abrdn Falcon Fund

(formerly Aberdeen Standard Capital Falcon Fund)

Interim Report (unaudited)
For the six months ended 31 August 2022

abrdn.com

Contents

* Collectively, these items comprise the Manager's Report for the purposes of the rules contained in the Collective Investment Schemes Sourcebook ('the Sourcebook').

Report of the Authorised Fund Manager

The abrdn Falcon Fund (formerly Aberdeen Standard Capital Falcon Fund) ('the fund') is an authorised unit trust, established under a trust deed dated 2 July 1998 (as amended) (the 'trust deed'). The effective date of the authorisation order for the fund made by the Financial Services Authority (the predecessor of the Financial Conduct Authority) was 9 July 1998. The fund's FCA Product Reference Number is 186703.

Appointments

Fund Information		
Manager	**Registered Office**	**Correspondence Address**
abrdn Fund Managers Limited (formerly Aberdeen Standard Fund Managers Limited)	Bow Bells House 1 Bread Street London EC4M 9HH	PO Box 12233 Chelmsford CM99 2EE
Investment Adviser	**Sub-Adviser**	**Registrar**
abrdn Investment Management Limited 1 George Street Edinburgh EH2 2LL	abrdn Capital Limited 1 George Street Edinburgh EH2 2LL	SS&C Financial Services Europe Limited SS&C House St Nicholas Lane Basildon Essex SS15 5FS
Trustee	**Registered Office**	**Independent Auditor**
Citibank UK Limited	Citigroup Centre Canada Square Canary Wharf London E14 5LB	KPMG LLP St Vincent Plaza 319 St Vincent Street Glasgow G2 5AS

The investment adviser has full authority to make all investment decisions on behalf of the manager concerning the scheme property of the fund which is managed by it. The Investment Management Agreement gives the investment adviser the discretion to appoint specialist asset management companies either from within or out with the abrdn group as investment managers in order to benefit from their expertise and experience. The manager also employs the investment adviser to perform certain activities involving valuation, pricing, dealing and other back office functions. The investment adviser is permitted to sub-delegate these functions to other persons. The investment adviser has subdelegated responsibility for strategic asset allocation, tactical asset allocation, portfolio construction and implementation to abrdn Capital Limited (formerly known as Aberdeen Standard Capital Limited). abrdn Capital Limited is authorised and regulated by the Financial Conduct Authority.

The Manager of the fund is abrdn Fund Managers Limited, which is a private company limited by shares incorporated on 7 November 1962. It's ultimate holding company is abrdn plc.

Financial details and Fund Managers' reviews of the fund for the period ended 31 August 2022 are given in the following pages of this report.

The fund operates as a single priced scheme, calculated with reference to the net asset value of the fund.

The daily price for each fund appears on the Investment Adviser's website at **abrdn.com**.

The investment objective of the fund is disclosed within the Fund Profile and the investment activities are disclosed within the Investment Report.

Unitholders in the fund are not liable for the debts of the fund.

Report of the Authorised Fund Manager

Continued

Significant Events

On 24 February 2022, Russia launched a military offensive against Ukraine resulting in widespread sanctions on Russia and heightened security and cyber threats. Market disruptions associated with the geopolitical event have had a global impact, and uncertainty exists as to the implications. Such disruptions can adversely affect assets of funds and performance thereon, specifically Russian and Ukrainian assets.

The Management Company has delegated various tasks to abrdn's Investor Protection Committee (IPC). The IPC is responsible for ensuring the fair treatment of investors.

The IPC undertakes daily reviews of the following:

- Market liquidity across each asset class and fund;
- Asset class bid-offer spread monitoring;
- Review of fund level dilution rate appropriateness;
- Review of daily subscriptions/redemptions to anticipate any potential concerns to meet redemption proceeds;
- Any requirement to gate or defer redemptions;
- Any requirement to suspend a fund(s);
- Any fair value price adjustments at a fund level.

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. The Management Company has also evaluated, and will continue to evaluate, the operational resilience of all service providers. The Company's key suppliers do not have operations pertaining to the Company in Ukraine or Russia.

As at 24 October 2022, abrdn Falcon Fund has not been suspended and based on the Manager's assessment of the factors noted above, has adequate financial resources to continue in operation.

