



abrdn Phoenix Fund

(formerly Aberdeen Standard Capital Phoenix Fund)

Interim Long Report (unaudited)

For the six months ended 31 January 2023

abrdn.com

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* 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 Phoenix Fund (formerly Aberdeen Standard Capital Phoenix Fund) (the "fund") is an authorised unit trust, established under the Trust Deed and is authorised and regulated by the Financial Conduct Authority. The effective date of the authorisation order for the fund made by the Financial Services Authority (the predecessor of the FCA) was 10 April 1996. The fund's FCA Product Reference Number is 177993.

Appointments

Fund Information		
Manager	Registered Office	Correspondence Address
abrdn Fund Managers Limited (formerly Aberdeen Standard Fund Managers Limited)	280 Bishopsgate London EC2M 4AG	PO Box 12233 Chelmsford Essex 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 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 sub-delegated 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. Its ultimate holding company is abrdn plc.

Financial details and Fund Managers' reviews of the fund for the period ended 31 January 2023 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 the 24th 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 regular 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 27 March 2023, abrdn Phoenix 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 August 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 Phoenix Fund to abrdn Phoenix 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>.
- On 7 December 2022, any references to the address Bow Bells House, 1 Bread Street, London, EC4M 9HH were replaced with 280 Bishopsgate, London, EC2M 4AG.
- On 31 December 2022, Mrs. Rowan McNay resigned as a director of abrdn Fund Managers Limited.
- On January 1 2023, the abrdn Phoenix Fund updated its Investment Objective and Policy ("IOP") to better reflect the funds' the overall return, specifically income. Alongside this the performance target was updated to replace "before charges" with "after charges".
- The list of funds managed by the Manager 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 March 2023

Denise Thomas
Director
27 March 2023

Fund Profile and Investment Report

Manager: Ben Ward

Launch Date

10 April 1996

Investment Objective

To generate growth with income over the long term (5 years or more) by investing in a diversified portfolio of equities (company shares and investment companies) and bonds (loans to governments or companies).

Performance Target: To exceed the return of the ARC Private Client Indices (PCI) Balanced Asset Index per annum, evaluated over rolling three year periods (after charges). The Performance Target is the level of performance that 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 global equities (company shares and investment companies), and bonds including government bonds (loans to a government) and investment grade corporate bonds (loans to a company) issued anywhere in the world.
- The fund's equity holdings may include for example investments in companies operating in infrastructure, energy, property and commodities.
- The fund's bond holdings may include for example investment in sub-sovereign debt, sub-investment grade and convertible issued anywhere in the world.
- The fund has flexibility to seek returns from currencies.
- 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 identify holdings and derivatives based on an analysis of global economic and market conditions (for example, interest rates and inflation) and analysis of a company's prospects and creditworthiness compared to that of the market.
- They focus on selecting company shares, bonds and derivatives, and ensuring that the allocation of assets meets the fund's objectives.

- The team also seek to reduce the risk of losses and the expected change (as measured by annual volatility) in the value of the fund, is not ordinarily expected to exceed 12%.

Derivatives and Techniques

- The fund may routinely use derivatives to reduce risk, to reduce cost and/or generate extra income or growth consistent with the risk profile of the fund (often referred to as "efficient portfolio management"), and for investment purposes.
- Derivatives include instruments used to manage expected changes in interest rates, companies share prices, currencies or creditworthiness of corporations or governments.
- The fund may also invest in other funds which may use derivatives extensively although these investments shall be in line with fund's overall risk profile.

Reporting dates

Interim	31 January
Annual	31 July

Distribution record dates

Interim	31 January
Annual	31 July

Payment dates

Interim	24 March
Annual	23 September

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 Commentary

For those watching the skies, the final quarter of 2022 brought many a treat. The biggest display is usually saved for December when the Geminids meteor shower provides the most concentrated spectacle of the year. The shower can produce up to 120 bright and intensely coloured meteors every hour, some travelling at 78,000 miles per hour.

Fund Profile and Investment Report

Continued

The term for our own currency has a celestial background, with the word 'sterling' coming from the old English *steorra* meaning 'star'. Given the suffix '-ling', we have the origin term 'little star' for our money, first 'coined' by the Normans just after 1000 AD. Unlike the Geminids display during December, our own little star somewhat traversed its way back into the mesosphere after crashing to Earth with a bang during the Autumn months.

