abrdn Global Income Fund

Quarterly Commentary

Quarter ended July 31, 2023

Fund performance

The abrdn Global Income Fund returned 4.88%[1] on a net value basis for the three-month period ended July 31, 2023, outperforming the 1.58% return of its blended benchmark.[2]

The portfolio outperformed its blended benchmark, with the overweight to Emerging-market (EM) debt the principal driver of outperformance while the underweight to Australia also contributed positively. The overweight to high-yield bonds detracted value.

Top 10 Holdings (%)

Mineral Resources 8% 2027	2.2
Nota Do Tesouro Nacional 10% 2029	2.2
Oman (Govt of) 7% 2051	2.0
HDFC Bank 8.1% 2025	1.9
Commonwealth Bank Aust 6.705% 2038	1.8
Peru (Govt of) 6.9% 2037	1.7
Australia (Govt of) 2.75% 2029	1.5
Turkey (Govt of) 9.375% 2033	1.5
Indonesia (Govt of) 8.125% 2024	1.4
Dominican (Govt of) 5.875% 2060	1.4
Percent of Portfolio in Top Ten	17.5

Holdings are subject to change and are provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities shown

[1] **Past performance is no guarantee of future results. Investment returns and principal value will fluctuate and shares, when sold, may be worth more or less than original cost. Current performance may be lower or higher than the performance quoted. Net asset value return data include investment management fees, custodial charges and administrative fees (such as Director and legal fees) and assumes the reinvestment of all distributions.**

[2] The Fund's blended benchmark comprises 10% ICE Bank of America (BofA) All Maturity Australia Government Index; 25% ICE BofA Global High Yield Constrained Index (hedged into U.S. dollars); 35% J.P. Morgan EMBI Global Diversified Index; 5% ICE BofA New Zealand Government Index; and 25% Markit iBoxx Asia Government Index.

The ICE BofA Global High Yield Constrained Index tracks the performance of U.S. dollar-, Canadian dollar-, British pound- and eurodenominated below-investment-grade corporate debt publicly issued in the major domestic or eurobond markets.

The J.P. Morgan EMBI Global Diversified Index is a comprehensive global local emerging markets index comprising liquid, fixed-rate, domestic currency government bonds.

The ICE BofA New Zealand Government Index tracks the performance of local-currency sovereign and quasi-sovereign bonds in New Zealand.

The Markit iBoxx Asia Government Index tracks the performance of local currency-denominated sovereign and quasi sovereign debt from 10 Asian countries/territories.

Indexes are unmanaged and have been provided for comparison purposes only. No fees or expenses are reflected.

Cumulative and annualised total return as of July 31, 2023 (%)

NAV	NAV	Market Price
Since inception (p.a)	5.39	6.48
10 Years (p.a)	0.37	5.63
5 Years (p.a)	-1.59	7.68
3 Years (p.a)	-2.29	10.94
1 Year	10.41	44.44
Year to Date	9.21	41.38
3 Months	4.88	27.23
1 month	2.17	5.43

abrdn Global Income Fund Distribution Rates[3]

Fund	ASGI
NAV Yield[3]	6.91%
Market Yield[3]	8.21%

The Fund is subject to investment risk, including the possible loss of principal. Returns for periods less than one year are not annualized.

The following tables set forth the estimated amounts of the sources of the distributions for purposes of Section 19 of the 1940 Act and the rules adopted thereunder. The tables have been computed based on generally accepted accounting principles. The tables include estimated amounts and percentages for the current distributions paid this month as well as for the cumulative distributions paid relating to fiscal year to date, from the following sources: net investment income; net realized short-term capital gains; net realized long-term capital gains; and return of capital. The estimated compositions of the distributions may vary because the estimated composition may be impacted by future income, expenses and realized gains and losses on securities and currencies.

The Fund's estimated sources of the current distribution paid this month and for its current fiscal year to date are as follows:

Estimated Amounts of Current Distribution per Share

Fund	Distribution Amount	Net Investment Income		Net Realized Short-Term Gains[3]		Net Realized Long-Term Gains		Return of Capital	
ASGI	$0.1200	$0.0372	31%	$0.0132	11%	$0.0696	58%	-	-

Estimated Amounts of Fiscal Year[4] to Date Cumulative Distributions per Share

Fund	Distribution Amount	Net Investment Income		Net Realized Short-Term Gains[3]		Net Realized Long-Term Gains		Return of Capital	
ASGI	$1.0800	$0.3348	31%	$0.1188	11%	$0.6264	58%	-	-

[3] Includes currency gains.
[4] ASGI has a 9/30 fiscal year end.

Where the estimated amounts above show a portion of the distribution to be a "Return of Capital," it means that the Fund estimates that it has distributed more than its income and capital gains; therefore, a portion of your distribution may be a return of capital. A return of capital may occur for example, when some or all of the money that you invested in a Fund is paid back to you. A return of capital distribution does not necessarily reflect the Fund's investment performance and should not be confused with "yield" or "income."