Developments and Prospectus Updates Since 1 March 2022

- On 1 August 2022, the prospectus and trust deed were updated to allow the authorised fund manager to make a mandatory conversion of units to a different unit class without instruction, in accordance with applicable Financial Conduct Authority regulation. Investors will be given prior notice of any exercise of such mandatory conversion rights in accordance with applicable regulation and guidance.
- On 1 August 2022 the Trust changed its name from Aberdeen Standard Capital Falcon Fund to abrdn Falcon Fund. Additionally, the Manager of the Trust changed its name from "Aberdeen Standard Fund Managers Limited" to "abrdn Fund Managers Limited". Further details and a list of the renaming can be found at https://www.abrdn.com/en/uk/investor/fund-centre/investor-communications.
- The list of funds managed by the ACD was updated, where appropriate.
- Performance and dilution figures were refreshed, where appropriate.
- The list of sub-delegates 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

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.

Manager'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 Fund Manager.

Aron Mitchell
Director
27 October 2022

Denise Thomas
Director
27 October 2022

Fund Profile and Investment

Manager: John Ewen and John Hair

Launch Date

9 July 1998

Investment Objective

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

Performance target: To exceed the ARC Private Client Indices (PCI) Equity Risk Net Return Index per annum after charges over rolling 3 year periods. The performance target is the level of performance the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the performance target.

The manager believes this is an appropriate target for the fund since it reflects the risk and return profile that private clients expect and aligns with the investment policy of the fund.

Investment Policy

Portfolio Securities

- The fund invests at least 70% in equities and equity related securities of companies listed on global stock exchanges.
- The fund may also from time to time adopt temporary defensive positions in response to adverse market conditions and invest up to 10% in bonds (loans to companies or governments).
- 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 at country, sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process includes identifying companies where the management team have a different view of a company's prospects to that of the market or looking for high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the performance target, a composite index, details of which are provided below, 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 composite index, is not ordinarily expected to exceed 6%. Due to the fund's risk constraints, the intention is that the fund's performance profile will not deviate significantly from that of the composite index over the longer term.
- Composite Index: 30% FTSE All-Share Index, 70% FTSE World ex UK Index.

Derivatives and Techniques

- The fund may use derivatives to reduce risk, to 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.

Reporting dates	
Interim	31 August
Annual	28 February (29 February in a leap year)

Distribution record dates	
Interim	31 August
Annual	28 February (29 February in a leap year)

Payment dates	
Two dealing days before	
Interim	31 October
Annual	30 April

Keeping you Informed

You can keep up to date with the performance of your investments by visiting our website **abrdn.com**.

Alternatively, if you would rather speak to us, please call 0345 113 6966 (+44 (0) 1268 445 488 if outwith the UK) between 8:30am and 5:30pm Monday to Friday.

Market Review

The first half of 2022 was marked by high levels of volatility and steep losses on equity markets around the world. Rising global inflation, Russia's invasion of Ukraine and increasingly aggressive action by central banks combined to create one of the most challenging periods for investors in decades.

Fund Profile and Investment Report

Driven by spikes in oil and gas prices as well as supply-chain constraints, inflation in many developed countries reached record-breaking levels in the second quarter, raising the question of whether central bankers had taken the threat of soaring prices seriously enough at the start of 2022. Indeed, in early March, Federal Reserve (Fed) chair Jerome Powell During said he expected inflation, which was then running at a rate of 6%, to "decline over the course of the year".

Since then there have been successive rate rises by the Fed, although it was only after the hawkish message delivered at Jackson Hole that the equity market appeared to really take on board the central bankers' determination to curb inflation.

In the UK, the Bank of England (BoE) continued its own rate-raising path, which had begun before the end of 2021. The BoE was the only major central bank to meet in August. A 0.5% rate hike early in the period was the largest in 27 years, bringing the base rate to 1.75%.The institution forecast domestic price rises could hit 13% by the autumn on the back of soaring energy costs. Meanwhile, the European Central Bank raised interest rates by 0.5% in July, its first hike in over a decade.

