



# Aberdeen Standard OEIC I

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

[abrdrn.com](http://abrdrn.com)

# Contents

Report of the Authorised Corporate Director	3
Authorised Corporate Director's Statement	7
Notes to the Financial Statements of Aberdeen Standard OEIC I	8
ASI (AAM) Sterling Government Bond Fund	10
ASI (AAM) Sterling Short Dated Corporate Bond Fund	23
ASI (AAM) UK Smaller Companies Fund	37
ASI American Equity Fund	47
ASI Asia Pacific and Japan Equity Fund	57
ASI Asia Pacific Equity Fund	69
ASI China A Share Equity Fund	81
ASI Corporate Bond Fund	90
ASI Diversified Income Fund	105
ASI Eastern European Equity Fund	148
ASI Emerging Markets Bond Fund	158
ASI Emerging Markets Equity Fund	178
ASI Euro Corporate Bond Fund (closed)	189
ASI Europe ex UK Equity Fund	194
ASI European High Yield Bond Fund	203
ASI European Real Estate Share Fund	222
ASI European Smaller Companies Fund	233
ASI Financial Equity Fund (closed)	243
ASI Global Equity Fund	252
ASI Global High Yield Bond Fund (closed)	264
ASI Global Opportunistic Bond Fund (closed)	272
ASI Global Sustainable and Responsible Investment Equity Fund	278
ASI Japanese Equity Fund	290
ASI Latin American Equity Fund	299
ASI Multi-Asset Fund	307
ASI Sterling Bond Fund	320
ASI Sterling Inflation-Linked Bond Fund	340
ASI Sterling Long Dated Government Bond Fund	351
ASI Sterling Money Market Fund	362
ASI Sterling Opportunistic Corporate Bond Fund (closed)	373
ASI Sterling Short Term Government Bond Fund	380
ASI Strategic Bond Fund	392
ASI Target Return Bond Fund (closed)	409
ASI UK Equity Fund	418
ASI UK Income Equity Fund	429
ASI UK Mid-Cap Equity Fund	441
ASI UK Real Estate Share Fund	452
ASI UK Sustainable and Responsible Investment Equity Fund	461
ASI World Income Equity Fund	472
Securities Financing Transactions Disclosure	485
Further Information	495

# Report of the Authorised Corporate Director

Aberdeen Standard OEIC I ('the Company') is an open-ended investment company with variable capital. The Company is incorporated in Scotland with registered number SI000001 and is currently authorised pursuant on Regulation 14 of the Open Ended Investment Companies Regulations 2001 (the "OEIC Regulations"). The effective date of the authorisation order made by the Financial Conduct Authority (the "FCA") was 23 December 1997.

The Company is also an UCITS for the purposes of the FCA Rules. Its FCA Product Reference Number ("PRN") is 185045. It has an umbrella structure and currently consists of thirty-three live funds and six closed funds.

## Appointments

### Authorised Corporate Director

Aberdeen Standard Fund Managers Limited

#### Registered Office

Bow Bells House  
1 Bread Street  
London  
EC4M 9HH

#### Correspondence address

PO Box 12233  
Chelmsford  
Essex  
CM99 2EE

### Investment Adviser

Aberdeen Asset Managers Limited

#### Registered Office

10 Queen's Terrace  
Aberdeen  
AB10 1XL

#### Correspondence address

Bow Bells House  
1 Bread Street  
London  
EC4M 9HH

### Depositary

Citibank UK Limited

#### Registered Office

Citigroup Centre  
Canada Square  
Canary Wharf  
London  
E14 5LB

### Auditors

KPMG LLP  
St Vincent Plaza  
319 St Vincent Street  
Glasgow  
G2 5AS

### Registrar

SS&C Financial Services Europe Limited  
SS&C House  
St. Nicholas Lane  
Basildon  
Essex  
SS15 5FS

# Report of the Authorised Corporate Director

## Continued

### Note:

The ACD and Authorised Fund Manager of the Company is Aberdeen Standard Fund Managers Limited, a private company limited by shares which was incorporated in England and Wales on 7 November 1962. Its ultimate holding company is abrdn plc, which is incorporated in Scotland.

Financial details and Fund Managers' reviews of the individual funds for the six months ended 31 January 2022 are given in the following pages of this report.

Each fund has an individual investment objective and policy and each differs in regard to the extent to which they concentrate on achieving income or capital growth. There may be funds added to the umbrella of Aberdeen Standard OEIC I (with consent of the FCA and the Depositary) in the future.

The funds are valued on a mid-price basis and dealt at a single price regardless of whether a purchase or sale is being affected.

The daily price for each fund appears on the abrdn website at [abrdn.com](http://abrdn.com).

The funds are segregated portfolios of assets and, accordingly, the assets of a fund belong exclusively to that fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the Company, or any other fund, and shall not be available for any such purpose.

The shareholders are not liable for the debts of the Company.

All fees charged by the Investment Adviser will be borne by the ACD.

### 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 has 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 outlook for many capital markets is significantly different now compared to 31 January 2022, the interim period of Aberdeen Standard OEIC I. As a result, the NAVs of certain funds have fluctuated since the interim period. The subsequent events note within the funds financial statements' provides a quantification of this fluctuation in NAV. 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 28 March 2022, Aberdeen Standard OEIC I funds' have not been suspended except for ASI Eastern European Equity Fund 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 2021

- On 1 August 2021 the way that fund expenses are applied to the funds of Aberdeen Standard OEIC I was amended to be a single General Administration Charge covering common fund costs (e.g. fund pricing functions) whereas fund specific costs are applied directly to the fund (e.g. the cost of holding the specific assets of the fund at the custodian). This change did not increase the on-going charge figure ("OCF") of any of the funds but created consistency of expense methodology across the Aberdeen Standard Fund Managers Limited range of funds. All investors received a communication regarding this change and OCF values continue to be available within the Key Investor Information Document (KIID). For further details see the fund prospectus which is available at [www.abrdn.com](http://www.abrdn.com).
- On 9 August 2021 the ASI UK Income Equity Fund updated its Investment Objective and Policy ("IOP") to apply a greater focus to the yield delivery aspect of the funds objective. Other minor IOP changes were also made at this time.
- On 13 August 2021 the ASI UK Real Estate Share Fund Z Acc shareclass was launched.

# Report of the Authorised Corporate Director

## Continued

- On 1 October 2021, as a result of the discontinuation of the London Inter Bank Offer Rate ("LIBOR") and London Inter Bank Bid Rate ("LIBID"), the performance target of the ASI Diversified Income Fund, ASI Target Return Bond Fund and ASI Sterling Money Market Fund were updated to a Sterling Overnight Index Average ("SONIA") benchmark. All investors received a communication at this time.
- On 7 October 2021 the ASI Japanese Equity Fund Z Acc launched.
- On 24 October 2021, as a result of UK regulatory changes brought about by the UK's decision to leave the European Union, the Depository of the funds changed from Citibank Europe PLC, UK Branch to Citibank UK Limited. There was no impact to the funds as a result of this change.
- On 1 November 2021, as a result of the discontinuation of the London Inter Bank Offer Rate ("LIBOR"), the performance target of the ASI Multi Asset Fund was updated to include a Sterling Overnight Index Average ("SONIA") benchmark. All investors received a communication at this time.
- On 5 November 2021, Mr. Robert McKillop resigned as a director of Aberdeen Standard Fund Managers Limited.
- On 10 November 2021, Mrs. Emily Smart was appointed as a director of Aberdeen Standard Fund Managers Limited.
- On 10 November 2021, Mrs. Denise Thomas was appointed as a director of Aberdeen Standard Fund Managers Limited.
- On 19 November 2021 the ASI Target Return Bond Fund was closed.
- On 29 November 2021 the ASI Financial Equity Fund was closed.
- On 4 January 2022, Mrs. Rowan McNay was appointed as a director of Aberdeen Standard Fund Managers Limited.
- On 5 January 2022, Mrs. Claire Marshall resigned as a director of Aberdeen Standard Fund Managers Limited.
- On 17 January 2022 the initial charge deducted from subscriptions into the ASI Emerging Markets Equity Fund was removed.
- On 24 February 2022, Mr. Adam Shanks was appointed as a director of Aberdeen Standard Fund Managers Limited.
- The list of funds managed by the ACD was updated, where appropriate;
- Performance and dilution figures were refreshed, where appropriate;
- The list of sub-custodians 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.

## Subsequent Event

Due to the conflict between Russia and Ukraine, market trading conditions have become very challenging and we are unable to trade in certain funds without compromising the best interests of investors. We have therefore suspended dealing in the ASI Eastern European Equity Fund from the valuation point at midday GMT on 1 March 2022. The suspension is intended to protect the interests of all investors and this action reflects a period of exceptional circumstances for Eastern European markets. We will aim to lift the suspension as soon as we are in a position to do so, taking into account the best interests of customers and investors.

## 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, Aberdeen Standard Fund Managers Limited is required to perform a detailed assessment on whether our funds are "providing value to investors". The resulting findings will be published within 4 months of the fund year end date and can be found on the 'Fund Centre' pages of our website.

## Review

Global equity markets broadly rose over the period, with US and European stocks all performing well. The US stock market particularly shone, with the S&P 500 index hitting all-time highs as US corporate earnings cheered investors. While developed markets were generally strong, their emerging market counterparts largely struggled. The broad Chinese market (including Hong Kong) was notably weak. A regulatory crackdown by the Chinese government on internet and technology stocks and a backdrop of slower economic growth and strained global supply chains hurt Chinese share prices. The discovery and spread of the Omicron Covid-19 variant in late November sparked market falls and triggered fears of another economically damaging lockdown, but developed markets advanced in December as worries over the new variant threat began to fade. However, markets fell sharply in January amid concerns about less-supportive monetary policy and high inflation.

UK equities were relatively resilient in the January sell-off, with the larger-cap FTSE 100 index, with its high exposure to the better-performing energy and banking sectors, gaining. UK shares also performed well over the six-month period, as investors brushed off fears around the new highly transmissible Omicron variant of Covid-19. The

# Report of the Authorised Corporate Director

## Continued

Bank of England took the somewhat unexpected decision in December to raise its base rate from 0.1% to 0.25%, its first interest rate rise in over three years.

US equities made strong gains during the review period, driven mainly by investors' ongoing optimism regarding the distribution of Covid-19 vaccines and generally positive economic data. The S&P 500 Index, fuelled by a robust results season, hit new highs for eight consecutive days in November – a record streak last achieved in 1997. The rally broke late in the month, as the headlines became dominated by news of the Omicron variant of Covid-19. Stocks started to move up again in December, boosted by retailers, as concerns surrounding the impact of Omicron eased. Growth stocks, such as technology companies, which are especially sensitive to higher interest rates, were particularly hard hit in January's sell-off.

The broader European equity market dropped over the review period after taking a significant knock in January 2022. A sharp rise in market volatility saw stocks sell off aggressively. Technology stocks particularly weighed on the market, experiencing their most difficult period since the 2008 Global Financial Crisis. Initially, except for the short-lived Omicron-based sell-off in November, European equities performed well up to the end of 2021. Strong corporate earnings and receding Covid-19 fears drove markets higher during the second half of 2021, despite inflation pressures continuing to build and ongoing supply-chain challenges. In general, growth stocks crumbled under the expectation of higher interest rates, as investors digested a hawkish statement from the Fed. Heightened Russia-Ukraine tensions also weighed on returns, helping to drive energy prices higher.

Global government and corporate bonds fell over the review period. Rising optimism about vaccines and concerns that the economic recovery will fuel sharp rises in inflation led to weakness in government bonds through most of the period. Despite expectations of a withdrawal of central bank support, the discovery of the Omicron variant in November left investors preferring the safety of government debt once again, pushing prices higher and yields lower. However, US, UK and European government bonds fell at the end of the period, as central banks acted to control inflation by reducing policy support. The UK's Bank of England raised its base rate for the first time in three years. The US Federal Reserve kept its key interest rate unchanged, but policymakers indicated they may raise rates three times in 2022. Higher-quality corporate bonds lost ground although high yield bonds performed better.

Japanese equities finished the six-month period largely unchanged. Japan was one of the strongest major developed markets in August and September as investors reacted positively to the change in the political landscape and improving Covid-19 picture. These gains were

reversed towards the end of the period. Shares fell in January during a volatile month for global stock markets. Investors around the world sold equities, fearful of the impact of rising inflation and interest rates.

Asia Pacific equities erased early gains to close lower over the six months under review. Market sentiment was dominated by headlines about the Covid-19 pandemic, regulatory uncertainties and property woes in China as well as geopolitical tensions between Russia and Ukraine. Towards the end of the period, investor focus shifted to rising inflation across the globe, which fuelled fears that central banks would have to raise interest rates further and faster than previously expected. This triggered a sharp rotation from growth to value stocks. In this environment, market performance across the region was uneven. South-East Asian markets outperformed as economic prospects improved and corporate earnings recovered. Indonesian stocks, which also benefited from strong commodity prices, led gains. In North Asia, Taiwan was boosted by robust global demand for consumer electronics. However, technology-heavy South Korea was hit hard by the shift away from growth-oriented stocks in the new year. China and Hong Kong were weighed down by the negative developments on the mainland. Elsewhere, Indian equities rallied amid optimism over the domestic economy.

## Outlook as at February 2022

Within this document, the investment manager's reports for the individual sub-funds contain our view on the market outlook for that portfolio. These views were correct at the time of writing. However, since the end of the reporting period, existing tensions between Russia and Ukraine have escalated into full-blown conflict.

The resulting invasion of Ukraine has therefore thrown previous assumptions into doubt and is creating extensive uncertainty on the political and economic front. Market analysts are reworking expectations for inflation and interest rate policy as they assess the effects of the conflict. The geopolitical conflict is also challenging the western world, which will likely result in higher defence spending and a rethinking of Europe's dependency on Russian oil and gas.

The situation remains fluid and growth is likely to be lower, inflation higher and the trade of goods and commodities severely affected. Against this background, we will continue to follow developments closely, taking whatever steps are necessary in the interests of our customers, shareholders and other stakeholders.

We will, of course, also aim to keep investors informed as events unfold. You can find our latest insights and updates at <https://www.abrdn.com/en-gb>.

# Authorised Corporate Director'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 Aberdeen Standard Fund Managers Limited, the Authorised Corporate Director

**Aron Mitchell**

Director

Aberdeen Standard Fund Managers Limited

28 March 2022

**Denise Thomas**

Director

Aberdeen Standard Fund Managers Limited

28 March 2022

# Notes to the Financial Statements of Aberdeen Standard OEIC I

## Accounting Policies

For the six months ended 31 January 2022.

### Basis of accounting

The financial statements for each of the funds' 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), Financial Reporting Standard (FRS) 102 and United Kingdom Generally Accepted Accounting Practice.

The ACD 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 funds continue to be open for trading and the ACD is satisfied the funds have adequate financial resources to continue in operation and accordingly it is appropriate to adopt the going concern basis in preparing the financial statements.

The financial statements have been prepared on a going concern basis, except for ASI Euro Corporate Bond Fund, ASI Financial Equity Fund, ASI Global High Yield Bond, ASI Global Opportunistic Bond Fund, ASI Sterling Opportunistic Corporate Bond Fund and ASI Target Return Bond Fund.

### Distribution policy

All of the net revenue available for distribution at the year end will be distributed. Where a fund has accumulation shareholders, this will be reinvested. Where a fund has income shareholders, this will be paid.

Where the ACD has discretion about the extent to which revenue and expenses are recognised within the distributable income property of the fund, the approach adopted, at all times, will be governed by the aim of maximising the total return to shareholders through limiting avoidable taxation costs.

Where expenses are charged to capital, or returned equalisation is not allocated back to the investment, this will increase the distribution with a corresponding reduction to capital. The tax accounting treatment follows that of the principal amount, with charges or reliefs allocated using the marginal basis regardless of the treatment used in determining the distribution. However, to meet the investment objectives and for the purposes of calculating the distribution the effect of marginal tax relief between capital and revenue is not recognised on some income share classes.

Marginal relief is applied at a share class level in line with the prospectus objectives. Classes highlighted in the prospectus with an income profile would protect the yield from underlying investments for distribution purposes. Where applicable, this is disclosed in aggregate for each fund in the distribution note.

Gains and losses on non-derivative investments and currencies, whether realised or unrealised, are taken to capital and are not available for distribution. Cash flows associated with derivative transactions are allocated between the revenue and capital property of the funds according to the motives and circumstances of the particular derivative strategy. The investment manager articulates the motives and circumstances underlying the derivative strategy and the ACD assesses these in association with financial reporting constraints enshrined within the SORP to allocate the cash flows accordingly.



# Notes to the Financial Statements of Aberdeen Standard OEIC I

## Continued

### Cross Holding table as at 31 January 2022

		Holding Fund					
		ASI (AAM) Sterling Government Bond Fund		ASI Asia Pacific Equity Fund		ASI Europe ex UK Equity Fund	
		Number of units	Market Value £'000	Number of units	Market Value £'000	Number of units	Market Value £'000
Investor Fund	ASI Corporate Bond Fund	-	-	-	-	-	-
	ASI Multi Asset Fund	17,375,553	19,806	495,865	2,154	352,315	1,168

		Holding Fund			
		ASI European High Yield Bond Fund		ASI Strategic Bond Fund	
		Number of units	Market Value £'000	Number of units	Market Value £'000
Investor Fund	ASI Corporate Bond Fund	1,235,803	1,711	3,462,311	6,549
	ASI Multi Asset Fund	-	-	-	-

No other such cross-holdings, between other sub-funds in the Aberdeen Standard OEIC I, were held as at 31 January 2022.

### Cross Holding table as at 31 January 2021

		Holding Fund					
		ASI (AAM) Sterling Government Bond Fund		ASI Asia Pacific Equity Fund		ASI Europe ex UK Equity Fund	
		Number of units	Market Value £'000	Number of units	Market Value £'000	Number of units	Market Value £'000
Investor Fund	ASI Corporate Bond Fund	-	-	-	-	-	-
	ASI Multi Asset Fund	16,637,607	20,431	544,145	2,542	597,436	1,884

		Holding Fund			
		ASI European High Yield Bond Fund		ASI Strategic Bond Fund	
		Number of units	Market Value £'000	Number of units	Market Value £'000
Investor Fund	ASI Corporate Bond Fund	2,378,473	3,170	12,496,525	23,537
	ASI Multi Asset Fund	-	-	-	-

No other such cross-holdings, between other sub-funds in the Aberdeen Standard OEIC I, were held as at 31 January 2021.

# ASI (AAM) Sterling Government Bond Fund

For the six months ended 31 January 2022

## Investment Objective

To generate income and some growth over the long term (5 years or more) by investing in UK Government bonds.

Performance Target: To achieve the return of the FTSE Actuaries UK Conventional Gilts All Stocks Index plus 0.5% per annum (before 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 ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund invests at least 80% in government bonds issued or guaranteed by the UK Government.
- The fund may also invest in investment grade bonds issued anywhere in the world by governments, sub-sovereigns and corporations including inflation-linked bonds. The fund will employ techniques to reduce (hedge) risk related to currency movements on non-Sterling bonds.
- 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 investments after analysing individual bonds and derivatives alongside global economic and market conditions.
- In seeking to achieve the Performance Target, the FTSE Actuaries UK Conventional Gilts All Stocks Index 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 index is not ordinarily expected to exceed 1.70%. Due to the fund's risk constraints the intention is that the fund's performance will not deviate significantly from that of the index over the long term.

### Derivatives and Techniques

- The fund will make routine use of 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").

- Derivatives can be used to generate growth, consistent with the fund's risk profile, if market prices are expected to rise ("long positions") or fall ("short positions"). These positions can be used in overseas markets.
- Derivatives include instruments used to manage expected changes in interest rates, inflation, currencies or creditworthiness of corporations or governments.

## Performance Review

For the six months ended 31 January 2022, the value of ASI (AAM) Sterling Government Bond Fund – A Accumulation Shares decreased by 5.82% compared to a decrease of 5.93% in the performance target, FTSE Actuaries UK Conventional Gilts All Stocks Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

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.

## Market Review

There were significant swings in government bond markets during the review period. Inflation dominated headlines, with energy prices surging amid the global reopening of trade lines and bottlenecks in supply chains. Natural gas supply fears seemed particularly acute, All of this continued to challenge the 'transitory inflation' narrative.

Investors were forced to grapple with a changing economic landscape; the emergence of the Omicron variant of Covid-19; and a generally much more hawkish tone from central banks. Support from quantitative easing (QE) drove yields lower in early August, but subsequent rhetoric from central banks tested investor confidence; discussions focused on the eventual removal of support as economies continued their post-pandemic recovery. The Bank of England (BoE) shocked markets, signalling that higher interest rates could arise even before the end of its QE programme. The market took this as a signal that November could be a 'live' meeting for a potential rate hike. Having initially looked to price a move in May 2022, markets rushed to more accurately reflect this new information and gilts sold off aggressively. However, this proved to be one of several communication missteps by the BoE. Confusion and anger followed the 7-2 vote to hold policy rates steady as the market became extremely volatile and sharply reversed prior weakness. Gilts continued to rally strongly into December, driven by Omicron fears. Then, in another surprise, the BoE voted 8-1 to hike the policy rate 15 basis points to 0.25% at the December meeting. This marked the beginning of a period

# ASI (AAM) Sterling Government Bond Fund

## Continued

of weakness for UK government bonds; 10-year gilt yields rose by around 0.3% to finish 2021 close to unchanged. With the weakness in gilts led by short-dated maturities, the yield curve flattened aggressively.

At the beginning of 2022, we saw a continuation of the market moves experienced at the tail-end of 2021. There was better news on the severity of the Omicron variant. This, combined with a move by global central banks towards tightening policy, resulted in higher global yields. Ten-year gilt yields started January at 0.96% and ended at 1.30%.

### Portfolio Activity

While the fund's relative duration stance, country spread bias, yield curve and relative value strategies all made positive contributions to performance in the early part of the review period, some of these gains were offset by a negative contribution from inflation strategies. A short relative duration stance was positive, as yields rose sharply in September. This rise was driven by a combination of rising inflation, a hawkish change in tone from major central banks, and declining fears of economic disruption from another wave of Covid-19 infections. Country spread strategies also contributed. Our short duration strategy in gilts, and cross-market shorts in the UK versus Germany, generated excess returns. Gilts led the weakness in government bond markets. The fund participated in several yield curve strategies, which were collectively positive. Our US Treasury curve flattener and tactical UK curve steepeners generated excess returns. Yield curve strategies in Europe and Australia made small negative contributions. Inflation strategies were disappointing, with the UK retail price inflation market being dragged higher by the sharp rise in energy prices, despite the already elevated implied inflation profile.

Returns remained strong in the final months of 2021. The rally in UK government bonds was driven by long-dated maturities and a bull flattening of the yield curve. However, excess returns were negative. A strong positive contribution from active duration strategies was offset by active yield curve, inflation and cross-market strategies. Our decision to position for a steeper yield curve in UK and European government bonds was a notable negative, with both yield curves bull flattening as a result of Omicron fears. However, our decision to position for a flatter yield curve in US Treasuries was positive. The decision to adopt overweights in Canadian government bonds relative to US Treasuries was negative. So, too, was the performance of a short position in UK inflation; market positioning, illiquidity and energy price fears drove the market to fresh highs. Our decision to push against excessively rich UK and US government bond valuations when yields reached lows in early December boosted fund returns.

Moving into January 2022, we believed yields globally would go higher. We therefore refrained from entering cross-market or curve positions. Our rationale for adopting this underweight stance versus benchmark was primarily based on our anticipated path for monetary policy in the face of rising inflation expectations. With the BoE appearing more concerned about inflationary pressures becoming embedded, and the labour market rebounding impressively after the expiry of the furlough scheme, a shift to a more hawkish monetary policy stance appeared inevitable – and with it, higher nominal gilt yields.

Our duration positioning took the form of being short UK in both the 10-year and 50-year part of the curve and short US 10-year Treasuries. We think the UK curve will have to re-price in 2022. However, until the fiscal year starts in April and gilt net supply dramatically increases, we do not believe the curve will steepen. Accordingly, we positioned the fund for higher yields, and not for steeper curves.

As yields increased through January, we took profits on the duration positioning, closing both the UK and US 10-year positioning. We ended the period with a much-reduced short duration position, held in the 50-year area of the curve.

In terms of other positioning, in January, we started to add some UK curve positions. With one eye on the gilt syndication in mid-February and the flattening of the UK curve in early January, the fund added a 10-year/30-year steepener. This was seen as a tactical position to run into February, with the view that the fund will add more strategic steepeners as we get closer to April. The fund also added a front-end steepener one-year/two-year versus three-year/two-year. We felt this curve was too flat, and as yields continued to move gradually higher the belly of the UK curve would have to catch up; therefore, the curve would have to steepen. The fund also added a 2s5s10s US fly trade.

### Portfolio Outlook and Strategy

The economic narrative has flipped from ensuring a recovery to significant concerns of overheating. This has forced a sharp rethink in central bank policy, with ramifications for the economic outlook and asset market valuations. This year will be a big test for equity and bond markets; inflation in most developed markets has reached multi-decade highs, with confidence waning that we will return smoothly and quickly to a more normal level. Interest rate markets have begun to more accurately reflect the likely path for future policy. We are about to enter a scenario where central banks are almost forced to maintain a far more hawkish disposition than experienced since the global financial crisis. With central banks reducing purchases, ceasing purchases altogether

# ASI (AAM) Sterling Government Bond Fund

## Continued

or even reducing the size of their balance sheet, the backdrop for government bonds is more challenging. The UK will continue to raise interest rates and the US Federal Reserve (Fed) will begin its hiking cycle around mid-year. We view 2022 as a year of higher front-end rates across most markets, with more marginal weakness further out the curve.

The market was comfortable with pricing a full interest rate hike at February's BoE meeting. Both official and survey data continue to point to an incredibly tight labour market. Vacancies were at record highs, and this fed through to wages. January data showed inflation continuing to shoot up across various categories. Inflation is expected to peak in April 2022 when the energy price increases feed through to consumer price inflation. The issue is how quickly inflation subsides after April, or whether it starts to become embedded. For these reasons we expect the BoE to raise interest rates in February, and possibly once more in May.

**Pan Euro Macro Team**

February 2022

# ASI (AAM) Sterling Government Bond Fund

## 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 2022.

The fund is rated as 4 because of the extent to which the following risk factors apply:

- 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 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 going into administration.

# Comparative Tables

<b>A Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	603	658	852	833
Closing number of shares	330,368	337,818	415,551	442,462
Closing net asset value per share (pence)	182.37	194.64	204.99	188.32
Change in net asset value per share	(6.30%)	(5.05%)	8.85%	6.91%
Operating charges	0.79%	0.93%	0.95%	0.96%
<b>A Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	647	687	727	769
Closing number of shares	469,241	466,769	468,986	540,193
Closing net asset value per share (pence)	137.90	147.18	155.00	142.40
Change in net asset value per share	(6.31%)	(5.05%)	8.85%	6.78%
Operating charges	0.79%	0.93%	0.95%	0.96%
<b>I Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	81,316	90,005	96,389	110,802
Closing number of shares	42,580,628	44,271,390	45,223,824	56,844,194
Closing net asset value per share (pence)	190.97	203.30	213.14	194.92
Change in net asset value per share	(6.06%)	(4.62%)	9.35%	7.29%
Operating charges	0.29%	0.47%	0.50%	0.50%
<b>I Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	319	356	535	615
Closing number of shares	280,465	293,689	419,573	525,084
Closing net asset value per share (pence)	113.72	121.35	127.46	117.07
Change in net asset value per share	(6.29%)	(4.79%)	8.88%	6.72%
Operating charges	0.29%	0.47%	0.50%	0.50%
<b>M Accumulation<sup>A</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	1	1	1	-
Closing number of shares	903	903	903	100
Closing net asset value per share (pence)	108.24	115.24	120.68	110.07
Change in net asset value per share	(6.07%)	(4.51%)	9.64%	10.07%
Operating charges	0.34%	0.52%	0.55%	0.55%

# Comparative Tables

## Continued

<b>M Income<sup>B</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	1	1	1	-
Closing number of shares	915	915	915	100
Closing net asset value per share (pence)	105.57	112.64	118.33	108.44
Change in net asset value per share	(6.28%)	(4.81%)	9.12%	8.44%
Operating charges	0.34%	0.52%	0.55%	0.55%
<b>P Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	12	12	21	19
Closing number of shares	7,959	7,959	12,825	12,825
Closing net asset value per share (pence)	145.85	155.63	163.47	150.15
Change in net asset value per share	(6.28%)	(4.80%)	8.87%	6.49%
Operating charges	0.32%	0.33%	0.33%	0.33%
<b>Q Gross Income<sup>C</sup></b>				<b>31 July 2019</b>
Closing net asset value (£'000)				14
Closing number of shares				9,655
Closing net asset value per share (pence)				149.81
Change in net asset value per share				6.48%
Operating charges				0.27%
<b>Q Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	13	21	72	68
Closing number of shares	9,224	13,153	44,341	45,104
Closing net asset value per share (pence)	145.84	155.62	163.45	150.13
Change in net asset value per share	(6.28%)	(4.79%)	8.87%	6.48%
Operating charges	0.26%	0.27%	0.27%	0.27%
<b>Z Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	40,171	50,288	43,017	39,961
Closing number of shares	35,433,792	41,709,440	34,157,607	34,835,369
Closing net asset value per share (pence)	113.37	120.57	125.94	114.71
Change in net asset value per share	(5.97%)	(4.26%)	9.79%	7.71%
Operating charges	0.09%	0.10%	0.10%	0.10%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share 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 share class.

<sup>A</sup> M Accumulation share class was launched on 28 November 2018.

<sup>B</sup> M Income share class was launched on 28 November 2018.

<sup>C</sup> Q Gross Income share class closed on 23 October 2019.

# Portfolio Statement

As at 31 January 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Bonds (98.59%)</b>		<b>121,864</b>	<b>99.01</b>
<b>Australian Dollar Denominated Bonds (1.23%)</b>			
<b>Government Bonds (1.23%)</b>		-	-
<b>Euro Denominated Bonds (0.92%)</b>			
<b>Government Bonds (0.92%)</b>		<b>884</b>	<b>0.72</b>
greater than 25 years to maturity			
1,060,978	European Union 0.7% 2051	884	0.72
<b>Sterling Denominated Bonds (96.44%)</b>		<b>120,980</b>	<b>98.29</b>
<b>Corporate Bonds (2.32%)</b>		<b>1,577</b>	<b>1.28</b>
less than 5 years to maturity			
1,207,000	BNG Bank 1.625% 2025	1,216	0.99
364,000	KFW 1.125% 2025	361	0.29
<b>Government Bonds (94.12%)</b>		<b>119,403</b>	<b>97.01</b>
less than 5 years to maturity			
337,000	European Investment Bank 1.125% 2025	334	0.27
100,000	FMS Wertmanagement 1.375% 2025	100	0.08
246,000	Kommunekredit 0.375% 2024	239	0.19
509,000	Nordic Investment Bank 1.125% 2025	505	0.41
474,000	Ontario Teachers' Finance Trust 1.125% 2026	466	0.38
389,000	PRS Finance 1.75% 2026	372	0.30
4,892,000	UK (Govt of) 0.125% 2023	4,853	3.94
2,793,800	UK (Govt of) 0.125% 2024	2,743	2.23
98,109	UK (Govt of) 0.125% 2026	95	0.08
395,000	UK (Govt of) 0.25% 2025	385	0.31
875,000	UK (Govt of) 0.375% 2026	845	0.69
2,150,900	UK (Govt of) 0.5% 2022*	2,150	1.75
2,895,700	UK (Govt of) 0.625% 2025	2,857	2.32
680,700	UK (Govt of) 0.75% 2023	679	0.55



# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
2,936,700	UK (Govt of) 1.5% 2026	2,994	2.43
2,141,000	UK (Govt of) 1.75% 2022	2,155	1.75
1,993,000	UK (Govt of) 2.25% 2023	2,033	1.65
540,698	UK (Govt of) 2.75% 2024	564	0.46
2,597,500	UK (Govt of) 4% 2022	2,606	2.12
2,263,700	UK (Govt of) 5% 2025	2,534	2.06
between 5 and 10 years to maturity			
687,000	PRS Finance 2% 2029	706	0.57
2,148,600	UK (Govt of) 0.125% 2028	2,023	1.64
3,407,207	UK (Govt of) 0.25% 2031	3,087	2.51
3,002,700	UK (Govt of) 0.375% 2030*	2,786	2.26
572,200	UK (Govt of) 0.5% 2029	545	0.44
2,799,500	UK (Govt of) 0.875% 2029	2,732	2.22
2,595,100	UK (Govt of) 1.25% 2027	2,616	2.13
2,503,200	UK (Govt of) 1.625% 2028	2,581	2.10
1,608,100	UK (Govt of) 4.25% 2027	1,891	1.54
7,592,000	UK (Govt of) 4.75% 2030	9,821	7.98
1,450,000	UK (Govt of) 6% 2028	1,911	1.55
between 10 and 15 years to maturity			
4,929,100	UK (Govt of) 0.625% 2035	4,421	3.59
2,887,500	UK (Govt of) 0.875% 2033	2,741	2.23
652,300	UK (Govt of) 4.25% 2032	835	0.68
2,327,100	UK (Govt of) 4.5% 2034	3,154	2.56
between 15 and 25 years to maturity			
3,680,415	UK (Govt of) 0.875% 2046	3,206	2.60
621,300	UK (Govt of) 1.125% 2039	586	0.48
2,187,102	UK (Govt of) 1.25% 2041	2,088	1.70
4,375,400	UK (Govt of) 1.75% 2037	4,538	3.69
1,856,926	UK (Govt of) 3.25% 2044	2,457	2.00
1,875,800	UK (Govt of) 3.5% 2045	2,596	2.11
1,555,800	UK (Govt of) 4.25% 2039	2,226	1.81
1,697,987	UK (Govt of) 4.25% 2040	2,467	2.00

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
2,545,100	UK (Govt of) 4.25% 2046	3,986	3.24
94,760	UK (Govt of) 4.5% 2042	146	0.12
greater than 25 years to maturity			
916,000	CPPIB Capital 1.625% 2071	840	0.68
1,251,569	UK (Govt of) 0.5% 2061	940	0.76
4,518,900	UK (Govt of) 1.25% 2051	4,271	3.47
1,059,243	UK (Govt of) 1.5% 2047	1,059	0.86
1,021,800	UK (Govt of) 1.5% 2053	1,042	0.85
314,067	UK (Govt of) 1.625% 2054	330	0.27
80,838	UK (Govt of) 1.625% 2071	93	0.07
1,939,594	UK (Govt of) 1.75% 2049	2,055	1.67
4,391,240	UK (Govt of) 1.75% 2057	4,836	3.93
1,580,293	UK (Govt of) 2.5% 2065	2,212	1.80
943,866	UK (Govt of) 3.5% 2068	1,672	1.36
991,340	UK (Govt of) 3.75% 2052	1,547	1.26
1,264,700	UK (Govt of) 4.25% 2049	2,062	1.67
448,500	UK (Govt of) 4.25% 2055	789	0.64
<b>Derivatives (-0.29%)</b>		<b>(517)</b>	<b>(0.42)</b>
<b>Forward Currency Contracts (0.05%)</b>		<b>15</b>	<b>0.01</b>
	Buy AUD 350,000 Sell GBP 189,529 10/03/2022	(5)	-
	Buy CAD 200,000 Sell GBP 117,955 10/03/2022	(1)	-
	Buy GBP 168,395 Sell AUD 316,000 10/03/2022	3	-
	Buy GBP 117,154 Sell CAD 200,000 10/03/2022	-	-
	Buy GBP 975,284 Sell EUR 1,143,000 10/03/2022	19	0.01
	Buy GBP 318,118 Sell USD 424,000 10/03/2022	2	-
	Buy USD 345,919 Sell GBP 260,647 10/03/2022	(3)	-
<b>Futures (-0.01%)</b>		<b>266</b>	<b>0.22</b>
168	Long US 5 Year Note (CBT) Future 31/03/2022	(37)	(0.03)
(7)	Short Euro-Buxl 30 Year Future 08/03/2022	84	0.07
(32)	Short Long Gilt Future 29/03/2022	165	0.14

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
(33)	Short US 10 Year Ultra Future 22/03/2022	-	-
(103)	Short US 2 Year Note (CBT) Future 31/03/2022	54	0.04
<b>Inflation Swaps (-0.24%)</b>		<b>(519)</b>	<b>(0.42)</b>
GBP 3,766,000	Pay floating UKRPI receive fixed 3.33875% 15/01/2026	(406)	(0.33)
GBP 980,000	Pay floating UKRPI receive fixed 3.707 15/06/2031	(113)	(0.09)
<b>Interest Rate Swaps (-0.09%)</b>		<b>(279)</b>	<b>(0.23)</b>
EUR 2,425,000	Pay fixed 0.0473% receive floating EURIBOR 18/09/2055	270	0.22
GBP 4,175,000	Pay fixed 1.135% receive floating GBP-SONIA 14/01/2027	9	0.01
GBP 4,175,000	Pay fixed 1.2125% receive floating GBP-SONIA 20/01/2027	2	-
GBP 4,175,000	Pay fixed 1.2475% receive floating GBP-SONIA 20/01/2027	-	-
GBP 4,175,000	Pay fixed 1.258% receive floating GBP-SONIA 20/01/2027	(1)	-
EUR 726,7000	Pay floating EURIBOR receive fixed 0.15% 18/09/2035	(346)	(0.28)
GBP 8,555,500	Pay floating GBP-SONIA receive fixed 0.592% 14/07/2025	(149)	(0.12)
GBP 1,448,000	Pay floating GBP-SONIA receive fixed 0.923% 31/01/2024	(11)	(0.01)
GBP 4,075,000	Pay floating GBP-SONIA receive fixed 1.3% 16/01/2025	(20)	(0.02)
GBP 4,075,000	Pay floating GBP-SONIA receive fixed 1.4% 20/01/2025	(12)	(0.01)
GBP 4,075,000	Pay floating GBP-SONIA receive fixed 1.4175% 20/01/2025	(11)	(0.01)
GBP 4,075,000	Pay floating GBP-SONIA receive fixed 1.42% 19/01/2025	(10)	(0.01)
Total investment assets and liabilities		121,347	98.59
Net other assets		1,736	1.41
<b>Total Net Assets</b>		<b>123,083</b>	<b>100.00</b>

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities or approved derivatives within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2021.

\*A portion of this security is on loan at the year end.

# Financial Statements

## Statement of Total Return

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
Income:				
Net capital losses		(8,651)		(3,985)
Revenue	504		478	
Expenses	(146)		(266)	
Interest payable and similar charges	(18)		(11)	
Net revenue before taxation	340		201	
Taxation	–		–	
Net revenue after taxation		340		201
<b>Total return before distributions</b>		<b>(8,311)</b>		<b>(3,784)</b>
Distributions		(340)		(203)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(8,651)</b>		<b>(3,987)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>142,029</b>		<b>141,615</b>
Amounts receivable on the issue of shares	2,856		7,782	
Amounts payable on the cancellation of shares	(13,477)		(6,854)	
		(10,621)		928
Change in net assets attributable to shareholders from investment activities (see above)		(8,651)		(3,987)
Retained distribution on accumulation shares		326		209
<b>Closing net assets attributable to shareholders</b>		<b>123,083</b>		<b>138,765</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. 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 2022

	31 January 2022		31 July 2021	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		122,472		140,820
<b>Current assets:</b>				
Debtors	1,145		432	
Cash and bank balances	1,310		2,348	
		2,455		2,780
<b>Total assets</b>		<b>124,927</b>		<b>143,600</b>
<b>Liabilities:</b>				
Investment liabilities		(1,125)		(1,203)
Creditors	(718)		(368)	
Distribution payable	(1)		-	
		(719)		(368)
<b>Total liabilities</b>		<b>(1,844)</b>		<b>(1,571)</b>
<b>Net assets attributable to shareholders</b>		<b>123,083</b>		<b>142,029</b>

### Subsequent event

Investments in financial markets are affected by many factors, many of which have shifted following the outbreak of the conflict in Ukraine. The fund invests in a portfolio of assets, whose values have fallen since the interim period, primarily due to the global market volatility created by the conflict in Ukraine and the longer term uncertainty the conflict brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class A Accumulation was 182.37p. The Net Asset Value of share class A Accumulation as at 12 noon on 21 March 2022 was 175.99p. This represents a modest decrease of 3.50% from the interim period value.

# Distribution Table

For the six months ended 31 January 2022 (in pence per share)

## Interim interest distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 January 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
<b>A Accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>A Income</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>I Accumulation</b>				
Group 1	0.4463	-	0.4463	0.1778
Group 2	0.0523	0.3940	0.4463	0.1778
<b>I Income</b>				
Group 1	0.2664	-	0.2664	0.1064
Group 2	0.0677	0.1987	0.2664	0.1064
<b>M Accumulation</b>				
Group 1	0.2149	-	0.2149	0.1739
Group 2	0.2149	-	0.2149	0.1739
<b>M Income</b>				
Group 1	0.2121	-	0.2121	0.1782
Group 2	0.2121	-	0.2121	0.1782
<b>P Income</b>				
Group 1	0.3198	-	0.3198	0.2680
Group 2	0.3198	-	0.3198	0.2680
<b>Q Income</b>				
Group 1	0.3635	-	0.3635	0.3221
Group 2	0.3635	-	0.3635	0.3221
<b>Z Accumulation</b>				
Group 1	0.3841	-	0.3841	0.3544
Group 2	0.0336	0.3505	0.3841	0.3544

## Equalisation

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

# ASI (AAM) Sterling Short Dated Corporate Bond Fund

For the six months ended 31 January 2022

## Investment Objective

To generate income and some growth over the medium term (3 to 5 years) by investing in Sterling denominated investment grade corporate bonds with maturities of up to 5 years.

Performance Target: To achieve the return of the iBoxx Sterling Corporates (1-5 year) Index plus 0.25% per annum (before 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 ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 60% in Sterling denominated investment grade corporate bonds with a maturity of up to 5 years.
- The fund may also invest in bonds of any maturity, issued anywhere in the world by governments and corporations, such as sub sovereigns, sub-investment grade, inflation-linked, convertible, asset backed and mortgage-backed bonds. The fund will employ techniques to reduce (hedge) risk related to currency movements on non-Sterling bonds.
- The fund may also invest in other funds (including those managed by abrdn) and money-market instruments, and cash.

### Management Process

- The management team use their discretion (active management) to identify bonds and derivatives after analysing companies prospects and creditworthiness alongside global economic and market conditions.
- In seeking to achieve the Performance Target, the iBoxx Sterling Corporates (1-5 year) Index 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 index is not ordinarily expected to exceed 1.5%. Due to the fund's risk constraints the intention is that the fund's performance will not deviate significantly from that of the index over the long term.

Please Note: The fund's ability to buy and sell bonds and the associated costs can be affected during periods of market stress which could include periods where interest rates move sharply.

### Derivatives and Techniques

- The fund will routinely use derivatives to reduce risk, reduce cost and/or generate extra income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivatives include instruments used to manage expected changes in interest rates, inflation, currencies or creditworthiness of corporations or governments.

## Performance Review

For the six months ended 31 January 2022, the value of ASI (AAM) Sterling Short Dated Corporate Bond Fund – A Accumulation Shares decreased by 1.90% compared to a decrease of 2.24% in the performance target, iBoxx Sterling Corporates (1-5 six months) Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

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.

## Market Review

Corporate bond prices fell over the period. Investors were challenged by rising inflation, the withdrawal of central bank support and interest rate rises from the Bank of England (BoE). Covid-19 also remained a threat throughout the period. Higher-quality bonds generally underperformed riskier high-yield issues. Short-dated bonds fell less than longer-dated bonds while sterling bonds underperformed global bonds.

Globally, bond prices rose early in the period, even as the US Federal Reserve (Fed) said it would begin offloading corporate bonds bought through its pandemic support plan. However, corporate bonds fell in September as minutes from the Fed's rate-setting committee suggested an increasingly hawkish approach from policymakers. Towards the end of the period, major central banks started to taper their pandemic-era market support programmes and the BoE raised rates. In late November, news of the emergence of the Covid-19 Omicron variant led to a significant sell-off in global risk assets and a strong rally in Treasury yields. However, by the end of December, worries regarding Omicron lessened and risk sentiment recovered, with Treasury yields also rising back up sharply.

# ASI (AAM) Sterling Short Dated Corporate Bond Fund

## Continued

### Portfolio Activity

The fund outperformed the benchmark over the period, primarily due to shorter duration positioning than the benchmark. The fund's top-performing holding was the 2024 bond of the Australian midstream energy issuer APT Pipelines. An overweight holding of British water utilities also performed well, notably the 2026 issues of Southern Water and Anglican Water, as well as Thames Water's class B paper and Yorkshire Water's callable bonds. An off-benchmark position in high-quality floating-rate asset-backed securities helped, as these proved more stable in the falling markets. Senior-bank issues were attributive, with Lloyds and Danske Bank performing well, although Deutsche Bank lagged.

On the downside, subordinated insurance bonds underperformed over the period. While we benefited from being slightly underweight, our position in the callable subordinated bonds of Aviva and Zurich detracted. The 2024 bonds of the Pensions Insurance Corporation also underperformed but these recovered slightly in late 2021. Retail property issuer Hammerson's 2026 bond lagged over the period, but valuations remain attractive and we continue to hold an overweight position. We remain comfortable with Hammerson's asset strength and operating performance.

### Portfolio Outlook and Strategy

Inflation, mergers and acquisition activity and pandemic-related issues remain major risks for global investment-grade (IG) credit in 2022. We are cautiously optimistic on Covid-19, although we could yet see more regional lockdowns. If inflation stays high or keeps rising, market tensions will remain and challenge global central banks' patience; indeed, many central banks are accelerating the tapering of their asset purchase programmes. Shrinking central bank support, slowing growth in Europe and China and the potential for more idiosyncratic risks could lead to higher volatility.

IG credit demand remains stable. Patient investors still have money to invest. So, while there are clearly risks of some credit spread widening, it should be met by demand, which we expect to prevent a large sell-off. While rising yields hit returns in 2021, IG bonds are now more appealing.