The amounts and sources of distributions reported in this notice are only estimates and are not being provided for tax reporting purposes. The final determination of the source of all distributions for the current year will only be made after year-end. The actual amounts and sources of the amounts for tax reporting purposes will depend upon the Fund's investment experience during the remainder of the fiscal year and may be subject to change based on tax regulations. After the end of each calendar year, a Form 1099-DIV will be sent to shareholders for the prior calendar year that will tell you how to report these distributions for federal income tax purposes.

The following table provides the Fund's total return performance based on net asset value (NAV) over various time periods compared to the Fund's annualized and cumulative distribution rates.

Fund Performance and Distribution Rate Information

Fund	ASGI[5]
Average Annual Total Return on NAV for the 5 Year Period Ending 05/31/2023[6]	7.42%[5]
Current Fiscal Period's Annualized Distribution Rate on NAV	7.11%
Cumulative Total Return on NAV[6]	13.85%
Cumulative Distribution Rate on NAV[7]	4.74%

[5] The Fund launched within the past 5 years; the performance and distribution rate information presented reflects data from inception (July 29, 2020) through May 31, 2023.

[6] Return data is net of all Fund expenses and fees and assumes the reinvestment of all distributions reinvested at prices obtained under the Fund's dividend reinvestment plan.

[7] Based on the Fund's NAV as of May 31, 2023.

Shareholders should not draw any conclusions about a Fund's investment performance from the amount of the Fund's current distributions or from the terms of the distribution policy (the "Distribution Policy").

Market review

Government bond yields rose over the quarter as data continued to point to core central banks having to hike interest rates further to reach their inflation targets. U.S. consumer price (CPI) inflation cooled to an annual rate of 3.0% in June from 4.1% in May to record the lowest rate in more than two years. This remains above the central bank's 2% target and the rebound to 3.2% in July reversed a year of slowing inflation readings.

Non-farm payrolls delivered mixed messages over the quarter. ADP payrolls of hiring by private U.S. businesses sent Treasury yields sharply higher as private hiring spiked to 455k in June – twice as many as expected – and again far exceeded expectations in July in printing 324k.

The Federal Reserve (Fed) paused its tightening cycle in June after 15 months of rate hikes although the updated dot plot indicated a preference for two more rate hikes. Hopes of policy breathing space were further dashed by a subsequent barrage of hawkish central bank moves and rhetoric that sent government bond yields higher as core markets braced for further rate hikes.

The Fed resumed its hiking path in July as it raised rates by 25bps. Fed Chair Jerome Powell reiterated that the central bank remains a long way from returning inflation to target, despite encouraging signs. Nevertheless, the Fed has become more data dependent and is nearing the end of its cycle. The European Central Bank (ECB) raised rates by 25bps in both June and July although President Lagarde said she had an "open mind" as to whether the ECB would need to raise interest rates further.

Markets reacted calmly to the expected interest-rate moves in the U.S. and Europe. Much more surprising was the loosening of the yield curve control policy by the Bank of Japan (BoJ) under its new governor, Kazuo Ueda. While the BoJ will keep its target for the 10-year Japanese government bond yield at around 0%, the central bank effectively raised interest rates by now allowing yields to rise above the 0.5% 'ceiling' to around 1%.

The 10-year U.S. Treasury yield surged above 4% in response to the shocks of the ADP payrolls and unexpected change in Japanese policy but eased back to end the quarter at 3.96%, 54 basis points (bps) higher over the quarter. The 2-year yield rose by 87bps to 4.88%.

Positive signs from the U.S. economy and the impact of OPEC+ supply cuts helped oil prices to strengthen, with the Brent gauge closing 7.6% higher at $85.6 a barrel, its highest level since mid-April.

EM debt performed strongly over the quarter as more optimistic risk sentiment combined with the outperformance of distressed names making progress in their prolonged efforts to achieve debt sustainability. EM central banks coming to the end of their hiking cycles also contributed to strong performance in local-currency assets.

In hard-currency debt the JPMorgan EMBI Global Diversified Index returned 3.59%, with high-yield bonds (total return 7.98%) outperforming investment-grade (-0.41%). Argentina (38.0%), Pakistan (52.9%) and Ukraine (81.7%) performed strongly on external financial support. The International Monetary Fund (IMF) will give Argentina up to $10.8bn in loans for the rest of the year to help the country navigate a turbulent period ahead of presidential elections. Pakistan was given an immediate disbursement of $1.2bn after the IMF approved a $3bn standby arrangement. In Ukraine, the IMF approved the first review of the extended fund facility that enables the disbursement of $890m to be used for budget support. That brings total drawings so far to $3.6bn. Sri Lanka (total return 33.4%) will have a first review in September of the IMF bailout approved in March.

In local-currency debt, the JPMorgan GBI-EM Global Diversified Index (unhedged in U.S. dollar terms) returned 4.55%. Several Latin American countries performed strongly as the central banks in Brazil, Colombia and Mexico were able to hold interest rates as inflation fell, while Uruguay cut rates on easing price pressures. Brazil and Uruguay were further boosted by Fitch upgrading their debt, in the case of Brazil to BB from BB- and for Uruguay to BBB, in recognition of important economic and fiscal reforms. Turkey's bonds returned -24.8% as investors were disappointed by the pace of central bank rate hikes following the switch to more conventional policy to tackle high inflation.

