economic outlook meant that challenging market conditions persisted over April and May.

Calm then returned to corporate bond markets over the next few months. Spreads tightened on growing expectations that global inflation pressures may be peaking. This fuelled investors' hopes that the current cycle of interest-rate rises could be nearing its end and helped corporate bonds to perform better as investors' appetite for riskier assets started to return. As a result, corporate bond markets exhibited strong performance towards the end of the period, with spreads ending significantly lower than where they were before the volatility seen in March 2023. Underlying UK government bond yields also fell, and this, coupled with tightening credit spreads, produced strong total returns from the asset class.

The Bank of England (BoE) announced a further four interest-rate increases over the period, taking its base rate from 3.50% at the start of 2023 to 5.25% by the end of it. Following the 50-basis-point (bp) hike in February, the BoE increased its base rate by a further 25 bps in both March and May, by 50 bps in June and then by 25 bps in August. As a result, UK annual consumer inflation continued to trend downwards over the period. However, it has still remained above the BoE's 2% target, as well as the rates recorded in both the US and eurozone, in part due to elevated food prices. UK annual core inflation in January 2024 stayed flat month on month, coming in at a lower-than-expected 5.1%.

Portfolio Activity and Review

We added to the water sector, which had suffered from negative headlines. There were cheap new issues from Thames Water and Southern Water. We also added to Northumbrian Water and Anglian Water. We reduced United Utilities after strong performance. The fund deployed cash balances that had built up into attractive new deals from US issuer MetLife, as well as topping up bank exposure via senior non-preferred issues from Société Générale and Crédit Agricole.

Meanwhile, we reduced some of the fund's credit exposure. We trimmed some of our real estate holdings, including Hammerson, Workspace and Berkeley Group. We reduced exposure to financials, trimming exposure across the sector from senior to Additional Tier 1 bonds. We also trimmed our holdings in Virgin Money and Athene, a single A insurance company. The fund also cut its exposure to corporate hybrids, selling EDF and Enel, as well as airports and Volkswagen. In addition, the fund took profits in holdings that had performed well, including FirstGroup 2024s and BPCE Tier 2 bonds. These sales were done to increase the fund's liquidity, with the proceeds mainly invested into Gilts to maintain the fund's duration.

Portfolio Outlook and Strategy

While the fundamental backdrop for 2024 remains uncertain, investment-grade credit continues to attract interest. Credit spreads are approaching tight levels on a historic basis. However, at this stage of the cycle, where we are close to renewed economic growth and lower interest rates, that is normal. We expect policy rates to fall in the UK this year, providing comfort to bond buyers. For the time being, the two worst potential scenarios for bonds – reflation (and no rate cuts) or a hard landing (which would be bad for credit markets) – appear to be off the table. We expect heightened yield volatility as we transition to a lower inflation environment and subsequent rate cuts. Sector and security selection remain key at current valuations.

Sterling IG Aggregate Team

March 2024

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**

Risk and reward indicator table as at 29 February 2024.

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

- Credit Risk – The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- Interest Rate Risk – The fund invests in securities which can be subject to price fluctuation for a variety of reasons including changes in interest rates or inflation expectations.
- High Yield Credit Risk – The fund invests in high yield bonds which typically carry a greater risk of default than those with lower yields.
- ABS/MBS Risk – Asset and mortgage backed securities are subject to prepayment and extension risk and additional liquidity and default risk compared to other credit securities.
- Convertible Securities Risk – These investments can be changed into another form upon certain triggers as such they can exhibit risks typically associated with both bonds and equities. Contingent convertible securities (CoCos) are similar to convertible securities but have additional triggers which mean that they are more vulnerable to losses and volatile price movements and hence become less liquid.
- Derivatives Risk – The use of derivatives may involve additional liquidity, credit and counterparty risks and may lead to substantial loss and increased volatility in adverse market conditions. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

Comparative Tables

Retail accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	321.25	372.86	386.40
Return before operating charges*	25.02	(48.22)	(9.50)
Operating charges	(3.29)	(3.39)	(4.04)
Return after operating charges*	21.73	(51.61)	(13.54)
Distributions	(19.08)	(13.43)	(12.69)
Retained distributions on accumulation shares	19.08	13.43	12.69
Closing net asset value per share	342.98	321.25	372.86
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	6.76%	(13.84%)	(3.50%)
Other information			
Closing net asset value (£'000)	40,498	42,061	51,559
Closing number of shares	11,807,817	13,092,977	13,827,836
Operating charges	1.01%	1.01%	1.02%
Direct transaction costs	-	-	-
Prices			
Highest share price	349.4	379.8	405.6
Lowest share price	308.8	285.5	372.8

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

Retail income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	82.19	99.36	106.36
Return before operating charges*	6.15	(12.75)	(2.45)
Operating charges	(0.82)	(0.89)	(1.10)
Return after operating charges*	5.33	(13.64)	(3.55)
Distributions	(4.77)	(3.53)	(3.45)
Closing net asset value per share	82.75	82.19	99.36
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	6.48%	(13.73%)	(3.34%)
Other information			
Closing net asset value (£'000)	15,916	17,608	22,042
Closing number of shares	19,233,891	21,424,357	22,184,024
Operating charges	1.01%	1.01%	1.02%
Direct transaction costs	-	-	-
Prices			
Highest share price	85.47	101.2	110.8
Lowest share price	77.88	74.62	100.2

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

Comparative Tables

Continued

Institutional accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	54.83	63.37	65.39
Return before operating charges*	4.28	(8.20)	(1.62)
Operating charges	(0.33)	(0.34)	(0.40)
Return after operating charges*	3.95	(8.54)	(2.02)
Distributions	(3.26)	(2.29)	(2.15)
Retained distributions on accumulation shares	3.26	2.29	2.15
Closing net asset value per share	58.78	54.83	63.37
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	7.20%	(13.48%)	(3.09%)
Other information			
Closing net asset value (£'000)	84,368	80,998	46,297
Closing number of shares	143,523,996	147,733,709	73,058,840
Operating charges	0.59%	0.59%	0.60%
Direct transaction costs	-	-	-
Prices			
Highest share price	59.84	64.56	68.76
Lowest share price	52.78	48.64	63.35

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

Institutional income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	42.59	51.28	54.66
Return before operating charges*	3.20	(6.60)	(1.27)
Operating charges	(0.25)	(0.27)	(0.33)
Return after operating charges*	2.95	(6.87)	(1.60)
Distributions	(2.48)	(1.82)	(1.78)
Closing net asset value per share	43.06	42.59	51.28
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	6.93%	(13.40%)	(2.93%)
Other information			
Closing net asset value (£'000)	38,536	38,840	10,234
Closing number of shares	89,484,495	91,191,335	19,958,567
Operating charges	0.59%	0.59%	0.60%
Direct transaction costs	-	-	-
Prices			
Highest share price	44.45	52.24	57.02
Lowest share price	40.42	38.61	51.69

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.
The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.
Operating charges are expenses associated with the maintenance and administration of the fund on a day to 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	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	56.92	65.46	67.21
Return before operating charges*	4.46	(8.49)	(1.68)
Operating charges	(0.05)	(0.05)	(0.07)
Return after operating charges*	4.41	(8.54)	(1.75)
Distributions	(3.40)	(2.37)	(2.21)
Retained distributions on accumulation shares	3.40	2.37	2.21
Closing net asset value per share	61.33	56.92	65.46
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	7.75%	(13.05%)	(2.60%)
Other information			
Closing net asset value (£'000)	45	52	37
Closing number of shares	74,077	91,330	56,664
Operating charges	0.09%	0.09%	0.10%
Direct transaction costs	-	-	-
Prices			
Highest share price	62.37	66.69	70.83
Lowest share price	54.88	50.40	65.42

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

ZA income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	44.35	53.08	56.26
Return before operating charges*	3.35	(6.84)	(1.34)
Operating charges	-	-	(0.01)
Return after operating charges*	3.35	(6.84)	(1.35)
Distributions	(2.59)	(1.89)	(1.83)
Closing net asset value per share	45.11	44.35	53.08
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	7.55%	(12.89%)	(2.40%)
Other information			
Closing net asset value (£'000)	435	2,461	3,031
Closing number of shares	963,573	5,548,614	5,710,655
Operating charges	0.01%	0.01%	0.02%
Direct transaction costs	-	-	-
Prices			
Highest share price	46.51	54.08	58.84
Lowest share price	42.18	40.12	53.51

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

Platform 1 accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	142.28	164.52	169.86
Return before operating charges*	11.12	(21.29)	(4.21)
Operating charges	(0.92)	(0.95)	(1.13)
Return after operating charges*	10.20	(22.24)	(5.34)
Distributions	(8.46)	(5.94)	(5.59)
Retained distributions on accumulation shares	8.46	5.94	5.59
Closing net asset value per share	152.48	142.28	164.52
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	7.17%	(13.52%)	(3.14%)
Other information			
Closing net asset value (£'000)	6,230	7,334	11,507
Closing number of shares	4,085,791	5,154,430	6,994,060
Operating charges	0.64%	0.64%	0.65%
Direct transaction costs	-	-	-
Prices			
Highest share price	155.2	167.6	178.6
Lowest share price	136.9	126.3	164.5

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

P Income[A]	2024 pence per share	2023 pence per share
Change in net assets per share		
Opening net asset value per share	93.31	94.58[B]
Return before operating charges*	6.94	(1.22)
Operating charges	(0.31)	-
Return after operating charges*	6.63	(1.22)
Distributions	(5.42)	(0.05)
Closing net asset value per share	94.52	93.31
* after direct transaction costs of:	-	-
Performance		
Return after charges	7.11%	(1.29%)
Other information		
Closing net asset value (£'000)	70	132
Closing number of shares	73,480	141,169
Operating charges	0.34%	0.34%
Direct transaction costs	-	-
Prices		
Highest share price	97.51	93.96
Lowest share price	88.56	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.
[A] P Income share class was launched on 24 February 2023.
[B] The opening net asset value stated is the share class launch price.

Comparative Tables

Continued

Platform 1 income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	93.25	112.32	119.79
Return before operating charges*	7.00	(14.44)	(2.79)
Operating charges	(0.59)	(0.64)	(0.79)
Return after operating charges*	6.41	(15.08)	(3.58)
Distributions	(5.42)	(3.99)	(3.89)
Closing net asset value per share	94.24	93.25	112.32
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	6.87%	(13.43%)	(2.99%)
Other information			
Closing net asset value (£'000)	5,624	6,138	8,603
Closing number of shares	5,967,596	6,582,613	7,659,727
Operating charges	0.64%	0.64%	0.65%
Direct transaction costs	-	-	-
Prices			
Highest share price	97.28	114.4	124.9
Lowest share price	88.48	84.55	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

Q Income[A]	2024 pence per share	2023 pence per share
Change in net assets per share		
Opening net asset value per share	92.97	94.24[B]
Return before operating charges*	6.91	(1.22)
Operating charges	(0.26)	-
Return after operating charges*	6.65	(1.22)
Distributions	(5.41)	(0.05)
Closing net asset value per share	94.21	92.97
* after direct transaction costs of:	-	-
Performance		
Return after charges	7.15%	(1.29%)
Other information		
Closing net asset value (£'000)	180	338
Closing number of shares	190,692	363,104
Operating charges	0.29%	0.29%
Direct transaction costs	-	-
Prices		
Highest share price	97.19	93.62
Lowest share price	88.24	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.
[A] Q Income share class was launched on 24 February 2023.
[B] The opening net asset value stated is the share class launch price.

Comparative Tables

Continued

Z Accumulation[A]	2024 pence per share	2023 pence per share
Change in net assets per share		
Opening net asset value per share	202.76	205.4[B]
Return before operating charges*	15.81	(2.64)
Operating charges	(0.18)	-
Return after operating charges*	15.63	(2.64)
Distributions	(12.07)	(0.12)
Retained distributions on accumulation shares	12.07	0.12
Closing net asset value per share	218.39	202.76
* after direct transaction costs of:	-	-
Performance		
Return after charges	7.71%	(1.29%)
Other information		
Closing net asset value (£'000)	14,875	59,491
Closing number of shares	6,811,387	29,340,018
Operating charges	0.09%	0.09%
Direct transaction costs	-	-
Prices		
Highest share price	222.1	204.1
Lowest share price	195.5	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.
[A] Z Accumulation share class was launched on 24 February 2023.
[B] The opening net asset value stated is the share class launch price.

Comparative Tables

Continued

Z Income[A]	2024 pence per share
Change in net assets per share	
Opening net asset value per share	50.06[B]
Return before operating charges*	3.46
Operating charges	(0.04)
Return after operating charges*	3.42
Distributions	(2.00)
Closing net asset value per share	51.48
* after direct transaction costs of:	-
Performance	
Return after charges	6.83%
Other information	
Closing net asset value (£'000)	1
Closing number of shares	2,000
Operating charges	0.09%
Direct transaction costs	-
Prices	
Highest share price	52.36
Lowest share price	47.50

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.
[A] Z Income share class was launched on 28 March 2023.
[B] The opening net asset value stated is the share class launch price.

Portfolio Statement

As at 29 February 2024

Holding	Investment	Market value £'000	Percentage of total net assets
Bonds (97.87%)		**200,632**	**97.03**
Euro Denominated Bonds (2.76%)		**4,259**	**2.06**
Corporate Bonds (2.76%)		**4,259**	**2.06**
less than 5 years to maturity			
2,000,000	Cromwell EREIT 2.125% 2025	1,622	0.78
between 5 and 10 years to maturity			
12,850,000	Lehman Brothers 4.625% 2019**	-	-
Perpetual			
600,000	Aegon 5.625% fixed to floating Perpetual	488	0.24
1,375,000	AXA FRN Perpetual	1,039	0.50
799,988	Stichting 6.5% Perpetual	694	0.34
500,000	Volkswagen International Finance 3.5% fixed to floating Perpetual	416	0.20
Sterling Denominated Bonds (92.91%)		**194,960**	**94.29**
Corporate Bonds (90.84%)		**177,294**	**85.74**
less than 5 years to maturity			
500,000	AA Bond 5.5% 2027	481	0.23
500,000	AA Bond 6.269% 2025	500	0.24
600,000	ABP Finance 6.25% 2026	612	0.30
1,000,000	Anglian Water Osprey Financing 4% 2026	942	0.46
525,000	Arqiva Financing 7.21% 2028	557	0.27
1,100,000	Athene Global Funding 1.75% 2027	964	0.47
500,000	Banco Santander 1.5% 2026	459	0.22
1,500,000	Banco Santander 1.75% 2027	1,344	0.65
500,000	Barclays 3% 2026	474	0.23
500,000	BAT International Finance 4% 2026	483	0.23
1,600,000	BNP Paribas 2.875% 2029	1,425	0.69
700,000	CaixaBank 1.5% fixed to floating 2026	652	0.31
1,000,000	Cooperatieve Rabobank 1.875% fixed to floating 2028	897	0.43
850,000	Coventry Building Society 7% fixed to floating 2027	871	0.42
2,000,000	CPUK Finance 3.69% 2028	1,830	0.88
735,000	Credit Suisse 7.75% 2026	766	0.37
2,700,000	Danske Bank 2.25% fixed to floating 2028	2,457	1.19
2,260,000	Delamare Finance 5.5457% 2029	1,189	0.57

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,000,000	Deutsche Bank 2.625% 2024	976	0.47
1,000,000	Deutsche Bank 4% fixed to floating 2026	972	0.47
1,855,000	Hammerson REIT 6% 2026	1,839	0.89
1,000,000	Hammerson REIT 7.25% 2028	1,024	0.50
1,750,000	Heathrow Funding 2.625% 2028	1,548	0.75
1,500,000	HSBC 1.75% fixed to floating 2027	1,370	0.66
1,000,000	HSBC 3% fixed to floating 2028	919	0.44
850,000	Imperial Brands Finance 5.5% 2026	845	0.41
1,000,000	Informa 3.125% 2026	948	0.46
1,800,000	Lloyds Banking FRN 2026	1,741	0.84
3,200,000	Metrocentre Finance REIT 8.75% 2024	1,989	0.96
1,000,000	Metropolitan Life Global Funding I 4.5% 2027	986	0.48
1,000,000	Mizuho Financial 5.628% 2028	1,015	0.49
850,000	Mobico 2.375% 2028	727	0.35
368,000	Nationwide Building Society 6.178% fixed to floating 2027	373	0.18
1,000,000	NatWest 3.125% fixed to floating 2027	950	0.46
800,000	Royal Bank of Canada 5% 2028	794	0.38
1,250,000	Santander UK 2.421% fixed to floating 2029	1,100	0.53
614,000	Santander UK 3.625% 2026	591	0.29
1,194,000	Santander UK 7.098% fixed to floating 2027	1,224	0.59
579,000	Southern Water Services Finance 1.625% 2027	506	0.24
1,500,000	Thames Water Utilities Finance 3.5% 2028	1,323	0.64
500,000	Thames Water Utilities Finance 4% 2025	481	0.23
1,450,000	Trafford Centre Finance 7.03% 2029	431	0.21
1,100,000	UBS 2.25% fixed to floating 2028	994	0.48
1,000,000	UBS FRN 2025	982	0.47
1,000,000	Virgin Money UK 4% fixed to floating 2026	966	0.47
1,100,000	Volkswagen Financial Services 5.5% 2026	1,098	0.53
700,000	Volkswagen Financial Services 6.5% 2027	719	0.35
769,000	Wells Fargo 3.473% fixed to floating 2028	723	0.35
900,000	Welltower REIT 4.8% 2028	879	0.42
2,000,000	Westfield Stratford City Finance No 2 1.642% 2026	1,798	0.87
2,205,000	Workspace REIT 2.25% 2028	1,855	0.90
between 5 and 10 years to maturity			
1,250,000	Anglian Water Services Financing 5.875% 2031	1,280	0.62
521,000	Annington Funding 2.308% 2032	401	0.19

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
500,000	Annington Funding 4.75% 2033	460	0.22
1,700,000	Arqiva Financing 4.882% 2032	975	0.47
842,000	AT&T 4.375% 2029	810	0.39
1,000,000	Banco Santander 2.25% fixed to floating 2032	864	0.42
1,940,000	Bank of America 3.584% fixed to floating 2031	1,777	0.86
900,000	Barclays 3.75% fixed to floating 2030	855	0.41
800,000	Barclays 6.369% fixed to floating 2031	817	0.39
2,000,000	Barclays 7.09% fixed to floating 2029	2,092	1.01
900,000	Barclays 8.407% fixed to floating 2032	945	0.46
500,000	Berkeley 2.5% 2031	376	0.18
1,400,000	BNP Paribas 1.25% 2031	1,051	0.51
700,000	BNP Paribas 2% fixed to floating 2031	635	0.31
3,500,000	Broadgate Financing 5.098% 2033	2,802	1.35
750,000	Canary Wharf Finance II 6.8% 2030	335	0.16
1,000,000	CPUK Finance 6.136% 2031	1,011	0.49
800,000	Deutsche Bank 6.125% fixed to floating 2030	791	0.38
1,500,000	E.ON International Finance 4.75% 2034	1,418	0.69
715,000	Enel Finance International 2.875% 2029	640	0.31
1,000,000	ENW Finance 4.893% 2032	991	0.48
1,000,000	Goldman Sachs 3.625% fixed to floating 2029	927	0.45
1,750,000	Grainger 3% 2030	1,468	0.71
1,000,000	Heathrow Funding 6.45% 2031	1,069	0.52
1,750,000	HSBC 3% fixed to floating 2030	1,542	0.75
1,150,000	Lloyds Banking 1.985% fixed to floating 2031	1,027	0.50
1,000,000	Lloyds Banking 6.625% fixed to floating 2033	1,002	0.48
1,000,000	Longstone Finance 4.896% 2031	916	0.44
2,500,000	Meadowhall Finance 4.986% 2032	1,128	0.55
1,140,000	Meadowhall Finance 4.988% 2032	542	0.26
1,000,000	Morgan Stanley 5.789% fixed to floating 2033	1,029	0.50
2,750,000	NatWest 2.105% fixed to floating 2031	2,459	1.19
1,000,000	NatWest 3.619% fixed to floating 2029	926	0.45
1,000,000	NatWest 3.622% fixed to floating 2030	964	0.47
427,000	NIE Finance 5.875% 2032	446	0.22
1,100,000	Northumbrian Water Finance 4.5% 2031	1,034	0.50
856,000	Pension Insurance 3.625% 2032	681	0.33
862,000	Pension Insurance 4.625% 2031	755	0.36
3,250,000	Premiertel 6.175% 2032	2,215	1.07

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
909,000	Realty Income REIT 1.75% 2033	671	0.32
510,000	Severn Trent Utilities Finance 2.75% 2031	429	0.21
2,600,000	Societe Generale 6.25% 2033	2,744	1.33
500,000	Swedbank 5.875% fixed to floating 2029	508	0.25
2,000,000	Telereal Securitisation 6.1645% 2031	1,626	0.79
1,250,000	Telereal Securitisation FRN 2031	1,113	0.54
2,000,000	UBS 2.125% fixed to floating 2029	1,740	0.84
1,750,000	Virgin Money UK 5.125% fixed to floating 2030	1,694	0.82
500,000	Wm Morrison Supermarkets 4.75% 2029	323	0.16
183,000	Yorkshire Building Society 3.511% fixed to floating 2030	162	0.08
669,000	Yorkshire Water Finance 1.75% 2032	491	0.24
between 10 and 15 years to maturity			
1,520,000	Annington Funding 3.685% 2034	1,263	0.61
1,000,000	BAT International Finance 6% 2034	969	0.47
1,000,000	Bazalgette Finance 2.75% 2034	800	0.39
791,000	Cadent Finance 5.75% 2034	803	0.39
1,500,000	Enel 5.75% 2037	1,522	0.74
2,000,000	Eversholt Funding 6.697% 2035	1,647	0.80
750,000	Gatwick Funding 4.625% 2034	698	0.34
1,800,000	Great Rolling Stock 6.875% 2035	986	0.48
2,000,000	HSBC 8.201% fixed to floating 2034	2,164	1.05
2,000,000	Lloyds Banking 2.707% fixed to floating 2035	1,581	0.76
864,000	Motability Operations 5.625% 2035	906	0.44
1,100,000	Northumbrian Water Finance 6.375% 2034	1,155	0.56
344,000	Severn Trent Utilities Finance 4.625% 2034	323	0.16
377,000	Severn Trent Utilities Finance 5.25% 2036	373	0.18
1,750,000	Southern Water Services Finance 3% 2037	1,236	0.60
2,500,000	Thames Water Utilities Finance 4.375% 2034	2,063	1.00
1,000,000	United Utilities Water Finance 5.75% 2036	1,041	0.50
1,600,000	Verizon Communications 1.875% 2038	1,034	0.50
900,000	Welltower REIT 4.5% 2034	817	0.40
357,000	Yorkshire Water Finance 5.5% 2035	344	0.17
between 15 and 25 years to maturity			
634,000	Anglian Water Services Financing 5.75% 2043	634	0.31
600,000	Anglian Water Services Financing 6% 2039	621	0.30

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,750,000	AT&T 7% 2040	1,968	0.95
1,400,000	Blend Funding 3.459% 2047	1,041	0.50
856,000	Bromford Housing 3.125% 2048	600	0.29
600,000	BT 5.75% 2041	595	0.29
900,000	Citizen Treasury 3.25% 2048	627	0.30
1,800,000	E.ON International Finance 6.125% 2039	1,877	0.91
1,100,000	EDF 5.5% 2041	1,026	0.50
825,000	Eversholt Funding 3.529% 2042	639	0.31
500,000	Heathrow Funding 5.875% 2041	510	0.25
650,000	Hexagon Housing Association 3.625% 2048	462	0.22
730,000	Motability Operations 5.75% 2048	763	0.37
781,000	National Grid Electricity Distribution South Wales 5.35% 2039	763	0.37
1,000,000	National Grid Electricity Transmission 2% 2040	625	0.30
955,000	National Grid Electricity Transmission 5.272% 2043	909	0.44
1,000,000	Tesco Property Finance 2 6.0517% 2039	753	0.36
2,938,000	Tesco Property Finance 3 5.744% 2040	2,628	1.27
1,000,000	Tesco Property Finance 4 5.8006% 2040	914	0.44
500,000	Thames Water Utilities Finance 7.75% 2044	512	0.25
600,000	Wheatley Capital 4.375% 2044	525	0.25
500,000	Wrekin Housing 2.5% 2048	301	0.15
greater than 25 years to maturity			
929,000	Annington Funding 2.924% 2051	544	0.26
2,500,000	Aviva 4.375% fixed to floating 2049	2,298	1.11
1,000,000	Aviva 5.125% fixed to floating 2050	941	0.45
920,000	Aviva 6.875% fixed to floating 2053	949	0.46
1,700,000	Channel Link Enterprises Finance 3.043% fixed to floating 2050	1,467	0.71
2,000,000	EDF 5.625% 2053	1,822	0.88
700,000	EDF 6% 2114	647	0.31
500,000	Engie 5% 2060	454	0.22
400,000	Engie 5.625% 2053	394	0.19
750,000	Income Contingent Student Loans 2 2007-2009 2.5% 2058	437	0.21
500,000	Legal & General 3.75% fixed to floating 2049	443	0.21
1,000,000	Legal & General 5.5% fixed to floating 2064	960	0.46
1,383,000	M&G 5.56% fixed to floating 2055	1,238	0.60
2,000,000	NGG Finance 5.625% fixed to floating 2073	1,971	0.95
1,100,000	Ørsted 2.5% fixed to floating 3021	775	0.37

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
800,000	Sanctuary Capital 2.375% 2050	472	0.23
528,000	Sovereign Housing Capital 5.5% 2057	536	0.26
1,259,000	Vattenfall 2.5% fixed to floating 2083 (Swedish listing)	1,072	0.52
1,000,000	Vodafone 3% 2056	596	0.29
600,000	Vodafone 3.375% 2049	409	0.20
1,000,000	Zurich Finance Ireland Designated Activity 5.125% fixed to floating 2052	950	0.46
Perpetual			
1,000,000	AXA 6.6862% fixed to floating Perpetual	1,032	0.50
800,000	Barclays 6.375% fixed to floating Perpetual	766	0.37
800,000	Barclays 7.125% fixed to floating Perpetual	782	0.38
1,250,000	Barclays FRN Perpetual	1,230	0.59
1,250,000	BP Capital Markets 4.25% fixed to floating Perpetual	1,172	0.57
900,000	EDF 6% fixed to floating Perpetual	878	0.42
1,000,000	HSBC Bank Capital Funding Sterling 1 5.844% fixed to floating Perpetual	1,032	0.50
900,000	Lloyds Bank 11.75% Perpetual	1,436	0.69
800,000	Lloyds Banking 5.125% fixed to floating Perpetual	778	0.38
2,049,000	Mobico 4.25% fixed to floating Perpetual	1,862	0.90
800,000	NatWest 4.5% fixed to floating Perpetual	669	0.32
800,000	NatWest 5.125% fixed to floating Perpetual	718	0.35
Government Bonds (2.07%)		**17,666**	**8.55**
less than 5 years to maturity			
4,000,000	UK (Govt of) 0.125% 2026	3,697	1.79
5,000,000	UK (Govt of) 0.375% 2026	4,525	2.19
between 15 and 25 years to maturity			
2,500,000	UK (Govt of) 1.25% 2041	1,531	0.74
3,750,000	UK (Govt of) 3.25% 2044	3,126	1.51
greater than 25 years to maturity			
3,400,000	UK (Govt of) 3.75% 2053	2,960	1.43
2,000,000	UK (Govt of) 4% 2063	1,827	0.89

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
US Dollar Denominated Bonds (2.20%)		**1,413**	**0.68**
Corporate Bonds (2.20%)		**1,413**	**0.68**
Perpetual			
1,000,000	Danske Bank FRN Perpetual	790	0.38
800,000	Lloyds Banking FRN Perpetual	623	0.30
Collective Investment Schemes (0.72%)		**4,280**	**2.07**
4,280	abrdn Liquidity Fund (Lux) - Sterling Fund Z1 Inc+	4,280	2.07
Derivatives (-0.08%)		**(564)**	**(0.28)**
Credit Default Swaps (0.00%)		**(762)**	**(0.37)**
EUR 5,000,000	Buy iTraxx Europe Series 40 20/12/2028 5%	(381)	(0.19)
EUR 5,000,000	Buy iTraxx Europe Series 40 20/12/2028 5%	(381)	(0.18)
Forward Currency Contracts (0.05%)		**48**	**0.02**
	Buy EUR 65,018 Sell GBP 56,233 05/03/2024	(1)	-
	Buy EUR 488,827 Sell GBP 417,585 05/03/2024	1	-
	Buy EUR 1,070,023 Sell GBP 917,052 05/03/2024	-	-
	Buy EUR 3,400,122 Sell GBP 2,910,104 05/03/2024	3	-
	Buy GBP 44,295 Sell EUR 51,789 05/03/2024	-	-
	Buy GBP 51,952 Sell EUR 60,012 05/03/2024	1	-
	Buy GBP 57,520 Sell EUR 66,766 05/03/2024	-	-
	Buy GBP 64,902 Sell EUR 75,486 05/03/2024	-	-
	Buy GBP 154,800 Sell EUR 178,409 05/03/2024	2	-
	Buy GBP 3,977,265 Sell EUR 4,591,529 05/03/2024	44	0.02
	Buy GBP 1,070,241 Sell EUR 1,246,505 06/06/2024	(1)	-
	Buy GBP 2,919,744 Sell EUR 3,400,122 06/06/2024	(3)	-
	Buy GBP 15,616 Sell USD 19,626 05/03/2024	-	-
	Buy GBP 173,377 Sell USD 220,002 05/03/2024	-	-
	Buy GBP 1,954,819 Sell USD 2,473,003 05/03/2024	-	-
	Buy GBP 1,439,055 Sell USD 1,826,099 06/06/2024	(4)	-
	Buy USD 22,312 Sell GBP 17,730 05/03/2024	-	-

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
	Buy USD 199,808 Sell GBP 156,865 05/03/2024	1	-
	Buy USD 664,411 Sell GBP 524,114 05/03/2024	1	-
	Buy USD 1,826,099 Sell GBP 1,439,874 05/03/2024	4	-
Futures (0.06%)		**150**	**0.07**
202	Long Long Gilt Future 26/06/2024	148	0.07
(24)	Short Euro Bond Future 07/03/2024	2	-
Interest Rate Swaps (-0.19%)		**-**	**-**
Total investment assets and liabilities		204,348	98.82
Net other assets		2,430	1.18
Total Net Assets		**206,778**	**100.00**

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities, or are regulated collective investment schemes or are approved derivatives within the meaning of the FCA rules.
The percentage figures in brackets show the comparative holding as at 28 February 2023.
+ Managed by subsidiaries of abrdn plc.
** Defaulted.

Statement of Total Return

For the year ended 29 February 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
Income:					
Net capital gains/(losses)	1		3,957		(27,398)
Revenue	2	14,472		6,221	
Expenses	3	(1,427)		(1,153)	
Interest payable and similar charges	4	(7)		(42)	
Net revenue before taxation		13,038		5,026	
Taxation	5	-		-	
Net revenue after taxation			13,038		5,026
Total return before distributions			**16,995**		**(22,372)**
Distributions	6		(14,453)		(6,168)
Change in net assets attributable to shareholders from investment activities			**2,542**		**(28,540)**

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 29 February 2024

	2024		2023	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		**255,453**		**153,310**
Amounts receivable on the issue of shares	59,157		37,411	
Amounts payable on the cancellation of shares	(119,655)		(17,920)	
Amounts receivable on inspecie transfers*	-		106,098	
		(60,498)		125,589
Dilution adjustment		203		177
Change in net assets attributable to shareholders from investment activities (see above)		2,542		(28,540)
Retained distribution on accumulation shares		9,072		4,915
Unclaimed distributions		6		2
Closing net assets attributable to shareholders		**206,778**		**255,453**

* Relating to an inspecie transfer from abrdn Corporate Bond Fund on 24 February 2023.

Balance Sheet

As at 29 February 2024

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Assets:					
Fixed assets:					
Investment assets			205,119		252,228
Current assets:					
Debtors	7	3,635		7,789	
Cash and bank balances	8	757		912	
			4,392		8,701
Total assets			**209,511**		**260,929**
Liabilities:					
Investment liabilities			(771)		(569)
Creditors	9	(1,122)		(4,178)	
Distribution payable		(840)		(729)	
			(1,962)		(4,907)
Total liabilities			**(2,733)**		**(5,476)**
Net assets attributable to shareholders			**206,778**		**255,453**

Notes to the Financial Statements

1 Net Capital Gains/(Losses)

	2024 £'000	2023 £'000
Non-derivative securities	5,047	(23,537)
Derivative contracts	(1,380)	(3,088)
Forward currency contracts	298	(769)
Other gains	-	2
Transaction charges	(8)	(6)
Net capital gains/(losses)	**3,957**	**(27,398)**

2 Revenue

	2024 £'000	2023 £'000
Bank and margin interest	177	41
Derivative revenue	68	-
Interest on debt securities	14,227	6,180
Total revenue	**14,472**	**6,221**

3 Expenses

	2024 £'000	2023 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	1,253	1,065
Dealing charge	6	8
General administration charge	151	70
	1,410	**1,143**
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	17	10
	17	10
Total expenses	**1,427**	**1,153**

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £14,700 (2023: £13,500).

Notes to the Financial Statements

Continued

4 Interest Payable and Similar Charges

	2024 £'000	2023 £'000
Derivative expense	-	38
Interest payable	7	4
Total interest payable & similar charges	**7**	**42**

5 Taxation

	2024 £'000	2023 £'000
(a) Analysis of charge in year		
Total taxation (note 5b)	**-**	**-**

(b) Factors affecting total tax charge for the year

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

Net revenue before taxation	**13,038**	**5,026**
Corporation tax at 20% (2023: 20%)	2,607	1,005
Effects of:		
Distributions treated as tax deductible	(2,607)	(1,005)
Total tax charge for year (note 5a)	**-**	**-**

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

(c) Factors that may affect future tax charge

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

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

	2024 £'000	2023 £'000
First interim distribution	3,433	1,420
Second interim distribution	3,904	1,459
Third interim distribution	3,663	1,646
Final distribution	2,832	2,210
	13,832	6,735
Add: Income deducted on cancellation of shares	1,207	87
Deduct: Income received on issue of shares	(586)	(654)
Total distributions for the year	**14,453**	**6,168**

	2024 £'000	2023 £'000
Movement between net revenue and distributions		
Net revenue after taxation	13,038	5,026
Expenses charged to capital	1,410	1,142
Shortfall transfer from capital to revenue	5	-
Total distributions for the year	**14,453**	**6,168**

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.