### Sterling IG and Aggregate Team

February 2022



# ASI (AAM) Sterling Short Dated Corporate Bond Fund

## 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 2022.

The fund is rated as 3 because of the extent to which the following risk factors apply:

- 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 high yielding bonds which carry a greater risk of default than those with lower yields.
- The fund invests in mortgage and asset-backed securities (which may include collateralised loan, debt or mortgage obligations (respectively CLOs, CDOs or CMOs)). These are subject to prepayment and extension risk and additional liquidity and default risk compared to other credit securities.
- Convertible securities are investments that can be changed into another form upon certain triggers. As such, they can exhibit credit, equity and fixed interest risk. Contingent convertible securities (CoCos) are similar to convertible securities but have additional triggers which mean that they are more vulnerable to losses and volatile price movements and hence become less liquid.
- 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 going into administration.

# Comparative Tables

<b>A Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	32	5	5	23
Closing number of shares	30,012	5,001	5,001	22,302
Closing net asset value per share (pence)	106.41	108.61	105.75	103.69
Change in net asset value per share	(2.03%)	2.70%	1.99%	2.85%
Operating charges	0.64%	0.65%	0.65%	0.65%
<b>A Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	34	35	35	5
Closing number of shares	34,291	34,291	34,291	5,000
Closing net asset value per share (pence)	98.65	101.45	100.43	100.13
Change in net asset value per share	(2.76%)	1.02%	0.30%	1.42%
Operating charges	0.64%	0.65%	0.65%	0.65%
<b>I Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	14,663	15,410	18,445	29,071
Closing number of shares	13,568,480	13,992,354	17,255,589	27,814,788
Closing net asset value per share (pence)	108.06	110.13	106.90	104.52
Change in net asset value per share	(1.88%)	3.02%	2.28%	3.16%
Operating charges	0.34%	0.35%	0.35%	0.35%
<b>I Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	13,292	10,961	18,610	24,255
Closing number of shares	13,478,942	10,808,396	18,537,548	24,233,769
Closing net asset value per share (pence)	98.62	101.41	100.39	100.08
Change in net asset value per share	(2.75%)	1.02%	0.31%	1.42%
Operating charges	0.34%	0.35%	0.35%	0.35%
<b>K Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	2,093	2,807	18,202	26,002
Closing number of shares	1,926,532	2,536,549	16,962,525	24,808,352
Closing net asset value per share (pence)	108.64	110.67	107.30	104.81
Change in net asset value per share	(1.83%)	3.14%	2.38%	3.26%
Operating charges	0.24%	0.25%	0.25%	0.25%

# Comparative Tables

## Continued

<b>K Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	7,590	10,520	56,172	94,747
Closing number of shares	7,697,835	10,374,670	55,957,531	94,671,398
Closing net asset value per share (pence)	98.60	101.40	100.38	100.08
Change in net asset value per share	(2.76%)	1.02%	0.30%	1.42%
Operating charges	0.24%	0.25%	0.25%	0.25%
<b>M Accumulation<sup>A</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	1	1	1	-
Closing number of shares	964	964	964	100
Closing net asset value per share (pence)	107.43	109.50	106.32	103.87
Change in net asset value per share	(1.89%)	2.99%	2.36%	3.87%
Operating charges	0.39%	0.40%	0.40%	0.40%
<b>M Income<sup>B</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	1	1	1	-
Closing number of shares	979	979	979	100
Closing net asset value per share (pence)	100.57	103.43	102.39	102.06
Change in net asset value per share	(2.77%)	1.02%	0.32%	2.06%
Operating charges	0.39%	0.40%	0.40%	0.40%
<b>Z Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	5	6	5	5
Closing number of shares	5,001	5,001	5,001	5,001
Closing net asset value per share (pence)	109.78	111.70	108.10	105.38
Change in net asset value per share	(1.72%)	3.33%	2.58%	3.46%
Operating charges	0.04%	0.05%	0.05%	0.05%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share 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 share class.

<sup>A</sup> M Accumulation share class was launched on 29 November 2018.

<sup>B</sup> M Income share class was launched on 29 November 2018.

# Portfolio Statement

As at 31 January 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Bonds (97.06%)</b>		<b>37,299</b>	<b>98.91</b>
<b>Sterling Denominated Bonds (92.31%)</b>		<b>35,708</b>	<b>94.69</b>
<b>Corporate Bonds (89.73%)</b>		<b>34,448</b>	<b>91.35</b>
less than 5 years to maturity			
200,000	ABN AMRO Bank 1.375% 2025	197	0.52
300,000	Anglian Water Osprey Financing 4% 2026	317	0.84
389,000	APT Pipelines 4.25% 2024	413	1.09
200,000	AT&T 2.9% 2026	207	0.55
200,000	Banco Santander 1.5% 2026	193	0.51
300,000	Banco Santander 2.75% 2023	304	0.81
400,000	Banque Federative du Credit Mutuel 1.25% 2025	389	1.03
367,000	Barclays 1.7% fixed to floating 2026	359	0.95
374,000	Barclays 3% 2026	382	1.01
381,000	Barclays 3.125% 2024	389	1.03
500,000	BAT Capital 2.125% 2025	492	1.31
298,000	Blackstone Property Partners Europe 2% 2025	292	0.78
278,000	BMW International Investment 1.25% 2022	278	0.74
300,000	BPCE 1% 2025	290	0.77
100,000	CaixaBank 1.5% fixed to floating 2026	97	0.26
499,000	Citigroup 5.875% 2024	542	1.44
200,000	Cooperatieve Rabobank 1.25% 2025	196	0.52
450,000	Coventry Building Society 1.5% 2023	450	1.19
650,000	Credit Suisse 1.125% 2025	624	1.65
300,000	Credit Suisse 2.125% fixed to floating 2025	298	0.79
400,000	Credit Suisse 2.75% 2025	405	1.07
400,000	Deutsche Pfandbriefbank 1.75% 2022	400	1.06
103,000	DNB Bank 1.375% 2023	103	0.27
148,000	DNB Bank 1.375% fixed to floating 2025	146	0.39
300,000	E.ON International Finance 5.5% 2022	305	0.81
500,000	Eastern Power Networks 5.75% 2024	542	1.44
200,000	Electricity North West 8.875% 2026	255	0.68
250,000	Enel Finance International 5.625% 2024	274	0.73
250,000	Gatwick Funding 6.125% 2026	285	0.76

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
750,000	General Motors Financial 2.35% 2025	749	1.99
500,000	Go-Ahead 2.5% 2024	485	1.29
400,000	Hammerson REIT 6% 2026	431	1.14
600,000	Heathrow Funding 5.225% 2023	621	1.65
100,000	Heathrow Funding 6.75% 2026	119	0.32
505,000	Imperial Brands Finance 8.125% 2024	564	1.50
503,000	Industrial & Commercial Bank of China 1.5% 2022	502	1.33
280,000	Informa 3.125% 2026	287	0.76
200,000	JPMorgan Chase 0.991% fixed to floating 2026	193	0.51
921,000	Lloyds Banking 1.875% fixed to floating 2026	914	2.42
321,000	MPT Operating Partnership REIT 2.55% 2023	322	0.86
200,000	Muenchener Hypothekenbank 0.5% 2024	195	0.52
300,000	National Grid 3.5% 2026	317	0.84
300,000	National Grid Electricity Transmission 1.375% 2026	292	0.77
431,000	NatWest 2.875% fixed to floating 2026	439	1.16
499,000	New York Life Global Funding 1.625% 2023	499	1.32
187,000	New York Life Global Funding 1.75% 2022	188	0.50
300,000	Northern Powergrid 7.25% 2022	315	0.84
600,000	Pension Insurance 6.5% 2024	655	1.74
100,000	Realty Income 1.875% 2027	99	0.26
360,000	Royal Bank of Canada 1.125% 2025	349	0.92
200,000	Scottish Power UK 6.75% 2023	213	0.57
300,000	Southern Water Services Finance 6.64% 2026	354	0.94
280,000	Thames Water Utilities Finance 2.375% 2023	280	0.74
275,000	Toyota Motor Finance Netherlands 0.75% 2025	265	0.70
500,000	Virgin Money UK 3.375 fixed to floating 2026	509	1.35
500,000	Volkswagen Financial Services 1.875% 2024	496	1.32
500,000	Volkswagen Financial Services 2.125% 2024	501	1.33
300,000	Volkswagen Financial Services 4.25% 2025	321	0.85
between 5 and 10 years to maturity			
164,000	American Honda Finance 1.5% 2027	159	0.42
175,000	Australia & New Zealand Banking 1.809% fixed to floating 2031	167	0.44
425,000	Bavarian Sky UK 3 FRN 2028	201	0.53

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
400,000	BNP Paribas 2% fixed to floating 2031	385	1.02
200,000	Cooperatieve Rabobank 1.875% fixed to floating 2028	196	0.52
573,000	Danske Bank 2.25% fixed to floating 2028	565	1.50
500,000	Deutsche Bank 1.875% fixed to floating 2028	474	1.26
152,000	General Motors Financial 1.55% 2027	145	0.38
200,000	HSBC 1.75% fixed to floating 2027	193	0.51
350,000	HSBC 5.75% 2027	401	1.06
200,000	Motability Operations 4.375% 2027	225	0.60
178,000	National Australia Bank 1.699% fixed to floating 2031	170	0.45
163,000	NatWest 2.057% fixed to floating 2028	159	0.42
300,000	NatWest 2.105% fixed to floating 2031	288	0.76
525,000	NatWest 3.622% fixed to floating 2030	537	1.42
196,000	New York Life Global Funding 1.5% 2027	192	0.51
425,000	Thames Water Utilities Finance FRN 2030	434	1.15
488,000	Virgin Money UK 7.875% fixed to floating 2028	533	1.41
100,000	Volkswagen Financial Services 2.125% 2028	98	0.26
260,000	Workspace REIT 2.25% 2028	251	0.67
between 10 and 15 years to maturity			
760,000	Aviva 6.125% fixed to floating 2036	863	2.29
300,000	Banco Santander 2.25% fixed to floating 2032	286	0.76
200,000	BPCE 2.5% fixed to floating 2032	194	0.51
between 15 and 25 years to maturity			
300,000	Legal & General 5.375% fixed to floating 2045	326	0.86
500,000	RMAC 2018-1 FRN 2046	314	0.83
300,000	Yorkshire Water Finance 3.75% fixed to floating 2046	304	0.81
greater than 25 years to maturity			
400,000	BHP Billiton Finance FRN 2077	412	1.09
218,000	Castell 2021-1 0.9134% 2053	209	0.56
330,000	NGG Finance 5.625% fixed to floating 2073	352	0.93
526,000	Paragon Mortgages No 25 FRN 2050 'A'	378	1.00
1,000,000	Precise Mortgage Funding 2018-2B FRN 2055	433	1.15

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
400,000	Precise Mortgage Funding 2020-1B FRN 2056	233	0.62
400,000	SSE FRN 2077	401	1.06
Perpetual			
380,000	Aviva FRN Perpetual	389	1.03
810,000	Barclays Bank 9% Perpetual	908	2.41
432,000	Orange 5.75% fixed to floating Perpetual	449	1.19
400,000	SSE 3.74% fixed to floating Perpetual	402	1.07
900,000	Zurich Finance FRN Perpetual	924	2.45
<b>Government Bonds (2.58%)</b>		<b>1,260</b>	<b>3.34</b>
less than 5 years to maturity			
500,000	UK (Govt of) 0.25% 2025	488	1.29
800,000	UK (Govt of) 0.375% 2026	772	2.05
<b>US Dollar Denominated Bonds (4.75%)</b>		<b>1,591</b>	<b>4.22</b>
<b>Corporate Bonds (4.75%)</b>		<b>1,591</b>	<b>4.22</b>
less than 5 years to maturity			
700,000	Canadian Natural Resources 2.95% 2023	530	1.41
338,000	Equitable 3.9% 2023	259	0.69
508,000	Penske Truck Leasing 2.7% 2023	383	1.01
350,000	Standard Chartered 3.95% 2023	266	0.71
between 5 and 10 years to maturity			
200,000	ABN AMRO Bank 4.4% fixed to floating 2028	153	0.40
<b>Derivatives (-0.07%)</b>		<b>19</b>	<b>0.05</b>
<b>Forward Currency Contracts (-0.06%)</b>		<b>15</b>	<b>0.04</b>
	Buy GBP 274,915 Sell USD 365,000 10/03/2022	3	0.01
	Buy GBP 1,548,589 Sell USD 2,064,000 10/03/2022	10	0.03
	Buy USD 400,000 Sell GBP 296,142 10/03/2022	2	-

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Futures (-0.01%)		4	0.01
(5)	Short US 5 Year Note (CBT) Future 31/03/2022	4	0.01
Total investment assets		37,318	98.96
Net other assets		393	1.04
<b>Total Net Assets</b>		<b>37,711</b>	<b>100.00</b>

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities or approved derivatives within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2021.



# Financial Statements

## Statement of Total Return

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(1,064)		980
Revenue	406		951	
Expenses	(59)		(115)	
Net revenue before taxation	347		836	
Taxation	-		-	
Net revenue after taxation		347		836
<b>Total return before distributions</b>		<b>(717)</b>		<b>1,816</b>
Distributions		(347)		(836)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(1,064)</b>		<b>980</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>39,746</b>		<b>111,476</b>
Amounts receivable on the issue of shares	4,967		2,706	
Amounts payable on the cancellation of shares	(6,090)		(74,134)	
		(1,123)		(71,428)
Dilution adjustment		-		153
Change in net assets attributable to shareholders from investment activities (see above)		(1,064)		980
Retained distribution on accumulation shares		152		223
<b>Closing net assets attributable to shareholders</b>		<b>37,711</b>		<b>41,404</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. 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 2022

	31 January 2022		31 July 2021	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		37,318		38,578
<b>Current assets:</b>				
Debtors	578		834	
Cash and bank balances	151		613	
		729		1,447
<b>Total assets</b>		<b>38,047</b>		<b>40,025</b>
<b>Liabilities:</b>				
Investment liabilities		-		(28)
Bank overdrafts	(2)		-	
Creditors	(236)		(149)	
Distribution payable	(98)		(102)	
		(336)		(251)
<b>Total liabilities</b>		<b>(336)</b>		<b>(279)</b>
<b>Net assets attributable to shareholders</b>		<b>37,711</b>		<b>39,746</b>

### Subsequent event

Investments in financial markets are affected by many factors, many of which have shifted following the outbreak of the conflict in Ukraine. The fund invests in a portfolio of assets, whose values have fallen since the interim period, primarily due to the global market volatility created by the conflict in Ukraine and the longer term uncertainty the conflict brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class A Accumulation was 106.41p. The Net Asset Value of share class A Accumulation as at 12 noon on 21 March 2022 was 105.09p. This represents a modest decrease of 1.24% from the interim period value.

# Distribution Tables

For the six months ended 31 January 2022 (in pence per share)

## First interim interest distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 October 2021

	Revenue	Equalisation	Distribution paid 31/01/22	Distribution paid 29/01/21
<b>A Accumulation</b>				
Group 1	0.3995	-	0.3995	0.4499
Group 2	0.1997	0.1998	0.3995	0.4499
<b>A Income</b>				
Group 1	0.3703	-	0.3703	0.4306
Group 2	0.3703	-	0.3703	0.4306
<b>I Accumulation</b>				
Group 1	0.4862	-	0.4862	0.5399
Group 2	0.1779	0.3083	0.4862	0.5399
<b>I Income</b>				
Group 1	0.4476	-	0.4476	0.5065
Group 2	0.2117	0.2359	0.4476	0.5065
<b>K Accumulation</b>				
Group 1	0.5164	-	0.5164	0.5687
Group 2	0.3283	0.1881	0.5164	0.5687
<b>K Income</b>				
Group 1	0.4732	-	0.4732	0.5325
Group 2	0.3525	0.1207	0.4732	0.5325
<b>M Accumulation</b>				
Group 1	0.4791	-	0.4791	0.5237
Group 2	0.4791	-	0.4791	0.5237
<b>M Income</b>				
Group 1	0.4606	-	0.4606	0.5178
Group 2	0.4606	-	0.4606	0.5178
<b>Z Accumulation</b>				
Group 1	0.5818	-	0.5818	0.6274
Group 2	0.5818	-	0.5818	0.6274

# Distribution Tables

For the six months ended 31 January 2022 (in pence per share) continued

## Second interim interest distribution

Group 1 – shares purchased prior to 1 November 2021

Group 2 – shares purchased between 1 November 2021 and 31 January 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
<b>A Accumulation</b>				
Group 1	0.4052	-	0.4052	0.4859
Group 2	0.4052	-	0.4052	0.4859
<b>A Income</b>				
Group 1	0.3770	-	0.3770	0.4625
Group 2	0.3770	-	0.3770	0.4625
<b>I Accumulation</b>				
Group 1	0.4950	-	0.4950	0.5783
Group 2	0.1307	0.3643	0.4950	0.5783
<b>I Income</b>				
Group 1	0.4554	-	0.4554	0.5401
Group 2	0.2447	0.2107	0.4554	0.5401
<b>K Accumulation</b>				
Group 1	0.5239	-	0.5239	0.6083
Group 2	0.1015	0.4224	0.5239	0.6083
<b>K Income</b>				
Group 1	0.4764	-	0.4764	0.5661
Group 2	0.3623	0.1141	0.4764	0.5661
<b>M Accumulation</b>				
Group 1	0.4718	-	0.4718	0.5641
Group 2	0.4718	-	0.4718	0.5641
<b>M Income</b>				
Group 1	0.4596	-	0.4596	0.5362
Group 2	0.4596	-	0.4596	0.5362
<b>Z Accumulation</b>				
Group 1	0.5860	-	0.5860	0.6670
Group 2	0.5860	-	0.5860	0.6670

## Equalisation

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

# ASI (AAM) UK Smaller Companies Fund

For the six months ended 31 January 2022

## Investment Objective

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

Performance Target: To achieve the return of the Numis Smaller Companies Plus AIM excluding Investment Companies Index plus 3% per annum over rolling three year periods (before 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 ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 60% in smaller capitalisation equities and equity related securities of companies listed, incorporated or domiciled in the UK or companies that derive a significant proportion of their revenues or profits from UK operations or have a significant proportion of their assets there.
- Smaller capitalisation companies are defined as any stock having a market capitalisation less than the 10th percentile stock of the overall UK equity market.
- The fund may also invest in mid and larger capitalisation companies listed, incorporated or domiciled in the UK.
- 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 sector and stock level.
- Their primary focus is on stock selection using the management team's quality, growth and momentum approach. It aims to identify companies that show a range of high quality characteristics, operate in growing markets and display positive business momentum.
- In seeking to achieve the Performance Target, the Numis Smaller Companies Plus AIM excluding Investment Companies Index 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 index is not ordinarily expected to exceed 10%. Due to the active nature of the management process, the fund's

performance profile may deviate significantly from that of the index.

- Please note: The fund's ability to buy and sell small and mid-capitalisation shares and the associated costs can be affected during periods of market stress. In certain circumstances investors in the fund may not be able to sell their investment when they want to.

### Derivatives and Techniques

- The fund may use derivatives to reduce risk, 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.

## Performance Review

For the six months ended 31 January 2022, the value of ASI (AAM) UK Smaller Companies Fund – A Accumulation Shares decreased by 6.84% compared to a decrease of 4.46% in the performance target, the Numis Smaller Companies Plus AIM excluding Investment Companies Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

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.

## Market Review

UK equities advanced solidly over the six-month period. Investors continued to grapple with the economic fallout from the coronavirus pandemic as well as mounting concerns about inflation.

Although stocks suffered a slight fall at the beginning of the period on higher Covid-19 numbers, supportive government policy, easing lockdown restrictions, positive earnings results and a successful vaccine rollout collectively drove markets upwards. The market dipped in November following the emergence of the Omicron variant but quickly recovered in December as fears about the latest virus strain began to recede and further lockdown was avoided. The 'value' bias of the UK stock market and its exposure to old economy sectors, such as energy and banks, helped it hold up much better than most other developed stock markets in January's volatility. Large-cap stocks, as measured by the FTSE 100, outperformed mid-cap stocks over the period.

# ASI (AAM) UK Smaller Companies Fund

## Continued

In economic news, the UK economy grew 1.1% in the third calendar quarter, leaving it 1.5% smaller than it was before the start of the pandemic. Inflation has continued to rise in the UK, hitting a three-decade high of 5.4% in December 2021. High energy costs and supply shortages caused by kinks in global supply chains following the pandemic are among the main reasons for escalating prices. Labour shortages caused by Brexit and the pandemic have also stoked inflationary pressures. The strength of the job market has surprised many. The widely expected spike in unemployment after the end of the government's furlough scheme, designed to support workers laid off in the pandemic, never materialised, with the unemployment rate falling to 4.1% in January 2022.

In the face of surging prices, the Bank of England increased its base rate by 0.15% to 0.25% in January 2022, representing its first rate hike in three years. It was the first major central bank to raise interest rates since the start of the pandemic.

### Portfolio Activity

On a stock-specific basis, our overweight position in Gamma Communications weighed on returns, despite announcing excellent results during the period. The communications services firm, which specialises in facilitating employee collaboration and client communication wherever they may be, appeared to be harshly judged on its European sales, despite a strong performance. Some investors may be concerned about increased competition, but Europe remains underdeveloped compared with the UK and presents the company with a great long-term opportunity. Seraphine, the maternity and nursing-wear brand, underperformed after a disappointing trading update in the third quarter. This highlighted the adverse effect of supply-chain constraints on acquiring new customers. Trustpilot Group, the online product and service review platform, also weakened after delivering solid first-half results in September. Meanwhile, a lack of exposure to Investec and Drax hurt relative returns, as they both saw share-price gains over the six-month period.

On the flip side, Safestore performed well on continued robust occupancy data while Watches of Switzerland was another top performer, with the share price rising significantly over the period. Our holding in digital marketing consultancy Next Fifteen Communications continued to outperform after strong performance in the third quarter, driven by investment in digitalising and increased budgets from across the client base. Shares in JTC, the fund administrator, responded well to a deal to buy SALI Fund Services. SALI gives JTC exposure to the fast-growing insurance-dedicated fund market. SALI is a

higher growth and significantly higher-margin asset, which supports JTC's earnings potential.

In terms of activity, we added Marlowe, Tatton Asset Management and Big Technologies, which provides market-leading electronic monitoring systems. We also added to our existing positions, including CVS, Impax Asset Management, Moonpig, Clipper Logistics and Watches of Switzerland, among others. Moonpig's shares pulled back towards the end of the period along with other online retailers, but we see concerns as misplaced, given low reliance on supply chains and continued strong trading results. Over the medium term, we expect to see continued growth driven by increased ordering frequency. On the sell side, we removed Telecom Plus, Genus and UK specialist translation services RWS Holdings, among others.

### Portfolio Outlook and Strategy

Uncertainty around the new variant Omicron and geopolitical tensions between Russia and Ukraine will continue to dominate news flow in the short term. However, many of the risk factors throughout 2021 have moderated, with global vaccination rates rising and the direction of Chinese policy becoming clearer. Meanwhile, the removal of central bank support has been priced in, to some extent. Nevertheless, persistently high inflation and supply-chain strains may lead to earnings pressure for many businesses.

### Smaller Companies Equity Team

February 2022

# ASI (AAM) UK Smaller Companies Fund

## 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	<b>6</b>	7

Risk and reward indicator table as at 31 January 2022.

The fund is rated as 6 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 shares of small and mid-cap companies may be less liquid and more volatile than those of larger companies.
- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector.
- 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 going into administration.

# Comparative Tables

<b>A Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	60,836	66,687	49,829	48,951
Closing number of shares	11,317,439	11,562,452	12,411,485	12,985,385
Closing net asset value per share (pence)	537.54	576.75	401.48	376.97
Change in net asset value per share	(6.80%)	43.66%	6.50%	(7.64%)
Operating charges	1.29%	1.30%	1.30%	1.41%
<b>I Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	49,067	49,582	29,318	20,540
Closing number of shares	17,046,738	16,090,687	13,729,878	10,290,720
Closing net asset value per share (pence)	287.84	308.14	213.53	199.60
Change in net asset value per share	(6.59%)	44.31%	6.98%	(7.13%)
Operating charges	0.84%	0.85%	0.85%	0.85%
<b>K Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	341	408	443	76
Closing number of shares	172,009	192,511	301,245	55,360
Closing net asset value per share (pence)	198.26	212.16	146.91	137.21
Change in net asset value per share	(6.55%)	44.41%	7.07%	(7.09%)
Operating charges	0.76%	0.78%	0.78%	0.78%
<b>M Accumulation<sup>A</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	124	129	98	-
Closing number of shares	77,190	75,433	82,660	100
Closing net asset value per share (pence)	160.08	171.41	118.84	110.99
Change in net asset value per share	(6.61%)	44.24%	7.07%	10.99%
Operating charges	0.89%	0.90%	0.90%	0.90%
<b>Z Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	2,654	3,313	2,621	2,092
Closing number of shares	393,378	460,403	529,703	455,615
Closing net asset value per share (pence)	674.64	719.48	494.86	459.06
Change in net asset value per share	(6.23%)	45.39%	7.80%	(6.45%)
Operating charges	0.09%	0.10%	0.10%	0.10%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share 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 share class.

<sup>A</sup>M Accumulation share class was launched on 30 November 2018.



# Portfolio Statement

As at 31 January 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>UK Equities (97.50%)</b>		<b>111,056</b>	<b>98.26</b>
<b>Basic Materials (1.44%)</b>		<b>1,735</b>	<b>1.53</b>
165,248	Treatt	1,735	1.53
<b>Consumer Discretionary (30.76%)</b>		<b>32,310</b>	<b>28.59</b>
79,859	4imprint	2,232	1.98
113,216	CVS++	2,230	1.97
237,950	Focusrite++	3,147	2.78
160,278	Future	5,033	4.45
130,309	Gear4Music++	844	0.75
106,651	GlobalData++	1,424	1.26
683,706	Hollywood Bowl	1,709	1.51
232,005	Inspecc++	877	0.78
510,000	LBG Media	951	0.84
322,745	Moonpig	1,007	0.89
272,900	Next Fifteen Communications++	3,343	2.96
687,400	Patisserie**	-	-
877,456	Seraphine*	1,886	1.67
403,000	Team17++	2,857	2.53
375,594	Watches of Switzerland	4,770	4.22
<b>Consumer Staples (4.95%)</b>		<b>4,963</b>	<b>4.39</b>
72,900	Cranswick	2,670	2.36
221,339	Hilton Food	2,293	2.03
<b>Financials (11.34%)</b>		<b>13,127</b>	<b>11.61</b>
194,956	AJ Bell	655	0.58
18,769	HIE Ventures**	-	-
314,642	Impax Asset Management++	3,423	3.03
364,733	JTC	2,841	2.51

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
140,111	Liontrust Asset Management	2,270	2.01
263,175	Mortgage Advice Bureau++	3,408	3.01
107,268	Tatton Asset Management++	530	0.47
<b>Health Care (4.42%)</b>		<b>2,357</b>	<b>2.09</b>
210,407	Ergomed++	2,357	2.09
<b>Industrials (18.28%)</b>		<b>29,927</b>	<b>26.48</b>
949,143	Alpha Financial Markets Consulting++	4,167	3.69
495,355	Clipper Logistics	3,344	2.96
63,500	Diploma	1,746	1.55
167,691	Marlowe++	1,499	1.32
343,140	Marshalls	2,404	2.13
399,081	Midwich++	2,406	2.13
148,324	Morgan Sindall	3,137	2.77
390,386	Robert Walters	2,858	2.53
565,516	Somero Enterprises++	3,042	2.69
366,328	Volution	1,828	1.62
72,000	XP Power	3,496	3.09
<b>Real Estate (3.45%)</b>		<b>4,941</b>	<b>4.37</b>
227,411	Safestore REIT	2,877	2.54
1,600,387	Sirius Real Estate	2,064	1.83
<b>Technology (17.79%)</b>		<b>18,004</b>	<b>15.93</b>
209,389	Auction Technology	2,240	1.98
180,969	Baltic Classifieds	299	0.27
602,877	Big Technologies++	1,561	1.38
629,629	Bytes Technology	2,903	2.57
67,094	Computacenter	1,782	1.58

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
481,487	DiscoverIE	4,093	3.62
290,049	Kainos	4,409	3.90
392,105	Trustpilot	717	0.63
<b>Telecommunications (5.07%)</b>		<b>3,692</b>	<b>3.27</b>
238,491	Gamma Communication <sup>++</sup>	3,692	3.27
<b>Collective Investment Schemes (0.75%)</b>		<b>283</b>	<b>0.25</b>
283	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc <sup>+</sup>	283	0.25
Total investment assets		111,339	98.51
Net other assets		1,683	1.49
<b>Total Net Assets</b>		<b>113,022</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules.

The percentage figures in brackets show the comparative holding as at 31 July 2021.

Prior year classifications for some sectors have been updated to reflect current year classifications.

<sup>+</sup> Managed by subsidiaries of abrdrn plc.

<sup>++</sup> AIM listed.

\* A portion of this security is on loan at the period end.

\*\* Delisted.

# Financial Statements

## Statement of Total Return

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(8,595)		15,401
Revenue	630		526	
Expenses	(660)		(512)	
Net (expense)/revenue before taxation	(30)		14	
Taxation	(8)		-	
Net (expense)/revenue after taxation		(38)		14
<b>Total return before distributions</b>		<b>(8,633)</b>		<b>15,415</b>
Distributions		(59)		(63)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(8,692)</b>		<b>15,352</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>120,119</b>		<b>82,309</b>
Amounts receivable on the issue of shares	11,052		7,502	
Amounts payable on the cancellation of shares	(9,527)		(7,555)	
		1,525		(53)
Dilution adjustment		11		
Change in net assets attributable to shareholders from investment activities (see above)		(8,692)		15,352
Retained distribution on accumulation shares		59		61
<b>Closing net assets attributable to shareholders</b>		<b>113,022</b>		<b>97,669</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. 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 2022

	31 January 2022		31 July 2021	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		111,339		118,019
<b>Current assets:</b>				
Debtors	881		274	
Cash and bank balances	2,136		1,941	
		3,017		2,215
<b>Total assets</b>		<b>114,356</b>		<b>120,234</b>
<b>Liabilities:</b>				
Creditors	(1,334)		(115)	
		(1,334)		(115)
<b>Total liabilities</b>		<b>(1,334)</b>		<b>(115)</b>
<b>Net assets attributable to shareholders</b>		<b>113,022</b>		<b>120,119</b>

### Subsequent event

Investments in financial markets are affected by many factors, many of which have shifted following the outbreak of the conflict in Ukraine. The fund invests in a portfolio of assets, whose values have fallen since the interim period, primarily due to the global market volatility created by the conflict in Ukraine and the longer term uncertainty the conflict brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class A Accumulation was 537.54p. The Net Asset Value of share class A Accumulation as at 12 noon on 21 March 2022 was 495.84p. This represents a modest decrease of 7.76% from the interim period value.

# Distribution Table

For the six months ended 31 January 2022 (in pence per share)

## Interim dividend distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 January 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
<b>A Accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>I Accumulation</b>				
Group 1	0.2658	-	0.2658	0.3326
Group 2	0.0682	0.1976	0.2658	0.3326
<b>K Accumulation</b>				
Group 1	0.2596	-	0.2596	0.2911
Group 2	0.1207	0.1389	0.2596	0.2911
<b>M Accumulation</b>				
Group 1	0.1002	-	0.1002	0.1515
Group 2	-	0.1002	0.1002	0.1515
<b>Z Accumulation</b>				
Group 1	3.3902	-	3.3902	2.8784
Group 2	0.9400	2.4502	3.3902	2.8784

## Equalisation

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

# ASI American Equity Fund

For the six months ended 31 January 2022

## Investment Objective

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

Performance Target: To achieve the return of the S&P 500 Index plus 3% per annum over rolling three years (before 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 ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 70% in equities and equity related securities of companies listed, incorporated or domiciled in the US or companies that derive a significant proportion of their revenues or profits from US operations or have a significant proportion of their assets there.
- The fund may also invest up to 20% in companies listed, incorporated or domiciled in Canada or Latin America.
- 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 sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the Performance Target, the S&P 500 Index 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 index is not ordinarily expected to exceed 9%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the S&P 500 Index over the long term.

### Derivatives and Techniques

- The fund may use derivatives to reduce risk, 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.

## Performance Review

For the six months ended 31 January 2022, the value of ASI American Equity Fund – A Accumulation Shares decreased by 0.56% compared to an increase of 4.64% in the performance target, the S&P 500 Index, (lagged by one day).

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

The Fund returns to the reporting date are based on dealing net asset values (NAVs) using a 13:00 Central European Time (CET) valuation point. For US equity funds, this means the dealing NAV uses security prices at close of the previous working day. The benchmark index, if unadjusted, would use the closing prices of the reporting date. When a US equity benchmark is compared against a US equity fund, this valuation point difference may produce a significant distortion in benchmark-relative performance. In order to neutralise this distortion, the benchmark returns shown are to the day previous to the reporting date.

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.

## Market Review

Major US equity market indices garnered positive returns during the six-month period ended 31 January 2022. However, investors' concerns about persistent inflation drove interest-rate expectations higher and the emergence of the Omicron variant of Covid-19 resulted in bouts of volatility. Third-quarter corporate earnings generally came in ahead of expectations. Investors subsequently fretted over pending fourth-quarter earnings and 2022 fiscal-year guidance in light of persistent supply-chain challenges and rising input costs. On the positive side, Covid-19 cases have declined sharply in recent weeks, putting the US economy back on the path towards "normal" (at least in the near term) US large-cap stocks, as measured by the S&P 500 Index, returned 7.19% for the review period. The energy, consumer staples and financials sectors garnered double-digit gains and were the strongest performers within the index for the six-month period. Communication services was the lone sector to record a negative return, while industrials and consumer discretionary stocks also lagged the overall market for the period.

The US Federal Reserve (Fed) maintained its benchmark interest rate in a range of 0% to 0.25% over the six-month reporting period. However, following its meeting in mid-December 2021, the central bank projected three interest rate increases in 2022. Towards the end of the review period, Fed chair Jerome (Jay) Powell signalled the Fed's

# ASI American Equity Fund

## Continued

shift in focus from supporting the economy to tackling inflation, particularly given the low US unemployment rate and hourly earnings rising to 5.7% year-on-year in January. Additionally, the Fed indicated that it will raise interest rates in subsequent meetings in 2022.

In economic news, US GDP increased 6.9% in the fourth quarter of 2021 – a notable increase over the 2.3% growth rate in the third quarter of the year. The acceleration in GDP growth in the fourth quarter was attributable mainly to upturns in exports, private inventory investment, and consumer spending. The Department of Labor reported that US payrolls expanded by a total of 3.2 million over the six-month period ended 31 January 2022, and the unemployment rate declined by 1.4 percentage points to 4.0%. The leisure and hospitality industry led the job gains for the period; however, employment in the sector was still down more than 10% from its pre-pandemic level in February 2020. Inflation surged over the review period. The US Consumer Price Index was up 7.5% year-over-year in January 2022 – the largest annual increase in 40 years. The cost of energy was the main driver of the upturn in inflation, rising 27% over the 12-month period, attributable mainly to significant increases in gasoline and fuel oil prices.

### Portfolio Activity

The fund underperformed the benchmark S&P 500 Index for the six-month period ended 31 January 2022. Fund performance was hampered by overall positioning in the information technology, consumer discretionary and energy sectors. The most notable individual stock detractors from performance were positions in apparel retailer Burlington Stores Inc. and cloud-based business communications services provider RingCentral Inc., as well as the lack of exposure to tech giant Apple Inc.

Burlington Stores reported better-than-expected results for the second quarter of its 2021 fiscal year, benefiting from a healthy year-over-year increase in same-store sales. Nevertheless, in its earnings release, CEO Michael O'Sullivan noted that the company is seeing a substantial imbalance between supply and demand in global logistics systems. He cautioned that this is driving up Burlington Stores' freight and supply chain expenses will put significant pressure on the company's margins for the remainder of 2021. Shares of RingCentral moved lower during the review period due to investors' concerns regarding recent management departures and increased competition. The fund does not hold a position in Apple Inc. While we acknowledge the company's innovations, we historically have had concerns with the lack of visibility into its business and its high dependence on a single product. We also have questioned the sustainability of Apple's revenue growth and margin profile over longer periods.

Stock selection in the financials, healthcare and communication services sectors were headwinds for fund performance over the review period. The largest contributors to performance among individual holdings included diversified financial services company The Charles Schwab Corp.; pharmaceutical firm Abbvie Inc; and home improvement retailer Lowe's Companies Inc.

The Charles Schwab Corp. saw healthy year-over-year revenue and earnings growth for the fourth quarter of its 2021 fiscal year. The company's results were bolstered by significant increases in net interest and trading revenues, along with asset management and administration fees, which offset lower bank deposit account fees. Abbvie's stock price rose during the quarter as investors became more comfortable about both the impact that US Food and Drug Administration's actions should have on sales of Rinvoq, the company's rheumatoid arthritis treatment drug, as well as other factors that muted the impact. Abbvie's reiteration of expectations for a dip in growth in 2023 (for Humira biosimilar drugs), followed by growth in its hidradenitis suppurativa disease treatments to finish out the decade, also bolstered the stock's performance. Shares of Lowe's Companies performed well over the period due to the pace and consistency of margin expansion, resulting from its strategic plan to improve operations.

### Portfolio Outlook and Strategy

The US equity market got off to a rocky start in 2022 as investors became more concerned about inflation, looming interest-rate hikes by the Fed, corporate profitability headwinds, and geopolitical tensions. Consequently, investors have quickly reassessed their portfolio positioning, resulting in a general "risk-off" environment to start the year. Inflation is at the heart of many investors' concerns due to its impact on Fed policy and corporate outlooks. Coming out of the Covid-19 pandemic, demand for most goods and services surged thanks to the general reopening of economies globally, supplemented by healthy consumer spending following multiple rounds of stimulus. However, supplies of key raw materials remain limited because of Covid-19-induced supply-chain disruptions and/or capacity retirements implemented during the pandemic. This combination of strong consumer demand, restricted supply, and congested supply chains has pushed inflation to 30+-year highs. As a result, the Fed has no choice but tighten monetary policy through interest-rate hikes and balance-sheet reduction more quickly than originally expected. Investors historically have experienced anxiety during the early stages of a rate-hike cycle because of the potential for "over-tightening," meaning that higher rates lead to slower economic growth and recession in a worst-case scenario.



# ASI American Equity Fund

## Continued

From our perspective, the market environment at the beginning of 2022 has been interesting, if not difficult to navigate, for equity investors. The sharp and swift rotation towards value-centric areas of the market and commodities in early January was unsurprising, in our opinion, given the markets' recalibration to adjust for higher inflation and interest rates. In contrast, the last half of the month witnessed widespread and indiscriminate selling, which we haven't experienced in recent times.

### **North American Equity Team**

February 2022

# ASI American Equity Fund

## 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	3	5	6	7

Risk and reward indicator table as at 31 January 2022.

The fund is rated as 6 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.
- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector.
- 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 going into administration.

# Comparative Tables

<b>A Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	79,919	80,101	74,862	79,995
Closing number of shares	2,014,737	2,051,056	2,400,746	2,664,410
Closing net asset value per share (pence)	3,966.73	3,905.33	3,118.29	3,002.37
Change in net asset value per share	1.57%	25.24%	3.86%	15.58%
Operating charges	1.29%	1.32%	1.32%	1.42%
<b>I Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	54,362	55,231	48,777	52,892
Closing number of shares	1,225,284	1,267,336	1,408,077	1,592,846
Closing net asset value per share (pence)	4,436.65	4,358.08	3,464.11	3,320.61
Change in net asset value per share	1.80%	25.81%	4.32%	16.22%
Operating charges	0.84%	0.87%	0.87%	0.87%
<b>M Accumulation<sup>A</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	59	56	66	-
Closing number of shares	37,652	36,033	52,595	100
Closing net asset value per share (pence)	157.71	154.96	123.23	117.98
Change in net asset value per share	1.77%	25.75%	4.45%	17.98%
Operating charges	0.89%	0.92%	0.92%	0.92%
<b>Z Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	20	4,564	2,980	6,315
Closing number of shares	7,835	1,803,661	1,492,905	3,325,193
Closing net asset value per share (pence)	259.10	253.04	199.63	189.91
Change in net asset value per share	2.39%	26.75%	5.12%	17.09%
Operating charges	0.09%	0.12%	0.12%	0.12%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences.

The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share 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 share class.

<sup>A</sup> M Accumulation share class was launched on 28 November 2018.

# Portfolio Statement

As at 31 January 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>North American Equities (99.08%)</b>		<b>128,128</b>	<b>95.36</b>
<b>Communication Services (11.57%)</b>		<b>13,843</b>	<b>10.30</b>
<b>Media &amp; Entertainment (11.57%)</b>		<b>13,843</b>	<b>10.30</b>
5,249	Alphabet 'A'	10,582	7.87
7,378	Charter Communications	3,261	2.43
<b>Consumer Discretionary (16.06%)</b>		<b>16,966</b>	<b>12.63</b>
<b>Consumer Durables &amp; Apparel (3.67%)</b>		<b>4,911</b>	<b>3.66</b>
44,510	NIKE	4,911	3.66
<b>Retailing (12.39%)</b>		<b>12,055</b>	<b>8.97</b>
3,557	Amazon.com	7,926	5.90
76,966	TJX	4,129	3.07
<b>Consumer Staples (3.20%)</b>		-	-
<b>Food &amp; Staples Retailing (3.20%)</b>		-	-
<b>Financials (15.01%)</b>		<b>27,811</b>	<b>20.70</b>
<b>Banks (2.98%)</b>		<b>8,787</b>	<b>6.54</b>
429,979	Huntington Bancshares	4,827	3.59
35,760	JPMorgan Chase	3,960	2.95
<b>Diversified Financials (12.03%)</b>		<b>19,024</b>	<b>14.16</b>
32,967	American Express	4,420	3.29
17,795	Goldman Sachs	4,702	3.50
13,049	S&P Global	4,035	3.00
89,771	Schwab (Charles)	5,867	4.37

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Health Care (10.14%)</b>		<b>10,469</b>	<b>7.79</b>
<b>Health Care Equipment &amp; Services (3.80%)</b>		<b>4,980</b>	<b>3.70</b>
155,756	Boston Scientific	4,980	3.70
<b>Pharmaceuticals, Biotechnology &amp; Life Sciences (6.34%)</b>		<b>5,489</b>	<b>4.09</b>
53,816	AbbVie	5,489	4.09
<b>Industrials (13.28%)</b>		<b>17,922</b>	<b>13.34</b>
<b>Capital Goods (3.65%)</b>		<b>4,511</b>	<b>3.36</b>
65,820	Emerson Electric	4,511	3.36
<b>Commercial Services &amp; Supplies (3.64%)</b>		<b>5,412</b>	<b>4.03</b>
58,422	Waste Connections (Canada listing)	5,412	4.03
<b>Transportation (5.99%)</b>		<b>7,999</b>	<b>5.95</b>
46,532	Canadian National Railway (US listing)	4,221	3.14
26,347	JB Hunt Transport Services	3,778	2.81
<b>Information Technology (25.21%)</b>		<b>38,605</b>	<b>28.73</b>
<b>Semiconductors &amp; Semiconductor Equipment (2.53%)</b>		<b>7,948</b>	<b>5.91</b>
33,511	Analog Devices	4,095	3.05
72,381	Marvell Technology	3,853	2.86
<b>Software &amp; Services (22.68%)</b>		<b>30,657</b>	<b>22.82</b>
22,612	Mastercard	6,506	4.84
49,276	Microsoft	11,412	8.49
25,587	Nice ADR	4,883	3.64

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
32,900	PayPal	4,215	3.14
27,706	RingCentral 'A'	3,641	2.71
<b>Materials (4.61%)</b>		<b>2,512</b>	<b>1.87</b>
17,789	Ecolab	2,512	1.87
<b>Collective Investment Schemes (1.37%)</b>		<b>4,134</b>	<b>3.08</b>
5,547	Aberdeen Standard Liquidity Fund (Lux) – US Dollar Fund Z1 Inc+	4,134	3.08
Total investment assets		132,262	98.44
Net other assets		2,098	1.56
<b>Total Net Assets</b>		<b>134,360</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules.

The percentage figures in brackets show the comparative holding as at 31 July 2021.

+ Managed by subsidiaries of abrdn plc.

# Financial Statements

## Statement of Total Return

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		2,950		7,963
Revenue	651		717	
Expenses	(781)		(746)	
Net expense before taxation	(130)		(29)	
Taxation	(97)		(102)	
Net expense after taxation		(227)		(131)
<b>Total return before equalisation</b>		<b>2,723</b>		<b>7,832</b>
Equalisation on shares		(3)		1
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>2,720</b>		<b>7,833</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>139,952</b>		<b>126,685</b>
Amounts receivable on the issue of shares	28,154		51,761	
Amounts payable on the cancellation of shares	(36,466)		(62,637)	
		(8,312)		(10,876)
Change in net assets attributable to shareholders from investment activities (see above)		2,720		7,833
<b>Closing net assets attributable to shareholders</b>		<b>134,360</b>		<b>123,642</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. 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 2022

	31 January 2022		31 July 2021	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		132,262		140,587
<b>Current assets:</b>				
Debtors	8,198		243	
Cash and bank balances	210		198	
		8,408		441
<b>Total assets</b>		<b>140,670</b>		<b>141,028</b>
<b>Liabilities:</b>				
Bank overdrafts	(2)		-	
Creditors	(6,308)		(1,076)	
		(6,310)		(1,076)
<b>Total liabilities</b>		<b>(6,310)</b>		<b>(1,076)</b>
<b>Net assets attributable to shareholders</b>		<b>134,360</b>		<b>139,952</b>

### Subsequent event

Investments in financial markets are affected by many factors, many of which have shifted following the outbreak of the conflict in Ukraine. The fund invests in a portfolio of assets, whose values have fallen since the interim period, primarily due to the global market volatility created by the conflict in Ukraine and the longer term uncertainty the conflict brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class A Accumulation was 3.966.73p. The Net Asset Value of share class A Accumulation as at 12 noon on 21 March 2022 was 3,975.66p. This represents a modest increase of 0.23% from the interim period value.