Having suffered a record low of \$1.0327 on 28 September, sterling recovered to \$1.14 by the end of the first week of October, following a U-turn from then Chancellor Kwasi Kwarteng. Scrapping the proposed cut to the additional rate of income tax, Kwarteng remarked that the decision was taken with "humility and contrition", although it seemed his star had fallen too far already. With the embarrassment of the Bank of England having to step in and buy gilts to stabilise government borrowing costs and worries over contagion for pension funds, Kwarteng was relieved of his position shortly afterwards.

"We will reverse almost all the tax measures announced in the Growth Plan three weeks ago that had not started parliamentary legislation," announced new Chancellor Jeremy Hunt, in a stellar reversal that was enough to calm investor worries in the short term. Following his announcement, effectively scrapping all of his predecessor's headline measures, yields on 30-year gilts fell by more than 50 basis points (bps) to 4.37%, marking one of its biggest daily drops on record. The pound soared by as much as 140 bps against the US dollar and 80 bps against the euro. Then Prime Minister Liz Truss was forced to resign on 20 October, paving the way for Rishi Sunak to take the reins of power. Having lost the leadership competition just eight weeks prior, his was a meteoric rise indeed. UK markets rallied in response.

During October, international bourses were strong as a slew of weak US labour and manufacturing data gave investors hope that the Federal Reserve's (Fed) rate-hiking policy was finally starting to cool the economy. American investors seemed to be particularly over the moon, with the Dow Jones posting its best monthly gain since 1987.

Weaker-than-expected US inflation data eclipsed most other news during November as markets carried on their late-year rally. Rising on an annual basis by 7.7%, US inflation fell to its lowest level since the beginning of the year. The S&P 500 rocketed 5.5% and the tech-heavy Nasdaq soared 7.35% in a single day. Slightly weaker data was not enough to stop the Fed from raising rates by 75 bps in early November as widely predicted, but a slightly softer tone emerged from the central bank's officials. Fed Vice Chair Lael Brainard said it would be appropriate to moderate interest rate increases going forwards, while Chairman Jerome Powell said smaller hikes could begin in December. A persistently robust labour market still left

doubt in the central bank's mind that inflation would fizzle out. True to its word, the Fed adjusted the trajectory of its hikes, raising borrowing costs by just 50 bps in December. When releasing the minutes from its last meeting, only two of the 19 Fed officials saw interest rates staying below 5% in 2023, so with the rate now sitting at 4.25-4.5%, it is likely there will be more hikes to come.

The Bank of England (BoE) also raised rates by 75 bps in early November, its biggest hike in 33 years. Unlike the US, UK inflation showed no signs of abating, rising to 11.1%. Recessionary fears escalated throughout the final quarter, stoked by data showing a 0.2% contraction in UK GDP during the third quarter. Much like its American counterparts, the BoE raised interest rates by 50 bps during its final meeting of the year to 3.5%, a level not seen in 14 years. Despite this, the bank commented that "further increases" may still be required. The news was enough to keep sterling above \$1.20, with the pound now having made its way back to levels seen before the Truss administration took power.

With a great deal of manufacturers' profits orbiting around the Chinese economy, the final months of the year were characterised by a large increase in Covid-19 cases and subsequent lockdowns in the country. Despite such disruption, the Chinese government seemed cautiously optimistic on quelling the outbreaks, rolling back various facets of its zero-Covid policy, much to the fanfare of Chinese mainland stocks and those companies with strong exposure to the world's second-largest economy.

Performance

The abrdn Phoenix Fund ended the period down 3.13% (net of fees), which was behind the performance target of the ARC Sterling Balanced Asset peer group estimate of -0.07%.

It was a challenging period with muted but positive returns from equities but losses from both bonds and alternatives.

The fund further suffered from weak stock selection within its equity portfolio. The large allocation to Real Estate was the biggest detractor to returns. Overall, Real Estate was weak as its long income profile make the asset class vulnerable to interest rate movements. Furthermore the largest allocation within Real Estate was to the industrial logistics sub sector. This sub sector includes logistics warehouses let to the likes of Amazon and other online retailers. The massive growth in eCommerce had led to high valuation in this area, in turn making them vulnerable to a downturn. Amazon amongst others announced they would be pulling back on taking more space, leading to further weakness. Holdings in Segro and Tritax Big Box both suffered near 20% losses in the period whilst highly interest

Fund Profile and Investment Report

Continued

rate sensitive names, Assura, Primary Health Properties and Supermarket Income REIT were similar.