7 Debtors

	2024 £'000	2023 £'000
Accrued revenue	3,235	3,889
Amounts receivable from the ACD for the issue of shares	27	-
Sales awaiting settlement	373	3,900
Total debtors	**3,635**	**7,789**

8 Liquidity

	2024 £'000	2023 £'000
Cash and bank balances		
Cash at bank	2	6
Cash at broker	755	906
	757	**912**
abrdn Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	4,280	1,848
Net liquidity	**5,037**	**2,760**

* 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

	2024 £'000	2023 £'000
Accrued expenses payable to ACD	147	92
Accrued expenses payable to the Depositary or associates of the Depositary	4	4
Amounts payable to the ACD for cancellation of shares	339	1,091
Other accrued expenses	-	6
Purchases awaiting settlement	632	2,985
Total creditors	**1,122**	**4,178**

10 Related Party Transactions

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

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

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

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

11 Portfolio Transaction Costs

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

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

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

	Purchases		Sales	
Trades in the year	**2024 £'000**	**2023 £'000**	**2024 £'000**	**2023 £'000**
Bonds	96,017	74,761	153,240	53,977
Inspecie transactions	-	103,101	-	-
Trades in the year before transaction costs	**96,017**	**177,862**	**153,240**	**53,977**
Total net trades in the year after transaction costs	**96,017**	**177,862**	**153,240**	**53,977**

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.64% (2023: 0.90%), this is representative of the average spread on the assets held during the year.

Notes to the Financial Statements

Continued

12 Shares in Issue Reconciliation

	Opening shares 2023	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2024
Retail accumulation	13,092,977	19,003	(1,262,389)	(41,774)	11,807,817
Retail income	21,424,357	46,337	(2,039,453)	(197,350)	19,233,891
Institutional accumulation	147,733,709	30,036,098	(34,334,838)	89,027	143,523,996
Institutional income	91,191,335	5,372,157	(7,266,727)	187,730	89,484,495
ZC accumulation	91,330	3,962	(21,215)	-	74,077
ZA income	5,548,614	-	(4,585,041)	-	963,573
Platform 1 accumulation	5,154,430	173,070	(1,289,804)	48,095	4,085,791
P Income	141,169	-	(59,810)	(7,879)	73,480
Platform 1 income	6,582,613	228,644	(956,867)	113,206	5,967,596
Q Income	363,104	-	(172,412)	-	190,692
Z Accumulation	29,340,018	295,430	(22,824,061)	-	6,811,387
Z Income	-	82,778,202	(82,776,202)	-	2,000

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).

Fair value of investment assets	2024 £'000 Level 1	2024 £'000 Level 2	2024 £'000 Level 3	2023 £'000 Level 1	2023 £'000 Level 2	2023 £'000 Level 3
Bonds	17,666	182,966	-	5,296	244,729	-
Collective Investment Schemes	-	4,280	-	-	1,848	-
Derivatives	150	57	-	237	118	-
Total investment assets	**17,816**	**187,303**	**-**	**5,533**	**246,695**	**-**
Fair value of investment liabilities						
Derivatives	-	(771)	-	(76)	(493)	-
Total investment liabilities	**-**	**(771)**	**-**	**(76)**	**(493)**	**-**

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:

2024	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
Currency				
UK Sterling	10,102	189,894	7,228	207,224
Euro	1,039	3,220	(4,705)	(446)
US Dollar	1,414	-	(1,414)	-
Total	**12,555**	**193,114**	**1,109**	**206,778**

2023	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
Currency				
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)
Total	**8,664**	**243,638**	**3,151**	**255,453**

Other price risk

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

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

VaR

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

2024	Minimum	Maximum	Average
VaR 99% 1 Month	5.62%	6.84%	6.26%

2023	Minimum	Maximum	Average
VaR 99% 1 Month	4.24%	7.26%	5.64%

At the year end date, there was a 1% chance of the portfolio value falling (or rising) more than 5.65%, £11,538,000 (2023: 6.77%, £17,034,000) 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.

2024	Market value £'000	Percentage of total net assets %
Investment grade securities	186,498	90.20
Below investment grade securities	10,817	5.22
Unrated securities	3,317	1.61
Total value of securities	**200,632**	**97.03**

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
Total value of securities	**250,025**	**97.87**

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

Financial derivatives instrument risk

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

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

	2024		2023	
Leveraged instruments	Market exposure £'000	Market value £'000	Market exposure £'000	Market value £'000
Forward currency contracts	18,318	48	16,102	108
Futures	22,538	150	23,383	161
Swaps	8,555	(762)	8,000	(483)
Total market exposure	**49,411**	**(564)**	**47,485**	**(214)**

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

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

Counterparty risk

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

2024 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	150	755	-	905	0.44
	150	**755**	**-**	**905**	**0.44**

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	161	907	-	1,068	0.42
	161	**907**	**-**	**1,068**	**0.42**

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.

			Collateral (held)/pledged		
2024 Counterparties	Swaps £'000	Forwards £'000	Cash £'000	Stock £'000	Net exposure £'000
Barclays	(381)	-	-	307	(74)
Morgan Stanley	(381)	1	-	-	(380)
NatWest Markets	-	3	-	-	3
UBS	-	44	-	-	44
Total	**(762)**	**48**	**-**	307	**(407)**

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 2024	Type	Collateral Stock
United Kingdom (Gov't of)	Bond	307
		307

			Collateral (held)/pledged		
2023 Counterparties	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
State Street	-	22	-	-	22
Total	**(483)**	**108**	**-**	**440**	**65**

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

Issuers 2023	Type	Collateral Stock
United Kingdom (Gov't of)	Bond	440
		440

Liquidity risk

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

2024 Derivatives	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
Investment liabilities	-	(9)	(762)	-	(771)
Non-derivatives					
Other creditors	-	(1,122)	-	-	(1,122)
Distribution payable	-	(840)	-	-	(840)
Total financial liabilities	**-**	**(1,971)**	**(762)**	**-**	**(2,733)**

2023 Derivatives	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
Investment liabilities	-	(86)	(483)	-	(569)
Non-derivatives					
Other creditors	-	(4,178)	-	-	(4,178)
Distribution payable	-	(729)	-	-	(729)
Total financial liabilities	**-**	**(4,993)**	**(483)**	**-**	**(5,476)**

Distribution Tables

For the year ended 29 February 2024 (in pence per share)

First interim interest distribution

Group 1 - shares purchased prior to 1 March 2023
Group 2 - shares purchased between 1 March 2023 and 31 May 2023

	Revenue	Equalisation	Distribution paid 31/07/23	Distribution paid 29/07/22
Retail accumulation				
Group 1	4.4877	-	4.4877	3.1886
Group 2	3.0242	1.4635	4.4877	3.1886
Retail income				
Group 1	1.1481	-	1.1481	0.8497
Group 2	0.5219	0.6262	1.1481	0.8497
Institutional accumulation				
Group 1	0.7663	-	0.7663	0.5422
Group 2	0.5202	0.2461	0.7663	0.5422
Institutional income				
Group 1	0.5953	-	0.5953	0.4388
Group 2	0.2788	0.3165	0.5953	0.4388
ZC accumulation				
Group 1	0.7957	-	0.7957	0.5604
Group 2	0.5187	0.2770	0.7957	0.5604
ZA income				
Group 1	0.6202	-	0.6202	0.4546
Group 2	0.6202	-	0.6202	0.4546
Platform 1 accumulation				
Group 1	1.9887	-	1.9887	1.4076
Group 2	0.5395	1.4492	1.9887	1.4076
P Income				
Group 1	1.3046	-	1.3046	-
Group 2	1.3046	-	1.3046	-
Platform 1 income				
Group 1	1.3033	-	1.3033	0.9610
Group 2	0.4859	0.8174	1.3033	0.9610
Q Income				
Group 1	1.2997	-	1.2997	-
Group 2	1.2997	-	1.2997	-

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

	Revenue	Equalisation	Distribution paid 31/07/23	Distribution paid 29/07/22
Z Accumulation				
Group 1	2.8358	-	2.8358	-
Group 2	1.3245	1.5113	2.8358	-
Z Income				
Group 1	0.4920	-	0.4920	-
Group 2	0.4920	-	0.4920	-

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

Second interim interest distribution

Group 1 - shares purchased prior to 1 June 2023
Group 2 - shares purchased between 1 June 2023 and 31 August 2023

	Revenue	Equalisation	Distribution paid 31/10/23	Distribution paid 31/10/22
Retail accumulation				
Group 1	4.9473	-	4.9473	3.3442
Group 2	3.3568	1.5905	4.9473	3.3442
Retail income				
Group 1	1.2470	-	1.2470	0.8831
Group 2	0.6590	0.5880	1.2470	0.8831
Institutional accumulation				
Group 1	0.8457	-	0.8457	0.5692
Group 2	0.7584	0.0873	0.8457	0.5692
Institutional income				
Group 1	0.6472	-	0.6472	0.4564
Group 2	0.3504	0.2968	0.6472	0.4564
ZC accumulation				
Group 1	0.8798	-	0.8798	0.5888
Group 2	0.5947	0.2851	0.8798	0.5888
ZA income				
Group 1	0.6756	-	0.6756	0.4736
Group 2	0.6756	-	0.6756	0.4736
Platform 1 accumulation				
Group 1	2.1945	-	2.1945	1.4776
Group 2	1.0456	1.1489	2.1945	1.4776
P Income				
Group 1	1.4184	-	1.4184	-
Group 2	1.4184	-	1.4184	-
Platform 1 income				
Group 1	1.4168	-	1.4168	0.9997
Group 2	0.4610	0.9558	1.4168	0.9997
Q Income				
Group 1	1.4135	-	1.4135	-
Group 2	1.4135	-	1.4135	-

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

	Revenue	Equalisation	Distribution paid 31/10/23	Distribution paid 31/10/22
Z Accumulation				
Group 1	3.1332	-	3.1332	-
Group 2	1.6240	1.5092	3.1332	-
Z Income				
Group 1	0.7592	-	0.7592	-
Group 2	0.1067	0.6525	0.7592	-

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

Third interim interest distribution

Group 1 - shares purchased prior to 1 September 2023
Group 2 - shares purchased between 1 September 2023 and 30 November 2023

	Revenue	Equalisation	Distribution paid 31/01/24	Distribution paid 31/01/23
Retail accumulation				
Group 1	4.9627	-	4.9627	3.3300
Group 2	3.1533	1.8094	4.9627	3.3300
Retail income				
Group 1	1.2326	-	1.2326	0.8704
Group 2	0.3067	0.9259	1.2326	0.8704
Institutional accumulation				
Group 1	0.8489	-	0.8489	0.5674
Group 2	0.2514	0.5975	0.8489	0.5674
Institutional income				
Group 1	0.6407	-	0.6407	0.4504
Group 2	0.2744	0.3663	0.6407	0.4504
ZC accumulation				
Group 1	0.8871	-	0.8871	0.5877
Group 2	0.5504	0.3367	0.8871	0.5877
ZA income				
Group 1	0.6699	-	0.6699	0.4680
Group 2	0.6699	-	0.6699	0.4680
Platform 1 accumulation				
Group 1	2.1978	-	2.1978	1.4728
Group 2	1.2596	0.9382	2.1978	1.4728
P Income				
Group 1	1.3885	-	1.3885	-
Group 2	1.3885	-	1.3885	-
Platform 1 income				
Group 1	1.4012	-	1.4012	0.9863
Group 2	0.4142	0.9870	1.4012	0.9863
Q Income				
Group 1	1.3951	-	1.3951	-
Group 2	1.3951	-	1.3951	-

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

	Revenue	Equalisation	Distribution paid 31/01/24	Distribution paid 31/01/23
Z Accumulation				
Group 1	3.1290	-	3.1290	-
Group 2	1.4982	1.6308	3.1290	-
Z Income				
Group 1	0.7517	-	0.7517	-
Group 2	0.7517	-	0.7517	-

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

Final interest distribution

Group 1 - shares purchased prior to 1 December 2023
Group 2 - shares purchased between 1 December 2023 and 29 February 2024

	Revenue	Equalisation	Distribution paid 30/04/24	Distribution paid 28/04/23
Retail accumulation				
Group 1	4.6807	-	4.6807	3.5631
Group 2	3.6390	1.0417	4.6807	3.5631
Retail income				
Group 1	1.1451	-	1.1451	0.9218
Group 2	0.4399	0.7052	1.1451	0.9218
Institutional accumulation				
Group 1	0.8016	-	0.8016	0.6077
Group 2	0.3158	0.4858	0.8016	0.6077
Institutional income				
Group 1	0.5956	-	0.5956	0.4774
Group 2	0.2547	0.3409	0.5956	0.4774
ZC accumulation				
Group 1	0.8360	-	0.8360	0.6303
Group 2	0.5478	0.2882	0.8360	0.6303
ZA income				
Group 1	0.6235	-	0.6235	0.4968
Group 2	0.6235	-	0.6235	0.4968
Platform 1 accumulation				
Group 1	2.0800	-	2.0800	1.5773
Group 2	1.1227	0.9573	2.0800	1.5773
P Income				
Group 1	1.3071	-	1.3071	0.0543
Group 2	1.3071	-	1.3071	0.0543
Platform 1 income				
Group 1	1.3035	-	1.3035	1.0454
Group 2	0.4340	0.8695	1.3035	1.0454
Q Income				
Group 1	1.3023	-	1.3023	0.0543
Group 2	1.3023	-	1.3023	0.0543

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

	Revenue	Equalisation	Distribution paid 30/04/24	Distribution paid 28/04/23
Z Accumulation				
Group 1	2.9761	-	2.9761	0.1184
Group 2	1.0594	1.9167	2.9761	0.1184
Z Income				
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 UK Ethical Equity Fund

For the year ended 29 February 2024

Investment Objective

To generate growth over the long term (5 years or more) by investing in UK equities (company shares) which adhere to the abrdn 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 under "Fund Centre".
- 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 preferred ESG characteristics in a global context in accordance with the abrdn UK Ethical Equity Investment Approach. 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 0.53% (Source: FactSet, Institutional Accumulation, net of fees). This compared with a return of 2.46% in the performance target (Source: FactSet, the FTSE All-Share Index +2%).

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

abrdn 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.

The financials, technology and industrials sectors were particular areas of weakness in the fund, although the above-index positioning in technology and industrials proved positive, as did the absence of exposure to the basic materials sector, which was one of the softest in the period.

At the stock level, Close Brothers Group declined due to cost pressures in its asset management business and concerns over the risk of sizeable customer redress following the announcement of a Financial Conduct Authority Consumer Duty review of motor finance lending practices before 2021. The holding in Keywords Studios also weighed on returns with the company's shares falling on concerns that artificial intelligence technology could disrupt its testing, support and games development businesses. Other detractors included above-index positions in insurance and financial services provider Prudential as well as professional information technology services provider FDM Group. Our lack of exposure to Rolls-Royce Holdings also hurt relative performance.

On the plus side, our overweight positions in Intermediate Capital, a private equity investor, and data analytics group RELX proved especially beneficial as the shares in both performed well. Genuit Group's shares rallied as the prospect of rate cuts increased risk appetite among investors and Hollywood Bowl made gains after the company reported it was trading ahead of expectations, with an acceleration in like-for-like sales growth. Our lack of exposure to Anglo American, British American Tobacco, BP and AstraZeneca all proved beneficial to relative performance as they all lagged the market.

Market Review

The UK stock market, as represented by the FTSE All-Share Index, rose over the period. The FTSE 100 Index, which consists mainly of large, multinational companies made modest gains although it underperformed markets in the US and Europe due to weakness in oil and commodity prices. Meanwhile, the FTSE 250 Index, which contains mid-sized companies typically more focused on the domestic UK economy, dropped back slightly due to concerns about the prospects for the British economy. In the first six months of the period, market sentiment was affected by persistently high inflation and rising interest rates. The Bank of England (BoE) announced a further five interest rate increases, taking its base rate from 3.50% at the start of 2023 to 5.25% by the end of the year. The collapse of US-based Silicon Valley Bank and a loss of confidence in Switzerland's Credit Suisse also caused volatility although financial regulators intervened swiftly to avert a more serious crisis.

In the second half, inflation eased more rapidly and mortgage rates also began to drop. The BoE halted its monetary tightening policy and, towards the end of the period, Governor Andrew Bailey indicated the next move in interest rates would be downwards. That provided a boost to UK equities, although official data showed the UK economy declined by 0.3% in the final three months of 2023, putting the country into a technical recession. There were declines in both business activity and confidence in the second half, particularly in the construction sector which is vulnerable to high interest rates. More broadly, sentiment was affected by tensions in the Middle East and concerns about the impact on global trade of Houthi attacks in the Suez Canal.

Portfolio Activity and Review

In terms of portfolio activity, the fund initiated several new positions over the 12-month period, including Telecom Plus, a utility provider which has the potential for sustained high growth, and Spirax-Sarco Engineering, a specialist in thermal energy management and niche pumping systems that we have admired for some time. We also introduced a position in the diversified automotive distributor Inchcape, which has strong relationships with original equipment manufacturers.

Over the period, we topped up a number of existing positions, including technology company Kainos Group after the shares dropped on concerns of slowing demand. We also added to Oxford Instruments and Hargreaves Lansdown on weakness and supported capital raises at Sirius Real Estate and Molten Ventures, as both sought to capitalise on investment opportunities in their respective markets. In order to fund this activity, we exited building materials company Grafton Group and food-on-the-go provider Greggs, where we viewed valuations as increasingly full. We added capital to utility SSE, funded by reducing the holding in National Grid as we felt the valuation and balance sheet position of SSE presented a more compelling opportunity to capitalise on the huge investment needed to transition the UK power grid to greener energy. We also cut back our holdings in Bellway, Diploma, Howden Joinery, Lloyds Banking Group, RELX and Intermediate Capital.

Several positions were fully exited, including Marshalls, where weak trading coupled with debt in the wake of an ill-timed acquisition raised the risk levels. We also exited Coca-Cola HBC following share-price strength in

abrdn UK Ethical Equity Fund

Continued

the recent inflationary environment which had reduced the upside. The company continues to run significant operations in Russia and this brings geopolitical risks.

Other exits included Spectris, Unite, Marks & Spencer, Drax Group, Grainger, Workspace Group, Instem, IMI, Porvair and Redrow.

Portfolio Outlook and Strategy

There has been some positive news in the UK with regard to interest rates and inflation prints, but there do remain challenges to economic growth in many areas of the world. We are also in a year full of elections, and with geo-political clashes ongoing. However, the outlook for UK consumer spending is arguably improving, with inflation seemingly past its worst, continued wage rises helping affordability and ongoing resilience in the labour market. The Asda Income tracker shows encouraging improvements, and consumers willingness to spend on areas like travel and leisure is clear in company reporting. Whilst the headlines may state a technical recession, it certainly doesn't feel that way on the ground looking at how companies are trading.

There are challenges for some businesses, with destocking and delayed decision-making in some industries driving a more challenging short term for businesses. But the overall message is one of companies continuing to navigate well, and looking to drive earnings growth. Shares are responding to fundamentals and reporting, both in an upwards and downwards direction. Avoiding earnings downgrades is likely to continue to be an important driver of performance. This supports our long-term focus on those company-specific fundamentals. We've also seen more of a focus on some quality dynamics by the market, reflective of the challenges still out there at a macro level and the sharp downward reactions shares have taken to disappointments.

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, which are well positioned for growth, and have resilient earnings streams and underappreciated business models.

DM Sustainable and Thematic Equity Team

March 2024

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 29 February 2024.

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

- Equity Risk – The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- ESG Investment Risk – Applying ESG and sustainability criteria in the investment process may result in the exclusion of securities within the fund's benchmark or universe of potential investments. The interpretation of ESG and sustainability criteria is subjective meaning that the fund may invest in assets which similar funds do not (and thus perform differently) and which may not align with the personal views of any individual investor.
- Concentration Risk – A concentrated portfolio (whether by number of holdings, geographic location or sector) may be more volatile and less liquid than a diversified one.
- Derivatives Risk – The use of derivatives may involve additional liquidity, credit and counterparty risks. In some cases the risk of loss from derivatives may be increased where a small change in the value of the underlying investment may have a larger impact on the value of the derivative.

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

Comparative Tables

Retail accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	180.21	184.08	186.53
Return before operating charges*	2.03	(1.64)	0.28
Operating charges	(2.26)	(2.23)	(2.73)
Return after operating charges*	(0.23)	(3.87)	(2.45)
Distributions	(4.33)	(3.16)	(1.44)
Retained distributions on accumulation shares	4.33	3.16	1.44
Closing net asset value per share	179.98	180.21	184.08
* after direct transaction costs of:	0.17	0.19	0.22
Performance			
Return after charges	(0.13%)	(2.10%)	(1.31%)
Other information			
Closing net asset value (£'000)	44,491	51,840	59,987
Closing number of shares	24,720,108	28,765,535	32,588,173
Operating charges	1.31%	1.31%	1.31%
Direct transaction costs	0.10%	0.11%	0.11%
Prices			
Highest share price	184.3	185.3	228.3
Lowest share price	155.3	145.5	179.1

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 accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	207.35	210.81	212.62
Return before operating charges*	2.38	(1.81)	0.19
Operating charges	(1.67)	(1.65)	(2.00)
Return after operating charges*	0.71	(3.46)	(1.81)
Distributions	(5.92)	(4.54)	(2.76)
Retained distributions on accumulation shares	5.92	4.54	2.76
Closing net asset value per share	208.06	207.35	210.81
* after direct transaction costs of:	0.19	0.21	0.25
Performance			
Return after charges	0.34%	(1.64%)	(0.85%)
Other information			
Closing net asset value (£'000)	33,978	42,401	60,422
Closing number of shares	16,330,764	20,448,850	28,662,269
Operating charges	0.84%	0.84%	0.84%
Direct transaction costs	0.10%	0.11%	0.11%
Prices			
Highest share price	212.9	213.1	260.8
Lowest share price	179.2	167.2	205.2

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

Institutional income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	62.57	65.04	66.48
Return before operating charges*	0.73	(0.57)	0.04
Operating charges	(0.50)	(0.50)	(0.62)
Return after operating charges*	0.23	(1.07)	(0.58)
Distributions	(1.79)	(1.40)	(0.86)
Closing net asset value per share	61.01	62.57	65.04
* after direct transaction costs of:	0.06	0.07	0.08
Performance			
Return after charges	0.37%	(1.65%)	(0.87%)
Other information			
Closing net asset value (£'000)	6,163	9,765	12,345
Closing number of shares	10,101,648	15,604,525	18,980,666
Operating charges	0.84%	0.84%	0.84%
Direct transaction costs	0.10%	0.11%	0.11%
Prices			
Highest share price	64.26	65.76	81.55
Lowest share price	54.08	51.57	64.14

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

Institutional regulated accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	141.64	143.35	143.93
Return before operating charges*	1.69	(1.20)	0.05
Operating charges	(0.54)	(0.51)	(0.63)
Return after operating charges*	1.15	(1.71)	(0.58)
Distributions	(4.67)	(3.69)	(2.60)
Retained distributions on accumulation shares	4.67	3.69	2.60
Closing net asset value per share	142.79	141.64	143.35
* after direct transaction costs of:	0.13	0.15	0.17
Performance			
Return after charges	0.81%	(1.19%)	(0.40%)
Other information			
Closing net asset value (£'000)	8,355	26,241	26,790
Closing number of shares	5,851,166	18,526,773	18,688,260
Operating charges	0.39%	0.39%	0.39%
Direct transaction costs	0.10%	0.11%	0.11%
Prices			
Highest share price	146.0	145.5	177.0
Lowest share price	122.8	114.0	139.5

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

Institutional A accumulation[A]	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	65.88	67.48	68.57
Return before operating charges*	1.54	(0.61)	0.13
Operating charges	(0.81)	(0.99)	(1.22)
Return after operating charges*	0.73	(1.60)	(1.09)
Distributions	-	(0.99)	(0.31)
Retained distributions on accumulation shares	-	0.99	0.31
Redemption value as at 21 December 2023	(66.61)	-	-
Closing net asset value per share	-	65.88	67.48
* after direct transaction costs of:	0.06	0.07	0.08
Performance			
Return after charges	1.11%	(2.37%)	(1.59%)
Other information			
Closing net asset value (£'000)	-	15	16
Closing number of shares	-	23,500	23,500
Operating charges	1.58%	1.59%	1.59%
Direct transaction costs	0.10%	0.11%	0.11%
Prices			
Highest share price	66.61	67.75	83.80
Lowest share price	56.65	53.26	65.67

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.
[A] Institutional A accumulation share class was closed on 21 December 2023.

Comparative Tables

Continued

Platform 1 accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	114.10	116.07	117.12
Return before operating charges*	1.31	(1.02)	0.12
Operating charges	(0.97)	(0.95)	(1.17)
Return after operating charges*	0.34	(1.97)	(1.05)
Distributions	(3.20)	(2.45)	(1.45)
Retained distributions on accumulation shares	3.20	2.45	1.45
Closing net asset value per share	114.44	114.10	116.07
* after direct transaction costs of:	0.11	0.12	0.14
Performance			
Return after charges	0.30%	(1.70%)	(0.90%)
Other information			
Closing net asset value (£'000)	80,939	97,582	115,256
Closing number of shares	70,728,324	85,520,459	99,302,469
Operating charges	0.89%	0.89%	0.89%
Direct transaction costs	0.10%	0.11%	0.11%
Prices			
Highest share price	117.1	117.3	143.7
Lowest share price	98.58	92.00	113.0

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

Comparative Tables

Continued

Platform 1 income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	62.56	65.03	66.46
Return before operating charges*	0.73	(0.56)	0.06
Operating charges	(0.53)	(0.54)	(0.66)
Return after operating charges*	0.20	(1.10)	(0.60)
Distributions	(1.76)	(1.37)	(0.83)
Closing net asset value per share	61.00	62.56	65.03
* after direct transaction costs of:	0.06	0.07	0.08
Performance			
Return after charges	0.32%	(1.69%)	(0.90%)
Other information			
Closing net asset value (£'000)	4,740	5,988	7,355
Closing number of shares	7,770,614	9,570,881	11,310,100
Operating charges	0.89%	0.89%	0.89%
Direct transaction costs	0.10%	0.11%	0.11%
Prices			
Highest share price	64.22	65.71	81.52
Lowest share price	54.05	51.55	64.10

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

Comparative Tables

Continued

ZC accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	240.47	242.67	242.90
Return before operating charges*	2.83	(2.01)	0.02
Operating charges	(0.20)	(0.19)	(0.25)
Return after operating charges*	2.63	(2.20)	(0.23)
Distributions	(8.63)	(6.93)	(5.20)
Retained distributions on accumulation shares	8.63	6.93	5.20
Closing net asset value per share	243.10	240.47	242.67
* after direct transaction costs of:	0.22	0.25	0.29
Performance			
Return after charges	1.09%	(0.91%)	(0.09%)
Other information			
Closing net asset value (£'000)	298	4,908	7,332
Closing number of shares	122,881	2,040,979	3,021,285
Operating charges	0.09%	0.09%	0.09%
Direct transaction costs	0.10%	0.11%	0.11%
Prices			
Highest share price	248.5	247.0	299.2
Lowest share price	208.8	193.3	236.1

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

Portfolio Statement

As at 29 February 2024

Holding	Investment	Market value £'000	Percentage of total net assets
UK Equities (98.45%)		**177,383**	**99.12**
Consumer Discretionary (21.02%)		**33,986**	**18.99**
101,133	Bellway	2,726	1.52
838,096	Crest Nicholson	1,775	0.99
240,826	CVS++	3,540	1.98
142,214	Dunelm	1,633	0.91
1,197,174	Hollywood Bowl	3,897	2.18
548,090	Howden Joinery	4,532	2.53
1,098,440	Joules*	-	-
129,409	Keywords Studios++	1,854	1.04
1,600,752	Moonpig	2,684	1.50
259,108	RELX	8,965	5.01
72,064	Whitbread	2,380	1.33
Consumer Staples (3.42%)		**-**	**-**
Financials (23.55%)		**47,571**	**26.58**
522,772	Chesnara	1,315	0.74
294,843	Close Brothers	1,022	0.57
581,663	Hargreaves Lansdown	4,236	2.37
280,150	Hiscox	3,171	1.77
312,004	Intermediate Capital	6,006	3.36
462,436	JTC	3,605	2.01
10,273,269	Lloyds Banking	4,784	2.67
54,540	London Stock Exchange	4,840	2.70
1,194,914	Molten Ventures	3,171	1.77
2,452,207	NatWest	5,861	3.28
1,124,653	OSB	4,676	2.61
628,292	Prudential	4,884	2.73
Health Care (1.16%)		**1,960**	**1.09**
871,027	Spire Healthcare	1,960	1.09

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Industrials (26.51%)		**45,865**	**25.63**
101,458	Ashtead	5,761	3.22
575,401	Bodycote	3,556	1.99
1,990,928	Coats	1,352	0.76
107,101	Diploma	3,699	2.07
149,868	DiscoverIE	1,004	0.56
1,120,976	DS Smith	3,609	2.02
426,527	FDM	1,700	0.95
1,239,416	Genuit	5,001	2.79
274,200	Inchcape	1,869	1.04
654,669	Midwich++	2,285	1.28
167,689	Mondi	2,361	1.32
126,316	Morgan Sindall	2,956	1.65
166,938	Oxford Instruments	3,639	2.03
682,014	Robert Walters	2,926	1.63
173,694	RS	1,309	0.73
27,505	Spirax-Sarco Engineering	2,838	1.59
Real Estate (6.02%)		**10,749**	**6.01**
377,699	Rightmove	2,139	1.20
373,937	Segro REIT	3,161	1.77
6,303,292	Sirius Real Estate	5,449	3.04
Technology (8.16%)		**20,636**	**11.53**
490,384	Auto Trader	3,630	2.03
371,398	GB++	1,053	0.59
575,179	Kainos	6,339	3.54
340,785	Sage	4,239	2.37
366,385	Softcat	5,375	3.00

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Telecommunications (2.78%)		**8,338**	**4.66**
237,948	Gamma Communications++	2,931	1.64
228,879	Telecom Plus	3,342	1.87
2,987,754	Vodafone	2,065	1.15
Utilities (5.83%)		**8,278**	**4.63**
243,966	National Grid	2,530	1.41
353,762	SSE	5,748	3.22
Total investment assets		177,383	99.12
Net other assets		1,581	0.88
Total Net Assets		**178,964**	**100.00**

All investments are listed on recognised stock exchanges and are approved securities within the meaning of the FCA rules.
The percentage figures in brackets show the comparative holding as at 28 February 2023.
Prior year classifications for some sectors have been updated to reflect current year classifications.
++ AIM listed.
* Suspended.

Financial Statements

Statement of Total Return

For the year ended 29 February 2024

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Income:					
Net capital losses	1		(8,146)		(13,852)
Revenue	2	8,059		8,018	
Expenses	3	(1,861)		(2,228)	
Interest payable and similar charges		(3)		(2)	
Net revenue before taxation		6,195		5,788	
Taxation	4	(19)		(16)	
Net revenue after taxation			6,176		5,772
Total return before distributions			**(1,970)**		**(8,080)**
Distributions	5		(6,176)		(5,772)
Change in net assets attributable to shareholders from investment activities			**(8,146)**		**(13,852)**

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 29 February 2024

	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Opening net assets attributable to shareholders		**238,740**		**289,503**
Amounts receivable on the issue of shares	4,383		9,769	
Amounts payable on the cancellation of shares	(60,601)		(51,437)	
		(56,218)		(41,668)
Dilution adjustment		2		-
Change in net assets attributable to shareholders from investment activities (see above)		(8,146)		(13,852)
Retained distribution on accumulation shares		4,586		4,757
Closing net assets attributable to shareholders		**178,964**		**238,740**

Balance Sheet

As at 29 February 2024

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Assets:					
Fixed assets:					
Investment assets			177,383		235,032
Current assets:					
Debtors	6	276		242	
Cash and bank balances		2,125		4,695	
			2,401		4,937
Total assets			**179,784**		**239,969**
Liabilities:					
Creditors	7	(503)		(879)	
Distribution payable		(317)		(350)	
			(820)		(1,229)
Total liabilities			**(820)**		**(1,229)**
Net assets attributable to shareholders			**178,964**		**238,740**

Notes to the Financial Statements

1 Net Capital Losses

	2024 £'000	2023 £'000
Non-derivative securities	(8,140)	(13,846)
Transaction charges	(6)	(6)
Net capital losses	**(8,146)**	**(13,852)**

2 Revenue

	2024 £'000	2023 £'000
Bank and margin interest	108	79
Overseas dividends	-	188
UK dividends	7,876	7,547
UK REIT	75	204
Total revenue	**8,059**	**8,018**

3 Expenses

	2024 £'000	2023 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	1,682	2,011
Dealing charge	46	53
General administration charge	127	157
	1,855	2,221
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	6	7
	6	7
Total expenses	**1,861**	**2,228**

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £11,100 (2023: £10,200).

4 Taxation

	2024 £'000	2023 £'000
(a) Analysis of charge in year		
Overseas taxes	19	16
Total taxation (note 4b)	**19**	**16**

	2024 £'000	2023 £'000
(b) Factors affecting total tax charge for the year		
The tax assessed for the year is less than (2023: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	**6,195**	**5,788**
Corporation tax at 20% (2023: 20%)	1,239	1,158
Effects of:		
Revenue not subject to taxation	(1,575)	(1,547)
Overseas taxes	19	16
Excess allowable expenses	336	389
Total tax charge for year (note 4a)	**19**	**16**

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 £7,924,000 (2023: £7,588,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

5 Distributions

	2024 £'000	2023 £'000
Distribution	4,903	5,107
Add: Income deducted on cancellation of shares	1,345	864
Deduct: Income received on issue of shares	(72)	(199)
Total distributions for the year	**6,176**	**5,772**

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

6 Debtors

	2024 £'000	2023 £'000
Accrued revenue	148	128
Amounts receivable from the ACD for the issue of shares	16	14
Overseas withholding tax recoverable	112	100
Total debtors	**276**	**242**

Notes to the Financial Statements

Continued

7 Creditors

	2024 £'000	2023 £'000
Accrued expenses payable to ACD	163	165
Accrued expenses payable to the Depositary or associates of the Depositary	2	3
Amounts payable to the ACD for cancellation of shares	338	632
Other accrued expenses	-	5
Purchases awaiting settlement	-	74
Total creditors	**503**	**879**

8 Related Party Transactions

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

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

Any amounts due from or due to abrdn Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 7.

Amounts payable to abrdn Fund Managers Limited, in respect of expenses are disclosed in note 3 and any amounts due at the year end in note 7.