# ASI Asia Pacific and Japan Equity Fund

For the six months ended 31 January 2022

## Investment Objective

To generate growth over the long term (5 years or more) by investing in Asia Pacific, including Japan equities (company shares).

Performance Target: To achieve the return of the MSCI AC Asia Pacific Index plus 3% per annum over rolling three year periods (before 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 ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund invests at least 70% in equities and equity related securities of companies listed, incorporated or domiciled in Asia Pacific including Japan countries, or companies that derive a significant proportion of their revenues or profits or have a significant proportion of their assets there.
- 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 is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the Performance Target, the MSCI AC Asia Pacific Index 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 index, is not ordinarily expected exceed 12.5%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the MSCI AC Asia Pacific Index.

### Derivatives and Techniques

- The fund may use derivatives to reduce risk, 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.

## Performance Review

For the six months ended 31 January 2022, the value of ASI Asia Pacific and Japan Equity Fund – A Accumulation Shares decreased by 3.61% compared to a decrease of 2.01% in the performance target, the MSCI AC Asia Pacific Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) any other damages. ([www.msci.com](http://www.msci.com))

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.

## Market Review

Asia Pacific equities erased early gains to close lower over the six months under review. Market sentiment was dominated by headlines about the Covid-19 pandemic, regulatory uncertainties and property woes in China as well as geopolitical tensions between Russia and Ukraine. Towards the end of the period, investor focus shifted to rising inflation across the globe, which fuelled fears that central banks would have to raise interest rates further and faster than previously expected. This triggered a sharp rotation from growth to value stocks. In this environment, market performance across the region was uneven. Most South-East Asian markets outperformed as economic prospects improved and corporate earnings recovered. Indonesian stocks, which also benefited from strong commodity prices, led gains. Elsewhere, Indian equities rallied amid optimism over the domestic economy. Taiwan was boosted by robust global demand for consumer electronics. However, technology-heavy South Korea was hit hard by the shift away from growth-oriented stocks in the new year. China and Hong Kong were weighed down by the negative developments on the mainland. Japanese equities ended broadly flat amid investor worries that the

# ASI Asia Pacific and Japan Equity Fund

## Continued

new prime minister would raise taxes on financial income, primarily for the wealthy.

### Portfolio Activity

The fund lagged its benchmark, driven largely by negative stock selection in Japan. Medical wiring and catheter manufacturer Asahi Intecc fell on profit-taking. Paint and protective coatings maker Nippon Paint was hurt by concerns over the impact of rising oil prices on the firm's raw materials. A downturn in the Chinese property market weighed further on its stock price. On a more positive note, the position in Tokio Marine mitigated losses as the insurer was buoyed by the announcement of another share buyback.

At the stock level, Korean chemicals producer LG Chem and Singapore internet company Sea were key detractors over the period. Both companies succumbed to the rotation away from high-growth stocks. Other holdings that disappointed included Australian hearing implant maker Cochlear, which underperformed as its guidance fell short of market expectations, and South Korean internet company Kakao Corp, which retreated on concerns over increased political and regulatory scrutiny.

In China, GDS Holdings hampered performance as the data centre operator weakened along with the broader soft sentiment in the Chinese internet sector. Conversely, the underweight to Alibaba, which was plagued by regulatory uncertainties, proved positive. The positions in property developer China Resources Land and cement producer China Conch Venture were also favourable. The former advanced on market expectations that it would be a beneficiary of industry consolidation, given its state-owned enterprise status and established expertise in multi-use and large-scale projects, while the latter was buoyed by rising cement prices.

Another major contributor to performance was Bank Central Asia. The Indonesian bank's solid results highlighted robust underlying business momentum. India-based Tata Consultancy Services also climbed on healthy demand for cloud migration and an uptick in deals driven by business transformation.

In key portfolio activity, we introduced six new holdings in China. Automation equipment maker Shenzhen Inovance has a strong track record, competitive products, diversified revenue streams and cost advantage underpinned by effective supply chain management. A play on the clean tech theme, Sungrow is a leading global supplier of inverters, an essential component of solar projects, that has cost advantage, superior product quality and higher brand awareness compared to domestic peers. Battery manufacturer Contemporary Amperex Technology

offers exposure to the demand for electric car batteries in China, where the company has a dominant market share and synergy within the local supply chain. Shenzhen International is a textile manufacturer that helps make apparel for players like Nike, Adidas, Uniqlo and Puma. Yonyou Network Technology, the country's largest enterprise resource planning (ERP) provider, is growing rapidly as more companies are adopting ERP and migrating to cloud services. Medical equipment maker Shenzhen Mindray Bio-Medical Electronics boasts a diversified portfolio of products targeting essential healthcare services.

In India, we added Maruti Suzuki, the country's largest passenger vehicle company, and SBI Life Insurance, the largest private insurer domestically with a wide reach, highly productive agents and a reputable brand. Two new holdings were initiated in Australia. Hub24 is a specialist platform provider for the country's wealth management industry, while Oz Minerals is a pure play copper producer. In addition, we introduced Nitori, a Japanese home furnishings retailer with a fairly strong competitive edge, Thailand-based Kasikornbank, given its attractive prospects backed by a solid balance sheet, strong branch network and measured approach in digital transformation, as well as Apple's main iPhone supplier Hon Hai Precision Industry because we see room for margin expansion, driven by more favourable pricing and growing iPhone shipments. Finally, we participated in the initial public offering (IPO) of LG Energy Solution, a global market leader in batteries for an array of energy storage requirements such as electric vehicles.

Against these, we exited Ayala Corp and Haitian International on concerns about the impact of a weak economic environment on these businesses. We also divested Beach Energy, ITC, Ping An Insurance, Samsung SDI, Siam Cement and Sysmex to fund better opportunities elsewhere. We sold KakaoBank on the back of its strong share performance following its IPO, given our insignificant IPO allocation.

### Portfolio Outlook and Strategy

Market sentiment remains vulnerable to prevailing concerns over US Federal Reserve tightening and inflation amid the recent spike in the oil price. We are watchful over how monetary policy could change over the course of this year and the impact on borrowing costs, companies, sectors and the broader economy. Another key risk continues to be Omicron with cases rising rapidly across Asia, albeit it seems to be less virulent than previous Covid variants. With vaccinations ramping up across economies, however, most governments across Asia appear to be moving towards a stance of living with Covid. This will

# ASI Asia Pacific and Japan Equity Fund

## Continued

support the normalising of economic activity and as travel resumes, we should expect positive effects for consumption, businesses and the overall growth recovery.

China continues to be a key focus as the government moves towards policy loosening to help stabilise economic growth, especially in the light of the risks from the shake-up in the real estate sector. Meanwhile, geopolitical tensions will continue to drive China's push for self-sufficiency, which in turn presents investment opportunities, whether in the domestic consumption sector, tech, or green energy. We continue to position our portfolio around structural growth themes such as these that will weather the near-term uncertainties.

Despite coronavirus-related disruptions, corporate earnings growth across Asia remains resilient for the most part, led in particular by the robust tech hardware sector. As stock-pickers, we remain focused on companies with pricing power and the ability to pass through cost pressures in the pandemic environment.

Meanwhile, Japanese corporates have recovered as the global economy has picked up. However, inflationary pressures are starting to impact profitability. While some companies are passing higher prices on to their end customers, these actions come with a lag. Separately, the low number of Covid-19 cases in Japan should bolster a return to some normalcy after a tough year. Companies with strong business models and management teams have coped and even thrived in the last two years.

### **Asia Pacific Equity Team**

February 2022

# ASI Asia Pacific and Japan Equity Fund

## 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 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.
- The fund may invest in companies with Variable Interest Entity (VIE) structures in order to gain exposure to industries with foreign ownership restrictions. There is a risk that investments in these structures may be adversely affected by changes in the legal and regulatory framework.
- 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 going into administration.

# Comparative Tables

<b>A Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	33,393	31,915	37,701	32,389
Closing number of shares	11,157,170	10,278,606	14,120,069	12,425,032
Closing net asset value per share (pence)	299.30	310.50	267.00	260.68
Change in net asset value per share	(3.61%)	16.29%	2.42%	8.54%
Operating charges	1.32%	1.54%	1.58%	1.69%
<b>I Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	85,442	88,758	80,867	95,009
Closing number of shares	42,118,878	42,271,003	44,989,209	54,383,792
Closing net asset value per share (pence)	202.86	209.97	179.75	174.70
Change in net asset value per share	(3.39%)	16.81%	2.89%	9.13%
Operating charges	0.87%	1.09%	1.13%	1.13%
<b>M Accumulation<sup>A</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	238	173	176	-
Closing number of shares	174,784	122,711	146,106	100
Closing net asset value per share (pence)	136.39	141.20	120.94	117.50
Change in net asset value per share	(3.41%)	16.75%	2.93%	17.50%
Operating charges	0.92%	1.14%	1.18%	1.18%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences.

The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share 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 share class.

<sup>A</sup> M Accumulation share class was launched on 26 November 2018.

# Portfolio Statement

As at 31 January 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (97.63%)</b>		<b>116,835</b>	<b>98.12</b>
<b>European Equities (1.51%)</b>		<b>2,101</b>	<b>1.76</b>
<b>Netherlands (1.51%)</b>		<b>2,101</b>	<b>1.76</b>
3,569	ASM International	901	0.75
2,419	ASML	1,200	1.01
<b>Japanese Equities (29.77%)</b>		<b>35,809</b>	<b>30.07</b>
93,700	Amada	667	0.56
19,500	As One	711	0.60
48,200	Asahi	1,455	1.22
41,800	Asahi Intecc	526	0.44
104,100	Astellas Pharma	1,246	1.05
50,100	Chugai Pharmaceutical	1,202	1.01
39,300	Daiichi Sankyo	652	0.55
7,400	Daikin Industries	1,140	0.96
24,600	Denso	1,351	1.13
6,200	FANUC	901	0.76
17,100	Hoya	1,632	1.37
109,300	Japan Exchange	1,662	1.40
42,000	Kansai Paint	644	0.54
6,400	Keyence	2,410	2.02
14,400	Koito Manufacturing	531	0.45
22,800	Makita	627	0.53
39,100	MISUMI	935	0.78
19,400	Murata Manufacturing	1,071	0.90
18,400	NEC	528	0.44
90,500	Nippon Paint	532	0.45
73,400	Nippon Sanso	1,074	0.90
5,700	Nitori	605	0.51
16,700	Otsuka	500	0.42
67,200	Recruit	2,432	2.04
18,900	Shin-Etsu Chemical	2,327	1.95
18,000	Shiseido	671	0.56

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
28,800	Sony	2,369	1.99
36,700	Tokio Marine	1,620	1.36
207,900	Toyota Motor	3,019	2.53
38,400	Welcia	769	0.65
<b>Pacific Basin Equities (65.39%)</b>		<b>77,942</b>	<b>65.46</b>
<b>Australia (10.86%)</b>		<b>12,554</b>	<b>10.54</b>
64,518	Aristocrat Leisure	1,355	1.14
63,889	BHP	1,499	1.26
12,425	Cochlear	1,250	1.05
13,066	CSL	1,784	1.50
88,064	Goodman REIT	1,072	0.90
20,839	HUB24	293	0.24
16,819	Macquarie	1,621	1.36
108,802	Megaport	764	0.64
204,520	Nanosonics	542	0.45
102,620	National Australia Bank	1,461	1.23
72,408	OZ Minerals	913	0.77
<b>China (16.53%)</b>		<b>20,446</b>	<b>17.17</b>
122,200	Alibaba	1,332	1.12
206,500	China Conch Venture	731	0.61
174,900	China Merchants Bank 'A'	1,005	0.84
51,500	China Tourism Duty Free 'A'	1,243	1.04
9,600	Contemporary Amperex Technology 'A'	665	0.56
128,700	GDS 'A'	451	0.38
13,974	GDS ADR	456	0.38
104,000	Glodon 'A'	747	0.63
38,300	Hangzhou Tigermed Consulting 'A'	462	0.39
17,200	Hangzhou Tigermed Consulting 'H'	133	0.11
5,161	JD.com 'A'	138	0.12
109,320	LONGi Green Energy Technology 'A'	895	0.75
244,800	NARI Technology 'A'	1,001	0.84

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
86,800	Shenzhen Inovance Technology 'A'	608	0.51
19,400	Shenzhen Mindray Bio-Medical Electronics 'A'	733	0.62
64,600	Shenzhou International	884	0.74
70,331	Sungrow Power Supply 'A'	937	0.79
108,400	Tencent	4,889	4.11
98,200	Wanhua Chemical 'A'	1,037	0.87
113,500	Wuxi Biologics (Cayman)	824	0.69
84,000	Yonyou Network Technology 'A'	343	0.29
31,400	Yunnan Energy New Material 'A'	932	0.78
<b>Hong Kong (5.76%)</b>		<b>6,199</b>	<b>5.21</b>
339,600	AIA	2,618	2.20
627,600	Budweiser Brewing	1,233	1.04
102,000	China Resources Gas	380	0.32
286,000	China Resources Land	1,027	0.86
22,448	Hong Kong Exchanges & Clearing	941	0.79
<b>India (7.40%)</b>		<b>9,925</b>	<b>8.33</b>
57,406	Hindustan Unilever	1,304	1.09
88,871	Housing Development Finance	2,235	1.88
71,579	Kotak Mahindra Bank	1,328	1.12
13,349	Maruti Suzuki India	1,142	0.96
56,356	SBI Life Insurance	695	0.58
37,718	Tata Consultancy Services	1,410	1.18
24,778	UltraTech Cement	1,784	1.50
30,279	Zomato	27	0.02
<b>Indonesia (1.42%)</b>		<b>1,633</b>	<b>1.37</b>
4,132,000	Bank Central Asia	1,633	1.37



# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Macau (0.75%)</b>		<b>475</b>	<b>0.40</b>
232,400	Sands China	475	0.40
<b>New Zealand (2.64%)</b>		<b>2,532</b>	<b>2.13</b>
148,079	Auckland International Airport	516	0.43
68,864	Fisher & Paykel Healthcare	949	0.80
18,059	Xero	1,067	0.90
<b>Philippines (1.25%)</b>		<b>1,107</b>	<b>0.93</b>
906,900	Ayala Land REIT	475	0.40
440,341	Bank of the Philippine Islands	632	0.53
<b>Singapore (2.94%)</b>		<b>4,006</b>	<b>3.37</b>
82,884	DBS	1,608	1.35
212,448	Oversea-Chinese Banking	1,460	1.23
8,360	Sea ADR	938	0.79
<b>South Korea (9.32%)</b>		<b>8,500</b>	<b>7.14</b>
13,353	Kakao	701	0.59
4,817	LG Chemical	1,903	1.60
144	LG Energy Solution	40	0.03
2,078	Samsung Biologics	949	0.80
119,694	Samsung Electronics (Preference)	4,907	4.12
<b>Taiwan (6.22%)</b>		<b>9,905</b>	<b>8.32</b>
133,000	Delta Electronic	953	0.80
435,000	Hon Hai Precision	1,189	1.00
455,504	Taiwan Semiconductors Manufacturing	7,763	6.52

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Thailand (0.30%)		660	0.55
197,800	Kasikornbank (Alien Market)	660	0.55
UK Equities (0.96%)		983	0.83
Basic Materials (0.96%)		983	0.83
18,955	Rio Tinto	983	0.83
Total investment assets		116,835	98.12
Net other assets		2,238	1.88
<b>Total Net Assets</b>		<b>119,073</b>	<b>100.00</b>

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 31 July 2021.

# Financial Statements

## Statement of Total Return

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(4,354)		26,782
Revenue	854		872	
Expenses	(605)		(849)	
Net revenue before taxation	249		23	
Taxation	(137)		(284)	
Net revenue/(expense) after taxation		112		(261)
<b>Total return before equalisation</b>		<b>(4,242)</b>		<b>26,521</b>
Equalisation on shares		1		2
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(4,241)</b>		<b>26,523</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>120,846</b>		<b>118,744</b>
Amounts receivable on the issue of shares	16,003		5,260	
Amounts payable on the cancellation of shares	(13,535)		(13,707)	
		2,468		(8,447)
Change in net assets attributable to shareholders from investment activities (see above)		(4,241)		26,523
<b>Closing net assets attributable to shareholders</b>		<b>119,073</b>		<b>136,820</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. 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 2022

	31 January 2022		31 July 2021	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		116,835		117,982
<b>Current assets:</b>				
Debtors	220		2,203	
Cash and bank balances	3,226		1,544	
		3,446		3,747
<b>Total assets</b>		<b>120,281</b>		<b>121,729</b>
<b>Liabilities:</b>				
Provisions for liabilities		(296)		(251)
Creditors	(912)		(632)	
		(912)		(632)
<b>Total liabilities</b>		<b>(1,208)</b>		<b>(883)</b>
<b>Net assets attributable to shareholders</b>		<b>119,073</b>		<b>120,846</b>

### Subsequent event

Investments in financial markets are affected by many factors, many of which have shifted following the outbreak of the conflict in Ukraine. The fund invests in a portfolio of assets, whose values have fallen since the interim period, primarily due to the global market volatility created by the conflict in Ukraine and the longer term uncertainty the conflict brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class A Accumulation was 299.30p. The Net Asset Value of share class A Accumulation as at 12 noon on 21 March 2022 was 289.83p. This represents a modest decrease of 3.16% from the interim period value.

# ASI Asia Pacific Equity Fund

For the six months ended 31 January 2022

## Investment Objective

To generate growth over the long term (5 years or more) by investing in Asia Pacific, excluding Japan equities (company shares).

Performance Target: To achieve the return of the MSCI AC Asia Pacific ex Japan Index plus 3% per annum over rolling three year periods (before 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 ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund invests at least 70% in equities and equity related securities of companies listed, incorporated or domiciled in Asia Pacific excluding Japan countries, or companies that derive a significant proportion of their revenues or profits or have a significant proportion of their assets there.
- 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 is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the Performance Target, the MSCI AC Asia Pacific ex Japan Index 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 index, is not ordinarily expected to exceed 12.5%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the MSCI AC Asia Pacific ex Japan Index over the long term.

### Derivatives and Techniques

- The fund may use derivatives to reduce risk, 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.

## Performance Review

For the six months ended 31 January 2022, the value of ASI Asia Pacific Equity Fund – A Accumulation Shares decreased by 2.47% compared to a decrease of 3.07% in the performance target, the MSCI AC Asia Pacific ex Japan Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) any other damages. ([www.msci.com](http://www.msci.com))

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.

## Market Review

Asia Pacific equities erased early gains to close lower over the six months under review. Market sentiment was dominated by headlines about the Covid-19 pandemic, regulatory uncertainties and property woes in China as well as geopolitical tensions between Russia and Ukraine. Towards the end of the period, investor focus shifted to rising inflation across the globe, which fuelled fears that central banks would have to raise interest rates further and faster than previously expected. This triggered a sharp rotation from growth to value stocks. In this environment, market performance across the region was uneven. South-East Asian markets outperformed as economic prospects improved and corporate earnings recovered. Indonesian stocks, which also benefited from strong commodity prices, led gains. In North Asia, Taiwan was boosted by robust global demand for consumer electronics. However, technology-heavy South Korea was hit hard by the shift away from growth-oriented stocks in the new year. China and Hong Kong were weighed down by the negative developments on the mainland. Elsewhere, Indian equities rallied amid optimism over the domestic economy.

# ASI Asia Pacific Equity Fund

## Continued

### Portfolio Activity

The fund outpaced its benchmark, driven largely by the relatively light exposure to China and our stock picks there. The underweight to Alibaba, which was plagued by regulatory uncertainties, proved positive. China Resources Land advanced on market expectations that the developer will be a beneficiary of industry consolidation, given its state-owned enterprise status and established expertise in multi-use and large-scale projects. Rising cement prices lifted China Conch Venture. Not holding electric vehicle maker Nio was also favourable. However, the position in GDS Holdings hindered performance as the data centre operator weakened along with the broader soft sentiment in the Chinese internet sector. Wuxi Biologics came under pressure amid concerns that the US might place some Chinese biotechnology companies on its restricted entity list; the company remains a long-term beneficiary of China's drive for self-sufficiency.

Sector-wise, our bank holdings fared well. Bank Central Asia was the top contributor over the period. The Indonesian bank's solid results highlighted robust underlying business momentum. Singapore lender DBS Group rose as investors gravitated towards companies that will gain from interest rate increases. In the information technology sector, chipmaker Taiwan Semiconductor Manufacturing Co benefited from the attractive supply and demand dynamics for the semiconductor industry. India-based Tata Consultancy Services climbed on healthy demand for cloud migration and an uptick in deals driven by business transformation.

Among the key detractors were Korean chemicals producer LG Chem, which declined amid the rotation away from growth stocks, and Sands China, which struggled on lacklustre sentiment towards the Macau gaming sector. We exited the latter over the period. In Australia, hearing implant maker Cochlear underperformed as its guidance fell short of market expectations.

In key portfolio activity, we introduced six new holdings in China. Automation equipment maker Shenzhen Inovance has a strong track record, competitive products, diversified revenue streams and cost advantage underpinned by effective supply chain management. A play on the clean tech theme, Sungrow is a leading global supplier of inverters, an essential component of solar projects, that has cost advantage, superior product quality and higher brand awareness compared to domestic peers. Battery manufacturer Contemporary Amperex Technology offers exposure to the demand for electric car batteries in China, where the company has a dominant market share and synergy within the local supply chain.

Shenzhou International is a textile manufacturer that helps make apparel for players like Nike, Adidas, Uniqlo and Puma. Yonyou Network Technology, the country's largest enterprise resource planning (ERP) provider, is growing rapidly as more companies are adopting ERP and migrating to cloud services. Medical equipment maker Shenzhen Mindray Bio-Medical Electronics boasts a diversified portfolio of products targeting essential healthcare services.

In addition, we initiated Thailand-based Kasikornbank, given its attractive prospects backed by a solid balance sheet, strong branch network and measured approach in digital transformation, as well as Apple's main iPhone supplier Hon Hai Precision Industry because we see room for margin expansion, driven by more favourable pricing and growing iPhone shipments. The company is also broadening its business into electric vehicle-related opportunities. At the same time, we added Maruti Suzuki, India's largest passenger vehicle company, and Oz Minerals, a pure play copper producer. Finally, we participated in the initial public offering (IPO) of LG Energy Solution, a global market leader in batteries for an array of energy storage requirements such as electric vehicles.

Against these, we fully exited the China A Share fund as we moved to direct holdings. We also divested City Developments, ITC, Ping An Insurance, Samsung SDI, Sands China, Shanghai International Airport and Zomato to fund better opportunities elsewhere. We sold KakaoBank on the back of its strong share performance following its IPO, given our insignificant IPO allocation.

### Portfolio Outlook and Strategy

Market sentiment remains vulnerable to prevailing concerns over US Federal Reserve tightening and inflation amid the recent spike in the oil price. We are watchful over how monetary policy could change over the course of this year and the impact on borrowing costs, companies, sectors and the broader economy. Another key risk continues to be Omicron with cases rising rapidly across Asia, albeit it seems to be less virulent than previous Covid variants. With vaccinations ramping up across economies, however, most governments across Asia appear to be moving towards a stance of living with Covid. This will support the normalising of economic activity and as travel resumes, we should expect positive effects for consumption, businesses and the overall growth recovery.

China continues to be a key focus as the government moves towards policy loosening to help stabilise economic growth, especially in the light of the risks from the shake-up in the real estate sector. Meanwhile, geopolitical tensions will continue to drive China's push for self-sufficiency,

# ASI Asia Pacific Equity Fund

## Continued

which in turn presents investment opportunities, whether in the domestic consumption sector, tech, or green energy. We continue to position our portfolio around structural growth themes such as these that will weather the near-term uncertainties.

Lastly, despite coronavirus-related disruptions, corporate earnings growth across Asia remains resilient for the most part, led in particular by the robust tech hardware sector. As stock-pickers, we remain focused on companies with pricing power and the ability to pass through cost pressures in the pandemic environment.

### **Asia Pacific Equity Team**

February 2022

# ASI Asia Pacific Equity Fund

## 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 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.
- The fund may invest in companies with Variable Interest Entity (VIE) structures in order to gain exposure to industries with foreign ownership restrictions. There is a risk that investments in these structures may be adversely affected by changes in the legal and regulatory framework.
- 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 going into administration.



# Comparative Tables

<b>A Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	253,417	267,455	241,441	259,027
Closing number of shares	73,980,047	76,011,182	80,168,848	86,782,562
Closing net asset value per share (pence)	342.55	351.86	301.17	298.48
Change in net asset value per share	(2.65%)	16.83%	0.90%	9.98%
Operating charges	1.30%	1.59%	1.65%	1.77%
<b>A Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	24,929	25,850	20,691	22,955
Closing number of shares	8,180,835	8,258,508	7,723,137	8,605,338
Closing net asset value per share (pence)	304.73	313.01	267.91	266.75
Change in net asset value per share	(2.65%)	16.83%	0.43%	9.36%
Operating charges	1.30%	1.59%	1.65%	1.77%
<b>I Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	390,262	419,416	406,008	458,849
Closing number of shares	103,245,271	108,266,155	122,999,423	140,893,971
Closing net asset value per share (pence)	378.00	387.39	330.09	325.67
Change in net asset value per share	(2.42%)	17.36%	1.36%	10.59%
Operating charges	0.85%	1.14%	1.20%	1.21%
<b>I Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	30,594	37,161	29,594	28,261
Closing number of shares	17,530,443	20,777,099	19,334,319	18,549,189
Closing net asset value per share (pence)	174.52	178.86	153.06	152.36
Change in net asset value per share	(2.43%)	16.86%	0.46%	9.45%
Operating charges	0.85%	1.14%	1.20%	1.21%
<b>K Accumulation<sup>A</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	
Closing net asset value (£'000)	285,658	292,391	279,034	
Closing number of shares	232,206,205	232,206,205	261,260,300	
Closing net asset value per share (pence)	123.02	125.92	106.80	
Change in net asset value per share	(2.30%)	17.90%	6.80%	
Operating charges	0.60%	0.68%	0.69%	

# Comparative Tables

## Continued

<b>M Accumulation<sup>b</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	73	75	83	-
Closing number of shares	52,859	52,749	68,730	100
Closing net asset value per share (pence)	138.11	141.58	120.68	118.82
Change in net asset value per share	(2.45%)	17.32%	1.57%	18.82%
Operating charges	0.90%	1.19%	1.25%	1.26%
<b>M Income<sup>c</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	25	25	22	-
Closing number of shares	18,279	18,265	18,224	100
Closing net asset value per share (pence)	134.69	138.07	118.16	117.28
Change in net asset value per share	(2.45%)	16.85%	0.75%	17.28%
Operating charges	0.90%	1.19%	1.25%	1.26%
<b>Z Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	7,479	9,111	8,861	6,918
Closing number of shares	1,717,413	2,048,883	2,361,364	1,887,420
Closing net asset value per share (pence)	435.50	444.64	375.26	366.55
Change in net asset value per share	(2.06%)	18.49%	2.38%	11.70%
Operating charges	0.10%	0.18%	0.20%	0.21%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences.

The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share 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 share class.

<sup>a</sup>K Accumulation share class was launched on 15 August 2019.

<sup>b</sup>M Accumulation share class was launched on 26 November 2018.

<sup>c</sup>M Income share class was launched on 26 November 2018.

# Portfolio Statement

As at 31 January 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (97.24%)</b>		<b>981,732</b>	<b>98.92</b>
<b>European Equities (2.88%)</b>		<b>32,163</b>	<b>3.24</b>
<b>Netherlands (2.88%)</b>		<b>32,163</b>	<b>3.24</b>
39,453	ASM International	9,955	1.00
44,753	ASML	22,208	2.24
<b>Pacific Basin Equities (91.13%)</b>		<b>923,143</b>	<b>93.02</b>
<b>Australia (10.34%)</b>		<b>91,389</b>	<b>9.21</b>
596,903	Aristocrat Leisure	12,538	1.26
948,446	BHP	22,255	2.24
133,236	Cochlear	13,399	1.35
205,971	CSL	28,122	2.84
655,100	Goodman REIT	7,971	0.80
563,630	OZ Minerals	7,104	0.72
<b>China (23.85%)</b>		<b>253,456</b>	<b>25.54</b>
1,688,000	Alibaba	18,394	1.85
2,238,300	China Conch Venture	7,927	0.80
2,938,301	China Merchants Bank 'A'	16,892	1.70
701,102	China Tourism Duty Free 'A'	16,921	1.71
80,952	Contemporary Amperex Technology 'A'	5,605	0.56
1,615,300	GDS 'A'	5,659	0.57
65,297	GDS ADR	2,133	0.22
841,000	Glodon 'A'	6,044	0.61
308,778	Hangzhou Tigermed Consulting 'A'	3,725	0.38
140,300	Hangzhou Tigermed Consulting 'H'	1,088	0.11
72,538	JD.com 'A'	1,937	0.20
61,823	Kweichow Moutai 'A'	13,632	1.37
742,801	LONGi Green Energy Technology 'A'	6,084	0.61
2,396,367	NARI Technology 'A'	9,801	0.99
719,162	Shenzhen Inovance Technology 'A'	5,040	0.51
238,800	Shenzhen Mindray Bio-Medical Electronics 'A'	9,021	0.91

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
648,100	Shenzhou International	8,865	0.89
710,100	Sungrow Power Supply 'A'	9,457	0.95
1,523,300	Tencent	68,698	6.92
895,488	Wanhua Chemical 'A'	9,454	0.95
1,418,500	Wuxi Biologics (Cayman)	10,298	1.04
1,402,100	Yonyou Network Technology 'A'	5,719	0.58
372,720	Yunnan Energy New Material 'A'	11,062	1.11
<b>Hong Kong (10.52%)</b>		<b>92,713</b>	<b>9.34</b>
6,682,200	AIA	51,514	5.19
6,034,300	Budweiser Brewing	11,853	1.20
516,000	China Resources Gas	1,924	0.19
2,244,000	China Resources Land	8,054	0.81
462,178	Hong Kong Exchanges & Clearing	19,368	1.95
<b>India (11.09%)</b>		<b>131,637</b>	<b>13.26</b>
843,133	Hindustan Unilever	19,153	1.93
1,333,746	Housing Development Finance	33,545	3.38
842,469	Kotak Mahindra Bank	15,627	1.57
118,145	Maruti Suzuki India	10,108	1.02
1,471,263	SBI Life Insurance	18,149	1.83
592,590	Tata Consultancy Services	22,155	2.23
179,207	UltraTech Cement	12,900	1.30
<b>Indonesia (1.87%)</b>		<b>20,785</b>	<b>2.10</b>
52,599,500	Bank Central Asia	20,785	2.10
<b>Macau (0.96%)</b>		<b>-</b>	<b>-</b>

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>New Zealand (1.58%)</b>		<b>13,755</b>	<b>1.39</b>
426,954	Fisher & Paykel Healthcare	5,886	0.59
133,191	Xero	7,869	0.80
<b>Philippines (1.21%)</b>		<b>13,480</b>	<b>1.36</b>
15,603,640	Ayala Land REIT	8,179	0.83
3,695,682	Bank of the Philippine Islands	5,301	0.53
<b>Singapore (4.84%)</b>		<b>55,672</b>	<b>5.61</b>
1,330,098	DBS	25,808	2.60
3,182,718	Oversea-Chinese Banking	21,878	2.20
71,163	Sea ADR	7,986	0.81
<b>South Korea (13.80%)</b>		<b>108,099</b>	<b>10.89</b>
106,867	Kakao	5,610	0.57
44,273	LG Chemical	17,492	1.76
1,219	LG Energy Solution	339	0.03
23,129	Samsung Biologics	10,568	1.06
1,807,398	Samsung Electronics (Preference)	74,090	7.47
<b>Taiwan (10.54%)</b>		<b>131,405</b>	<b>13.24</b>
2,202,000	Delta Electronic	15,785	1.59
5,943,000	Hon Hai Precision	16,244	1.64
5,830,827	Taiwan Semiconductors Manufacturing	99,376	10.01
<b>Thailand (0.53%)</b>		<b>10,752</b>	<b>1.08</b>
1,639,400	Kasikornbank (Alien Market)	5,468	0.55
613,100	Siam Cement (Alien Market)	5,284	0.53

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>UK Equities (3.23%)</b>		<b>26,426</b>	<b>2.66</b>
<b>Basic Materials (1.27%)</b>		<b>7,382</b>	<b>0.74</b>
142,392	Rio Tinto	7,382	0.74
<b>Financials (1.96%)</b>		<b>19,044</b>	<b>1.92</b>
819,378	Aberdeen China Investment+	5,523	0.56
1,003,400	Aberdeen Standard Asia Focus+	13,521	1.36
<b>Collective Investment Schemes (0.50%)</b>		<b>-</b>	<b>-</b>
Total investment assets		981,732	98.92
Net other assets		10,705	1.08
<b>Total Net Assets</b>		<b>992,437</b>	<b>100.00</b>

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 31 July 2021.

+ Managed by subsidiaries of abrdn plc.

# Financial Statements

## Statement of Total Return

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(25,877)		231,945
Revenue	7,930		6,346	
Expenses	(4,783)		(6,203)	
Interest payable and similar charges	(1)		-	
Net revenue before taxation	3,146		143	
Taxation	(1,382)		(2,924)	
Net revenue/(expense) after taxation		1,764		(2,781)
<b>Total return before equalisation</b>		<b>(24,113)</b>		<b>229,164</b>
Equalisation on shares		(84)		(57)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(24,197)</b>		<b>229,107</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>1,051,484</b>		<b>985,734</b>
Amounts receivable on the issue of shares	3,655		18,704	
Amounts payable on the cancellation of shares	(38,505)		(55,056)	
		(34,850)		(36,352)
Change in net assets attributable to shareholders from investment activities (see above)		(24,197)		229,107
<b>Closing net assets attributable to shareholders</b>		<b>992,437</b>		<b>1,178,489</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. 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 2022

	31 January 2022		31 July 2021	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		981,732		1,027,772
<b>Current assets:</b>				
Debtors	7,937		8,317	
Cash and bank balances	15,859		19,904	
		23,796		28,221
<b>Total assets</b>		<b>1,005,528</b>		<b>1,055,993</b>
<b>Liabilities:</b>				
Investment liabilities		-		(2,471)
Provisions for liabilities		(3,406)		-
Creditors	(9,685)		(1,878)	
Distribution payable	-		(160)	
		(9,685)		(2,038)
<b>Total liabilities</b>		<b>(13,091)</b>		<b>(4,509)</b>
<b>Net assets attributable to shareholders</b>		<b>992,437</b>		<b>1,051,484</b>

### Subsequent event

Investments in financial markets are affected by many factors, many of which have shifted following the outbreak of the conflict in Ukraine. The fund invests in a portfolio of assets, whose values have fallen since the interim period, primarily due to the global market volatility created by the conflict in Ukraine and the longer term uncertainty the conflict brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class A Accumulation was 342.55p. The Net Asset Value of share class A Accumulation as at 12 noon on 21 March 2022 was 328.28p. This represents a modest decrease of 4.17% from the interim period value.



# ASI China A Share Equity Fund

For the six months ended 31 January 2022

## Investment Objective

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

Performance Target: To achieve the return of the MSCI China A Onshore Index, plus 3% per annum over rolling three year periods (before 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 ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 70% in China A equities of companies listed on Chinese Stock Exchanges authorised by the China Securities Regulatory Commission. The fund may also invest in China A equities through RQFII, the Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect programme in equities and equity related securities.
- The fund may also invest in China B equities, China H equities and participator notes.
- 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 sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the Performance Target, the MSCI China A Onshore Index 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 index, is not ordinarily expected to exceed 12.5%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the MSCI China A Onshore Index.

## Derivatives and Techniques

- The fund may use derivatives to reduce risk, 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.

## Performance Review

For the six months ended 31 January 2022, the value of ASI China A Share Equity Fund – M Accumulation Shares increased by 0.57% compared to a decrease of 1.14% in the performance target, the MSCI China A Onshore Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) any other damages. ([www.msci.com](http://www.msci.com))

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.

## Market Review

Chinese 'A' shares fell over the six months to the end of January 2022. The beginning of the period was characterised by frenetic and unexpected regulatory intervention by the Government focusing on the tech sector, and later spreading to other areas of the economy. In September, the volatility and uncertainty triggered concerns about debt-ridden Evergrande, one of China's largest property developers. Swift action by China's central bank, the People's Bank of China (PBoC), averted a collapse of the property group on fears it would miss a scheduled debt. Shares recovered into the end of 2021, driven by upbeat third-quarter corporate results, both domestically and in the US. This was despite major concerns about the emergence of the Omicron variant of Covid-19 and fears about the effectiveness of vaccines against it. However, these concerns subsided somewhat as the new variant appeared less harmful than health officials had predicted.

# ASI China A Share Equity Fund

## Continued

Markets fell sharply in January in what was a tough start to 2022 for global equities. Investors' appetite to hold risk assets was knocked by worries of rising inflation and the resultant increases in interest rates, which are likely to be further and faster than previously expected. Meanwhile, China is moving in the opposite direction. At a time when major central banks are beginning to tighten monetary policy and raise interest rates, the PBoC chose to cut several key lending rates in January, as it grapples with slower growth in the mainland economy.

In terms of economic news, Chinese economy grew by 4.0% year-on-year in the fourth quarter, its slowest quarter since the second quarter of 2020. This followed the less-than-expected 4.9% year-on-year growth in the third quarter, due to a fall in real estate investment. However, the 8.1% annual expansion for 2021 as a whole was the fastest rate of annual growth in nearly a decade as the economy rebounded from the 2020 shock of the pandemic.

### Portfolio Activity

The fund's outperformance was due to strong stock selection, particularly within the information technology (IT), consumer staples and discretionary, and industrials sectors. However, our stock picks in healthcare, underweight positioning in financials and zero exposure to energy and utilities weighed on performance.

In the IT sector, Luxshare Precision Industry performed well on positive expectations over its fourth-quarter results due to pent-up demand and news from Apple on augmented reality/virtual reality. On the negative side, LONGi Green Energy fell, despite the company's attractive long-term outlook, supported by China's carbon-neutral target. The stock was caught up in the January rotation out of some of the higher growth segments of the Chinese equity market, particularly renewable energy and healthcare. Venustech also lagged over the period, after its third-quarter topline growth was slightly softer than expectations. But the order book remains strong.

Within the consumer-facing sectors, baijiu producer Kweichow Moutai added value as the market expected the new chairman to bring more market-driven initiatives. However, fellow baijiu producer Wuliangye Yibin fell due to sluggish consumer demand and worries over regulatory risks. Leading nut producer Chacha Foods also gained due to smooth delivery of a price hike and good monthly shipment momentum, which could support result visibility. Midea Group proved resilient over the period, with the company reporting in-line first half of 2021 results amid a broader market sell-off earlier in the period. On the other hand, China Tourism Group Duty Free was a laggard. A resurgence in Covid-19 cases, amid the spread of the Delta and then Omicron variants, negatively affected its

share price over the period. Foshan Haitian Flavouring and Food also performed poorly.

Elsewhere, in industrials, Nari Technology benefited from its alignment to clean energy objectives and the country's power constraints. The 14th Five-Year Plan underpinned potential for grid investment and a more aggressive grid upgrade. Battery manufacturer Contemporary Amperex Technology (CATL) also performed well. The demand for electric car batteries in China is growing and the company has a dominant market share and synergy within the local supply chain. However, Centre Testing International Group's share price corrected in January on weaker sentiment.

Although our underweight exposure to financials lagged, our stock selection within the sector proved beneficial. China Merchants Bank and Bank of Ningbo were the two main contributors. China Merchants Bank outperformed after announcing a solid quarterly result in January, which demonstrated robust revenue and deposit growth and solid asset quality.

Stock picking in healthcare was disappointing, as names such as Aier Eye Hospital Group and Jiangsu Hengrui Medicine struggled. However, we remain positive about Aier and its long-term fundamentals, while recent share-price weakness was mostly due to a resurgence in Covid-19 cases. Hangzhou Tigermed was also weighed down by concerns that the US might place some Chinese biotechnology companies on its restricted entity list. The stock remains a long-run beneficiary of increasing research and development expenditure by Chinese companies.

In key activity, we initiated a position in Maxscend Microelectronics, a leading radio-frequency front-end player in China, a hardware component maker for customers in the automotive, smart phone and infrastructure spaces. This will add to the fund's exposure to the 'digital' theme, an area where we continue to see good opportunities for growth. Elsewhere, we initiated positions in Shenzhen Inovance and Sungrow Power Supply. Shenzhen Inovance is a leader in China's industrial automation sector with a strong track record, competitive products, diversified revenue streams and cost advantage underpinned by effective supply chain management. Sungrow is well positioned to benefit from multi-year growth in both solar demand, as the leading producer of solar inverters, and a solar energy performance certificate farm operator, as well as energy storage. We also added positions in SG Micro and Naura Technology Group. Both are leaders in China's semiconductor industry, on which we have a positive long-term view. We took advantage of share price volatility to build up positions.

Conversely, we exited Haier Smart Home as we reduced our indirect exposure to the real estate sector.

# ASI China A Share Equity Fund

## Continued

### Outlook

With the Chinese economy slowing, the market is likely to remain volatile and may be hit in the short term. As a result, our bias towards larger-cap and high-quality companies puts the fund on a stronger footing in the current soft economic environment. Given the macroeconomic uncertainties, we remain watchful of developments and will seize any valuation opportunities to ensure we are well positioned to capture long-term, high-quality growth.

In this period of slower growth, we expect that we are entering a period of looser monetary policy, which should support economic activity and a recovery in the coming months. We are closely monitoring our companies and so far, many are on track for meeting full-year guidance.

### Asia Pacific Equity Team

February 2022

# ASI China A Share Equity Fund

## 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 2022.

The fund is rated as 7 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.
- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector.
- The fund invests in Chinese equities. Investing in China involves a greater risk of loss than investing in more developed markets due to, among other factors, greater government intervention, 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 going into administration.

# Comparative Tables

<b>I Accumulation<sup>A</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>
Closing net asset value (£'000)	6,913	6,385	2,129
Closing number of shares	5,279,733	4,880,268	1,768,187
Closing net asset value per share (pence)	130.94	130.84	120.37
Change in net asset value per share	0.08%	8.70%	20.37%
Operating charges	1.18%	1.19%	1.19%
<b>K Accumulation<sup>A</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>
Closing net asset value (£'000)	1	1	1
Closing number of shares	1,000	1,000	1,000
Closing net asset value per share (pence)	132.45	132.01	120.89
Change in net asset value per share	0.33%	9.20%	20.89%
Operating charges	0.68%	0.69%	0.69%
<b>M Accumulation<sup>A</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>
Closing net asset value (£'000)	1,431	1,827	882
Closing number of shares	1,094,318	1,397,435	733,305
Closing net asset value per share (pence)	130.77	130.71	120.31
Change in net asset value per share	0.05%	8.64%	20.31%
Operating charges	1.23%	1.24%	1.24%
<b>Z Accumulation<sup>A</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>
Closing net asset value (£'000)	6,710	6,671	6,076
Closing number of shares	5,000,000	5,000,000	5,000,000
Closing net asset value per share (pence)	134.19	133.42	121.52
Change in net asset value per share	0.58%	9.79%	21.52%
Operating charges	0.18%	0.19%	0.19%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share 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 share class.

<sup>A</sup> The fund was launched on 20 August 2019.

# Portfolio Statement

As at 31 January 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (95.59%)</b>		<b>14,323</b>	<b>95.14</b>
<b>Pacific Basin Equities (95.59%)</b>		<b>14,323</b>	<b>95.14</b>
<b>China (95.59%)</b>		<b>14,323</b>	<b>95.14</b>
83,840	Aier Eye Hospital 'A'	316	2.10
56,800	Anhui Conch Cement 'A'	260	1.73
100,760	Bank of Ningbo 'A'	460	3.06
44,800	Beijing Sinnet Technology 'A'	70	0.46
90,800	By-health 'A'	266	1.77
127,300	Centre Testing International 'A'	314	2.08
41,431	Chacha Food 'A'	265	1.76
8,600	China International Capital 'A'	44	0.29
93,200	China International Capital 'H'	187	1.24
143,700	China Merchants Bank 'A'	826	5.49
38,493	China Tourism Duty Free 'A'	929	6.17
139,100	China Vanke 'H'	267	1.77
10,200	Contemporary Amperex Technology 'A'	706	4.69
33,578	Foshan Haitian Flavouring & Food 'A'	378	2.51
81,300	Fuyao Glass Industry 'A'	452	3.00
50,800	Glodon 'A'	365	2.42
77,300	Guangzhou Baiyun International Airport 'A'	124	0.82
16,000	Hangzhou Tigermed Consulting 'A'	193	1.28
13,800	Hangzhou Tigermed Consulting 'H'	107	0.71
35,840	Hundsun Technologies 'A'	245	1.63
52,400	Inner Mongolia Yili Industrial 'A'	233	1.55
61,840	Jiangsu Hengrui Medicine 'A'	296	1.97
4,900	Kweichow Moutai 'A'	1,080	7.18
57,620	LONGi Green Energy Technology 'A'	472	3.13
59,900	Luxshare Precision Industry 'A'	327	2.17
3,717	Maxscend Microelectronics 'A'	112	0.75
52,200	Midea 'A'	446	2.97
86,540	NARI Technology 'A'	354	2.35
4,600	NAURA Technology 'A'	152	1.01

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
157,900	Ping An Bank 'A'	292	1.94
60,400	Ping An Insurance 'A'	353	2.34
7,300	Proya Cosmetics 'A'	144	0.96
4,600	SG Micro 'A'	148	0.98
35,400	Shanghai International Airport 'A'	209	1.39
46,100	Shanghai M&G Stationery 'A'	295	1.96
32,000	Shenzhen Inovance Technology 'A'	224	1.49
12,700	Shenzhen Mindray Bio-Medical Electronics 'A'	480	3.19
23,700	Sungrow Power Supply 'A'	316	2.10
112,386	Venustech 'A'	322	2.14
28,200	Wanhua Chemical 'A'	298	1.98
18,600	Wuliangye Yibin 'A'	431	2.86
52,791	Yonyou Network Technology 'A'	215	1.43
11,800	Yunnan Energy New Material 'A'	350	2.32
<b>Collective Investment Schemes (0.73%)</b>		<b>108</b>	<b>0.72</b>
108	Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund Z1 Inc+	108	0.72
Total investment assets		14,431	95.86
Net other assets		624	4.14
<b>Total Net Assets</b>		<b>15,055</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2021.  
+ Managed by subsidiaries of abrdn plc.