Within industrials, Generac made heavy losses. The company makes power solutions, which include backup generators (historically its core business) and clean tech solutions. The company suffered from the insolvency last year of one of its key distributors, Pink Energy, which highlighted reliability issues in its clean tech solutions and caused reputational damage to this business line. Meanwhile in recent results, the company conceded that while demand for home standby generators remains high, the outlook is subject to significant uncertainty given the deteriorating consumer outlook and arguably discretionary nature of the purchase. The stock lost more than 60% during the period and regrettably we took the hard decision to exit the holding.

The financials sector represented a missed opportunity as our light allocation to a strong sector added little. Banks performed well as rapidly increasing interest rate expectations led markets to factor in the prospect of higher net interest income (the difference between the amount of interest they make on loans and the amount of interest they pay out, for example on deposits.). Towards the end of 2022 global banks also benefitted from markets increasing expectations that a deep global recession may be avoided. We added Singaporean bank DBS last year and it performed strongly in the period benefitting from these trends. Our long term holding First Republic Bank, reported weaker-than-expected net interest margin. First Republic has a savvy base of clients, who move their deposits into higher paying accounts or products, which has caused this margin to be narrower than expected. Management guided that the company expected this trend to continue. This blot caused the stock to be weak despite continuing to generate excellent loan growth from a client bank with exceptional credit quality. Within insurance, AIA and Prudential both rebounded sharply on incrementally positive news surrounding the re-opening of the Hong Kong-China border that will materially boost insurance sales to mainland China visitors, which pre-Covid drove a significant proportion of new business sales (AIA: c22%, Prudential: c40%).

Commodity exposed sectors were also strong. The Basic Material sector benefitted from higher commodity prices with BHP and Rio Tinto outperforming the broader sector. Within Energy those companies with the highest commodity exposure performed strongest, BP and TotalEnergies both returned 25% for example. Whilst Renewables energy companies Ameresco and SolarEdge were mixed with the former returning 11% but the later losing 12%.

During the period the Bank of England increased its base rate by 2.25%, whilst peak rate expectations rose from 3% at the start of the period to 4.4% at the end of the period. As a result Gilt yields rose substantially making Government bonds the weakest in absolute terms. This move was not unique to the UK and the fund also suffered from losses from its US Government bond holdings. We took the opportunity to put cash to work at the short end of the curve while maintaining a short-duration position. With less interest rate sensitivity corporate bonds outperformed government bonds despite being weak.

The fund suffered losses across alternatives the most defensive inflation linked the least painful. Overall, Renewables were only marginally negative with strongest returns from Bluefield Solar who bedded in its Wind portfolio whilst the fund suffered most from its asset finance portfolio.

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**abrdn means the relevant member of abrdn group, being abrdn plc together with its subsidiaries, subsidiary undertakings and associated companies (whether direct or indirect) from time to time.

Please remember that past performance is not a guide to future returns. The price of shares and the revenue from them may fall as well as rise. Investors may not get back the amount originally invested.

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

Within equities, we initiated a new position in Apple. As economic conditions become more difficult and company earnings come under increasing pressure, we believe that businesses with the strongest product and service propositions, highest barriers to entry and most robust balance sheets will not only be best placed to weather tougher times but will also be best positioned to prosper when conditions start to improve. When consumers' disposable incomes start to be severely squeezed, there

Fund Profile and Investment Report

Continued

is an incentive for them to trade down from premium labels to cheaper private-label products. This is where the strength of a company's brands comes in to play. As discount chains will testify, there are some products that consumers are simply not willing to replace with cheaper alternatives. Apple fits this mould. As mentioned above, we also sold Generac and Digital 9 Infrastructure. We also exited CTP, the central European logistics company, over concerns about its ability to refinance its debt. We reduced equities by selling consumer exposure by selling Yeti, asset management by selling Amundi and took some profits from Ameresco after it was very strong.

We took the opportunity to buy shorter-dated government bonds, as the available near-4% yield was attractive. As a result we added bonds issued by the UK and the US. We funded this addition by reducing exposure to emerging-market debt and sub investment grade where we believe the outlook is more challenged, given the threat of a global recession, with the strong US dollar creating a further headwind for emerging market debt (as the countries have US dollar liabilities).