9 Portfolio Transaction Costs

	Purchases		Sales	
Trades in the year	**2024 £'000**	**2023 £'000**	**2024 £'000**	**2023 £'000**
Equities	35,018	47,031	81,322	71,537
Corporate actions	-	210	3,403	8,398
Trades in the year before transaction costs	**35,018**	**47,241**	**84,725**	**79,935**
Commissions				
Equities	17	26	(41)	(40)
Total commissions	**17**	**26**	**(41)**	**(40)**
Taxes				
Equities	139	207	(1)	-
Total taxes	**139**	**207**	**(1)**	**-**
Total transaction costs	**156**	**233**	**(42)**	**(40)**
Total net trades in the year after transaction costs	**35,174**	**47,474**	**84,683**	**79,895**

	Purchases		Sales	
	2024 %	2023 %	2024 %	2023 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.05	0.05	0.05	0.06
Taxes				
Equities	0.40	0.44	-	-

	2024 %	2023 %
Total transaction costs expressed as a percentage of net asset value		
Commissions	0.03	0.03
Taxes	0.07	0.08

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.25% (2023: 0.32%), this is representative of the average spread on the assets held during the year.

10 Shares in Issue Reconciliation

	Opening shares 2023	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2024
Retail accumulation	28,765,535	342,084	(3,119,161)	(1,268,350)	24,720,108
Institutional accumulation	20,448,850	424,971	(5,493,545)	950,488	16,330,764
Institutional income	15,604,525	271,775	(5,918,807)	144,155	10,101,648
Institutional regulated accumulation	18,526,773	804,076	(13,479,683)	-	5,851,166
Institutional A accumulation	23,500	5,001	(28,501)	-	-
Platform 1 accumulation	85,520,459	845,712	(15,906,490)	268,643	70,728,324
Platform 1 income	9,570,881	1,377,184	(3,033,227)	(144,224)	7,770,614
ZC accumulation	2,040,979	2,715	(1,920,813)	-	122,881

Notes to the Financial Statements

Continued

11 Fair Value Hierarchy

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

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

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

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

Fair value of investment assets	2024 £'000 Level 1	2024 £'000 Level 2	2024 £'000 Level 3	2023 £'000 Level 1	2023 £'000 Level 2	2023 £'000 Level 3
Equities	177,383	-	-	235,032	-	-
Total investment assets	**177,383**	**-**	**-**	**235,032**	**-**	**-**

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 29 February 2024, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £8,869,000 (2023: £11,752,000).

Financial derivatives instrument risk

The fund had no exposure to derivatives as at 29 February 2024 (2023: £Nil).

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2024 £820,000 (2023: £1,229,000).

Distribution Table

For the year ended 29 February 2024 (in pence per share)

Final dividend distribution

Group 1 - shares purchased prior to 1 March 2023
Group 2 - shares purchased between 1 March 2023 and 29 February 2024

	Revenue	Equalisation	Distribution paid 30/04/24	Distribution paid 28/04/23
Retail accumulation				
Group 1	4.3258	-	4.3258	3.1614
Group 2	2.0146	2.3112	4.3258	3.1614
Institutional accumulation				
Group 1	5.9232	-	5.9232	4.5433
Group 2	3.0919	2.8313	5.9232	4.5433
Institutional income				
Group 1	1.7874	-	1.7874	1.4018
Group 2	0.5221	1.2653	1.7874	1.4018
Institutional regulated accumulation				
Group 1	4.6676	-	4.6676	3.6929
Group 2	1.8964	2.7712	4.6676	3.6929
Institutional A accumulation				
Group 1	-	-	-	0.9872
Group 2	-	-	-	0.9872
Platform 1 accumulation				
Group 1	3.2039	-	3.2039	2.4473
Group 2	1.5460	1.6579	3.2039	2.4473
Platform 1 income				
Group 1	1.7567	-	1.7567	1.3711
Group 2	0.5463	1.2104	1.7567	1.3711
ZC accumulation				
Group 1	8.6291	-	8.6291	6.9348
Group 2	4.0778	4.5513	8.6291	6.9348

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 29 February 2024

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 review period, the fund returned 0.23% (Source: FactSet, Institutional Accumulation Shares). This compared to a return of 1.56% for our performance target (Source: FactSet, FTSE Actuaries UK Conventional Gilts All Stocks Index +0.5%).

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

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

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 volatile one for government bonds while global central banks, including the Bank of England (BoE), continued their hawkish stances to combat high inflation levels.

In March 2023, the collapse of two regional US banks and the forced sale of Credit Suisse to rival UBS evoked fears of a banking crisis and initially led to a rally in global yields. However, these concerns were then appeased by swift regulatory intervention. Overall, yields ended the first quarter of 2023 lower. In March, the BoE raised interest rates by 25 basis points (bps). On the fiscal side of the ledger, UK Chancellor Jeremy Hunt delivered his first spring budget. From a Gilt market perspective, the budget confirmed the Gilt funding remit for the fiscal year.

abrdn UK Government Bond Fund

Continued

Although the figure was materially down from the October 2022 forecast, the level of Gilt supply was still high.

Higher core inflation and better economic data provided a hostile backdrop for government bonds in the second quarter of 2023. The UK was the standout underperformer; 10-year Gilt yields rose by around 90 bps in the three months to end June. While bonds were weak across the board, front-end rates came under even more pressure. Curves flattened aggressively in the face of increased threats of rate hikes from central banks. Contributory factors for the sharp re-pricing in global bonds included sticky inflation and accelerating wage growth. The BoE increased its base rate twice over the period, hiking it by 25 bps in May and 50 bps in June.

'Higher for longer' dominated central bank rhetoric across much of the third quarter. We witnessed a flurry of 25-bp interest-rate hikes, which were widely signalled to be the last of the cycle, in the absence of further shocks. Near-term rate cuts were increasingly being priced out of market expectations. Sovereign bonds were weak; at a headline level, 10-year bond yields in the US rose by 74 bps, Germany rose by 45 bps and the UK by a mere 5 bps. The BoE's Monetary Policy Committee (MPC) hiked only once in the quarter, taking base rates to 5.25%. Despite strong falls in headline inflation figures, core inflation (excluding food and energy) remained relatively resilient. Accordingly, the MPC was explicit in its desire to keep rates high for an extended period of time, employing the analogy of 'Table Mountain' as its desired path. Purchasing Managers' Index (PMI) data pointed to significant pessimism regarding the UK's growth prospects, though this was somewhat offset by positive real income growth.

The onset of hostilities in the Middle East led to significant market uncertainty at the beginning of October and the fourth quarter of 2024. Fears of escalation and rising oil prices plagued the economic landscape. Meanwhile, 10-year Gilt yields rose by seven bps over the month. In November, the Gilt market was strong across the curve; yields fell by 37 bps at the two-year point and by 57 bps at the 10-year point. As widely anticipated, the BoE held rates at 5.25% in the November meeting, with a 6-3 vote delivering a somewhat hawkish tone. But while the central bank continued to deliver cautious messaging, the market shifted towards a consensus that the interest rate-hiking cycle was over. Finally, during December, Gilts outperformed their European counterparts. Once more, the BoE held interest rates at 5.25%, while reiterating its prior messaging of "sufficiently restrictive for sufficiently long". While the tone was perhaps more hawkish than the market had expected, the messaging was essentially unchanged. Inflation concerns were aired, and Governor Bailey stated that there was "still some way to go" to curb UK inflation. He added that "further tightening in monetary policy would be required if there were evidence of more persistent inflationary pressures".

UK annual core inflation in January 2024 stayed flat month on month, coming in at a lower-than-expected 5.1%. However, it remained above the BoE's 2% target. The BoE was the only major central bank to meet in February 2024 and held rates unchanged. Growth data for the final quarter of 2023 showed that the UK fell into recession, with GDP contracting by 0.3%, although BoE officials said that data has shown an improvement in 2024. The Consumer Price Index inflation reading for January showed prices rising by 4.0% year on year, while annual core inflation was recorded at 5.1%; both figures were below analysts' estimates. Market prices suggested that the first BoE rate cut might come in June.

Portfolio Activity and Review

Given the volatility in early 2023, the fund started March 2023 with a flexible approach to duration management. Positive strategies included a US curve steepener – long 2s vs 10s – where the fund held the trade at the beginning of the period and took profits in March, and then entered the trade again in June. The other strategy that contributed to relative returns was the long cross-market Australia position, while Australia continued to be our favoured long. We held the position versus the UK at the start of the period and then re-entered versus the US at the end of the period.

On the other hand, the long UK Gilts versus German Bunds strategy detracted from returns. The surprise stickiness of UK inflation in May and June saw UK Gilts materially underperform in cross-market pairing.

UK forward-looking data started to turn as the aggressive monetary policy tightening enacted by the BoE since December 2021 was finally having an impact. The difficulty for the BoE was that the more backward-looking data was still looking uncomfortably high. The key data sets watched by the BoE are private sector wages and services inflation. For the BoE to stop hiking they would need to see these two data sets start to recede.

As a result of this development, the fund went long UK duration. Gilts underperformed dramatically over the summer months due to the narrative that UK inflation was out of control. We believed that narrative was incorrect and were therefore happy to hold UK duration.

As the fund headed into the third quarter, the two key positions for the fund were long duration and steeper curves. The fund went into the period holding a long duration bias, and this worked against it initially. As yields continued to rise in October, we felt the move was

overdone and therefore started to increase position sizing. The fund held long positions across Germany, US and UK in both the 5 and 10-year part of the curve. In November, the fund added a very front-end position in the UK by buying December 2025 Sonia futures. As yields went higher in November and December, the fund started to take profits and ended the calendar year neutral. In January, the fund added a short duration position, on the view that markets had gone too far and early January supply would weigh on yields. Yields indeed went higher and the fund then took profits. Finally, the fund finished the period by adding back a long duration position in US treasuries.

The other key theme for the fund over the period was curve steepening. In August and September, the fund held US and UK 2 vs 10s steepeners. We then took profits on the UK and US curve position. The fund went back into US curve steepeners in November, subsequently taking profits in early January.

A further contributor of performance came from the cross market positioning. In the early months of the period, the fund was long Australia versus US and this strategy worked well, while the Fund took profits in September and October. Later in December, the fund started to oppose the under-performance of 30-year UK Gilts versus German Bunds, a strategy that worked well into year end, but acted as a small drag on performance in January.

As we headed into the new calendar year, we felt that global yields had moved too far and we therefore moved tactically short. Meanwhile, yields moved higher and the fund took profits. We now feel that yields are largely rangebound, and where we believe value lies is in the divergence between Europe and UK versus the US. We are therefore positioned long UK and Europe versus the US.

Finally, the fund continued to be active in Gilt relative strategies.

Portfolio Outlook and Strategy

Recent conditions have been frustrating for investment managers. Economic data continues to surprise to the upside and economic forecasts have seen significant revision. Accordingly, holding any longer-term strategic trades has proven difficult. Prices in government bond markets have been particularly volatile. There have been many false dawns, for both bond bulls and bears.

It is now a question of when – not if – the BoE cuts rates. Elsewhere, the first major political event of the year was the budget, which took place on 6 March 2024. On the political front, the UK will go to the polls this year - Prime Minister Sunak was eager to talk down the chances of a Spring election. With the widening chasm between Labour and the Tories in the polls, Sunak will need as much time as possible if he is to salvage a (very unlikely) win.

Beyond domestic factors, several global events could significantly impact government bond markets. Geopolitical tensions, particularly those that disrupt energy supplies or global trade, can trigger risk aversion and flight-to-safety behaviour. This could potentially lead investors to seek the relative stability of government bonds, driving prices up and yields down. Conversely, a global economic slowdown could dampen inflation expectations, causing bond yields to decline. Additionally, policy decisions by major central banks around the world, especially the US Federal Reserve, can influence global interest rates and, by extension, impact the demand for UK Gilts.

Rates Team

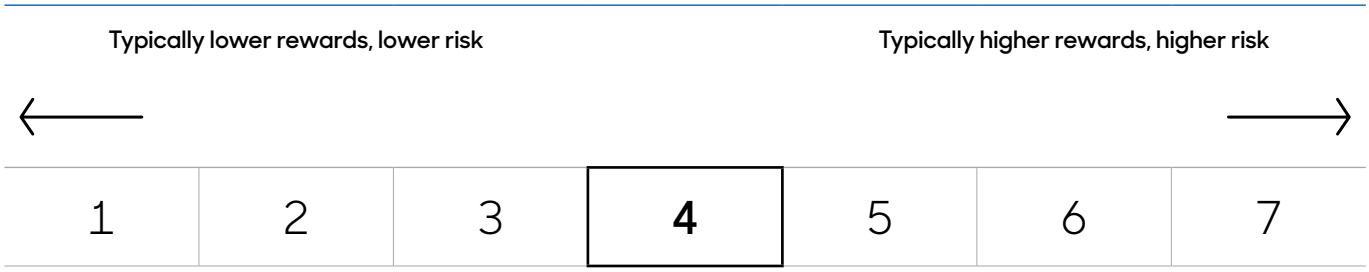
March 2024

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.



Risk and reward indicator table as at 29 February 2024.

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

- Credit Risk - The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- Interest Rate Risk - The fund invests in securities which can be subject to price fluctuation for a variety of reasons including changes in interest rates or inflation expectations.
- Derivatives Risk - The use of derivatives may involve additional liquidity, credit and counterparty risks and may lead to substantial loss and increased volatility in adverse market conditions. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

Comparative Tables

Retail accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	61.33	77.23	80.59
Return before operating charges*	0.84	(15.41)	(2.74)
Operating charges	(0.43)	(0.49)	(0.62)
Return after operating charges*	0.41	(15.90)	(3.36)
Distributions	(2.00)	(0.59)	-
Retained distributions on accumulation shares	2.00	0.59	-
Closing net asset value per share	61.74	61.33	77.23
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	0.67%	(20.59%)	(4.17%)
Other information			
Closing net asset value (£'000)	2,471	2,570	3,648
Closing number of shares	4,001,928	4,192,357	4,723,296
Operating charges	0.71%	0.72%	0.77%
Direct transaction costs	-	-	-
Prices			
Highest share price	64.65	78.99	84.78
Lowest share price	57.68	56.24	76.55

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

Retail income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	38.36	48.77	50.89
Return before operating charges*	0.50	(9.73)	(1.73)
Operating charges	(0.27)	(0.31)	(0.39)
Return after operating charges*	0.23	(10.04)	(2.12)
Distributions	(1.24)	(0.37)	-
Closing net asset value per share	37.35	38.36	48.77
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	0.60%	(20.59%)	(4.17%)
Other information			
Closing net asset value (£'000)	822	584	921
Closing number of shares	2,200,576	1,520,989	1,887,894
Operating charges	0.71%	0.72%	0.77%
Direct transaction costs	-	-	-
Prices			
Highest share price	40.44	49.88	53.54
Lowest share price	35.54	35.41	48.34

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

Institutional accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	66.04	82.81	86.06
Return before operating charges*	0.91	(16.55)	(2.95)
Operating charges	(0.19)	(0.22)	(0.30)
Return after operating charges*	0.72	(16.77)	(3.25)
Distributions	(2.43)	(0.93)	(0.32)
Retained distributions on accumulation shares	2.43	0.93	0.32
Closing net asset value per share	66.76	66.04	82.81
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	1.09%	(20.25%)	(3.78%)
Other information			
Closing net asset value (£'000)	64,752	6,349	8,924
Closing number of shares	96,986,727	9,614,619	10,776,474
Operating charges	0.29%	0.30%	0.35%
Direct transaction costs	-	-	-
Prices			
Highest share price	69.64	84.70	90.83
Lowest share price	62.28	60.46	82.07

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.
The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.
Operating charges are expenses associated with the maintenance and administration of the fund on a day to 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 income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	38.50	48.95	51.07
Return before operating charges*	0.50	(9.77)	(1.75)
Operating charges	(0.11)	(0.13)	(0.18)
Return after operating charges*	0.39	(9.90)	(1.93)
Distributions	(1.41)	(0.55)	(0.19)
Closing net asset value per share	37.48	38.50	48.95
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	1.01%	(20.22%)	(3.78%)
Other information			
Closing net asset value (£'000)	9,640	9,740	12,086
Closing number of shares	25,718,436	25,297,072	24,689,207
Operating charges	0.29%	0.30%	0.35%
Direct transaction costs	-	-	-
Prices			
Highest share price	40.60	50.07	53.82
Lowest share price	35.68	35.56	48.63

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

Platform 1 accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	48.63	61.01	63.44
Return before operating charges*	0.67	(12.19)	(2.17)
Operating charges	(0.15)	(0.19)	(0.26)
Return after operating charges*	0.52	(12.38)	(2.43)
Distributions	(1.78)	(0.66)	(0.21)
Retained distributions on accumulation shares	1.78	0.66	0.21
Closing net asset value per share	49.15	48.63	61.01
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	1.07%	(20.29%)	(3.83%)
Other information			
Closing net asset value (£'000)	4,979	2,798	3,957
Closing number of shares	10,129,046	5,753,359	6,486,285
Operating charges	0.31%	0.35%	0.40%
Direct transaction costs	-	-	-
Prices			
Highest share price	51.28	62.41	66.93
Lowest share price	45.85	44.54	60.47

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

Comparative Tables

Continued

Platform 1 income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	44.55	56.64	59.09
Return before operating charges*	0.58	(11.31)	(2.02)
Operating charges	(0.14)	(0.17)	(0.24)
Return after operating charges*	0.44	(11.48)	(2.26)
Distributions	(1.62)	(0.61)	(0.19)
Closing net asset value per share	43.37	44.55	56.64
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	0.99%	(20.27%)	(3.82%)
Other information			
Closing net asset value (£'000)	624	607	942
Closing number of shares	1,439,953	1,361,426	1,663,060
Operating charges	0.31%	0.35%	0.40%
Direct transaction costs	-	-	-
Prices			
Highest share price	46.98	57.94	62.27
Lowest share price	41.29	41.14	56.26

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

Comparative Tables

Continued

Z Accumulation[A]	2024 pence per share
Change in net assets per share	
Opening net asset value per share	89.38[B]
Return before operating charges*	0.67
Operating charges	(0.07)
Return after operating charges*	0.60
Distributions	(2.91)
Retained distributions on accumulation shares	2.91
Closing net asset value per share	89.98
* after direct transaction costs of:	-
Performance	
Return after charges	0.67%
Other information	
Closing net asset value (£'000)	30,298
Closing number of shares	33,672,354
Operating charges	0.09%
Direct transaction costs	-
Prices	
Highest share price	93.75
Lowest share price	83.87

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.
The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.
Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.
Highest and Lowest prices are based on official published daily NAVs.
[A] Z Accumulation share class was launched on 12 May 2023.
[B] The opening net asset value stated is the share class launch price.

Comparative Tables

Continued

ZC accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	72.86	91.18	94.54
Return before operating charges*	1.02	(18.24)	(3.25)
Operating charges	(0.07)	(0.08)	(0.11)
Return after operating charges*	0.95	(18.32)	(3.36)
Distributions	(2.83)	(1.19)	(0.58)
Retained distributions on accumulation shares	2.83	1.19	0.58
Closing net asset value per share	73.81	72.86	91.18
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	1.30%	(20.09%)	(3.55%)
Other information			
Closing net asset value (£'000)	39,410	32,286	38,729
Closing number of shares	53,396,856	44,312,950	42,474,459
Operating charges	0.09%	0.10%	0.12%
Direct transaction costs	-	-	-
Prices			
Highest share price	76.90	93.27	99.96
Lowest share price	68.80	66.66	90.36

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.

Portfolio Statement

As at 29 February 2024

Holding	Investment	Market value £'000	Percentage of total net assets
Bonds (99.34%)		**149,672**	**97.83**
Sterling Denominated Bonds (99.34%)		**149,672**	**97.83**
Corporate Bonds (2.20%)		**2,496**	**1.63**
less than 5 years to maturity			
200,000	Bpifrance 4% 2026	196	0.13
1,500,000	Caisse des Depots et Consignations 4% 2029	1,473	0.96
589,000	PRS Finance 1.75% 2026	485	0.32
greater than 25 years to maturity			
345,000	Saltaire Finance 4.809% 2053	342	0.22
Government Bonds (97.14%)		**147,176**	**96.20**
less than 5 years to maturity			
1,400,000	Agence Francaise de Developpement 4.125% 2027	1,374	0.90
1,961,000	BNG Bank 1.625% 2025	1,866	1.22
1,500,000	BNG Bank 4.25% 2029	1,492	0.98
393,000	CPPIB Capital 1.25% 2027	348	0.23
2,500,000	CPPIB Capital 6% 2025	2,521	1.65
243,000	European Investment Bank 1.125% 2025	231	0.15
1,500,000	Export Development Canada 3.875% 2028	1,472	0.96
100,000	FMS Wertmanagement 1.375% 2025	96	0.06
815,000	KFW 1.125% 2025	776	0.51
106,000	Nordic Investment Bank 1.125% 2025	101	0.07
744,000	Ontario Teachers' Finance Trust 1.125% 2026	684	0.45
903,000	PRS Finance 2% 2029	803	0.53
4,605,800	UK (Govt of) 0.5% 2029	3,886	2.54
365	UK (Govt of) 1.5% 2026	-	-
12,774,500	UK (Govt of) 3.5% 2025	12,559	8.21
17,222,500	UK (Govt of) 4.125% 2027	17,154	11.21
8,848,800	UK (Govt of) 4.5% 2028	8,972	5.86
594,183	UK (Govt of) 6% 2028	644	0.42
between 5 and 10 years to maturity			
4,050,600	UK (Govt of) 0.375% 2030	3,208	2.10
2,756,500	UK (Govt of) 0.875% 2033	2,071	1.35

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
9,612,600	UK (Govt of) 3.25% 2033	9,035	5.91
2,641,000	UK (Govt of) 4.75% 2030	2,761	1.80
between 10 and 15 years to maturity			
7,754,600	UK (Govt of) 1.75% 2037	5,742	3.75
15,459,600	UK (Govt of) 4.5% 2034	15,930	10.41
between 15 and 25 years to maturity			
13,739,500	UK (Govt of) 1.25% 2041	8,413	5.50
2,552,937	UK (Govt of) 1.5% 2047	1,444	0.94
1,817,694	UK (Govt of) 1.75% 2049	1,069	0.70
10,844,561	UK (Govt of) 4.5% 2042	10,868	7.10
greater than 25 years to maturity			
2,259,000	CPPIB Capital 1.625% 2071	910	0.60
1,349,000	Jersey (Republic of) 2.875% 2052	902	0.59
3,088,300	UK (Govt of) 0.625% 2050	1,246	0.81
3,329,100	UK (Govt of) 1.25% 2051	1,632	1.07
9,493,800	UK (Govt of) 1.5% 2053	4,864	3.18
3,098,000	UK (Govt of) 1.625% 2054	1,628	1.06
2,173,307	UK (Govt of) 3.5% 2068	1,795	1.17
865,390	UK (Govt of) 3.75% 2052	758	0.50
6,079,070	UK (Govt of) 3.75% 2053	5,293	3.46
2,446,800	UK (Govt of) 4% 2060	2,241	1.46
6,506,800	UK (Govt of) 4% 2063	5,943	3.88
4,581,300	UK (Govt of) 4.375% 2054	4,444	2.91
Collective Investment Schemes (0.58%)		**2,077**	**1.36**
2,077	abrdn Liquidity Fund (Lux) - Sterling Fund Z1 Inc+	2,077	1.36
Derivatives (-0.52%)		**(28)**	**(0.02)**
Forward Currency Contracts (0.00%)		**2**	**-**
	Buy CAD 26,786 Sell GBP 15,615 17/04/2024	-	-
	Buy EUR 3,790 Sell GBP 3,247 17/04/2024	-	-
	Buy EUR 7,360 Sell GBP 6,355 17/04/2024	-	-

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
	Buy EUR 9,290 Sell GBP 7,969 17/04/2024	-	-
	Buy EUR 9,304 Sell GBP 7,985 17/04/2024	-	-
	Buy EUR 13,859 Sell GBP 11,882 17/04/2024	-	-
	Buy EUR 15,680 Sell GBP 13,418 17/04/2024	-	-
	Buy EUR 16,040 Sell GBP 13,742 17/04/2024	-	-
	Buy EUR 16,400 Sell GBP 14,044 17/04/2024	-	-
	Buy EUR 18,560 Sell GBP 15,877 17/04/2024	-	-
	Buy EUR 20,160 Sell GBP 17,247 17/04/2024	-	-
	Buy EUR 20,161 Sell GBP 17,232 17/04/2024	-	-
	Buy EUR 21,400 Sell GBP 18,332 17/04/2024	-	-
	Buy EUR 22,080 Sell GBP 18,947 17/04/2024	-	-
	Buy EUR 22,841 Sell GBP 19,516 17/04/2024	-	-
	Buy EUR 27,720 Sell GBP 23,785 17/04/2024	-	-
	Buy EUR 33,470 Sell GBP 28,658 17/04/2024	-	-
	Buy EUR 47,999 Sell GBP 41,099 17/04/2024	-	-
	Buy GBP 18,503 Sell CAD 31,756 17/04/2024	-	-
	Buy GBP 3,249 Sell EUR 3,797 17/04/2024	-	-
	Buy GBP 5,435 Sell EUR 6,380 17/04/2024	-	-
	Buy GBP 7,154 Sell EUR 8,320 17/04/2024	-	-
	Buy GBP 8,731 Sell EUR 10,170 17/04/2024	-	-
	Buy GBP 9,631 Sell EUR 11,230 17/04/2024	-	-
	Buy GBP 9,848 Sell EUR 11,520 17/04/2024	-	-
	Buy GBP 10,469 Sell EUR 12,161 17/04/2024	-	-
	Buy GBP 11,443 Sell EUR 13,383 17/04/2024	-	-
	Buy GBP 11,595 Sell EUR 13,439 17/04/2024	-	-
	Buy GBP 11,846 Sell EUR 13,800 17/04/2024	-	-
	Buy GBP 14,529 Sell EUR 16,960 17/04/2024	-	-
	Buy GBP 15,170 Sell EUR 17,624 17/04/2024	-	-
	Buy GBP 21,959 Sell EUR 25,640 17/04/2024	-	-
	Buy GBP 25,627 Sell EUR 29,859 17/04/2024	-	-
	Buy GBP 36,983 Sell EUR 43,096 17/04/2024	-	-
	Buy GBP 78,084 Sell EUR 90,436 17/04/2024	1	-
	Buy GBP 1,016 Sell USD 1,294 17/04/2024	-	-
	Buy GBP 7,873 Sell USD 10,000 17/04/2024	-	-
	Buy GBP 8,092 Sell USD 10,227 17/04/2024	-	-
	Buy GBP 9,951 Sell USD 12,544 17/04/2024	-	-
	Buy GBP 10,593 Sell USD 13,500 17/04/2024	-	-

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
	Buy GBP 10,850 Sell USD 13,688 17/04/2024	-	-
	Buy GBP 14,207 Sell USD 18,139 17/04/2024	-	-
	Buy GBP 15,214 Sell USD 19,303 17/04/2024	-	-
	Buy GBP 16,177 Sell USD 20,500 17/04/2024	-	-
	Buy GBP 20,676 Sell USD 26,235 17/04/2024	-	-
	Buy GBP 21,305 Sell USD 27,000 17/04/2024	-	-
	Buy GBP 24,328 Sell USD 30,797 17/04/2024	-	-
	Buy GBP 30,604 Sell USD 39,059 17/04/2024	(1)	-
	Buy GBP 31,664 Sell USD 39,925 17/04/2024	-	-
	Buy GBP 35,900 Sell USD 45,686 17/04/2024	(1)	-
	Buy GBP 37,931 Sell USD 47,906 17/04/2024	-	-
	Buy GBP 71,695 Sell USD 90,109 17/04/2024	1	-
	Buy GBP 77,121 Sell USD 96,953 17/04/2024	1	-
	Buy USD 2,516 Sell GBP 1,987 17/04/2024	-	-
	Buy USD 5,489 Sell GBP 4,370 17/04/2024	-	-
	Buy USD 9,500 Sell GBP 7,483 17/04/2024	-	-
	Buy USD 10,266 Sell GBP 8,148 17/04/2024	-	-
	Buy USD 12,547 Sell GBP 9,933 17/04/2024	-	-
	Buy USD 15,972 Sell GBP 12,706 17/04/2024	-	-
	Buy USD 19,482 Sell GBP 15,318 17/04/2024	-	-
	Buy USD 33,078 Sell GBP 26,316 17/04/2024	-	-
	Buy USD 35,000 Sell GBP 27,621 17/04/2024	-	-
	Buy USD 45,754 Sell GBP 35,917 17/04/2024	-	-
	Buy USD 47,903 Sell GBP 37,895 17/04/2024	-	-
	Buy USD 84,745 Sell GBP 66,857 17/04/2024	-	-
	Buy USD 243,246 Sell GBP 191,627 17/04/2024	1	-
Futures (-0.02%)		**(30)**	**(0.02)**
84	Long Euro Bond Future 07/03/2024	(124)	(0.08)
(89)	Short Canadian 10 Year Bond Future 19/06/2024	(7)	-
(23)	Short Euro-Buxl 30 Year Future 07/03/2024	131	0.08
(35)	Short Long Gilt Future 26/06/2024	(27)	(0.02)
(7)	Short US 10 Year Ultra Future 18/06/2024	(3)	-

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Interest Rate Swaps (-0.50%)		-	-
	Total investment assets and liabilities	151,721	99.17
	Net other assets	1,275	0.83
	Total Net Assets	**152,996**	**100.00**

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities, or are regulated collective investment schemes or are approved derivatives within the meaning of the FCA rules.
The percentage figures in brackets show the comparative holding as at 28 February 2023.
+ Managed by subsidiaries of abrdn plc.

Statement of Total Return

For the year ended 29 February 2024

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Income:					
Net capital losses	1		(5,889)		(14,410)
Revenue	2	6,067		954	
Expenses	3	(284)		(117)	
Interest payable and similar charges	4	(1)		(28)	
Net revenue before taxation		5,782		809	
Taxation	5	-		-	
Net revenue after taxation			5,782		809
Total return before distributions			**(107)**		**(13,601)**
Distributions	6		(5,782)		(809)
Change in net assets attributable to shareholders from investment activities			**(5,889)**		**(14,410)**

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 29 February 2024

	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Opening net assets attributable to shareholders		**54,934**		**69,207**
Amounts receivable on the issue of shares	24,509		8,765	
Amounts payable on the cancellation of shares	(54,618)		(9,294)	
Amounts receivable on inspecie transfers*	128,567		-	
		98,458		(529)
Dilution adjustment		6		3
Change in net assets attributable to shareholders from investment activities (see above)		(5,889)		(14,410)
Retained distribution on accumulation shares		5,487		663
Closing net assets attributable to shareholders		**152,996**		**54,934**

* Relating to an inspecie transfer from abrdn (AAM) Sterling Government Bond Fund on 12 May 2023.

Balance Sheet

As at 29 February 2024

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Assets:					
Fixed assets:					
Investment assets			151,884		55,049
Current assets:					
Debtors	7	1,431		522	
Cash and bank balances	8	769		344	
			2,200		866
Total assets			**154,084**		**55,915**
Liabilities:					
Investment liabilities			(163)		(445)
Creditors	9	(701)		(443)	
Distribution payable		(224)		(93)	
			(925)		(536)
Total liabilities			**(1,088)**		**(981)**
Net assets attributable to shareholders			**152,996**		**54,934**

Notes to the Financial Statements

1 Net Capital Losses

	2024 £'000	2023 £'000
Non-derivative securities	(5,348)	(14,348)
Derivative contracts	(509)	(30)
Forward currency contracts	(13)	(24)
Other (losses)/gains	(4)	4
Transaction charges	(15)	(12)
Net capital losses	**(5,889)**	**(14,410)**

2 Revenue

	2024 £'000	2023 £'000
Bank and margin interest	96	11
Derivative revenue	36	-
Interest on debt securities	5,935	943
Total revenue	**6,067**	**954**

3 Expenses

	2024 £'000	2023 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	165	70
Dealing charge	3	2
General administration charge	113	44
	281	**116**
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	4	2
	4	**2**
Other:		
Subsidised fees*	(1)	(1)
	(1)	**(1)**
Total expenses	**284**	**117**

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £14,700 (2023: £13,500).
* Subsidised fees are paid by the ACD.

Notes to the Financial Statements

Continued

4 Interest Payable and Similar Charges

	2024 £'000	2023 £'000
Derivative expense	-	27
Interest payable	1	1
Total interest payable & similar charges	**1**	**28**

5 Taxation

	2024 £'000	2023 £'000
(a) Analysis of charge in year		
Total taxation (note 5b)	**-**	**-**

(b) Factors affecting total tax charge for the year

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

Net revenue before taxation	**5,782**	**809**
Corporation tax at 20% (2023: 20%)	1,156	162
Effects of:		
Distributions treated as tax deductible	(1,156)	(162)
Total tax charge for year (note 5a)	**-**	**-**

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

(c) Factors that may affect future tax charge

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

6 Distributions

	2024 £'000	2023 £'000
Interim distribution	2,785	319
Final distribution	3,112	498
	5,897	817
Add: Income deducted on cancellation of shares	455	21
Deduct: Income received on issue of shares	(570)	(29)
Total distributions for the year	**5,782**	**809**

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

Notes to the Financial Statements

Continued

7 Debtors

	2024 £'000	2023 £'000
Accrued revenue	1,417	284
Amounts receivable from the ACD for the issue of shares	13	19
Expenses reimbursement receivable from the ACD	1	1
Sales awaiting settlement	-	218
Total debtors	**1,431**	**522**

8 Liquidity

	2024 £'000	2023 £'000
Cash and bank balances		
Cash at bank	363	1
Cash at broker	406	343
	769	**344**
abrdn Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	2,077	321
Net liquidity	**2,846**	**665**

* 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.

9 Creditors

	2024 £'000	2023 £'000
Accrued expenses payable to ACD	55	8
Accrued expenses payable to the Depositary or associates of the Depositary	4	5
Amounts payable to the ACD for cancellation of shares	642	29
Other accrued expenses	-	6
Purchases awaiting settlement	-	395
Total creditors	**701**	**443**

Notes to the Financial Statements

Continued

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.

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 7.

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	
Trades in the year	**2024 £'000**	**2023 £'000**	**2024 £'000**	**2023 £'000**
Bonds	193,281	75,663	219,076	75,246
Inspecie transactions	124,887	-	-	-
Trades in the year before transaction costs	**318,168**	**75,663**	**219,076**	**75,246**
Total net trades in the year after transaction costs	**318,168**	**75,663**	**219,076**	**75,246**

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.07% (2023: 0.15%), this is representative of the average spread on the assets held during the year.

Notes to the Financial Statements

Continued

12 Shares in Issue Reconciliation

	Opening shares 2023	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2024
Retail accumulation	4,192,357	789,093	(686,128)	(293,394)	4,001,928
Retail income	1,520,989	964,364	(260,481)	(24,296)	2,200,576
Institutional accumulation	9,614,619	104,949,925	(17,754,768)	176,951	96,986,727
Institutional income	25,297,072	5,664,182	(5,295,026)	52,208	25,718,436
Platform 1 accumulation	5,753,359	14,692,287	(10,444,921)	128,321	10,129,046
Platform 1 income	1,361,426	618,763	(516,001)	(24,235)	1,439,953
Z Accumulation	-	70,684,458	(37,012,104)	-	33,672,354
ZC accumulation	44,312,950	14,091,378	(5,007,472)	-	53,396,856

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).