# Financial Statements

## Statement of Total Return

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		78		2,821
Revenue	9		11	
Expenses	(53)		(30)	
Net expense before taxation	(44)		(19)	
Taxation	(1)		(1)	
Net expense after taxation		(45)		(20)
<b>Total return</b>		<b>33</b>		<b>2,801</b>
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>33</b>		<b>2,801</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>14,884</b>		<b>9,088</b>
Amounts receivable on the issue of shares	900		2,341	
Amounts payable on the cancellation of shares	(762)		(614)	
		138		1,727
Change in net assets attributable to shareholders from investment activities (see above)		33		2,801
<b>Closing net assets attributable to shareholders</b>		<b>15,055</b>		<b>13,616</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. 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 2022

	31 January 2022		31 July 2021	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		14,431		14,336
<b>Current assets:</b>				
Debtors	49		201	
Cash and bank balances	585		505	
		634		706
<b>Total assets</b>		<b>15,065</b>		<b>15,042</b>
<b>Liabilities:</b>				
Creditors	(10)		(158)	
		(10)		(158)
<b>Total liabilities</b>		<b>(10)</b>		<b>(158)</b>
<b>Net assets attributable to shareholders</b>		<b>15,055</b>		<b>14,884</b>

### Subsequent event

Investments in financial markets are affected by many factors, many of which have shifted following the outbreak of the conflict in Ukraine. The fund invests in a portfolio of assets, whose values have fallen since the interim period, primarily due to the global market volatility created by the conflict in Ukraine and the longer term uncertainty the conflict brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class M Accumulation was 130.77p. The Net Asset Value of share class M Accumulation as at 12 noon on 21 March 2022 was 121.34p. This represents a modest decrease of 7.21% from the interim period value.

# ASI Corporate Bond Fund

For the six months ended 31 January 2022

## Investment Objective

To generate income and some growth over the long term (5 years or more) by investing in Sterling denominated investment grade corporate bonds.

Performance Target: To achieve the return of the iBoxx Sterling Collateralized & Corporates Index plus 1% per annum (before 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 ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 60% in Sterling denominated investment grade corporate bonds.
- The fund may also invest in bonds issued anywhere in the world by governments and corporations, such as sub-sovereigns, sub-investment grade, inflation-linked, convertible, asset backed and mortgage-backed bonds. The fund will employ techniques to reduce (hedge) risk related to currency movements on non-Sterling bonds.
- 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 bonds and derivatives after analysing companies prospects and creditworthiness alongside global economic and market conditions.
- In seeking to achieve the performance target, the iBoxx Sterling Collateralized & Corporates Index 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 index is not ordinarily expected to exceed 3.5%. Due to the fund's risk constraints, the intention is that the fund's performance profile will not deviate significantly from the iBoxx Sterling Collateralized & Corporates Index over the longer term.

Please Note: The fund's ability to buy and sell bonds and the associated costs can be affected during periods of market stress which could include periods where interest rates move sharply.

## Derivatives and Techniques

- The fund will routinely use derivatives to reduce risk or reduce cost and/or generate extra income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivatives include instruments used to manage expected changes in interest rates, inflation, currencies or creditworthiness of corporations or governments.

## Performance Review

For the six months ended 31 January 2022, the value of ASI Corporate Bond Fund - A Accumulation Shares decreased by 4.69% compared to a decrease of 5.12% in the performance target, the iBoxx Sterling Collateralized & Corporates Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

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.

## Market Review

Corporate bond prices fell over the period. Investors were challenged by rising inflation, the withdrawal of central bank support and interest rate rises from the Bank of England (BoE). Covid-19 also remained a threat throughout the period. Higher-quality bonds generally underperformed riskier high-yield issues. Short-dated bonds fell less than longer-dated bonds while sterling bonds underperformed global bonds.

Globally, bond prices rose early in the period, even as the US Federal Reserve (Fed) said it would begin offloading corporate bonds bought through its pandemic support plan. However, corporate bonds fell in September as minutes from the Fed's rate-setting committee suggested an increasingly hawkish approach from policymakers. Towards the end of the period, major central banks started to taper their pandemic-era market support programmes and the BoE raised rates. In late November, news of the emergence of the Covid-19 Omicron variant led to a significant sell-off in global risk assets and a strong rally in Treasury yields. However, by the end of December, worries regarding Omicron lessened and risk sentiment recovered, with Treasury yields also rising back up sharply.

# ASI Corporate Bond Fund

## Continued

### Portfolio Activity

In a period of rising rates, shorter-maturity bonds performed well in the portfolio. The top performer was the 2023 bond of Metrocentre, the northern English shopping centre. Similarly, the 2025 bond of Heathrow Airport and the 2026 issue from retailer Next Group outperformed. Within the banking and insurance sector, the fund had exposure to lower-rated issuance via subordinated paper that performed well over the period. Notably, Lloyds and AXA performed well, although the upper tier-2 issue from ANZ and Nat West Group lagged. Ultra long-dated and corporate hybrid holdings detracted, including French majority state-owned utility Electricite de France, Oxford University and the Wellcome Trust. In the property sector, UK housing company Annington and retail centre owner Hammerson also underperformed.

### Portfolio Outlook and Strategy

Inflation, mergers and acquisition activity and pandemic-related issues remain major risks for global investment-grade (IG) credit in 2022. We are cautiously optimistic on Covid-19, although we could yet see more regional lockdowns. If inflation stays high or keeps rising, market tensions will remain and challenge global central banks' patience; indeed, many central banks are accelerating the tapering of their asset purchase programmes. Shrinking central bank support, slowing growth in Europe and China and the potential for more idiosyncratic risks could lead to higher volatility.

IG credit demand remains stable. Patient investors still have money to invest. So, while there are risks of some credit spread widening, it should be met by demand, which we expect to prevent a large sell-off. While rising yields hit returns in 2021, IG bonds are now more appealing.

### Sterling IG and Aggregate Team

February 2022

# ASI Corporate Bond Fund

## 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 2022.

The fund is rated as 4 because of the extent to which the following risk factors apply:

- 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 high yielding bonds which carry a greater risk of default than those with lower yields.
- The fund invests in mortgage and asset-backed securities (which may include collateralised loan, debt or mortgage obligations (respectively CLOs, CDOs or CMOs)). These are subject to prepayment and extension risk and additional liquidity and default risk compared to other credit securities.
- Convertible securities are investments that can be changed into another form upon certain triggers. As such, they can exhibit credit, equity and fixed interest risk. Contingent convertible securities (CoCos) are similar to convertible securities but have additional triggers which mean that they are more vulnerable to losses and volatile price movements and hence become less liquid.
- 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 going into administration.

# Comparative Tables

<b>A Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	2,403	2,788	7,997	2,951
Closing number of shares	1,320,045	1,461,261	4,338,132	1,699,063
Closing net asset value per share (pence)	182.04	190.78	184.34	173.71
Change in net asset value per share	(4.58%)	3.49%	6.12%	7.37%
Operating charges	1.05%	1.07%	1.04%	1.06%
<b>A Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	2,475	2,332	306,068	375,801
Closing number of shares	2,098,463	1,865,182	247,766,425	316,391,933
Closing net asset value per share (pence)	117.92	125.04	123.53	118.78
Change in net asset value per share	(5.69%)	1.22%	4.00%	4.99%
Operating charges	1.05%	1.07%	1.04%	1.06%
<b>I Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	14,167	13,096	38,205	12,835
Closing number of shares	6,623,908	5,856,075	17,760,419	6,359,940
Closing net asset value per share (pence)	213.87	223.63	215.11	201.80
Change in net asset value per share	(4.36%)	3.96%	6.60%	7.87%
Operating charges	0.60%	0.62%	0.59%	0.59%
<b>I Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	42,588	45,747	12,972	12,654
Closing number of shares	34,872,510	35,325,934	10,169,380	10,317,633
Closing net asset value per share (pence)	122.12	129.50	127.56	122.64
Change in net asset value per share	(5.70%)	1.52%	4.01%	5.00%
Operating charges	0.60%	0.62%	0.59%	0.59%
<b>I Gross Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	615	654	654	633
Closing number of shares	251,769	256,107	266,141	287,744
Closing net asset value per share (pence)	244.31	255.47	245.76	230.55
Change in net asset value per share	(4.37%)	3.95%	6.60%	7.86%
Operating charges	0.60%	0.62%	0.59%	0.59%

# Comparative Tables

## Continued

<b>M Accumulation<sup>A</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	20	21	26	-
Closing number of shares	17,465	17,494	21,834	100
Closing net asset value per share (pence)	115.87	121.19	116.63	109.33
Change in net asset value per share	(4.39%)	3.91%	6.68%	9.33%
Operating charges	0.65%	0.67%	0.64%	0.64%
<b>M Income<sup>B</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	1	1	1	-
Closing number of shares	928	928	928	100
Closing net asset value per share (pence)	106.69	113.13	111.42	106.84
Change in net asset value per share	(5.69%)	1.53%	4.29%	6.84%
Operating charges	0.65%	0.67%	0.64%	0.64%
<b>P Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	612	41,676	83,161	89,703
Closing number of shares	530,789	34,109,140	69,106,228	77,532,196
Closing net asset value per share (pence)	115.21	122.19	120.34	115.70
Change in net asset value per share	(5.71%)	1.54%	4.01%	5.00%
Operating charges	0.35%	0.37%	0.34%	0.34%
<b>P Gross Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	20	90	2,761	3,903
Closing number of shares	17,656	71,422	2,227,019	3,273,900
Closing net asset value per share (pence)	118.70	125.88	123.99	119.21
Change in net asset value per share	(5.70%)	1.52%	4.01%	5.00%
Operating charges	0.35%	0.37%	0.34%	0.34%
<b>Q Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	3,284	6,906	343,936	463,453
Closing number of shares	2,860,699	5,671,837	285,839,321	400,623,726
Closing net asset value per share (pence)	114.81	121.75	120.33	115.68
Change in net asset value per share	(5.70%)	1.18%	4.02%	5.00%
Operating charges	0.29%	0.30%	0.27%	0.27%

# Comparative Tables

## Continued

<b>Q Gross Income<sup>c</sup></b>	<b>31 July 2019</b>
Closing net asset value (£'000)	1,969
Closing number of shares	1,651,239
Closing net asset value per share (pence)	119.22
Change in net asset value per share	5.00%
Operating charges	0.27%

<b>Z Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	61,921	65,656	159,389	361,993
Closing number of shares	25,761,935	26,189,242	66,427,040	161,623,206
Closing net asset value per share (pence)	240.36	250.70	239.95	223.97
Change in net asset value per share	(4.12%)	4.48%	7.13%	8.40%
Operating charges	0.10%	0.12%	0.09%	0.09%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences.

The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share 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 share class.

<sup>a</sup> M Accumulation share class was launched on 26 November 2018.

<sup>b</sup> M Income share class was launched on 26 November 2018.

<sup>c</sup> Q Gross Income share class was closed on 14 July 2020.

# Portfolio Statement

As at 31 January 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Bonds (91.82%)</b>		<b>113,854</b>	<b>88.87</b>
<b>Euro Denominated Bonds (1.54%)</b>		<b>1,760</b>	<b>1.37</b>
<b>Corporate Bonds (1.54%)</b>		<b>1,760</b>	<b>1.37</b>
12,850,000	Lehman Brothers 4.625% 2019**	-	-
less than 5 years to maturity			
1,500,000	Cromwell EREIT 2.125% 2025	1,266	0.99
Perpetual			
600,000	Deutsche Bank 4.625% fixed to floating Perpetual	494	0.38
<b>Sterling Denominated Bonds (86.62%)</b>		<b>105,826</b>	<b>82.61</b>
<b>Corporate Bonds (86.44%)</b>		<b>101,925</b>	<b>79.56</b>
less than 5 years to maturity			
2,000,000	BAT International Finance 4% 2026	2,105	1.64
983,000	Ford Motor Credit 2.748% 2024	978	0.76
1,200,000	Gatwick Funding 6.125% 2026	1,370	1.07
1,355,000	Hammerson REIT 6% 2026	1,460	1.14
2,659,000	HSBC 2.256% fixed to floating 2026	2,644	2.06
1,200,000	Informa 3.125% 2026	1,228	0.96
1,700,000	Metrocentre Finance REIT 8.75% 2023	979	0.76
2,374,000	Next 4.375% 2026	2,591	2.02
1,653,000	Westfield Stratford City Finance No 2 1.642% 2026	1,625	1.27
between 5 and 10 years to maturity			
316,000	Anglian Water Osprey Financing 2% 2028	304	0.24
2,600,000	Athene Global Funding 1.875% 2028	2,479	1.94
448,000	Berkeley 2.5% 2031	416	0.32
1,500,000	BNP Paribas 2% fixed to floating 2031	1,444	1.13
1,000,000	Cooperatieve Rabobank 1.875% fixed to floating 2028	981	0.77
2,500,000	CPUK Finance 3.69% 2028	2,686	2.10
446,000	Credit Suisse 2.125% fixed to floating 2029	427	0.33
1,200,000	Danske Bank 2.25% fixed to floating 2028	1,182	0.92



# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
2,200,000	Digital Stout REIT 3.75% 2030	2,380	1.86
1,500,000	Fiserv 3% 2031	1,552	1.21
681,000	General Motors Financial 1.55% 2027	648	0.51
1,200,000	Heathrow Finance 3.875% 2027	1,174	0.92
1,359,000	Heathrow Funding 6.45% 2031	1,760	1.37
2,500,000	Meadowhall Finance 4.986% 2032	1,689	1.32
1,140,000	Meadowhall Finance 4.988% 2032	795	0.62
1,245,000	MPT Operating Partnership REIT 3.692% 2028	1,274	0.99
798,000	National Australia Bank 1.699% fixed to floating 2031	761	0.59
698,000	Smith (DS) 2.875% 2029	706	0.55
1,450,000	Trafford Centre Finance 7.03% 2029	631	0.49
826,000	Virgin Money UK 5.125% fixed to floating 2030	875	0.68
1,800,000	Virgin Money UK 7.875% fixed to floating 2028	1,965	1.53
1,824,000	Workspace REIT 2.25% 2028	1,759	1.37
between 10 and 15 years to maturity			
820,000	Annington Funding 3.685% 2034	840	0.66
1,500,000	Broadgate Financing 5.098% 2033	1,532	1.20
1,472,000	Comcast 1.875% 2036	1,368	1.07
1,500,000	E.ON International Finance 4.75% 2034	1,825	1.42
600,000	Gatwick Funding 4.625% 2034	680	0.53
1,458,000	Greene King Finance FRN 2033	960	0.75
529,000	Intesa Sanpaolo 2.625% 2036	495	0.39
730,000	JPMorgan Chase 1.895% fixed to floating 2033	693	0.54
1,888,000	Lloyds Banking 2.707% fixed to floating 2035	1,807	1.41
500,000	Metropolitan Housing Trust 1.875% 2036	461	0.36
2,000,000	Premiertel 6.175% 2032	1,874	1.46
793,000	Southern Gas Networks 3.1% 2036	801	0.62
2,130,000	Thames Water Utilities Finance 4.375% 2034	2,500	1.95
1,260,000	Welltower REIT 4.5% 2034	1,475	1.15
669,000	Yorkshire Water Finance 1.75% 2032	636	0.50
between 15 and 25 years to maturity			
1,000,000	AT&T 7% 2040	1,520	1.19
830,000	Cadent Finance 2.625% 2038	796	0.62

# Portfolio Statement

As at 31 January 2022 continued

Market value £'000	Percentage of total net assets	Holding	Investment
2,371	1.85	1,740,000	Enel 5.75% 2037
698	0.54	650,000	Eversholt Funding 3.529% 2042
521	0.41	370,000	Midland Heart Capital 5.087% 2044
906	0.71	1,000,000	National Grid Electricity Transmission 2% 2040
1,528	1.19	1,744,000	RMPA Services 5.337% 2038
2,264	1.77	1,938,000	Tesco Property Finance 3 5.744% 2040
1,682	1.31	1,900,000	Verizon Communications 1.875% 2038
780	0.61	600,000	Wheatley Capital 4.375% 2044*
greater than 25 years to maturity			
456	0.36	497,000	Annington Funding 2.924% 2051
1,488	1.16	1,400,000	Aviva 4.375% fixed to floating 2049
1,216	0.95	1,242,000	Channel Link Enterprises Finance 3.043% fixed to floating 2050
1,043	0.81	900,000	Citizen Treasury 3.25% 2048
1,054	0.82	1,000,000	Dignity Finance 4.6956% 2049
591	0.46	400,000	EDF 6% 2114
763	0.60	500,000	Engie 5% 2060
1,065	0.83	1,000,000	NGG Finance 5.625% fixed to floating 2073
1,072	0.84	1,130,000	Ørsted 2.5% fixed to floating 3021
545	0.43	500,000	University of Oxford 2.544% 2117
487	0.38	509,000	Vattenfall 2.5% fixed to floating 2083
471	0.37	500,000	Vodafone 3% 2056
611	0.48	600,000	Vodafone 3.375% 2049
764	0.60	700,000	Wellcome Trust 2.517% 2118
Perpetual			
2,227	1.74	2,100,000	Barclays 6.375% fixed to floating Perpetual
2,229	1.74	1,100,000	Cheltenham & Gloucester 11.75% Perpetual
1,239	0.97	1,200,000	EDF 5.875% fixed to floating Perpetual
1,037	0.81	1,000,000	EDF 6% fixed to floating Perpetual
2,412	1.88	2,304,000	HSBC 5.875% fixed to floating Perpetual
1,541	1.20	1,460,000	Lloyds Banking 7.625% fixed to floating Perpetual
803	0.63	799,000	National Express 4.25% fixed to floating Perpetual
1,466	1.14	1,511,000	NatWest 4.5% fixed to floating Perpetual

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
826,000	NatWest 5.125% fixed to floating Perpetual	842	0.66
2,559,000	NatWest FRN Perpetual	2,622	2.05
<b>Government Bonds (0.18%)</b>		<b>3,901</b>	<b>3.05</b>
greater than 25 years to maturity			
296,000	Mexico (United Mexican States) 5.625% 2114	314	0.25
2,200,000	UK (Govt of) 4.25% 2049	3,587	2.80
<b>US Dollar Denominated Bonds (3.66%)</b>		<b>6,268</b>	<b>4.89</b>
<b>Corporate Bonds (3.66%)</b>		<b>6,268</b>	<b>4.89</b>
between 5 and 10 years to maturity			
1,600,000	Ford Motor Credit 2.9% 2028	1,138	0.89
greater than 25 years to maturity			
494,000	Amazon.com 4.25% 2057	439	0.34
Perpetual			
2,410,000	Australia & New Zealand Banking FRN Perpetual	1,665	1.30
3,000,000	AXA 6.379% fixed to floating Perpetual	3,026	2.36
<b>Collective Investment Schemes (7.50%)</b>		<b>8,260</b>	<b>6.45</b>
1,235,803	ASI European High Yield Bond Fund Z Acc+	1,711	1.34
3,462,311	ASI Strategic Bond Fund Z Acc+	6,549	5.11
<b>Derivatives (-0.83%)</b>		<b>(1,540)</b>	<b>(1.20)</b>
<b>Credit Default Swaps (-0.97%)</b>		<b>(1,362)</b>	<b>(1.06)</b>
EUR 17,200,000	Buy iTraxx Europe Series 35 20/06/2026 5%	(1,456)	(1.13)
EUR 7,000,000	Sell Tesco Senior 20/06/2026 1%	94	0.07

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Forward Currency Contracts (-0.03%)</b>		<b>95</b>	<b>0.07</b>
	Buy EUR 800,000 Sell GBP 680,471 10/03/2022	(11)	(0.01)
	Buy EUR 1,024,000 Sell GBP 853,965 10/03/2022	3	-
	Buy GBP 184,898 Sell EUR 217,000 10/03/2022	3	-
	Buy GBP 3,208,399 Sell EUR 3,760,000 10/03/2022	64	0.05
	Buy GBP 458,826 Sell USD 622,000 10/03/2022	(5)	-
	Buy GBP 6,638,525 Sell USD 8,848,000 10/03/2022	42	0.03
	Buy USD 100,000 Sell GBP 75,408 10/03/2022	(1)	-
<b>Futures (0.17%)</b>		<b>(273)</b>	<b>(0.21)</b>
118	Long Gilt Future 29/03/2022	(339)	(0.26)
(33)	Short Euro-Bobl Future 08/03/2022	57	0.04
(12)	Short US 10 Year Note (CBT) Future 22/03/2022	9	0.01
Total investment assets and liabilities		120,574	94.12
Net other assets		7,532	5.88
<b>Total Net Assets</b>		<b>128,106</b>	<b>100.00</b>

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

The percentage figures in brackets show the comparative holding as at 31 July 2021.

+Managed by subsidiaries of abrdn plc.

\* A portion of this security is on loan at the period end.

\*\* Defaulted.

# Financial Statements

## Statement of Total Return

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(8,446)		11,444
Revenue	2,510		9,779	
Expenses	(267)		(1,506)	
Interest payable and similar charges	(5)		(4)	
Net revenue before taxation	2,238		8,269	
Taxation	-		-	
Net revenue after taxation		2,238		8,269
<b>Total return before distributions</b>		<b>(6,208)</b>		<b>19,713</b>
Distributions		(2,238)		(8,269)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(8,446)</b>		<b>11,444</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>178,967</b>		<b>955,170</b>
Amounts receivable on the issue of shares	6,755		45,515	
Amounts payable on the cancellation of shares	(50,624)		(473,086)	
		(43,869)		(427,571)
Dilution adjustment		178		472
Stamp duty reserve tax		-		(5)
Change in net assets attributable to shareholders from investment activities (see above)		(8,446)		11,444
Retained distribution on accumulation shares		1,271		1,297
Unclaimed distributions		5		4
<b>Closing net assets attributable to shareholders</b>		<b>128,106</b>		<b>540,811</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. 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 2022

	31 January 2022		31 July 2021	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		122,386		178,363
<b>Current assets:</b>				
Debtors	2,096		2,020	
Cash and bank balances	6,293		2,626	
		8,389		4,646
<b>Total assets</b>		<b>130,775</b>		<b>183,009</b>
<b>Liabilities:</b>				
Investment liabilities		(1,812)		(2,102)
Bank overdrafts	(150)		(120)	
Creditors	(325)		(1,196)	
Distribution payable	(382)		(624)	
		(857)		(1,940)
<b>Total liabilities</b>		<b>(2,669)</b>		<b>(4,042)</b>
<b>Net assets attributable to shareholders</b>		<b>128,106</b>		<b>178,967</b>

### Subsequent event

Investments in financial markets are affected by many factors, many of which have shifted following the outbreak of the conflict in Ukraine. The fund invests in a portfolio of assets, whose values have fallen since the interim period, primarily due to the global market volatility created by the conflict in Ukraine and the longer term uncertainty the conflict brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class A Accumulation was 182.04p. The Net Asset Value of share class A Accumulation as at 12 noon on 21 March 2022 was 174.94p. This represents a modest decrease of 3.90% from the interim period value.

# Distribution Tables

For the six months ended 31 January 2022 (in pence per share)

## First interim interest distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 October 2021

	Revenue	Equalisation	Distribution paid 31/01/22	Distribution paid 29/01/21
<b>A Accumulation</b>				
Group 1	0.9560	-	0.9560	0.9724
Group 2	0.7290	0.2270	0.9560	0.9724
<b>A Income</b>				
Group 1	0.6262	-	0.6262	0.6501
Group 2	0.4522	0.1740	0.6262	0.6501
<b>I Accumulation</b>				
Group 1	1.3736	-	1.3736	1.3799
Group 2	0.5005	0.8731	1.3736	1.3799
<b>I Income</b>				
Group 1	0.7954	-	0.7954	0.8187
Group 2	0.4091	0.3863	0.7954	0.8187
<b>I Gross Accumulation</b>				
Group 1	1.5692	-	1.5692	1.5773
Group 2	0.7511	0.8181	1.5692	1.5773
<b>M Accumulation</b>				
Group 1	0.7279	-	0.7279	0.7343
Group 2	0.7279	-	0.7279	0.7343
<b>M Income</b>				
Group 1	0.7111	-	0.7111	0.7585
Group 2	0.7111	-	0.7111	0.7585
<b>P Income</b>				
Group 1	0.8280	-	0.8280	0.8487
Group 2	0.8280	-	0.8280	0.8487
<b>P Gross Income</b>				
Group 1	0.8537	-	0.8537	0.8745
Group 2	0.8537	-	0.8537	0.8745
<b>Q Income</b>				
Group 1	0.8431	-	0.8431	0.8700
Group 2	0.8431	-	0.8431	0.8700
<b>Z Accumulation</b>				
Group 1	1.8557	-	1.8557	1.8438
Group 2	1.1276	0.7281	1.8557	1.8438

# Distribution Tables

For the six months ended 31 January 2022 (in pence per share) continued

## Second interim interest distribution

Group 1 – shares purchased prior to 1 November 2021

Group 2 – shares purchased between 1 November 2021 and 31 January 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
<b>A Accumulation</b>				
Group 1	1.2015	-	1.2015	0.8867
Group 2	0.4248	0.7767	1.2015	0.8867
<b>A Income</b>				
Group 1	0.7836	-	0.7836	0.5908
Group 2	0.2377	0.5459	0.7836	0.5908
<b>I Accumulation</b>				
Group 1	1.6653	-	1.6653	1.2884
Group 2	1.0780	0.5873	1.6653	1.2884
<b>I Income</b>				
Group 1	0.9565	-	0.9565	0.7592
Group 2	0.3617	0.5948	0.9565	0.7592
<b>I Gross Accumulation</b>				
Group 1	1.8986	-	1.8986	1.4719
Group 2	1.5124	0.3862	1.8986	1.4719
<b>M Accumulation</b>				
Group 1	0.8853	-	0.8853	0.6835
Group 2	0.0384	0.8469	0.8853	0.6835
<b>M Income</b>				
Group 1	0.8631	-	0.8631	0.7090
Group 2	0.8631	-	0.8631	0.7090
<b>P Income</b>				
Group 1	0.6791	-	0.6791	0.7940
Group 2	0.6791	-	0.6791	0.7940
<b>P Gross Income</b>				
Group 1	0.9950	-	0.9950	0.8182
Group 2	0.9950	-	0.9950	0.8182
<b>Q Income</b>				
Group 1	0.9874	-	0.9874	0.8161
Group 2	0.9874	-	0.9874	0.8161
<b>Z Accumulation</b>				
Group 1	2.1795	-	2.1795	1.7519
Group 2	0.4993	1.6802	2.1795	1.7519

## Equalisation

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



# ASI Diversified Income Fund

For the six months ended 31 January 2022

## Investment Objective

To generate a positive return through income and some capital growth over the long term (5 years or more) by investing in a globally diversified portfolio of assets whilst reducing the risk of losses. Invested capital is however at risk and there is no guarantee that this will be attained over any time period.

Performance Target: To exceed the return of SONIA by 5% per annum over rolling five year periods (before 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.

SONIA has been chosen as a proxy for the return on cash deposits.

## Investment Policy

### Portfolio Securities

- The fund invests globally in a range of asset classes, derivatives, money-market instruments and cash.
- The fund may also invest in other funds (including those managed by abrdn) to gain exposure to a broad mix of assets from across the global investment universe.
- Asset classes that the fund invests in may include listed equities, private equity, property, infrastructure, high yield bonds, loans, emerging market debt, asset-backed securities, alternative risk premia, insurance linked securities, litigation finance, peer-to-peer lending, aircraft leasing and healthcare royalties.
- Asset classes such as infrastructure, property or private equity will typically be accessed through investment route such as listed equities.

### Management Process

- The management team use their discretion (active management) to identify a diverse mix of investments which they believe are most appropriate for the investment objective. As a result of this diversification, and during extreme equity market falls, we expect losses to be below those of conventional global equity markets, with a volatility typically less than two thirds of equities.
- Their primary focus is on stock selection using the management team's quality, growth and momentum approach. It aims to identify companies that show a range of high quality characteristics, operate in growing markets and display positive business momentum.
- The team separately conduct extensive research to identify the most appropriate type of investment for each asset class.

## Derivatives and Techniques

- The fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- 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 or management of currency risk.
- Some underlying funds invested in by the fund may use derivatives more extensively. Derivatives may be used within underlying funds to generate growth if market prices are expected to rise ("long positions") or fall ("short positions").

## Performance Review

For the six months ended 31 January 2022, the value of ASI Diversified Income Fund – A Accumulation Shares increased by 1.21% compared with an increase of 0.04% in the performance target, 1 Month GBP LIBOR.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

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.

## Market Review

Global equities produced a modest positive return over the six months and closed the year on a high but in January experienced heightened volatility and markets suffered the sharpest decline since March 2020. The main reasons for reversal in sentiment included concerns over prolonged inflation and rotation from growth to value following hawkish comments from the Federal Reserve and the expectation of more rates hikes from central banks in other developed markets.

Against this backdrop global equities delivered modest positive returns with mixed performance from our satellites. Infrastructure delivered positive returns supported by strong income generation and resilience of cash flows. ABS delivered modest positive returns with prices remaining relatively stable over the period but it continued to deliver attractive yields. Our property allocation also produced a modest positive performance with the main contribution from our logistics holdings. Local currency EM bonds were slightly negative over the period with declines in bond prices more than offsetting income gains and modest currency gains (measured against our funding basket).

# ASI Diversified Income Fund

## Continued

### Portfolio Activity

The main asset allocation changes were a reduction in our exposure to our sustainable core equity allocation and increase in our allocation to Emerging Market debt. Following the strong run that equities have had in 2021 we believe that their return prospects over the medium-term are lower. We are also conscious of rising risks, in particular from inflation being more persistent than expected leading to rising interest rates and a re-rating of equities. The risk-return trade-off for equities has therefore become less attractive. By contrast Emerging Market local currency bonds have seen rising bond yields and real rates. This means that prospective returns are now higher than they were earlier in the year.

Our exposure to property increased as we initiated new positions in Urban Logistics REIT and Industrials REIT as well as took part in a number of attractively priced equity raises. Similarly, our exposure to infrastructure slightly increased with new positions in SDCL Energy Efficiency, Pantheon Infrastructure and Harmony Energy Income Trust, we also trimmed a number of holdings on valuation grounds and participated in capital raises.

Our allocation to special opportunities increased as we introduced two precious metals royalty companies, Franco Nevada and Wheaton Precious Metals.

### Portfolio Outlook and Strategy

Both the short-term and long-term outlook for economies is particularly uncertain at the moment. Our central view is that the initial rebound in global economic growth has reached its peak, and the underlying pace of recovery will slow from here. A deceleration was always to be expected, but the combination of further Covid-19 waves, a slowing Chinese economy, and the slightly earlier commencement of Fed normalisation, leaves the path ahead more challenging. That said, our forecasts are still for several years of above trend global growth as the world economy remains in a recovery stage of the cycle, but divergence and downside risks have become more prevalent.

We see compelling return prospects in a number of alternative asset classes which include infrastructure assets that have attractive yields linked to inflation, asset-backed securities which currently offer better risk-adjusted returns than corporate bond, some property investments which can offer attractive and reliable returns and a variety of special opportunities such as litigation finance, music royalties and healthcare royalties.

Overall, we believe the portfolio is positioned to deliver a highly attractive medium-term return delivered in a relatively smooth fashion.

### Diversified Assets Team

February 2022

# ASI Diversified Income Fund

## 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 2022.

The fund is rated as 4 because of the extent to which the following risk factors apply:

- 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.
- 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 securities which are subject to the risk that the issuer may default on interest or capital payments.
- Dividend payment policies of the REITs in which the fund invests are not representative of the dividend payment policy of the fund.
- 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 going into administration.

# Comparative Tables

<b>A Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	15,855	16,322	16,931	27,219
Closing number of shares	6,435,826	6,735,685	8,046,482	12,383,990
Closing net asset value per share (pence)	246.36	242.33	210.42	219.79
Change in net asset value per share	1.66%	15.16%	(4.26%)	(0.36%)
Operating charges	1.22%	1.22%	1.22%	1.33%
<b>A Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	760	799	880	1,133
Closing number of shares	630,575	659,648	799,509	939,673
Closing net asset value per share (pence)	120.46	121.17	110.06	120.54
Change in net asset value per share	(0.59%)	10.09%	(8.69%)	(5.50%)
Operating charges	1.22%	1.22%	1.22%	1.33%
<b>I Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	21,715	23,026	24,278	35,104
Closing number of shares	13,753,324	14,853,223	18,100,510	25,143,222
Closing net asset value per share (pence)	157.89	155.02	134.13	139.62
Change in net asset value per share	1.85%	15.57%	(3.93%)	0.06%
Operating charges	0.77%	0.77%	0.77%	0.78%
<b>I Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	146,966	143,455	130,653	150,645
Closing number of shares	136,566,568	132,829,429	133,714,603	141,395,812
Closing net asset value per share (pence)	107.61	108.00	97.71	106.54
Change in net asset value per share	(0.36%)	10.53%	(8.29%)	(4.99%)
Operating charges	0.77%	0.77%	0.77%	0.78%
<b>M Accumulation<sup>A</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	321	318	277	-
Closing number of shares	274,606	277,951	278,942	100
Closing net asset value per share (pence)	116.70	114.58	99.17	103.28
Change in net asset value per share	1.85%	15.54%	(3.98%)	3.28%
Operating charges	0.82%	0.82%	0.82%	0.83%

# Comparative Tables

## Continued

<b>M Income<sup>8</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	181	31	28	-
Closing number of shares	178,800	30,731	30,837	100
Closing net asset value per share (pence)	101.46	101.82	92.17	100.39
Change in net asset value per share	(0.35%)	10.47%	(8.19%)	0.39%
Operating charges	0.82%	0.82%	0.82%	0.83%
<b>Z Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	2,862	3,400	4,372	5,742
Closing number of shares	1,074,945	1,303,569	1,947,112	2,468,012
Closing net asset value per share (pence)	266.27	260.79	224.57	232.63
Change in net asset value per share	2.10%	16.13%	(3.46%)	0.51%
Operating charges	0.17%	0.17%	0.17%	0.18%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences.

The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share 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 share class.

<sup>^</sup> M Accumulation share class was launched on 26 November 2018.

<sup>8</sup> M Income share class was launched on 26 November 2018.

# Portfolio Statement

As at 31 January 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Bonds (24.13%)</b>		<b>54,342</b>	<b>28.80</b>
<b>Brazilian Real Denominated Bonds (2.24%)</b>		<b>5,579</b>	<b>2.96</b>
<b>Government Bonds (2.24%)</b>		<b>5,579</b>	<b>2.96</b>
less than 5 years to maturity			
3,220,000	Brazil (Fed Rep of) 0% 2022	431	0.23
590,000	Brazil (Fed Rep of) 0% 2024	67	0.03
230,000	Brazil (Fed Rep of) 6% 2023	124	0.07
11,120,000	Brazil (Fed Rep of) 10% 2025	1,527	0.81
17,368,000	Brazil (Fed Rep of) 10% 2027	2,360	1.25
between 5 and 10 years to maturity			
8,102,000	Brazil (Fed Rep of) 10% 2031	1,070	0.57
<b>Chilean Peso Denominated Bonds (0.50%)</b>		<b>2,116</b>	<b>1.12</b>
<b>Government Bonds (0.50%)</b>		<b>2,116</b>	<b>1.12</b>
between 5 and 10 years to maturity			
930,000,000	Chile (Republic of) 2.3% 2028	712	0.38
980,000,000	Chile (Republic of) 4.7% 2030	873	0.46
between 10 and 15 years to maturity			
370,000,000	Chile (Republic of) 2.8% 2033	262	0.14
305,000,000	Chile (Republic of) 5% 2035	269	0.14
<b>Colombian Peso Denominated Bonds (1.42%)</b>		<b>3,487</b>	<b>1.85</b>
<b>Government Bonds (1.42%)</b>		<b>3,487</b>	<b>1.85</b>
less than 5 years to maturity			
5,642,400,000	Colombia (Republic of) 7.5% 2026	1,031	0.55
4,349,600,000	Colombia (Republic of) 10% 2024	868	0.46
between 5 and 10 years to maturity			
7,624,000,000	Colombia (Republic of) 7% 2031	1,270	0.67
between 10 and 15 years to maturity			
1,964,600,000	Colombia (Republic of) 7.25% 2034	318	0.17

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Czech Koruna Denominated Bonds (0.92%)</b>		<b>2,354</b>	<b>1.25</b>
<b>Government Bonds (0.92%)</b>		<b>2,354</b>	<b>1.25</b>
less than 5 years to maturity			
19,320,000	Czech Republic (Govt of) 0.1% 2022	658	0.35
14,560,000	Czech Republic (Govt of) 1% 2026	450	0.24
between 5 and 10 years to maturity			
10,290,000	Czech Republic (Govt of) 0.95% 2030	294	0.16
between 10 and 15 years to maturity			
17,710,000	Czech Republic (Govt of) 2% 2033	535	0.28
10,990,000	Czech Republic (Govt of) 4.2% 2036	417	0.22
<b>Egyptian Pound Denominated Bonds (0.44%)</b>		<b>1,356</b>	<b>0.72</b>
<b>Government Bonds (0.44%)</b>		<b>1,356</b>	<b>0.72</b>
less than 5 years to maturity			
13,327,000	Egypt (Arab Republic of) 14.483% 2026	630	0.33
14,748,000	Egypt (Arab Republic of) 16.3% 2024	726	0.39
<b>Euro Denominated Bonds (3.49%)</b>		<b>7,294</b>	<b>3.87</b>
<b>Corporate Bonds (3.40%)</b>		<b>7,077</b>	<b>3.75</b>
between 5 and 10 years to maturity			
232,000	Last Mile Securities 2021 FRN 2031 'B'	194	0.10
1,153,000	Pietra Nera FRN 2030	920	0.49
747,000	Taurus 2021-3 DEU FRN 2030	624	0.33
between 10 and 15 years to maturity			
691,000	Aqueduct European CLO 3-2019 FRN 2034 'E'	571	0.30
309,000	Aqueduct European CLO 4-2019 FRN 2032 'E'	255	0.14
587,000	Aqueduct European CLO 5-2020 FRN 2034 'ER'	479	0.25
303,000	ARBOUR CLO VIII DAC FRN 2034 'ER'	251	0.13
456,000	Aurium CLO VI FRN 2034	377	0.20
160,000	Contego CLO VII FRN 2032 'E'	133	0.07
1,155,000	CVC Cordatus Loan Fund XIX FRN 2033	948	0.50

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
963,000	Fair Oaks Loan Funding III FRN 2034 'E'	788	0.42
697,000	Henley CLO IV FRN 2034	559	0.30
679,000	Providus CLO IV DAC FRN 2034	558	0.30
528,000	Providus CLO V DAC FRN 2035	420	0.22
<b>Government Bonds (0.09%)</b>		<b>217</b>	<b>0.12</b>
between 5 and 10 years to maturity			
300,000	Egypt (Arab Republic of) 5.625% 2030	217	0.12
<b>Hungarian Forint Denominated Bonds (0.31%)</b>		<b>935</b>	<b>0.50</b>
<b>Government Bonds (0.31%)</b>		<b>935</b>	<b>0.50</b>
less than 5 years to maturity			
325,250,000	Hungary (Govt of) 1.5% 2026	671	0.36
between 15 and 25 years to maturity			
147,000,000	Hungary (Govt of) 3% 2038	264	0.14
<b>Indian Rupee Denominated Bonds (0.43%)</b>		<b>927</b>	<b>0.49</b>
<b>Corporate Bonds (0.06%)</b>		<b>208</b>	<b>0.11</b>
less than 5 years to maturity			
20,000,000	Housing Development Finance 8.75% 2023	208	0.11
<b>Government Bonds (0.37%)</b>		<b>719</b>	<b>0.38</b>
between 5 and 10 years to maturity			
70,000,000	Gujarat (State of) 7.2% 2027	719	0.38
<b>Indonesian Rupiah Denominated Bonds (2.37%)</b>		<b>5,981</b>	<b>3.17</b>
<b>Government Bonds (2.37%)</b>		<b>5,981</b>	<b>3.17</b>
less than 5 years to maturity			
21,400,000,000	Indonesia (Republic of) 6.5% 2025	1,161	0.62
11,343,000,000	Indonesia (Republic of) 7% 2022	594	0.31
6,583,000,000	Indonesia (Republic of) 8.125% 2024	370	0.20



# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
between 5 and 10 years to maturity			
9,559,000,000	Indonesia (Republic of) 6.125% 2028	499	0.26
2,406,000,000	Indonesia (Republic of) 6.5% 2031	124	0.07
29,799,000,000	Indonesia (Republic of) 7% 2027	1,643	0.87
8,100,000,000	Indonesia (Republic of) 9% 2029	484	0.26
3,813,000,000	Indonesia (Republic of) 9.5% 2031	236	0.12
between 10 and 15 years to maturity			
14,992,000,000	Indonesia (Republic of) 8.375% 2034	870	0.46
<b>Kazakhstani Tenge Denominated Bonds (0.12%)</b>		<b>479</b>	<b>0.25</b>
<b>Corporate Bonds (0.12%)</b>		<b>309</b>	<b>0.16</b>
less than 5 years to maturity			
50,000,000	Development Bank of Kazakhstan 8.95% 2023	81	0.04
135,500,000	Development Bank of Kazakhstan 10.95% 2026	228	0.12
<b>Government Bonds (0.00%)</b>		<b>170</b>	<b>0.09</b>
less than 5 years to maturity			
100,000,000	Eurasian Development Bank 10% 2024	170	0.09
<b>Malaysian Ringgit Denominated Bonds (1.12%)</b>		<b>2,820</b>	<b>1.49</b>
<b>Government Bonds (1.12%)</b>		<b>2,820</b>	<b>1.49</b>
less than 5 years to maturity			
1,300,000	Malaysia (Govt of) 3.478% 2024	235	0.12
between 5 and 10 years to maturity			
4,871,000	Malaysia (Govt of) 3.733% 2028	877	0.46
1,513,000	Malaysia (Govt of) 4.232% 2031	279	0.15
1,550,000	Malaysia (Govt of) 4.498% 2030	289	0.15
between 10 and 15 years to maturity			
2,015,000	Malaysia (Govt of) 3.828% 2034	351	0.19
2,661,000	Malaysia (Govt of) 3.844% 2033	470	0.25

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
between 15 and 25 years to maturity			
1,677,000	Malaysia (Govt of) 4.762% 2037	319	0.17
<b>Mexican Peso Denominated Bonds (2.73%)</b>		<b>5,682</b>	<b>3.01</b>
<b>Corporate Bonds (0.21%)</b>		<b>506</b>	<b>0.27</b>
less than 5 years to maturity			
14,751,000	Petroleos Mexicanos 7.19% 2024	506	0.27
<b>Government Bonds (2.52%)</b>		<b>5,176</b>	<b>2.74</b>
less than 5 years to maturity			
34,136,800	Mexico (United Mexican States) 5.75% 2026	1,154	0.61
22,312,700	Mexico (United Mexican States) 6.5% 2022	805	0.43
74,567,600	Mexico (United Mexican States) 10% 2024	2,857	1.51
between 5 and 10 years to maturity			
9,932,200	Mexico (United Mexican States) 7.75% 2031	360	0.19
<b>Peruvian Sol Denominated Bonds (0.52%)</b>		<b>2,007</b>	<b>1.06</b>
<b>Government Bonds (0.52%)</b>		<b>2,007</b>	<b>1.06</b>
less than 5 years to maturity			
3,102,000	Peru (Republic of) 5.7% 2024	620	0.33
between 5 and 10 years to maturity			
4,325,000	Peru (Republic of) 6.95% 2031	889	0.47
between 10 and 15 years to maturity			
160,000	Peru (Republic of) 6.15% 2032	31	0.01
between 15 and 25 years to maturity			
2,391,000	Peru (Republic of) 6.9% 2037	467	0.25

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Polish Zloty Denominated Bonds (0.31%)</b>		<b>757</b>	<b>0.40</b>
<b>Government Bonds (0.31%)</b>		<b>757</b>	<b>0.40</b>
between 5 and 10 years to maturity			
3,746,000	Poland (Republic of) 5.75% 2029	757	0.40
<b>Romanian Leu Denominated Bonds (0.17%)</b>		<b>444</b>	<b>0.24</b>
<b>Government Bonds (0.17%)</b>		<b>444</b>	<b>0.24</b>
less than 5 years to maturity			
2,735,000	Romania (Republic of) 3.65% 2025	444	0.24
<b>Russian Ruble Denominated Bonds (1.44%)</b>		<b>3,062</b>	<b>1.62</b>
<b>Government Bonds (1.44%)</b>		<b>3,062</b>	<b>1.62</b>
less than 5 years to maturity			
32,798,000	Russia (Govt of) 7.75% 2026	296	0.16
between 5 and 10 years to maturity			
209,196,000	Russia (Govt of) 6.9% 2029	1,755	0.93
between 10 and 15 years to maturity			
117,610,000	Russia (Govt of) 7.7% 2033	1,011	0.53
<b>South African Rand Denominated Bonds (1.70%)</b>		<b>4,254</b>	<b>2.25</b>
<b>Government Bonds (1.70%)</b>		<b>4,254</b>	<b>2.25</b>
between 5 and 10 years to maturity			
10,200,000	South Africa (Republic of) 8% 2030	454	0.24
between 10 and 15 years to maturity			
51,502,741	South Africa (Republic of) 6.25% 2036	1,740	0.92
5,300,000	South Africa (Republic of) 8.25% 2032	229	0.12
between 15 and 25 years to maturity			
6,477,400	South Africa (Republic of) 6.5% 2041	208	0.11
3,700,000	South Africa (Republic of) 8.5% 2037	152	0.08