Within credit, exposure to existing and new holdings were increased. We believe the opportunity within corporate debt is increasing. With government debt now yielding an income of more than 3%, attractive yields of around 5% are available from high quality investment grade companies. We initiated new positions in issues including those by NatWest and General Motors.

Outlook

Being cautiously optimistic, the stars have aligned somewhat this quarter to produce a multitude of positive news. Some semblance of political and economic stability restored here in the UK, the hope that the worst of the inflationary pressures we have experienced are behind us and the reopening of the Chinese economy all act as something of a constellation prize after what has been a difficult year for investors.

However, with a difficult few months ahead, especially for the UK and Europe, we expect most western economies to slip into recession in 2023 as the hot labour market we witnessed for much of 2022 begins to cool and central bank rate hikes serve to stymie the global economy.

Although central banks appear to be reducing the extent to which they are pushing up borrowing costs, it is possible that stubbornly high inflation will result in many having to raise rates more than expected, subsequently sitting at elevated levels for longer, before even considering a pivot and loosening policy.

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 can 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 businesses and distribute earnings to shareholders. We believe these types of companies merit long-term positions in portfolios regardless of shorter-term sentiment.

February 2023

Fund Profile and Investment Report

Continued

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 January 2023.

The fund is rated as 4 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 securities which are subject to the risk that the issuer may default on interest or capital payments.
- The fund price can go up or down daily for a variety of reasons including changes in interest rates, inflation expectations or the perceived credit quality of individual countries or securities.
- 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.
- The fund invests in high yielding bonds which carry a greater risk of default than those with lower yields.

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 going into administration.

Comparative Tables

B Accumulation	31 January 2023	31 July 2022	31 July 2021	31 July 2020
Closing net asset value (£'000)	98	102	108	601
Closing number of units	41,925	41,925	41,925	258,974
Closing net asset value per unit (pence)	233.08	242.21	256.13	232.19
Change in net asset value per unit	(3.77%)	(5.43%)	10.31%	3.31%
Operating charges	1.24%	1.27%	1.06%	1.07%
B Income	31 January 2023	31 July 2022	31 July 2021	31 July 2020
Closing net asset value (£'000)	213	223	21	199
Closing number of units	137,160	137,070	12,198	123,239
Closing net asset value per unit (pence)	155.28	162.87	175.09	161.41
Change in net asset value per unit	(4.66%)	(6.98%)	8.48%	1.29%
Operating charges	1.24%	1.27%	1.06%	1.07%
Z (Net Accumulation)	31 January 2023	31 July 2022	31 July 2021	31 July 2020
Closing net asset value (£'000)	187,444	169,150	113,533	99,920
Closing number of units	247,312,565	215,641,021	137,963,697	135,010,137
Closing net asset value per unit (pence)	75.79	78.44	82.29	74.01
Change in net asset value per unit	(3.38%)	(4.68%)	11.19%	4.12%
Operating charges	0.24%	0.27%	0.06%	0.07%
Z (Net Income)	31 January 2023	31 July 2022	31 July 2021	31 July 2020
Closing net asset value (£'000)	87,514	86,743	61,378	55,932
Closing number of units	153,226,085	144,798,907	95,233,024	94,122,845
Closing net asset value per unit (pence)	57.11	59.91	64.45	59.42
Change in net asset value per unit	(4.67%)	(7.04%)	8.47%	1.30%
Operating charges	0.24%	0.27%	0.06%	0.07%

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.

Due to new guidance that came into force from 30 June 2022, the charges for underlying Closed Ended Funds held on the fund have now been included in the Operating Charges.