Supply-chain constraints became increasingly difficult for many areas of the economy to digest as the year went on. In the spring, Chinese authorities introduced a series of strict 'zero-Covid' measures, most notably in the cities of Shanghai and Beijing, effectively locking down nearly 60 million people. With workers unable to leave their homes in both China's main port and financial district, factories and docks in the 'workshop of the world' have remained largely uninhabited or are operating with a reduced workforce. With the west re-emerging from the pandemic and many consumers also benefitting from rising wages, something of a supply-demand disconnect emerged.

The conflict in Ukraine helped to drive oil and gas prices higher, in particular in major European economies such as Germany and the UK. Over the course of the first half of the year, higher oil prices translated into bigger profits for energy majors. With the cost-of-living crisis really starting to bite, the UK government was pushed into introducing a windfall tax on oversized profits in order to fund a £15 billion package to aid under pressure households. Despite this, the energy-heavy FTSE 100 was very much on the money during the spring and summer months.

The FTSE 100 is comprised of older, more traditional industries, such as energy, mining and financials; it was branded "Jurassic Park" in December last year by an American fund manager, as technology companies only make up 2% of its composition. However, owing to the constituent industries referred to above, the domestic blue-chip index has outperformed many of its developed peers while nevertheless generating negative returns in absolute terms.

Sterling investors investing in North American equities have benefitted from the remarkable strength of the US dollar versus the pound, such that many riskier global equity funds have outperformed multi asset portfolios despite the general weakness in equities, owing to the sharp falls in government bonds this year as yields have risen and the market factors in inflation data that continues tosurprise.

With the year seeing such a harsh rotation in markets against a deteriorating backdrop, it could be argued that it makes more sense than ever to have a well-diversified portfolio to weather the storm. We continue to focus on equities that have pricing power, as we understand how they will achieve earnings growth over the long term (as they are beneficiaries of structural growth trends). Many of these companies have fallen significantly over the past six months, as the valuations of long-term growth companies have factored in historically high levels of inflation. We believe that as inflation subsides over the next year, fundamentals will once again drive share prices, and share performance will start to reflect the growth and quality characteristics of these companies.

Performance

The abrdn Falcon Fund ended the interim six month period up 0.84% (net of the full retail fee), which was behind the benchmark return of 1.6%. In comparison, the peer group as measured by the ARC Equity Risk Private client indicator fell -2.9% over the period.

The fund's holdings in the consumer discretionary and industrial sectors proved the biggest negative contributors to performance. In industrials, a number of high-growth companies, particularly small-cap names, detracted the most: these included Generac, Schneider and DS Smith. The reason for this weakness was predominantly the derating of growth stocks that triggered steep declines in January and then April. The faster pace of interest-rate rises translated into a higher discount rate by which long-term stocks are valued. This resulted in a sharp devaluation of companies generating growth over a long-term period as opposed to a company dependent on a shorter-term economic outlook. Alstom was also weak, impacted by its exposure to Russia following the invasion of the Ukraine (the stock was subsequently sold). On a positive note, Voltronic Power Technology rallied 30% after posting strong Q2 results which were significantly ahead of consensus, driven by strong sales of UPS (Uninterruptible Power Supply) systems and solar inverters.

Fund Profile and Investment Report

The consumer discretionary sector was weak weighed down by the market's rising concern over the impact of the cost of living crisis on consumers. Whilst the luxury goods company Hermes International bucked the trend, rising 7%, Watches of Switzerland declined 35% and Yeti fell 31%. The housebuilding sector, where the fund's only exposure is through Countryside Partnerships, was also weak as interest rates rose.

The fund's underweight position in consumer staples also hurt performance as the defensive names in this space showed their resilience, with the sector rising 6.8%. The fund benefitted from its holdings in Nestle, Procter & Gamble and Reckitt Benckiser, all of which produced positive returns.

In the basic materials, BHP (flat) outperformed the sector's 5% fall, whilst the benefit from the fund's overweight exposure to the energy sector was offset by Shell lagging the latter's strong gains (25%) .

The telecommunications sector was a standout performer during the first six months due to its defensive characteristics, reasonable valuation multiples, high dividend yields and robust fundamentals. Koninklijke KPN rose 12%; its performance during the growth derating in April reflected its value and defensive properties. In terms of its inflation resilience, 80% of the company's revenues are linked to inflation and the majority of its capex is based on multi-year fixed-price contracts.