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
15,548,700	South Africa (Republic of) 8.75% 2044	629	0.33
20,042,400	South Africa (Republic of) 9% 2040	842	0.45
<b>Sterling Denominated Bonds (2.10%)</b>		<b>1,296</b>	<b>0.69</b>
<b>Corporate Bonds (2.10%)</b>		<b>1,296</b>	<b>0.69</b>
less than 5 years to maturity			
210,000	PCL Funding IV FRN 2024 'C'	211	0.11
between 5 and 10 years to maturity			
179,000	Taurus 2021-1 UK FRN 2031	178	0.10
greater than 25 years to maturity			
898,000	Stratton Mortgage Funding 2020 -1 FRN 2052 'C'	907	0.48
<b>Thai Baht Denominated Bonds (0.64%)</b>		<b>1,697</b>	<b>0.90</b>
<b>Government Bonds (0.64%)</b>		<b>1,697</b>	<b>0.90</b>
less than 5 years to maturity			
62,607,000	Thailand (Kingdom of) 2% 2022	1,420	0.75
between 10 and 15 years to maturity			
10,773,000	Thailand (Kingdom of) 3.775% 2032	277	0.15
<b>Ukrainian Hryvnia Denominated Bonds (0.28%)</b>		<b>403</b>	<b>0.21</b>
<b>Government Bonds (0.28%)</b>		<b>403</b>	<b>0.21</b>
less than 5 years to maturity			
6,429,000	Ukraine (Republic of) 15.84% 2025	165	0.09
between 5 and 10 years to maturity			
12,095,000	Ukraine (Republic of) 9.79% 2027	238	0.12
<b>Uruguayan Peso Denominated Bonds (0.19%)</b>		<b>446</b>	<b>0.24</b>
<b>Government Bonds (0.19%)</b>		<b>446</b>	<b>0.24</b>
between 5 and 10 years to maturity			
2,435,358	Uruguay (Republic of) 4.375% 2028	109	0.06

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
3,187,250	Uruguay (Republic of) 8.25% 2031	52	0.03
17,098,000	Uruguay (Republic of) 8.5% 2028	285	0.15
<b>US Dollar Denominated Bonds (0.69%)</b>		<b>966</b>	<b>0.51</b>
<b>Government Bonds (0.69%)</b>		<b>966</b>	<b>0.51</b>
between 5 and 10 years to maturity			
300,000	Egypt (Arab Republic of) 6.588% 2028	211	0.11
500,000	Ghana (Republic of) 7.625% 2029	291	0.15
660,000	Ukraine (Republic of) 9.75% 2028	464	0.25
<b>Equities (62.10%)</b>		<b>105,667</b>	<b>56.01</b>
<b>Emerging Market Equities (0.28%)</b>		<b>264</b>	<b>0.15</b>
<b>Argentina (0.04%)</b>		<b>16</b>	<b>0.01</b>
19	MercadoLibre	16	0.01
<b>Brazil (0.07%)</b>		<b>45</b>	<b>0.03</b>
14,300	B3 SA - Brasil Bolsa Balcao	29	0.02
1,100	Banco Santander Brasil	5	-
400	Getnet Adquirencia e Servicos	-	-
1,600	Telefonica Brasil	11	0.01
<b>Chile (0.02%)</b>		<b>15</b>	<b>0.01</b>
768	Antofagasta	10	0.01
57,985	Enel Americas	5	-
<b>Israel (0.01%)</b>		<b>48</b>	<b>0.03</b>
2,702	Bank Hapoalim	21	0.01
141	Nice	27	0.02
<b>Russia (0.05%)</b>		<b>50</b>	<b>0.02</b>
865	Magnit GDR	8	-
1,415	Mobile TeleSystems ADR	8	-

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
842	Polymetal International (UK listing)	9	0.01
9,700	Sberbank of Russia	25	0.01
<b>South Africa (0.09%)</b>		<b>90</b>	<b>0.05</b>
152	Anglo American Platinum	14	0.01
1,981	Gold Fields	15	0.01
9,271	Growthpoint Properties REIT	7	-
1,329	Impala Platinum	15	0.01
1,017	MultiChoice	6	-
6,679	Sibanye Stillwater	18	0.01
463	SPAR	4	-
1,606	Vodacom	11	0.01
<b>European Equities (7.67%)</b>		<b>7,620</b>	<b>4.04</b>
<b>Austria (0.03%)</b>		<b>8</b>	<b>-</b>
314	Voestalpine	8	-
<b>Belgium (0.01%)</b>		<b>9</b>	<b>-</b>
135	KBC	9	-
<b>Czech (0.03%)</b>		<b>-</b>	<b>-</b>
<b>Denmark (0.62%)</b>		<b>243</b>	<b>0.13</b>
199	Chr Hansen	12	0.01
253	Coloplast	27	0.01
1,439	Novo Nordisk	106	0.06
467	Novozymes	24	0.01
389	Ørsted	30	0.02
2,244	Vestas Wind Systems	44	0.02
<b>Finland (0.49%)</b>		<b>182</b>	<b>0.10</b>
613	Kesko	14	0.01
225	Kone	11	0.01

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
706	Neste	23	0.01
6,967	Nordea Bank (Swedish listing)	61	0.03
287	Orion 'B'	9	-
1,413	Stora Enso	21	0.01
1,209	UPM-Kymmene	33	0.02
1,075	Wartsila	10	0.01
<b>France (1.23%)</b>		<b>772</b>	<b>0.41</b>
152	Amundi	9	0.01
284	Atos	8	-
4,158	AXA	97	0.05
511	Bouygues	13	0.01
659	Bureau Veritas	14	0.01
245	Capgemini	40	0.02
141	Covivio REIT	9	-
1,286	Danone	59	0.03
205	Eiffage	16	0.01
124	Gecina REIT	12	0.01
986	Getlink	11	0.01
43	Kering	24	0.01
459	Legrand	34	0.02
40	L'Oreal	13	0.01
74	LVMH Moet Hennessy Louis Vuitton	45	0.02
1,060	Orange	9	-
966	Schneider Electric	121	0.06
910	Suez	15	0.01
3,365	TotalEnergies	141	0.07
514	Valeo	11	0.01
1,410	Veolia Environment	38	0.02
406	Vinci	33	0.02
<b>Germany (1.10%)</b>		<b>648</b>	<b>0.34</b>
120	Adidas	24	0.01
70	Allianz	13	0.01
347	Brenntag	22	0.01
423	Covestro	19	0.01

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,182	Deutsche Post	52	0.03
1,304	Deutsche Telekom	18	0.01
3,446	E.ON	35	0.02
451	Evonik Industries	11	-
344	GEA	12	0.01
555	Henkel (Preference)	34	0.02
1,403	Infinion Technologies	42	0.02
239	LANXESS	11	0.01
164	Muenchener Rueckversicherungs-Gesellschaft	38	0.02
141	SAP	13	0.01
83	Sartorius (Preference)	33	0.02
592	Siemens	69	0.04
93,923	Sirius Real Estate	121	0.06
109	Symrise	10	-
2,501	Telefonica Deutschland	5	-
1,579	Vonovia	66	0.03
<b>Greece (0.00%)</b>		<b>6</b>	<b>-</b>
554	OPAP	6	-
<b>Ireland (1.81%)</b>		<b>3,769</b>	<b>2.00</b>
604	Accenture	159	0.08
3,444,581	Greencoat Renewables++	3,295	1.75
8,258	Keywords Studios++	208	0.11
210	Medtronic	16	0.01
665	Smurfit Kappa (UK listing)	26	0.01
502	Trane Technologies	65	0.04
<b>Italy (0.38%)</b>		<b>138</b>	<b>0.07</b>
2,427	Assicurazioni Generali	38	0.02
730	FinecoBank Banca Fineco	9	-
34,723	Intesa Sanpaolo	76	0.04
606	Prysmian	15	0.01
<b>Luxembourg (0.22%)</b>		<b>-</b>	<b>-</b>



# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Netherlands (0.28%)</b>		<b>255</b>	<b>0.14</b>
419	Akzo Nobel	32	0.02
132	ASML	66	0.03
362	Koninklijke DSM	50	0.03
8,678	Koninklijke KPN	21	0.01
1,922	Koninklijke Philips	47	0.03
674	NN	28	0.01
229	Randstad	11	0.01
<b>Norway (0.08%)</b>		<b>104</b>	<b>0.06</b>
2,086	DNB Bank	37	0.02
480	Gjensidige Forsikring	9	0.01
2,266	Norsk Hydro	13	0.01
226	Schibsted 'A'	5	-
237	Schibsted 'B'	4	-
1,681	Telenor	21	0.01
390	Yara International	15	0.01
<b>Poland (0.00%)</b>		<b>6</b>	<b>-</b>
169	CD Projekt	6	-
<b>Portugal (0.01%)</b>		<b>10</b>	<b>0.01</b>
1,252	Galp Energia	10	0.01
<b>Romania (0.00%)</b>		<b>5</b>	<b>-</b>
1,024	NEPI Rockcastle	5	-
<b>Spain (0.34%)</b>		<b>146</b>	<b>0.08</b>
603	Enagas	10	-
856	Ferrovial	18	0.01
2,290	Industria de Diseno Textil	51	0.03
524	Naturgy Energy	12	0.01

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,076	Red Electrica	16	0.01
11,371	Telefonica	39	0.02
<b>Sweden (0.25%)</b>		<b>151</b>	<b>0.08</b>
301	Atlas Copco 'A'	13	0.01
191	Autoliv	14	0.01
641	Boliden	19	0.01
564	Electrolux	9	-
1,044	Husqvarna	11	-
476	Lundin Energy	14	0.01
2,587	Nibe Industrier 'B'	18	0.01
1,109	Skandinaviska Enskilda Banken	11	0.01
2,838	Telefonaktiebolaget Ericsson	26	0.01
5,503	Telia	16	0.01
<b>Switzerland (0.79%)</b>		<b>1,168</b>	<b>0.62</b>
3,126	ABB	79	0.04
378	Adecco	13	0.01
481	Cie Financiere Richemont	51	0.03
72	Geberit	36	0.02
9	Givaudan	28	0.01
391	Logitech International	24	0.01
1,050	Nestle	100	0.05
799	Novartis	51	0.03
402	Partners	411	0.22
153	Roche (Participating certificate)	44	0.02
14	SGS	29	0.02
163	Sika	42	0.02
671	Swiss Re	54	0.03
62	Swisscom	26	0.01
511	TE Connectivity	54	0.03
116	Vifor Pharma	15	0.01
316	Zurich Insurance	111	0.06

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Japanese Equities (1.11%)</b>		<b>1,258</b>	<b>0.67</b>
1,500	Aeon	25	0.01
4,200	Astellas Pharma	50	0.03
1,100	Bridgestone	36	0.02
2,100	Canon	37	0.02
600	Dai Nippon Printing	11	0.01
300	Denso	16	0.01
600	Eisai	22	0.01
6,900	ENEOS	20	0.01
100	Fujitsu	10	0.01
200	Hitachi	8	-
2,200	Inpex	16	0.01
1,000	Isuzu Motors	9	-
2,000	ITOCHU	47	0.03
400	Kakaku.com	6	-
800	Kao	30	0.02
2,700	KDDI	64	0.03
900	Kirin	11	0.01
200	Komatsu	4	-
600	Lixil	10	0.01
2,700	Mitsubishi	68	0.04
1,100	Mitsubishi Chemical	6	-
3,300	Mitsui	61	0.03
5,130	Mizuho Financial	51	0.03
500	NEC	14	0.01
200	Nintendo	73	0.04
5	Nippon Prologis REIT	12	0.01
1,300	Nippon Telegraph & Telephone	27	0.01
200	Nitto Denko	11	0.01
10	Nomura Real Estate Master Fund REIT	10	-
2,200	ORIX	34	0.02
6	Orix JREIT	6	-
500	Ricoh	3	-
600	SBI	11	0.01
700	Seiko Epson	8	-
1,500	Sekisui House	22	0.01
200	Shionogi	8	-

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
6,400	SoftBank (Issue 2018)	59	0.03
700	Sompo	24	0.01
2,500	Sumitomo	29	0.02
1,700	Sumitomo Mitsui Financial	45	0.02
1,300	T&D	14	0.01
3,500	Takeda Pharmaceutical	75	0.04
300	Tokyo Electron	106	0.06
900	Toshiba	28	0.01
5,700	Z	21	0.01
<b>North America Equities (13.41%)</b>		<b>18,482</b>	<b>9.79</b>
<b>Bermuda (0.27%)</b>		<b>605</b>	<b>0.32</b>
1,289,440	Blue Capital Alternative Income Fund*	6	-
49,901	Blue Capital Reinsurance	3	-
1,118,085	CATCo Reinsurance Opportunities	242	0.13
836,276	CATCo Reinsurance Opportunities 'C'	343	0.18
90	RenaissanceRe	11	0.01
<b>Canada (1.11%)</b>		<b>3,448</b>	<b>1.83</b>
578	Agnico Eagle Mines	21	0.01
3,200	B2Gold	9	-
234	BCE	9	-
15,457	Brookfield Asset Management	633	0.34
137	Canadian Tire 'A'	15	0.01
1,640	Enbridge	52	0.03
9,700	Franco-Nevada	947	0.50
635	Keyera	11	0.01
1,655	Lundin Mining	10	-
637	Magna International	38	0.02
2,246	Manulife Financial	35	0.02
531	Northland Power	11	0.01
978	Nutrien	51	0.03
5,383	Onex	287	0.15
603	Pan American Silver	10	-
482	Parkland	10	0.01
1,211	Pembina Pipeline	29	0.02

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
622	Restaurant Brands International	26	0.01
249	Ritchie Bros Auctioneers	11	0.01
642	Saputo	11	0.01
19	Shopify 'A'	14	0.01
1,045	TELUS	18	0.01
240	Thomson Reuters	19	0.01
2,355	Toronto-Dominion Bank	140	0.07
33,530	Wheaton Precious Metals	998	0.53
246	WSP Global	24	0.01
2,876	Yamana Gold	9	-
<b>Mexico (0.04%)</b>		<b>28</b>	<b>0.01</b>
10,700	Fibra Uno Administracion REIT	8	-
2,600	Grupo Financiero Banorte	12	0.01
3,000	Wal-Mart de Mexico	8	-
<b>United States (11.99%)</b>		<b>14,401</b>	<b>7.63</b>
92	3M	11	0.01
241	A. O. Smith	14	0.01
329	Abbott Laboratories	31	0.02
999	AbbVie	102	0.05
446	Activision Blizzard	26	0.01
102	Advanced Micro Devices	9	-
269	Agilent Technologies	28	0.01
266	Alexandria Real Estate Equities REIT	39	0.02
344	Ally Financial	12	0.01
168	Alphabet 'A'	339	0.18
125	Amazon.com	279	0.15
403	American Water Works	48	0.03
715	Amgen	121	0.06
370	Analog Devices	45	0.02
3,327	Annaly Capital Management REIT	20	0.01
91	Anthem	30	0.02
13,194	Apollo Global Management	688	0.36
6,899	Apple	898	0.48
756	Applied Materials	78	0.04

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
4,632	Ares Management 'A'	275	0.15
4,677	AT&T	89	0.05
82	Autodesk	15	0.01
377	Automatic Data Processing	58	0.03
310	AvalonBay Communities REIT	56	0.03
1,634	Baker Hughes	33	0.02
421	Bank of America	14	0.01
24	Berkshire Hathaway	6	-
488	Best Buy	36	0.02
85	Bio-Techne	24	0.01
192	BlackRock	118	0.06
673	Blackstone	66	0.04
94	Block	9	-
532	BorgWarner	17	0.01
325	Boston Properties REIT	27	0.01
933	Bristol-Myers Squibb	45	0.02
182	Broadcom	79	0.04
235	Broadridge Financial Solutions	28	0.01
323	Brown-Forman 'B'	16	0.01
268,242	Burford Capital++	1,811	0.96
450	Campbell Soup	15	0.01
643	Cardinal Health	25	0.01
348	Carlyle	13	0.01
542	Caterpillar	81	0.04
214	Church & Dwight	16	0.01
3,773	Cisco Systems	157	0.08
1,119	Citigroup	54	0.03
87	Citrix Systems	7	-
1,172	Cognizant Technology Solutions 'A'	75	0.04
1,342	Colgate-Palmolive	82	0.04
429	Conagra Brands	11	0.01
872	Corteva	31	0.02
1,436	CSX	37	0.02
325	Cummins	53	0.03
1,104	Dow	49	0.03
419	DuPont de Nemours	24	0.01
848	Eaton	100	0.05
1,361	eBay	61	0.03

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
322	Ecolab	45	0.02
121	Electronic Arts	12	0.01
114	Eli Lilly	21	0.01
756	Equity Residential REIT	50	0.03
555	Essential Utilities	20	0.01
72	Essex Property REIT	18	0.01
80	Etsy	9	-
434	Eversource Energy	29	0.02
127	Exact Sciences	7	-
268	Fastenal	11	0.01
308	FMC	25	0.01
9,668	FS KKR Capital	158	0.08
1,262	General Mills	65	0.03
1,422	Gilead Sciences	73	0.04
97	Goldman Sachs	26	0.01
1,151	Halliburton	26	0.01
315	Hasbro	22	0.01
241	HCA Healthcare	43	0.02
574	Healthpeak Properties REIT	15	0.01
15,642	Hercules Capital**	208	0.11
2,359	Hewlett Packard Enterprise	29	0.02
565	Home Depot	154	0.08
2,620	HP	72	0.04
34	Humana	10	0.01
200	Illinois Tool Works	35	0.02
2,804	Intel	102	0.05
1,230	International Business Machines	122	0.06
350	International Flavors & Fragrances	34	0.02
666	International Paper	24	0.01
945	Interpublic	25	0.01
325	Intuit	134	0.07
662	Iron Mountain REIT	23	0.01
263	JM Smucker	28	0.01
442	Johnson & Johnson	57	0.03
1,593	Johnson Controls International	86	0.05
1,854	JPMorgan Chase	205	0.11
591	Juniper Networks	15	0.01
574	Kellogg	27	0.01

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
276	Kimberly-Clark	28	0.02
9,436	KKR	501	0.27
112	KLA	32	0.02
948	Kraft Heinz	25	0.01
265	Kyndryl	3	-
159	Lam Research	70	0.04
144	Lear	18	0.01
59	Lennox International	12	0.01
823	Lowe's	146	0.08
1,367	Marathon Petroleum	73	0.04
542	Marsh & McLennan	62	0.03
153	Marvell Technology	8	-
566	Masco	27	0.01
390	Mastercard	112	0.06
549	McCormick	41	0.02
164	McDonald's	32	0.02
1,091	Merck	66	0.04
472	Meta Platforms	110	0.06
871	MGM Resorts International	28	0.01
559	Microchip Technology	32	0.02
3,065	Microsoft	710	0.38
68	Moderna	9	-
841	Mondelez International	42	0.02
363	Moody's	93	0.05
536	Morgan Stanley	41	0.02
857	Mosaic	26	0.01
221	Motorola Solutions	38	0.02
183	MSCI	73	0.04
509	NetApp	33	0.02
36	Netflix	11	0.01
861	Newell Brands	15	0.01
1,781	Newmont	81	0.04
338	NIKE	37	0.02
1,450	NortonLifeLock	28	0.01
70	Novavax	5	-
1,289	NVIDIA	235	0.12
39,010	Oaktree Specialty Lending	219	0.12
265	ONEOK	12	0.01



# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
924	Oracle	56	0.03
60	PayPal	8	-
285	PepsiCo	37	0.02
4,659	Pfizer	183	0.10
97	PNC Financial Services	15	0.01
297	PPG Industries	35	0.02
280	Procter & Gamble	33	0.02
1,301	Progressive	105	0.06
1,163	Prologis REIT	136	0.07
666	Qualcomm	87	0.05
380	Regency Centers REIT	20	0.01
1,782	Regions Financial	30	0.02
302	ResMed	51	0.03
180	Robert Half International	15	0.01
83	Rockwell Automation	18	0.01
50	Roku	6	-
371	S&P Global	115	0.06
2,413	Schlumberger	70	0.04
468	Seagate Technology	37	0.02
188	Snap 'A'	5	-
245	Stanley Black & Decker	32	0.02
1,428	Starbucks	105	0.06
191	Sunrun	4	-
504	T Rowe Price	58	0.03
281	Target	46	0.02
143	Teladoc Health	8	-
290	Tesla	202	0.11
954	Texas Instruments	128	0.07
131	TransUnion	10	0.01
397	Truist Financial	19	0.01
44	Twilio 'A'	7	-
661	UDR REIT	28	0.01
667	Union Pacific	122	0.06
642	United Parcel Service	97	0.05
358	UnitedHealth	126	0.07
909	Valero Energy	56	0.03
792	Ventas REIT	31	0.02
1,134	Verizon Communications	45	0.02

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
727	VF	35	0.02
342	Visa	58	0.03
393	Vornado Realty REIT	12	0.01
295	Voya Financial	15	0.01
98	W.W. Grainger	36	0.02
261	Walgreens Boots Alliance	10	0.01
121	WalMart	13	0.01
866	Waste Management	97	0.05
42	Wayfair 'A'	5	-
120	West Pharmaceutical Services	35	0.02
399	Westinghouse Air Brake Technologies	26	0.01
1,665	Weyerhaeuser REIT	50	0.03
128	Whirlpool	20	0.01
397	Williams	9	-
409	Xylem	32	0.02
339	Yum! Brands	32	0.02
<b>Pacific Basin Equities (1.69%)</b>		<b>1,789</b>	<b>0.94</b>
<b>Australia (0.39%)</b>		<b>432</b>	<b>0.23</b>
197	Afterpay	7	-
2,646	APA	13	0.01
4,879	Aurizon	9	-
3,498	Brambles	18	0.01
2,866	Coles	24	0.01
2,004	Commonwealth Bank of Australia	99	0.05
2,730	Dexus REIT	15	0.01
3,572	Fortescue Metals	37	0.02
4,193	GPT REIT	11	0.01
435	Magellan Financial	4	-
6,670	Medibank Private	11	-
8,468	Mirvac REIT	12	0.01
353	Ramsay Health Care	12	0.01
5,965	Stockland REIT	13	0.01
3,063	Suncorp	18	0.01
10,112	Telstra	21	0.01
5,586	Transurban	36	0.02
1,717	Treasury Wine Estates	10	0.01

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
9,701	Vicinity Centres REIT	8	-
1,937	Wesfarmers	54	0.03
<b>China (0.35%)</b>		<b>388</b>	<b>0.21</b>
2,536	Alibaba	28	0.02
1,000	ANTA Sports Products	11	0.01
208	Autohome ADR	5	-
1,000	BYD 'H'	21	0.01
5,000	China Medical System	6	-
7,200	China Pacific Insurance 'H'	16	0.01
20,000	CSPC Pharmaceutical	18	0.01
800	Ganfeng Lithium 'H'	9	0.01
5,500	Great Wall Motor 'H'	11	0.01
114	JD.com 'A'	3	-
2,600	Kingsoft	9	-
18,000	Lenovo	14	0.01
500	Meituan 'B'	10	0.01
353	NetEase ADR	27	0.01
480	NIO ADR	9	-
4,500	Ping An Insurance 'H'	26	0.01
1,200	Shenzhou International	16	0.01
2,400	Tencent	108	0.06
6,000	Weichai Power 'H'	8	-
1,200	WuXi AppTec 'H'	13	0.01
558	Yum China	20	0.01
<b>Hong Kong (0.10%)</b>		<b>125</b>	<b>0.07</b>
8,000	Geely Automobile	13	0.01
1,800	Hong Kong Exchanges & Clearing	75	0.04
4,500	Link REIT	29	0.02
8,000	Sino Land	8	-
<b>India (0.12%)</b>		<b>102</b>	<b>0.05</b>
184	Info Edge India	9	0.01
3,647	Infosys	63	0.03

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
3,035	Motherson Sumi Systems	5	-
3,035	Motherson Sumi Wiring India	1	-
644	Tata Consultancy Services	24	0.01
<b>Malaysia (0.02%)</b>		<b>25</b>	<b>0.01</b>
5,800	Hartalega	6	-
8,400	Malayan Banking	12	0.01
17,500	Top Glove	7	-
<b>New Zealand (0.02%)</b>		<b>16</b>	<b>-</b>
3,462	Meridian Energy	7	-
4,453	Spark New Zealand	9	-
<b>Philippines (0.01%)</b>		<b>-</b>	<b>-</b>
<b>Singapore (0.10%)</b>		<b>107</b>	<b>0.06</b>
3,492	CapitaLand Integrated Commercial Trust REIT	4	-
3,700	DBS	72	0.04
806	Oversea-Chinese Banking	6	-
18,300	Singapore Telecommunications	25	0.02
<b>South Korea (0.14%)</b>		<b>120</b>	<b>0.06</b>
211	Hyundai Engineering & Construction	6	-
5	Hyundai Engineering & Construction (Preference)	-	-
23	LG Household & Health Care	14	0.01
1,434	Samsung Electronics	65	0.04
201	Samsung Life Insurance	8	-
74	Samsung SDI	27	0.01
<b>Taiwan (0.43%)</b>		<b>457</b>	<b>0.24</b>
1,000	Asustek Computer	10	-
20,000	AU Optronics	11	0.01
17,000	Cathay Financial	29	0.01

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
13,000	Compal Electronics	9	-
41,000	CTBC Financial	30	0.02
5,000	Delta Electronic	36	0.02
5,000	Far EasTone Telecommunications	9	-
16,453	Fubon Financial	33	0.02
10,000	Hon Hai Precision	27	0.01
6,000	Lite-On Technology	10	-
1,000	Novatek Microelectronics	13	0.01
6,000	Quanta Computer	15	0.01
25,000	SinoPac Financial	11	0.01
8,000	Taiwan Semiconductors Manufacturing	136	0.07
11,000	Uni-President Enterprises	20	0.01
21,000	United Microelectronics	32	0.02
1,000	Yageo	12	0.01
21,000	Yuanta Financial	14	0.01
<b>Thailand (0.01%)</b>		<b>17</b>	<b>0.01</b>
3,400	PTT Exploration & Production (Alien Market)	10	0.01
5,600	PTT Global Chemical (Alien Market)	7	-
<b>UK Equities (37.94%)</b>		<b>76,254</b>	<b>40.42</b>
<b>Basic Materials (0.26%)</b>		<b>426</b>	<b>0.23</b>
7,052	Hill & Smith	105	0.06
461	Johnson Matthey	9	-
380	Linde	90	0.05
284	Rio Tinto	15	0.01
42,941	Synthomer	156	0.08
2,511	Victrex	51	0.03
<b>Consumer Discretionary (0.65%)</b>		<b>1,748</b>	<b>0.93</b>
2,284	Barratt Developments	14	0.01
291	Berkeley	12	0.01
948	Burberry	18	0.01
6,487	CVS++	128	0.07

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
28,664	Dr. Martens	87	0.05
11,044	Dunelm	147	0.08
6,359	Focusrite++	84	0.04
8,769	Future	275	0.14
1,726	Games Workshop	137	0.07
4,975	GlobalData++	66	0.03
23,174	Halfords	76	0.04
22,553	Hollywood Bowl	56	0.03
78,076	JD Sports Fashion	147	0.08
6,692	Jet2++	88	0.05
5,022	Kingfisher	17	0.01
1,486	Pearson	9	-
767	Persimmon	18	0.01
20,961	Pets at Home	89	0.05
684	RELX	16	0.01
8,674	Taylor Wimpey	13	0.01
17,143	Team17++	122	0.06
10,134	Watches of Switzerland	129	0.07
<b>Consumer Staples (0.28%)</b>		<b>632</b>	<b>0.33</b>
273	Coca-Cola Europacific Partners	12	0.01
3,364	Cranswick	123	0.06
6,610	Greggs	176	0.09
9,015	Hilton Food	93	0.05
31,623	Hotel Chocolat++	151	0.08
95	Reckitt Benckiser	6	-
4,124	Sainsbury (J)	12	0.01
1,568	Unilever (Netherlands listing)	59	0.03
<b>Energy (0.07%)</b>		<b>93</b>	<b>0.05</b>
24,374	BP	93	0.05
<b>Financials (27.64%)</b>		<b>53,356</b>	<b>28.28</b>
56,539	3i	774	0.41

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
937,343	3i Infrastructure	3,239	1.72
2,080,498	Aberdeen Diversified Income and Growth Trust+	2,122	1.12
459	Admiral	14	0.01
30,714	AJ Bell	103	0.05
203,292	Apax Global Alpha	429	0.23
1,592,994	Aquila European Renewables Income Fund	1,371	0.73
5,730,923	BioPharma Credit	4,212	2.23
737,000	Blackstone Loan Financing	480	0.25
1,550,000	Bluefield Solar Income Fund	1,916	1.02
2,642,500	Cordiant Digital Infrastructure	2,788	1.48
910,811	CVC Credit Partners European Opportunities	954	0.51
3,304	Direct Line Insurance	10	-
1,389,101	Fair Oaks Income	663	0.35
1,897,236	Foresight Solar Fund	1,905	1.01
1,836,345	GCP Asset Backed Income Fund	1,836	0.97
884,100	GCP Infrastructure Investments	927	0.49
2,689,931	Greencoat UK Wind	3,809	2.02
730,588	Gresham House Energy Storage Fund	966	0.51
18,387	HarbourVest Global Private Equity	509	0.27
930,000	Harmony Energy Income Trust	928	0.49
57,205	HgCapital Trust	239	0.13
1,645,729	HICL Infrastructure	2,867	1.52
145,457	Honeycomb Investment Trust	1,389	0.74
20,640	Impax Asset Management++	225	0.12
36,940	Intermediate Capital	700	0.37
594,145	International Public Partnerships	996	0.53
1,238,296	JLEN Environmental Assets	1,305	0.69
19,083	JTC	149	0.08
4,331	Legal & General	12	0.01
8,008	Liontrust Asset Management	130	0.07
5,882	M&G	13	0.01
17,162	Molten Ventures	131	0.07
1,865,304	NextEnergy Solar Fund	1,895	1.00
1,269,000	Pantheon Infrastructure	1,339	0.71
253,800	Pantheon Infrastructure (Rights)	14	0.01
137,171	Pantheon International	436	0.23
71,160	Petershill Partners	153	0.08

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
13,245	Princess Private Equity	143	0.08
87,923	Renewables Infrastructure	117	0.06
1,780,000	Round Hill Music Royalty Fund	1,406	0.74
464,164	Round Hill Music Royalty Fund 'C'	329	0.17
1,095,769	Sdcl Energy Efficiency Income Trust	1,260	0.67
2,169,772	Sequoia Economic Infrastructure Income Fund	2,226	1.18
1,460,715	SLF Realisation Fund	163	0.09
1,034,582	SLF Realisation Fund 'C'	206	0.11
118,031	SME Credit Realisation Fund	106	0.06
1,204	St James's Place	18	0.01
85,538	Triple Point Energy Efficiency Infrastructure	80	0.04
1,324,644	Tufton Oceanic Assets	1,254	0.66
2,449,341	TwentyFour Income Fund	2,817	1.49
1,805,000	US Solar Fund	1,283	0.68
<b>Health Care (0.26%)</b>		<b>363</b>	<b>0.19</b>
222	AstraZeneca	19	0.01
3,498	Craneware++	66	0.03
1,775	Dechra Pharmaceuticals	74	0.04
2,590	Genus	98	0.05
6,424	GlaxoSmithKline	106	0.06
<b>Industrials (0.54%)</b>		<b>737</b>	<b>0.39</b>
39,555	Chemring	107	0.06
2,247	Diploma	62	0.03
5,483	FDM	59	0.03
20,056	Genuit	115	0.06
27,694	Marshalls	194	0.10
20,709	Midwich++	125	0.07
14,953	RWS++	75	0.04
<b>Real Estate (7.38%)</b>		<b>17,139</b>	<b>9.08</b>
3,885,500	Assura REIT	2,597	1.37
1,397,969	Civitas Social Housing REIT	1,348	0.71



# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
780,000	Home REIT	905	0.48
237,000	Industrials REIT	449	0.24
313,000	Primary Health Properties REIT	449	0.24
1,312,916	PRS REIT	1,319	0.70
1,139,000	Residential Secure Income REIT	1,224	0.65
13,090	Safestore REIT	166	0.09
827	Segro REIT	11	-
2,383,869	Supermarket Income REIT	2,825	1.50
1,182,219	Target Healthcare REIT	1,355	0.72
1,342,985	Triple Point Social Housing REIT	1,250	0.66
987,109	Tritax Big Box REIT	2,341	1.24
514,171	Urban Logistics REIT	900	0.48
<b>Technology (0.65%)</b>		<b>1,452</b>	<b>0.77</b>
24,119	Alphawave IP	39	0.02
18,600	Auction Technology	199	0.11
12,415	Auto Trader	83	0.04
289	AVEVA	8	-
23,263	Big Technologies++	60	0.03
54,176	Bytes Technology	250	0.13
6,404	Computacenter	170	0.09
16,312	DiscoverIE	139	0.07
18,569	GB++	122	0.07
15,696	Kainos	239	0.13
5,377	Softcat	88	0.05
30,268	Trustpilot	55	0.03
<b>Telecommunications (0.18%)</b>		<b>274</b>	<b>0.15</b>
8,951	Gamma Communication++	139	0.08
21,811	Spirent Communications	54	0.03
62,147	Vodafone	81	0.04
<b>Utilities (0.03%)</b>		<b>34</b>	<b>0.02</b>
569	Severn Trent	16	0.01
1,695	United Utilities	18	0.01

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Collective Investment Schemes (8.74%)</b>		<b>17,059</b>	<b>9.04</b>
3,267	Alpha UCITS SICAV - Fair Oaks Dynamic Credit Fund L2 GBP	3,165	1.68
11,218,831	MI Twentyfour Asset Backed Opportunities Fund I Inc	11,289	5.98
232,110	Neuberger Berman CLO Income Fund I2 Inc	2,156	1.14
106,594	Oakley Capital Investments	449	0.24
<b>Derivatives (0.39%)</b>		<b>1,220</b>	<b>0.65</b>
<b>Exchange Traded Options (-0.11%)</b>		-	-
(33)	Sell Call S&P 500 Index 31/01/2022	-	-
<b>Forward Currency Contracts (0.48%)</b>		<b>1,055</b>	<b>0.56</b>
	Buy EUR 325,000 Sell GBP 279,273 10/03/2022	(8)	-
	Buy GBP 303,336 Sell AUD 560,000 10/03/2022	9	0.01
	Buy GBP 9,855,632 Sell AUD 18,507,000 10/03/2022	133	0.07
	Buy GBP 222,195 Sell CAD 372,000 10/03/2022	4	-
	Buy GBP 9,490,697 Sell CAD 16,216,000 10/03/2022	(15)	(0.01)
	Buy GBP 15,594,047 Sell EUR 18,285,000 10/03/2022	300	0.16
	Buy GBP 230,526 Sell NOK 2,773,000 10/03/2022	(1)	-
	Buy GBP 465,241 Sell NOK 5,505,000 10/03/2022	5	-
	Buy GBP 9,157,575 Sell NOK 111,080,000 10/03/2022	(124)	(0.07)
	Buy GBP 316,823 Sell NZD 640,000 10/03/2022	4	-
	Buy GBP 512,724 Sell NZD 998,000 10/03/2022	25	0.01
	Buy GBP 9,319,081 Sell NZD 18,291,000 10/03/2022	369	0.20
	Buy GBP 420,977 Sell SEK 5,266,000 10/03/2022	-	-
	Buy GBP 540,584 Sell SEK 6,453,000 10/03/2022	25	0.01
	Buy GBP 9,261,035 Sell SEK 111,737,000 10/03/2022	333	0.18
	Buy GBP 44,834 Sell USD 60,000 10/03/2022	-	-
	Buy GBP 75,732 Sell USD 100,000 10/03/2022	1	-
	Buy GBP 76,386 Sell USD 102,000 10/03/2022	-	-
	Buy GBP 153,022 Sell USD 207,000 10/03/2022	(1)	-
	Buy GBP 268,299 Sell USD 354,000 10/03/2022	5	-
	Buy GBP 550,456 Sell USD 743,000 10/03/2022	(4)	-
	Buy GBP 30,614,521 Sell USD 40,819,000 10/03/2022	183	0.10
	Buy JPY 1,212,565,000 Sell GBP 8,069,484 10/03/2022	(221)	(0.12)
	Buy USD 107,000 Sell GBP 81,149 10/03/2022	(1)	-

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
	Buy USD 155,000 Sell GBP 114,582 10/03/2022	1	-
	Buy USD 2,067,000 Sell GBP 1,523,772 10/03/2022	17	0.01
	Buy USD 2,815,000 Sell GBP 2,082,791 10/03/2022	16	0.01
<b>Futures (0.02%)</b>		<b>165</b>	<b>0.09</b>
66	Long Euro-Stoxx 50 Future 18/03/2022	(20)	(0.01)
21	Long FTSE 100 Index Future 18/03/2022	32	0.02
24	Long S&P 500 E-mini Future 18/03/2022	(114)	(0.06)
18	Long S&P 500 E-mini Future 18/03/2022	(11)	(0.01)
(151)	Short FTSE 250 Index Future 17/09/2021	278	0.15
Total investment assets and liabilities		178,288	94.50
Net other assets		10,372	5.50
<b>Total Net Assets</b>		<b>188,660</b>	<b>100.00</b>

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

The percentage figures in brackets show the comparative holding as at 31 July 2021.

\*Managed by subsidiaries of abrdn plc.

\*\*AIM listed.

\*Delisted.

\*\*A portion of this security is on loan at the period end.

# Financial Statements

## Statement of Total Return

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(65)		9,848
Revenue	4,628		3,954	
Expenses	(648)		(661)	
Interest payable and similar charges	(1)		(1)	
Net revenue before taxation	3,979		3,292	
Taxation	(496)		(370)	
Net revenue after taxation		3,483		2,922
<b>Total return before distributions</b>		<b>3,418</b>		<b>12,770</b>
Distributions		(4,125)		(3,563)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(707)</b>		<b>9,207</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>187,351</b>		<b>177,419</b>
Amounts receivable on the issue of shares	5,556		8,616	
Amounts payable on the cancellation of shares	(4,461)		(18,502)	
		1,095		(9,886)
Dilution adjustment		-		40
Change in net assets attributable to shareholders from investment activities (see above)		(707)		9,207
Retained distribution on accumulation shares		921		1,012
<b>Closing net assets attributable to shareholders</b>		<b>188,660</b>		<b>177,792</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. 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 2022

	31 January 2022		31 July 2021	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		178,808		179,439
<b>Current assets:</b>				
Debtors	1,529		2,652	
Cash and bank balances	11,147		7,522	
		12,676		10,174
<b>Total assets</b>		<b>191,484</b>		<b>189,613</b>
<b>Liabilities:</b>				
Investment liabilities		(520)		(774)
Provisions for liabilities		(5)		-
Bank overdrafts	(1)		(36)	
Creditors	(1,836)		(963)	
Distribution payable	(462)		(489)	
		(2,299)		(1,488)
<b>Total liabilities</b>		<b>(2,824)</b>		<b>(2,262)</b>
<b>Net assets attributable to shareholders</b>		<b>188,660</b>		<b>187,351</b>

### Subsequent event

Investments in financial markets are affected by many factors, many of which have shifted following the outbreak of the conflict in Ukraine. The fund invests in a portfolio of assets, whose values have fallen since the interim period, primarily due to the global market volatility created by the conflict in Ukraine and the longer term uncertainty the conflict brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class A Accumulation was 246.36p. The Net Asset Value of share class A Accumulation as at 12 noon on 21 March 2022 was 239.75p. This represents a modest decrease of 2.68% from the interim period value.

The fund's investment portfolio includes assets directly held in or exposed to the countries involved in the conflict. Since the outbreak of the conflict these assets have been monitored regularly by the Manager and, where relevant, subsequently written down in value based on prevailing market and industry insights.

# Distribution Tables

For the six months ended 31 January 2022 (in pence per share)

## First interim dividend distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 August 2021

	Revenue	Equalisation	Distribution paid 30/09/21	Distribution paid 30/09/20
<b>A Accumulation</b>				
Group 1	0.9244	-	0.9244	0.8049
Group 2	0.8155	0.1089	0.9244	0.8049
<b>A Income</b>				
Group 1	0.4622	-	0.4622	0.4210
Group 2	0.3823	0.0799	0.4622	0.4210
<b>I Accumulation</b>				
Group 1	0.5915	-	0.5915	0.5132
Group 2	0.3664	0.2251	0.5915	0.5132
<b>I Income</b>				
Group 1	0.4121	-	0.4121	0.3739
Group 2	0.2511	0.1610	0.4121	0.3739
<b>M Accumulation</b>				
Group 1	0.4372	-	0.4372	0.3795
Group 2	0.4372	-	0.4372	0.3795
<b>M Income</b>				
Group 1	0.3885	-	0.3885	0.3527
Group 2	0.2062	0.1823	0.3885	0.3527
<b>Z Accumulation</b>				
Group 1	0.9956	-	0.9956	0.8598
Group 2	0.5771	0.4185	0.9956	0.8598

# Distribution Tables

For the six months ended 31 January 2022 (in pence per share) continued

## Second interim dividend distribution

Group 1 – shares purchased prior to 1 September 2021

Group 2 – shares purchased between 1 September 2021 and 30 September 2021

	Revenue	Equalisation	Distribution paid 29/10/21	Distribution paid 30/10/20
<b>A Accumulation</b>				
Group 1	0.9096	-	0.9096	0.8022
Group 2	0.8021	0.1075	0.9096	0.8022
<b>A Income</b>				
Group 1	0.4531	-	0.4531	0.4180
Group 2	0.4228	0.0303	0.4531	0.4180
<b>I Accumulation</b>				
Group 1	0.5822	-	0.5822	0.5116
Group 2	0.5409	0.0413	0.5822	0.5116
<b>I Income</b>				
Group 1	0.4041	-	0.4041	0.3713
Group 2	0.2953	0.1088	0.4041	0.3713
<b>M Accumulation</b>				
Group 1	0.4303	-	0.4303	0.3782
Group 2	0.4303	-	0.4303	0.3782
<b>M Income</b>				
Group 1	0.3809	-	0.3809	0.3502
Group 2	0.3809	-	0.3809	0.3502
<b>Z Accumulation</b>				
Group 1	0.9803	-	0.9803	0.8573
Group 2	0.9643	0.0160	0.9803	0.8573

# Distribution Tables

For the six months ended 31 January 2022 (in pence per share) continued

## Third interim dividend distribution

Group 1 – shares purchased prior to 1 October 2021

Group 2 – shares purchased between 1 October 2021 and 31 October 2021

	Revenue	Equalisation	Distribution paid 30/11/21	Distribution paid 30/11/20
<b>A Accumulation</b>				
Group 1	0.9116	-	0.9116	0.8009
Group 2	0.6054	0.3062	0.9116	0.8009
<b>A Income</b>				
Group 1	0.4524	-	0.4524	0.4158
Group 2	0.1900	0.2624	0.4524	0.4158
<b>I Accumulation</b>				
Group 1	0.5837	-	0.5837	0.5110
Group 2	0.3740	0.2097	0.5837	0.5110
<b>I Income</b>				
Group 1	0.4036	-	0.4036	0.3694
Group 2	0.2814	0.1222	0.4036	0.3694
<b>M Accumulation</b>				
Group 1	0.4314	-	0.4314	0.3777
Group 2	0.4314	-	0.4314	0.3777
<b>M Income</b>				
Group 1	0.3805	-	0.3805	0.3484
Group 2	0.2391	0.1414	0.3805	0.3484
<b>Z Accumulation</b>				
Group 1	0.9832	-	0.9832	0.8566
Group 2	0.8800	0.1032	0.9832	0.8566



# Distribution Tables

For the six months ended 31 January 2022 (in pence per share) continued

## Fourth interim dividend distribution

Group 1 – shares purchased prior to 1 November 2021

Group 2 – shares purchased between 1 November 2021 and 30 November 2021

	Revenue	Equalisation	Distribution paid 31/12/21	Distribution paid 31/12/20
<b>A Accumulation</b>				
Group 1	0.9197	-	0.9197	0.8374
Group 2	0.5348	0.3849	0.9197	0.8374
<b>A Income</b>				
Group 1	0.4547	-	0.4547	0.4330
Group 2	0.2210	0.2337	0.4547	0.4330
<b>I Accumulation</b>				
Group 1	0.5891	-	0.5891	0.5344
Group 2	0.2771	0.3120	0.5891	0.5344
<b>I Income</b>				
Group 1	0.4058	-	0.4058	0.3849
Group 2	0.3404	0.0654	0.4058	0.3849
<b>M Accumulation</b>				
Group 1	0.4354	-	0.4354	0.3951
Group 2	0.4354	-	0.4354	0.3951
<b>M Income</b>				
Group 1	0.3825	-	0.3825	0.3630
Group 2	0.2564	0.1261	0.3825	0.3630
<b>Z Accumulation</b>				
Group 1	0.9926	-	0.9926	0.8962
Group 2	0.9512	0.0414	0.9926	0.8962

# Distribution Tables

For the six months ended 31 January 2022 (in pence per share) continued

## Fifth interim dividend distribution

Group 1 – shares purchased prior to 1 December 2021

Group 2 – shares purchased between 1 December 2021 and 31 December 2021

	Revenue	Equalisation	Distribution paid 31/01/22	Distribution paid 29/01/21
<b>A Accumulation</b>				
Group 1	0.9348	-	0.9348	0.8479
Group 2	0.4074	0.5274	0.9348	0.8479
<b>A Income</b>				
Group 1	0.4604	-	0.4604	0.4369
Group 2	0.2139	0.2465	0.4604	0.4369
<b>I Accumulation</b>				
Group 1	0.5989	-	0.5989	0.5413
Group 2	0.2645	0.3344	0.5989	0.5413
<b>I Income</b>				
Group 1	0.4110	-	0.4110	0.3884
Group 2	0.1712	0.2398	0.4110	0.3884
<b>M Accumulation</b>				
Group 1	0.4426	-	0.4426	0.4001
Group 2	0.4426	-	0.4426	0.4001
<b>M Income</b>				
Group 1	0.3875	-	0.3875	0.3663
Group 2	0.1677	0.2198	0.3875	0.3663
<b>Z Accumulation</b>				
Group 1	1.0096	-	1.0096	0.9081
Group 2	0.6766	0.3330	1.0096	0.9081

# Distribution Tables

For the six months ended 31 January 2022 (in pence per share) continued

## Sixth interim dividend distribution

Group 1 – shares purchased prior to 1 January 2022

Group 2 – shares purchased between 1 January 2022 and 31 January 2022

	Revenue	Equalisation	Distribution paid 28/02/22	Distribution paid 26/02/21
<b>A Accumulation</b>				
Group 1	0.8832	-	0.8832	0.8496
Group 2	0.6853	0.1979	0.8832	0.8496
<b>A Income</b>				
Group 1	0.4361	-	0.4361	0.4360
Group 2	0.3199	0.1162	0.4361	0.4360
<b>I Accumulation</b>				
Group 1	0.4943	-	0.4943	0.5425
Group 2	0.3030	0.1913	0.4943	0.5425
<b>I Income</b>				
Group 1	0.3362	-	0.3362	0.3878
Group 2	0.2462	0.0900	0.3362	0.3878
<b>M Accumulation</b>				
Group 1	0.3710	-	0.3710	0.4010
Group 2	0.3710	-	0.3710	0.4010
<b>M Income</b>				
Group 1	0.3221	-	0.3221	0.3657
Group 2	0.0503	0.2718	0.3221	0.3657
<b>Z Accumulation</b>				
Group 1	0.6742	-	0.6742	0.9105
Group 2	0.6172	0.0570	0.6742	0.9105

## Equalisation

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

# ASI Eastern European Equity Fund

For the six months ended 31 January 2022

## Investment Objective

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

Performance Target: To achieve the return of the MSCI Emerging Market Europe 10/40 Index plus 3% per annum over rolling three year periods (before 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 ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund invests at least 70% in equities and equity related securities of companies listed, incorporated or domiciled in European emerging market countries, or companies that derive a significant proportion of their revenues or profits or have a significant proportion of their assets there.
- The fund may also invest up to 10% in other European equities.
- 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 is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the Performance Target, the MSCI Emerging Market Europe 10/40 Index 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 index, is not ordinarily expected to exceed 12.5%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the MSCI Emerging Market Europe 10/40 Index over the long term.