Portfolio Statement

As at 31 January 2023

Holding	Investment	Market value £'000	Percentage of total net assets
Bonds (18.86%)		72,911	26.49
Australian Dollar Denominated Bonds (1.42%)		2,086	0.76
Government Bonds (1.42%)		2,086	0.76
less than 5 years to maturity			
3,441,000	Australia (Commonwealth of) 4.75% 2027	2,086	0.76
Canadian Dollar Denominated Bonds (1.00%)		2,399	0.87
Government Bonds (1.00%)		2,399	0.87
between 5 and 10 years to maturity			
4,124,000	Canada (Govt of) 2% 2028	2,399	0.87
Euro Denominated Bonds (1.34%)		2,868	1.04
Corporate Bonds (1.34%)		2,868	1.04
less than 5 years to maturity			
500,000	Banco Bilbao Vizcaya Argentaria 3.5% 2027	434	0.16
465,000	Intrum 3.5% 2026	359	0.13
424,000	Lincoln Financing 3.625% 2024	372	0.14
400,000	Schaeffler 2.875% 2027	331	0.12
400,000	Verisure 3.25% 2027	311	0.11
800,000	Volkswagen International Finance 3.75% 2027	698	0.25
Perpetual			
412,000	LeasePlan 7.375% fixed to floating Perpetual	363	0.13
Sterling Denominated Bonds (9.88%)		44,694	16.24
Corporate Bonds (5.45%)		21,620	7.86
less than 5 years to maturity			
351,000	America Movil 5% 2026	354	0.13
350,000	Bellis Acquisition 3.25% 2026	288	0.10
100,000	CaixaBank 1.5% fixed to floating 2026	90	0.03
674,000	Close Brothers 2.75% 2023	670	0.24
237,000	Garfunkelux Holdco 3 7.75% 2025	178	0.06
714,000	General Motors Financial 2.35% 2025	673	0.24
451,000	HSBC 5.75% 2027	460	0.17

Portfolio Statement

As at 31 January 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
325,000	Iceland Bondco 4.625% 2025	281	0.10
233,000	Lloyds Bank 7.625% 2025	248	0.09
703,000	Lloyds Banking 2.25% 2024	675	0.25
319,000	NatWest 5.125% 2024	321	0.12
645,000	NatWest Markets 6.375% 2027	681	0.25
350,000	Premier Foods Finance 3.5% 2026	312	0.11
140,000	Scottish Widows 5.5% 2023	140	0.05
300,000	Severn Trent Utilities Finance 3.625% 2026	293	0.11
200,000	Shaftesbury Chinatown 2.348% 2027	187	0.07
423,000	Thames Water Kemble Finance 4.625% 2026	368	0.13
382,000	Verizon Communications 4.073% 2024	381	0.14
700,000	Virgin Money UK 3.125% fixed to floating 2025	674	0.24
between 5 and 10 years to maturity			
338,000	Assura Financing REIT 1.5% 2030	263	0.10
154,000	Assura Financing REIT 3% 2028	139	0.05
449,000	AT&T 4.375% 2029	435	0.16
350,000	Bank of America 7% 2028	386	0.14
450,000	Barclays 3.25% 2033	373	0.14
1,000,000	BNP Paribas 1.25% 2031	743	0.27
539,000	Close Brothers Finance 1.625% 2030	414	0.15
622,000	Digital Stout REIT 3.75% 2030	548	0.20
759,000	ENW Finance 4.893% 2032	762	0.28
729,000	Experian Finance 3.25% 2032	662	0.24
1,000,000	London & Quadrant Housing Trust 2% 2032	789	0.29
800,000	Segro REIT 2.375% 2029	691	0.25
750,000	Tesco Corporate Treasury Services 2.75% 2030	646	0.23
425,000	Virgin Media Secured Finance 4.25% 2030	343	0.12
295,000	Vodafone 5.9% 2032	322	0.12
between 10 and 15 years to maturity			
200,000	Aviva 6.125% fixed to floating 2036	204	0.07
262,000	GlaxoSmithKline Capital 5.25% 2033	283	0.10
between 15 and 25 years to maturity			
200,000	Legal & General 5.375% fixed to floating 2045	198	0.07
960,000	National Grid Electricity Transmission 5.272% 2043	961	0.35
600,000	Sanctuary Capital 6.697% 2039	711	0.26