Within Technology the fund's software names (such as Microsoft, Alphabet and Autodesk) outperformed, whist the hardware names (Taiwan Semiconductor Manufacturing and ASML) lagged. The underweight position in Apple also proved detrimental as the latter rose 10%.

While growth companies continue to generate revenue and earnings growth, the perception of their value in terms of forward-looking cash flows was diminished by a higher-than-expected rate of inflation and, therefore, a higher discount rate. As disappointing as the year-to-date performance has been, it is important to consider it in the context of longer-term returns. These companies are still benefitting from structural growth opportunities and we retain conviction.

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.

Activity

During the period, we continued to add to defensive areas, such as telecommunications and staples. We increased the fund's position in Procter and Gamble and introduced Reckitt Benckiser and Verizon Communications, the US telecoms giant that has recently been pushing through price increases in its wireless plans. In the pharmaceutical sector we increased the positions in Eli Lilly and AstraZeneca.

We reduced the underweight position in the banking sector by adding DBS Group Holdings. DBS Group Holdings is a Singaporean bank offering services to small and mid-size enterprises, which includes transactional banking and wealth management. The transition to digital banking offers scope for reduced costs while the bank should benefit from rising interest rates.

We also took advantage of the weakness in the share price to start a position in Segro, a high-quality industrial property company. The shares fell after Amazon reported they would be cutting costs and taking less new space. But while Amazon is an important player in the market, we believe that the demand for these assets remains very high.

To fund these deals, we reduced a number of the fund's holdings, including some of the tech-related names such as Microsoft, Taiwan Semiconductor Manufacturing, SolarEdge Technologies and Amazon (Amazon was reduced ahead of its results).

Following risk-analysis of the fund in the wake of Russia's invasion, we decided to exit Alstom due to its exposure to Eastern European markets and a disappointing period of execution following its acquisition of Bombardier.

We also sold low-conviction holdings such as Ashmore, Comcast, Woodside Energy Group and Alibaba. Abcam was also sold after earnings announcements over the last year have displayed ongoing disregard for their longer-term targets and management declined to engage with our analyst to explain the rationale. The lack of visibility and growing concern about their ability to deliver on the long-term strategy proved too high a risk and we sold the position

We added Apax Global Alpha, a closed ended private equity investment company, taking advantage of a widening of the discount to net asset (to 22%) despite the continued strong performance of the fund, which saw the private equity portfolio return over 34% in 2021.

Outlook

With the BoE predicting UK inflation may hit 13% by the autumn, the economic environment could well become more difficult before it improves. We expect interest rates and prices to reach their highest point during the third quarter this year before starting to subside as we head into 2023. We also expect the labour market to begin to cool as rate hikes begin to bite employers.

Fund Profile and Investment Report

As previously mentioned, the BoE is not alone in its desire to rein in inflation, with tighter monetary policy outlined by central bank governors from the US, across Europe and even as far away as Japan. This large-scale collaborative tightening (which is as aggressive in some geographies as any policy since the early 00s) to curb imbalances within the global economy is fraught with risks. The raising of interest rates is a blunt but very effective way for central banks to curb excess demand. However, the likelihood of a policy mistake in an environment of high inflation and full employment aligned with high energy costs -- driven in part by military conflict -- is not insignificant. Our scenario analysis suggests that there is a non-trivial chance that the current approach could lead the global economy into recession over the next 18 months.

However, there are reasons to be optimistic about the battle against the consistently strong inflation we have seen in 2022. One of the main contributors to rapid price increases throughout the year has been the persistent supply bottlenecks: these look to be easing as China reopens after several Covid-19-induced lockdowns. Covid-19 cases in the world's second-largest economy are now starting to fall at a significant rate, with some shops and factories opening their doors once again, which should lead to a welcome pickup in supply across the world.

There are clearly multiple economic and political challenges that markets are looking to navigate at present. We continue to monitor these developments closely and will act proactively to take advantage of opportunities within our portfolio as they present themselves.

Our quality, sustainable-growth approach maintains our focus on companies underpinned by long-term structural growth themes. We seek to identify businesses that will benefit from shifting trends while avoiding those where change will be detrimental. Experience has taught us that companies that have strong balance sheets and the ability to create value by generating cash flow exceeding their operational requirements tend to generate stronger and more sustainable returns. They are also usually better positioned to reinvest in their operations and distribute earnings to shareholders. We believe these types of companies merit long-term positions in portfolios regardless of shorter-term sentiment.