## Derivatives and Techniques

- The fund may use derivatives to reduce risk, 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.

## Performance Review

For the six months ended 31 January 2022, the value of ASI Eastern European Equity Fund – A Accumulation Shares decreased by 7.50% compared to a decrease of 2.50% in the performance target, the MSCI Emerging Market Europe 10/40 Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) any other damages. ([www.msci.com](http://www.msci.com))

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.

## Market Review

Eastern European stocks were mixed over the six-month period. They posted healthy gains in euro terms in the third quarter, outperforming the broader emerging markets (EMs) asset class. Investors were upbeat on the wider recovery of the region's corporate activity to pre-pandemic levels. Russian equities reached record levels as energy prices rallied to multi-year highs due to low near-term global supplies, the easing of travel restrictions and post-pandemic economic activity. On the policy front, its central bank hiked interest rates aggressively to rein in inflationary pressures. While Turkey's stock market also advanced, share prices were capped by concerns over the government's ability to rein in currency volatility amid persistent inflationary pressures. The central bank unexpectedly reversed its austerity measures and slashed the benchmark repo rate by a full percentage

# ASI Eastern European Equity Fund

## Continued

point. Investors were dismayed at the country's weak political will in defending the lira, which sank to a new low. This exacerbated runaway inflation and hurt household consumption.

In the second half of the period, Eastern European stocks underperformed the broader EM index. Weakness in Turkey and Russia drove the negative performance. Geopolitical tensions and a more hawkish stance from central banks dampened investor appetite for riskier EM assets. Russian stocks were especially weak in January as investors worried that a build-up of troops along the Ukrainian border would result in an invasion and draw economic sanctions on the country. Meanwhile, as inflation continued to climb with a surge in energy prices, several of the region's central banks moved to curtail borrowing by hiking interest rates. The Turkish government – whose unorthodox economic policy continued to weigh on the lira – raised prices on a slew of goods and services, including bus fares, bridge and road tolls, cigarettes, alcohol, electricity and fuel. To soften the burden of these price increases on consumers, it also raised the monthly minimum wage by 50%.

### Portfolio Activity

The fund posted negative returns over the review period and underperformed its benchmark. Asset allocation and stock selection were both negative for performance, with our positions in off-benchmark holdings weighing on performance. In the five months to the end of December, the fund had outperformed the benchmark, but going into the month of January, our overweight to Russia was a meaningful drag as geopolitical tensions between Russia and the US and European Union (EU) over military escalation on the Russia-Ukraine border drove up Russia's risk premia, resulting in a correction in Russian assets. Our off-benchmark position in Slovenia helped returns, as did stock selection in Greece.

On a stock-specific basis, Russian e-commerce marketplace Ozon and automated parcel machine provider InPost were key detractors to performance as their shares were caught in the rotation away from growth stocks in the second half of the period. Ozon was also hurt by geopolitical tensions souring sentiment for Russian stocks, while InPost continued to drift down as a changing competitive landscape for domestic e-commerce raised questions around the structure of logistics fulfilment going forward. This was despite the company continuing to report double-digit revenue growth and strong returns on investment. Elsewhere, the underweight position in gas giant Gazprom cost the fund. Its shares were boosted early on by good demand, with export prices to Europe continuing to rise, and benefited further from rising gas

prices. Renaissance Insurance Group detracted as it was caught in the broad sell-off in Russian equities only a few months after its IPO. As the company had not yet reported a set of quarterly results, its trading track record was very short, and we believe that in time, evidence of execution will highlight the growth opportunities ahead.

On the flip side, three off-benchmark positions were among the top contributors. Paper and forestry company Segezha's good performance was supported by strong results. The National Bank of Greece continued to outperform on the back of positive macroeconomic momentum and improving results from its loan book. Distillery and retail chain operator Beluga added to performance on news in the first half of the review period of a buyout offer to a comparable peer. This constituted a positive read-across for Beluga's valuation. A lack of exposure to mining companies Polymetal International and KGHM also helped relative returns.

It was a busy period in terms of portfolio activity. We initiated several holdings in Russia, including Renaissance Insurance Group, as we believe the Russian insurer is positioned to take market share as local capital regulations tighten materially; leading online classifieds platform Cian, a major player in Russia's underpenetrated real estate classifieds market; and Magnitogorsk Iron & Steel (MMK), a Russian steel producer previously held by the fund, given attractive relative valuations and an ESG discount we believe to be unwarranted. We also initiated Terna Energy, Europe's largest independent electricity transmission grid operator, as we like the company's longer-term prospects as its capacity expansion is aligned to the region's energy transition goals. We also introduced Bank of Georgia and CTP. The latter is a warehouse developer operating across Central and Eastern Europe, with a market-leading portfolio of green-certified properties.

Against these, we exited Greek consumer durable goods provider Fourlis, Turkish general insurer Aksigorta, Turkish convenience store operators Sok Marketler Ticaret and Russian telco Mobile Telesystems (MTS) in order to fund opportunities elsewhere. We also exited children's goods retailer Detsky Mir in Russia to manage the fund's high exposure to domestic consumption amid the risk of higher inflation denting disposable incomes.

### Portfolio Outlook and Strategy

We expect the inflationary impact of Russia's invasion to slow global growth but not derail it. The price of oil, gas, fertilisers, grains and industrial metals are likely to rise still further from here, and the unofficial embargo that is currently occurring on Russian exports will likely spur on that trend. The Eastern European region is likely to suffer more from Russia's exile than other regions: Russia is an

# ASI Eastern European Equity Fund

## Continued

important trading partner for Poland, Hungary, Czechia and Turkey, and the largest supplier of oil and gas in the region. Combined, Ukraine and Russia make up a large portion of seaborne grain supply, circa 30% of global traded wheat. Food inflation will weigh heaviest on African nations as a result, but Central Europe will not be immune.

Policy adjustments across the world are likely to be slowed marginally, but not put off by these events. Markets continue to price 6 interest rate increases by the Federal Reserve over the coming year, albeit before the invasion this figure was pushing toward 6.5. Such an environment will bring opportunities for commodity producers, some banks, and firms exposed to investment spending required to reduce European dependence on hydrocarbons. An influx of Ukrainian refugees into the region may bring a construction boom. IT services and consultancy firms based in the region will face a painful readjustment, but have sophisticated business continuity capabilities, a flexible workforce, and typically conduct operations in the cloud. They will survive and thrive. The shock of this event may bring greater cohesion across the region, and bring about EU accession for nations such as Georgia and Moldova. Lastly, the EU recovery fund's disbursements will be more valuable than ever.

As of February 25, it proved impossible to trade in local Russian securities, following which, the MOEX shut down trading on February 28 and has remained closed since. Given the inability to accurately price securities making up a material part of the fund's net asset value, abrdn's Investor Protection Committee took the decision to suspend the fund on February 28. Since that time, given current market conditions and liquidity, abrdn's Valuation and Pricing Committee (VPC) have decided to reduce the price on all Russian equity and Global Depositary Receipts and American Depositary Receipt instruments to zero. This followed news that MSCI and FTSE would remove Russia from all composite indices, price all securities to zero, and downgrade Russia to 'standalone market' status, similar to Iran and Argentina.

We are currently engaging with MSCI to understand exactly how index composition is likely to shift as a result, and will seek to ensure that the strategy evolves to capture the best of the structural opportunities now facing us.

While we have followed the VPC's methodology in writing Russian positions to zero, we retain title to those shares and continue to look for resolution of some kind to this humanitarian tragedy. We will recover capital where we can but as an investment house, our view is that the ESG risks associated with securities exposed to Russia, Belarus and Ukraine make those markets effectively uninvestable for the foreseeable future. We have, therefore, placed bans on purchases in those markets.

The region faces an uncertain future, which warrants a tighter-than-ever focus on long-term quality, business resilience, and secular growth opportunities.

### Global Emerging Markets Equity Team

February 2022

# ASI Eastern European Equity Fund

## 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 2022.

The fund is rated as 6 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.
- 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 going into administration

# Comparative Tables

<b>A Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	3,903	4,274	3,634	4,283
Closing number of shares	1,029,746	1,049,378	1,160,682	1,246,954
Closing net asset value per share (pence)	379.02	407.22	313.06	343.48
Change in net asset value per share	(6.93%)	30.08%	(8.86%)	21.73%
Operating charges	1.39%	1.39%	1.39%	1.49%
<b>I Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	14,683	15,485	12,222	15,465
Closing number of shares	3,754,761	3,665,894	3,701,475	4,233,106
Closing net asset value per share (pence)	391.06	422.41	330.19	365.33
Change in net asset value per share	(7.42%)	27.93%	(9.62%)	21.61%
Operating charges	0.94%	0.94%	0.94%	0.94%
<b>M Accumulation<sup>A</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	1	1	1	-
Closing number of shares	816	816	816	100
Closing net asset value per share (pence)	141.97	153.32	119.94	132.59
Change in net asset value per share	(7.40%)	27.83%	(9.54%)	32.59%
Operating charges	0.99%	0.99%	0.99%	0.99%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share 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 share class.

<sup>A</sup> M Accumulation share class was launched on 26 November 2018.



# Portfolio Statement

As at 31 January 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (97.77%)</b>		<b>18,174</b>	<b>97.78</b>
<b>Emerging Market Equities (63.51%)</b>		<b>11,538</b>	<b>62.08</b>
<b>Russia (63.51%)</b>		<b>11,538</b>	<b>62.08</b>
6,222	Beluga	193	1.04
9,279	Cian ADR	58	0.31
91,076	Fix Price GDR	386	2.08
363,181	Gazprom	1,159	6.24
9,422	HeadHunter ADR	310	1.67
27,068	Lukoil ADR	1,789	9.63
346,685	Magnitogorsk Iron & Steel Works	203	1.09
51,193	MD Medical GDR	362	1.95
2,187	MMC Norilsk Nickel	457	2.46
206,899	Moscow Exchange	289	1.55
94,580	Novatek	1,497	8.05
12,159	Novolipetsk Steel GDR	250	1.35
10,870	Ozon ADR	167	0.90
4,742	Polyus	553	2.98
309,590	Renaissance Insurance	207	1.11
83,861	Rosneft Oil	463	2.49
606,512	Sberbank of Russia	1,549	8.33
4,622,000	Segezha	443	2.38
21,646	X5 Retail GDR	362	1.95
23,489	Yandex	841	4.52
<b>European Equities (24.34%)</b>		<b>5,347</b>	<b>28.77</b>
<b>Cyprus (4.14%)</b>		<b>688</b>	<b>3.70</b>
12,972	TCS GDR 'S'	688	3.70
<b>Czech Republic (1.09%)</b>		<b>414</b>	<b>2.23</b>
12,607	Komerční Banka	414	2.23

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Georgia (0.59%)</b>		<b>195</b>	<b>1.05</b>
13,313	Bank of Georgia	195	1.05
<b>Greece (3.34%)</b>		<b>828</b>	<b>4.45</b>
157,558	National Bank of Greece	459	2.47
26,476	Sarantis	193	1.04
16,277	Terna Energy	176	0.94
<b>Hungary (1.51%)</b>		<b>356</b>	<b>1.92</b>
18,215	Richter Gedeon Nyrt	356	1.92
<b>Kazakhstan (2.10%)</b>		<b>375</b>	<b>2.02</b>
5,923	Kaspi.KZ GDR	375	2.02
<b>Netherlands (0.00%)</b>		<b>182</b>	<b>0.98</b>
12,130	CTP	182	0.98
<b>Poland (7.34%)</b>		<b>1,395</b>	<b>7.50</b>
63,279	Allegro.eu	433	2.33
6,815	Dino Polska	390	2.10
37,758	InPost	227	1.22
5,407	Santander Bank Polska	345	1.85
<b>Romania (1.34%)</b>		<b>293</b>	<b>1.58</b>
87,826	BRD-Groupe Societe Generale	293	1.58

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Slovenia (2.89%)</b>		<b>621</b>	<b>3.34</b>
2,601	KRKA	250	1.34
30,022	Nova Ljubljanska Banka GDR	371	2.00
<b>Middle East Equities (5.72%)</b>		<b>454</b>	<b>2.44</b>
<b>Turkey (5.72%)</b>		<b>454</b>	<b>2.44</b>
1	Agesa Hayat ve Emeklilik	-	-
1	Akbank	-	-
25,509	Coca-Cola İçecek	161	0.87
1	Enka Insaat ve Sanayi	-	-
40,570	Mavi Giyim Sanayi Ve Ticaret 'B'	151	0.80
14,974	Türkiye Petrol Rafinerileri	142	0.77
<b>North America Equities (1.30%)</b>		<b>241</b>	<b>1.29</b>
<b>United States (1.30%)</b>		<b>241</b>	<b>1.29</b>
680	EPAM Systems	241	1.29
<b>UK Equities (2.90%)</b>		<b>594</b>	<b>3.20</b>
<b>Industrials (1.56%)</b>		<b>334</b>	<b>1.80</b>
18,143	Mondi	334	1.80
<b>Technology (1.34%)</b>		<b>260</b>	<b>1.40</b>
2,868	Endava ADR	260	1.40
Total investment assets		18,174	97.78
Net other assets		413	2.22
<b>Total Net Assets</b>		<b>18,587</b>	<b>100.00</b>

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 31 July 2021.

# Financial Statements

## Statement of Total Return

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(1,797)		1,164
Revenue	403		311	
Expenses	(102)		(85)	
Net revenue before taxation	301		226	
Taxation	(223)		(26)	
Net revenue after taxation		78		200
<b>Total return before equalisation</b>		<b>(1,719)</b>		<b>1,364</b>
Equalisation on shares		(9)		(4)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(1,728)</b>		<b>1,360</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>19,760</b>		<b>15,857</b>
Amounts receivable on the issue of shares	3,330		356	
Amounts payable on the cancellation of shares	(2,775)		(919)	
		555		(563)
Change in net assets attributable to shareholders from investment activities (see above)		(1,728)		1,360
<b>Closing net assets attributable to shareholders</b>		<b>18,587</b>		<b>16,654</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. 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 2022

	31 January 2022		31 July 2021	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		18,174		19,320
<b>Current assets:</b>				
Debtors	411		331	
Cash and bank balances	427		258	
		838		589
<b>Total assets</b>		<b>19,012</b>		<b>19,909</b>
<b>Liabilities:</b>				
Creditors	(425)		(149)	
		(425)		(149)
<b>Total liabilities</b>		<b>(425)</b>		<b>(149)</b>
<b>Net assets attributable to shareholders</b>		<b>18,587</b>		<b>19,760</b>

### Subsequent event

Due to the conflict between Russia and Ukraine, market trading conditions have become very challenging and we are unable to trade in certain funds without compromising the best interests of investors. We have therefore suspended dealing in the ASI Eastern European Equity Fund from the valuation point at midday GMT on 1 March 2022. The suspension is intended to protect the interests of all investors and this action reflects a period of exceptional circumstances for Eastern European markets. We will aim to lift the suspension as soon as we are in a position to do so, taking into account the best interests of customers and investors.

# ASI Emerging Markets Bond Fund

For the six months ended 31 January 2022

## Investment Objective

To generate income and some growth over the longer term (5 years or more) by investing in emerging markets corporate and/or government bonds.

Performance Target: To achieve the return of the JP Morgan EMBI Global Diversified Index (Hedged to GBP) plus 2.5% per annum (before 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 ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities:

- The fund will invest at least 70% in bonds including government, sub-sovereign, and corporate bonds issued by emerging market countries or corporations which carry out a substantial part of their operations, derive a significant proportion of their revenues or profits or have a significant proportion of their assets in these countries.
- The fund may also hold bonds issued by other governments or sub-sovereigns anywhere in the world.
- 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 bonds and derivatives after analysing companies prospects and creditworthiness alongside global economic and market conditions. They make flexible allocations across bonds and derivatives in emerging markets as well as currencies.
- In seeking to achieve the performance target, the JP Morgan EMBI Global Diversified (GBP Hedged) Index 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 index is not ordinarily expected to exceed 8.50%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the JP Morgan EMBI Global Diversified (GBP Hedged) Index.

Please Note: The fund's ability to buy and sell bonds and the associated costs can be affected during periods of market stress which could include periods where interest rates move sharply.

### Derivatives and Techniques:

- The fund will routinely use derivatives to reduce risk, reduce cost and/or generate extra income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivatives can also be used to generate growth, consistent with the fund's risk profile, if market prices are expected to rise ("long positions") or fall ("short positions").
- Derivatives include instruments used to manage expected changes in interest rates, inflation, currencies or creditworthiness of corporations or governments.

## Performance Review

For the six months ended 31 January 2022, the value of ASI Emerging Markets Bond Fund - A Accumulation Shares decreased by 5.85% compared to a decrease of 4.61% in the performance target, the JP Morgan EMBI Global Diversified Index (Hedged to GBP).

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

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.

## Market Review

Yields were volatile in the third quarter of 2021, falling sharply in July due to reduced US Treasury issuance and a dovish tone from US Federal Reserve (Fed) Chair Jay Powell's congressional testimony. Yields spiked in the latter half of the third quarter, as the Fed announced it would soon begin to slow the pace of its asset purchases – now projected to come to an end in 2022. Continued high inflation data, supportive jobs data and comments by the Fed that it would accelerate the tapering of its monthly asset purchases from US\$15 billion to US\$30 billion led to expectations of quicker monetary tightening and created an upward pressure in yields towards the end of the review period. However, this upward yield pressure was counterbalanced by the emergence of the new and highly infectious Omicron variant of Covid-19, which raised concerns among investors about its potential impact on the economic recovery. Similar competing pressures were seen in the oil market, with fears over Omicron's effects balanced against negative supply shocks, falling inventories and Russia-Ukraine tensions. The Brent crude oil price ended the period at US\$91.21 per barrel.

In hard-currency debt, the weaker market environment at the beginning of the period was caused by renewed concerns over the outlook for US monetary policy, a slowing Chinese economy and the Evergrande debt crisis.

# ASI Emerging Markets Bond Fund

## Continued

In Zambia, newly elected President Hakainde Hichilema of the United Party for National Development pledged to stabilise the country's shaky finances by resolving the debt crisis and coming to an agreement with bondholders, while also securing an International Monetary Fund (IMF) programme. Meanwhile, the IMF agreed to the largest special drawing rights allocation in its history, at US\$650 billion. Of this, approximately 42% will go to emerging markets, with the main beneficiaries of this increase being Zambia, Bahrain and Ecuador. Elsewhere, Surinamese bonds benefited from the prospect of a restart of restructuring negotiations. Conversely, the collapse of the US-supported regime in Afghanistan triggered the modest underperformance of bond markets in Tajikistan and Pakistan. Meanwhile, the civil war in Ethiopia's Tigray region intensified, with both the US and the European Union considering sanctions against the country. Finally on the issuances side, notable deals included the United Arab Emirates' triple-tranche US\$4 billion deal, Peru's US\$3.25 billion sustainable bond debut and China's issuance of US\$4 billion in bonds across four tranches.

### Portfolio Activity

Overall, sector allocation was positive for the Fund's performance, while country allocation, security selection, credit allocation and currency exposure detracted from returns. On a country basis, the Fund's underweight exposure (versus the benchmark) to Colombia and zero-weight exposure to Sri Lanka contributed to performance. Meanwhile, security selection in Ghana and Mexico helped returns, as did currency allocation in India.

Conversely, an off-benchmark exposure to the Bahamas, and overweight holdings in Venezuela, El Salvador, Ukraine and Egypt and underweight positioning in Oman weighed on returns. Currency exposure to Russia and Brazil and security selection in Egypt also hurt performance.

In terms of activity, we took part in the issue of a 10-year bond from Rwanda and a shorter duration position from Nigeria, as both were attractively priced. In addition, we added exposure to Ivory Coast, Bahrain, Qatar, Uzbekistan and Tunisia, based on their improving macroeconomic outlooks. We also switched from Romanian 2032 bonds to 2050 bonds and added to positions in Jordan, Guatemala and Kenya. Meanwhile, we added exposure to South Africa later in the period, based on good valuations. Conversely, we reduced our exposure to El Salvador and carried out several sales to cover outflows, including positions in Saudi Arabia, Egypt and Argentina. Elsewhere, we decreased our holdings in the Czech Republic and United Arab Emirates, based on their negative macroeconomic outlooks.

In local currency, we decreased duration in Mexico by reducing bond positions and replacing them with exposure to Chile. Elsewhere, we reduced our exposure to Russian local-currency bonds, as the value of the Russian ruble depreciated towards the end of the review period.

In the corporate space, we raised cash by selling positions in the Investment Company of Dubai and Georgian Railways. We also purchased a new issue from NPC Ukrenergo, a power company responsible for the operational and technological control of the Ukrainian energy system, as its US dollar bonds are explicitly guaranteed by the sovereign.

### Portfolio Outlook and Strategy

The end of 2021 presented a challenging environment for emerging markets (EMs), driven by a more hawkish Fed paving the way for policy rate hikes in 2022, global inflationary pressures and a slowdown in Chinese growth. However, the macroeconomic and external backdrop for the asset class is set to improve as the year progresses. Inflationary pressures are expected to alleviate during the second quarter of 2022, with the outlook for the second half of the year more benign as global energy prices become disinflationary. Moreover, some emerging-market central banks may over-tighten, providing scope for easing towards the end of the year. Omicron continues to lead to fewer severe outcomes than earlier variants of Covid-19, allowing for further economic reopenings and recovery in international tourism. Meanwhile, the zero-Covid approach and ongoing property sector concerns present downside risks to Chinese growth, but further monetary easing is expected. Additional risks to our outlook include rising US Treasury yields as the Fed is compelled to front-load its tightening cycle, a strong US dollar and vaccine inefficacy against new Covid-19 variants.

### Global Emerging Market Debt Team

February 2022

# ASI Emerging Markets Bond Fund

## 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 2022.

The fund is rated as 4 because of the extent to which the following risk factors apply:

- 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.
- The fund invests in high yielding bonds which carry a greater risk of default than those with lower yields.
- The fund invests in mortgage and asset-backed securities (which may include collateralised loan, debt or mortgage obligations (respectively CLOs, CDOs or CMOs)). These are subject to prepayment and extension risk and additional liquidity and default risk compared to other credit securities.
- Convertible securities are investments that can be changed into another form upon certain triggers. As such, they can exhibit credit, equity and fixed interest risk. Contingent convertible securities (CoCos) are similar to convertible securities but have additional triggers which mean that they are more vulnerable to losses and volatile price movements and hence become less liquid.
- 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 going into administration.



# Comparative Tables

<b>A Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	1,425	1,626	1,588	1,765
Closing number of shares	1,041,039	1,119,949	1,151,239	1,237,405
Closing net asset value per share (pence)	136.85	145.15	137.90	142.62
Change in net asset value per share	(5.72%)	5.26%	(3.31%)	7.45%
Operating charges	1.33%	1.36%	1.36%	1.46%
<b>A Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	1,384	2,032	2,304	1,994
Closing number of shares	1,816,381	2,438,930	2,765,585	2,196,892
Closing net asset value per share (pence)	76.18	83.32	83.30	90.75
Change in net asset value per share	(8.57%)	0.02%	(8.21%)	0.20%
Operating charges	1.33%	1.36%	1.36%	1.46%
<b>I Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	16,231	17,785	27,112	33,168
Closing number of shares	13,541,895	14,022,238	22,600,387	26,849,067
Closing net asset value per share (pence)	119.86	126.84	119.96	123.54
Change in net asset value per share	(5.50%)	5.74%	(2.90%)	8.05%
Operating charges	0.88%	0.91%	0.91%	0.91%
<b>I Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	10,140	19,642	20,174	21,127
Closing number of shares	14,090,577	25,015,081	25,816,099	24,926,973
Closing net asset value per share (pence)	71.96	78.52	78.15	84.76
Change in net asset value per share	(8.35%)	0.47%	(7.80%)	0.77%
Operating charges	0.88%	0.91%	0.91%	0.91%
<b>M Accumulation<sup>A</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	9	10	9	-
Closing number of shares	8,383	8,396	8,423	100
Closing net asset value per share (pence)	110.05	116.46	110.20	113.32
Change in net asset value per share	(5.50%)	5.68%	(2.75%)	13.32%
Operating charges	0.93%	0.96%	0.96%	0.96%

# Comparative Tables

## Continued

<b>M Income<sup>B</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	1	1	1	-
Closing number of shares	948	948	948	100
Closing net asset value per share (pence)	92.13	100.53	100.02	108.22
Change in net asset value per share	(8.36%)	0.51%	(7.58%)	8.22%
Operating charges	0.93%	0.96%	0.96%	0.96%
<b>Z Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	630	625	2,653	68,857
Closing number of shares	412,279	387,947	1,752,858	44,514,386
Closing net asset value per share (pence)	152.92	161.20	151.34	154.68
Change in net asset value per share	(5.14%)	6.52%	(2.16%)	8.85%
Operating charges	0.13%	0.16%	0.16%	0.16%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences.

The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share 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 share class.

<sup>A</sup> M Accumulation share class was launched on 26 November 2018.

<sup>B</sup> M Income share class was launched on 26 November 2018.

# Portfolio Statement

As at 31 January 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Bonds (95.70%)</b>		<b>28,303</b>	<b>94.91</b>
<b>Brazilian Real Denominated Bonds (4.16%)</b>		<b>1,535</b>	<b>5.15</b>
<b>Government Bonds (4.16%)</b>		<b>1,535</b>	<b>5.15</b>
less than 5 years to maturity			
8,542,000	Brazil (Fed Rep of) 10% 2027	1,161	3.89
between 5 and 10 years to maturity			
740,000	Brazil (Fed Rep of) 10% 2029	98	0.33
1,549,000	Brazil (Fed Rep of) 10% 2031	204	0.69
greater than 25 years to maturity			
127,000	Brazil (Fed Rep of) 6% 2050	72	0.24
<b>Chilean Peso Denominated Bonds (1.11%)</b>		<b>807</b>	<b>2.71</b>
<b>Government Bonds (1.11%)</b>		<b>807</b>	<b>2.71</b>
between 5 and 10 years to maturity			
575,000,000	Chile (Republic of) 4.7% 2030	512	1.72
between 10 and 15 years to maturity			
205,000,000	Chile (Republic of) 2.8% 2033	145	0.49
170,000,000	Chile (Republic of) 5% 2035	150	0.50
<b>Egyptian Pound Denominated Bonds (1.05%)</b>		<b>-</b>	<b>-</b>
<b>Government Bonds (1.05%)</b>		<b>-</b>	<b>-</b>
<b>Euro Denominated Bonds (8.63%)</b>		<b>2,255</b>	<b>7.56</b>
<b>Corporate Bonds (0.18%)</b>		<b>-</b>	<b>-</b>
<b>Government Bonds (8.45%)</b>		<b>2,255</b>	<b>7.56</b>
less than 5 years to maturity			
516,000	Tunisia (Republic of) 6.75% 2023	373	1.25

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
between 5 and 10 years to maturity			
283,000	Benin (Republic of) 4.875% 2032	227	0.76
198,000	Croatia (Republic of) 1.5% 2031	166	0.56
390,000	Romania (Republic of) 2% 2032	288	0.97
195,000	Serbia (Republic of) 1.5% 2029	154	0.52
120,000	Serbia (Republic of) 3.125% 2027	107	0.36
between 10 and 15 years to maturity			
360,000	Cameroon (Republic of) 5.95% 2032	276	0.92
240,000	Ivory Coast (Govt of) 4.875% 2032	188	0.63
between 15 and 25 years to maturity			
245,000	Romania (Republic of) 2.625% 2040	170	0.57
greater than 25 years to maturity			
100,000	Benin (Republic of) 6.875% 2052	81	0.27
283,000	Ivory Coast (Govt of) 6.625% 2048	225	0.75
<b>Mexican Peso Denominated Bonds (2.00%)</b>		-	-
<b>Government Bonds (2.00%)</b>		-	-
<b>Russian Ruble Denominated Bonds (2.03%)</b>		-	-
<b>Government Bonds (2.03%)</b>		-	-
<b>South African Rand Denominated Bonds (1.98%)</b>		362	1.21
<b>Government Bonds (1.98%)</b>		362	1.21
between 15 and 25 years to maturity			
11,279,100	South Africa (Republic of) 6.5% 2041	362	1.21
<b>Uruguayan Peso Denominated Bonds (1.46%)</b>		453	1.52
<b>Government Bonds (1.46%)</b>		453	1.52
between 5 and 10 years to maturity			
10,085,900	Uruguay (Republic of) 4.375% 2028	453	1.52

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
US Dollar Denominated Bonds (73.28%)		22,891	76.76
Corporate Bonds (19.18%)*		6,123	20.53
less than 5 years to maturity			
390,000	MeGlobal Canada 5% 2025	313	1.05
371,000	Metinvest 8.5% 2026	245	0.82
1,280,000	Petroleos de Venezuela 6% 2024	36	0.12
2,871,770	Petroleos de Venezuela 6% 2026	78	0.26
200,000	Shimao 4.75% 2022	93	0.31
333,000	Ukraine Railways 8.25% 2024	226	0.76
200,000	Zhenro Properties 6.63% 2026	63	0.21
between 5 and 10 years to maturity			
270,000	Bancolombia FRN 2027	200	0.67
450,000	Georgian Railway 4% 2028	329	1.10
300,000	Global Bank 5.25% fixed to floating 2029	227	0.76
230,000	Nexa Resources 5.375% 2027	177	0.59
616,000	Perusahaan Perseroan Persero 3.875% 2029	465	1.56
200,000	Petroleos Mexicanos 6.5% 2027	156	0.52
385,000	Tengizchevroil Finance International 3.25% 2030	279	0.94
320,000	Zahidi 4.5% 2028	150	0.50
between 10 and 15 years to maturity			
200,000	BBVA Bancomer 5.125% fixed to floating 2033	150	0.50
200,000	CT Trust 5.125% 2032	152	0.51
342,000	Galaxy Pipeline Assets Bidco 2.625% 2036	240	0.81
between 15 and 25 years to maturity			
434,000	OCP 6.875% 2044	361	1.21
250,000	Pertamina Persero 6.5% 2041	227	0.76
greater than 25 years to maturity			
200,000	Abu Dhabi Crude Oil Pipeline 4.6% 2047	167	0.56
200,000	Perusahaan Perseroan Persero 6.25% 2049	174	0.58
200,000	Petroleos del Peru 5.625% 2047	137	0.46

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
532,000	Petroleos Mexicanos 6.35% 2048	328	1.10
307,000	Petroleos Mexicanos 6.75% 2047	196	0.66
740,000	Petroleos Mexicanos 6.95% 2060	471	1.58
230,000	Trust Fibra Uno REIT 6.39% 2050	192	0.65
<b>Perpetual</b>			
388,000	MAF Global Securities FRN Perpetual	291	0.98
<b>Government Bonds (54.10%)*</b>		<b>16,768</b>	<b>56.23</b>
less than 5 years to maturity			
648,000	Bahrain (Kingdom of) 7% 2026	522	1.75
390,000	Belarus (Republic of) 5.875% 2026	241	0.81
260,000	Dominican (Republic of) 5.95% 2027	213	0.71
355,000	Egypt (Arab Republic of) 6.2004% 2024	275	0.92
47,000	El Salvador (Republic of) 5.875% 2025	21	0.07
170,000	El Salvador (Republic of) 6.375% 2027	71	0.24
400,000	Eskom 7.125% 2025	303	1.01
300,000	Iraq (Republic of) 6.752% 2023	225	0.75
280,000	Jordan (Hashemite Kingdom of) 4.95% 2025	214	0.72
200,000	NPC Ukrenergo 6.875% 2026	117	0.39
184,000	Uzbekistan (Republic of) 4.75% 2024	142	0.48
between 5 and 10 years to maturity			
550,000	Angola (Republic of) 8.25% 2028	413	1.38
1,541,000	Argentina (Republic of) 0.5% 2030	390	1.31
610,000	Armenia (Republic of) 3.95% 2029	428	1.44
1,192,000	Bahamas (Commonwealth of) 6% 2028	719	2.41
65,000	Barbados (Govt of) 6.5% 2029	48	0.16
210,000	Belarus (Republic of) 6.2% 2030	116	0.39
839,800	Ecuador (Republic of) 0.5% 2030	546	1.83
200,000	Egypt (Arab Republic of) 7.5% 2027	151	0.51
220,000	El Salvador (Republic of) 8.625% 2029	95	0.32
200,000	Gabon (Republic of) 6.625% 2031	144	0.48
330,000	Ghana (Republic of) 10.75% 2030	263	0.88

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
200,000	Honduras (Republic of) 5.625% 2030	146	0.49
405,000	Iraq (Republic of) 5.8% 2028	217	0.73
400,000	Kenya (Republic of) 7% 2027	306	1.03
400,000	Nigeria (Fed Rep of) 6.125% 2028	287	0.96
520,000	Nigeria (Fed Rep of) 6.5% 2027	389	1.30
246,000	Nigeria (Fed Rep of) 8.747% 2031	189	0.63
316,000	Oman (Govt of) 6.25% 2031	251	0.84
381,000	Pakistan (Republic of) 6.875% 2027	276	0.92
395,000	Pakistan (Republic of) 7.375% 2031	275	0.92
300,000	Qatar (Govt of) 4% 2029	247	0.83
380,000	Rwanda (Republic of) 5.5% 2031	279	0.94
225,000	Turkey (Republic of) 5.95% 2031	148	0.50
350,000	Turkey (Republic of) 6.125% 2028	241	0.81
270,000	Uzbekistan (Republic of) 3.7% 2030	187	0.63
330,000	Uzbekistan (Republic of) 3.9% 2031	229	0.77
285,000	Venezuela (Republic of) 9.25% 2028	12	0.04
354,000	Zambia (Govt of) 8.97% 2027	197	0.66
between 10 and 15 years to maturity			
1,987,434	Argentina (Republic of) 0.125% 2035	454	1.52
53,960	Ecuador (Republic of) 0.5% 2035	28	0.10
370,000	Saudi Arabia (Kingdom of) 2.25% 2033	263	0.88
350,000	Senegal (Republic of) 6.25% 2033	263	0.88
between 15 and 25 years to maturity			
204,000	Dominican (Republic of) 5.3% 2041	145	0.49
480,000	Dominican (Republic of) 7.45% 2044	404	1.36
520,000	South Africa (Republic of) 6.25% 2041	396	1.33
720,000	Ukraine (Republic of) FRN 2040	405	1.36
greater than 25 years to maturity			
348,000	Angola (Republic of) 9.375% 2048	253	0.85
320,000	Colombia (Republic of) 4.125% 2051	181	0.61
230,000	Colombia (Republic of) 5.2% 2049	148	0.49
240,000	Dominican (Republic of) 5.875% 2060	162	0.54

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
500,000	Egypt (Arab Republic of) 8.5% 2047	312	1.05
730,000	Egypt (Arab Republic of) 8.7002% 2049	461	1.55
290,000	Egypt (Arab Republic of) 8.875% 2050	185	0.62
320,000	Ghana (Republic of) 8.627% 2049	179	0.60
340,000	Guatemala (Republic of) 6.125% 2050	278	0.93
200,000	Jordan (Hashemite Kingdom of) 7.375% 2047	147	0.49
217,000	Pakistan (Republic of) 8.875% 2051	150	0.50
1,250,000	Qatar (Govt of) 4.4% 2050	1,106	3.71
600,000	Qatar (Govt of) 5.103% 2048	579	1.94
282,000	Saudi Arabia (Kingdom of) 3.75% 2055	213	0.72
580,000	Saudi Arabia (Kingdom of) 5% 2049	523	1.75
<b>Equities (0.00%)</b>		-	-
<b>Emerging Market Equities (0.00%)</b>		-	-
<b>Brazil (0.00%)</b>		-	-
77,464	OAS (Warrants)	-	-
<b>Collective Investment Schemes (1.02%)</b>		1	-
107	ASI China Onshore Bond Fund SICAV Z Acc+	1	-
<b>Derivatives (0.94%)</b>		(261)	(0.87)
<b>Forward Currency Contracts (0.94%)</b>		(261)	(0.87)
	Buy CLP 43,971,000 Sell GBP 40,534 24/02/2022	-	-
	Buy CLP 265,945,000 Sell USD 331,962 24/02/2022	-	-
	Buy GBP 2,420,326 Sell EUR 2,889,000 12/04/2022	1	-
	Buy GBP 18,653 Sell USD 25,000 12/04/2022	-	-
	Buy GBP 44,520 Sell USD 60,000 12/04/2022	-	-
	Buy GBP 190,446 Sell USD 257,000 12/04/2022	(1)	-
	Buy GBP 292,730 Sell USD 395,000 12/04/2022	(2)	(0.01)
	Buy GBP 25,005,397 Sell USD 33,828,000 12/04/2022	(218)	(0.73)
	Buy GBP 352,706 Sell ZAR 7,610,000 12/04/2022	(11)	(0.04)
	Buy INR 65,753,000 Sell USD 873,956 24/02/2022	4	0.01



# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
	Buy MXN 19,459,000 Sell GBP 690,011 12/04/2022	4	0.01
	Buy RUB 62,645,000 Sell USD 811,427 24/02/2022	(5)	(0.01)
	Buy USD 533,446 Sell BRL 3,067,000 24/02/2022	(31)	(0.10)
	Buy USD 1,190,606 Sell BRL 6,623,000 24/02/2022	(37)	(0.12)
	Buy USD 172,502 Sell CLP 139,329,000 24/02/2022	(1)	-
	Buy USD 196,828 Sell CLP 157,305,000 24/02/2022	-	-
	Buy USD 692,588 Sell CLP 557,118,000 24/02/2022	(2)	(0.01)
	Buy USD 327,000 Sell GBP 240,729 12/04/2022	3	0.01
	Buy USD 331,000 Sell GBP 244,211 12/04/2022	3	0.01
	Buy USD 718,000 Sell GBP 527,500 12/04/2022	8	0.03
	Buy USD 344,201 Sell RUB 26,148,000 24/02/2022	6	0.02
	Buy USD 530,398 Sell RUB 39,408,000 24/02/2022	18	0.06
Total investment assets and liabilities		28,043	94.04
Net other assets		1,777	5.96
<b>Total Net Assets</b>		<b>29,820</b>	<b>100.00</b>

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

The percentage figures in brackets show the comparative holding as at 31 July 2021.

\*Prior year classifications for some sectors have been updated to reflect current year classifications.

+Managed by subsidiaries of abrdn plc.

# Financial Statements

## Statement of Total Return

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(2,888)		2,030
Revenue	1,115		1,313	
Expenses	(157)		(243)	
Net revenue before taxation	958		1,070	
Taxation	(17)		19	
Net revenue after taxation		941		1,089
<b>Total return before distributions</b>		<b>(1,947)</b>		<b>3,119</b>
Distributions		(1,089)		(1,224)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(3,036)</b>		<b>1,895</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>41,721</b>		<b>53,841</b>
Amounts receivable on the issue of shares	1,201		4,214	
Amounts payable on the cancellation of shares	(10,664)		(7,665)	
		(9,463)		(3,451)
Dilution adjustment		13		16
Change in net assets attributable to shareholders from investment activities (see above)		(3,036)		1,895
Retained distribution on accumulation shares		585		725
<b>Closing net assets attributable to shareholders</b>		<b>29,820</b>		<b>53,026</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. 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 2022

	31 January 2022		31 July 2021	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		28,351		40,872
<b>Current assets:</b>				
Debtors	1,083		1,050	
Cash and bank balances	996		539	
		2,079		1,589
<b>Total assets</b>		<b>30,430</b>		<b>42,461</b>
<b>Liabilities:</b>				
Investment liabilities		(308)		(127)
Bank overdrafts	(10)		-	
Creditors	(230)		(496)	
Distribution payable	(62)		(117)	
		(302)		(613)
<b>Total liabilities</b>		<b>(610)</b>		<b>(740)</b>
<b>Net assets attributable to shareholders</b>		<b>29,820</b>		<b>41,721</b>

### Subsequent event

Investments in financial markets are affected by many factors, many of which have shifted following the outbreak of the conflict in Ukraine. The fund invests in a portfolio of assets, whose values have fallen since the interim period, primarily due to the global market volatility created by the conflict in Ukraine and the longer term uncertainty the conflict brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class A Accumulation was 136.85p. The Net Asset Value of share class A Accumulation as at 12 noon on 21 March 2022 was 127.39p. This represents a modest decrease of 6.91% from the interim period value.