Portfolio Statement

As at 31 January 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
671,000	Segro REIT 5.125% 2041	671	0.24
170,000	Tesco Property Finance 3 5.744% 2040	154	0.06
greater than 25 years to maturity			
253,000	Bromford Housing 3.125% 2048	189	0.07
138,000	M&G 5.56% fixed to floating 2055	123	0.04
385,000	NGG Finance 5.625% fixed to floating 2073	374	0.14
1,000,000	Optivo Finance 3.283% 2048	736	0.27
787,000	Vodafone 5.125% 2052	744	0.27
Perpetual			
800,000	BP Capital Markets 4.25% fixed to floating Perpetual	735	0.27
375,000	Credit Agricole 7.5% fixed to floating Perpetual	373	0.14
425,000	National Express 4.25% fixed to floating Perpetual	374	0.14
Government Bonds (4.43%)		23,074	8.38
less than 5 years to maturity			
10,562,900	UK (Govt of) 1% 2024	10,259	3.73
between 5 and 10 years to maturity			
7,876,200	UK (Govt of) 0.25% 2031	6,089	2.21
between 10 and 15 years to maturity			
9,541,500	UK (Govt of) 0.625% 2035	6,726	2.44
US Dollar Denominated Bonds (5.22%)		20,864	7.58
Corporate Bonds (2.77%)		7,382	2.68
less than 5 years to maturity			
850,000	Activision Blizzard 3.4% 2026	666	0.24
330,000	BPCE 3.5% 2027	248	0.09
800,000	Carrier Global 2.242% 2025	617	0.22
687,000	Teva Pharmaceutical Finance Netherlands III 3.15% 2026	501	0.18
between 5 and 10 years to maturity			
899,000	Broadcom 4.15% 2030	681	0.25
843,000	EOG Resources 4.375% 2030	682	0.25

Portfolio Statement

As at 31 January 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
449,000	Ford Motor 9.625% 2030	428	0.16
1,433,000	Home Depot 1.875% 2031	965	0.35
621,000	Iron Mountain REIT 5.25% 2028	480	0.17
666,000	NRG Energy 3.375% 2029	449	0.16
800,000	Sprint Spectrum 5.152% 2028	648	0.24
between 10 and 15 years to maturity			
24,000	Abi Sab 6.625% 2033	22	0.01
25,000	Broadcom 3.187% 2036	15	0.01
265,000	Broadcom 4.926% 2037	198	0.07
663,000	CCO 4.25% 2034	421	0.15
greater than 25 years to maturity			
453,000	Vodafone 6.25% fixed to floating 2078	361	0.13
Government Bonds (2.45%)		13,482	4.90
less than 5 years to maturity			
9,207,400	US Treasury 2.75% 2025	7,251	2.63
between 10 and 15 years to maturity			
365,000	JobsOhio Beverage System 2.833% 2038	242	0.09
between 15 and 25 years to maturity			
9,696,700	US Treasury 2% 2041	5,989	2.18
Equities (61.41%)		156,550	56.87
European Equities (13.74%)		34,053	12.37
Denmark (0.67%)		1,280	0.46
17,866	Ørsted	1,280	0.46
France (2.29%)		5,406	1.96
1,305	Hermes International	1,973	0.72
11,396	Schneider Electric	1,491	0.54
38,625	TotalEnergies	1,942	0.70

Portfolio Statement

As at 31 January 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Germany (0.76%)		2,446	0.89
40,709	Mercedes-Benz	2,446	0.89
Ireland (2.87%)		7,548	2.74
5,637	Accenture 'A'	1,278	0.46
39,734	CRH	1,493	0.54
3,188,469	Greencoat Renewables++	3,136	1.14
57,833	Keywords Studios++	1,641	0.60
Italy (0.59%)		1,757	0.64
369,496	Enel	1,757	0.64
Luxembourg (1.13%)		3,179	1.15
2,080,293	BBGI Global Infrastructure	3,179	1.15
Netherlands (2.64%)		5,052	1.84
1,032	Adyen	1,254	0.46
3,497	ASML	1,859	0.68
699,927	Koninklijke KPN	1,939	0.70
Spain (1.00%)		2,216	0.81
70,012	Cellnex Telecom	2,216	0.81
Switzerland (1.79%)		5,169	1.88
29,617	BB Biotech	1,529	0.55
24,196	Nestle	2,385	0.87
4,978	Roche (Participating certificate)	1,255	0.46

