aberdeen Investments

abrdn Global Infrastructure Fund

Quarterly Commentary

Quarter ended March 31, 2025

Fund performance

The abrdn Global Infrastructure Fund outperformed its benchmark in the first quarter of 2025.[1]

In terms of individual stock positive contributors, IHS Towers, the African tower company, reported good quarterly earnings that suggest it is through the worst of the disruption in Nigeria and is more confident about an increase in telecommunications operators' capex, following the government's decision to allow them to raise prices.

Eiffage, the European toll road operator and construction company, reacted positively to news that Germany would introduce a €500 billion infrastructure spending plan, with investors also hopeful that this would be the first of many such stimulus plans in Europe.

American Tower Corporation, the US tower company, outperformed during the quarter as interest rates moved lower; tower companies often act like bond proxies when there are significant changes in the interest-rate environment. Operationally, the company reported solid fourth-quarter earnings and issued 2025 guidance that pointed to continued improvement in US telecommunications operators' spending and activity.

In terms of individual stock detractors, XPLR Infrastructure, the US renewable developer, announced the outcome of its strategic review, which included suspending the dividend and issuing guidance that there will be no growth through to 2030. While we had expected a dividend cut and some paring back of growth, the outcome was more severe than anticipated, with investors reacting very negatively to the news.

Mobico Group, the UK transportation company, fell as investors grew impatient with the lack of news on the US school bus sale, with initial expectations that a deal would be announced by the end of 2024. The company has been limited in what it can say, other than confirming that if the sale were not happening, it would be required to notify investors — which gives us confidence that negotiations are still ongoing.

EDP Renováveis, the European renewable developer, moved lower throughout the quarter as investors remained concerned about potential cuts to the Inflation Reduction Act in the US, as well as a weakening power price environment in Europe driven by lower gas prices.

Total Returns (as of 03/31/25)

	Class A w/o sales charges	Class A with sales charges	Institutional Class	S&P Global Infrastructure Index (Net TR)
10 Years (p.a.)	6.30	5.67	6.56	5.55
5 Years (p.a.)	12.45	11.12	12.72	12.87
3 Years (p.a.)	4.21	2.17	4.47	5.15
1 Year	10.65	4.28	10.88	17.76
Year to Date	8.71	2.44	8.74	4.41
3 Months	8.71	2.44	8.74	4.41
1 month	3.69	-2.27	3.65	2.03

PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS.
The performance data quoted represents past performance and current returns may be lower or higher. Class A shares have up to a 5.75% front-end sales charge and a 0.25% 12b-1 fee.
The investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. To obtain performance information current to the most recent month-end, which may be higher or lower than the performance shown above, please call 866-667-9231 or go to **aberdeeninvestments.com/us/literature**.
Returns prior to May 7, 2018 reflect the performance of a predecessor fund. Please consult the Fund's prospectus for more detail.
Total returns assume the reinvestment of all distributions.
Total returns may reflect a waiver of part of the Fund's fees for certain periods since inception, without which returns would have been lower. Indexes are unmanaged and provided for comparison purposes only. No fees or expenses are reflected. You cannot invest directly in an index.

1 The S&P Global Infrastructure Index is an unmanaged index considered representative of stock markets of developed and emerging markets.

For current holdings information, please visit **abrdn Global Infrastructure Fund - Portfolio Holdings**

Market review

Global equity markets ended lower over the quarter. Investors were initially optimistic about stronger economic growth after US President Trump's inauguration, as the prospects of lower taxes, deregulation and higher fiscal spending helped ease recession concerns – a view supported by resilient economic data. Meanwhile, continued disinflation had prompted the US Federal Reserve (Fed), European Central Bank and Bank of England to cut interest rates from mid-2024. However, since the start of 2025, investors began to anticipate a more measured pace of easing, as central banks maintained a data-dependent stance. In particular, some of President Trump's policies – including increased tariffs and reduced immigration – were seen as potentially inflationary. As the quarter progressed, concerns grew over the economic effects of these tariff policies amid fears of a global trade war. Early signs suggested that tariff-driven inflationary pressures were weighing on consumer sentiment and could slow US economic growth. Simultaneously, stubborn inflation fuelled worries that the Fed might moderate its rate cuts despite weakening data, given its relatively hawkish stance.

Outlook & strategy

The tariff announcements proved more detrimental to growth and more inflationary than expected. Given that tariffs now appear as a more concrete policy measure for the US – as opposed to representing a negotiating tool – investors' reaction is reflective of a broad-based downward repricing of global growth. This highlights that investors are most concerned about the impact on US economic growth, through a combination of demand destruction (caused by higher retail prices) and lower investment spending (caused by corporate uncertainty). Some initial estimates from investment banks and our own macroeconomic research outlook point to a 1–2% hit to GDP. The speed at which we have moved from a market characterised by rises in US stocks, Treasury yields and the US dollar is remarkable.

We remain positive on global equities, particularly for our highly selective, quality-first approach. In an environment characterised by slowing growth, heightened volatility and rising dispersion, we believe that high-quality companies that enjoy robust financial positions and structural growth tailwinds are particularly well placed.

With the recent implementation of tariffs, investors may be concerned about potential market disruptions. However, infrastructure remains one of the most resilient asset classes, offering stable and predictable cash flows largely insulated from trade tensions. Many key infrastructure sectors, including utilities, telecommunications towers and natural gas pipelines, operate under regulated or contracted revenue models, making them less exposed to tariff-driven cost fluctuations. As a result, infrastructure continues to stand out as an attractive investment opportunity, providing defensive characteristics and long-term value in an uncertain macroeconomic environment. Now more than ever, we believe infrastructure offers a compelling way to navigate volatility while benefiting from essential, irreplaceable assets. Amid the current focus on near-term trends, it is important not to lose sight of the long-term structural drivers we see in infrastructure — namely the energy transition, digital acceleration, ageing infrastructure and increasing urbanisation.

Important information

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.

Potential losses that may arise from changes in the market conditions which in turn affect the market prices of the investments of the Fund.

The value of a security may decline for reasons directly related to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services.

The stock or other security of a company may not perform as well as expected, and may decrease in value, because of factors related to the company, to the industry in which the company is engaged, or to the market as a whole.

The Fund is subject to the risk that the Adviser or Subadviser may make poor security selections.

Foreign securities are more volatile, harder to price and less liquid than U.S. securities. They are subject to different accounting and regulatory standards, and currency exchange rate, political and economic risks.

The value of foreign currencies relative to the U.S. Dollar fluctuates in response to market, economic, political, regulatory, geopolitical or other conditions. Fluctuations in currency exchange rates may impact a Fund's returns more greatly to the extent the Fund does not hedge currency exposure or hedging techniques are unsuccessful.

The Fund is subject to the risk of concentrating investments in infrastructure-related companies, which makes it more susceptible to factors adversely affecting issuers within that industry than would a fund investing in a more diversified portfolio of securities. These risks include high interest costs in connection with capital construction programs and the costs associated with environmental and other regulations.

Investing in mutual funds involves risk, including possible loss of principal. There is no assurance that the investment objective of any fund will be achieved.

Investors should carefully consider a fund's investment objectives, risks, fees, charges and expenses before investing any money. To obtain this and other fund information, please call 866-667-9231 to request a summary prospectus and/or prospectus, or download at https://www.aberdeeninvestments.com/en-us. Please read the summary prospectus and/or prospectus carefully before investing any money.

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