# Distribution Tables

For the six months ended 31 January 2022 (in pence per share)

## First interim interest distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 August 2021

	Revenue	Equalisation	Distribution paid 30/09/21	Distribution paid 30/09/20
<b>A Accumulation</b>				
Group 1	0.7770	-	0.7770	0.4707
Group 2	0.6100	0.1670	0.7770	0.4707
<b>A Income</b>				
Group 1	0.4460	-	0.4460	0.2842
Group 2	0.3289	0.1171	0.4460	0.2842
<b>I Accumulation</b>				
Group 1	0.6791	-	0.6791	0.4095
Group 2	0.3153	0.3638	0.6791	0.4095
<b>I Income</b>				
Group 1	0.4204	-	0.4204	0.2667
Group 2	0.2227	0.1977	0.4204	0.2667
<b>M Accumulation</b>				
Group 1	0.6225	-	0.6225	0.3707
Group 2	0.6225	-	0.6225	0.3707
<b>M Income</b>				
Group 1	0.5272	-	0.5272	0.3217
Group 2	0.5272	-	0.5272	0.3217
<b>Z Accumulation</b>				
Group 1	0.8634	-	0.8634	0.5168
Group 2	0.5890	0.2744	0.8634	0.5168

# Distribution Tables

For the six months ended 31 January 2022 (in pence per share) continued

## Second interim interest distribution

Group 1 – shares purchased prior to 1 September 2021

Group 2 – shares purchased between 1 September 2021 and 30 September 2021

	Revenue	Equalisation	Distribution paid 29/10/21	Distribution paid 30/10/20
<b>A Accumulation</b>				
Group 1	0.7959	-	0.7959	0.5728
Group 2	0.2327	0.5632	0.7959	0.5728
<b>A Income</b>				
Group 1	0.4546	-	0.4546	0.3449
Group 2	0.0586	0.3960	0.4546	0.3449
<b>I Accumulation</b>				
Group 1	0.6959	-	0.6959	0.4986
Group 2	0.2695	0.4264	0.6959	0.4986
<b>I Income</b>				
Group 1	0.4286	-	0.4286	0.3237
Group 2	0.2247	0.2039	0.4286	0.3237
<b>M Accumulation</b>				
Group 1	0.6390	-	0.6390	0.4533
Group 2	0.6390	-	0.6390	0.4533
<b>M Income</b>				
Group 1	0.5552	-	0.5552	0.4009
Group 2	0.5552	-	0.5552	0.4009
<b>Z Accumulation</b>				
Group 1	0.8854	-	0.8854	0.6296
Group 2	0.7695	0.1159	0.8854	0.6296

# Distribution Tables

For the six months ended 31 January 2022 (in pence per share) continued

## Third interim interest distribution

Group 1 – shares purchased prior to 1 October 2021

Group 2 – shares purchased between 1 October 2021 and 31 October 2021

	Revenue	Equalisation	Distribution paid 30/11/21	Distribution paid 30/11/20
<b>A Accumulation</b>				
Group 1	0.4970	-	0.4970	0.5477
Group 2	0.2394	0.2576	0.4970	0.5477
<b>A Income</b>				
Group 1	0.2824	-	0.2824	0.3284
Group 2	0.0672	0.2152	0.2824	0.3284
<b>I Accumulation</b>				
Group 1	0.4346	-	0.4346	0.4770
Group 2	0.1388	0.2958	0.4346	0.4770
<b>I Income</b>				
Group 1	0.2661	-	0.2661	0.3084
Group 2	0.1118	0.1543	0.2661	0.3084
<b>M Accumulation</b>				
Group 1	0.3998	-	0.3998	0.4336
Group 2	0.3998	-	0.3998	0.4336
<b>M Income</b>				
Group 1	0.3448	-	0.3448	0.3818
Group 2	0.3448	-	0.3448	0.3818
<b>Z Accumulation</b>				
Group 1	0.5531	-	0.5531	0.6026
Group 2	0.4097	0.1434	0.5531	0.6026

# Distribution Tables

For the six months ended 31 January 2022 (in pence per share) continued

## Fourth interim interest distribution

Group 1 – shares purchased prior to 1 November 2021

Group 2 – shares purchased between 1 November 2021 and 30 November 2021

	Revenue	Equalisation	Distribution paid 31/12/21	Distribution paid 31/12/20
<b>A Accumulation</b>				
Group 1	0.8445	-	0.8445	0.5042
Group 2	0.5605	0.2840	0.8445	0.5042
<b>A Income</b>				
Group 1	0.4779	-	0.4779	0.3011
Group 2	0.1333	0.3446	0.4779	0.3011
<b>I Accumulation</b>				
Group 1	0.7390	-	0.7390	0.4391
Group 2	0.3472	0.3918	0.7390	0.4391
<b>I Income</b>				
Group 1	0.4510	-	0.4510	0.2829
Group 2	0.1346	0.3164	0.4510	0.2829
<b>M Accumulation</b>				
Group 1	0.6788	-	0.6788	0.3984
Group 2	0.6788	-	0.6788	0.3984
<b>M Income</b>				
Group 1	0.5763	-	0.5763	0.3428
Group 2	0.5763	-	0.5763	0.3428
<b>Z Accumulation</b>				
Group 1	0.9412	-	0.9412	0.5552
Group 2	0.7409	0.2003	0.9412	0.5552

# Distribution Tables

For the six months ended 31 January 2022 (in pence per share) continued

## Fifth interim interest distribution

Group 1 – shares purchased prior to 1 December 2021

Group 2 – shares purchased between 1 December 2021 and 31 December 2021

	Revenue	Equalisation	Distribution paid 31/01/22	Distribution paid 29/01/21
<b>A Accumulation</b>				
Group 1	0.6876	-	0.6876	0.5735
Group 2	0.3388	0.3488	0.6876	0.5735
<b>A Income</b>				
Group 1	0.3869	-	0.3869	0.3413
Group 2	0.1940	0.1929	0.3869	0.3413
<b>I Accumulation</b>				
Group 1	0.6018	-	0.6018	0.4997
Group 2	0.2092	0.3926	0.6018	0.4997
<b>I Income</b>				
Group 1	0.3652	-	0.3652	0.3206
Group 2	0.0857	0.2795	0.3652	0.3206
<b>M Accumulation</b>				
Group 1	0.5527	-	0.5527	0.4547
Group 2	0.5527	-	0.5527	0.4547
<b>M Income</b>				
Group 1	0.4680	-	0.4680	0.3899
Group 2	0.4680	-	0.4680	0.3899
<b>Z Accumulation</b>				
Group 1	0.7669	-	0.7669	0.6321
Group 2	0.6905	0.0764	0.7669	0.6321



# Distribution Tables

For the six months ended 31 January 2022 (in pence per share) continued

## Sixth interim interest distribution

Group 1 – shares purchased prior to 1 January 2022

Group 2 – shares purchased between 1 January 2022 and 31 January 2022

	Revenue	Equalisation	Distribution paid 28/02/22	Distribution paid 26/02/21
<b>A Accumulation</b>				
Group 1	0.7277	-	0.7277	0.5547
Group 2	0.1061	0.6216	0.7277	0.5547
<b>A Income</b>				
Group 1	0.4065	-	0.4065	0.3288
Group 2	0.2056	0.2009	0.4065	0.3288
<b>I Accumulation</b>				
Group 1	0.6372	-	0.6372	0.4836
Group 2	0.3504	0.2868	0.6372	0.4836
<b>I Income</b>				
Group 1	0.3848	-	0.3848	0.3092
Group 2	0.1413	0.2435	0.3848	0.3092
<b>M Accumulation</b>				
Group 1	0.5850	-	0.5850	0.4398
Group 2	0.5850	-	0.5850	0.4398
<b>M Income</b>				
Group 1	0.4951	-	0.4951	0.3798
Group 2	0.4951	-	0.4951	0.3798
<b>Z Accumulation</b>				
Group 1	0.8127	-	0.8127	0.6122
Group 2	0.6790	0.1337	0.8127	0.6122

## Equalisation

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

# ASI Emerging Markets Equity Fund

For the six months ended 31 January 2022

## Investment Objective

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

Performance Target: To achieve the return of the MSCI Emerging Markets Index, plus 3% per annum over rolling three year periods (before 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 ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund invests at least 70% in equities and equity related securities of companies listed, incorporated or domiciled in global emerging market countries, or companies that derive a significant proportion of their revenues or profits or have a significant proportion of their assets there.
- Emerging Markets include Asian, Eastern European, Middle Eastern, African and Latin American countries or any country included within the MSCI Emerging Markets Index.
- 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 is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the performance target, the MSCI Emerging Markets Index 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 index is not ordinarily expected to exceed 9%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the Index over the long term.

## Derivatives and Techniques

- The fund may use derivatives to reduce risk, 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.

## Performance Review

For the six months ended 31 January 2022, the value of ASI Emerging Markets Equity Fund – A Accumulation Shares decreased by 5.58% compared to a decrease of 0.99% in the performance target, the MSCI Emerging Markets Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) any other damages. ([www.msci.com](http://www.msci.com))

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.

## Market Review

Emerging market equities surrendered early gains and closed lower in the six months under review. Stocks started on a positive footing as the easing of pandemic-related restrictions boosted prospects of a global economic recovery. However, the mood turned sour as several negative developments in China weighed on the asset class. Continued regulatory scrutiny across sectors as well as property and energy woes left Chinese stocks among the worst performers over the half year. However, policy was a notable bright spot, as inflation remained muted in the mainland. The People's Bank of China cut several key lending rates to counter slowing growth.

Also denting sentiment was the emergence of the Omicron coronavirus variant, though fears receded as the new strain appeared less severe than expected. At the same time, markets reacted negatively to rising geopolitical tensions between Russia and Ukraine, which sent energy prices higher. Other commodity prices also

# ASI Emerging Markets Equity Fund

## Continued

rallied amid supply chain disruptions and recovering demand for raw materials.

Towards the end of the period, the US Federal Reserve confirmed its pivot to a tighter monetary policy in the face of rising inflation. Other major developed market central banks followed suit. Fears over faster-than-anticipated interest rate hikes caused a particularly sharp rotation away from growth-oriented to value stocks. The technology-heavy South Korean market was hit hard and ended as the biggest laggard over the period.

### Portfolio Activity

The fund underperformed its benchmark, driven by negative asset allocation and stock selection. As oil prices climbed amid Russia-Ukraine tensions, most oil producers outperformed, and the fund was negatively affected by the underweight to energy. This was compounded by our lack of exposure to Middle Eastern oil-exporting countries, particularly Saudi Arabia.

At the stock level, Vale detracted most from performance. The Brazilian mining company, which we exited over the period, came under pressure amid generally weaker demand on slowing economic activity in China, particularly in the property sector.

Sector-wise, e-commerce companies were buffeted by concerns about rising interest rates, intensifying competition, increasing regulation and the rotation away from growth companies. Sea and Allegro both succumbed to market concerns. We believe Sea continues to offer best-in-class exposure to the rising consumption story in South-East Asia and beyond, while Allegro is positioned well to resist further competition in Polish e-commerce. Electric vehicle producers were similarly hurt by the shift away from growth stocks. LG Chem was among the top detractors, though not holding NIO was favourable.

Likewise, within the information technology sector, Samsung Electronics fell victim to the market rotation, which was particularly sharp in the Korean market. Results also missed moderately, due to higher input costs. Conversely, Taiwan Semiconductor Manufacturing Company, a beneficiary of the attractive supply and demand dynamics for the semiconductor industry, proved resilient. India-based Tata Consultancy Services also outperformed, helped by healthy demand for cloud migration and business transformation driving an uptick in deals.

In China, Sungrow Power Supply weakened amid profit-taking, and as investors fled structural growth stocks in favour of those more closely tied to the economic recovery. On the flip side, several Chinese holdings contributed positively to performance. These included China Resources Land, which advanced on satisfactory retail sales and rental growth despite the weak consumption momentum nationwide, and Nari

Technology, which was buoyed by the strong 14th Five-Year Plan from Southern Grid and policymakers' call for power system construction.

In key portfolio activity, we introduced four new holdings in China. Enterprise software and solutions provider Yonyou Network Technology is well positioned to benefit from the growing domestic software industry. GDS Holdings is among China's leading providers of high-performance internet data centres. Foshan Haitian Flavouring & Food has solid pricing power and good execution. Automotive dealer Zhongsheng Group has a strong portfolio, recurring cash flows and scale advantage. In India, we initiated Maruti Suzuki, the country's largest passenger vehicle company, and Power Grid Corp of India, the central transmission utility which stands to gain from the government's investment in renewables and associated infrastructure. We also added Globant, a leading software and user experience solutions consultancy for corporates shifting online and participated in the initial public offering (IPO) of LG Energy Solution, LG Chem's battery business.

Against these, we exited ITC, Kakao, Meituan, Ping An Insurance and Vale to fund better opportunities elsewhere. We sold Naspers following the corporate action which saw the majority of our holding exchanged for Prosus shares and divested KakaoBank after receiving an insignificant allocation from the IPO.

### Portfolio Outlook and Strategy

Despite the sell-off in developed markets at the start of 2022, emerging market equities remain at a large relative discount to global developed markets and US equities, offering a potentially attractive entry point. Looking ahead, investors will be pondering how stubborn inflation is likely to be, after being surprised by its persistence in 2021. With supply chain pressures easing and stimulus effects fading, inflation may normalise over the year, though this should be balanced against rising wages, which may indicate stickier inflation. At present, bond markets are pricing in a significant tightening cycle in the US, perhaps overlooking the transitory nature of some inflation drivers.

With China's muted consumer inflation, a flagging property market and the ongoing impact of its zero tolerance approach to Covid-19, policymakers are likely to continue policy easing to support a domestic recovery. Globally, the investment cycle is turning after years of decline. Green infrastructure should feature heavily in renewed investment. This is an area in which emerging market companies dominate and continue to gain market share due to their scale and efficiency. A number of these best-in-class companies will benefit from the positive structural trends, including renewable energy and technology hardware companies.

### Global Emerging Markets Equity Team

February 2022

# ASI Emerging Markets Equity Fund

## 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 2022.

The fund is rated as 6 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.
- The fund may invest in companies with Variable Interest Entity (VIE) structures in order to gain exposure to industries with foreign ownership restrictions. There is a risk that investments in these structures may be adversely affected by changes in the legal and regulatory framework.
- 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 going into administration.

# Comparative Tables

<b>A Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	282,968	315,514	286,682	351,921
Closing number of shares	33,190,916	35,274,020	38,833,931	45,621,938
Closing net asset value per share (pence)	852.55	894.47	738.23	771.39
Change in net asset value per share	(4.69%)	21.16%	(4.30%)	11.39%
Operating charges	1.32%	1.60%	1.65%	1.77%
<b>G Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	20,002	20,938	38,494	39,365
Closing number of shares	15,566,628	15,566,628	34,831,050	34,240,189
Closing net asset value per share (pence)	128.49	134.50	110.52	114.97
Change in net asset value per share	(4.47%)	21.70%	(3.87%)	11.99%
Operating charges	0.87%	1.15%	1.20%	1.21%
<b>I Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	437,623	472,929	448,110	603,265
Closing number of shares	45,832,654	47,316,396	54,565,409	70,615,581
Closing net asset value per share (pence)	954.83	999.50	821.23	854.29
Change in net asset value per share	(4.47%)	21.71%	(3.87%)	12.00%
Operating charges	0.87%	1.15%	1.20%	1.21%
<b>I Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	2,554	2,628	2,262	2,535
Closing number of shares	288,911	283,969	295,600	316,401
Closing net asset value per share (pence)	884.16	925.53	765.40	801.13
Change in net asset value per share	(4.47%)	20.92%	(4.46%)	11.22%
Operating charges	0.87%	1.15%	1.20%	1.21%
<b>K Accumulation<sup>A</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	
Closing net asset value (£'000)	130,892	130,018	128,231	
Closing number of shares	110,975,979	105,386,673	126,953,346	
Closing net asset value per share (pence)	117.95	123.37	101.01	
Change in net asset value per share	(4.39%)	22.14%	1.01%	
Operating charges	0.72%	0.79%	0.80%	

# Comparative Tables

## Continued

<b>M Accumulation<sup>b</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	212	226	203	-
Closing number of shares	158,987	161,761	176,916	100
Closing net asset value per share (pence)	133.19	139.46	114.65	118.91
Change in net asset value per share	(4.50%)	21.64%	(3.58%)	18.91%
Operating charges	0.92%	1.20%	1.25%	1.26%
<b>M Income<sup>c</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	1	1	1	-
Closing number of shares	908	908	908	100
Closing net asset value per share (pence)	130.32	136.44	112.88	117.55
Change in net asset value per share	(4.49%)	20.87%	(3.97%)	17.55%
Operating charges	0.92%	1.20%	1.25%	1.26%
<b>Z Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	26,823	151,876	129,622	111,504
Closing number of shares	2,434,255	13,228,270	13,871,429	11,584,046
Closing net asset value per share (pence)	1,101.90	1,148.12	934.45	962.57
Change in net asset value per share	(4.03%)	22.87%	(2.92%)	13.08%
Operating charges	0.12%	0.19%	0.20%	0.21%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences.

The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share 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 share class.

<sup>a</sup> K Accumulation share class was launched on 15 August 2019.

<sup>b</sup> M Accumulation share class was launched on 26 November 2018.

<sup>c</sup> M Income share class was launched on 26 November 2018.

# Portfolio Statement

As at 31 January 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (98.93%)</b>		<b>894,259</b>	<b>99.24</b>
<b>Europe, Middle East &amp; Africa Equities (13.74%)</b>		<b>124,180</b>	<b>13.78</b>
<b>Cyprus (0.51%)</b>		<b>5,223</b>	<b>0.58</b>
98,413	TCS GDR 'S'	5,223	0.58
<b>Netherlands (2.71%)</b>		<b>33,755</b>	<b>3.75</b>
27,034	ASM International	6,822	0.76
29,855	ASML	14,815	1.64
197,533	Prosus	12,118	1.35
<b>Poland (0.86%)</b>		<b>6,253</b>	<b>0.69</b>
914,147	Allegro.eu*	6,253	0.69
<b>Russia (4.98%)</b>		<b>50,011</b>	<b>5.55</b>
283,971	Lukoil ADR	18,770	2.08
1,062,488	Novatek	16,817	1.87
3,705,928	Sberbank of Russia (Issue 2007)	9,463	1.05
138,540	Yandex	4,961	0.55
<b>South Africa (3.19%)</b>		<b>14,695</b>	<b>1.63</b>
164,396	Anglo American Platinum	14,695	1.63
<b>United Kingdom (1.49%)</b>		<b>14,243</b>	<b>1.58</b>
770,423	Mondi (South Africa listing)	14,243	1.58

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Latin American Equities (11.86%)</b>		<b>93,308</b>	<b>10.35</b>
<b>Argentina (1.20%)</b>		<b>11,039</b>	<b>1.22</b>
32,845	Globant	6,254	0.69
5,678	MercadoLibre	4,785	0.53
<b>Brazil (6.28%)</b>		<b>34,989</b>	<b>3.88</b>
4,665,350	B3 SA – Brasil Bolsa Balcao	9,574	1.06
4,661,513	Banco Bradesco ADR	14,871	1.65
2,461,021	Rumo	5,396	0.60
1,140,684	WEG	5,148	0.57
<b>Mexico (4.38%)</b>		<b>47,280</b>	<b>5.25</b>
241,528	Fomento Economico Mexicano ADR	13,541	1.50
342,245	Grupo Aeroportuario del Sureste	5,160	0.57
3,144,991	Grupo Financiero Banorte	14,812	1.65
4,302,919	Grupo México	13,767	1.53
<b>Pacific Basin Equities (73.33%)</b>		<b>676,771</b>	<b>75.11</b>
<b>China (28.00%)</b>		<b>244,243</b>	<b>27.10</b>
2,878,100	Alibaba	31,363	3.48
555,100	China Conch Venture	1,966	0.22
3,174,000	China Merchants Bank 'H'	19,675	2.18
524,052	China Tourism Duty Free 'A'	12,648	1.40
725,100	Foshan Haitian Flavouring & Food 'A'	8,173	0.91
1,110,800	GDS 'A'	3,891	0.43
349,125	Hangzhou Tigermed Consulting 'A'	4,212	0.47
68,800	Hangzhou Tigermed Consulting 'H'	533	0.06
52,228	JD.com 'A'	1,395	0.15
35,958	Kweichow Moutai 'A'	7,928	0.87
1,111,000	Li Ning	7,997	0.89
1,595,160	LONGi Green Energy Technology 'A'	13,066	1.45



# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,354,275	Midea 'A'	11,582	1.29
3,606,316	NARI Technology 'A'	14,749	1.64
854,700	Shenzhou International	11,691	1.30
868,968	Sungrow Power Supply 'A'	11,573	1.28
1,096,800	Tencent	49,464	5.49
1,467,500	Wuxi Biologics (Cayman)	10,654	1.18
1,564,843	Yonyou Network Technology 'A'	6,383	0.71
205,913	Yunnan Energy New Material 'A'	6,111	0.68
1,617,000	Zhongsheng	9,189	1.02
<b>Hong Kong (6.36%)</b>		<b>58,009</b>	<b>6.44</b>
1,878,000	AIA	14,478	1.61
5,768,900	Budweiser Brewing	11,332	1.26
2,382,000	China Resources Gas	8,880	0.98
2,690,000	China Resources Land	9,655	1.07
326,056	Hong Kong Exchanges & Clearing	13,664	1.52
<b>India (10.75%)</b>		<b>121,413</b>	<b>13.47</b>
527,596	Hindustan Unilever	11,985	1.33
973,757	Housing Development Finance	24,491	2.72
899,321	Kotak Mahindra Bank	16,681	1.85
133,477	Maruti Suzuki India	11,420	1.27
4,413,223	Power Grid Corp of India	9,502	1.05
1,387,382	SBI Life Insurance	17,114	1.90
426,015	Tata Consultancy Services	15,927	1.77
198,556	UltraTech Cement	14,293	1.58
<b>Indonesia (1.96%)</b>		<b>24,550</b>	<b>2.72</b>
39,079,800	Bank Central Asia	15,443	1.71
43,177,904	Bank Rakyat Indonesia Persero	9,107	1.01

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Macau (1.14%)</b>		<b>6,269</b>	<b>0.70</b>
3,064,800	Sands China	6,269	0.70
<b>Philippines (0.45%)</b>		<b>4,577</b>	<b>0.51</b>
3,190,935	Bank of the Philippine Islands	4,577	0.51
<b>Singapore (0.78%)</b>		<b>6,363</b>	<b>0.71</b>
56,698	Sea ADR	6,363	0.71
<b>South Korea (12.97%)</b>		<b>97,835</b>	<b>10.86</b>
40,888	LG Chemical	16,154	1.79
1,104	LG Energy Solution	307	0.04
1,785,297	Samsung Electronics (Preference)	73,184	8.12
22,681	Samsung SDI	8,190	0.91
<b>Taiwan (10.92%)</b>		<b>113,512</b>	<b>12.60</b>
1,455,000	Delta Electronic	10,430	1.16
4,156,000	Hon Hai Precision	11,360	1.26
5,381,718	Taiwan Semiconductors Manufacturing	91,722	10.18
<b>Collective Investment Schemes (0.61%)</b>		<b>845</b>	<b>0.10</b>
845	Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund Z1 Inc+	845	0.10
Total investment assets		895,104	99.34
Net other assets		5,971	0.66
<b>Total Net Assets</b>		<b>901,075</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules.

The percentage figures in brackets show the comparative holding as at 31 July 2021.

\* Managed by subsidiaries of abrdn plc.

\* A portion of this security is on loan at year end.

# Financial Statements

## Statement of Total Return

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(41,814)		275,686
Revenue	9,058		6,811	
Expenses	(4,734)		(6,368)	
Interest payable and similar charges	(6)		(3)	
Net revenue before taxation	4,318		440	
Taxation	(1,962)		(2,609)	
Net revenue/(expense) after taxation		2,356		(2,169)
<b>Total return before equalisation</b>		<b>(39,458)</b>		<b>273,517</b>
Equalisation on shares		(613)		(53)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(40,071)</b>		<b>273,464</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>1,094,130</b>		<b>1,033,605</b>
Amounts receivable on the issue of shares	15,807		2,440	
Amounts payable on the cancellation of shares	(169,266)		(83,795)	
		(153,459)		(81,355)
Dilution adjustment		235		-
Capacity Management Charge		240		28
Change in net assets attributable to shareholders from investment activities (see above)		(40,071)		273,464
<b>Closing net assets attributable to shareholders</b>		<b>901,075</b>		<b>1,225,742</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. 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 2022

	31 January 2022		31 July 2021	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		895,104		1,089,095
<b>Current assets:</b>				
Debtors	2,504		3,670	
Cash and bank balances	8,735		11,068	
		11,239		14,738
<b>Total assets</b>		<b>906,343</b>		<b>1,103,833</b>
<b>Liabilities:</b>				
Provisions for liabilities		(3,701)		(4,008)
Bank overdrafts	(206)		(5)	
Creditors	(1,361)		(5,673)	
Distribution payable	-		(17)	
		(1,567)		(5,695)
<b>Total liabilities</b>		<b>(5,268)</b>		<b>(9,703)</b>
<b>Net assets attributable to shareholders</b>		<b>901,075</b>		<b>1,094,130</b>

### Subsequent event

Investments in financial markets are affected by many factors, many of which have shifted following the outbreak of the conflict in Ukraine. The fund invests in a portfolio of assets, whose values have fallen since the interim period, primarily due to the global market volatility created by the conflict in Ukraine and the longer term uncertainty the conflict brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class A Accumulation was 852.55p. The Net Asset Value of share class A Accumulation as at 12 noon on 21 March 2022 was 769.35p. This represents a modest decrease of 9.76% from the interim period value.

The fund's investment portfolio includes assets directly held in or exposed to the countries involved in the conflict. Since the outbreak of the conflict these assets have been monitored regularly by the Manager and, where relevant, subsequently written down in value based on prevailing market and industry insights.

# ASI Euro Corporate Bond Fund (closed)

For the six months ended 31 January 2022

ASI Euro Corporate Bond Fund is no longer open to investors, having redeemed all shares on 22 June 2020. It is the intention of the ACD to terminate the fund at a later date once the residual assets and liabilities are settled. As a result the financial statements for this fund has not been prepared on a going concern basis. At the time of the share cancellation, all realisable securities were sold. One security which was not immediately realisable due to a trading suspension, or due to being delisted, continues to be held at the current balance sheet date. Should an opportunity to sell it for value arise, it will be sold, otherwise the ACD will, in conjunction with the Depositary, pursue any possible residual value from it until all such opportunities have been reasonably exhausted.

# Comparative Tables

<b>A Income<sup>C</sup></b>	<b>31 July 2019</b>
Closing net asset value (£'000)	30
Closing number of shares	18,882
Closing net asset value per share (pence)	159.17
Change in net asset value per share	7.09%
Operating charges	1.01%
<b>I Accumulation<sup>C</sup></b>	<b>31 July 2019</b>
Closing net asset value (£'000)	63
Closing number of shares	29,571
Closing net asset value per share (pence)	212.05
Change in net asset value per share	8.02%
Operating charges	0.61%
<b>I Income<sup>C</sup></b>	<b>31 July 2019</b>
Closing net asset value (£'000)	26,500
Closing number of shares	16,729,132
Closing net asset value per share (pence)	158.41
Change in net asset value per share	7.06%
Operating charges	0.61%
<b>M Accumulation<sup>A,C</sup></b>	<b>31 July 2019</b>
Closing net asset value (£'000)	-
Closing number of shares	100
Closing net asset value per share (pence)	110.09
Change in net asset value per share	10.09%
Operating charges	0.66%
<b>M Income<sup>B,C</sup></b>	<b>31 July 2019</b>
Closing net asset value (£'000)	-
Closing number of shares	100
Closing net asset value per share (pence)	108.82
Change in net asset value per share	8.82%
Operating charges	0.66%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share 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 share class.

<sup>A</sup> M Accumulation share class was launched on 27 November 2018.

<sup>B</sup> M Income share class was launched on 27 November 2018.

<sup>C</sup> The fund closed on 22 June 2020.

# Portfolio Statement

As at 31 January 2022

Holding	Investment	Market value £'000	Percentage of total net assets
Bonds (0.00%)		-	-
Euro Denominated Bonds (0.00%)		-	-
Corporate Bonds (0.00%)		-	-
2,000,000	Lehman Brothers 4.625% 2019*	-	-
Total investment assets		-	-
Net other assets		-	-
<b>Total Net Assets</b>		-	-

The percentage figures in brackets show the comparative holding as at 31 July 2021.

\* Defaulted.

# Financial Statements

## Statement of Total Return

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		-		-
Revenue	-		-	
Expenses	-		-	
Net revenue before taxation	-		-	
Taxation	-		-	
Net revenue after taxation		-		-
<b>Total return before distributions</b>		-		-
Distributions		-		-
<b>Change in net assets attributable to shareholders from investment activities</b>		-		-

## Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		-		-
Change in net assets attributable to shareholders from investment activities (see above)		-		-
<b>Closing net assets attributable to shareholders</b>		-		-

Comparative information is provided for the statement of change in net assets attributable to shareholders. 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 2022

	31 January 2022		31 July 2021	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		-		-
<b>Current assets:</b>	-		-	
		-		-
<b>Total assets</b>		-		-
<b>Liabilities:</b>				
Creditors	-		-	
		-		-
<b>Net assets attributable to shareholders</b>		-		-

# ASI Europe ex UK Equity Fund

For the six months ended 31 January 2022

## Investment Objective

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

Performance Target: To achieve the return of the FTSE World Europe ex UK Index plus 3% per annum over rolling three year periods (before 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 ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 70% in equities and equity related securities of companies listed, incorporated or domiciled in European countries, or companies that derive a significant proportion of their revenues or profits from European operations or have a significant proportion of their assets there.
- European countries can include the emerging markets of Europe, but excludes the UK.
- 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 is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the Performance Target, the FTSE World Europe ex UK Index 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 index is not ordinarily expected to exceed 9%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the index over the long term.

### Derivatives and Techniques

- The fund may use derivatives to reduce risk, 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.

## Performance Review

For the six months ended 31 January 2022, the value of ASI Europe ex UK Equity Fund – A Accumulation Shares decreased by 8.13% compared with a decrease of 1.24% in the performance target, the FTSE World Europe ex UK Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

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.

## Market Review

European shares (excluding the UK) finished lower over the six months. The region's equities performed well during the summer months despite rising Covid-19 cases, but they fell in September and for most of the rest of the year. Focus shifted to potential central-bank rate hikes, with renewed volatility in markets amid the emergence of the Omicron variant. However, initial fears around the new variant were replaced by much more optimistic market sentiment as data suggested Omicron was of lower severity.

January saw the largest one-month rotation from growth/quality to value in nearly 20 years. Due to sharp moves in bond yields reflecting changing interest-rate expectations, investors moved capital from high p/e (price-to-earnings ratio), higher growth stocks into low p/e stocks, which are less sensitive to a change in discount rates, and into companies that may see higher earnings from higher interest rates in the short term. Given that we tend to find few high-quality companies consistent with our strategy in the more cyclical and inflation-sensitive sectors, such as banks, energy and commodities, which led markets through this period, we would generally expect to have lagged such a sharp early-cycle recovery.

In the context of markets rising by more than 17% over the year, within which style factors were unhelpful for our strategy, we were pleased to have kept pace. Performance over three and five years remains strong, well ahead of the benchmark and top quartile for the IA Europe ex UK Sector, reflecting the favourable mix of upside capture and downside protection offered by the portfolio.

# ASI Europe ex UK Equity Fund

## Continued

### Portfolio Activity

On a stock-specific basis, the largest contributor was Nemetschek, the market leader in architectural and construction software, which performed strongly, driven by a robust recovery in revenue growth following the slowdown in 2020 and a dramatic improvement in profitability. Novo Nordisk benefited from continued strong growth in the GLP-1 market and further success with the launch of its obesity drug Wegovy in the US. This culminated in a further increase to full-year guidance, which was positively received. Deutsche Boerse contributed most towards the end of the period as a beneficiary of higher US interest rates and higher market volatility. Similarly, Hannover Re added to returns when its share price was boosted along with the broader financials sector. There was also positive momentum in reinsurance pricing at January renewals.

Conversely, the largest detractor from returns was Schibsted. Its share price fell in keeping with the broader technology sector, as well as on concerns around increased investment into 2022 as the company steps up efforts to develop transactional tools for its online classifieds businesses. However, we think this is a sensible strategic decision that will enhance growth long term and have therefore topped up our position. Edenred also underperformed after concerns grew following the Covid-19 outbreak in Europe in October/November that its near-term growth may be affected by new restrictions, but we are confident that the long-term earnings trajectory should be unaffected. Dutch payments business Ayden also underperformed alongside other technology companies in the cyclical rotation. That said, we remain confident in its long-term prospects and have taken this opportunity to buy more in the portfolio.

### Portfolio Outlook and Strategy

The outlook for 2022 at the macroeconomic level is broadly positive but highly uncertain. Omicron may herald a shift to an endemic phase for Covid and interest-rate rises may serve to curb inflation without causing a shock to growth. However, that is just one possible scenario. Following a sharp rebound in 2021, economic growth momentum appears to be stalling against a backdrop of continued debate on a number of issues, ranging from the pace of interest-rate rises, the path of inflation as supply-chain constraints ease and the impact of fading fiscal support – all of which contribute to a context of elevated near-term uncertainty for markets.

We have seen value rallies before, if not to this extent. They are typically sharp and short-lived. Initial top-down enthusiasm tends to fade with the bottom-up realisation that poorly positioned businesses will inevitably struggle

to deliver attractive returns over longer time periods. Indeed, the earnings performance of traditional value stocks has been poor over the past decade – not because interest rates have fallen, but because they have failed to grow, reflecting a range of issues afflicting companies with weak business models and weak balance sheets. Therefore, to believe that the winners of the January rotation will sustainably continue to outperform requires a sustained period of significantly higher nominal growth to support a cohort of companies generally at the mercy of the external environment. We would suggest that this scenario, particularly in Europe following a decade of low-to-no growth, remains tough to argue for with confidence.

We have far greater confidence in the outlook for the businesses we own in the fund and believe the case for a quality-led approach is now stronger than ever, given the risks to the outlook mentioned. Despite weaker share prices, very little has changed in the earnings potential and growth opportunities for the companies we invest in. Earnings releases so far for 2021 support that view. As the cycle matures, we see the focus shifting back to stock specifics over style and to long-term earnings prospects as the primary driver of equity returns as has been the case historically. We have proven that our portfolio holdings deliver much stronger and more consistent earnings growth than the market over the cycle – giving us confidence in their ability to deliver long-term outperformance regardless of the external environment and despite any short-term dislocations. With global growth slowing, that is especially true of 2022 onwards – the fund has forecast earnings growth of 16% in 2022, well ahead of the market at 6%, with starting valuations that are now back to 2018/2019 levels.

Recent volatility, while painful, is typical at the early stages of rate-tightening cycles and ultimately presents us with the opportunity to enhance the future returns potential of the portfolio. This was our experience of late 2018 and we expect early 2022 will prove similar. Therefore our focus, as ever, remains on what we can control – researching, engaging with, and investing in great companies at attractive prices. We are confident that the portfolio is well balanced, enabling participation in the upside but with powerful protection on the downside as well, as evidenced over the past five years through a range of market conditions. We will remain alive to the unfolding risks and opportunities, and as the external environment changes, we will continue to look to adapt the portfolio's positioning accordingly as was the case in January.

### European Equity Team

February 2022

# ASI Europe ex UK Equity Fund

## 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 2022.

The fund is rated as 6 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 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 going into administration.

# Comparative Tables

<b>A Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	157,068	174,206	157,587	159,733
Closing number of shares	58,039,396	59,635,607	63,787,758	68,097,970
Closing net asset value per share (pence)	270.62	292.12	247.05	234.56
Change in net asset value per share	(7.36%)	18.24%	5.32%	9.24%
Operating charges	1.29%	1.32%	1.32%	1.43%
<b>I Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	337,080	393,102	251,173	89,702
Closing number of shares	123,944,705	134,213,065	101,856,237	38,485,262
Closing net asset value per share (pence)	271.96	292.89	246.60	233.08
Change in net asset value per share	(7.15%)	18.77%	5.80%	9.84%
Operating charges	0.84%	0.87%	0.87%	0.87%
<b>M Accumulation<sup>A</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	348	361	375	-
Closing number of shares	242,720	233,748	287,765	100
Closing net asset value per share (pence)	143.46	154.54	130.18	122.93
Change in net asset value per share	(7.17%)	18.71%	5.90%	22.93%
Operating charges	0.89%	0.92%	0.92%	0.92%
<b>Z Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	4,792	7,166	7,002	7,724
Closing number of shares	1,432,642	1,997,058	2,335,070	2,745,657
Closing net asset value per share (pence)	334.46	358.84	299.86	281.31
Change in net asset value per share	(6.79%)	19.67%	6.59%	10.67%
Operating charges	0.09%	0.12%	0.12%	0.12%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share 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 share class.

<sup>A</sup> M Accumulation share class was launched on 27 November 2018.

# Portfolio Statement

As at 31 January 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (98.88%)</b>		<b>489,898</b>	<b>98.12</b>
<b>European Equities (98.88%)</b>		<b>476,162</b>	<b>95.37</b>
<b>Belgium (0.00%)</b>		<b>10,551</b>	<b>2.11</b>
558,504	Azelis	10,551	2.11
<b>Denmark (7.24%)</b>		<b>37,871</b>	<b>7.59</b>
375,061	Novo Nordisk	27,718	5.55
130,156	Ørsted	10,153	2.04
<b>France (20.88%)</b>		<b>104,667</b>	<b>20.96</b>
457,219	Dassault Systemes	16,215	3.25
396,475	Edenred	12,555	2.51
54,220	L'Oreal	17,072	3.42
136,046	Pernod Ricard	21,484	4.30
138,578	Schneider Electric	17,294	3.46
472,855	Ubisoft Entertainment	20,047	4.02
<b>Germany (17.89%)</b>		<b>90,718</b>	<b>18.17</b>
156,043	Deutsche Boerse	20,424	4.09
138,287	Hannover Rueck	20,613	4.13
208,575	Knorr-Bremse	15,590	3.12
97,051	MTU Aero Engines	15,107	3.03
282,033	Nemetschek	18,984	3.80
<b>Ireland (1.69%)</b>		<b>-</b>	<b>-</b>
<b>Italy (5.11%)</b>		<b>15,957</b>	<b>3.20</b>
509,156	Amplifon	15,957	3.20

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Netherlands (20.60%)</b>		<b>98,185</b>	<b>19.67</b>
12,249	Adyen	18,310	3.67
74,325	ASML	36,882	7.39
235,945	Heineken	18,732	3.75
232,889	Prosus	14,287	2.86
132,287	Wolters Kluwer	9,974	2.00
<b>Norway (3.08%)</b>		<b>11,748</b>	<b>2.35</b>
695,711	Schibsted 'B'	11,748	2.35
<b>Spain (2.34%)</b>		-	-
<b>Sweden (2.58%)</b>		<b>12,753</b>	<b>2.55</b>
339,081	Atlas Copco 'B'	12,753	2.55
<b>Switzerland (17.47%)</b>		<b>93,712</b>	<b>18.77</b>
31,473	Lonza	15,954	3.20
337,564	Nestle	32,180	6.44
10,218	Partners	10,442	2.09
62,167	Sika	15,980	3.20
15,789	Straumann	19,156	3.84
<b>UK Equities (0.00%)</b>		<b>13,736</b>	<b>2.75</b>
<b>Financials (0.00%)</b>		<b>13,736</b>	<b>2.75</b>
1,323,184	Allfunds	13,736	2.75
<b>Collective Investment Schemes (0.22%)</b>		<b>4,578</b>	<b>0.92</b>
4,578	Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund Z1 Inc+	4,578	0.92

# Portfolio Statement

As at 31 January 2022 continued

Investment	Market value £'000	Percentage of total net assets
Total investment assets	494,476	99.04
Net other assets	4,812	0.96
<b>Total Net Assets</b>	<b>499,288</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules.  
The percentage figures in brackets show the comparative holding as at 31 July 2021.  
+ Managed by subsidiaries of abrdn plc.



# Financial Statements

## Statement of Total Return

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(35,258)		17,197
Revenue	777		805	
Expenses	(2,763)		(2,226)	
Interest payable and similar charges	(1)		(1)	
Net expense before taxation	(1,987)		(1,422)	
Taxation	101		(107)	
Net expense after taxation		(1,886)		(1,529)
<b>Total return before equalisation</b>		<b>(37,144)</b>		<b>15,668</b>
Equalisation on shares		(1)		-
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(37,145)</b>		<b>15,668</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>574,835</b>		<b>416,137</b>
Amounts receivable on the issue of shares	4,194		16,795	
Amounts payable on the cancellation of shares	(42,596)		(16,059)	
		(38,402)		736
Change in net assets attributable to shareholders from investment activities (see above)		(37,145)		15,668
<b>Closing net assets attributable to shareholders</b>		<b>499,288</b>		<b>432,541</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. 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 2022

	31 January 2022		31 July 2021	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		494,476		569,651
<b>Current assets:</b>				
Debtors	704		773	
Cash and bank balances	5,313		5,173	
		6,017		5,946
<b>Total assets</b>		<b>500,493</b>		<b>575,597</b>
<b>Liabilities:</b>				
Creditors	(1,205)		(762)	
		(1,205)		(762)
<b>Total liabilities</b>		<b>(1,205)</b>		<b>(762)</b>
<b>Net assets attributable to shareholders</b>		<b>499,288</b>		<b>574,835</b>

### Subsequent event

Investments in financial markets are affected by many factors, many of which have shifted following the outbreak of the conflict in Ukraine. The fund invests in a portfolio of assets, whose values have fallen since the interim period, primarily due to the global market volatility created by the conflict in Ukraine and the longer term uncertainty the conflict brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class A Accumulation was 270.62p. The Net Asset Value of share class A Accumulation as at 12 noon on 21 March 2022 was 269.73p. This represents a modest decrease of 0.33% from the interim period value.

# ASI European High Yield Bond Fund

For the six months ended 31 January 2022

## Investment Objective

To generate income and some growth over the long term (5 years or more) by investing in Sterling and Euro denominated sub-investment grade (high yield) corporate bonds.

Performance Target: To achieve the return of the ICE BofAML European Currency High Yield Constrained Index (Hedged to GBP) plus 1.25% per annum (before 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 ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 70% in Sterling and Euro denominated sub-investment grade corporate bonds.
- The fund may also invest in bonds issued anywhere in the world by governments and corporations, such as sub-sovereigns, investment grade, inflation-linked, convertible, asset backed and mortgage-backed bonds.
- 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 bonds and derivatives after analysing companies prospects and creditworthiness alongside global economic and market conditions.
- In seeking to achieve the performance target, the ICE BofAML European Currency High Yield Constrained Index (Hedged to GBP) 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 index is not ordinarily expected to exceed 4.50%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the ICE BofAML European Currency High Yield Constrained Index (Hedged to GBP).

Please Note: The fund's ability to buy and sell bonds and the associated costs can be affected during periods of market stress which could include periods where interest rates move sharply.

## Derivatives and Techniques

- The fund will routinely use derivatives to reduce risk or reduce cost and/or generate extra income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivatives include instruments used to manage expected changes in interest rates, inflation, currencies or creditworthiness of corporations or governments.

## Performance Review

For the six months ended 31 January 2022, the value of ASI European High Yield Bond Fund – A Accumulation Shares decreased by 0.65% compared to a decrease of 1.27% in the performance target, the ICE BofAML European Currency High Yield Constrained Index (Hedged to GBP).

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

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.

## Market review

The European high-yield (HY) market delivered a mixed performance over the period.

September was the first month of negative performance for the market in 2021, with investors contending with the difficult combination of higher-than-expected inflation and weaker-than-expected growth. Supply-chain issues and labour shortages also came to a head in September, while energy price increases added further pressure. As is typical, issuance volumes ground to a halt in August but picked up again in September. The market fell in both October and November. Thereafter, risk assets started November on firm footing, as investors took heart from strong earnings and economic data. However, this quickly faded after a slew of high inflation prints, followed by news of the Omicron variant. Performance reversed in December, with the tone becoming increasingly bullish as hopes that Omicron was a milder version of the virus started to be confirmed. Meanwhile, central bankers moved to a more hawkish tone. The European Central Bank announced its plans to taper bond purchases at a quicker rate due to higher inflation expectations. The US Federal Reserve announced an increase of its bond tapering to US\$30 billion a month, from US\$15 billion per month previously, which will end its quantitative-easing programme by the end of March. It guided to six rate hikes over the next two years.

# ASI European High Yield Bond Fund

## Continued

### Portfolio Activity

The fund outperformed the benchmark over the review period, driven primarily by security selection. Energy securities generated the strongest relative returns, providing over 21 basis points of incremental contribution. EnQuest and Pemex were the main contributors in this sector. Our off-benchmark holding in UK oil company EnQuest and overweight in Pemex benefited from the rising oil price amid low inventories and fuel shortages. Security selection in healthcare also added to performance, as Voyage Care had a strong six months. Elsewhere, technology securities outperformed over the period, due to our overweight holdings in Arquiva and BMC. Finally, security selection in retail contributed to performance, which was primarily driven by Matalan's strong third-quarter sales and profits. The business was boosted by its online operations and the easing of restrictions.

Conversely, the largest detractor from performance was our holding in Monte dei Paschi. The bank's 2028 and 2030 bonds weighed on returns, following poor performance earlier in the year when a potential deal with UniCredit to purchase the bank went cold. SoftBank, the Japanese financial services provider, also hurt performance after the technology crackdown by the Chinese Government. From a sector perspective, telecommunications detracted from returns over the period, due to underperformance from TalkTalk and Altice. Meanwhile, real estate also dragged on returns, due to the weak performance from German property company Adler Group. The firm has been the subject of significant short seller interest, which is widely believed to have contributed to a 35% share price decline in September.

From a top-down perspective, the fund meaningfully reduced exposure to the banking sector due to valuation concerns and a desire to take profits in off-benchmark positions. We cut exposure to contingent convertibles such as Caixa Bank and Barclays, while halving exposure to Rabobank after exceptional performance in the preferred shares. We also reduced our position in Monte Dei Paschi, after merger talks with Unicredit broke down. This took the upside case for the bonds off the table and raised questions about the long-term sustainability of the bank on a standalone basis. After lowering our exposure to the automotive sector earlier in the period, we decided that improved valuations merited an increased weighting in the fund. Therefore, we added exposure to Faurecia and Schaeffler, both of which should be rising star candidates over the next year or two, as well as Jaguar Land Rover. The other sector theme of note was a reduction to cruise ship operators, after exiting our position in Hurtigruten and scaling back Carnival Cruises. There were too many secondary trades to mention, but a couple of note

included a reduction to Pemex, after outperformance, and an exit from a large position in Matalan, close to par on refinancing concerns after a strong rally in the bonds. The fund was very active in the primary market, as we invested in fourteen new issues over the period.

### Portfolio Outlook and Strategy

2022 is likely to be a more volatile year than 2021, due to increased central bank hawkishness spurred by stubbornly high inflation rates. The heightened geopolitical risk, driven by aggressive Russian military behaviour on the border with Ukraine, also poses a risk to asset prices in the short term. Nevertheless, the global growth outlook remains solid as we emerge from the pandemic. Consumers and corporates are on sound financial footing, earnings growth momentum will continue even if we are close to peak growth and financial conditions are favourable for HY issuers. Even though investors will have to acclimatise to a higher rate environment which will result in investable bouts of "risk-off" momentum, we do not believe this will lead to a meaningful shift in the default picture that would underpin valuations. For these reasons, we would likely use any material widening in spreads to add risk to the Fund, even though our stance is currently a cautious one.

### Euro HY and Global Leverage Loans Team

February 2022

# ASI European High Yield Bond Fund

## 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 2022.

The fund is rated as 4 because of the extent to which the following risk factors apply:

- 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 high yielding bonds which carry a greater risk of default than those with lower yields.
- The fund invests in mortgage and asset-backed securities (which may include collateralised loan, debt or mortgage obligations (respectively CLOs, CDOs or CMOs)). These are subject to prepayment and extension risk and additional liquidity and default risk compared to other credit securities.
- Convertible securities are investments that can be changed into another form upon certain triggers. As such, they can exhibit credit, equity and fixed interest risk. Contingent convertible securities (CoCos) are similar to convertible securities but have additional triggers which mean that they are more vulnerable to losses and volatile price movements and hence become less liquid.
- 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 going into administration.