Fair value of investment assets	2024 £'000 Level 1	2024 £'000 Level 2	2024 £'000 Level 3	2023 £'000 Level 1	2023 £'000 Level 2	2023 £'000 Level 3
Bonds	142,584	7,088	-	51,975	2,597	-
Collective Investment Schemes	-	2,077	-	-	321	-
Derivatives	131	4	-	5	151	-
Total investment assets	**142,715**	**9,169**	**-**	**51,980**	**3,069**	**-**
Fair value of investment liabilities						
Derivatives	(161)	(2)	-	(16)	(429)	-
Total investment liabilities	**(161)**	**(2)**	**-**	**(16)**	**(429)**	**-**

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:

2024	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
Currency				
UK Sterling	2,840	149,672	483	152,995
Australian Dollar	4	-	-	4
Canadian Dollar	-	-	(9)	(9)
Euro	2	-	5	7
US Dollar	-	-	(1)	(1)
Total	**2,846**	**149,672**	**478**	**152,996**

2023	Floating rate financial assets/ (liabilities) £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
Currency				
UK Sterling	438	54,572	(71)	54,939
Australian Dollar	(74)	-	70	(4)
Euro	25	-	(25)	-
US Dollar	-	-	(1)	(1)
Total	**389**	**54,572**	**(27)**	**54,934**

Other price risk

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

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

VaR

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

2024	Minimum	Maximum	Average
VaR 99% 1 Month	7.00%	8.39%	7.48%

2023	Minimum	Maximum	Average
VaR 99% 1 Month	5.05%	8.69%	6.70%

At the year end date, there was a 1% chance of the portfolio value falling (or rising) more than 7.02%, £10,647,000 (2023: 7.94%, £4,334,000) 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.

	Market value £'000	Percentage of total net assets %
2024		
Investment grade securities	149,672	97.83
Below investment grade securities	-	-
Unrated securities	-	-
Total value of securities	**149,672**	**97.83**

	Market value £'000	Percentage of total net assets %
2023		
Investment grade securities	54,403	99.03
Below investment grade securities	-	-
Unrated securities	169	0.31
Total value of securities	**54,572**	**99.34**

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

Financial derivatives instrument risk

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

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

	2024		2023	
Leveraged instruments	Market exposure £'000	Market value £'000	Market exposure £'000	Market value £'000
Forward currency contracts	1,486	2	727	(2)
Futures	22,435	(30)	10,436	(11)
Swaps	-	-	20,991	(276)
Total market exposure	**23,921**	**(28)**	**32,154**	**(289)**

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

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

Counterparty risk

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

2024 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	(30)	406	1	377	0.25
	(30)	**406**	**1**	**377**	**0.25**

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	(287)	342	301	356	0.65
	(287)	**342**	**301**	**356**	**0.65**

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.

		Collateral (held)/pledged		
2024 Counterparties	Forwards £'000	Cash £'000	Stock £'000	Net exposure £'000
Goldman Sachs	2	-	-	2
Royal Bank of Canada	1	-	-	1
UBS	(1)	-	-	(1)
Total	**2**	**-**	**-**	**2**

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 2024	Type	Collateral Stock £'000
United Kingdom (Gov't of)	Bond	1
		1

		Collateral (held)/pledged		
2023 Counterparties	Forwards £'000	Cash £'000	Stock £'000	Net exposure £'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)
Total	**(2)**	**-**	**-**	**(2)**

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

Issuers 2023	Type	Collateral Stock £'000
United Kingdom (Gov't of)	Bond	301
		301

Liquidity risk

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

2024	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
Derivatives					
Investment liabilities	-	(163)	-	-	(163)
Non-derivatives					
Other creditors	-	(701)	-	-	(701)
Distribution payable	-	(224)	-	-	(224)
Total financial liabilities	**-**	**(1,088)**	**-**	**-**	**(1,088)**

2023	On demand £'000	Up to one year £'000	Over one year but not more than five years £'000	Over five years £'000	Total £'000
Derivatives					
Investment liabilities	-	(332)	-	(113)	(445)
Non-derivatives					
Other creditors	-	(443)	-	-	(443)
Distribution payable	-	(93)	-	-	(93)
Total financial liabilities	**-**	**(858)**	**-**	**(113)**	**(981)**

Distribution Tables

For the year ended 29 February 2024 (in pence per share)

Interim interest distribution

Group 1 - shares purchased prior to 1 March 2023
Group 2 - shares purchased between 1 March 2023 and 31 August 2023

	Revenue	Equalisation	Distribution paid 31/10/23	Distribution paid 31/10/22
Retail accumulation				
Group 1	0.8966	-	0.8966	0.1876
Group 2	0.5995	0.2971	0.8966	0.1876
Retail income				
Group 1	0.5609	-	0.5609	0.1184
Group 2	0.3743	0.1866	0.5609	0.1184
Institutional accumulation				
Group 1	1.1046	-	1.1046	0.3656
Group 2	0.7267	0.3779	1.1046	0.3656
Institutional income				
Group 1	0.6440	-	0.6440	0.2162
Group 2	0.3915	0.2525	0.6440	0.2162
Platform 1 accumulation				
Group 1	0.8080	-	0.8080	0.2550
Group 2	0.5272	0.2808	0.8080	0.2550
Platform 1 income				
Group 1	0.7403	-	0.7403	0.2368
Group 2	0.4493	0.2910	0.7403	0.2368
Z Accumulation				
Group 1	1.0319	-	1.0319	-
Group 2	0.6995	0.3324	1.0319	-
ZC accumulation				
Group 1	1.2918	-	1.2918	0.4886
Group 2	0.9078	0.3840	1.2918	0.4886

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

Final interest distribution

Group 1 - shares purchased prior to 1 September 2023
Group 2 - shares purchased between 1 September 2023 and 29 February 2024

	Revenue	Equalisation	Distribution paid 30/04/24	Distribution paid 28/04/23
Retail accumulation				
Group 1	1.1042	-	1.1042	0.3981
Group 2	0.4346	0.6696	1.1042	0.3981
Retail income				
Group 1	0.6802	-	0.6802	0.2507
Group 2	0.4298	0.2504	0.6802	0.2507
Institutional accumulation				
Group 1	1.3297	-	1.3297	0.5686
Group 2	1.1812	0.1485	1.3297	0.5686
Institutional income				
Group 1	0.7618	-	0.7618	0.3343
Group 2	0.3778	0.3840	0.7618	0.3343
Platform 1 accumulation				
Group 1	0.9743	-	0.9743	0.4065
Group 2	0.2597	0.7146	0.9743	0.4065
Platform 1 income				
Group 1	0.8772	-	0.8772	0.3754
Group 2	0.4584	0.4188	0.8772	0.3754
Z Accumulation				
Group 1	1.8803	-	1.8803	-
Group 2	1.3271	0.5532	1.8803	-
ZC accumulation				
Group 1	1.5413	-	1.5413	0.6986
Group 2	0.8856	0.6557	1.5413	0.6986

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 Smaller Companies Fund

For the year ended 29 February 2024

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 Deutsche 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 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 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 -3.35% (Source: FactSet, Institutional Accumulation, net of fees). This compared to a return of -3.02% for our performance target (Source: FactSet, the Deutsche 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

The fund's performance was almost in line with the performance target over the period. From a stock perspective, the main contributors included Ashtead Technology whose stock rose as investors welcomed an impressive trading update at the end of the third quarter and the acquisition of a leading offshore energy infrastructure company in Scotland. Hollywood Bowl Group's stock was lifted by news that the company was trading ahead of expectations with good sales growth confirming that bowling has remained popular despite the pressures on disposable incomes caused by inflation. Bytes Technology Group also made gains in the wake of a positive earnings update as it benefits from the growth of AI and Microsoft's expansion in cloud computing. The company is planning to pay a special dividend thanks to strong trading momentum and a confident outlook. Late in the period the shares dropped back on the news that the CEO had resigned after making undisclosed trades in the company's stock.

Our overweight position in infrastructure play Hill & Smith proved positive as its shares advanced thanks to a strong interim trading report and indications that the company's strategy of boosting its earnings by acquiring growing businesses is paying off. The fund also benefited from holding Smart Metering Systems after the firm's board recommended a cash takeover offer from private-equity company KKR. Marketing firm 4imprint Group was another strong performer as it published more good results and a special dividend. Some of the gains were reversed later in the period after reports from the management team that short-term demand had weakened due to the more cautious US macroeconomic environment.

Our exposure to video game developer Team17 proved to be the largest individual detractor after the company issued an unexpected profit warning. We subsequently exited the position. Our holdings in the Industrials sector were also among the largest detractors. Shares in power control systems manufacturer XP Power fell after it was forced to lower its profit forecast and suspend its dividends. We subsequently exited the position. Our holding in DiscoverIE Group was also negative despite the company issuing a trading statement that was in line with investor expectations. The main cause was a negative read-across from other electronics names.

Elsewhere, Big Technologies weighed on performance after it indicated that growth would be lower in 2023 due to adverse contract timings, and Future's stock declined as investors reacted negatively to news of a significant investment programme by the company to reposition the business. Earnings downgrades due to increased in investment levels hit our holding in Impax Asset Management Group.

Market Review

UK smaller company stocks were volatile over the period and slightly underperformed their large-cap peers, mainly due to concerns about the weakness of the British economy early in 2024. In the first six months market sentiment was affected by persistently high inflation and rising interest rates. The Bank of England (BoE) announced a further five interest rate increases, taking its base rate from 3.50% at the start of 2023 to 5.25% by the end of the year. The collapse of US-based Silicon Valley Bank and a loss of confidence in Switzerland's Credit Suisse also caused volatility although financial regulators intervened swiftly to avert a more serious crisis.

Inflation fell faster than expected in the second half and mortgage rates began to ease down as well. The clear downward trend in inflation finally led the BoE to halt its monetary tightening policy and, towards the end of the period, Governor Andrew Bailey indicated the next move would be downwards. He added that UK inflation was on course to fall to its 2% target in the first half of 2024, before rising again later in the year. Official data showed the UK economy had shrunk by 0.3% in the final three months of 2023, putting the country into a technical recession. There were declines in both business activity and confidence in the second half, particularly in the construction sector which is vulnerable to high interest rates. More broadly, sentiment was affected by tensions in the Middle East and concerns about the impact on global trade of Houthi attacks in the Suez Canal.

Portfolio Activity and Review

We introduced several new positions to the fund in the period. Johnson Service Group is a textile rental and related services business that has higher organic growth and margins than its peers. The firm's investment strategy has helped to widen its competitive advantage. Airline Jet2 is poised to benefit from robust demand for holidays while shipping company Clarkson is a global leader in shipping services, using insights from its leading position to facilitate the arteries of global trade, and investing to support the decarbonisation agenda. Alpha Group International is a leading non-bank provider of financial solutions dedicated to corporates. Engineering group Ricardo is a business truly transformed having followed a strategy laid out years ago. The new CEO has been key to driving that, but there is still a lot more the company can do, especially on cross-selling and driving organic growth and bolt-on acquisitions. Food manufacturer Premier Foods has made considerable progress in the last five years and the momentum should be sustained by its well-defined domestic and international opportunities, as well as the firm's record in innovation and execution. Chemring Group is a defence

business which benefits from good cash conversion, while the quality of its order book is underpinned by strong, long-term customer relationships. We also took new positions in property businesses Cairn Homes and Morgan Sindall, along with Renew, an engineering services firm, advisory service XPS Pensions Group and power equipment manufacturer Volex.

Conversely, we exited both GB Group and Focusrite over a lack of visibility on end-market recovery. Other sales in the period included Watches of Switzerland Kin & Carta, Marshalls, Safestore, Ergomed and Kainos.

Portfolio Outlook and Strategy

There has been some positive news in the UK with regard to interest rates and inflation prints, but there do remain challenges to economic growth in many areas of the world. We are also in a year full of elections, and with geo-political clashes ongoing. However, the outlook for UK consumer spending is arguably improving, with inflation seemingly past its worst, continued wage rises helping affordability and ongoing resilience in the labour market. The Asda Income tracker shows encouraging improvements, and consumers willingness to spend on areas like travel and leisure is clear in company reporting. Whilst the headlines may state a technical recession, it certainly doesn't feel that way on the ground looking at how companies are trading.

The portfolio continued to demonstrate strong and resilient earnings growth, and we've seen another pleasing reporting season. There are challenges for some businesses, with destocking and delayed decision-making in some industries driving a more challenging short term for businesses. But the overall message is one of companies continuing to navigate well and looking to drive earnings growth. Shares are responding to fundamentals and reporting, both in an upwards and downwards direction. Avoiding earnings downgrades is likely to continue to be an important driver of performance. This supports our long-term focus on those company-specific fundamentals. We've also seen more of a focus on some quality dynamics by the market, reflective of the challenges still out there at a macro level and the sharp downward reactions shares have taken to disappointments. This supports the quality focus within our investment process, and earnings resilience has been a key theme for us which has helped support that resilience of earnings and also earnings growth.

DM Smaller Companies Equity Team

March 2024

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 29 February 2024.

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

- Equity Risk – The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- Smaller and Mid Cap Risk – The shares of small and mid-cap companies may be less liquid and more volatile than those of larger companies.
- Concentration Risk – A concentrated portfolio (whether by number of holdings, geographic location or sector) may be more volatile and less liquid than a diversified one.
- Derivatives Risk – The use of derivatives may involve additional liquidity, credit and counterparty risks. In some cases the risk of loss from derivatives may be increased where a small change in the value of the underlying investment may have a larger impact on the value of the derivative.

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

Comparative Tables

Retail accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	773.25	987.87	942.34
Return before operating charges*	(24.14)	(203.36)	60.37
Operating charges	(9.78)	(11.26)	(14.84)
Return after operating charges*	(33.92)	(214.62)	45.53
Distributions	(11.96)	(4.96)	-
Retained distributions on accumulation shares	11.96	4.96	-
Closing net asset value per share	739.33	773.25	987.87
* after direct transaction costs of:	0.93	0.57	0.48
Performance			
Return after charges	(4.39%)	(21.73%)	4.83%
Other information			
Closing net asset value (£'000)	104,971	87,940	203,338
Closing number of shares	14,198,147	11,372,655	20,583,445
Operating charges	1.35%	1.35%	1.36%
Direct transaction costs	0.13%	0.06%	0.04%
Prices			
Highest share price	776.8	1,005	1,224
Lowest share price	652.1	697.2	927.0

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

Retail income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	69.11	90.18	87.08
Return before operating charges*	(2.15)	(18.57)	5.57
Operating charges	(0.88)	(1.03)	(1.37)
Return after operating charges*	(3.03)	(19.60)	4.20
Distributions	(1.94)	(1.47)	(1.10)
Closing net asset value per share	64.14	69.11	90.18
* after direct transaction costs of:	0.08	0.05	0.04
Performance			
Return after charges	(4.38%)	(21.73%)	4.82%
Other information			
Closing net asset value (£'000)	3,638	5,641	9,899
Closing number of shares	5,672,970	8,162,015	10,977,178
Operating charges	1.35%	1.35%	1.36%
Direct transaction costs	0.13%	0.06%	0.04%
Prices			
Highest share price	69.42	91.76	113.1
Lowest share price	58.28	63.64	85.66

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

Comparative Tables

Continued

Institutional accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	932.54	1,185.74	1,125.80
Return before operating charges*	(28.99)	(244.31)	71.52
Operating charges	(7.75)	(8.89)	(11.58)
Return after operating charges*	(36.74)	(253.20)	59.94
Distributions	(18.57)	(10.66)	(2.74)
Retained distributions on accumulation shares	18.57	10.66	2.74
Closing net asset value per share	895.80	932.54	1,185.74
* after direct transaction costs of:	1.12	0.69	0.58
Performance			
Return after charges	(3.94%)	(21.35%)	5.32%
Other information			
Closing net asset value (£'000)	153,665	185,160	377,312
Closing number of shares	17,153,900	19,855,556	31,820,746
Operating charges	0.88%	0.88%	0.89%
Direct transaction costs	0.13%	0.06%	0.04%
Prices			
Highest share price	936.8	1,207	1,466
Lowest share price	788.8	839.2	1,108

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.
The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.
Operating charges are expenses associated with the maintenance and administration of the fund on a day to 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 income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	93.62	121.57	116.86
Return before operating charges*	(2.90)	(25.05)	7.39
Operating charges	(0.78)	(0.91)	(1.20)
Return after operating charges*	(3.68)	(25.96)	6.19
Distributions	(2.64)	(1.99)	(1.48)
Closing net asset value per share	87.30	93.62	121.57
* after direct transaction costs of:	0.11	0.07	0.06
Performance			
Return after charges	(3.93%)	(21.35%)	5.30%
Other information			
Closing net asset value (£'000)	7,081	11,644	24,299
Closing number of shares	8,111,497	12,437,952	19,987,193
Operating charges	0.88%	0.88%	0.89%
Direct transaction costs	0.13%	0.06%	0.04%
Prices			
Highest share price	94.05	123.8	152.1
Lowest share price	79.19	86.05	115.0

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

Institutional regulated accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	479.51	607.27	574.26
Return before operating charges*	(14.85)	(125.28)	36.27
Operating charges	(2.19)	(2.48)	(3.26)
Return after operating charges*	(17.04)	(127.76)	33.01
Distributions	(11.38)	(7.52)	(4.09)
Retained distributions on accumulation shares	11.38	7.52	4.09
Closing net asset value per share	462.47	479.51	607.27
* after direct transaction costs of:	0.58	0.35	0.29
Performance			
Return after charges	(3.55%)	(21.04%)	5.75%
Other information			
Closing net asset value (£'000)	240,721	299,076	417,080
Closing number of shares	52,051,400	62,371,677	68,680,935
Operating charges	0.48%	0.48%	0.49%
Direct transaction costs	0.13%	0.06%	0.04%
Prices			
Highest share price	481.7	618.4	749.3
Lowest share price	406.7	430.9	565.0

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

Institutional A accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	77.37	99.16	94.89
Return before operating charges*	(2.42)	(20.39)	6.11
Operating charges	(1.22)	(1.40)	(1.84)
Return after operating charges*	(3.64)	(21.79)	4.27
Distributions	(0.95)	(0.22)	-
Retained distributions on accumulation shares	0.95	0.22	-
Closing net asset value per share	73.73	77.37	99.16
* after direct transaction costs of:	0.09	0.06	0.05
Performance			
Return after charges	(4.70%)	(21.97%)	4.50%
Other information			
Closing net asset value (£'000)	280	204	278
Closing number of shares	379,247	263,972	279,870
Operating charges	1.68%	1.68%	1.69%
Direct transaction costs	0.13%	0.06%	0.04%
Prices			
Highest share price	77.72	100.9	123.1
Lowest share price	65.10	69.84	93.34

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

Institutional S accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	101.75	129.22	122.54
Return before operating charges*	(3.16)	(26.64)	7.77
Operating charges	(0.73)	(0.83)	(1.09)
Return after operating charges*	(3.89)	(27.47)	6.68
Distributions	(2.14)	(1.29)	(0.47)
Retained distributions on accumulation shares	2.14	1.29	0.47
Closing net asset value per share	97.86	101.75	129.22
* after direct transaction costs of:	0.12	0.07	0.06
Performance			
Return after charges	(3.82%)	(21.26%)	5.45%
Other information			
Closing net asset value (£'000)	297,165	327,991	361,680
Closing number of shares	303,649,828	322,337,506	279,887,734
Operating charges	0.76%	0.76%	0.77%
Direct transaction costs	0.13%	0.06%	0.04%
Prices			
Highest share price	102.2	131.6	159.6
Lowest share price	86.14	91.53	120.6

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

Comparative Tables

Continued

Institutional S income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	86.12	111.71	107.24
Return before operating charges*	(2.66)	(23.04)	6.79
Operating charges	(0.62)	(0.72)	(0.96)
Return after operating charges*	(3.28)	(23.76)	5.83
Distributions	(2.43)	(1.83)	(1.36)
Closing net asset value per share	80.41	86.12	111.71
* after direct transaction costs of:	0.10	0.06	0.05
Performance			
Return after charges	(3.81%)	(21.27%)	5.44%
Other information			
Closing net asset value (£'000)	20,317	23,741	42,537
Closing number of shares	25,268,380	27,566,863	38,078,452
Operating charges	0.76%	0.76%	0.77%
Direct transaction costs	0.13%	0.06%	0.04%
Prices			
Highest share price	86.51	113.7	139.7
Lowest share price	72.91	79.13	105.5

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

Comparative Tables

Continued

Platform 1 accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	137.51	175.02	166.34
Return before operating charges*	(4.28)	(36.06)	10.59
Operating charges	(1.27)	(1.45)	(1.91)
Return after operating charges*	(5.55)	(37.51)	8.68
Distributions	(2.61)	(1.43)	(0.21)
Retained distributions on accumulation shares	2.61	1.43	0.21
Closing net asset value per share	131.96	137.51	175.02
* after direct transaction costs of:	0.17	0.10	0.09
Performance			
Return after charges	(4.04%)	(21.43%)	5.22%
Other information			
Closing net asset value (£'000)	150,907	244,606	333,850
Closing number of shares	114,356,377	177,884,560	190,747,032
Operating charges	0.98%	0.98%	0.99%
Direct transaction costs	0.13%	0.06%	0.04%
Prices			
Highest share price	138.1	178.2	216.5
Lowest share price	116.2	123.8	163.6

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

Comparative Tables

Continued

Z accumulation[A]	2024 pence per share
Change in net assets per share	
Opening net asset value per share	481.37[B]
Return before operating charges*	6.72
Operating charges	(0.27)
Return after operating charges*	6.45
Distributions	(8.90)
Retained distributions on accumulation shares	8.90
Closing net asset value per share	487.82
* after direct transaction costs of:	0.41
Performance	
Return after charges	1.34%
Other information	
Closing net asset value (£'000)	117
Closing number of shares	23,882
Operating charges	0.08%
Direct transaction costs	0.13%
Prices	
Highest share price	499.9
Lowest share price	428.5

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.
The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.
Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.
Highest and Lowest prices are based on official published daily NAVs.
[A] Z Accumulation share class was launched on 23 June 2023.
[B] The opening net asset value stated is the share class launch price.

Comparative Tables

Continued

ZC accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	341.63	430.95	405.90
Return before operating charges*	(10.68)	(89.02)	25.46
Operating charges	(0.27)	(0.30)	(0.41)
Return after operating charges*	(10.95)	(89.32)	25.05
Distributions	(9.28)	(6.78)	(4.79)
Retained distributions on accumulation shares	9.28	6.78	4.79
Closing net asset value per share	330.68	341.63	430.95
* after direct transaction costs of:	0.41	0.25	0.21
Performance			
Return after charges	(3.21%)	(20.73%)	6.17%
Other information			
Closing net asset value (£'000)[B]	5,682	7,118	10,029
Closing number of shares	1,718,416	2,083,621	2,327,231
Operating charges	0.08%	0.08%	0.09%
Direct transaction costs	0.13%	0.06%	0.04%
Prices			
Highest share price	343.2	439.1	530.7
Lowest share price	290.4	306.5	399.4

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

ZA income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	222.02	285.76	272.23
Return before operating charges*	(6.95)	(59.11)	16.99
Operating charges	(0.01)	(0.01)	(0.02)
Return after operating charges*	(6.96)	(59.12)	16.97
Distributions	(6.17)	(4.62)	(3.44)
Closing net asset value per share	208.89	222.02	285.76
* after direct transaction costs of:	0.27	0.17	0.14
Performance			
Return after charges	(3.13%)	(20.69%)	6.23%
Other information			
Closing net asset value (£'000)	2,384	2,534	3,261
Closing number of shares	1,141,211	1,141,211	1,141,211
Operating charges	-	-	0.01%
Direct transaction costs	0.13%	0.06%	0.04%
Prices			
Highest share price	223.0	291.1	356.0
Lowest share price	188.8	203.3	267.9

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 29 February 2024

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (95.13%)		**940,868**	**95.33**
UK Equities (95.13%)		**940,868**	**95.33**
Basic Materials (3.80%)		**53,091**	**5.38**
2,347,531	Hill & Smith	42,537	4.31
2,695,786	Treatt	10,554	1.07
Consumer Discretionary (25.68%)		**192,718**	**19.53**
768,310	4imprint	43,717	4.43
2,762,391	Cairn Homes	3,387	0.34
1,761,582	CVS++	25,895	2.62
14,585,959	GlobalData++	26,036	2.64
11,025,361	Hollywood Bowl	35,888	3.64
776,933	Jet2++	10,830	1.10
10,184,288	LBG Media++	8,371	0.85
1,811,461	Next 15++	16,303	1.65
1,963,935	YouGov++	22,291	2.26
Consumer Staples (5.07%)		**79,395**	**8.04**
925,383	Cranswick	35,572	3.60
4,214,586	Hilton Food	33,590	3.40
7,437,060	Premier Foods	10,233	1.04
Energy (2.33%)		**64,930**	**6.58**
5,313,875	Ashtead Technology++	37,091	3.76
4,958,514	Hunting	16,561	1.68
6,503,932	Serica Energy++	11,278	1.14
Financials (12.52%)		**174,814**	**17.71**
4,854,997	AJ Bell	14,740	1.49
853,451	Alpha International++	14,466	1.47
1,407,043	Impax Asset Management++	6,360	0.64
4,321,802	JTC	33,689	3.41

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,616,170	Liontrust Asset Management	10,335	1.05
1,335,961	Mattioli Woods++	7,588	0.77
2,334,586	Mortgage Advice Bureau++	18,770	1.90
5,133,835	Paragon Banking	33,036	3.35
1,859,740	Tatton Asset Management++	10,489	1.06
11,212,856	XPS Pensions	25,341	2.57
Health Care (3.77%)		**13,615**	**1.38**
651,423	Craneware++	13,615	1.38
Industrials (19.56%)		**232,183**	**23.53**
4,815,877	Alpha Financial Markets Consulting++	17,048	1.73
9,642,508	Boku++	15,524	1.57
4,291,703	Chemring	14,871	1.51
52,871	Clarkson	1,895	0.19
27,430,292	Coats	18,625	1.89
670,455	Diploma	23,157	2.35
3,682,238	DiscoverIE	24,671	2.50
11,478,109	Johnson Service++	16,368	1.66
2,784,591	Marlowe++	13,867	1.40
4,822,485	Midwich++	16,830	1.70
779,768	Morgan Sindall	18,247	1.85
77,715	Renew++	679	0.07
1,972,809	Ricardo	8,306	0.84
1,745,836	Robert Walters	7,490	0.76
3,353,535	Volex++	9,541	0.97
6,191,609	Volution	25,064	2.54
Real Estate (4.00%)		**24,591**	**2.49**
28,445,305	Sirius Real Estate	24,591	2.49
Technology (11.83%)		**59,339**	**6.01**
2,245,903	Auction Technology	13,565	1.37

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
6,625,031	Big Technologies++	8,116	0.82
6,760,836	Bytes Technology	37,658	3.82
Telecommunications (6.57%)		**46,192**	**4.68**
2,139,003	Gamma Communications++	26,352	2.67
3,462,274	Spirent Communications	3,615	0.37
1,111,275	Telecom Plus	16,225	1.64
Collective Investment Schemes (4.94%)		**47,916**	**4.86**
47,916	abrdn Liquidity Fund (Lux) - Sterling Fund Z1 Inc+	47,916	4.86
Total investment assets		988,784	100.19
Net other liabilities		(1,856)	(0.19)
Total Net Assets		**986,928**	**100.00**

All investments are listed on recognised stock exchanges and are approved securities, or are regulated collective investment schemes within the meaning of the FCA rules.
The percentage figures in brackets show the comparative holding as at 28 February 2023.
+ Managed by subsidiaries of abrdn plc.
++ AIM listed.

Statement of Total Return

For the year ended 29 February 2024

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Income:					
Net capital losses	1		(74,239)		(393,944)
Revenue	2	32,064		27,405	
Expenses	3	(8,616)		(11,631)	
Interest payable and similar charges		(20)		-	
Net revenue before taxation		23,428		15,774	
Taxation	4	-		-	
Net revenue after taxation			23,428		15,774
Total return before distributions			**(50,811)**		**(378,170)**
Distributions	5		(23,749)		(16,551)
Change in net assets attributable to shareholders from investment activities			**(74,560)**		**(394,721)**

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 29 February 2024

	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Opening net assets attributable to shareholders		**1,195,655**		**1,783,563**
Amounts receivable on the issue of shares	13,336		50,510	
Amounts payable on the cancellation of shares	(233,898)		(258,509)	
Amounts receivable on inspecie transfers*	65,936		-	
		(154,626)		(207,999)
Dilution adjustment		-		279
Change in net assets attributable to shareholders from investment activities (see above)		(74,560)		(394,721)
Retained distribution on accumulation shares		20,459		14,533
Closing net assets attributable to shareholders		**986,928**		**1,195,655**

* Relating to an inspecie transfer from abrdn (AAM) UK Smaller Companies Fund on 23 June 2023.

Balance Sheet

As at 29 February 2024

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Assets:					
Fixed assets:					
Investment assets			988,784		1,196,508
Current assets:					
Debtors	6	6,007		2,868	
Cash and bank balances	7	2		1	
			6,009		2,869
Total assets			**994,793**		**1,199,377**
Liabilities:					
Creditors	8	(6,856)		(2,796)	
Distribution payable		(1,009)		(926)	
			(7,865)		(3,722)
Total liabilities			**(7,865)**		**(3,722)**
Net assets attributable to shareholders			**986,928**		**1,195,655**

Notes to the Financial Statements

1 Net Capital Losses

	2024 £'000	2023 £'000
Non-derivative securities	(74,226)	(393,933)
Transaction charges	(13)	(11)
Net capital losses	**(74,239)**	**(393,944)**

2 Revenue

	2024 £'000	2023 £'000
Bank and margin interest	2,485	1,601
Overseas dividends	-	342
UK dividends	28,960	24,626
UK REIT	619	836
Total revenue	**32,064**	**27,405**

3 Expenses

	2024 £'000	2023 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	7,634	10,357
Dealing charge	189	243
General administration charge	767	999
	8,590	**11,599**
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	26	32
	26	**32**
Total expenses	**8,616**	**11,631**

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £11,100 (2023: £10,200).

Notes to the Financial Statements

Continued

4 Taxation

	2024 £'000	2023 £'000
(a) Analysis of charge in year		
Total taxation (note 4b)	-	-

(b) Factors affecting total tax charge for the year

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

Net revenue before taxation	**23,428**	**15,774**
Corporation tax at 20% (2023: 20%)	4,685	3,155
Effects of:		
Revenue not subject to taxation	(5,791)	(4,994)
Excess allowable expenses	1,106	1,839
Total tax charge for year (note 4a)	-	-

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

(c) Factors that may affect future tax charge

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £31,835,000 (2023: £30,729,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

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

	2024 £'000	2023 £'000
Distribution	21,468	15,144
Add: Income deducted on cancellation of shares	2,881	1,573
Deduct: Income received on issue of shares	(600)	(166)
Total distributions for the year	**23,749**	**16,551**

Movement between net revenue and distributions

Net revenue after taxation	23,428	15,774
Expenses charged to capital	321	462
Equalisation on conversion	-	315
Total distributions for the year	**23,749**	**16,551**

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 table.

Notes to the Financial Statements

Continued

6 Debtors

	2024 £'000	2023 £'000
Accrued revenue	2,195	1,580
Amounts receivable from the ACD for the issue of shares	27	180
Sales awaiting settlement	3,785	1,108
Total debtors	**6,007**	**2,868**

7 Liquidity

	2024 £'000	2023 £'000
Cash and bank balances		
Cash at bank	2	1
	2	**1**
abrdn Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	47,916	59,130
Net liquidity	**47,918**	**59,131**

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

8 Creditors

	2024 £'000	2023 £'000
Accrued expenses payable to ACD	826	754
Accrued expenses payable to the Depositary or associates of the Depositary	6	10
Amounts payable to the ACD for cancellation of shares	3,728	1,727
Other accrued expenses	-	5
Purchases awaiting settlement	2,296	300
Total creditors	**6,856**	**2,796**

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	
Trades in the year	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Equities	268,832	206,692	452,931	375,997
Inspecie transactions	60,463	-	-	-
Corporate actions	-	2,526	-	-
Trades in the year before transaction costs	**329,295**	**209,218**	**452,931**	**375,997**
Commissions				
Equities	199	176	(319)	(307)
Total commissions	**199**	**176**	**(319)**	**(307)**
Taxes				
Equities	839	480	(1)	(1)
Total taxes	**839**	**480**	**(1)**	**(1)**
Total transaction costs	**1,038**	**656**	**(320)**	**(308)**
Total net trades in the year after transaction costs	**330,333**	**209,874**	**452,611**	**375,689**

	Purchases		Sales	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.07	0.08	0.07	0.08
Taxes				
Equities	0.31	0.23	-	-

	2024 %	2023 %
Total transaction costs expressed as a percentage of net asset value		
Commissions	0.05	0.03
Taxes	0.08	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 0.84% (2023: 0.97%), this is representative of the average spread on the assets held during the year.

Notes to the Financial Statements

Continued

11 Shares in Issue Reconciliation

	Opening shares 2023	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2024
Retail accumulation	11,372,655	4,783,868	(1,794,435)	(163,941)	14,198,147
Retail income	8,162,015	2,258,751	(4,399,198)	(348,598)	5,672,970
Institutional accumulation	19,855,556	3,736,613	(3,108,572)	(3,329,697)	17,153,900
Institutional income	12,437,952	1,423,851	(2,304,260)	(3,446,046)	8,111,497
Institutional regulated accumulation	62,371,677	441,544	(10,761,821)	-	52,051,400
Institutional A accumulation	263,972	17,964	(24,175)	121,486	379,247
Institutional S accumulation	322,337,506	5,063,224	(67,920,054)	44,169,152	303,649,828
Institutional S income	27,566,863	624,624	(6,964,461)	4,041,354	25,268,380
Platform 1 accumulation	177,884,560	809,606	(55,046,636)	(9,291,153)	114,356,377
Z accumulation	-	43,749	(19,867)	-	23,882
ZC accumulation	2,083,621	35,281	(394,042)	(6,444)	1,718,416
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).

Fair value of investment assets	2024 £'000 Level 1	2024 £'000 Level 2	2024 £'000 Level 3	2023 £'000 Level 1	2023 £'000 Level 2	2023 £'000 Level 3
Equities	940,868	-	-	1,137,378	-	-
Collective Investment Schemes	-	47,916	-	-	59,130	-
Total investment assets	**940,868**	**47,916**	**-**	**1,137,378**	**59,130**	**-**

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 29 February 2024, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £49,439,000 (2023: £59,825,000).

Financial derivatives instrument risk

The fund had no exposure to derivatives as at 29 February 2024 (2023: £Nil).

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2024 £7,865,000 (2023: £3,722,000).

