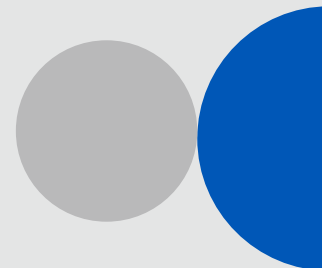


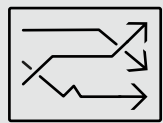
abrdn Ultra Short Municipal Income Fund

Quarterly Commentary

Quarter ended March 31, 2025



Fund performance



The abrdn Ultra Short Municipal Income Fund (Institutional class shares, net of fees) returned 0.75% for the first quarter, underperforming the 1.05% return of its benchmark, the Bloomberg Barclays Municipal Bond 1 Year (1-2) Index.¹

During the quarter, the Fund's exposures to other revenue and industrial and pollution control revenue bonds weighed on performance relative to the benchmark. Conversely, state general obligation bonds slightly contributed.

In terms of credit quality, A-rated and non-rated bonds were particularly unfavourable.

Activity

During the quarter, we focused on maintaining the Fund's duration through investments in short-term bonds and variable-rate securities. The allocation of capital helped to bolster the Fund's yield as well as provide stability in the net asset value (NAV).

Market review

The overall municipal (muni) bond market, as measured by the Bloomberg Barclays Municipal Bond Index, returned -0.22% for the first quarter of 2025. The short end outperformed the longer duration structures of the muni market with the Bloomberg Barclays Municipal 1-2 Year Index returning 1.05%, the Bloomberg Barclays Municipal 4-6 Year Index returning 0.91% and Bloomberg Barclays Municipal 17-22 Year Index returning -1.29%.

Total Returns (as of 03/31/25)

	Class A w/o sales charges	Institutional Class	Bloomberg Barclays Municipal Bond 1 Year (1-2) Index
10 Years (p.a.)	1.29	1.52	1.38
5 Years (p.a.)	1.81	1.99	1.59
3 Years (p.a.)	2.97	3.23	2.55
1 Year	3.46	3.61	3.67
Year to Date	0.69	0.75	1.05
3 Months	0.69	0.75	1.05
1 month	0.25	0.27	0.10

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 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 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.

NOT FDIC INSURED * NO BANK GUARANTEE * MAY LOSE VALUE

¹The Bloomberg Barclays Municipal Bond: 1 Year (1-2) Index is an unmanaged index that includes bonds with a minimum credit rating of BAA3, are issued as part of a deal of at least \$50 million, have an amount outstanding of at least \$5 million, and have maturities of 1 to 2 years. Indexes are unmanaged and have been provided for comparison purposes only. No fees or expenses are reflected. You cannot invest directly in an index. Index performance is not an indication of the performance of the Fund itself.

For current holdings information, please visit [abrdn Ultra Short Municipal Income Fund - Portfolio Holdings](#)



The taxable muni bond market experienced relatively stronger performance over the quarter, with the Bloomberg Municipal Taxable Index returning 2.99% over the period, which compares favourably to the Bloomberg Barclays US Aggregate Bond return of 2.78% over the same period. In the high-yield space, high-yield muni bonds underperformed their corporate counterparts, with the Bloomberg Municipal High Yield Index returning 0.82% over the period compared to a return of 1.00% of US Corporate High Yield.

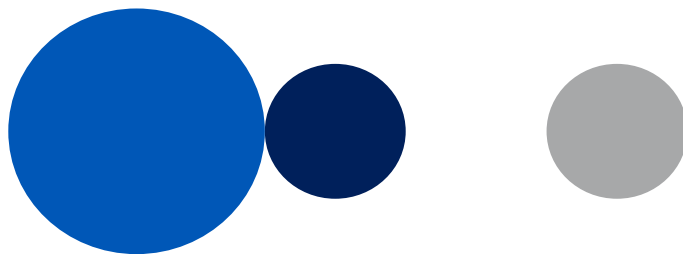
US GDP grew 2.4% on an annualised basis in the fourth quarter of 2024, below estimates, but still posting a 2% or greater quarter of economic growth for the ninth time in ten quarters, demonstrating a sturdy US economy. The US Federal Reserve (Fed) paused from its cutting cycle, deciding to keep policy rates unchanged at both the January and March meetings. The yield spread between two- and 10-year Treasuries remained relatively stable, beginning the quarter at 32 basis points (bps) and ending at 31 bps.

Outlook & strategy

As we move into the second quarter, we maintain a cautiously optimistic outlook for the muni bond market as momentum towards the Fed's 2% inflation target has slowed. We remain cautious on extending duration in this strategy as the yield curve remains slightly inverted at the front end, limiting opportunity for yield pick-up through extension. From a fundamentals standpoint, we remain constructive on the credit strength of the market, as tax collections are up year over year and the overall credit picture remains stable in municipals at this point.

Fund flows have continued to support the market as we have seen US\$10 billion in the first quarter of 2025. From an issuance standpoint, issuance was up 15% year on year during the period. We believe that we will continue to see a relatively elevated pace of issuance in 2025 as projections are for US\$500-US\$550 billion in issuance for the year.

Given this backdrop, we are focusing more on fundamentals, and adding marginally to lower-credit quality names as opportunities to lock in attractive yields arise. We continue to find opportunities in select issuers in sectors that we believe may outperform in an economic slowdown. Retaining the Fund's conservative duration positioning while focusing on credit fundamentals should result in a more stable NAV throughout an uncertain and volatile market landscape. With a relatively shorter duration over time, we feel the Fund should be insulated from sharp movements in its NAV relative to its peers.



Important information

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

Fixed income securities fluctuate in price based on changes in an issuer's financial condition and overall market and economic conditions. The value of a fixed income security may also fall due to specific conditions that affect a particular sector of the securities market or a particular issuer. Fixed income securities are subject to, among other risks, credit risk, extension risk, issuer risk, interest rate risk, market risk and prepayment risk.

Municipal bonds can be significantly affected by political and economic changes, including inflation, as well as uncertainties in the municipal market related to taxation, legislative changes, or the rights of municipal security holders.

The amount of income received by the Fund will go up or down depending on day-to-day variations in short-term interest rates, and when interest rates are very low the Fund's expenses could absorb all or a significant portion of the Fund's income.

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.

Standard & Poor's credit ratings are expressed as letter grades that range from "AAA" to "D" to communicate the agency's opinion of relative level of credit risk. Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories. The investment grade category is a rating from AAA to BBB-.

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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