Global high-yield debt delivered positive returns over the quarter as robust performance in June and July offset weakness in May to outweigh the impact of higher U.S. Treasury yields. Macroeconomic data proved supportive and investors saw central banks nearing the end of their tightening cycles. High-yield spreads tightened by 81bps to end the quarter at a year-to-date low of 408bps, which is the tightest level the market has seen since April 2022. The yield, as measured by the yield to worst, ended the quarter at 8.42%.

Lower-quality debt led the way in July, with CCC and below-rated securities outperforming the rest of the market. While this is partly explained by the punitive impact of duration on higher-quality credit, there is no denying that the bid for distressed bonds was strong, with many investors underweight this portion of the market. So far this year, CCC and below-rated credits have nearly doubled the total return of the overall market, led by the pronounced outperformance of U.S. CCCs.

The backdrop of market stability enticed corporates to return to the market, with U.S. high yield new issue activity totaling $19bn in May. However, despite the strength of the market new issuance lost momentum to leave just $37bn printing in the U.S. over the quarter. Even considering the summer slowdown, this was well below historical averages.

Asia and its central banks are in a very different position to developed markets. Data in Asia has generally remained on the weaker side and growth pressures are more evident. Second-quarter GDP growth in Hong Kong slowed to a weaker-than-expected 1.5% year-on-year, a full 200bps behind expectations. Meanwhile, export data remains weak in Thailand and South Korea. Manufacturing purchasing managers' index (PMI) data showed that while India, Indonesia and Philippines have held up better, other economies appear more sluggish.

Outlook

We continue to favor frontier markets where increased multilateral support should ease market access concerns and improved fiscal policy and liberalization of exchange rates should ease funding pressures. We remain selective and emphasize credits less reliant on imminent market access and those with balance sheet resilience and largely fixed-rate debt that are less exposed to the higher cost of capital that we expect to prevail for many issuers for some time. Local-currency bonds should be boosted by the end of the Fed tightening cycle and should be further boosted by continued disinflationary impulses from energy and food prices. We have also looked to add duration in EM local markets where central banks are ahead of the curve and we believe that inflation has peaked, such as Mexico, Peru, and Philippines. A consumption-driven rebound in China with limited spillover effects is likely to be disappointing compared to previous up-cycles, with additional monetary stimulus likely given the slow recovery.

Despite strong consumer demand buoying the U.S. economy, we still see signs pointing to a turbulent period ahead that will be followed by an eventual recession. This is not priced into financial markets as they stand. That leaves investors with some difficult decisions to make, and argues for an increased allocation to fixed income. For the high yield asset class, we are comforted by the running yield of over 8% which provides investors with a substantial total return safety net that cannot be replicated in equities. However, we would caution that it is too early to dive fully into the lower-quality portion of the market. Our preference is to tilt portfolios towards higher-quality credits that can withstand a stressed environment and wait for a more opportune time to deploy our risk budget into lower-quality credits that are not fundamentally supported at current valuations.

Important Information

Past performance is no guarantee of future results.

Closed-end funds are traded on the secondary market through one of the stock exchanges. The Company's investment return and principal value will fluctuate so that an investor's shares may be worth more or less than the original cost. Shares of closed-end funds may trade above (a premium) or below (a discount) the net asset value (NAV) of the Company's portfolio. The net asset value (NAV) is the value of an entity's assets less the value of its liabilities. The market price is the current price at which an asset can be bought or sold. There is no assurance that the Company will achieve its investment objective.
Past performance does not guarantee future results.

Fixed income securities are subject to certain risks including, but not limited to: interest rate (changes in interest rates may cause a decline in the market value of an investment), credit (changes in the financial condition of the issuer, borrower, counterparty, or underlying collateral), prepayment (debt issuers may repay or refinance their loans or obligations earlier than anticipated), and extension (principal repayments may not occur as quickly as anticipated, causing the expected maturity of a security to increase).

Derivatives are speculative and may hurt the portfolio's performance. They present the risk of disproportionately increased losses and/or reduced gains when the financial asset or measure to which the derivative is linked changes in unexpected ways.

Non-investment-grade debt securities (high-yield/junk bonds) may be subject to greater market fluctuations, risk of default or loss of income and principal than higher-rated securities.

Foreign securities are more volatile, harder to price and less liquid than U.S. securities, and are subject to different accounting and regulatory standards, and political and economic risks. These risks are enhanced in emerging-markets countries.

The Fund's use of leverage exposes the Fund to additional risks, including the risk that the costs of leverage could exceed the income earned by the Fund on the proceeds of such leverage. Additionally, in the event of a general market decline in the value of the Fund's assets, the effect of that decline will be magnified in the Fund because of the additional assets purchased with the proceeds of the leverage.

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