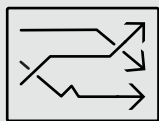


abrdn Global Income Fund

Quarterly Commentary

Quarter ended January 31, 2025

Fund performance



The investment portfolio outperformed its benchmark, with the overweight exposure to the better performing asset classes of EM debt and HY being the principal sources of outperformance. Additionally, the underweight to the Australian market, but with a preference to own non-sovereign bonds, added value, as did the lack of NZ dollar exposure in the portfolio.¹

The Fund's NAV decreased by 1.18%, underperforming its benchmark. While the impact of leverage was positive due to the positive market performance, the underperformance relates to impact of the reinvestment of dividends.

Economic & market overview

The US yield curve bear steepened over the period under review, with the 2-year yield little changed at 4.22% (+3 basis points [bps]) while those on 10- and 30-year instruments hit their highest levels since November 2023, before settling at 4.51% (+22 bps) and 4.79% (+31 bps), respectively. These moves were largely a reaction to Donald Trump winning the US election, with his pro-growth agenda likely to add further

Cumulative and annualized total return as of January 31, 2025 (%)

NAV	NAV	Market Price
10 Years (p.a)	0.63	8.00
5 Years (p.a)	-2.60	8.33
3 Years (p.a)	-2.45	10.36
1 Year	2.03	35.92
Year to Date	0.91	4.30
3 Months	-1.18	8.04
1 month	0.91	4.30

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. NAV return data includes investment management fees, custodial charges and administrative fees (such as Director and legal fees) and assumes the reinvestment of all distributions.

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

inflationary pressure, while economic data over the period continued to illustrate a resilient US economy. This prompted a more hawkish rhetoric from the US Federal Reserve (Fed) when it announced its final rate reduction of 2024 in December, with just two further rate cuts indicated across 2025. That said, the latest inflation data prompted yields to retreat from their recent highs, with consumer price inflation

¹ 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 euro-denominated below-investment-grade corporate debt publicly issued in the major domestic or eurobond markets.

The J.P. Morgan EMBI Global Diversified Index is an unmanaged index that tracks debt securities of emerging markets.

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.

The investment portfolio performance is gross of fees and expenses and not subject to leverage. The NAV performance is net of fees and expenses and includes the impact of leverage. The benchmark performance is not subject to fees and expenses and is not subject to leverage.

For current holdings information, please visit [abrdn Global Income Fund, Inc. - Portfolio Holdings](#)



coming in line with expectations at 2.9% year on year, largely driven by food and energy prices, and core inflation rising just 0.2% month on month. The Brent crude oil price rose by 4.0% over the month to \$75.70 a barrel.

EM debt & currencies

Hard-currency emerging-market (EM) bonds were initially pressured by Trump's election victory and reduced expectations for interest-rate cuts in the US. However, performance in January was strong, led by HY, resulting in positive returns over the period under review. Africa and Latin America were the standout regions, with Asia underperforming, finishing flat over the period. Lebanon (+92.73%) was the top performer, owing to reduced geopolitical risks among its neighbours and the appointment of its first president in two years – the US-backed Joseph Aoun. Elsewhere, Argentina (+20.52%), Ecuador (+18.29%) and Venezuela (+19.95%) led performance in Latin America, while Ukraine (+19.59%) benefited from the possibility of Trump-led peace talks between itself and Russia. Local-currency EM bonds underperformed both their hard-currency counterparts and Asian local-currency markets. The JPMorgan GBI-EM Global Diversified Index (unhedged in US dollar terms) returned -0.46%. Romania (-5.36%) exhibited the largest underperformance, while Turkey (11.60%) was the top performer after annual inflation fell by more than expected to 44.4% and the central bank commenced its rate-cutting cycle.

Global high yield

Global high yield (HY) delivered solid returns yet again, marking a solid 12 months for the asset class. Performance over the period was driven by optimism that less regulation and lower corporate taxes from the incoming US administration would extend the current market uptrend. In addition, the combination of tighter corporate bonds spreads and lower government bond yields was favourable for returns.

Spreads tightened by 20 bps over the period to 280 bps, with those on US HY around their historic lows, while European HY spreads also tightened despite political pressures and economic challenges. While HY spreads have tightened over the past 12 months, the asset class remains attractive to income-seeking investors given yields have held steady at around 7%. Moreover, new issue supply appears to be lowing, which should provide further support to the asset class.

Asian bonds

Asian bond markets performed strongly over the period under review, with 10-year yields falling across most countries in the region. China (-50 bps) led the gains amid its weaker growth environment, deflation and easing bias, while South Korea also performed strongly, largely due to the Bank of Korea's decision to cut rates again to 3%, accompanied by a dovish statement. Yields also fell in Malaysia (-17 bps), Thailand (-13 bps) and India (-9 bps). Conversely, Hong Kong underperformed significantly, with its 10-year yield rising 49 bps over the period, reflecting the moves in the US, while yields in the Philippines (+30 bps) and Indonesia (+22 bps) also rose over the period. Economic activity across Asia has been mixed, while inflation pressures remain contained. Price pressures have been sticky in Singapore and South Korea, although inflation is trending lower in both economies.

The political situation in South Korea was very much in focus as President Yoon was impeached, introducing an element of risk and prompting cautious bond market moves, as policy might need to adjust to address these concerns. Elsewhere, the People's Bank of China announced that it would stop buying China government bonds in open-market operations and cautioned investors against overinterpreting its stance on relaxed monetary policy.

Outlook

We continue to see value in the HY and frontier spaces, where both spreads and yields look attractive, supported by structural reforms and continued multilateral support. That said, strong crossover demand will continue to be supportive for IG issuance. In EM local markets, central banks will continue to cut rates as economies slow and inflation benefits from favourable base effects. We remain overweight Latin America due to attractive real rates in the region. For EM corporates, credit fundamentals remain supportive, and net supply is expected to remain negative as EM corporates continue to pay down bonded debt. As global economic growth slows, we are likely to see downward adjustments to operational performance. However, leverage levels remain low and interest coverage healthy. The largest risk to the EM asset class is a premature end to the Fed's easing cycle and weak EM currencies, which would curtail the capacity of EM central banks to cut rates. In addition, the weaponisation of tariffs by the Trump administration could threaten EM exports and lead to policies that leave EM countries disadvantaged.

Important Information

Closed-end funds are traded on the secondary market through one of the stock exchanges. The Fund'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 Fund. 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 Fund will achieve its investment objective. Past performance does not guarantee future results.

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International investing entails special risk considerations, including currency fluctuations, lower liquidity, economic and political risks, and differences in accounting methods; these risks are generally heightened for emerging market investments.

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).

Please see the Fund's most recent annual report for more information on risks applicable to the Fund.

For more information visit abrdn.com

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