Distribution Table

For the year ended 29 February 2024 (in pence per share)

Final dividend distribution

Group 1 - shares purchased prior to 1 March 2023
Group 2 - shares purchased between 1 March 2023 and 29 February 2024

	Revenue	Equalisation	Distribution paid 30/04/24	Distribution paid 28/04/23
Retail accumulation				
Group 1	11.9647	-	11.9647	4.9610
Group 2	7.4703	4.4944	11.9647	4.9610
Retail income				
Group 1	1.9443	-	1.9443	1.4747
Group 2	1.3933	0.5510	1.9443	1.4747
Institutional accumulation				
Group 1	18.5735	-	18.5735	10.6625
Group 2	11.3639	7.2096	18.5735	10.6625
Institutional income				
Group 1	2.6398	-	2.6398	1.9930
Group 2	1.9597	0.6801	2.6398	1.9930
Institutional regulated accumulation				
Group 1	11.3759	-	11.3759	7.5187
Group 2	4.4124	6.9635	11.3759	7.5187
Institutional A accumulation				
Group 1	0.9548	-	0.9548	0.2232
Group 2	0.2782	0.6766	0.9548	0.2232
Institutional S accumulation				
Group 1	2.1424	-	2.1424	1.2932
Group 2	0.9603	1.1821	2.1424	1.2932
Institutional S income				
Group 1	2.4298	-	2.4298	1.8324
Group 2	1.3272	1.1026	2.4298	1.8324
Platform 1 accumulation				
Group 1	2.6077	-	2.6077	1.4259
Group 2	1.6083	0.9994	2.6077	1.4259
Z accumulation				
Group 1	8.9043	-	8.9043	-
Group 2	8.9043	-	8.9043	-

Distribution Table

For the year ended 29 February 2024 (in pence per share) continued

	Revenue	Equalisation	Distribution paid 30/04/24	Distribution paid 28/04/23
ZC accumulation				
Group 1	9.2772	-	9.2772	6.7767
Group 2	4.8702	4.4070	9.2772	6.7767
ZA income				
Group 1	6.1654	-	6.1654	4.6221
Group 2	6.1654	-	6.1654	4.6221

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 (closed)

For the year ended 29 February 2024

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 -6.01% (Source: Morningstar Direct, Platform 1 Accumulation, net of fees). This compared to a return of -1.98% for our performance target (Source: FactSet, MSCI AC Asia Pacific ex Japan Index).

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

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

The fund underperformed its benchmark in the period with stock selection in China proving to be the main factor weighing on relative returns. Initial optimism over the demand boost from China's faster-than-expected re-opening waned as macroeconomic data began to reflect soft domestic demand and fading momentum in exports. There was also a notable value tilt as state-owned enterprises benefited from reforms, but otherwise the market was more sentiment-driven due to a lack of sufficient policy support and the stalled economic recovery. In sector terms, our consumer holdings were affected as investor hopes of a strong rebound in sales proved overly optimistic with consumer sentiment weaker than expected. Shares of China Tourism Group Duty Free had recovered well on news of China's reopening, but the

abrdn Asian Pacific Growth Equity Fund (closed)

Continued

stock became volatile later on due to investor concerns about the strength of the recovery in consumption levels and the impact of the resumption of international travel. Drinks producer Budweiser APAC and automobile retailer Zhongsheng Group were also affected in the sector.

LONGi Green Energy Technology also weighed on performance after the European Commission unveiled proposed targets and reforms intended to reduce Europe's dependence on China for green or renewable energy products. The information technology sector also detracted from performance over the period, chiefly due to the fund's software holdings in China: Glodon, Yonyou Network Technology and GDS Holdings. In Glodon's case, investors were concerned that weakness in the Chinese property sector might impact the company given its construction software products. These losses were partially mitigated by the performance of our non-benchmark semiconductor stocks, ASM International and ASML, which outperformed as visibility on a potential turnaround in the semiconductor cycle improved and delivered reasonable results.

Several of the fund's Indian holdings were among the most positive contributors to performance, reflecting the generally buoyant economic and market conditions in the country. Stocks spanning several sectors benefited from this, including HDFC, SBI Life, Power Grid Corp and Maruti Suzuki.

Market Review

Stock markets in the Asia Pacific (excluding Japan) region fell over the period in sterling terms with sentiment driven mainly by concerns about inflation, the potential for further interest rate rises, the US debt ceiling talks and signs that China's recovery might be stalling. A decision by Opec+ members to cut oil production sparked fears that it could stoke inflation.

The period started brightly as investors welcomed some positive Chinese economic data and a 25-basis-point cut in the reserve requirement ratio (RRR) by the People's Bank of China. However, this was tempered by weakness in the financial sector as the US Federal Reserve's interest-rate tightening cycle contributed to stresses in the US banking system. That led to the closure of some US regional banks such as Silicon Valley Bank and contagion fears rippled across to Credit Suisse in Europe and banks in developed Asian countries.

Stocks in mainland China and Hong Kong were among the weakest as monthly data towards the end of the period showed a decline in manufacturing activity, and weakening trade raised concerns about the strength of the Chinese recovery. Australia was also in negative territory due to the heavy banking exposure in the local-market benchmark, an unexpected policy-rate increase and weakness in commodity-related stocks. Taiwan lagged on weak industrial production and exports, but sentiment was lifted later by gains in the technology sector due to optimism over the artificial-intelligence theme. India was among the top performers, with the release of first-quarter GDP data showing stronger-than-expected growth. Indonesia was lifted by positive comments from Bank Indonesia that highlighted increasing domestic demand and exports.

Portfolio Activity and Review

Portfolio activity in the period consisted mainly of closing all positions in the fund.

Portfolio Outlook and Strategy

The fund closed on 12 May 2023.

Asia Pacific Equity Team

March 2024

abrdn Asian Pacific Growth Equity Fund (closed)

Continued

Risk and Reward Profile

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

Typically lower rewards, lower risk ← → **Typically higher rewards, higher risk**

1	2	3	4	**5**	6	7

Risk and reward indicator table as at 12 May 2023.

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

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

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

Comparative Tables

Retail accumulation[A]	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	405.51	424.27	466.86
Return before operating charges*	(22.58)	(12.97)	(35.91)
Operating charges	(1.09)	(5.79)	(6.68)
Return after operating charges*	(23.67)	(18.76)	(42.59)
Distributions	(1.27)	(2.59)	(0.94)
Retained distributions on accumulation shares	1.27	2.59	0.94
Redemption value as at 12 May 2023	(381.84)	-	-
Closing net asset value per share	-	405.51	424.27
* after direct transaction costs of:	0.51	0.41	0.46
Performance			
Return after charges	(5.84%)	(4.42%)	(9.12%)
Other information			
Closing net asset value (£'000)	-	9,111	12,230
Closing number of shares	-	2,246,899	2,882,543
Operating charges	1.37%	1.41%	1.46%
Direct transaction costs	0.12%	0.10%	0.10%
Prices			
Highest share price	418.4	443.5	484.6
Lowest share price	381.8	364.0	419.6

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.
The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.
Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.
Highest and Lowest prices are based on official published daily NAVs.
[A] Retail accumulation share class closed on 12 May 2023.

Comparative Tables

Continued

Retail income[A]	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	91.70	96.56	106.49
Return before operating charges*	(5.10)	(2.95)	(8.20)
Operating charges	(0.25)	(1.32)	(1.52)
Return after operating charges*	(5.35)	(4.27)	(9.72)
Distributions	(0.29)	(0.59)	(0.21)
Redemption value as at 12 May 2023	(86.06)	-	-
Closing net asset value per share	-	91.70	96.56
* after direct transaction costs of:	0.12	0.09	0.10
Performance			
Return after charges	(5.83%)	(4.42%)	(9.13%)
Other information			
Closing net asset value (£'000)	-	1,072	1,198
Closing number of shares	-	1,169,333	1,240,939
Operating charges	1.37%	1.41%	1.46%
Direct transaction costs	0.12%	0.10%	0.10%
Prices			
Highest share price	94.59	100.9	110.5
Lowest share price	86.35	82.83	95.70

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.
The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.
Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.
Highest and Lowest prices are based on official published daily NAVs.
[A] Retail income share class closed on 12 May 2023.

Comparative Tables

Continued

Institutional accumulation[A]	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	475.20	494.78	541.90
Return before operating charges*	(26.48)	(15.06)	(41.85)
Operating charges	(0.84)	(4.52)	(5.27)
Return after operating charges*	(27.32)	(19.58)	(47.12)
Distributions	(1.93)	(5.28)	(3.59)
Retained distributions on accumulation shares	1.93	5.28	3.59
Redemption value as at 12 May 2023	(447.88)	-	-
Closing net asset value per share	-	475.20	494.78
* after direct transaction costs of:	0.60	0.48	0.53
Performance			
Return after charges	(5.75%)	(3.96%)	(8.70%)
Other information			
Closing net asset value (£'000)	-	3,469	4,279
Closing number of shares	-	729,932	864,934
Operating charges	0.90%	0.94%	0.99%
Direct transaction costs	0.12%	0.10%	0.10%
Prices			
Highest share price	490.4	519.4	562.5
Lowest share price	447.9	425.8	489.3

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.
The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.
Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.
Highest and Lowest prices are based on official published daily NAVs.
[A] Institutional accumulation share class closed on 12 May 2023.

Comparative Tables

Continued

Platform 1 accumulation[A]	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	124.50	129.72	142.13
Return before operating charges*	(6.94)	(3.97)	(10.96)
Operating charges	(0.23)	(1.25)	(1.45)
Return after operating charges*	(7.17)	(5.22)	(12.41)
Distributions	(0.49)	(1.32)	(0.87)
Retained distributions on accumulation shares	0.49	1.32	0.87
Redemption value as at 12 May 2023	(117.33)	-	-
Closing net asset value per share	-	124.50	129.72
* after direct transaction costs of:	0.16	0.13	0.14
Performance			
Return after charges	(5.76%)	(4.02%)	(8.73%)
Other information			
Closing net asset value (£'000)	-	9,619	12,389
Closing number of shares	-	7,725,445	9,550,373
Operating charges	0.95%	0.99%	1.04%
Direct transaction costs	0.12%	0.10%	0.10%
Prices			
Highest share price	128.5	136.1	147.5
Lowest share price	117.3	111.6	128.3

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.
The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.
Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.
Highest and Lowest prices are based on official published daily NAVs.
[A] Platform 1 accumulation share class closed on 12 May 2023.

Comparative Tables

Continued

ZC accumulation[A]	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	180.00	186.04	202.23
Return before operating charges*	(10.05)	(5.69)	(15.71)
Operating charges	(0.05)	(0.35)	(0.48)
Return after operating charges*	(10.10)	(6.04)	(16.19)
Distributions	(1.00)	(3.35)	(2.84)
Retained distributions on accumulation shares	1.00	3.35	2.84
Redemption value as at 12 May 2023	(169.90)	-	-
Closing net asset value per share	-	180.00	186.04
* after direct transaction costs of:	0.23	0.18	0.20
Performance			
Return after charges	(5.61%)	(3.25%)	(8.01%)
Other information			
Closing net asset value (£'000)	-	1,220	1,102
Closing number of shares	-	677,587	592,312
Operating charges	0.15%	0.19%	0.24%
Direct transaction costs	0.12%	0.10%	0.10%
Prices			
Highest share price	185.8	196.6	209.9
Lowest share price	169.9	160.9	184.0

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.
The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.
Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.
Highest and Lowest prices are based on official published daily NAVs.
[A] ZC accumulation share class closed on 12 May 2023.

Portfolio Statement

As at 29 February 2024

Holding	Investment	Market value £'000	Percentage of total net assets
	Equities (99.99%)	-	-
	European Equities (2.49%)	-	-
	Netherlands (2.49%)	-	-
	Pacific Basin Equities (97.50%)	-	-
	Australia (17.72%)	-	-
	China (27.01%)	-	-
	Hong Kong (8.56%)	-	-
	India (14.25%)	-	-
	Indonesia (3.98%)	-	-
	Philippines (0.99%)	-	-
	Singapore (4.59%)	-	-
	South Korea (8.38%)	-	-
	Taiwan (10.77%)	-	-
	Thailand (1.25%)	-	-
	Collective Investment Schemes (0.02%)	-	-
	Total investment assets	-	-
	Net other assets	-	-
	Total Net Assets	-	-

The percentage figures in brackets show the comparative holding as at 28 February 2023.

Statement of Total Return

For the year ended 29 February 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
Income:					
Net capital losses	1		(1,487)		(1,409)
Revenue	2	144		559	
Expenses	3	(49)		(283)	
Interest payable and similar charges		-		(1)	
Net revenue before taxation		95		275	
Taxation	4	(22)		(42)	
Net revenue after taxation			73		233
Total return before distributions			**(1,414)**		**(1,176)**
Distributions	5		(90)		(240)
Change in net assets attributable to shareholders from investment activities			**(1,504)**		**(1,416)**

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 29 February 2024

	2024		2023	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		**24,491**		**31,198**
Amounts receivable on the issue of shares	109		1,162	
Amounts payable on the cancellation of shares	(860)		(6,684)	
Amounts payable on inspecie transfers*	(22,346)		-	
		(23,097)		(5,522)
Dilution adjustment		1		9
Change in net assets attributable to shareholders from investment activities (see above)		(1,504)		(1,416)
Retained distribution on accumulation shares		85		222
Movement in amount payable on termination		24		-
Closing net assets attributable to shareholders		**-**		**24,491**

* Relating to an inspecie transfer to abrdn Asia Pacific Equity Fund on 12 May 2023.

Balance Sheet

As at 29 February 2024

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Assets:					
Fixed assets:					
Investment assets			-		24,494
Current assets:					
Debtors	6	14		40	
Cash and bank balances	7	27		107	
			41		147
Total assets			**41**		**24,641**
Liabilities:					
Provisions for liabilities	8		-		(26)
Bank overdrafts	7	-		(24)	
Creditors	9	(41)		(93)	
Distribution payable		-		(7)	
			(41)		(124)
Total liabilities			**(41)**		**(150)**
Net assets attributable to shareholders			**-**		**24,491**

Notes to the Financial Statements

1 Net Capital Losses

	2024 £'000	2023 £'000
Non-derivative securities	(1,452)	(1,408)
Other (losses)/gains	(31)	23
Transaction charges	(4)	(24)
Net capital losses	**(1,487)**	**(1,409)**

2 Revenue

	2024 £'000	2023 £'000
Bank and margin interest	2	4
Overseas dividends	142	550
Overseas REIT	-	5
Total revenue	**144**	**559**

3 Expenses

	2024 £'000	2023 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	45	254
Dealing charge	1	5
General administration charge	2	11
	48	**270**
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fees	1	5
	1	**5**
Other:		
Professional fees	-	8
	-	8
Total expenses	**49**	**283**

Irrecoverable VAT is included in the above expenses, where relevant
The audit fee for the year, including VAT, was £5,520 (2023: £10,200).

4 Taxation

	2024 £'000	2023 £'000
(a) Analysis of charge in year		
Overseas taxes	7	35
Overseas capital gains tax in capital	41	24
Total current tax	48	59
Deferred tax (note 4c)	(26)	(17)
Total taxation (note 4b)	**22**	**42**

(b) Factors affecting total tax charge for the year

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

Net revenue before taxation	**95**	**275**
Corporation tax at 20% (2023: 20%)	19	55
Effects of:		
Revenue not subject to taxation	(28)	(110)
Overseas taxes	7	35
Excess allowable expenses	9	55
Overseas capital gains tax	41	24
Deferred Tax	(26)	(17)
Total tax charge for year (note 4a)	**22**	**42**

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

(c) Deferred tax

Deferred tax charge at the start of the year	26	43
Deferred tax credit in statement of total return for year (note 4a)	(26)	(17)
Provision at the end of the year	**-**	**26**

(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 £932,000 (2023: £923,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

Notes to the Financial Statements

Continued

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

	2024 £'000	2023 £'000
Special distribution	88	-
Distribution	-	228
Add: Income deducted on cancellation of shares	2	31
Deduct: Income received on issue of shares	-	(19)
Total distributions for the year	**90**	**240**
Movement between net revenue and distributions		
Net revenue after taxation	73	233
Overseas capital gains tax on realised gains	41	24
Overseas deferred capital gains tax on unrealised gains	(26)	(17)
Undistributed revenue carried forward	2	-
Total distributions for the year	**90**	**240**

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

6 Debtors

	2024 £'000	2023 £'000
Accrued revenue	-	23
Amounts receivable from the ACD for the issue of shares	-	1
Overseas withholding tax recoverable	14	16
Total debtors	**14**	**40**

7 Liquidity

	2024 £'000	2023 £'000
Cash and bank balances		
Cash at bank	27	107
	27	**107**
Bank overdrafts		
Overdraft at bank	-	(24)
	-	**(24)**
abrdn Liquidity Fund (Lux) - Sterling Fund*	-	5
Net liquidity	**27**	**88**

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

Notes to the Financial Statements

Continued

8 Provisions for Liabilities

	2024 £'000	2023 £'000
The provisions for liabilities comprise:		
Deferred tax payable on overseas capital gains tax	-	26
Total provisions for liabilities	**-**	**26**

9 Creditors

	2024 £'000	2023 £'000
Accrued expenses payable to ACD	-	20
Accrued expenses payable to the Depositary or associates of the Depositary	-	6
Amounts payable to the ACD for cancellation of shares	-	62
Amounts payable on termination	41	-
Other accrued expenses	-	5
Total creditors	**41**	**93**

10 Related Party Transactions

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

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

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

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

11 Portfolio Transaction Costs

	Purchases		Sales	
Trades in the year	**2024 £'000**	**2023 £'000**	**2024 £'000**	**2023 £'000**
Equities	2,240	6,291	15,356	11,505
Inspecie transactions	-	-	9,951	-
Corporate actions	-	22	-	-
Trades in the year before transaction costs	**2,240**	**6,313**	**25,307**	**11,505**

Notes to the Financial Statements

Continued

	Purchases		Sales	
Trades in the year	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Commissions				
Equities	1	4	(5)	(5)
Total commissions	**1**	**4**	**(5)**	**(5)**
Taxes				
Equities	2	4	(23)	(13)
Total taxes	**2**	**4**	**(23)**	**(13)**
Total transaction costs	**3**	**8**	**(28)**	**(18)**
Total net trades in the year after transaction costs	**2,243**	**6,321**	**25,279**	**11,487**

	Purchases		Sales	
	2024 %	2023 %	2024 %	2023 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.03	0.07	0.03	0.04
Taxes				
Equities	0.09	0.07	0.15	0.11

	2024 %	2023 %
Total transaction costs expressed as a percentage of net asset value		
Commissions	0.02	0.03
Taxes	0.10	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 Nil (2023: 0.22%), this is representative of the average spread on the assets held during the year.

12 Shares in Issue Reconciliation

	Opening shares 2023	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2024
Retail accumulation	2,246,899	8,778	(2,231,189)	(24,488)	-
Retail income	1,169,333	5,364	(1,174,697)	-	-
Institutional accumulation	729,932	1,387	(730,696)	(623)	-
Platform 1 accumulation	7,725,445	32,873	(7,840,381)	82,063	-
ZC accumulation	677,587	12,625	(690,212)	-	-

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).

Fair value of investment assets	2024 £'000 Level 1	2024 £'000 Level 2	2024 £'000 Level 3	2023 £'000 Level 1	2023 £'000 Level 2	2023 £'000 Level 3
Equities	-	-	-	24,489	-	-
Collective Investment Schemes	-	-	-	-	5	-
Total investment assets	**-**	**-**	**-**	**24,489**	**5**	**-**

14 Risk Management Policies and Disclosures

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

Foreign currency risk

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

Currency	Net foreign currency exposure 2024 £'000	Net foreign currency exposure 2023 £'000
Australian Dollar	-	4,349
China Renminbi	-	2,698
Euro	-	609
Hong Kong Dollar	-	6,017
Indian Rupee	14	3,486
Indonesian Rupiah	-	974
Philippines Peso	-	243
Singapore Dollar	-	1,175
South Korean Won	-	2,062
Taiwan Dollar	27	2,666
Thai Baht	-	306
US Dollar	-	32
Total	**41**	**24,617**

At 29 February 2024, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £2,000 (2023: £1,231,000).

Interest rate risk

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

Other price risk

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

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

As at 29 February 2024, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £Nil (2023: £1,225,000).

Financial derivatives instrument risk

The fund had no exposure to derivatives as at 29 February 2024 (2023: £Nil).

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2024 £41,000 (2023: £150,000).

Distribution Tables

For the year ended 29 February 2024 (in pence per share)

Special dividend distribution

Group 1 - shares purchased prior to 1 March 2023
Group 2 - shares purchased between 1 March 2023 and 11 May 2023

	Revenue	Equalisation	Distribution paid 12/07/23
Retail accumulation			
Group 1	0.4618	-	1.2698
Group 2	0.4618	0.8080	1.2698
Retail income			
Group 1	0.0660	-	0.2870
Group 2	0.0660	0.2210	0.2870
Institutional accumulation			
Group 1	0.7897	-	1.9277
Group 2	0.7897	1.1380	1.9277
Platform 1 accumulation			
Group 1	0.1250	-	0.4928
Group 2	0.1250	0.3678	0.4928
ZC accumulation			
Group 1	0.3786	-	0.9962
Group 2	0.3786	0.6176	0.9962

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

Final dividend distribution

Group 1 - shares purchased prior to 12 May 2023
Group 2 - shares purchased between 12 May 2023 and 29 February 2024

	Revenue	Equalisation	Distribution paid 30/04/24	Distribution paid 28/04/23
Retail accumulation				
Group 1	-	-	-	2.5935
Group 2	-	-	-	2.5935
Retail income				
Group 1	-	-	-	0.5905
Group 2	-	-	-	0.5905
Institutional accumulation				
Group 1	-	-	-	5.2797
Group 2	-	-	-	5.2797
Platform 1 accumulation				
Group 1	-	-	-	1.3211
Group 2	-	-	-	1.3211
ZC accumulation				
Group 1	-	-	-	3.3464
Group 2	-	-	-	3.3464

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 (closed)

For the year ended 29 February 2024

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

For the period from 1 March 2023 to 12 May 2023, when the fund was closed, the value of the abrdn Emerging Markets Opportunities Equity Fund fell by 3.28% (Source: Morningstar Direct, Platform 1 Accumulation, net of fees). This compared to a decline of 0.79% in its performance target (Source: FactSet, the MSCI Emerging Markets Index +3%).

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

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

From a country perspective, the fund benefitted from strong stock selection in India. The overweight to HDFC Bank and lack of exposure to IT services provider Infosys proved particularly favourable. Elsewhere in emerging Asia, the overweight to South Korea-based petrochemical and battery producer LG Chem was also positive, while Kazakh fintech company Kaspi.kz rallied following strong first-quarter results. In Indonesia, Bank Rakyat advanced as execution in the micro segment continued to support earnings growth.

Within Latin America, our stock picks in Brazil stood out as market sentiment improved on favourable economic data. Lender Bradesco made notable gains.

abrdn Emerging Markets Opportunities Equity Fund (closed)

Continued

Conversely, stock selection in China and the non-benchmark exposure to Hong Kong held back performance. Risk appetite towards Chinese equities weakened over the period mainly due to the slower-than-expected pace of economic rebound, triggering a sell-off in domestic consumption-focused names. The fund's overweight to alcoholic beverage company Wuliangye Yibin and China Tourism Group Duty Free detracted from relative returns.

Other disappointments included the above-benchmark exposure to LONGi Green Energy and healthcare services firm Hangzhou Tigermed. The former retreated on weaker-than-expected results, while the latter was weighed down by slowing domestic outsourcing research and development demand. Our Hong Kong-listed holdings were not spared from the sell-off as weak investor sentiment carried over to the H-share market.

Nevertheless, there are still plenty of reasons to be sanguine about the opportunities in China. The consumption recovery is still happening, even if at a slower pace than previously anticipated. We believe policy measures will remain accommodative and calibrated towards specific sectors.

Portfolio Activity and Review

In key portfolio activity, we sold Biocon and FEMSA to fund more attractive opportunities elsewhere.

Portfolio Outlook and Strategy

The fund closed on 12 May 2023.

Global Emerging Markets Equity Team

March 2024

abrdn Emerging Markets 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 12 May 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

Retail accumulation[A]	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	93.25	94.57	109.62
Return before operating charges*	(2.63)	(0.10)	(13.60)
Operating charges	(0.25)	(1.22)	(1.45)
Return after operating charges*	(2.88)	(1.32)	(15.05)
Distributions	(0.51)	(2.19)	(1.09)
Retained distributions on accumulation shares	0.51	2.19	1.09
Redemption value as at 12 May 2023	(90.37)	-	-
Closing net asset value per share	-	93.25	94.57
* after direct transaction costs of:	0.18	0.11	0.09
Performance			
Return after charges	(3.09%)	(1.40%)	(13.73%)
Other information			
Closing net asset value (£'000)	-	87,329	83,129
Closing number of shares	-	93,645,463	87,905,737
Operating charges	1.33%	1.35%	1.36%
Direct transaction costs	0.19%	0.12%	0.08%
Prices			
Highest share price	97.33	100.0	113.7
Lowest share price	89.99	79.90	94.81

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.
The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.
Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.
Highest and Lowest prices are based on official published daily NAVs.
[A] Retail Accumulation share class closed on 12 May 2023.

Comparative Tables

Continued

Institutional accumulation[A]	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	100.03	100.59	115.72
Return before operating charges*	(2.78)	0.29	(14.12)
Operating charges	(0.17)	(0.85)	(1.01)
Return after operating charges*	(2.95)	(0.56)	(15.13)
Distributions	(0.69)	(3.23)	(1.98)
Retained distributions on accumulation shares	0.69	3.23	1.98
Redemption value as at 12 May 2023	(97.08)	-	-
Closing net asset value per share	-	100.03	100.59
* after direct transaction costs of:	0.20	0.11	0.09
Performance			
Return after charges	(2.95%)	(0.56%)	(13.07%)
Other information			
Closing net asset value (£'000)	-	1,325	1,931
Closing number of shares	-	1,324,699	1,919,305
Operating charges	0.86%	0.88%	0.89%
Direct transaction costs	0.19%	0.12%	0.08%
Prices			
Highest share price	104.3	107.1	120.0
Lowest share price	96.51	85.36	101.00

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.
[A] Institutional Accumulation share class closed on 12 May 2023.

Comparative Tables

Continued

Platform 1 accumulation[A]	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	98.09	99.05	114.34
Return before operating charges*	(2.77)	(0.07)	(14.24)
Operating charges	(0.18)	(0.89)	(1.05)
Return after operating charges*	(2.95)	(0.96)	(15.29)
Distributions	(0.62)	(2.70)	(1.60)
Retained distributions on accumulation shares	0.62	2.70	1.60
Redemption value as at 12 May 2023	(95.14)	-	-
Closing net asset value per share	-	98.09	99.05
* after direct transaction costs of:	0.19	0.11	0.09
Performance			
Return after charges	(3.01%)	(0.97%)	(13.37%)
Other information			
Closing net asset value (£'000)	-	1,299	1,372
Closing number of shares	-	1,324,631	1,384,801
Operating charges	0.91%	0.93%	0.94%
Direct transaction costs	0.19%	0.12%	0.08%
Prices			
Highest share price	102.4	105.2	118.6
Lowest share price	94.68	83.93	99.30

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.
[A] Platform 1 Accumulation share class closed on 12 May 2023.

Comparative Tables

Continued

ZC accumulation[A]	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	91.04	91.23	104.49
Return before operating charges*	(2.59)	(0.07)	(13.12)
Operating charges	(0.02)	(0.12)	(0.14)
Return after operating charges*	(2.61)	(0.19)	(13.26)
Distributions	(0.72)	(3.16)	(2.28)
Retained distributions on accumulation shares	0.72	3.16	2.28
Redemption value as at 12 May 2023	(88.43)	-	-
Closing net asset value per share	-	91.04	91.23
* after direct transaction costs of:	0.18	0.10	0.08
Performance			
Return after charges	(2.87%)	(0.21%)	(12.69%)
Other information			
Closing net asset value (£'000)	-	1,292	1,204
Closing number of shares	-	1,418,765	1,319,826
Operating charges	0.11%	0.13%	0.14%
Direct transaction costs	0.19%	0.12%	0.08%
Prices			
Highest share price	95.04	97.57	108.3
Lowest share price	87.92	77.71	91.45

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.
[A] ZC Accumulation share class closed on 12 May 2023.

Comparative Tables

Continued

ZB accumulation[A]	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	108.25	108.38	123.97
Return before operating charges*	(3.09)	(0.13)	(15.59)
Operating charges	-	-	-
Return after operating charges*	(3.09)	(0.13)	(15.59)
Distributions	(0.87)	(3.83)	(2.83)
Retained distributions on accumulation shares	0.87	3.83	2.83
Redemption value as at 12 May 2023	(105.16)	-	-
Closing net asset value per share	-	108.25	108.38
* after direct transaction costs of:	0.21	0.12	0.10
Performance			
Return after charges	(2.85%)	(0.12%)	(12.58%)
Other information			
Closing net asset value (£'000)	-	60,633	88,741
Closing number of shares	-	56,014,030	81,878,910
Operating charges	0.00%	0.00%	0.00%
Direct transaction costs	0.19%	0.12%	0.08%
Prices			
Highest share price	113.0	116.0	128.6
Lowest share price	104.5	92.37	108.60

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.
The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.
Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.
Highest and Lowest prices are based on official published daily NAVs.
[A] ZB Accumulation share class closed on 12 May 2023.

Portfolio Statement

As at 29 February 2024

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (98.88%)		-	-
Europe, Middle East & Africa Equities (6.64%)		-	-
Georgia (1.50%)		-	-
Nigeria (0.55%)		-	-
Poland (0.93%)		-	-
Russia (0.00%)		-	-
21,045	HeadHunter ADR+++	-	-
9,382	X5 Retail GDR+++	-	-
719,612	Detsky Mir+++	-	-
385,684	Gazprom+++	-	-
22,943	Lukoil ADR+++	-	-
67,930	MMC Norilsk Nickel ADR+++	-	-
4,962	Novatek GDR+++	-	-
190,152	Sberbank of Russia ADR+++	-	-
25,886,162	Segezha+++	-	-
Saudi Arabia (1.52%)		-	-
South Africa (1.77%)		-	-
United Arab Emirates (0.37%)		-	-
Latin America Equities (11.50%)		-	-
Brazil (3.65%)		-	-
Colombia (0.70%)		-	-
Mexico (6.15%)		-	-
Peru (1.00%)		-	-
North America Equities (1.05%)		-	-
Canada (0.14%)		-	-
United States (0.91%)		-	-
Pacific Basin Equities (79.69%)		-	-
China (28.72%)		-	-
Hong Kong (3.49%)		-	-
India (13.92%)		-	-
Indonesia (3.14%)		-	-
Kazakhstan (1.96%)		-	-

Portfolio Statement

As at 29 February 2024 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Macau (0.96%)		-	-
Malaysia (1.78%)		-	-
South Korea (11.61%)		-	-
Taiwan (14.11%)		-	-
Collective Investment Schemes (0.35%)		-	-
	Total investment assets	-	-
	Net other assets	-	-
	Total Net Assets	-	-

The percentage figures in brackets show the comparative holding as at 28 February 2023.
+++ Priced per abrdn VPC.

Statement of Total Return

For the year ended 29 February 2024

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Income:					
Net capital losses	1		(5,457)		(6,993)
Revenue	2	1,319		6,186	
Expenses	3	(236)		(1,100)	
Interest payable and similar charges		(1)		(5)	
Net revenue before taxation		1,082		5,081	
Taxation	4	(180)		(620)	
Net revenue after taxation			902		4,461
Total return before distributions			**(4,555)**		**(2,532)**
Distributions	5		(985)		(4,630)
Change in net assets attributable to shareholders from investment activities			**(5,540)**		**(7,162)**

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 29 February 2024

	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Opening net assets attributable to shareholders		**151,878**		**176,377**
Amounts receivable on the issue of shares	1,860		18,972	
Amounts payable on the cancellation of shares	(3,598)		(40,681)	
Amounts payable on inspecie transfers*	(145,679)		-	
		(147,417)		(21,709)
Dilution adjustment		(1)		50
Change in net assets attributable to shareholders from investment activities (see above)		(5,540)		(7,162)
Retained distribution on accumulation shares		986		4,322
Movement in amount payable on termination		94		-
Closing net assets attributable to shareholders		**-**		**151,878**

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

Balance Sheet

As at 29 February 2024

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Assets:					
Fixed assets:					
Investment assets			-		150,716
Current assets:					
Debtors	6	112		1,041	
Cash and bank balances	7	7		1,729	
			119		2,770
Total assets			**119**		**153,486**
Liabilities:					
Provisions for liabilities	8		-		(391)
Creditors	9	(119)		(1,217)	
			(119)		(1,217)
Total liabilities			**(119)**		**(1,608)**
Net assets attributable to shareholders			**-**		**151,878**

Notes to the Financial Statements

1 Net Capital Losses

	2024 £'000	2023 £'000
Non-derivative securities	(5,087)	(7,080)
Other (losses)/gains	(363)	107
Subsidised fees taken from the capital account*	-	15
Transaction charges	(7)	(35)
Net capital losses	**(5,457)**	**(6,993)**

* Subsidised fees are paid by the ACD.

2 Revenue

	2024 £'000	2023 £'000
Bank and margin interest	11	17
Overseas dividends	1,286	5,986
Overseas REIT	22	74
UK dividends	-	109
Total revenue	**1,319**	**6,186**

3 Expenses

	2024 £'000	2023 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	226	1,073
Dealing charge	-	1
General administration charge	1	3
	227	**1,077**
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Depositary's fees	-	(2)
Revenue collection expenses	1	1
Safe custody fees	8	35
	9	**34**
Other:		
Professional fees	-	8
Subsidised fees*	-	(19)
	-	(11)
Total expenses	**236**	**1,100**

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £5,520 (2023: £10,200).
* Subsidised fees are paid by the ACD.