Portfolio Statement

As at 31 January 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Japanese Equities (1.22%)		3,221	1.17
2,910	Canadian Solar Infrastructure Fund REIT	2,227	0.81
6,934	Shimano	994	0.36
Middle East Equities (0.86%)		1,928	0.70
Israel (0.86%)		1,928	0.70
7,442	SolarEdge Technologies	1,928	0.70
North American Equities (13.65%)		34,928	12.69
United States (13.65%)		34,928	12.69
19,363	Activision Blizzard	1,204	0.44
16,220	Alphabet 'A'	1,302	0.47
17,208	Amazon.com	1,442	0.52
31,664	Ameresco 'A'	1,657	0.60
7,711	American Tower REIT	1,399	0.51
11,080	Apple	1,299	0.47
8,795	Autodesk	1,537	0.56
53,450	Boston Scientific	2,007	0.73
152,612	Burford Capital++	1,112	0.40
8,273	Eli Lilly	2,313	0.84
3,452	Equinix REIT	2,070	0.75
10,627	Estee Lauder 'A'	2,390	0.87
12,903	First Republic Bank	1,476	0.54
51,292	Hannon Armstrong Sustainable Infrastructure Capital REIT	1,537	0.56
3,949	Intuit	1,356	0.49
6,832	Mastercard 'A'	2,056	0.75
9,587	Microsoft	1,930	0.70
29,981	NextEra Energy	1,818	0.66
15,614	Procter & Gamble	1,806	0.66
21,488	Prologis REIT	2,257	0.82
4,452	West Pharmaceutical Services	960	0.35

Portfolio Statement

As at 31 January 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Pacific Basin Equities (2.65%)		9,529	3.46
Australia (0.96%)		3,161	1.14
55,118	BHP	1,557	0.56
22,148	Rio Tinto	1,604	0.58
Hong Kong (0.50%)		2,189	0.80
238,520	AIA	2,189	0.80
Singapore (0.67%)		2,395	0.87
108,300	DBS	2,395	0.87
Taiwan (0.52%)		1,784	0.65
23,684	Taiwan Semiconductor Manufacturing ADR	1,784	0.65
UK Equities (29.29%)		72,891	26.48
Consumer Discretionary (1.09%)		3,355	1.22
83,427	RELX	2,003	0.73
142,650	Watches of Switzerland	1,352	0.49
Consumer Staples (0.55%)		1,233	0.45
21,384	Reckitt Benckiser	1,233	0.45
Energy (1.76%)		5,173	1.87
481,687	BP	2,354	0.85
118,788	Shell	2,819	1.02
Financials (19.75%)		49,051	17.82
1,024,242	3i Infrastructure	3,421	1.24
1,516,537	Apax Global Alpha	2,696	0.98
2,538,928	Aquila European Renewables	1,949	0.71

Portfolio Statement

As at 31 January 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
2,411,600	Bluefield Solar Income Fund	3,364	1.22
435,910	Bridgepoint	1,041	0.38
2,820,440	Cordiant Digital Infrastructure	2,392	0.87
2,174,545	Greencoat UK Wind	3,462	1.26
2,146,549	Gresham House Energy Storage Fund	3,424	1.24
2,027,405	HICL Infrastructure	3,361	1.22
2,394,105	Hipgnosis Songs Fund	1,994	0.72
2,223,952	International Public Partnerships	3,389	1.23
41,500	NB Distressed Debt Investment Fund	24	0.01
2,802,738	Pantheon Infrastructure	2,668	0.97
517,572	Petershill Partners	874	0.32
125,788	Prudential	1,684	0.61
2,533,489	Renewables Infrastructure	3,294	1.20
2,872,881	Round Hill Music Royalty Fund	1,774	0.64
2,403,605	Schiehallion Fund 'C'	898	0.33
2,181,922	Sequoia Economic Infrastructure Income Fund	1,861	0.68
2,430,142	Tufton Oceanic Assets	2,250	0.82
3,283,601	VH Global Sustainable Energy Opportunities	3,231	1.17
Health Care (1.29%)		3,790	1.38
20,149	AstraZeneca	2,133	0.78
57,870	Dechra Pharmaceuticals	1,657	0.60
Industrials (0.43%)		1,558	0.57
440,983	DS Smith	1,558	0.57
Real Estate (4.42%)		8,731	3.17
3,572,333	Assura REIT	1,990	0.72
1,653,615	Primary Health Properties REIT	1,852	0.67
175,379	Segro REIT	1,456	0.53
2,004,991	Supermarket Income REIT	1,925	0.70
968,477	Tritax Big Box REIT	1,508	0.55