September 2022

Fund Profile and Investment Report

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 31 August 2022.

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.
- 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 goinginto administration.

Comparative Tables

Accumulation	31 August 2022	28 February 2022	28 February 2021	29 February 2020
Closing net asset value (£'000)	4,730	4,702	4,779	3,637
Closing number of units	853,680	846,175	921,836	839,955
Closing net asset value per unit (pence)	554.05	555.63	518.41	432.97
Change in net asset value per unit	(0.28%)	7.18%	19.73%	10.41%
Operating charges	1.52%	1.52%	1.53%	1.53%

Income	31 August 2022	28 February 2022	28 February 2021	29 February 2020
Closing net asset value (£'000)	6,311	6,676	6,446	6,052
Closing number of units	1,358,156	1,421,121	1,465,574	1,641,684
Closing net asset value per unit (pence)	464.67	469.76	439.87	368.65
Change in net asset value per unit	(1.08%)	6.80%	19.32%	9.68%
Operating charges	1.52%	1.52%	1.53%	1.53%

Z (Net Income)	31 August 2022	28 February 2022	28 February 2021	29 February 2020
Closing net asset value (£'000)	44,440	46,771	43,167	37,455
Closing number of units	51,420,898	53,536,056	52,777,756	54,778,171
Closing net asset value per unit (pence)	86.42	87.36	81.79	68.38
Change in net asset value per unit	(1.08%)	6.81%	19.61%	9.69%
Operating charges	0.02%	0.02%	0.03%	0.03%

Z (Accumulation)	31 August 2022	28 February 2022	28 February 2021	29 February 2020
Closing net asset value (£'000)	164,331	162,890	147,326	107,387
Closing number of units	151,284,439	150,256,318	147,638,199	130,542,193
Closing net asset value per unit (pence)	108.62	108.41	99.79	82.26
Change in net asset value per unit	0.19%	8.64%	21.31%	11.95%
Operating charges	0.02%	0.02%	0.03%	0.03%

M (Net Accumulation)	31 August 2022	28 February 2022	28 February 2021	29 February 2020
Closing net asset value (£'000)	1	1	1	1
Closing number of units	1,334	1,334	1,334	1,334
Closing net asset value per unit (pence)	102.19	98.32	92.17	76.86
Change in net asset value per unit	3.94%	6.67%	19.92%	10.78%
Operating charges	0.67%	0.67%	0.68%	0.68%

The closing net asset value (£'000) divided by the closing number of units may not calculate to the closing net asset value per unit (pence) due to rounding differences. The published closing net asset value per unit (pence) is based on unrounded values and represents the actual price.
The change in the net asset value per unit is the change from the beginning of the period to the close of the period.
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 unit class.

Portfolio Statement

As at 31 August 2022

Holding	Investment	Market value £'000	Percentage of total net assets
Equities (97.86%)		**209,143**	**95.15**
European Equities (28.40%)		**56,438**	**25.68**
Denmark (2.02%)		**4,119**	**1.87**
48,358	Ørsted	4,119	1.87
France (5.78%)		**9,169**	**4.17**
66,893	Amundi	2,931	1.33
2,659	Hermes International	2,947	1.34
32,060	Schneider Electric	3,291	1.50
Germany (1.91%)		**3,071**	**1.40**
62,993	Mercedes-Benz	3,071	1.40
Ireland (5.87%)		**13,123**	**5.97**
25,112	Accenture 'A'	6,225	2.83
103,880	CRH (UK listing)	3,298	1.50
144,928	Keywords Studios++	3,600	1.64
Italy (1.52%)		**2,582**	**1.18**
636,377	Enel	2,582	1.18
Israel (1.46%)		**2,764**	**1.26**
11,662	SolarEdge Technologies	2,764	1.26
Netherlands (5.82%)		**12,308**	**5.60**
1,669	Adyen	2,228	1.01
13,561	ASML	5,680	2.59
1,607,339	Koninklijke KPN	4,400	2.00