4 Taxation

	2024 £'000	2023 £'000
(a) Analysis of charge in year		
Overseas taxes	107	451
Overseas capital gains tax	464	-
Total current tax	571	451
Deferred tax (note 4c)	(391)	169
Total taxation (note 4b)	**180**	**620**

(b) Factors affecting total tax charge for the year

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

Net revenue before taxation	**1,082**	**5,081**
Corporation tax at 20% (2023: 20%)	216	1,016
Effects of:		
Revenue not subject to taxation	(253)	(1,162)
Overseas taxes	107	451
Overseas tax expensed	(1)	(9)
Excess allowable expenses	38	155
Overseas capital gains tax	464	-
Deferred Tax	(391)	169
Total tax charge for year (note 4a)	**180**	**620**

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

(c) Deferred tax

Deferred tax charge at the start of the year	391	222
Deferred tax charge in statement of total return for year (note 4a)	(391)	169
Provision at the end of the year	**-**	**391**

(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 £1,796,000 (2023: £1,758,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

Notes to the Financial Statements

Continued

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

	2024 £'000	2023 £'000
Special Distribution	986	-
Distribution	-	4,322
Add: Income deducted on cancellation of shares	5	570
Deduct: Income received on issue of shares	(6)	(262)
Total distributions for the year	**985**	**4,630**
Movement between net revenue and distributions		
Net revenue after taxation	902	4,461
Overseas capital gains tax on realised gains	464	-
Overseas deferred capital gains tax on unrealised gains	(391)	169
Undistributed revenue carried forward	10	-
Total distributions for the year	**985**	**4,630**

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

6 Debtors

	2024 £'000	2023 £'000
Accrued revenue	-	436
Amounts receivable from the ACD for the issue of shares	-	148
Expenses reimbursement receivable from the ACD	-	24
Overseas withholding tax recoverable	112	127
Sales awaiting settlement	-	306
Total debtors	**112**	**1,041**

7 Liquidity

	2024 £'000	2023 £'000
Cash and bank balances		
Cash at bank	7	1,729
	7	**1,729**
abrdn Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	-	532
Net liquidity	**7**	**2,261**

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

Notes to the Financial Statements

Continued

8 Provisions for Liabilities

	2024 £'000	2023 £'000
The provisions for liabilities comprise:		
Deferred tax payable	-	391
Total provisions for liabilities	**-**	**391**

9 Creditors

	2024 £'000	2023 £'000
Accrued expenses payable to ACD	-	93
Accrued expenses payable to the Depositary or associates of the Depositary	-	16
Amounts payable to the ACD for cancellation of shares	-	80
Amounts payable on termination	119	-
Other accrued expenses	-	5
Purchases awaiting settlement	-	1,023
Total creditors	**119**	**1,217**

10 Related Party Transactions

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

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

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

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

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.

Notes to the Financial Statements

Continued

11 Portfolio Transaction Costs

	Purchases		Sales	
Trades in the year	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Equities	48,202	48,184	126,587	65,040
Inspecie transactions	-	-	67,003	-
Corporate actions	-	-	3	21
Trades in the year before transaction costs	**48,202**	**48,184**	**193,593**	**65,061**
Commissions				
Equities	22	32	(56)	(28)
Total commissions	**22**	**32**	**(56)**	**(28)**
Taxes				
Equities	40	27	(177)	(91)
Total taxes	**40**	**27**	**(177)**	**(91)**
Total transaction costs	**62**	**59**	**(233)**	**(119)**
Total net trades in the year after transaction costs	**48,264**	**48,243**	**193,360**	**64,942**

	Purchases		Sales	
	2024 %	2023 %	2024 %	2023 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.05	0.07	0.04	0.04
Taxes				
Equities	0.08	0.06	0.14	0.14

	2024 %	2023 %
Total transaction costs expressed as a percentage of net asset value		
Commissions	0.05	0.04
Taxes	0.14	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 Nil (2023: 0.20%), this is representative of the average spread on the assets held during the year.

Notes to the Financial Statements

Continued

12 Shares in Issue Reconciliation

	Opening shares 2023	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2024
Retail accumulation	93,645,463	1,976,416	(95,621,879)	-	-
Institutional accumulation	1,324,699	1,681	(1,295,409)	(30,971)	-
Platform 1 accumulation	1,324,631	20,420	(1,376,655)	31,604	-
ZC accumulation	1,418,765	30,735	(1,449,500)	-	-
ZB accumulation	56,014,030	-	(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).

Fair value of investment assets	2024 £'000 Level 1	2024 £'000 Level 2	2024 £'000 Level 3*	2023 £'000 Level 1	2023 £'000 Level 2	2023 £'000 Level 3*
Equities	-	-	-	150,184	-	-
Collective Investment Schemes	-	-	-	-	532	-
Total investment assets	**-**	**-**	**-**	**150,184**	**532**	**-**

* 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 2024 £'000	Net foreign currency exposure 2023 £'000
Brazilian Real	-	5,623
China Renminbi	-	9,803
Euro	-	1,420
Hong Kong Dollar	-	40,575

Currency	Net foreign currency exposure 2024 £'000	Net foreign currency exposure 2023 £'000
Indian Rupee	111	20,149
Indonesian Rupiah	-	4,836
Malaysian Ringgit	-	2,697
Mexican Peso	-	9,729
Nigeria Naira	-	(14)
Saudi Riyal	-	2,301
South Africa Rand	-	2,691
South Korean Won	-	17,837
Taiwan Dollar	-	21,739
UAE Dirham	-	563
US Dollar	4	8,347
Total	**115**	**148,296**

At 29 February 2024, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £6,000 (2023: £7,415,000).

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 29 February 2024, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £Nil (2023: £7,536,000).

Financial derivatives instrument risk

The fund had no exposure to derivatives as at 29 February 2024 (2023: £Nil).

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2024 £119,000 (2023: £1,608,000).

Distribution Tables

For the year ended 29 February 2024 (in pence per share)

Special dividend distribution

Group 1 - shares purchased prior to 1 March 2023
Group 2 - shares purchased between 1 March 2023 and 11 May 2023

	Revenue	Equalisation	Distribution paid 12/07/23
Retail accumulation			
Group 1	0.5110	-	0.5110
Group 2	0.2223	0.2887	0.5110
Institutional accumulation			
Group 1	0.6909	-	0.6909
Group 2	0.4058	0.2851	0.6909
Platform 1 accumulation			
Group 1	0.6202	-	0.6202
Group 2	0.4226	0.1976	0.6202
ZC accumulation			
Group 1	0.7185	-	0.7185
Group 2	0.4222	0.2963	0.7185
ZB accumulation			
Group 1	0.8739	-	0.8739
Group 2	0.8739	-	0.8739

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

Final dividend distribution

Group 1 - shares purchased prior to 12 May 2023
Group 2 - shares purchased between 12 May 2023 and 29 February 2024

	Revenue	Equalisation	Distribution paid 30/04/24	Distribution paid 28/04/23
Retail accumulation				
Group 1	-	-	-	2.1904
Group 2	-		-	2.1904
Institutional accumulation				
Group 1	-	-	-	3.2299
Group 2	-		-	3.2299
Platform 1 accumulation				
Group 1	-	-	-	2.7014
Group 2	-		-	2.7014
ZC accumulation				
Group 1	-	-	-	3.1579
Group 2	-		-	3.1579
ZB accumulation				
Group 1	-	-	-	3.8347
Group 2	-		-	3.8347

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 (closed)

For the year ended 29 February 2024

Investment Objective

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

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

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 counties 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 review period ended 3 March 2023, the value of the abrdn Europe ex UK Equity Growth Fund rose by 1.38% (Source: FactSet, Platform 1 Accumulation, net of fees). This compared with an increase of 1.55% in the comparator benchmark (Source: Morningstar, the IA OE Europe Excluding UK Index) and an increase of 1.16% in the performance target (Source: FactSet, the FTSE World Europe ex-UK Index +3%).

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

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

abrdn Europe ex UK Growth Equity Fund (closed)

Continued

The fund closed on 3 March 2023 during the first week of the new review period. As the annual report ended 28 February 2023 noted, 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 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

In the months leading up to the fund's closure, European markets regained some ground due to resilient company results and investor hopes that an end to interest rate rises might be near. In late 2022, shares surged on the back of better-than-expected US inflation data, although it proved a short-lived recovery as markets dipped again in December. However, the new year brought renewed optimism amid falling inflation, lower energy prices and elevated natural gas storage levels in Europe. China's decision to reopen its economy faster than had been anticipated also provided a boost to markets.

In February, investor sentiment was lifted by better economic data and rising business confidence. The markets in Germany, France and Italy all performed above the global average for the month. However, some inflationary signs remained and the European Central Bank raised interest rates by 50 basis points and repeated warnings that further hikes were to be expected. Share prices were volatile in March as the collapse of US-based Silicon Valley Bank generated contagion which culminated in Europe in the takeover of Credit Suisse by UBS. However, central bank intervention soon helped to restore confidence and recover losses, with gains among technology and other growth stocks especially strong.

Portfolio Activity and Review

There was no portfolio activity between 1 March and 3 March 2023.

Portfolio Outlook and Strategy

The fund closed on 3 March 2023.

European Equity Team

March 2024

abrdn Europe ex UK Growth 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 3 March 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

Retail accumulation[A]	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	257.17	242.15	236.26
Return before operating charges*	5.16	18.14	9.35
Operating charges	(0.03)	(3.12)	(3.46)
Return after operating charges*	5.13	15.02	5.89
Distributions	-	(1.99)	(2.18)
Retained distributions on accumulation shares	-	1.99	2.18
Redemption value as at 3 March 2023	(262.30)	-	-
Closing net asset value per share	-	257.17	242.15
* after direct transaction costs of:	-	0.30	0.18
Performance			
Return after charges	2.00%	6.20%	2.49%
Other information			
Closing net asset value (£'000)	-	31,712	33,556
Closing number of shares	-	12,330,759	13,857,180
Operating charges	1.33%	1.33%	1.33%
Direct transaction costs	-	0.13%	0.07%
Prices			
Highest share price	262.1	267.8	281.0
Lowest share price	258.3	211.2	227.3

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.
The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.
Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.
Highest and Lowest prices are based on official published daily NAVs.
[A] Retail accumulation share class closed on 3 March 2023.

Comparative Tables

Continued

Retail income[A]	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	83.15	78.92	77.70
Return before operating charges*	2.00	5.90	3.07
Operating charges	(0.01)	(1.02)	(1.14)
Return after operating charges*	1.99	4.88	1.93
Distributions	-	(0.65)	(0.71)
Redemption value as at 3 March 2023	(85.14)	-	-
Closing net asset value per share	-	83.15	78.92
* after direct transaction costs of:	-	0.10	0.06
Performance			
Return after charges	2.39%	6.18%	2.48%
Other information			
Closing net asset value (£'000)	-	899	929
Closing number of shares	-	1,080,646	1,177,343
Operating charges	1.33%	1.33%	1.33%
Direct transaction costs	-	0.13%	0.07%
Prices			
Highest share price	85.07	87.26	92.40
Lowest share price	83.85	69.25	74.77

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.
The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.
Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.
Highest and Lowest prices are based on official published daily NAVs.
[A] Retail income share class closed on 3 March 2023.

Comparative Tables

Continued

Institutional accumulation[A]	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	307.05	287.83	279.52
Return before operating charges*	6.15	21.58	10.96
Operating charges	(0.02)	(2.36)	(2.65)
Return after operating charges*	6.13	19.22	8.31
Distributions	-	(3.69)	(4.03)
Retained distributions on accumulation shares	-	3.69	4.03
Redemption value as at 3 March 2023	(313.18)	-	-
Closing net asset value per share	-	307.05	287.83
* after direct transaction costs of:	-	0.35	0.21
Performance			
Return after charges	2.00%	6.68%	2.97%
Other information			
Closing net asset value (£'000)	-	5,939	34,184
Closing number of shares	-	1,934,368	11,876,146
Operating charges	0.86%	0.86%	0.86%
Direct transaction costs	-	0.13%	0.07%
Prices			
Highest share price	312.9	319.7	333.5
Lowest share price	308.4	251.0	270.2

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.
The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.
Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.
Highest and Lowest prices are based on official published daily NAVs.
[A] Institutional accumulation share class closed on 3 March 2023.

Comparative Tables

Continued

Platform 1 accumulation[A]	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	137.20	128.65	124.99
Return before operating charges*	2.75	9.69	4.92
Operating charges	(0.01)	(1.14)	(1.26)
Return after operating charges*	2.74	8.55	3.66
Distributions	-	(1.59)	(1.73)
Retained distributions on accumulation shares	-	1.59	1.73
Redemption value as at 3 March 2023	(139.94)	-	-
Closing net asset value per share	-	137.20	128.65
* after direct transaction costs of:	-	0.16	0.09
Performance			
Return after charges	2.00%	6.65%	2.93%
Other information			
Closing net asset value (£'000)	-	10,254	10,362
Closing number of shares	-	7,473,362	8,054,702
Operating charges	0.91%	0.91%	0.91%
Direct transaction costs	-	0.13%	0.07%
Prices			
Highest share price	139.8	142.9	149.1
Lowest share price	137.8	112.2	120.8

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.
The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.
Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.
Highest and Lowest prices are based on official published daily NAVs.
[A] Platform 1 accumulation share class closed on 3 March 2023.

Comparative Tables

Continued

ZC accumulation[A]	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	233.09	216.82	208.97
Return before operating charges*	4.67	16.49	8.11
Operating charges	-	(0.22)	(0.26)
Return after operating charges*	4.67	16.27	7.85
Distributions	-	(4.38)	(4.76)
Retained distributions on accumulation shares	-	4.38	4.76
Redemption value as at 3 March 2023	(237.76)	-	-
Closing net asset value per share	-	233.09	216.82
* after direct transaction costs of:	-	0.27	0.16
Performance			
Return after charges	2.00%	7.50%	3.76%
Other information			
Closing net asset value (£'000)	-	996	998
Closing number of shares	-	427,459	460,319
Operating charges	0.11%	0.11%	0.11%
Direct transaction costs	-	0.13%	0.07%
Prices			
Highest share price	237.6	242.6	250.6
Lowest share price	234.2	189.1	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.
[A] ZC accumulation share class closed on 3 March 2023.

Portfolio Statement

As at 29 February 2024

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (97.68%)		-	-
European Equities (97.68%)		-	-
Belgium (3.04%)		-	-
Denmark (10.69%)		-	-
France (28.00%)		-	-
Germany (13.45%)		-	-
Netherlands (22.74%)		-	-
Norway (2.86%)		-	-
Sweden (2.88%)		-	-
Switzerland (14.02%)		-	-
Total investment assets		-	-
Net other assets		-	-
Total Net Assets		-	-

The percentage figures in brackets show the comparative holding as at 28 February 2023.

Statement of Total Return

For the year ended 29 February 2024

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Income:					
Net capital gains/(losses)	1		971		(455)
Revenue	2	(7)		1,694	
Expenses	3	(5)		(692)	
Interest payable and similar charges		-		(3)	
Net (expense)/revenue before taxation		(12)		999	
Taxation	4	(26)		(212)	
Net (expense)/revenue after taxation			(38)		787
Total return before distributions			**933**		**332**
Distributions	5		-		(787)
Change in net assets attributable to shareholders from investment activities			**933**		**(455)**

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 29 February 2024

	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Opening net assets attributable to shareholders		**49,800**		**80,029**
Amounts receivable on the issue of shares	27		5,765	
Amounts payable on the cancellation of shares	(5)		(36,011)	
Amounts payable on inspecie transfers*	(50,811)		-	
		(50,789)		(30,246)
Dilution adjustment		-		18
Change in net assets attributable to shareholders from investment activities (see above)		933		(455)
Retained distribution on accumulation shares		-		454
Movement in amount payable on termination		56		-
Closing net assets attributable to shareholders		**-**		**49,800**

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

Balance Sheet

As at 29 February 2024

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Assets:					
Fixed assets:					
Investment assets			-		48,646
Current assets:					
Debtors	6	289		416	
Cash and bank balances		25		815	
			314		1,231
Total assets			**314**		**49,877**
Liabilities:					
Creditors	7	(314)		(70)	
Distribution payable		-		(7)	
			(314)		(77)
Total liabilities			**(314)**		**(77)**
Net assets attributable to shareholders			**-**		**49,800**

Notes to the Financial Statements

1 Net Capital Gains/(Losses)

	2024 £'000	2023 £'000
Non-derivative securities	972	(436)
Other losses	(1)	(8)
Transaction charges	-	(11)
Net capital gains/(losses)	**971**	**(455)**

2 Revenue

	2024 £'000	2023 £'000
Bank and margin interest	-	9
Overseas dividends	(7)	1,685
Total revenue	**(7)**	**1,694**

3 Expenses

	2024 £'000	2023 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	5	655
Dealing charge	-	5
General administration charge	-	26
	5	**686**
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	-	6
	-	**6**
Total expenses	**5**	**692**

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £4,200 (2023: £10,200).

4 Taxation

	2024 £'000	2023 £'000
(a) Analysis of charge in year		
Overseas taxes	26	212
Total taxation (note 4b)	**26**	**212**

(b) Factors affecting total tax charge for the year

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

Net (expense)/revenue before taxation	**(12)**	**999**
Corporation tax at 20% (2023: 20%)	(2)	200
Effects of:		
Revenue not subject to taxation	1	(337)
Overseas taxes	26	212
Excess allowable expenses	1	137
Total tax charge for year (note 4a)	**26**	**212**

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 £2,209,000 (2023: £2,208,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

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

	2024 £'000	2023 £'000
Distribution	-	461
Add: Income deducted on cancellation of shares	-	368
Deduct: Income received on issue of shares	-	(42)
Total distributions for the year	**-**	**787**

Movement between net (expense)/revenue and distributions

Net (expense)/revenue after taxation	(38)	787
Undistributed revenue carried forward	38	-
Total distributions for the year	**-**	**787**

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

Notes to the Financial Statements

Continued

6 Debtors

	2024 £'000	2023 £'000
Overseas withholding tax recoverable	289	416
Total debtors	**289**	**416**

7 Creditors

	2024 £'000	2023 £'000
Accrued expenses payable to ACD	-	53
Accrued expenses payable to the Depositary or associates of the Depositary	-	3
Amounts payable to the ACD for cancellation of shares	-	9
Amounts payable on termination	314	-
Other accrued expenses	-	5
Total creditors	**314**	**70**

8 Related Party Transactions

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

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

Any amounts due from or due to abrdn Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 7.

Amounts payable to abrdn Fund Managers Limited, in respect of expenses are disclosed in note 3 and any amounts due at the year end in note 7.

9 Portfolio Transaction Costs

	Purchases		Sales	
Trades in the year	**2024 £'000**	**2023 £'000**	**2024 £'000**	**2023 £'000**
Equities	-	54,105	-	84,106
Inspecie transactions	-	-	49,619	-
Corporate actions	-	-	-	407
Trades in the year before transaction costs	**-**	**54,105**	**49,619**	**84,513**
Commissions				
Equities	-	14	-	(22)
Total commissions	**-**	**14**	**-**	**(22)**

	Purchases		Sales	
Trades in the year	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Taxes				
Equities	-	47	-	-
Total taxes	**-**	**47**	**-**	**-**
Total transaction costs	**-**	**61**	**-**	**(22)**
Total net trades in the year after transaction costs	**-**	**54,166**	**49,619**	**84,491**

	Purchases		Sales	
	2024 %	2023 %	2024 %	2023 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	-	0.03	-	0.03
Taxes				
Equities	-	0.09	-	-

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

10 Shares in Issue Reconciliation

	Opening shares 2023	Creations during the year	Cancellations during the year	Closing shares 2024
Retail accumulation	12,330,759	6,006	(12,336,765)	-
Retail income	1,080,646	-	(1,080,646)	-
Institutional accumulation	1,934,368	393	(1,934,761)	-
Platform 1 accumulation	7,473,362	-	(7,473,362)	-
ZC accumulation	427,459	880	(428,339)	-

Notes to the Financial Statements

Continued

11 Fair Value Hierarchy

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

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

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

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

Fair value of investment assets	2024 £'000 Level 1	2024 £'000 Level 2	2024 £'000 Level 3	2023 £'000 Level 1	2023 £'000 Level 2	2023 £'000 Level 3
Equities	-	-	-	48,646	-	-
Total investment assets	**-**	**-**	**-**	**48,646**	**-**	**-**

12 Risk Management Policies and Disclosures

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

Foreign currency risk

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

Currency	Net foreign currency exposure 2024 £'000	Net foreign currency exposure 2023 £'000
Danish Krone	60	5,462
Euro	249	33,760
Norwegian Krone	5	1,428
Swedish Krona	-	1,432
Swiss Franc	-	6,980
US Dollar	-	2
Total	**314**	**49,064**

At 29 February 2024, if the value of Sterling increased or decreased by 5% against all other currencies, with all other variables remaining constant, then the change in net assets attributable to shareholders from investment activities will increase or decrease by approximately £16,000 (2023: £2,453,000).

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 29 February 2024, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £Nil (2023: £2,432,000).

Financial derivatives instrument risk

The fund had no exposure to derivatives as at 29 February 2024 (2023: £Nil).

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2024 £314,000 (2023: £77,000).

Distribution Table

For the year ended 29 February 2024 (in pence per share)

Final dividend distribution

Group 1 - shares purchased prior to 1 March 2023
Group 2 - shares purchased between 1 March 2023 and 29 February 2024

	Revenue	Equalisation	Distribution paid 30/04/24	Distribution paid 28/04/23
Retail accumulation				
Group 1	-	-	-	1.9918
Group 2	-		-	1.9918
Retail income				
Group 1	-	-	-	0.6485
Group 2	-		-	0.6485
Institutional accumulation				
Group 1	-	-	-	3.6890
Group 2	-		-	3.6890
Platform 1 accumulation				
Group 1	-	-	-	1.5857
Group 2	-		-	1.5857
ZC accumulation				
Group 1	-	-	-	4.3762
Group 2	-		-	4.3762

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 (closed)

For the year ended 29 February 2024

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 review period ended 3 March 2023, the value of abrdn UK Growth Equity Fund Platform 1 Accumulation increased by 0.31% compared to a return of -2.59% 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.

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

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

The fund closed on 3 March 2023. As the annual report ended 28 February 2023 previously noted, the fund's underweight allocation and stock selection in the consumer discretionary sector was the main driver of underperformance during the review period prior to the fund's closure. Other detractors were our choice of holdings in basic materials and an above-index-position in the telecommunications sector. Meanwhile, an underweight exposure to and weak stock selection in the utilities sector also weighed on returns.

On the upside, good stock selection helped generate relative returns 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. Lastly, our choice of stocks in the consumer staples and financial sectors as well as a slightly overweight position in the energy sector also contributed to positive returns.

abrdn UK Growth Equity Fund (closed)

Continued

Market Review

In the months prior to the closing of the fund, inflation dominated the economic landscape. The annual inflation rate increased steadily, hitting a 41-year high of 11.1% in October 2022, 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.

Finally, market volatility in March was a reminder that a period of rapidly rising rates brings with it new challenges. The reaction to bank failures in the US indicated the high level of uncertainty present globally. As a result, predicting the trajectory of macroeconomic conditions remained close to impossible.

Portfolio Activity and Review

Portfolio activity between 1 March and 3 March 2023 consisted of closing all positions in the fund.

Portfolio Outlook and Strategy

The fund closed on 3 March 2023.

UK Equity Team

March 2024

abrdn UK Growth 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.

Risk and reward indicator table as at 3 March 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[A]	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	371.18	351.74	331.11
Return before operating charges*	1.55	24.07	25.33
Operating charges	(0.04)	(4.63)	(4.70)
Return after operating charges*	1.51	19.44	20.63
Distributions	(0.19)	(8.24)	(6.81)
Retained distributions on accumulation shares	0.19	8.24	6.81
Redemption value as at 3 March 2023	(372.69)	-	-
Closing net asset value per share	-	371.18	351.74
* after direct transaction costs of:	-	1.67	0.87
Performance			
Return after charges	0.41%	5.53%	6.23%
Other information			
Closing net asset value (£'000)	-	82,866	77,989
Closing number of shares	-	22,325,210	22,172,596
Operating charges	1.31%	1.31%	1.32%
Direct transaction costs	-	0.47%	0.25%
Prices			
Highest share price	374.2	379.6	372.0
Lowest share price	371.4	323.3	335.5

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.
The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.
Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.
Highest and Lowest prices are based on official published daily NAVs.
[A] Retail accumulation share class closed on 3 March 2023.

Comparative Tables

Continued

Institutional accumulation[A]	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	444.69	419.42	392.97
Return before operating charges*	1.86	28.82	30.04
Operating charges	(0.03)	(3.55)	(3.59)
Return after operating charges*	1.83	25.27	26.45
Distributions	(0.24)	(11.84)	(10.09)
Retained distributions on accumulation shares	0.24	11.84	10.09
Redemption value as at 3 March 2023	(446.52)	-	-
Closing net asset value per share	-	444.69	419.42
* after direct transaction costs of:	-	2.00	1.04
Performance			
Return after charges	0.41%	6.02%	6.73%
Other information			
Closing net asset value (£'000)	-	9,205	9,526
Closing number of shares	-	2,070,065	2,271,186
Operating charges	0.84%	0.84%	0.85%
Direct transaction costs	-	0.47%	0.25%
Prices			
Highest share price	448.3	454.8	442.6
Lowest share price	445.0	386.6	398.1

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.
The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.
Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.
Highest and Lowest prices are based on official published daily NAVs.
[A] Institutional accumulation share class closed on 3 March 2023.

Comparative Tables

Continued

Platform 1 accumulation[A]	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	90.00	84.92	79.61
Return before operating charges*	0.37	5.84	6.08
Operating charges	(0.01)	(0.76)	(0.77)
Return after operating charges*	0.36	5.08	5.31
Distributions	(0.05)	(2.35)	(2.00)
Retained distributions on accumulation shares	0.05	2.35	2.00
Redemption value as at 3 March 2023	(90.36)	-	-
Closing net asset value per share	-	90.00	84.92
* after direct transaction costs of:	-	0.40	0.21
Performance			
Return after charges	0.40%	5.98%	6.67%
Other information			
Closing net asset value (£'000)	-	9,381	8,145
Closing number of shares	-	10,423,505	9,590,969
Operating charges	0.89%	0.89%	0.90%
Direct transaction costs	-	0.47%	0.25%
Prices			
Highest share price	90.72	92.03	89.63
Lowest share price	90.06	78.25	80.65

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.
[A] Platform 1 accumulation share class closed on 3 March 2023.

Comparative Tables

Continued

ZC accumulation[A]	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	150.39	140.78	130.92
Return before operating charges*	0.63	9.74	10.00
Operating charges	-	(0.13)	(0.14)
Return after operating charges*	0.63	9.61	9.86
Distributions	(0.09)	(5.06)	(4.43)
Retained distributions on accumulation shares	0.09	5.06	4.43
Redemption value as at 3 March 2023	(151.02)	-	-
Closing net asset value per share	-	150.39	140.78
* after direct transaction costs of:	-	0.67	0.35
Performance			
Return after charges	0.42%	6.83%	7.53%
Other information			
Closing net asset value (£'000)	-	1,859	1,732
Closing number of shares	-	1,236,058	1,230,495
Operating charges	0.09%	0.09%	0.10%
Direct transaction costs	-	0.47%	0.25%
Prices			
Highest share price	151.6	153.8	148.0
Lowest share price	150.5	130.4	132.6

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.
The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.
Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.
Highest and Lowest prices are based on official published daily NAVs.
[A] ZC accumulation share class closed on 3 March 2023.

Portfolio Statement

As at 29 February 2024

Holding	Investment	Market value £'000	Percentage of total net assets
UK Equities (98.48%)		**465**	**-**
Basic Materials (3.34%)		**-**	**-**
Consumer Discretionary (14.57%)		**-**	**-**
Consumer Staples (10.54%)		**-**	**-**
Energy (0.59%)		**465**	**-**
2,325,004	Savannah Energy*	465	-
Financials (22.60%)		**-**	**-**
Health Care (13.24%)		**-**	**-**
Industrials (19.58%)		**-**	**-**
Real Estate (2.01%)		**-**	**-**
Technology (5.96%)		**-**	**-**
Utilities (6.05%)		**-**	**-**
Total investment assets		465	-
Net other liabilities		(465)	-
Total Net Assets		**-**	**-**

All investments are listed on recognised stock exchanges and are approved securities within the meaning of the FCA rules.
The percentage figures in brackets show the comparative holding as at 28 February 2023.
* Delisted.

Statement of Total Return

For the year ended 29 February 2024

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Income:					
Net capital gains	1		223		3,331
Revenue	2	64		3,804	
Expenses	3	(10)		(1,246)	
Interest payable and similar charges		-		(1)	
Net revenue before taxation		54		2,557	
Taxation	4	-		(16)	
Net revenue after taxation			54		2,541
Total return before distributions			**277**		**5,872**
Distributions	5		(54)		(2,541)
Change in net assets attributable to shareholders from investment activities			**223**		**3,331**

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 29 February 2024

	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Opening net assets attributable to shareholders		**103,311**		**97,392**
Amounts receivable on the issue of shares	27		17,791	
Amounts payable on the cancellation of shares	(33)		(17,628)	
Amounts payable on inspecie transfers*	(103,727)		-	
		(103,733)		163
Dilution adjustment		-		32
Change in net assets attributable to shareholders from investment activities (see above)		223		3,331
Retained distribution on accumulation shares		54		2,393
Movement in amount payable on termination		145		-
Closing net assets attributable to shareholders		**-**		**103,311**

* Relating to an inspecie transfer to abrdn UK Sustainable & Responsible Investment Equity Fund on 3 March 2023.

Balance Sheet

As at 29 February 2024

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Assets:					
Fixed assets:					
Investment assets			465		101,745
Current assets:					
Debtors	6	19		292	
Cash and bank balances		1		2,824	
			20		3,116
Total assets			**485**		**104,861**
Liabilities:					
Creditors	7	(485)		(1,550)	
			(485)		(1,550)
Total liabilities			**(485)**		**(1,550)**
Net assets attributable to shareholders			**-**		**103,311**

Notes to the Financial Statements

1 Net Capital Gains

	2024 £'000	2023 £'000
Non-derivative securities	223	3,337
Transaction charges	-	(6)
Net capital gains	**223**	**3,331**

2 Revenue

	2024 £'000	2023 £'000
Bank and margin interest	-	42
Overseas dividends	-	80
UK dividends	64	3,643
UK REIT	-	39
Total revenue	**64**	**3,804**

3 Expenses

	2024 £'000	2023 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	10	1,219
Dealing charge	-	6
General administration charge	-	18
	10	**1,243**
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	-	3
	-	**3**
Total expenses	**10**	**1,246**

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £4,200 (2023: £10,200).

4 Taxation

	2024 £'000	2023 £'000
(a) Analysis of charge in year		
Overseas taxes	-	16
Total taxation (note 4b)	**-**	**16**

	2024 £'000	2023 £'000
(b) Factors affecting total tax charge for the year		
The tax assessed for the year is less than (2023: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	**54**	**2,557**
Corporation tax at 20% (2023: 20%)	11	511
Effects of:		
Revenue not subject to taxation	(13)	(744)
Overseas taxes	-	16
Excess allowable expenses	2	233
Total tax charge for year (note 4a)	**-**	**16**

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 £13,100,000 (2023: £13,098,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

5 Distributions

	2024 £'000	2023 £'000
Special distribution	54	-
Distribution	-	2,393
Add: Income deducted on cancellation of shares	-	354
Deduct: Income received on issue of shares	-	(206)
Total distributions for the year	**54**	**2,541**

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

6 Debtors

	2024 £'000	2023 £'000
Accrued revenue	-	273
Overseas withholding tax recoverable	19	19
Total debtors	**19**	**292**

Notes to the Financial Statements

Continued

7 Creditors

	2024 £'000	2023 £'000
Accrued expenses payable to ACD	-	107
Accrued expenses payable to the Depositary or associates of the Depositary	-	2
Amounts payable to the ACD for cancellation of shares	-	111
Amounts payable on termination	485	-
Other accrued expenses	-	5
Purchases awaiting settlement	-	1,325
Total creditors	**485**	**1,550**

8 Related Party Transactions

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

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

Any amounts due from or due to abrdn Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 7.

Amounts payable to abrdn Fund Managers Limited, in respect of expenses are disclosed in note 3 and any amounts due at the year end in note 7.

9 Portfolio Transaction Costs

	Purchases		Sales	
Trades in the year	**2024 £'000**	**2023 £'000**	**2024 £'000**	**2023 £'000**
Equities	649	87,443	-	82,015
Inspecie transactions	-	-	102,152	-
Corporate actions	-	-	-	4,431
Trades in the year before transaction costs	**649**	**87,443**	**102,152**	**86,446**
Commissions				
Equities	-*	39	-	(34)
Total commissions	**-**	**39**	**-**	**(34)**
Taxes				
Equities	-*	418	-	-
Total taxes	**-**	**418**	**-**	**-**
Total transaction costs	**-**	**457**	**-**	**(34)**
Total net trades in the year after transaction costs	**649**	**87,900**	**102,152**	**86,412**

	Purchases		Sales	
	2024 %	2023 %	2024 %	2023 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.02	0.05	-	0.04
Taxes				
Equities	0.07	0.48	-	-

	2024 %	2023 %
Total transaction costs expressed as a percentage of net asset value		
Commissions	-	0.07
Taxes	-	0.40

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 (2023: 0.12%), this is representative of the average spread on the assets held during the year.

*Amounts are below £500.

10 Shares in Issue Reconciliation

	Opening shares 2023	Creations during the year	Cancellations during the year	Closing shares 2024
Retail accumulation	22,325,210	6,556	(22,331,766)	-
Institutional accumulation	2,070,065	646	(2,070,711)	-
Platform 1 accumulation	10,423,505	-	(10,423,505)	-
ZC accumulation	1,236,058	40	(1,236,098)	-

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).

Fair value of investment assets	2024 £'000 Level 1	2024 £'000 Level 2	2024 £'000 Level 3*	2023 £'000 Level 1	2023 £'000 Level 2	2023 £'000 Level 3*
Equities	-	-	465	101,135	-	610
Total investment assets	**-**	**-**	**465**	**101,135**	**-**	**610**

* Savannah Energy PLC which is part of the fund's investment portfolio is considered as level 3 investment. The security was suspended on 13 December 2022 due to challenges to complete the acquisition of an energy business in South Sudan, the ACD continues to value the investment based on the last trading price without any adjustment and as such there is estimation uncertainty involved in the valuation of the security. Given the performance of the underlying business and the general performance of oil and gas sector, the ACD consider valuation basis as appropriate, however continues to monitor the valuation including underlying performance of the Company.

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 29 February 2024, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £23,000 (2023: £5,087,000).

Financial derivatives instrument risk

The fund had no exposure to derivatives as at 29 February 2024 (2023: £Nil).

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2024 £485,000 (2023: £1,540,000).

Distribution Tables

For the year ended 29 February 2024 (in pence per share)

Special dividend distribution

Group 1 - shares purchased prior to 1 March 2023
Group 2 - shares purchased between 1 March 2023 and 02 March 2023

	Revenue	Equalisation	Distribution paid 03/05/23
Retail accumulation			
Group 1	0.1898	-	0.0491
Group 2	0.1327	0.0571	0.0491
Institutional accumulation			
Group 1	0.2445	-	0.1898
Group 2	0.2351	0.0094	0.1898
Platform 1 accumulation			
Group 1	0.0491	-	0.2445
Group 2	-	0.0491	0.2445
ZC accumulation			
Group 1	0.0920	-	0.0920
Group 2	0.0917	0.0003	0.0920

Final dividend distribution

Group 1 - shares purchased prior to 3 March 2023
Group 2 - shares purchased between 3 March 2023 and 29 February 2024

	Revenue	Equalisation	Distribution paid 30/04/24	Distribution paid 28/04/23
Retail accumulation				
Group 1	-	-	-	8.2427
Group 2	-	-	-	8.2427
Institutional accumulation				
Group 1	-	-	-	11.8374
Group 2	-	-	-	11.8374
Platform 1 accumulation				
Group 1	-	-	-	2.3534
Group 2	-	-	-	2.3534
ZC accumulation				
Group 1	-	-	-	5.0556
Group 2	-	-	-	5.0556

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 (closed)

For the year ended 29 February 2024

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 review period ended 3 March 2023, the value of abrdn UK High Alpha Equity Fund Platform 1 Accumulation rose by 0.28% compared to a return of -2.46% 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.