Portfolio Statement

As at 31 January 2023 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Collective Investment Schemes (5.24%)		4,043	1.47
4,274,163	abrdrn Active Overlay Fund ICAV Z Acc+	4,043	1.47
Derivatives (0.09%)		407	0.15
Exchange Traded Options (0.05%)		106	0.04
450	Buy PUT FTSE 100 INDEX 17/03/2023	74	0.03
36	Buy PUT S&P 500 INDEX 16/03/2023	67	0.03
(225)	Sell PUT FTSE 100 INDEX 17/03/2023	(20)	(0.01)
(18)	Sell PUT S&P 500 INDEX 16/03/2023	(15)	(0.01)
Forward Currency Contracts (0.04%)		301	0.11
	Buy GBP 2,352,984 Sell AUD 4,141,059 20/03/2023	(19)	(0.01)
	Buy GBP 2,847,508 Sell CAD 4,643,392 20/03/2023	23	0.01
	Buy GBP 3,934,769 Sell EUR 4,446,197 20/03/2023	4	-
	Buy GBP 27,532,407 Sell USD 33,570,189 20/03/2023	293	0.11
Total investment assets and liabilities		233,911	84.98
Net other assets		41,358	15.02
Total Net Assets		275,269	100.00

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities, or are regulated collective investment schemes or are approved derivatives within the meaning of the FCA rules.

The percentage figures in brackets show the comparative holding as at 31 July 2022.

+ Managed by subsidiaries of abrdrn plc.

** AIM listed.

Financial Statements

Statement of Total Return

For the six months ended 31 January 2023

	31 January 2023		31 January 2022	
	£'000	£'000	£'000	£'000
Income:				
Net capital losses		(11,891)		(9,573)
Revenue	3,867		2,191	
Expenses	(20)		(15)	
Interest payable and similar charges	(1)		(3)	
Net revenue before taxation	3,846		2,173	
Taxation	(388)		(148)	
Net revenue after taxation		3,458		2,025
Total return before distributions		(8,433)		(7,548)
Distributions		(3,458)		(2,025)
Change in net assets attributable to unitholders from investment activities		(11,891)		(9,573)

Statement of Change in Net Assets Attributable to Unitholders

For the six months ended 31 January 2023

	31 January 2023		31 January 2022	
	£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders		256,218		175,040
Amounts receivable on the issue of units	38,818		56,872	
Amounts payable on the cancellation of units	(10,361)		(4,177)	
		28,457		52,695
Dilution adjustment		-		41
Change in net assets attributable to unitholders from investment activities (see above)		(11,891)		(9,573)
Retained distribution on accumulation units		2,485		1,534
Closing net assets attributable to unitholders		275,269		219,737

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 January 2023

	31 January 2023		31 July 2022	
	£'000	£'000	£'000	£'000
Assets:				
Fixed assets:				
Investment assets		233,965		219,495
Current assets:				
Debtors	1,217		1,000	
Cash and bank balances	46,520		38,382	
		47,737		39,382
Total assets		281,702		258,877
Liabilities:				
Investment liabilities		(54)		(168)
Provisions for liabilities		(8)		(7)
Creditors	(5,194)		(1,262)	
Distribution payable	(1,177)		(1,222)	
		(6,371)		(2,484)
Total liabilities		(6,433)		(2,659)
Net assets attributable to unitholders		275,269		256,218

Notes to the Financial Statements

Accounting Policies

For the six months ended 31 January 2023.

Basis of Accounting

The financial statements for the fund 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 Association in May 2014, Financial Reporting Standard (FRS) 102 and United Kingdom Generally Accepted Accounting Practice.

The Manager has undertaken a detailed assessment of 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 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 reinvestment) 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 January 2023 (in pence per unit)

Interim dividend distribution

Group 1 – units purchased prior to 1 August 2022

Group 2 – units purchased between 1 August 2022 and 31 January 2023

	Revenue	Equalisation	Distribution paid 24/03/23	Distribution paid 24/03/22
B Accumulation				
Group 1	2.1621	-	2.1621	1.6890
Group 2	2.1621	-	2.1621	1.6890
B Income				
Group 1	1.4540	-	1.4540	1.1549
Group 2	0.8548	0.5992	1.4540	1.1549
Z (Net Accumulation)				
Group 1	1.0044	-	1.0044	0.8777
Group 2	0.4206	0.5838	1.0044	0.8777
Z (Net Income)				
Group 1	0.7670	-	0.7670	0.6875
Group 2	0.3482	0.4188	0.7670	0.6875

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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