Portfolio Statement

As at 31 August 2022

Holding	Investment	Market value £'000	Percentage of total net assets
Switzerland (4.02%)		**9,302**	**4.23**
58,651	Nestle	5,917	2.69
12,189	Roche (Participating certificate)	3,385	1.54
Japanese Equities (1.03%)		**2,136**	**0.97**
13,900	Shimano	2,136	0.97
North American Equities (37.46%)		**78,998**	**35.94**
United States (37.46%)		**78,998**	**35.94**
51,214	Activision Blizzard	3,455	1.57
44,720	Alphabet 'A'	4,158	1.89
32,668	Amazon.com	3,559	1.62
62,109	Ameresco 'A'	3,675	1.67
16,164	American Tower REIT	3,530	1.61
34,767	Apple	4,696	2.14
20,510	Autodesk	3,556	1.62
85,619	Boston Scientific	2,966	1.35
23,177	Eli Lilly	6,001	2.73
4,793	Equinix REIT	2,707	1.23
17,046	Estee Lauder 'A'	3,730	1.70
18,304	First Republic Bank	2,388	1.09
15,938	Generac	3,021	1.37
19,082	Mastercard 'A'	5,319	2.42
34,941	Microsoft	7,851	3.57
81,346	NextEra Energy	5,946	2.70
38,352	Procter & Gamble	4,547	2.07
72,525	Verizon Communications	2,606	1.19
14,746	West Pharmaceutical Services	3,760	1.71
48,179	YETI	1,527	0.69
Pacific Basin Equities (8.45%)		**19,525**	**8.88**
Australia (2.59%)		**4,759**	**2.17**
201,719	BHP	4,759	2.17

Portfolio Statement

As at 31 August 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
China (0.52%)		-	-
Hong Kong (1.28%)		**3,196**	**1.45**
384,616	AIA	3,196	1.45
Singapore (0.00%)		**2,882**	**1.31**
143,600	DBS	2,882	1.31
Taiwan (4.06%)		**8,688**	**3.95**
76,503	Taiwan Semiconductor Manufacturing ADR	5,479	2.49
65,500	Voltronic Power Technology	3,209	1.46
UK Equities (22.52%)		**52,046**	**23.68**
Basic Materials (1.62%)		**2,692**	**1.22**
56,420	Rio Tinto	2,692	1.22
Consumer Discretionary (5.01%)		**9,357**	**4.26**
757,507	Countryside Partnerships	1,830	0.84
217,034	RELX	4,907	2.23
334,239	Watches of Switzerland	2,620	1.19
Consumer Staples (0.00%)		**2,723**	**1.24**
40,979	Reckitt Benckiser	2,723	1.24
Energy (6.62%)		**17,050**	**7.76**
1,583,477	BP	6,990	3.18
439,413	Shell	10,060	4.58

Portfolio Statement

As at 31 August 2022

Holding	Investment	Market value £'000	Percentage of total net assets
Financials (2.69%)		**5,585**	**2.54**
1,389,033	Apax Global Alpha	2,461	1.12
245,349	Prudential	2,217	1.01
1,352,893	Schiehallion Fund 'C'	907	0.41
Health Care (4.92%)		**9,775**	**4.45**
68,984	AstraZeneca	7,341	3.34
69,788	Dechra Pharmaceuticals	2,434	1.11
Industrials (1.66%)		**2,993**	**1.36**
1,118,562	DS Smith	2,993	1.36
Real Estate (0.00%)		**1,871**	**0.85**
198,423	Segro REIT	1,871	0.85
Total investment assets		209,143	95.15
Net other assets		10,670	4.85
Total Net Assets		**219,813**	**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 2022.
++ AIM listed.

Financial Statements

Statement of Total Return

For the six months ended 31 August 2022

	31 August 2022		31 August 2021	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(1,906)		29,315
Revenue	2,970		2,446	
Expenses	(99)		(110)	
Interest payable and similar charges	(1)		(1)	
Net revenue before taxation	2,870		2,335	
Taxation	(202)		(226)	
Net revenue after taxation		2,668		2,109
Total return before distributions		**762**		**31,424**
Distributions		(2,668)		(2,109)
Change in net assets attributable to unitholders from investment activities		**(1,906)**		**29,315**