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

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

The fund closed on 3 March 2023 during the first week of the new review period. As the annual report ended 28 February 2023 previously noted, the main detractors from a stock perspective 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

abrdn UK High Alpha Equity Fund (closed)

Continued

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 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

In the months prior to the closing of the fund, inflation dominated the economic landscape. The annual inflation rate increased steadily, hitting a 41-year high of 11.1% in October 2022, 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.

Finally, market volatility in March was a reminder that a period of rapidly rising rates brings with it new challenges. The reaction to bank failures in the US indicated the high level of uncertainty present globally. As a result, predicting the trajectory of macroeconomic conditions remained close to impossible.

Portfolio Activity and Review

There was no significant portfolio activity in the period.

Portfolio Outlook and Strategy

The Fund closed on 3 March 2023.

UK Equity Team

March 2024

abrdn UK High Alpha 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 3 March 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[A]	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	229.05	217.25	206.74
Return before operating charges*	0.94	14.65	13.42
Operating charges	(0.02)	(2.85)	(2.91)
Return after operating charges*	0.92	11.80	10.51
Distributions	(0.14)	(7.84)	(6.76)
Retained distributions on accumulation shares	0.14	7.84	6.76
Redemption value as at 3 March 2023	(229.97)	-	-
Closing net asset value per share	-	229.05	217.25
* after direct transaction costs of:	-	0.91	0.61
Performance			
Return after charges	0.40%	5.43%	5.08%
Other information			
Closing net asset value (£'000)	-	61,980	64,899
Closing number of shares	-	27,060,190	29,873,307
Operating charges	1.31%	1.31%	1.32%
Direct transaction costs	-	0.42%	0.27%
Prices			
Highest share price	230.9	234.3	230.2
Lowest share price	229.2	199.3	209.5

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.
The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.
Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.
Highest and Lowest prices are based on official published daily NAVs.
[A] Retail Accumulation share class closed on 3 March 2023.

Comparative Tables

Continued

Retail income[A]	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	89.81	88.24	86.59
Return before operating charges*	0.38	5.85	5.65
Operating charges	(0.01)	(1.14)	(1.20)
Return after operating charges*	0.37	4.71	4.45
Distributions	(0.06)	(3.14)	(2.80)
Redemption value as at 3 March 2023	(90.12)	-	-
Closing net asset value per share	-	89.81	88.24
* after direct transaction costs of:	-	0.37	0.25
Performance			
Return after charges	0.41%	5.34%	5.14%
Other information			
Closing net asset value (£'000)	-	6,381	7,560
Closing number of shares	-	7,104,837	8,567,579
Operating charges	1.31%	1.31%	1.32%
Direct transaction costs	-	0.42%	0.27%
Prices			
Highest share price	90.54	92.36	94.82
Lowest share price	89.87	79.26	86.44

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.
[A] Retail income share class closed on 3 March 2023.

Comparative Tables

Continued

Institutional accumulation[A]	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	238.43	225.09	213.20
Return before operating charges*	1.00	15.24	13.83
Operating charges	(0.02)	(1.90)	(1.94)
Return after operating charges*	0.98	13.34	11.89
Distributions	(0.15)	(8.14)	(6.99)
Retained distributions on accumulation shares	0.15	8.14	6.99
Redemption value as at 3 March 2023	(239.41)	-	-
Closing net asset value per share	-	238.43	225.09
* after direct transaction costs of:	-	0.95	0.63
Performance			
Return after charges	0.41%	5.93%	5.98%
Other information			
Closing net asset value (£'000)	-	3,129	3,151
Closing number of shares	-	1,312,124	1,399,667
Operating charges	0.84%	0.84%	0.85%
Direct transaction costs	-	0.42%	0.27%
Prices			
Highest share price	240.4	243.8	238.0
Lowest share price	238.6	207.1	216.1

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.
The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.
Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.
Highest and Lowest prices are based on official published daily NAVs.
[A] Institutional Accumulation share class closed on 3 March 2023.

Comparative Tables

Continued

Institutional income[A]	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	66.71	65.24	63.72
Return before operating charges*	0.27	4.34	4.16
Operating charges	-	(0.54)	(0.57)
Return after operating charges*	0.27	3.80	3.59
Distributions	(0.04)	(2.33)	(2.07)
Redemption value as at 3 March 2023	(66.94)	-	-
Closing net asset value per share	-	66.71	65.24
* after direct transaction costs of:	-	0.27	0.18
Performance			
Return after charges	0.40%	5.82%	5.63%
Other information			
Closing net asset value (£'000)	-	344	371
Closing number of shares	-	516,106	568,594
Operating charges	0.84%	0.84%	0.85%
Direct transaction costs	-	0.42%	0.27%
Prices			
Highest share price	67.25	68.59	69.94
Lowest share price	66.76	58.77	63.91

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.
[A] Institutional Income share class closed on 3 March 2023.

Comparative Tables

Continued

Platform 1 accumulation[A]	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	107.64	101.67	96.35
Return before operating charges*	0.45	6.88	6.25
Operating charges	(0.01)	(0.91)	(0.93)
Return after operating charges*	0.44	5.97	5.32
Distributions	(0.07)	(3.68)	(3.16)
Retained distributions on accumulation shares	0.07	3.68	3.16
Redemption value as at 3 March 2023	(108.08)	-	-
Closing net asset value per share	-	107.64	101.67
* after direct transaction costs of:	-	0.43	0.28
Performance			
Return after charges	0.41%	5.87%	5.52%
Other information			
Closing net asset value (£'000)	-	7,193	6,044
Closing number of shares	-	6,681,781	5,944,535
Operating charges	0.89%	0.89%	0.90%
Direct transaction costs	-	0.42%	0.27%
Prices			
Highest share price	108.5	110.1	107.5
Lowest share price	107.7	93.53	97.66

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.
[A] Platform 1 Accumulation share class closed on 3 March 2023.

Comparative Tables

Continued

Platform 1 income[A]	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	76.92	75.26	73.54
Return before operating charges*	0.33	5.01	4.80
Operating charges	(0.01)	(0.66)	(0.70)
Return after operating charges*	0.32	4.35	4.10
Distributions	(0.05)	(2.69)	(2.38)
Redemption value as at 3 March 2023	(77.19)	-	-
Closing net asset value per share	-	76.92	75.26
* after direct transaction costs of:	-	0.31	0.21
Performance			
Return after charges	0.42%	5.78%	5.58%
Other information			
Closing net asset value (£'000)	-	1,537	1,111
Closing number of shares	-	1,998,718	1,476,192
Operating charges	0.89%	0.89%	0.90%
Direct transaction costs	-	0.42%	0.27%
Prices			
Highest share price	77.55	79.10	80.70
Lowest share price	76.98	67.78	73.72

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.
[A] Platform 1 Income share class closed on 3 March 2023.

Comparative Tables

Continued

ZC accumulation[A]	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	291.79	273.41	257.03
Return before operating charges*	1.21	18.62	16.66
Operating charges	-	(0.24)	(0.28)
Return after operating charges*	1.21	18.38	16.38
Distributions	(0.18)	(9.92)	(8.45)
Retained distributions on accumulation shares	0.18	9.92	8.45
Redemption value as at 3 March 2023	(293.00)	-	-
Closing net asset value per share	-	291.79	273.41
* after direct transaction costs of:	-	1.16	0.76
Performance			
Return after charges	0.41%	6.72%	6.37%
Other information			
Closing net asset value (£'000)	-	114	105
Closing number of shares	-	39,204	38,442
Operating charges	0.09%	0.09%	0.10%
Direct transaction costs	-	0.42%	0.27%
Prices			
Highest share price	294.2	298.3	288.0
Lowest share price	292.0	252.8	260.7

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.
The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.
Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.
Highest and Lowest prices are based on official published daily NAVs.
[A] ZC Accumulation share class closed on 3 March 2023.

Portfolio Statement

As at 29 February 2024

Holding	Investment	Market value £'000	Percentage of total net assets
UK Equities (98.28%)		**342**	**-**
Basic Materials (3.33%)		**-**	**-**
Consumer Discretionary (14.54%)		**-**	**-**
Consumer Staples (10.52%)		**-**	**-**
Energy (0.56%)		**342**	**-**
1,711,921	Savannah Energy*	342	-
Financials (22.54%)		**-**	**-**
Health Care (13.19%)		**-**	**-**
46,936	NMC Health*	-	-
Industrials (19.63%)		**-**	**-**
Real Estate (2.01%)		**-**	**-**
Technology (5.92%)		**-**	**-**
Utilities (6.04%)		**-**	**-**
Total investment assets		342	-
Net other liabilities		(342)	-
Total Net Assets		**-**	**-**

The percentage figures in brackets show the comparative holding as at 28 February 2023.
* Delisted.

Statement of Total Return

For the year ended 29 February 2024

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Income:					
Net capital gains	1		179		2,367
Revenue	2	50		2,921	
Expenses	3	(4)		(1,000)	
Interest payable and similar charges		-		(1)	
Net revenue before taxation		46		1,920	
Taxation	4	(7)		(17)	
Net revenue after taxation			39		1,903
Total return before distributions			**218**		**4,270**
Distributions	5		(50)		(2,901)
Change in net assets attributable to shareholders from investment activities			**168**		**1,369**

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 29 February 2024

	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Opening net assets attributable to shareholders		**80,678**		**83,241**
Amounts receivable on the issue of shares	1		551	
Amounts payable on the cancellation of shares	(24)		(7,053)	
Amounts payable on inspecie transfers*	(80,978)		-	
		(81,001)		(6,502)
Dilution adjustment		-		2
Change in net assets attributable to shareholders from investment activities (see above)		168		1,369
Retained distribution on accumulation shares		45		2,567
Unclaimed distributions		-		1
Movement in amount payable on termination		110		-
Closing net assets attributable to shareholders		**-**		**80,678**

* Relating to an inspecie transfer to abrdn UK Sustainable and Responsible Investment Equity Fund on 3 March 2023.

Balance Sheet

As at 29 February 2024

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Assets:					
Fixed assets:					
Investment assets			342		79,289
Current assets:					
Debtors	6	8		234	
Cash and bank balances		1		2,383	
			9		2,617
Total assets			**351**		**81,906**
Liabilities:					
Creditors	7	(351)		(1,183)	
Distribution payable		-		(45)	
			(351)		(1,228)
Total liabilities			**(351)**		**(1,228)**
Net assets attributable to shareholders			**-**		**80,678**

Notes to the Financial Statements

1 Net Capital Gains

	2024 £'000	2023 £'000
Non-derivative securities	179	2,371
Transaction charges	-	(4)
Net capital gains	**179**	**2,367**

2 Revenue

	2024 £'000	2023 £'000
Bank and margin interest	-	29
Overseas dividends	-	66
UK dividends	50	2,794
UK REIT	-	32
Total revenue	**50**	**2,921**

3 Expenses

	2024 £'000	2023 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	4	985
Dealing charge	-	4
General administration charge	-	9
	4	**998**
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	-	2
	-	**2**
Total expenses	**4**	**1,000**

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £4,200 (2023: £10,200).

4 Taxation

	2024 £'000	2023 £'000
(a) Analysis of charge in year		
Overseas taxes	7	17
Total taxation (note 4b)	**7**	**17**

	2024 £'000	2023 £'000
(b) Factors affecting total tax charge for the year		
The tax assessed for the year is less than (2023: less than) the standard rate of corporation tax in the UK for funds of authorised Open-Ended Investment Companies (20%). The differences are explained below:		
Net revenue before taxation	**46**	**1,920**
Corporation tax at 20% (2023: 20%)	9	384
Effects of:		
Revenue not subject to taxation	(10)	(572)
Overseas taxes	7	17
Excess allowable expenses	1	188
Total tax charge for year (note 4a)	**7**	**17**

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

(c) Factors that may affect future tax charge

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £4,223,000 (2023: £4,222,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

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

	2024 £'000	2023 £'000
Special Distribution	50	-
First interim distribution	-	890
Second interim distribution	-	854
Third interim distribution	-	690
Final distribution	-	439
	50	2,873
Add: Income deducted on cancellation of shares	-	34
Deduct: Income received on issue of shares	-	(6)
Total distributions for the year	**50**	**2,901**

Movement between net revenue and distributions		
Net revenue after taxation	39	1,903
Expenses charged to capital	4	998
Undistributed revenue carried forward	7	-
Total distributions for the year	**50**	**2,901**

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

Notes to the Financial Statements

Continued

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

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

6 Debtors

	2024 £'000	2023 £'000
Accrued revenue	-	211
Amounts receivable from the ACD for the issue of shares	-	7
Overseas withholding tax recoverable	8	16
Total debtors	**8**	**234**

7 Creditors

	2024 £'000	2023 £'000
Accrued expenses payable to ACD	-	92
Accrued expenses payable to the Depositary or associates of the Depositary	-	2
Amounts payable to the ACD for cancellation of shares	-	45
Amounts payable on termination	351	-
Other accrued expenses	-	5
Purchases awaiting settlement	-	1,039
Total creditors	**351**	**1,183**

8 Related Party Transactions

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

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

Any amounts due from or due to abrdn Fund Managers Limited at the end of the accounting year are disclosed in notes 6 and 7.

Amounts payable to abrdn Fund Managers Limited, in respect of expenses are disclosed in note 3 and any amounts due at the year end in note 7.

9 Portfolio Transaction Costs

	Purchases		Sales	
Trades in the year	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Equities	504	58,141	-	61,236
Inspecie transactions	-	-	79,630	-
Corporate actions	-	-	-	3,298
Trades in the year before transaction costs	**504**	**58,141**	**79,630**	**64,534**
Commissions				
Equities	-*	29	-	(26)
Total commissions	**-**	**29**	**-**	**(26)**
Taxes				
Equities	-*	282	-	-
Total taxes	**-**	**282**	**-**	**-**
Total transaction costs	**-**	**311**	**-**	**(26)**
Total net trades in the year after transaction costs	**504**	**58,452**	**79,630**	**64,508**

	Purchases		Sales	
	2024 %	2023 %	2024 %	2023 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.02	0.05	-	0.04
Taxes				
Equities	0.07	0.48	-	-

	2024 %	2023 %
Total transaction costs expressed as a percentage of net asset value		
Commissions	-	0.07
Taxes	-	0.35

*Amounts are below £500.

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 (2023: 0.10%), 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 2023	Creations during the year	Cancellations during the year	Closing shares 2024
Retail accumulation	27,060,190	-	(27,060,190)	-
Retail income	7,104,837	55	(7,104,892)	-
Institutional accumulation	1,312,124	411	(1,312,535)	-
Institutional income	516,106	-	(516,106)	-
Platform 1 accumulation	6,681,781	-	(6,681,781)	-
Platform 1 income	1,998,718	-	(1,998,718)	-
ZC accumulation	39,204	60	(39,264)	-

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).

Fair value of investment assets	2024 £'000 Level 1	2024 £'000 Level 2	2024 £'000 Level 3*	2023 £'000 Level 1	2023 £'000 Level 2	2023 £'000 Level 3*
Equities	-	-	342	78,840	-	449
Total investment assets	**-**	**-**	**342**	**78,840**	**-**	**449**

* Savannah Energy PLC which is part of the fund's investment portfolio is considered as level 3 investment. The security was suspended on 13 December 2022 due to challenges to complete the acquisition of an energy business in South Sudan, the ACD continues to value the investment based on the last trading price without any adjustment and as such there is estimation uncertainty involved in the valuation of the security. Given the performance of the underlying business and the general performance of oil and gas sector, the ACD consider valuation basis as appropriate, however continues to monitor the valuation including underlying performance of the Company.

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 29 February 2024, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £17,000 (2023: £3,964,000).

Financial derivatives instrument risk

The fund had no exposure to derivatives as at 29 February 2024 (2023: £Nil).

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2024 £351,000 (2023: £1,228,000).

Distribution Tables

For the year ended 29 February 2024 (in pence per share)

Special dividend distribution

Group 1 - shares purchased prior to 1 March 2023
Group 2 - shares purchased between 1 March 2023 and 2 March 2023

	Revenue	Equalisation	Distribution paid 03/05/23
Retail accumulation			
Group 1	0.1410	-	0.1410
Group 2	0.1402	0.0008	0.1410
Retail income			
Group 1	0.0553	-	0.0553
Group 2	0.0551	0.0002	0.0553
Institutional accumulation			
Group 1	0.1468	-	0.1468
Group 2	0.1453	0.0015	0.1468
Institutional income			
Group 1	0.0410	-	0.0410
Group 2	0.0410	-	0.0410
Platform 1 accumulation			
Group 1	0.0663	-	0.0663
Group 2	0.0580	0.0083	0.0663
Platform 1 income			
Group 1	0.0474	-	0.0474
Group 2	0.0474	-	0.0474
ZC accumulation			
Group 1	0.1796	-	0.1796
Group 2	0.1788	0.0008	0.1796

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

First interim dividend distribution

Group 1 - shares purchased prior to 3 March 2023
Group 2 - shares purchased between 3 March 2023 and 31 May 2023

	Revenue	Equalisation	Distribution paid 31/07/23	Distribution paid 29/07/22
Retail accumulation				
Group 1	-	-	-	2.3659
Group 2	-	-	-	2.3659
Retail income				
Group 1	-	-	-	0.9610
Group 2	-	-	-	0.9610
Institutional accumulation				
Group 1	-	-	-	2.4525
Group 2	-	-	-	2.4525
Institutional income				
Group 1	-	-	-	0.7108
Group 2	-	-	-	0.7108
Platform 1 accumulation				
Group 1	-	-	-	1.1077
Group 2	-	-	-	1.1077
Platform 1 income				
Group 1	-	-	-	0.8199
Group 2	-	-	-	0.8199
ZC accumulation				
Group 1	-	-	-	2.9808
Group 2	-	-	-	2.9808

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

Second interim dividend distribution

Group 1 - shares purchased prior to 1 June 2023
Group 2 - shares purchased between 1 June 2023 and 31 August 2023

	Revenue	Equalisation	Distribution paid 31/10/23	Distribution paid 31/10/22
Retail accumulation				
Group 1	-	-	-	2.3198
Group 2	-	-	-	2.3198
Retail income				
Group 1	-	-	-	0.9324
Group 2	-	-	-	0.9324
Institutional accumulation				
Group 1	-	-	-	2.4080
Group 2	-	-	-	2.4080
Institutional income				
Group 1	-	-	-	0.6907
Group 2	-	-	-	0.6907
Platform 1 accumulation				
Group 1	-	-	-	1.0875
Group 2	-	-	-	1.0875
Platform 1 income				
Group 1	-	-	-	0.7967
Group 2	-	-	-	0.7967
ZC accumulation				
Group 1	-	-	-	2.9335
Group 2	-	-	-	2.9335

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

Third interim dividend distribution

Group 1 - shares purchased prior to 1 September 2023
Group 2 - shares purchased between 1 September 2023 and 30 November 2023

	Revenue	Equalisation	Distribution paid 31/01/24	Distribution paid 31/01/23
Retail accumulation				
Group 1	-	-	-	1.9070
Group 2	-	-	-	1.9070
Retail income				
Group 1	-	-	-	0.7584
Group 2	-	-	-	0.7584
Institutional accumulation				
Group 1	-	-	-	1.9820
Group 2	-	-	-	1.9820
Institutional income				
Group 1	-	-	-	0.5624
Group 2	-	-	-	0.5624
Platform 1 accumulation				
Group 1	-	-	-	0.8949
Group 2	-	-	-	0.8949
Platform 1 income				
Group 1	-	-	-	0.6485
Group 2	-	-	-	0.6485
ZC accumulation				
Group 1	-	-	-	2.4189
Group 2	-	-	-	2.4189

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

Final dividend distribution

Group 1 - shares purchased prior to 1 December 2023
Group 2 - shares purchased between 1 December 2023 and 29 February 2024

	Revenue	Equalisation	Distribution paid 30/04/24	Distribution paid 28/04/23
Retail accumulation				
Group 1	-	-	-	1.2469
Group 2	-		-	1.2469
Retail income				
Group 1	-	-	-	0.4915
Group 2	-		-	0.4915
Institutional accumulation				
Group 1	-	-	-	1.2972
Group 2	-		-	1.2972
Institutional income				
Group 1	-	-	-	0.3650
Group 2	-		-	0.3650
Platform 1 accumulation				
Group 1	-	-	-	0.5858
Group 2	-		-	0.5858
Platform 1 income				
Group 1	-	-	-	0.4210
Group 2	-		-	0.4210
ZC accumulation				
Group 1	-	-	-	1.5858
Group 2	-		-	1.5858

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 (closed)

For the year ended 29 February 2024

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 period ended 27 October 2023, the value of the fund fell by 11.73% (Platform 1 Income shares net of fees) compared to a decrease of 5.91% in the performance target (the FTSE 350 Index (TR)).

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

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

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 the performance target in the period mainly due to stock selection in the industrials and energy sectors, but the losses were partially mitigated by our above-index exposure to the energy sector.

At the stock level, an overweight exposure to pest control group Rentokil Initial, a new position in the period, was the top detractor as the shares dropped back after the company reported weaker-than-expected revenue growth due to softening demand. Overweight positioning in information technology services and business solutions provider FDM Group also weighed on relative returns. Specialist mortgage lender OSB Group lost ground after announcing a change of assumptions on customer behaviour in part of its mortgage book, leading to a

abrdn UK High Income Equity Fund (closed)

Continued

pullback against an environment of a likely slowdown in buy-to-let mortgage demand.

On the plus side, Intermediate Capital Group added to returns after reporting results ahead of expectations and the stock also benefited from optimism around falling inflation and the prospect of reductions in interest rates. Pharmaceuticals groups AstraZeneca and Hikma were also among the top contributors to performance, along with sports betting and gambling business Entain. Not having exposure to Lloyds Banking Group or St James's Place proved beneficial to performance as their shares underperformed.

Market Review

The FTSE All-Share Index fell over the period. The FTSE 100 Index, which contains many so-called defensive shares that tend to hold their value better during times of economic uncertainty as well as several energy and mining companies, dropped back but proved more resilient than the FTSE 250 Index, which contains smaller companies typically more focused on the domestic UK economy. While the FTSE 100 was given some support by commodity prices remaining at historically high levels, with energy prices rising in the wake of renewed tensions in the Middle East, the FTSE 250 was more affected by continued concerns about the outlook for growth in the UK.

The UK economy continued to stage a lacklustre post-pandemic recovery compared with those of other G7 countries. According to a preliminary estimate, GDP stagnated over the third quarter of 2023, after a 0.2% expansion in output over the previous three months. Also according to a preliminary estimate, the UK's annual GDP growth rate remained at 0.6% in the third quarter.

Inflation loomed large on the UK economic landscape. The Bank of England (BoE) continued to react to surging inflation with successive interest-rate rises, taking its base rate from 4.25% at the start of the period to 5.25% in October. Specifically, the BoE increased its base rate by 25 basis points (bps) in May, by a further 50 bps in June and then by another 25 bps in August, taking it to 5.25%. As a result, UK annual consumer inflation continued to trend downwards. However, it still remained stubbornly high, with annual core inflation at 6.1% in September significantly above that in the US and eurozone, in part due to elevated food prices.

Portfolio Activity and Review

In terms of portfolio activity, the fund initiated positions in several businesses, including housebuilder Vistry Group, Games Workshop Group, Oxford Instruments, which manufactures tools and systems for industry and research, life and pensions consolidator Chesnara, Genus, a biotechnology company specialising in animal genetics, London Stock Exchange, renewable energy company Drax, Safestore Holdings and Rotork, which manufactures industrial flow control equipment. We also introduced a holding in Sage Group, an accounting software provider, Rentokil Initial, as we saw the negative market reaction to the third quarter trading update as overdone, along with new positions in credit rating agency Experian, data analytics group RELX and Moonpig, which provides online greetings cards and gifts.

The fund exited a number of its positions late in the period, including Shell, HSBC, Energean and Glencore, in anticipation of the merger with the LF abrdn Income Focus Fund and the abrdn UK Income Equity Fund.

The fund closed on 27 October 2023.

DM Income and Real Assets Equity Team

March 2024

abrdn UK High Income Equity Fund (closed)

Continued

Risk and Reward Profile

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

Risk and reward indicator table as at 27 October 2023.

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

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

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

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

Inflation reduces the buying power of your investment and income.

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

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

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

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

Comparative Tables

Retail accumulation[A]	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	281.75	260.18	225.42
Return before operating charges*	(31.55)	25.04	38.02
Operating charges	(2.27)	(3.47)	(3.26)
Return after operating charges*	(33.82)	21.57	34.76
Distributions	(8.57)	(12.25)	(10.21)
Retained distributions on accumulation shares	8.57	12.25	10.21
Redemption value as at 27 October 2023	(247.93)	-	-
Closing net asset value per share	-	281.75	260.18
* after direct transaction costs of:	0.56	0.22	0.18
Performance			
Return after charges	(12.01%)	8.29%	15.42%
Other information			
Closing net asset value (£'000)	-	80,535	76,878
Closing number of shares	-	28,583,229	29,548,360
Operating charges	1.30%	1.30%	1.31%
Direct transaction costs	0.21%	0.08%	0.07%
Prices			
Highest share price	284.3	284.4	268.0
Lowest share price	247.9	242.3	228.3

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.
The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.
Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.
Highest and Lowest prices are based on official published daily NAVs.
[A] Retail accumulation share class was closed on 27 October 2023.

Comparative Tables

Continued

Retail income[A]	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	76.25	73.71	66.52
Return before operating charges*	(8.43)	6.94	11.12
Operating charges	(0.61)	(0.97)	(0.95)
Return after operating charges*	(9.04)	5.97	10.17
Distributions	(2.31)	(3.43)	(2.98)
Redemption value as at 27 October 2023	(64.90)	-	-
Closing net asset value per share	-	76.25	73.71
* after direct transaction costs of:	0.15	0.06	0.05
Performance			
Return after charges	(11.85%)	8.10%	15.29%
Other information			
Closing net asset value (£'000)	-	14,158	16,914
Closing number of shares	-	18,567,903	22,946,296
Operating charges	1.30%	1.30%	1.31%
Direct transaction costs	0.21%	0.08%	0.07%
Prices			
Highest share price	76.94	79.77	77.06
Lowest share price	65.11	67.62	67.38

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.
The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.
Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.
Highest and Lowest prices are based on official published daily NAVs.
[A] Retail income share class was closed on 27 October 2023.

Comparative Tables

Continued

Institutional accumulation[A]	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	323.04	296.91	256.04
Return before operating charges*	(36.23)	28.67	43.25
Operating charges	(1.67)	(2.54)	(2.38)
Return after operating charges*	(37.90)	26.13	40.87
Distributions	(9.84)	(14.01)	(11.62)
Retained distributions on accumulation shares	9.84	14.01	11.62
Redemption value as at 27 October 2023	(285.14)	-	-
Closing net asset value per share	-	323.04	296.91
* after direct transaction costs of:	0.64	0.25	0.20
Performance			
Return after charges	(11.73%)	8.80%	15.96%
Other information			
Closing net asset value (£'000)	-	149,508	189,161
Closing number of shares	-	46,281,208	63,709,836
Operating charges	0.83%	0.83%	0.84%
Direct transaction costs	0.21%	0.08%	0.07%
Prices			
Highest share price	326.0	326.0	305.8
Lowest share price	285.1	276.5	259.4

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.
The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.
Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.
Highest and Lowest prices are based on official published daily NAVs.
[A] Institutional accumulation share class was closed on 27 October 2023.

Comparative Tables

Continued

Institutional income[A]	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	87.48	84.17	75.59
Return before operating charges*	(9.67)	7.95	12.67
Operating charges	0.45	(0.71)	(0.69)
Return after operating charges*	(10.12)	7.24	11.98
Distributions	(2.66)	(3.93)	(3.40)
Redemption value as at 27 October 2023	(74.70)	-	-
Closing net asset value per share	-	87.48	84.17
* after direct transaction costs of:	0.17	0.07	0.06
Performance			
Return after charges	(11.57%)	8.60%	15.85%
Other information			
Closing net asset value (£'000)	-	6,764	7,500
Closing number of shares	-	7,731,714	8,910,268
Operating charges	0.83%	0.83%	0.84%
Direct transaction costs	0.21%	0.08%	0.07%
Prices			
Highest share price	88.28	91.20	87.97
Lowest share price	74.93	77.45	76.57

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.
The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.
Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.
Highest and Lowest prices are based on official published daily NAVs.
[A] Institutional income share class was closed on 27 October 2023.

Comparative Tables

Continued

Institutional regulated accumulation[A]	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	364.38	333.40	286.22
Return before operating charges*	(40.93)	32.30	48.42
Operating charges	(0.87)	(1.32)	(1.24)
Return after operating charges*	(41.80)	30.98	47.18
Distributions	(11.11)	(15.76)	(13.01)
Retained distributions on accumulation shares	11.11	15.76	13.01
Redemption value as at 27 October 2023	(322.58)	-	-
Closing net asset value per share	-	364.38	333.40
* after direct transaction costs of:	0.72	0.28	0.23
Performance			
Return after charges	(11.47%)	9.29%	16.48%
Other information			
Closing net asset value (£'000)	-	26,967	25,810
Closing number of shares	-	7,400,673	7,741,428
Operating charges	0.38%	0.38%	0.39%
Direct transaction costs	0.21%	0.08%	0.07%
Prices			
Highest share price	367.7	367.7	343.3
Lowest share price	322.6	310.6	289.9

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.
The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.
Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.
Highest and Lowest prices are based on official published daily NAVs.
[A] Institutional regulated accumulation share class was closed on 27 October 2023.

Comparative Tables

Continued

Institutional A income[A]	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	47.97	46.49	42.07
Return before operating charges*	(1.31)	4.43	7.04
Operating charges	(0.09)	(0.74)	(0.73)
Return after operating charges*	(1.40)	3.69	6.31
Distributions	-	(2.21)	(1.89)
Redemption value as at 12 April 2023	(46.58)	-	-
Closing net asset value per share	-	47.97	46.49
* after direct transaction costs of:	0.10	0.04	0.03
Performance			
Return after charges	(2.91%)	7.94%	15.00%
Other information			
Closing net asset value (£'000)	-	-	32
Closing number of shares	-	200	69,573
Operating charges	1.58%	1.58%	1.59%
Direct transaction costs	0.21%	0.08%	0.07%
Prices			
Highest share price	48.44	50.27	48.61
Lowest share price	43.71	42.58	42.62

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.
[A] Institutional A income share class was closed on 12 April 2023.

Comparative Tables

Continued

Institutional S accumulation[A]	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	78.53	72.11	62.12
Return before operating charges*	(4.76)	6.98	10.52
Operating charges	(0.18)	(0.56)	(0.53)
Return after operating charges*	(4.94)	6.42	9.99
Distributions	-	(3.39)	(2.82)
Retained distributions on accumulation shares	-	3.39	2.82
Redemption value as at 21 June 2023	(73.59)	-	-
Closing net asset value per share	-	78.53	72.11
* after direct transaction costs of:	0.16	0.06	0.05
Performance			
Return after charges	(6.29%)	8.90%	16.08%
Other information			
Closing net asset value (£'000)	-	1	1
Closing number of shares	-	1,602	1,602
Operating charges	0.76%	0.76%	0.77%
Direct transaction costs	0.21%	0.08%	0.07%
Prices			
Highest share price	79.25	79.26	74.25
Lowest share price	71.47	67.16	62.92

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.
[A] Institutional S accumulation share class was closed on 21 June 2023.

Comparative Tables

Continued

Institutional S income[A]	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	53.02	50.97	45.74
Return before operating charges*	(3.21)	4.81	7.67
Operating charges	(0.12)	(0.39)	(0.38)
Return after operating charges*	(3.33)	4.42	7.29
Distributions	-	(2.37)	(2.06)
Redemption value as at 21 June 2023	(49.69)	-	-
Closing net asset value per share	-	53.02	50.97
* after direct transaction costs of:	0.11	0.04	0.04
Performance			
Return after charges	(6.29%)	8.67%	15.94%
Other information			
Closing net asset value (£'000)	-	1	1
Closing number of shares	-	2,004	2,004
Operating charges	0.76%	0.76%	0.77%
Direct transaction costs	0.21%	0.08%	0.07%
Prices			
Highest share price	53.51	55.25	53.27
Lowest share price	48.26	46.93	46.34

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.
The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.
Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.
Highest and Lowest prices are based on official published daily NAVs.
[A] Institutional S income share class was closed on 21 June 2023.

Comparative Tables

Continued

Platform 1 accumulation[A]	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	102.88	94.60	81.62
Return before operating charges*	(11.54)	9.14	13.78
Operating charges	(0.56)	(0.86)	(0.80)
Return after operating charges*	(12.10)	8.28	12.98
Distributions	(3.13)	(4.46)	(3.70)
Retained distributions on accumulation shares	3.13	4.46	3.70
Redemption value as at 27 October 2023	(90.78)	-	-
Closing net asset value per share	-	102.88	94.60
* after direct transaction costs of:	0.20	0.08	0.06
Performance			
Return after charges	(11.76%)	8.75%	15.90%
Other information			
Closing net asset value (£'000)	-	23,150	19,236
Closing number of shares	-	22,502,756	20,333,390
Operating charges	0.88%	0.88%	0.89%
Direct transaction costs	0.21%	0.08%	0.07%
Prices			
Highest share price	103.8	103.8	97.42
Lowest share price	90.78	88.11	82.68

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.
The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.
Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.
Highest and Lowest prices are based on official published daily NAVs.
[A] Platform 1 accumulation share class was closed on 27 October 2023.

Comparative Tables

Continued

Platform 1 income[A]	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	65.33	62.88	56.50
Return before operating charges*	(7.23)	5.94	9.47
Operating charges	(0.36)	(0.56)	(0.55)
Return after operating charges*	(7.59)	5.38	8.92
Distributions	(1.98)	(2.93)	(2.54)
Redemption value as at 27 October 2023	(55.76)	-	-
Closing net asset value per share	-	65.33	62.88
* after direct transaction costs of:	0.13	0.05	0.04
Performance			
Return after charges	(11.61%)	8.56%	15.79%
Other information			
Closing net asset value (£'000)	-	17,804	16,020
Closing number of shares	-	27,253,014	25,475,588
Operating charges	0.88%	0.88%	0.89%
Direct transaction costs	0.21%	0.08%	0.07%
Prices			
Highest share price	65.92	68.13	65.72
Lowest share price	55.93	57.84	57.24

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.
[A] Platform 1 income share class was closed on 27 October 2023.