Statement of Change in Net Assets Attributable to Unitholders

For the six months ended 31 August 2022

	31 August 2022		31 August 2021	
	£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders		**221,040**		**201,719**
Amounts receivable on the issue of units	28,099		14,372	
Amounts payable on the cancellation of units	(29,555)		(11,632)	
		(1,456)		2,740
Change in net assets attributable to unitholders from investment activities (see above)		(1,906)		29,315
Retained distribution on accumulation units		2,135		1,659
Closing net assets attributable to unitholders		**219,813**		**235,433**

Comparative information is provided for the statement of change in net assets attributable to unitholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

Financial Statements

Continued

Balance Sheet

As at 31 August 2022

	31 August 2022		28 February 2022	
	£'000	£'000	£'000	£'000
Assets:				
Fixed assets:				
Investment assets		209,143		216,299
Current assets:				
Debtors	765		2,732	
Cash and bank balances	10,561		3,611	
		11,326		6,343
Total assets		**220,469**		**222,642**
Liabilities:				
Bank overdrafts	(2)		-	
Creditors	(34)		(1,249)	
Distribution payable	(620)		(353)	
		(656)		(1,602)
Total liabilities		**(656)**		**(1,602)**
Net assets attributable to unitholders		**219,813**		**221,040**

Notes to the Financial

Accounting Policies

For the six months ended 31 August 2022

Basis of Accounting

The financial statements 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), FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The Manager has considered the impact of the emergence and spread of COVID-19 and potential implications on future operations of the fund of reasonably plausible downside scenarios. The Manager has undertaken a detailed assessment, and continues to monitor, the 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 fund continues to be open for trading and the Manager is satisfied the fund has adequate financial resources to continue in operation for at least the next 12 months and accordingly it is appropriate to adopt the going concern basis in preparing the financial statements.

Distribution Policy

The revenue from the fund's investments accumulates during each accounting period. If revenue exceeds expenses during the period, the net revenue of the fund is available for distribution (or re-investment) at unit class level to the unitholders in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook. If expenses exceed revenue during the period, the net revenue shortfall may be funded from capital.

The fund makes dividend distributions.

Gains and losses on non-derivative investments and currencies, whether realised or unrealised, are taken to capital and are not available for distribution. For derivative investments, where positions are undertaken to enhance capital return, the gains and losses are taken to capital, otherwise where they generate revenue, the amounts are included as revenue or expense and affect distributions.

Distribution Table

For the six months ended 31 August 2022 (in pence per unit)

Interim dividend distribution

Group 1 - units purchased prior to 1 March 2022
Group 2 - units purchased between 1 March 2022 and 31 August 2022

	Revenue	Equalisation	Distribution paid 27/10/22	Distribution paid 28/10/22
Accumulation				
Group 1	4.3913	-	4.3913	1.9669
Group 2	1.4791	2.9122	4.3913	1.9669
Income				
Group 1	2.9770	-	2.9770	1.3516
Group 2	0.9945	1.9825	2.9770	1.3516
Z (Net Income)				
Group 1	1.1268	-	1.1268	0.8840
Group 2	0.3556	0.7712	1.1268	0.8840
Z (Accumulation)				
Group 1	1.3864	-	1.3864	1.0740
Group 2	0.5439	0.8425	1.3864	1.0740
M (Net Accumulation)				
Group 1	13.0468	-	13.0468	5.4653
Group 2	13.0468	-	13.0468	5.4653

Equalisation

This applies only to units purchased during the distribution period (group 2 units). It is the average amount of revenue included in the purchase price of group 2 units and is refunded to the holders of these units as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

Further Information

Documentation

Copies of the current Prospectus and Key Investor Information Documents (KIIDs) for the fund, daily prices, together with the latest Annual (and if issued later the interim) Report and Accounts for the fund, are available to download at **www.abrdn.com/discretionary**. A paper copy of the Report and Accounts is available on request from the Manager.

Notices/Correspondence

Please send any notices to abrdn Fund Managers Limited, PO Box 12233, Chelmsford, CM99 2EE. Any notice to the Manager will only be effective when actually received by the Manager. 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 Manager, 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 fund you can contact the Trustee directly. A leaflet detailing our complaints procedure is available on request.

We will endeavour to respond 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 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 fund was certified under the Undertaking for Collective Investment in Transferable Securities (UCITS) directive, which allows the Manager to market the fund in member States of the European Union subject to relevant local laws, specifically marketing laws.

Important Information

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