Comparative Tables

Continued

ZC accumulation[A]	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	197.36	180.02	154.08
Return before operating charges*	(22.19)	17.50	26.09
Operating charges	(0.09)	(0.16)	(0.15)
Return after operating charges*	(22.28)	17.34	25.94
Distributions	(6.03)	(8.52)	(7.01)
Retained distributions on accumulation shares	6.03	8.52	7.01
Redemption value as at 27 October 2023	(175.08)	-	-
Closing net asset value per share	-	197.36	180.02
* after direct transaction costs of:	0.39	0.16	0.12
Performance			
Return after charges	(11.29%)	9.63%	16.84%
Other information			
Closing net asset value (£'000)	-	5,144	487
Closing number of shares	-	2,606,570	270,398
Operating charges	0.08%	0.08%	0.09%
Direct transaction costs	0.21%	0.08%	0.07%
Prices			
Highest share price	199.2	199.1	185.3
Lowest share price	175.1	167.7	156.1

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.
The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.
Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.
Highest and Lowest prices are based on official published daily NAVs.
[A] ZC accumulation share class was closed on 27 October 2023.

Comparative Tables

Continued

ZA income[A]	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	66.01	62.98	56.09
Return before operating charges*	(7.33)	5.98	9.43
Operating charges	-	-	(0.01)
Return after operating charges*	(7.33)	5.98	9.42
Distributions	(2.01)	(2.95)	(2.53)
Redemption value as at 27 October 2023	(56.67)	-	-
Closing net asset value per share	-	66.01	62.98
* after direct transaction costs of:	0.13	0.05	0.04
Performance			
Return after charges	(11.10%)	9.50%	16.79%
Other information			
Closing net asset value (£'000)	-	5,199	6,501
Closing number of shares	-	7,876,367	10,323,201
Operating charges	-	-	0.01%
Direct transaction costs	0.21%	0.08%	0.07%
Prices			
Highest share price	66.61	68.39	65.79
Lowest share price	56.85	58.25	56.82

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (p) due to rounding differences. The published closing net asset value per share (p) is based on unrounded values and represents the actual price.
The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.
Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the share class.
Highest and Lowest prices are based on official published daily NAVs.
[A] ZA income share class was closed on 27 October 2023.

Portfolio Statement

As at 29 February 2024

Holding	Investment	Market value £'000	Percentage of total net assets
UK Equities (99.05%)		-	-
Basic Materials (7.51%)		-	-
Consumer Discretionary (6.55%)		-	-
Consumer Staples (9.47%)		-	-
Energy (22.32%)		-	-
Financials (23.92%)		-	-
Health Care (11.61%)		-	-
Industrials (11.37%)		-	-
Real Estate (0.00%)		-	-
Technology (0.46%)		-	-
Telecommunications (1.47%)		-	-
Utilities (4.37%)		-	-
Collective Investment Schemes (0.40%)		-	-
Total investment assets		-	-
Net other assets		-	-
Total Net Assets		**-**	**-**

The percentage figures in brackets show the comparative holding as at 28 February 2023.
Prior year classifications for some sectors have been updated to reflect current year classifications

Financial Statements

Statement of Total Return

For the year ended 29 February 2024

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Income:					
Net capital (losses)/gains	1		(45,292)		14,583
Revenue	2	10,674		16,494	
Expenses	3	(1,774)		(3,179)	
Interest payable and similar charges		(1)		(3)	
Net revenue before taxation		8,899		13,312	
Taxation	4	(249)		(350)	
Net revenue after taxation			8,650		12,962
Total return before distributions			**(36,642)**		**27,545**
Distributions	5		(9,689)		(16,132)
Change in net assets attributable to shareholders from investment activities			**(46,331)**		**11,413**

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 29 February 2024

	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Opening net assets attributable to shareholders		**329,231**		**358,541**
Amounts receivable on the issue of shares	2,842		17,030	
Amounts payable on the cancellation of shares	(34,689)		(71,445)	
Amounts payable on inspecie transfers*	(259,229)		-	
		(291,076)		(54,415)
Dilution adjustment		23		-
Change in net assets attributable to shareholders from investment activities (see above)		(46,331)		11,413
Retained distribution on accumulation shares		8,177		13,686
Unclaimed distributions		2		6
Movement in amount payable on termination		(26)		-
Closing net assets attributable to shareholders		**-**		**329,231**

* Relating to an inspecie transfer to abrdn UK Income Equity Fund on 27 October 2023.

Balance Sheet

As at 29 February 2024

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Assets:					
Fixed assets:					
Investment assets			-		327,433
Current assets:					
Debtors	6	69		4,968	
Cash and bank balances	7	-		1	
			69		4,969
Total assets			**69**		**332,402**
Liabilities:					
Creditors	8	(69)		(2,441)	
Distribution payable		-		(730)	
			(69)		(3,171)
Total liabilities			**(69)**		**(3,171)**
Net assets attributable to shareholders			**-**		**329,231**

Notes to the Financial Statements

1 Net Capital (Losses)/Gains

	2024 £'000	2023 £'000
Non-derivative securities	(45,195)	14,598
Other losses	(92)	(10)
Transaction charges	(5)	(5)
Net capital (losses)/gains	**(45,292)**	**14,583**

2 Revenue

	2024 £'000	2023 £'000
Bank and margin interest	92	78
Overseas dividends	845	1,139
Stocklending revenue	1	-
UK dividends	9,724	15,277
UK REIT	12	-
Total revenue	**10,674**	**16,494**

3 Expenses

	2024 £'000	2023 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge	1,648	2,955
Dealing charge	12	18
General administration charge	109	197
	1,769	**3,170**
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Safe custody fee	5	9
	5	**9**
Total expenses	**1,774**	**3,179**

Irrecoverable VAT is included in the above expenses, where relevant.
The audit fee for the year, including VAT, was £11,100 (2023: £10,200).

4 Taxation

	2024 £'000	2023 £'000
(a) Analysis of charge in year		
Overseas taxes	249	350
Total taxation (note 4b)	**249**	**350**

(b) Factors affecting total tax charge for the year

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

Net revenue before taxation	**8,899**	**13,312**
Corporation tax at 20% (2023: 20%)	1,780	2,662
Effects of:		
Revenue not subject to taxation	(2,114)	(3,283)
Overseas taxes	249	350
Excess allowable expenses	334	621
Total tax charge for year (note 4a)	**249**	**350**

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 £19,746,000 (2023: £19,412,000) due to surplus expenses. It is unlikely that the fund will generate sufficient taxable profits to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

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

	2024 £'000	2023 £'000
Interim distribution	8,617	10,316
Special distribution	800	-
Final distribution	-	5,392
	9,417	15,708
Add: Income deducted on cancellation of shares	299	698
Deduct: Income received on issue of shares	(27)	(274)
Total distributions for the year	**9,689**	**16,132**

	2024 £'000	2023 £'000
Movement between net revenue and distributions		
Net revenue after taxation	8,650	12,962
Expenses charged to capital	1,769	3,170
Undistributed revenue carried forward	(730)	-
Total distributions for the year	**9,689**	**16,132**

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

	2024 £'000	2023 £'000
Accrued revenue	-	1,762
Amounts receivable from the ACD for the issue of shares	-	13
Overseas withholding tax recoverable	69	69
Sales awaiting settlement	-	3,124
Total debtors	**69**	**4,968**

7 Liquidity

	2024 £'000	2023 £'000
Cash and bank balances		
Cash at bank	-	1
	-	**1**
abrdn Liquidity Fund (Lux) - Sterling Fund Z1 Inc*	-	1,330
Net liquidity	**-**	**1,331**

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

Notes to the Financial Statements

Continued

8 Creditors

	2024 £'000	2023 £'000
Accrued expenses payable to ACD	-	253
Accrued expenses payable to the Depositary or associates of the Depositary	-	4
Amounts payable to the ACD for cancellation of shares	-	2,179
Amounts payable on termination	69	-
Other accrued expenses	-	5
Total creditors	**69**	**2,441**

9 Related Party Transactions

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

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

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

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

10 Portfolio Transaction Costs

	Purchases		Sales	
Trades in the year	**2024 £'000**	**2023 £'000**	**2024 £'000**	**2023 £'000**
Equities	143,548	46,597	187,282	90,354
Inspecie transactions	-	-	237,796	-
Corporate actions	-	-	-	2,025
Trades in the year before transaction costs	**143,548**	**46,597**	**425,078**	**92,379**
Commissions				
Equities	39	28	(72)	(46)
Total commissions	**39**	**28**	**(72)**	**(46)**
Taxes				
Equities	511	209	-	-
Total taxes	**511**	**209**	**-**	**-**
Total transaction costs	**550**	**237**	**(72)**	**(46)**
Total net trades in the year after transaction costs	**144,098**	**46,834**	**425,006**	**92,333**

	Purchases		Sales	
	2024 %	2023 %	2024 %	2023 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.03	0.06	0.04	0.05
Taxes				
Equities	0.36	0.45	-	-

	2024 %	2023 %
Total transaction costs expressed as a percentage of net asset value		
Commissions	0.04	0.02
Taxes	0.17	0.06

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was Nil (2023: 0.09%), this is representative of the average spread on the assets held during the year.

11 Shares in Issue Reconciliation

	Opening shares 2023	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2024
Retail accumulation	28,583,229	22,528	(28,451,416)	(154,341)	-
Retail income	18,567,903	18,498	(18,539,666)	(46,735)	-
Institutional accumulation	46,281,208	571,285	(46,888,263)	35,770	-
Institutional income	7,731,714	182,467	(7,925,482)	11,301	-
Institutional regulated accumulation	7,400,673	146,827	(7,547,500)	-	-
Institutional A income	200	-	(200)	-	-
Institutional S accumulation	1,602	-	(1,602)	-	-
Institutional S income	2,004	-	(2,004)	-	-
Platform 1 accumulation	22,502,756	178,452	(22,990,949)	309,741	-
Platform 1 income	27,253,014	446,124	(27,738,446)	39,308	-
ZC accumulation	2,606,570	2,873	(2,609,443)	-	-
ZA income	7,876,367	-	(7,876,367)	-	-

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).

Fair value of investment assets	2024 £'000 Level 1	2024 £'000 Level 2	2024 £'000 Level 3	2023 £'000 Level 1	2023 £'000 Level 2	2023 £'000 Level 3*
Equities	-	-	-	318,528	-	7,575
Collective Investment Schemes	-	-	-	-	1,330	-
Total investment assets	**-**	**-**	**-**	**318,528**	**1,330**	**7,575**

* 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.

As at 29 February 2024, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £Nil (2023: £16,372,000).

Financial derivatives instrument risk

The fund had no exposure to derivatives as at 29 February 2024 (2023: £Nil).

The fund receives 85% of the revenue returns from stock lending. The gross earnings for the year are £1,000 (2023: £Nil) and expenses paid to the lending agent, Citibank, are £Nil (2023: £Nil).

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2024 £69,000 (2023: £3,171,000).

Distribution Tables

For the year ended 29 February 2024 (in pence per share)

Interim dividend distribution

Group 1 - shares purchased prior to 1 March 2023
Group 2 - shares purchased between 1 March 2023 and 31 August 2023

	Revenue	Equalisation	Distribution paid 31/10/23	Distribution paid 31/10/22
Retail accumulation				
Group 1	7.8044	-	7.8044	7.6436
Group 2	4.3046	3.4998	7.8044	7.6436
Retail income				
Group 1	2.1119	-	2.1119	2.1656
Group 2	1.3406	0.7713	2.1119	2.1656
Institutional accumulation				
Group 1	8.9581	-	8.9581	8.7326
Group 2	6.5923	2.3658	8.9581	8.7326
Institutional income				
Group 1	2.4259	-	2.4259	2.4755
Group 2	0.9353	1.4906	2.4259	2.4755
Institutional regulated accumulation				
Group 1	10.1160	-	10.1160	9.8163
Group 2	5.4771	4.6389	10.1160	9.8163
Institutional A income				
Group 1	-	-	-	1.3653
Group 2	-	-	-	1.3653
Institutional S accumulation				
Group 1	-	-	-	2.1156
Group 2	-	-	-	2.1156
Institutional S income				
Group 1	-	-	-	1.5007
Group 2	-	-	-	1.5007
Platform 1 accumulation				
Group 1	2.8524	-	2.8524	2.7820
Group 2	1.7011	1.1513	2.8524	2.7820
Platform 1 income				
Group 1	1.8113	-	1.8113	1.8493
Group 2	1.0130	0.7983	1.8113	1.8493

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

	Revenue	Equalisation	Distribution paid 31/10/23	Distribution paid 31/10/22
ZC accumulation				
Group 1	5.4832	-	5.4832	5.3041
Group 2	0.7248	4.7584	5.4832	5.3041
ZA income				
Group 1	1.8341	-	1.8341	1.8559
Group 2	1.8341	-	1.8341	1.8559

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

Special dividend distribution

Group 1 - shares purchased prior to 1 September 2023
Group 2 - shares purchased between 1 September 2023 and 26 October 2023

	Revenue	Equalisation	Distribution paid 21/12/23
Retail accumulation			
Group 1	0.7646	-	0.7646
Group 2	0.3341	0.4305	0.7646
Retail income			
Group 1	0.2008	-	0.2008
Group 2	0.0830	0.1178	0.2008
Institutional accumulation			
Group 1	0.8791	-	0.8791
Group 2	0.6379	0.2412	0.8791
Institutional income			
Group 1	0.2311	-	0.2311
Group 2	0.1536	0.0775	0.2311
Institutional regulated accumulation			
Group 1	0.9942	-	0.9942
Group 2	0.6301	0.3641	0.9942
Platform 1 accumulation			
Group 1	0.2798	-	0.2798
Group 2	0.1814	0.0984	0.2798
Platform 1 income			
Group 1	0.1724	-	0.1724
Group 2	0.0921	0.0803	0.1724
ZC accumulation			
Group 1	0.5443	-	0.5443
Group 2	0.4000	0.1443	0.5443
ZA income			
Group 1	0.1751	-	0.1751
Group 2	0.1751	-	0.1751

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

Final dividend distribution

Group 1 - shares purchased prior to 27 October 2023
Group 2 - shares purchased between 27 October 2023 and 29 February 2024

	Revenue	Equalisation	Distribution paid 30/04/24	Distribution paid 28/04/23
Retail accumulation				
Group 1	-	-	-	4.6083
Group 2	-	-	-	4.6083
Retail income				
Group 1	-	-	-	1.2678
Group 2	-	-	-	1.2678
Institutional accumulation				
Group 1	-	-	-	5.2784
Group 2	-	-	-	5.2784
Institutional income				
Group 1	-	-	-	1.4530
Group 2	-	-	-	1.4530
Institutional regulated accumulation				
Group 1	-	-	-	5.9473
Group 2	-	-	-	5.9473
Institutional A income				
Group 1	-	-	-	0.8400
Group 2	-	-	-	0.8400
Institutional S accumulation				
Group 1	-	-	-	1.2769
Group 2	-	-	-	1.2769
Institutional S income				
Group 1	-	-	-	0.8734
Group 2	-	-	-	0.8734
Platform 1 accumulation				
Group 1	-	-	-	1.6810
Group 2	-	-	-	1.6810
Platform 1 income				
Group 1	-	-	-	1.0851
Group 2	-	-	-	1.0851

Distribution Tables

For the year ended 29 February 2024 (in pence per share) continued

	Revenue	Equalisation	Distribution paid 30/04/24	Distribution paid 28/04/23
ZC accumulation				
Group 1	-	-	-	3.2190
Group 2	-	-	-	3.2190
ZA income				
Group 1	-	-	-	1.0943
Group 2	-	-	-	1.0943

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 UK Recovery Equity Fund (closed)

For the year ended 29 February 2024

Investment Objective

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.

Portfolio Statement

As at 29 February 2024

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 assets		-	-
Total Net Assets		**-**	**-**

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 2023.
** Delisted.

Statement of Total Return

For the year ended 29 February 2024

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Income:					
Net capital gains			-		-
Revenue		-		-	
Expenses	1	-		-	
Net revenue before taxation		-		-	
Taxation	2	6		-	
Net revenue after taxation			6		-
Total return before distributions			**6**		**-**
Distributions			-		-
Change in net assets attributable to shareholders from investment activities			**6**		**-**

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 29 February 2024

	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Opening net assets attributable to shareholders		**-**		**-**
		-		-
Change in net assets attributable to shareholders from investment activities (see above)		6		-
Movement in amount payable on termination		(6)		-
Closing net assets attributable to shareholders		**-**		**-**

Balance Sheet

As at 29 February 2024

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Assets:					
Fixed assets:					
Investment assets			-		-
Current assets:					
Cash and bank balances		13		7	
			13		7
Total assets			**13**		**7**
Liabilities:					
Creditors	3	(13)		(7)	
			(13)		(7)
Total liabilities			**(13)**		**(7)**
Net assets attributable to shareholders			**-**		**-**

Notes to the Financial Statements

1 Expenses

The audit fee for the year, including VAT, was £4,200 (2023: £2,400). The audit fees for 2024 will be paid by the ACD.

2 Taxation

	2024 £'000	2023 £'000
(a) Analysis of charge in year		
Overseas taxes	(6)	-
Total taxation (note 4b)	**(6)**	**-**

(b) Factors affecting total tax charge for the year

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

Net revenue before taxation	**-**	**-**
Corporation tax at 20% (2023: 20%)	-	-
Effects of:		
Overseas taxes	(6)	-
Total tax charge for year (note 4a)	**(6)**	**-**

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.

3 Creditors

	2024 £'000	2023 £'000
Amounts payable on termination	13	7
Total creditors	**13**	**7**

4 Related Party Transactions

abrdn Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party. There were no transactions with the ACD during the current or prior year.

5 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.

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

2024	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
Currency				
UK Sterling	13		(13)	
Total	**13**	**-**	**(13)**	**-**

2023	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
Currency				
UK Sterling	7	-	(7)	-
Total	**7**	**-**	**(7)**	**-**

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 (2023: £Nil). A one percent decrease would have an equal and opposite effect.

Financial derivatives instrument risk

The fund had no exposure to derivatives as at 29 February 2024 (2023: £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, 2024 £13,000 (2023: £7,000).

Global Emerging Markets Equity Unconstrained Fund (closed)

For the year ended 29 February 2024

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 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 29 February 2024

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		-	-
Total Net Assets		**-**	**-**

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 2023.
**Delisted.

Statement of Total Return

For the year ended 29 February 2024

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Income:					
Net capital gains			-		-
Revenue		-		-	
Expenses		-		-	
Interest and similar charges		-		-	
Net revenue before taxation		-		-	
Taxation	1	-		-	
Net revenue after taxation			-		-
Total return before Distributions			**-**		**-**
Distributions			-		-
Change in net assets attributable to shareholders from investment activities			**-**		**-**

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 29 February 2024

	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Opening net assets attributable to shareholders		**-**		**-**
Change in net assets attributable to shareholders from investment activities (see above)		-		-
Closing net assets attributable to shareholders		**-**		**-**

Balance Sheet

As at 29 February 2024

	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Assets:					
Current assets:					
Cash and bank balances		1		1	
			1		1
Total assets			**1**		**1**
Liabilities:					
Creditors	2	(1)		(1)	
			(1)		(1)
Total liabilities			**(1)**		**(1)**
Net assets attributable to shareholders			**-**		**-**

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 (2023: £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 year or the prior year.

2 Creditors

	2024 £000	2023 £000
Amount payable on termination	1	1
Total creditors	**1**	**1**

3 Related Party Transactions

abrdn Fund Managers Limited, as Authorised Corporate Director (ACD), is a related party.

There were no transactions with abrdn Fund Managers Limited in the current or prior year.

Any amounts due to abrdn 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 (2023: £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 29 February 2024 (2023: 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, 2024 £1,000 (2023: £1,000).

Securities Financing Transactions Disclosure (unaudited)

The fund's engage in Securities Financing Transactions (SFTs) (as defined in Article 3 of Regulation (EU) 2015/2365, SFTs include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions, Total Return Swaps (TRS) and margin lending transactions). In accordance with Article 13 of the Regulation, the fund's involvement in and exposures related to securities lending at the year end are detailed below:

Global data

	Absolute Amount (£'000)	% of Lendable Assets	Proportion of AUM (%)
abrdn Emerging Markets Income Equity Fund	1,611	0.24%	0.24%
abrdn High Yield Bond Fund	1,932	0.90%	0.87%
abrdn North American Small & Mid-Cap Equity Fund	87	0.19%	0.18%
	3,630	**1.33%**	**1.29%**

Global aggregate data

All transactions take place under English law with a UK representative of the counterparty. All contracts can be exited at value on the same day and all collateral can be returned within 24 hours to protect the portfolio values. The registration of the counterparty is therefore within the UK for the purposes of the transaction. The tenor values are same day or 24 hours for the purposes of the transactions. TRS can be arranged to circumvent the SFT regulations, they have not been used in this way and are disclosed for completeness however do not in this capacity have the characteristics of an SFT.

Counterparty by transaction type	Settlement	Collateral Type	Quality	Collateral Currency	Market value SFT £'000	Market value collateral £'000
Stocklending						
abrdn Emerging Markets Income Equity Fund						
UBS	Bilateral	Equity	Main market listing	EUR	-	212
UBS	Bilateral	Equity	Main market listing	GBP	-	427
UBS	Bilateral	Equity	Main market listing	HKD	455	-
UBS	Bilateral	Equity	Main market listing	JPY	-	432
UBS	Bilateral	Equity	Main market listing	USD	1,477	1,076
abrdn High Yield Bond Fund						
BNP Paribas	Bilateral	Equity	Main market listing	EUR	1,611	1,700
abrdn North American Small & Mid-Cap Equity Fund						
UBS	Bilateral	Equity	Main market listing	CAD	87	-
UBS	Bilateral	Equity	Main market listing	EUR	-	10
UBS	Bilateral	Equity	Main market listing	GBP	-	19
UBS	Bilateral	Equity	Main market listing	JPY	-	19
UBS	Bilateral	Equity	Main market listing	USD	-	48
					3,630	**3,943**

Securities Financing Transactions Disclosure (unaudited)

Continued

Data on reuse of collateral

Non-cash collateral will not be sold, re-invested or pledged. There are no investment returns therefore associated with the securities held as collateral.

Cash collateral will only be: Placed on deposit; Invested in high-quality government bonds; Used for the purpose of reverse repo transactions with credit institutions that are subject to prudential supervision (and on terms that permit the Manager to recall at any time the full amount of cash on an accrued basis); or Invested in short-term money market funds (as defined for the purposes by the European Securities and Markets Authority ("ESMA")).

The returns earned by the Fund from the reinvestment of cash collateral in money market funds during the year are disclosed below.

Money Market Fund	Return %
Aberdeen Standard Liquidity Fund (Lux) - Euro Fund	4.01
Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund	5.36

Safekeeping of collateral

Collateral is received under a title transfer arrangement and collateral received must be held by or on behalf of the Depositary. Collateral is held in an account belonging to the fund with only assets belonging to the fund in this account.

Collateral is posted to a Central Counterparty Clearing House or broker in a segregated account for the fund. Where collateral is exchanged bilaterally a recall position on the assets is retained.

Remuneration (unaudited)

Undertakings for Collective Investment Transferrable Securities V Directive (UCITS V)
Remuneration Disclosure UCITS V Fund Annual Report and Accounts

Remuneration Policy

The abrdn plc Remuneration Policy applies with effect from 1 January 2023. The purpose of the abrdn plc Remuneration Policy (the "**Policy**") is to document clearly the remuneration policies, practices and procedures of abrdn as approved by the abrdn plc Remuneration Committee (the "**Committee**"). The Policy is available on request.

The Policy applies to employees of the abrdn group of companies ("**Group**" or "**abrdn**"), including UCITS V Management Companies ("**ManCos**") and the UCITS V funds that the ManCo manages.

Remuneration Principles

abrdn applies Group wide principles for remuneration policies, procedures and practices ensuring that:

- Remuneration within the Group is simple, transparent and fair.
- Our Policy supports our long-term strategy by reinforcing a performance-driven culture. It aligns the interests of our employees, shareholders and, importantly, our clients/customers.
- Our remuneration structure is flexible to accommodate the different challenges and priorities across all businesses and functions as appropriate.
- Remuneration policies, procedures and practices promote good conduct, including sound and effective risk management and do not encourage risk taking that exceeds the level of tolerated risk appetite.
- Remuneration extends beyond the provision of fixed and variable pay, with a focus on the retirement provision and the wellbeing needs of our employees, as part of our remuneration philosophy.
- Total remuneration delivered is affordable for the Group.

Remuneration Framework

Employee remuneration is composed of fixed and variable elements of reward as follows:

a) Fixed remuneration (salary and cash allowances, where appropriate; and Benefits (including pension).

b) Variable remuneration (bonus, a proportion of which may be subject to retention or deferral depending on role and regulatory requirements; senior employees may also be awarded a long-term incentive award).

Appropriate ratios of fixed: variable remuneration will be set to as to ensure that:

a) Fixed and variable components of total remuneration are appropriately balanced and

b) The fixed component is a sufficiently high proportion of total remuneration to allow abrdn to operate a fully flexible policy on variable remuneration components, including having the ability to award no variable remuneration component in certain circumstances where either individual and/or Group performance does not support such an award.

Remuneration (unaudited)

Continued

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.
Benefits (including retirement benefit where appropriate)	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. 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.
Annual Performance Bonus Awards	Employees who have been employed during a performance year (1 January to 31 December) may be eligible to be considered for an annual bonus in respect of that year. Annual bonuses are based upon Group, Business / Function, Team and Individual performance (with individual performance assessed against agreed goals and behaviours). The variable remuneration pool for all eligible employees, including Identified Staff or Material Risk Takers ("**MRTs**"), is determined initially by reference to profitability and other quantitative and qualitative financial and non-financial factors including risk considerations (on an ex-post and ex-ante basis). In reaching its final funding decision, the Committee exercises its judgement to ensure that the outcome reflects holistic Company performance considerations. abrdn Fund Managers Limited has specific obligations to act in the best interests of the UCITS V funds it manages and its investors. Accordingly, the performance of the underlying funds and the interests of investors (including, where relevant, investment risk) are also taken into account as appropriate. The Risk and Capital Committee and the Audit Committee formally advise the Committee as part of this process. The overall bonus pool is allocated to businesses and functions based on absolute and relative performance of each business and function and their alignment with strategic priorities and risk considerations. Allocation by region and subdivision/team is determined on a discretionary basis by the business / function and regional heads based on the absolute and relative performance of the constituent teams and alignment with strategic priorities. Individual annual bonus awards are determined at the end of the 12-month performance period with performance assessed against financial and non-financial individual objectives, including behaviour and conduct. Individual awards for Identified Staff are reviewed and approved by the Committee (with some individual award approvals delegated, as appropriate, to the Group's Compensation Committee, over which the Committee retains oversight). In carrying out these approvals, the Committee seeks to ensure that outcomes are fair in the context of overall Group performance measures and adjusted, where appropriate, to reflect input from the Risk and Capital Committee and the Audit Committee. Variable remuneration awards are subject to deferral for a period of up to three years. A retention period may also be applied as required by the relevant regulatory requirements. Deferral rates and periods comply, at a minimum, with regulatory requirements. In addition to the application of ex-ante adjustments described above, variable remuneration is subject to ex-post adjustment (malus / clawback arrangements).
Other elements of remuneration – selected employees	The following remuneration arrangements may be awarded in certain very limited circumstances: **Carried Interest Plans** – These arrangements are designed to reward performance in roles where a carried interest plan is appropriate. Selected employees are granted carried interest shares in private market funds established by the Group. **Buy-Out Awards/Guaranteed Bonuses** – These are intended to facilitate/support the recruitment of new employees. Buy-outs are not awarded, paid or provided unless they are in the context of hiring new employees. Guaranteed bonuses are not awarded, paid or provided unless they are exceptional and in the context of hiring new employees and limited to the first year of service. These awards are only made where such a payment or award is permitted under any relevant remuneration regulations and are designed to compensate for actual or expected remuneration foregone from previous employers by virtue of their recruitment. **Retention and Special Performance Awards / LTIP** – Supports retention and/or the delivery of specific performance outcomes and/or to incentivise senior employees to support the long-term, sustained performance of abrdn. The Company may determine that it is appropriate to grant such awards in limited circumstances. Awards are structured to deliver specific retention and/or performance outcomes. Retention and/or special performance awards comply with all relevant regulatory requirements. **Severance Pay** – Payment made to support an employee whose role is considered to be redundant. Severance payments comply with any legislative and regulatory requirements and any payments are inclusive of any statutory entitlement. In the event of severance, the treatment of any individual elements of an employee's remuneration is governed, as appropriate, by relevant plan or scheme rules.

Remuneration (unaudited)

Continued

Control Functions

The Group ensures that, as appropriate, senior employees engaged in a control function are independent from the business units they oversee and have appropriate authority to undertake their roles and duties. These include, but are not necessarily limited to, Risk, Compliance and Internal Audit function roles. Senior employees engaged in a control function are remunerated in a way that ensures they are independent from the business areas they oversee, have appropriate authority and have their remuneration directly overseen by the Committee.

Conflicts of Interest

The Policy is designed to avoid conflicts of interest between the Group and its clients and is designed to adhere to local legislation, regulations or other provisions. In circumstances or jurisdictions where there is any conflict between the Policy and local legislation, regulations or other provisions, then the latter prevail. Where the Committee receives input from members of management on the remuneration arrangements in operation across the Group, this never relates to their own remuneration.

Personal Investment Strategies

The Company adheres to the regulatory principles and industry best practice on the use of personal hedging strategies which act in restricting the risk alignment embedded in employee remuneration arrangements.

UCITS V Identified Staff / MRTs

The 'Identified Staff' or MRTs of abrdn Fund Managers Limited are those employees who could have a material impact on the risk profile of abrdn Fund Managers Limited or the UCITS V funds it manages. This broadly includes senior management, decision makers and control functions. For the purposes of this disclosure, 'Identified Staff' includes employees of entities to which activities have been delegated.

Quantitative remuneration disclosure

The table below provides an overview of the following:

- Aggregate total remuneration paid by abrdn Fund Managers Limited to its entire staff; and
- Aggregate total remuneration paid by abrdn Fund Managers Limited to its UCITS V 'Identified Staff'.

Amounts shown reflect payments made during the financial reporting period in question. The reporting period runs from **1 January 2023 to 31 December 2023** inclusive.

	Headcount	Total Remuneration £'000
abrdn Fund Managers Limited[1]	**1,087**	**147,082**
of which		
Fixed remuneration		119,255
Variable remuneration		27,827
abrdn Fund Managers Limited 'Identified Staff'[2]	**96**	**35,228**
of which		
Senior Management[3]	41	20,859
Other 'Identified Staff'	55	14,369

[1] As there are a number of individuals indirectly and directly employed by abrdn Fund Managers Limited this figure represents an apportioned amount of abrdn's total remuneration fixed and variable pay, apportioned to the ManCo on an AUM basis. The Headcount figure provided reflects the number of beneficiaries calculated on a Full Time Equivalent basis.
[2] The Identified Staff disclosure relates to UCITS V MRTs and represents total compensation of those staff of the ManCo who are fully or partly involved in the activities of the ManCo.
[3] Senior management are defined in this table as ManCo Directors and members of the abrdn plc Board, together with its Executive Committee, Investment Management Committee and Group Product Committee.

Further Information

Constitution

abrdn OEIC 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 abrdn 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 **abrdn.com**. A paper copy of the Report and Accounts is available on request from the ACD.

Notices/Correspondence

Please send any notices to abrdn Fund Managers Limited, PO Box 12233, Chelmsford, CM99 2EE. Any notice to the ACD will only be effective when actually received by the ACD. All notices will be sent to the investor at the address set out in the application form or the latest address which the investor has notified to the ACD, and will be deemed to have been received three days after posting. Events detailed in these terms and conditions will be carried out on the dates specified, unless the dates are a non-business day, when they will be carried out on the next business day.

Complaints and Compensation

If you need to complain about any aspect of our service, you should write to the Complaints Team, abrdn, PO Box 12233, Chelmsford CM99 2EE, who will initiate our formal complaints procedure. If you prefer, you may call the Complaints Team on 0345 113 6966 or email **complaints@abrdn.com** in the first instance.

Alternatively if you have a complaint about the Company or funds you can contact the Depositary directly. A leaflet detailing our complaints procedure is available on request. We will endeavour to response to your complaint as soon as possible and will notify you of our outcome within 8 weeks. If the complaint is not resolved by us to your satisfaction then you may have the right to take your complaint to the Financial Ombudsman Service (FOS). To contact the FOS Service you should write to The Financial Ombudsman Service, Exchange Tower, London, E14 9SR, email **complaint.info@financial-ombudsman.org.uk** or telephone 0800 023 4567 (free for landlines and mobiles) or 0300 123 9123 (calls cost no more than calls to 01 and 02 numbers) or +44 20 7964 0500 (available from outside the UK – calls will be charged).

We are covered by the Financial Services Compensation Scheme, which means if we become insolvent, you may be entitled to compensation. The level of compensation will depend on the type of business and the circumstances of your claim. Investments are covered up to £85,000 for claims against firms that fail on or after 1 April 2019. Details are available from the FSCS Helpline on 0800 678 1100 or 020 7741 4100 and on the FSCS website: **www.fscs.org.uk**.

UCITS

The funds were certified under the Undertaking for Collective Investment in Transferable Securities (UCITS) directive, which allows the ACD to market the funds in member States of the European Union subject to relevant local laws, specifically marketing laws.

Important Information

The above document is strictly for information purposes only and should not be considered as an offer, investment recommendation or solicitation, to deal in any of the investments or funds mentioned herein and does not constitute investment research. abrdn Fund Managers Limited (abrdn) does not warrant the accuracy, adequacy or completeness of the information and materials. Any research or analysis used in the preparation of this document has been procured by abrdn for its own use and may have been acted on for its own purpose. The results thus obtained are made available only coincidentally and the information is not guaranteed as to its accuracy. Some of the information in this document may contain projections or other forward looking statements regarding future events or future financial performance of countries, markets or companies. These statements are only predictions and actual events or results may differ materially. The reader must make their own assessment of the relevance, accuracy and adequacy of the information contained in this document and make such independent investigations, as they may consider necessary or appropriate for the purpose of such assessment. Any opinion or estimate contained in this document is made on a general basis and is not to be relied on by the reader as advice. Neither abrdn nor any of its employees, associated group companies or agents have given any consideration to nor have they or any of them made any investigation of the investment objectives, financial situation or particular need of the reader, any specific person or group of persons. Accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of the reader, any person or group of persons acting on any information, opinion or estimate contained in this document. abrdn reserves the right to make changes and corrections to any information in this document at any time, without notice.

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