# Comparative Tables

<b>A Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	2,004	2,230	2,114	2,415
Closing number of shares	1,281,819	1,415,427	1,496,940	1,713,716
Closing net asset value per share (pence)	156.31	157.53	141.21	140.90
Change in net asset value per share	(0.77%)	11.56%	0.22%	2.26%
Operating charges	1.25%	1.26%	1.26%	1.32%
<b>A Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	4,822	5,086	5,116	6,331
Closing number of shares	5,775,680	5,889,176	6,284,076	7,406,065
Closing net asset value per share (pence)	83.50	86.35	81.41	85.48
Change in net asset value per share	(3.30%)	6.07%	(4.76%)	(2.79%)
Operating charges	1.25%	1.26%	1.26%	1.32%
<b>I Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	11,131	13,040	13,226	17,552
Closing number of shares	6,796,904	7,918,714	9,000,236	12,023,678
Closing net asset value per share (pence)	163.77	164.68	146.95	145.98
Change in net asset value per share	(0.55%)	12.07%	0.66%	2.76%
Operating charges	0.80%	0.81%	0.81%	0.81%
<b>I Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	20,697	21,121	21,263	27,560
Closing number of shares	21,029,908	20,797,996	22,308,951	27,664,000
Closing net asset value per share (pence)	98.42	101.55	95.31	99.62
Change in net asset value per share	(3.08%)	6.55%	(4.33%)	(2.31%)
Operating charges	0.80%	0.81%	0.81%	0.81%
<b>M Accumulation<sup>A</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	10	10	9	-
Closing number of shares	8,173	8,186	8,212	100
Closing net asset value per share (pence)	118.33	118.98	106.23	105.37
Change in net asset value per share	(0.55%)	12.00%	0.82%	5.37%
Operating charges	0.85%	0.86%	0.86%	0.86%

# Comparative Tables

## Continued

<b>M Income<sup>B</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	1	1	1	-
Closing number of shares	975	975	975	100
Closing net asset value per share (pence)	100.54	103.75	97.38	101.82
Change in net asset value per share	(3.09%)	6.54%	(4.36%)	1.82%
Operating charges	0.85%	0.86%	0.86%	0.86%
<b>Z Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	1,711	1,714	9,905	19,075
Closing number of shares	1,235,803	1,235,803	8,057,919	15,731,721
Closing net asset value per share (pence)	138.45	138.73	122.93	121.26
Change in net asset value per share	(0.20%)	12.85%	1.38%	3.48%
Operating charges	0.10%	0.11%	0.11%	0.11%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share 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 share class.

<sup>A</sup> M Accumulation share class was launched on 27 November 2018.

<sup>B</sup> M Income share class was launched on 27 November 2018.

# Portfolio Statement

As at 31 January 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Bonds (97.12%)</b>		<b>38,848</b>	<b>96.22</b>
<b>Euro Denominated Bonds (69.93%)</b>		<b>27,971</b>	<b>69.28</b>
<b>Corporate Bonds (69.93%)</b>		<b>27,971</b>	<b>69.28</b>
less than 5 years to maturity			
102,000	Adevinta 2.625% 2025	85	0.21
400,000	ADLER 3.25% 2025*	287	0.71
100,000	ADLER Real Estate 1.875% 2023	79	0.20
100,000	ADLER Real Estate 3% 2026	74	0.18
413,000	Aggreko 5.25% 2026	338	0.84
182,000	Ardagh Packaging Finance 2.125% 2026	145	0.36
480,000	Banff Merger Sub 8.375% 2026	413	1.02
330,000	Carnival 10.125% 2026*	306	0.76
200,000	Casino Guichard Perrachon 4.048% 2026*	150	0.37
320,000	CeramTec BondCo 5.25% 2025	270	0.67
416,000	Cirsa Finance International 6.25% 2023	297	0.74
143,000	Cirsa Finance International FRN 2025	116	0.29
250,000	Colfax 3.25% 2025	209	0.52
239,000	CT Investment 5.5% 2026	198	0.49
396,000	Cullinan Holdco 4.625% 2026	323	0.80
300,000	DDM Debt 9% 2026	249	0.62
643,000	Diocle FRN 2026	425	1.05
450,000	eG Global Finance 4.375% 2025*	369	0.91
150,000	Faurecia 3.125% 2026	127	0.31
505,000	Galapagos 5.375% 2021**	-	-
320,000	Gamma Bidco 6.25% 2025	274	0.68
181,000	Garfunkelux Holdco 3 6.75% 2025	155	0.38
229,000	Gruenthal 3.625% 2026*	191	0.47
232,000	House of Finance 4.375% 2026	194	0.48
100,000	HSE Finance 5.625% 2026	83	0.21
108,000	HSE Finance FRN 2026	90	0.22
178,000	HT Troplast 9.25% 2025	157	0.39
140,000	IHO Verwaltungs 3.625% 2025	118	0.29
207,000	Iliad 5.125% 2026	176	0.44
239,000	INEOS Finance 3.375% 2026	199	0.49



# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
440,000	INEOS Styrolution 2.25% 2027*	346	0.86
171,000	International Game Technology 3.5% 2024	148	0.37
146,000	Intrum 3.5% 2026*	121	0.30
284,000	Intrum 4.875% 2025	243	0.60
229,000	Jaguar Land Rover Automotive 6.875% 2026	210	0.52
457,000	Kedrion 3.375% 2026*	377	0.93
221,000	Kleopatra 2 6.5% 2026*	162	0.40
100,000	Kleopatra Finco 4.25% 2026	78	0.19
182,000	La Financiere Atalian 4% 2024	145	0.36
317,031	LHMC Finco 2 7.25% 2025	256	0.63
200,000	Lincoln Financing 3.625% 2024	168	0.42
290,000	Loxam 3.75% 2026	237	0.59
400,000	Matterhorn Telecom 3.125% 2026	325	0.80
200,000	Monitchem HoldCo 3 FRN 2025	167	0.41
189,000	Motion Finco 7% 2025	164	0.41
378,000	Nassa Topco 2.875% 2024	318	0.79
143,000	Nidda BondCo 5% 2025	116	0.29
442,000	Nidda Healthcare 3.5% 2024	360	0.89
470,000	Novafives 5% 2025*	349	0.86
150,000	Petroleos Mexicanos 5.5% 2025	135	0.33
370,000	Picard 3.875% 2026	305	0.76
742,000	PrestigeBidCo 6.25% 2023	618	1.53
144,000	Rolls-Royce 4.625% 2026	131	0.32
175,000	Samvardhana Motherson Automotive Systems 1.8% 2024	144	0.36
250,000	Sazka 9% 2021**	-	-
147,000	Sazka 4.125% 2024	124	0.31
441,000	Sherwood Financing 4.5% 2026	361	0.89
256,000	Sigma Holdco 5.75% 2026*	192	0.48
400,000	Summer BC HoldCo 5.75% 2026	342	0.85
100,000	Summer BidCo 9% 2025	87	0.22
400,000	Summer BidCo 9% 2025 (Frankfurt Exchange)	354	0.88
436,000	Techem Verwaltungsgesellschaft 674 6% 2026	327	0.81
361,000	Techem Verwaltungsgesellschaft 675 2% 2025	292	0.72
260,000	Tele Columbus 3.875% 2025	207	0.51
1,062,000	Teva Pharmaceutical Finance Netherlands II 4.5% 2025	898	2.22

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
590,000	Unilabs Subholding 5.75% 2025	495	1.23
300,000	United 4.875% 2024	252	0.62
220,000	Verisure 3.5% 2023	184	0.46
384,000	Victoria 3.625% 2026	316	0.78
300,000	ZF Europe Finance 2% 2026	248	0.61
between 5 and 10 years to maturity			
600,000	Altice Finco 4.75% 2028	456	1.13
1,072,000	Altice France 8% 2027	934	2.31
200,000	ARD Finance 5% 2027	169	0.42
170,000	Ashland Services 2% 2028	139	0.34
160,000	Atlantia 1.875% 2028	133	0.33
605,000	Autostrade per l'Italia 2% 2028	513	1.27
170,000	Banca Monte dei Paschi di Siena FRN 2028*	107	0.27
350,000	BK LC Lux Finco 1 5.25% 2029	294	0.73
182,000	Chrome Bidco 3.5% 2028	149	0.37
215,000	Chrome Holdco 5% 2029	174	0.43
239,000	Cidron Aida Finco 5% 2028*	193	0.48
272,000	Dufry One 3.375% 2028	218	0.54
150,000	Faurecia 2.375% 2027	123	0.30
180,000	Faurecia 3.75% 2028	154	0.38
179,000	Golden Goose FRN 2027*	147	0.36
114,000	Graphic Packaging International 2.625% 2029	93	0.23
167,000	Gruenthal 4.125% 2028	139	0.34
150,000	IHO Verwaltungs 3.875% 2027	127	0.32
177,000	IMA Industria Macchine Automatiche 3.75% 2028	142	0.35
151,000	IMA Industria Macchine Automatiche FRN 2028	125	0.31
110,000	Jaguar Land Rover Automotive 4.5% 2028*	91	0.23
295,000	Leather 2 FRN 2028*	246	0.61
170,000	Mobilux Finance 4.25% 2028	138	0.34
270,000	Nobel Bidco 3.125% 2028	211	0.52
123,000	Nomad Foods Bondco 2.5% 2028	100	0.25
130,000	Novelis Sheet Ingot 3.375% 2029	106	0.26
359,000	Organon 2.875% 2028	291	0.72
156,000	Paprec 3.5% 2028	127	0.32

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,000,000	Petroleos Mexicanos 4.75% 2029*	819	2.03
430,000	Schaeffler 2.875% 2027	383	0.95
200,000	Schaeffler 3.375% 2028	181	0.45
574,000	SoftBank 5% 2028	471	1.17
336,000	SoftBank 5.25% 2027	282	0.70
336,000	TK Elevator Midco 4.375% 2027	283	0.70
114,000	TK Elevator Midco FRN 2027	95	0.24
147,000	United 5.25% 2030	119	0.30
400,000	Verisure 3.25% 2027	324	0.80
344,000	Verisure Midholding 5.25% 2029	284	0.70
300,000	ZF Europe Finance 2.5% 2027	246	0.61
200,000	ZF Finance 2% 2027	163	0.40
224,000	Ziggo Bond 3.375% 2030	173	0.43
Perpetual			
400,000	Abanca Corp Bancaria 6% fixed to floating Perpetual	343	0.85
200,000	Abertis Infraestructuras Finance 3.248% fixed to floating Perpetual	167	0.41
400,000	Banco Santander 4.375% fixed to floating Perpetual	333	0.83
400,000	Caixa Geral de Depositos FRN Perpetual	339	0.84
353,118	Stichting 6.5% Perpetual Step	381	0.94
100,000	Telefonica Europe 3% fixed to floating Perpetual	85	0.21
300,000	UniCredit 6.625% fixed to floating Perpetual	262	0.65
<b>Sterling Denominated Bonds (25.95%)</b>		<b>10,324</b>	<b>25.57</b>
<b>Corporate Bonds (25.95%)</b>		<b>10,324</b>	<b>25.57</b>
less than 5 years to maturity			
112,000	AA Bond 6.5% 2026	113	0.28
752,000	Arqiva Broadcast Finance 6.75% 2023	760	1.88
210,000	Bellis Acquisition 3.25% 2026	194	0.48
289,000	Bellis Acquisition 4.5% 2026	280	0.69
633,000	Encore Capital 5.375% 2026	650	1.61
450,349	EnQuest 7% 2023*	445	1.10
450,000	Garfunkelux Holdco 3 7.75% 2025	460	1.14
100,000	Jaguar Land Rover Automotive 3.875% 2023	100	0.25

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
136,000	Jerrold Finco 4.875% 2026	136	0.34
200,000	Jerrold Finco 5.25% 2027	200	0.50
270,000	La Financiere Atalian 6.625% 2025	260	0.64
294,000	Premier Foods Finance 3.5% 2026	285	0.71
103,000	Punch Finance 6.125% 2026	102	0.25
481,000	Sherwood Financing 6% 2026	471	1.17
431,000	TalkTalk Telecom 3.875% 2025	387	0.96
338,000	Thames Water Kemble Finance 4.625% 2026	340	0.84
484,000	Very 6.5% 2026*	481	1.19
270,000	Voyage Care BondCo 10% 2023	269	0.67
629,000	Voyage Care BondCo 5.875% 2023	624	1.55
122,000	Wheel Bidco 6.75% 2026	120	0.30
between 5 and 10 years to maturity			
200,000	Ardagh Packaging Finance 4.75% 2027	195	0.48
171,000	B&M European Value Retail 4% 2028	168	0.42
220,000	Bellis Finco 4% 2027*	199	0.49
313,000	Cidron Aida Finco 6.25% 2028	301	0.74
216,000	Constellation Automotive Financing 4.875% 2027	202	0.50
100,000	Encore Capital 4.25% 2028	96	0.24
128,000	Kane Bidco 6.5% 2027	128	0.32
307,000	Pinewood Finance 3.625% 2027	300	0.74
494,000	Rolls-Royce 5.75% 2027	543	1.34
589,000	Virgin Media Vendor Financing Notes III 4.875% 2028*	570	1.41
Perpetual			
200,000	Barclays 6.375% fixed to floating Perpetual	212	0.52
339,000	Barclays 7.25% fixed to floating Perpetual*	352	0.87
100,000	Deutsche Bank 7.125% fixed to floating Perpetual	104	0.26
276,000	National Express 4.25% fixed to floating Perpetual	277	0.69

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
US Dollar Denominated Bonds (1.24%)		553	1.37
Corporate Bonds (1.24%)		553	1.37
less than 5 years to maturity			
252,000	Ithaca Energy North Sea 9% 2026	194	0.48
Perpetual			
500,000	SoftBank 6% fixed to floating Perpetual	359	0.89
Equities (0.00%)		-	-
European Equities (0.00%)		-	-
Luxembourg (0.00%)		-	-
26,196	BrightHouse***	-	-
Derivatives (0.53%)		(87)	(0.22)
Forward Currency Contracts (0.53%)		(87)	(0.22)
	Buy EUR 50,000 Sell GBP 41,763 22/02/2022	-	-
	Buy EUR 100,000 Sell GBP 83,262 22/02/2022	-	-
	Buy EUR 200,000 Sell GBP 167,561 22/02/2022	-	-
	Buy GBP 52,611 Sell EUR 63,000 22/02/2022	-	-
	Buy GBP 28,555,824 Sell EUR 34,255,000 22/02/2022	(82)	(0.21)
	Buy GBP 97,433 Sell EUR 114,000 24/02/2022	3	0.01
	Buy GBP 524,781 Sell USD 715,000 22/02/2022	(8)	(0.02)
Total investment assets and liabilities		38,761	96.00
Net other assets		1,615	4.00
<b>Total Net Assets</b>		<b>40,376</b>	<b>100.00</b>

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities or approved derivatives within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2021.

\* A portion of this security is on loan at the period end.

\*\* Defaulted.

\*\*\* Delisted.

# Financial Statements

## Statement of Total Return

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(1,131)		2,746
Revenue	1,094		1,323	
Expenses	(179)		(196)	
Interest payable and similar charges	(1)		(1)	
Net revenue before taxation	914		1,126	
Taxation	-		3	
Net revenue after taxation		914		1,129
<b>Total return before distributions</b>		<b>(217)</b>		<b>3,875</b>
Distributions		(1,091)		(1,298)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(1,308)</b>		<b>2,577</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>43,202</b>		<b>51,634</b>
Amounts receivable on the issue of shares	934		2,378	
Amounts payable on the cancellation of shares	(2,864)		(11,320)	
		(1,930)		(8,942)
Dilution adjustment		-		50
Change in net assets attributable to shareholders from investment activities (see above)		(1,308)		2,577
Retained distribution on accumulation shares		412		585
<b>Closing net assets attributable to shareholders</b>		<b>40,376</b>		<b>45,904</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. 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 2022

	31 January 2022		31 July 2021	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		38,851		42,188
<b>Current assets:</b>				
Debtors	521		536	
Cash and bank balances	1,417		1,122	
		1,938		1,658
<b>Total assets</b>		<b>40,789</b>		<b>43,846</b>
<b>Liabilities:</b>				
Investment liabilities		(90)		-
Creditors	(206)		(542)	
Distribution payable	(117)		(102)	
		(323)		(644)
<b>Total liabilities</b>		<b>(413)</b>		<b>(644)</b>
<b>Net assets attributable to shareholders</b>		<b>40,376</b>		<b>43,202</b>

### Subsequent event

Investments in financial markets are affected by many factors, many of which have shifted following the outbreak of the conflict in Ukraine. The fund invests in a portfolio of assets, whose values have fallen since the interim period, primarily due to the global market volatility created by the conflict in Ukraine and the longer term uncertainty the conflict brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class A Accumulation was 156.31p. The Net Asset Value of share class A Accumulation as at 12 noon on 21 March 2022 was 152.03p. This represents a modest decrease of 2.74% from the interim period value.

# Distribution Tables

For the six months ended 31 January 2022 (in pence per share)

## First interim interest distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 August 2021

	Revenue	Equalisation	Distribution paid 30/09/21	Distribution paid 30/09/20
<b>A Accumulation</b>				
Group 1	0.6527	-	0.6527	0.6293
Group 2	0.4195	0.2332	0.6527	0.6293
<b>A Income</b>				
Group 1	0.3577	-	0.3577	0.3627
Group 2	0.1481	0.2096	0.3577	0.3627
<b>I Accumulation</b>				
Group 1	0.6824	-	0.6824	0.6551
Group 2	0.4220	0.2604	0.6824	0.6551
<b>I Income</b>				
Group 1	0.4208	-	0.4208	0.4247
Group 2	0.1805	0.2403	0.4208	0.4247
<b>M Accumulation</b>				
Group 1	0.4930	-	0.4930	0.4683
Group 2	0.4930	-	0.4930	0.4683
<b>M Income</b>				
Group 1	0.4295	-	0.4295	0.4418
Group 2	0.4295	-	0.4295	0.4418
<b>Z Accumulation</b>				
Group 1	0.5750	-	0.5750	0.5482
Group 2	0.5750	-	0.5750	0.5482



# Distribution Tables

For the six months ended 31 January 2022 (in pence per share) continued

## Second interim interest distribution

Group 1 – shares purchased prior to 1 September 2021

Group 2 – shares purchased between 1 September 2021 and 30 September 2021

	Revenue	Equalisation	Distribution paid 29/10/21	Distribution paid 30/10/20
<b>A Accumulation</b>				
Group 1	0.6881	-	0.6881	0.6677
Group 2	0.2691	0.4190	0.6881	0.6677
<b>A Income</b>				
Group 1	0.3757	-	0.3757	0.3836
Group 2	0.2454	0.1303	0.3757	0.3836
<b>I Accumulation</b>				
Group 1	0.7196	-	0.7196	0.6954
Group 2	0.2783	0.4413	0.7196	0.6954
<b>I Income</b>				
Group 1	0.4421	-	0.4421	0.4493
Group 2	0.2403	0.2018	0.4421	0.4493
<b>M Accumulation</b>				
Group 1	0.5200	-	0.5200	0.4976
Group 2	0.5200	-	0.5200	0.4976
<b>M Income</b>				
Group 1	0.4541	-	0.4541	0.4674
Group 2	0.4541	-	0.4541	0.4674
<b>Z Accumulation</b>				
Group 1	0.6069	-	0.6069	0.5845
Group 2	0.6069	-	0.6069	0.5845

# Distribution Tables

For the six months ended 31 January 2022 (in pence per share) continued

## Third interim interest distribution

Group 1 – shares purchased prior to 1 October 2021

Group 2 – shares purchased between 1 October 2021 and 31 October 2021

	Revenue	Equalisation	Distribution paid 30/11/21	Distribution paid 30/11/20
<b>A Accumulation</b>				
Group 1	0.5955	-	0.5955	0.6601
Group 2	0.3918	0.2037	0.5955	0.6601
<b>A Income</b>				
Group 1	0.3236	-	0.3236	0.3771
Group 2	0.0860	0.2376	0.3236	0.3771
<b>I Accumulation</b>				
Group 1	0.6230	-	0.6230	0.6873
Group 2	0.2514	0.3716	0.6230	0.6873
<b>I Income</b>				
Group 1	0.3810	-	0.3810	0.4419
Group 2	0.2013	0.1797	0.3810	0.4419
<b>M Accumulation</b>				
Group 1	0.4509	-	0.4509	0.4921
Group 2	0.4509	-	0.4509	0.4921
<b>M Income</b>				
Group 1	0.3905	-	0.3905	0.4592
Group 2	0.3905	-	0.3905	0.4592
<b>Z Accumulation</b>				
Group 1	0.5255	-	0.5255	0.5759
Group 2	0.5255	-	0.5255	0.5759

# Distribution Tables

For the six months ended 31 January 2022 (in pence per share) continued

## Fourth interim interest distribution

Group 1 – shares purchased prior to 1 November 2021

Group 2 – shares purchased between 1 November 2021 and 30 November 2021

	Revenue	Equalisation	Distribution paid 31/12/21	Distribution paid 31/12/20
<b>A Accumulation</b>				
Group 1	0.7062	-	0.7062	0.5968
Group 2	0.3437	0.3625	0.7062	0.5968
<b>A Income</b>				
Group 1	0.3824	-	0.3824	0.3394
Group 2	0.2018	0.1806	0.3824	0.3394
<b>I Accumulation</b>				
Group 1	0.7392	-	0.7392	0.6220
Group 2	0.2212	0.5180	0.7392	0.6220
<b>I Income</b>				
Group 1	0.4503	-	0.4503	0.3978
Group 2	0.1792	0.2711	0.4503	0.3978
<b>M Accumulation</b>				
Group 1	0.5349	-	0.5349	0.4446
Group 2	0.5349	-	0.5349	0.4446
<b>M Income</b>				
Group 1	0.4623	-	0.4623	0.4100
Group 2	0.4623	-	0.4623	0.4100
<b>Z Accumulation</b>				
Group 1	0.6240	-	0.6240	0.5213
Group 2	0.6240	-	0.6240	0.5213

# Distribution Tables

For the six months ended 31 January 2022 (in pence per share) continued

## Fifth interim interest distribution

Group 1 – shares purchased prior to 1 December 2021

Group 2 – shares purchased between 1 December 2021 and 31 December 2021

	Revenue	Equalisation	Distribution paid 31/01/22	Distribution paid 29/01/21
<b>A Accumulation</b>				
Group 1	0.7267	-	0.7267	0.6736
Group 2	0.6031	0.1236	0.7267	0.6736
<b>A Income</b>				
Group 1	0.3918	-	0.3918	0.3811
Group 2	0.2229	0.1689	0.3918	0.3811
<b>I Accumulation</b>				
Group 1	0.7609	-	0.7609	0.7020
Group 2	0.2679	0.4930	0.7609	0.7020
<b>I Income</b>				
Group 1	0.4615	-	0.4615	0.4475
Group 2	0.2430	0.2185	0.4615	0.4475
<b>M Accumulation</b>				
Group 1	0.5500	-	0.5500	0.5032
Group 2	0.5500	-	0.5500	0.5032
<b>M Income</b>				
Group 1	0.4736	-	0.4736	0.4623
Group 2	0.4736	-	0.4736	0.4623
<b>Z Accumulation</b>				
Group 1	0.6427	-	0.6427	0.5889
Group 2	0.6427	-	0.6427	0.5889

# Distribution Tables

For the six months ended 31 January 2022 (in pence per share) continued

## Sixth interim interest distribution

Group 1 – shares purchased prior to 1 January 2022

Group 2 – shares purchased between 1 January 2022 and 31 January 2022

	Revenue	Equalisation	Distribution paid 28/02/22	Distribution paid 26/02/21
<b>A Accumulation</b>				
Group 1	0.7128	-	0.7128	0.6420
Group 2	0.5158	0.1970	0.7128	0.6420
<b>A Income</b>				
Group 1	0.3825	-	0.3825	0.3619
Group 2	0.2053	0.1772	0.3825	0.3619
<b>I Accumulation</b>				
Group 1	0.7468	-	0.7468	0.6703
Group 2	0.4413	0.3055	0.7468	0.6703
<b>I Income</b>				
Group 1	0.4507	-	0.4507	0.4247
Group 2	0.2049	0.2458	0.4507	0.4247
<b>M Accumulation</b>				
Group 1	0.5398	-	0.5398	0.4788
Group 2	0.5398	-	0.5398	0.4788
<b>M Income</b>				
Group 1	0.4613	-	0.4613	0.4346
Group 2	0.4613	-	0.4613	0.4346
<b>Z Accumulation</b>				
Group 1	0.6311	-	0.6311	0.5711
Group 2	0.6311	-	0.6311	0.5711

## Equalisation

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

# ASI European Real Estate Share Fund

For the six months ended 31 January 2022

## Investment Objective

To generate income and some growth over the long term (5 years or more) by investing in European property-related equities (company shares) including listed closed ended real estate investment trusts ("REITs").

Performance Target: To achieve the return of the FTSE EPRA Nareit Europe (UK Restricted) 10% Capped Index plus 3% per annum over rolling three year periods (before 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 ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund invests in equities and equity-related securities of companies that derive a significant proportion of their revenues or profits from European real estate operations or have a significant proportion of their assets in European real estate.
- European countries can include the UK and the emerging markets of Europe.
- 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 concentrated asset mix at sector, country and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings that can be held for the long term.
- The FTSE EPRA Nareit Europe (UK Restricted) 10% Capped Index 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 index is not ordinarily expected to exceed 9%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the index over the long term.

### Derivatives and Techniques

- The fund may use derivatives to reduce risk, 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 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.

## Performance Review

For the six months ended 31 January 2022, the value of ASI European Real Estate Share Fund – A Accumulation Shares decreased by 6.69% compared to a decrease of 4.46% in the performance target, the FTSE EPRA Nareit Europe (UK Restricted) 10% Capped Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

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.

## Market Review

European real estate equities finished lower over the six months, albeit with significant volatility within the period. After a benign end to the summer, September marked the first negative month for European real estate equities since February. The sector saw a sharp downturn on a combination of softer economic indicators and signs that monetary policy may tighten earlier than expected due to persistently high levels of inflation. This trend repeated in January, as investors moved to price in higher interest rate expectations, which triggered a rapid derating of higher valuation and long-duration growth stocks and a strong rotation towards value names. Within the sector, this meant sharp falls across the industrials names, despite continued strong fundamentals. Alternative sectors such as self-storage and healthcare also weakened in January after a strong performance in 2021. Conversely, the rotation particularly favoured the retail sector, which started 2022 strongly.

Outside of these two months, the trend remained broadly positive due to a robust earnings reporting season. A resurgence in Covid-19 cases and the arrival of the Omicron variant prompted stricter government policies across Europe, leading to weakness among retail landlords. However, they rebounded as further data around the decreased severity of Omicron emerged, triggering strength in more cyclical and 'reopening' exposed names.

It remained a busy period for capital markets activity, with bids for Alstria Office REIT and equity issuance by Vonovia, Assura, Sirius Real Estate, LondonMetric, SBB and VGP.

# ASI European Real Estate Share Fund

## Continued

### Portfolio Activity

After a solid end to 2021, the fund's underperformance over the six months was almost completely concentrated in the extreme rotation that took place during January 2022, when our allocation to high-quality real estate equities underperformed.

Over the six months, there were three key detractors from performance at the stock level: German residential developer Instone weakened after lowering revenue guidance, with supply-chain bottlenecks and permit delays affecting upcoming deliveries; Countryside Properties fell alongside its UK housebuilder peers as inflationary pressures and potential rate hikes were compounded by poor operational performance; and mobile phone tower operator Cellnex underperformed due to the market rotation towards cheaper cyclical names.

Conversely, stock-selection effects were positive. Our holdings in the self-storage sector, Shurgard and Safestore, benefited performance. Demand trends remained robust, as both names reported strong growth that was driven by higher rates and occupancy levels. Specific mid-cap specialists such as business park owner Sirius Real Estate and property services company Savills also delivered attractive gains.

In portfolio activity, we introduced three new names. The first was UK housebuilder Countryside, which offers differentiated exposure in the space and relatively low-risk growth, given its mixed-tenure model. The second was Industrial REIT, which has evolved into a multi-let industrial owner that has good potential for accretive medium-term growth as the business matures. The final new introduction was Safestore, which we funded by exiting peer Big Yellow, due to the former's higher continental European exposure, which opens up greater growth optionality.

We supported two holdings in issuing equity over the period: the first was a placing by Sirius Real Estate to fund its purchase of Bizspace in the UK. We view the deal as strategically attractive, as it offers scale in a lucrative geography. Secondly, we participated in Assura's placing to fund investment in its development pipeline and acquisitions. These additions were funded by exiting LondonMetric, following strong share performance, and German office owner Alstria Office REIT, after it received a takeover offer from Brookfield at a 17% premium to the prevailing share price. We also took some profits in Sirius Real Estate on strength, with the valuation better reflecting the company's prospects.

### Portfolio Outlook and Strategy

The outlook at the macro level is broadly positive, but highly uncertain. Debate continues on a number of issues – ranging from stalling economic growth momentum, the path of inflation, the pace of interest rate rises, and the impact of fading fiscal support – all of which we expect to contribute to elevated near-term uncertainty for markets.

Our focus, as ever, remains on what we can control – researching, engaging with and investing in good quality property shares. As part of this, we believe our focus on favourable supply-demand fundamentals and sustainable cash flows should stand our holdings in good stead in a higher inflation environment. Further, we believe many of our holdings are well placed to deliver growing income streams, regardless of the timing of interest-rate rises. Recent volatility, while painful, is typical at the early stages of rate-tightening cycles and ultimately presents us with the opportunity to enhance the future returns potential of the portfolio.

We continue to believe that the significant variability in returns by sub-sector and location in this area provides opportunity for those able to take a selective and unconstrained approach. Europe offers an exciting range of real estate exposures in the listed sector for the bottom-up stock picker to take advantage of, several of which remain in their infancy. Our key exposures reflect specific areas where we see stronger prospects for returns, such as European industrial where the growth profile remains extremely strong and alternative areas such as self-storage. While we acknowledge the prospects for some near-term recovery in cheap retail stocks, we remain cautious on the structural challenges and high capital expenditure needs over the medium term, particularly given weaker balance sheet health.

We thus remain optimistic about the prospects of our holdings; we continue to engage with companies on pressing environmental, social and governance concerns, while our rigorous investment focus on quality means that our companies have solid balance sheets and good management teams, positioning them well to continue to deliver attractive returns.

### European Equity Team

February 2022

# ASI European Real Estate Share Fund

## 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 2022.

The fund is rated as 6 because of the extent to which the following risk factors apply:

- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector.
- Dividend payment policies of the REITs in which the fund invests are not representative of the dividend payment policy of the fund.
- 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 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 going into administration.



# Comparative Tables

<b>A Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	4,988	5,629	5,196	6,148
Closing number of shares	1,803,847	1,919,388	2,176,170	2,604,185
Closing net asset value per share (pence)	276.53	293.26	238.78	236.08
Change in net asset value per share	(5.70%)	22.82%	1.14%	5.74%
Operating charges	1.30%	1.30%	1.30%	1.40%
<b>A Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	346	494	418	516
Closing number of shares	226,106	302,431	306,991	372,324
Closing net asset value per share (pence)	153.13	163.45	136.14	138.51
Change in net asset value per share	(6.31%)	20.06%	(1.71%)	2.74%
Operating charges	1.30%	1.30%	1.30%	1.40%
<b>I Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	56,032	60,868	54,992	57,080
Closing number of shares	25,257,684	25,930,326	28,893,727	30,451,058
Closing net asset value per share (pence)	221.84	234.74	190.32	187.45
Change in net asset value per share	(5.50%)	23.34%	1.53%	6.20%
Operating charges	0.85%	0.85%	0.85%	0.85%
<b>I Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	13,539	11,532	9,493	8,976
Closing number of shares	9,844,723	7,873,953	7,815,789	7,292,493
Closing net asset value per share (pence)	137.52	146.46	121.46	123.09
Change in net asset value per share	(6.10%)	20.58%	(1.32%)	3.22%
Operating charges	0.85%	0.85%	0.85%	0.85%
<b>M Accumulation<sup>A</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	20	21	17	-
Closing number of shares	15,047	15,073	15,125	100
Closing net asset value per share (pence)	133.25	140.99	114.39	112.56
Change in net asset value per share	(5.49%)	23.25%	1.63%	12.56%
Operating charges	0.90%	0.90%	0.90%	0.90%

# Comparative Tables

## Continued

<b>M Income<sup>B</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	1	1	1	-
Closing number of shares	888	888	888	100
Closing net asset value per share (pence)	122.77	130.73	108.37	109.73
Change in net asset value per share	(6.09%)	20.63%	(1.24%)	9.73%
Operating charges	0.90%	0.90%	0.90%	0.90%

  

<b>Z Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	38,654	42,042	37,798	40,915
Closing number of shares	11,528,521	11,894,406	13,278,212	14,684,895
Closing net asset value per share (pence)	335.29	353.46	284.66	278.62
Change in net asset value per share	(5.14%)	24.17%	2.17%	6.82%
Operating charges	0.10%	0.10%	0.10%	0.10%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences.

The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share 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 share class.

<sup>A</sup> M Accumulation share class was launched on 27 November 2018.

<sup>B</sup> M Income share class was launched on 27 November 2018.

# Portfolio Statement

As at 31 January 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (97.72%)</b>		<b>109,548</b>	<b>96.45</b>
<b>European Equities (76.00%)</b>		<b>78,791</b>	<b>69.37</b>
<b>Austria (1.63%)</b>		<b>1,654</b>	<b>1.46</b>
61,093	CA Immobilien Anlagen	1,654	1.46
<b>Belgium (11.98%)</b>		<b>14,023</b>	<b>12.35</b>
35,874	Aedifica REIT	3,198	2.82
136,400	Shurgard Self Storage	5,812	5.12
157,382	Warehouses De Pauw REIT	5,013	4.41
<b>Finland (2.93%)</b>		<b>3,395</b>	<b>2.99</b>
199,200	Kojamo	3,395	2.99
<b>France (2.75%)</b>		<b>2,854</b>	<b>2.51</b>
28,445	Gecina REIT	2,854	2.51
<b>Germany (30.40%)</b>		<b>28,029</b>	<b>24.68</b>
160,026	Instone REIT	2,105	1.85
43,998	LEG Immobilien	4,321	3.80
93,448	PATRIZIA	1,509	1.33
31,001	Scout24	1,362	1.20
4,777,953	Sirius Real Estate	6,164	5.43
196,252	TAG Immobilien	3,826	3.37
209,001	Vonovia	8,742	7.70
<b>Ireland (1.20%)</b>		<b>1,344</b>	<b>1.18</b>
1,268,685	Hibernia REIT	1,344	1.18

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Netherlands (3.87%)</b>		<b>4,917</b>	<b>4.33</b>
326,902	CTP*	4,917	4.33
<b>Spain (7.66%)</b>		<b>7,627</b>	<b>6.71</b>
82,134	Cellnex Telecom	2,765	2.43
374,378	Inmobiliaria Colonial Socimi REIT	2,451	2.16
287,675	Merlin Properties REIT	2,411	2.12
<b>Sweden (9.81%)</b>		<b>10,614</b>	<b>9.34</b>
179,760	Castellum	3,129	2.75
118,545	Catena	5,012	4.41
223,747	Fabege	2,473	2.18
<b>Switzerland (3.77%)</b>		<b>4,334</b>	<b>3.82</b>
15,347	Flughafen Zurich	2,091	1.84
25,040	PSP Swiss Property	2,243	1.98
<b>UK Equities (21.72%)</b>		<b>30,757</b>	<b>27.08</b>
<b>Consumer Discretionary (0.00%)</b>		<b>1,772</b>	<b>1.56</b>
578,650	Countryside Properties	1,772	1.56
<b>Real Estate (21.72%)</b>		<b>28,985</b>	<b>25.52</b>
6,072,724	Assura REIT	4,060	3.57
1,930,619	Industrials REIT	3,659	3.22
300,284	Rightmove	1,951	1.72
327,850	Safestore REIT	4,147	3.65
167,248	Savills	2,244	1.98
658,500	Segro REIT	8,570	7.55
421,313	Unite REIT	4,354	3.83

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Collective Investment Schemes (1.92%)		3,629	3.20
3,629	Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund Z1 Inc <sup>+</sup>	3,629	3.20
Total investment assets		113,177	99.65
Net other assets		403	0.35
<b>Total Net Assets</b>		<b>113,580</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules.

The percentage figures in brackets show the comparative holding as at 31 July 2021.

<sup>+</sup> Managed by subsidiaries of abrdn plc.

\* A portion of this security is on loan at the period end.

# Financial Statements

## Statement of Total Return

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(7,124)		5,217
Revenue	784		914	
Expenses	(364)		(365)	
Net revenue before taxation	420		549	
Taxation	(41)		(14)	
Net revenue after taxation		379		535
<b>Total return before distributions</b>		<b>(6,745)</b>		<b>5,752</b>
Distributions		(724)		(831)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(7,469)</b>		<b>4,921</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>120,587</b>		<b>107,915</b>
Amounts receivable on the issue of shares	9,956		12,584	
Amounts payable on the cancellation of shares	(10,130)		(6,605)	
		(174)		5,979
Change in net assets attributable to shareholders from investment activities (see above)		(7,469)		4,921
Retained distribution on accumulation shares		636		779
<b>Closing net assets attributable to shareholders</b>		<b>113,580</b>		<b>119,594</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. 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 2022

	31 January 2022		31 July 2021	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		113,177		120,151
<b>Current assets:</b>				
Debtors	243		518	
Cash and bank balances	546		451	
		789		969
<b>Total assets</b>		<b>113,966</b>		<b>121,120</b>
<b>Liabilities:</b>				
Creditors	(297)		(347)	
Distribution payable	(89)		(186)	
		(386)		(533)
<b>Total liabilities</b>		<b>(386)</b>		<b>(533)</b>
<b>Net assets attributable to shareholders</b>		<b>113,580</b>		<b>120,587</b>

### Subsequent event

Investments in financial markets are affected by many factors, many of which have shifted following the outbreak of the conflict in Ukraine. The fund invests in a portfolio of assets, whose values have fallen since the interim period, primarily due to the global market volatility created by the conflict in Ukraine and the longer term uncertainty the conflict brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class A Accumulation was 276.53p. The Net Asset Value of share class A Accumulation as at 12 noon on 21 March 2022 was 276.16p. This represents a modest decrease of 0.13% from the interim period value.

# Distribution Table

For the six months ended 31 January 2022 (in pence per share)

## Interim dividend distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 January 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
<b>A Accumulation</b>				
Group 1	1.7670	-	1.7670	1.8143
Group 2	1.0307	0.7363	1.7670	1.8143
<b>A Income</b>				
Group 1	0.9850	-	0.9850	1.0340
Group 2	0.5875	0.3975	0.9850	1.0340
<b>I Accumulation</b>				
Group 1	1.4159	-	1.4159	1.4450
Group 2	0.7091	0.7068	1.4159	1.4450
<b>I Income</b>				
Group 1	0.8834	-	0.8834	0.9223
Group 2	0.4443	0.4391	0.8834	0.9223
<b>M Accumulation</b>				
Group 1	0.8499	-	0.8499	0.8436
Group 2	0.8499	-	0.8499	0.8436
<b>M Income</b>				
Group 1	0.7957	-	0.7957	0.8520
Group 2	0.7957	-	0.7957	0.8520
<b>Z Accumulation</b>				
Group 1	2.1359	-	2.1359	2.1663
Group 2	1.3652	0.7707	2.1359	2.1663

## Equalisation

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



# ASI European Smaller Companies Fund

For the six months ended 31 January 2022

## Investment Objective

To generate growth over the longer term (5 years or more) by investing in European smaller capitalisation equities (company shares).

**Performance Target:** To achieve the return of the EMIX Smaller European Companies Index, plus 3% per annum over rolling five year periods (before 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 ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 70% in equities and equity related securities of smaller capitalisation companies listed, incorporated or domiciled in European countries, or companies that derive a significant proportion of their revenues or profits from European operations or have a significant proportion of their assets there.
- European countries include the emerging markets of Europe and the UK.
- Smaller capitalisation companies are defined as any stock included in the EMIX Smaller European Companies Index or, if not included within the index any stock having a market capitalisation smaller than that of the stock with the largest market capitalisation in such index.
- The fund may also invest in mid and larger capitalisation companies listed, incorporated or domiciled in European countries.
- 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 the management team's quality, growth and momentum approach. It aims to identify companies that exhibit a range of high quality characteristics, operate in growing markets and display positive business momentum.
- In seeking to achieve the performance target, the EMIX Smaller European Companies Index 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 index is not ordinarily expected to exceed 9%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the index.

- Please note: The fund's ability to buy and sell small and mid-capitalisation shares and the associated costs can be affected during periods of market stress. In certain circumstances investors in the fund may not be able to sell their investment when they want to.

### Derivatives and Techniques

- The fund may use derivatives to reduce risk, 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.

## Performance Review

For the six months ended 31 January 2022, the value of ASI European Smaller Companies Equity Fund – A Accumulation Shares decreased by 9.29% compared to a decrease of 5.99% in the performance target, the EMIX Smaller European Companies Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

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.

## Market Review

The broader European equity market dropped over the review period after taking a significant knock in January 2022. A sharp rise in market volatility saw stocks sell off aggressively. Technology stocks particularly weighed on the market, experiencing their most difficult period since the 2008 Global Financial Crisis.

Initially, except for the short-lived Omicron-based sell-off in November, European equities performed well up to the end of 2021. Strong corporate earnings and receding Covid-19 fears drove markets higher during the second half of 2021, despite inflation pressures continuing to build and ongoing supply-chain challenges. As elsewhere in the world, rising inflation is challenging policymakers, with November's eurozone inflation number the highest recorded since the introduction of the euro in 1999. In general, growth stocks crumbled under the expectation

# ASI European Smaller Companies Fund

## Continued

of higher interest rates, as investors digested a hawkish statement from the US Federal Reserve. European bond yields rose dramatically, with the German 10-year bond yield breaking into positive territory for the first time since early 2019. Heightened Russia-Ukraine tensions also weighed on returns, helping to drive energy prices higher. Brent crude hit its highest level in more than seven years. Unsurprisingly, energy and financials topped the performance table given the market backdrop of tightening monetary policy and heightened geopolitical risk.

### Portfolio Activity

Engineering software developer Aveva weighed on returns. The company reported a widening loss in the six-month period to the end of September. Aveva said the loss was due to the amortisation of intangible assets relating to merger and acquisition activity. Nevertheless, management said it was seeing a good contract pipeline and improving market conditions, driven by increased digitalisation and net-zero projects. Recurring revenues continued to tick up, a good sign that the company's transformation is progressing. German-listed commercial combi-cooker manufacturer Rational also underperformed. The share price weakened on supply-chain concerns, but this is only likely to be short term and should not be an issue for long-term investors. The business remains extremely well positioned to grow, as its combi steamer technology takes market share from conventional cooking technologies. Elsewhere, UK specialist chemical manufacturer Synthomer shares weakened after a broker published two earnings downgrades.

On a more positive note, French fragrance designer Interparfums performed strongly after it raised profits expectations. The company explained that this was due to stronger-than-expected trading in several markets, particularly the US. The business has also dealt with supply chain pressures better than expected. Interparfums has an attractive suite of fragrance launches over the next year that should continue to drive growth. Austria-listed airline and events catering business Do & Co also added value. The company suffered during pandemic lockdowns when travel restrictions hit sales. However, with a recovery in place, the company announced in August a tripling of revenues, with a pleasing improvement in profit margin. In other good news, the business is seeing healthy US growth and new contract wins in Europe. Nemetschek, a leading architectural, engineering and construction (AEC) industry software developer, reported strong business development and growth in its latest quarterly result, with improved profit margins. This highlighted the success of a move to a subscriptions and Software-as-a-Service

(SaaS) business model. Management also gave a positive outlook for these business streams.

### Portfolio Outlook and Strategy

There has been a sharp rotation into value stocks during January, as investors focused on the top-down macroeconomic risks of both higher inflation and interest rates. This is the environment in which we would expect the fund to underperform given its quality, growth and momentum bias. We anticipate this rotation to be relatively short-lived, as has historically been the case for smaller companies. When investors return to focusing on company fundamentals, they will discriminate between companies delivering growth and those that are not. If we are moving into a period of greater economic uncertainty, we believe focusing on quality companies gives us comfort.

### Smaller Companies Equity Team

February 2022

# ASI European Smaller Companies Fund

## 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	<b>6</b>	7

Risk and reward indicator table as at 31 January 2022.

The fund is rated as 6 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 shares of small and mid-cap companies may be less liquid and more volatile than those of larger companies.
- 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.
- 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 going into administration.

# Comparative Tables

<b>A Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	42,443	47,358	34,716	36,339
Closing number of shares	1,767,570	1,803,528	1,845,463	2,006,100
Closing net asset value per share (pence)	2,401.22	2,625.85	1,881.16	1,811.44
Change in net asset value per share	(8.55%)	39.59%	3.85%	4.87%
Operating charges	1.30%	1.32%	1.32%	1.43%
<b>I Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	58,121	48,597	27,056	28,235
Closing number of shares	19,390,226	14,859,827	11,600,106	12,628,518
Closing net asset value per share (pence)	299.74	327.04	233.23	223.58
Change in net asset value per share	(8.35%)	40.22%	4.32%	5.45%
Operating charges	0.85%	0.87%	0.87%	0.87%
<b>K Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	273	362	304	221
Closing number of shares	115,223	140,161	165,473	125,060
Closing net asset value per share (pence)	236.72	258.18	183.99	176.26
Change in net asset value per share	(8.31%)	40.32%	4.39%	5.53%
Operating charges	0.77%	0.80%	0.80%	0.80%
<b>M Accumulation<sup>A</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	218	224	162	-
Closing number of shares	133,499	125,591	127,038	100
Closing net asset value per share (pence)	163.29	178.21	127.16	121.76
Change in net asset value per share	(8.37%)	40.15%	4.43%	21.76%
Operating charges	0.90%	0.92%	0.92%	0.92%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share 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 share class.

<sup>A</sup> M Accumulation share class was launched on 27 November 2018.

# Portfolio Statement

As at 31 January 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (93.51%)</b>		<b>97,816</b>	<b>96.80</b>
<b>European Equities (68.83%)</b>		<b>70,512</b>	<b>69.78</b>
<b>Austria (1.77%)</b>		<b>2,186</b>	<b>2.16</b>
29,200	DO & CO	2,186	2.16
<b>Belgium (0.66%)</b>		<b>547</b>	<b>0.54</b>
42,935	Fagron	547	0.54
<b>Denmark (1.05%)</b>		<b>1,099</b>	<b>1.09</b>
69,000	Scandinavian Tobacco 'A'	1,099	1.09
<b>Finland (1.41%)</b>		<b>1,026</b>	<b>1.02</b>
44,000	Kesko	1,026	1.02
<b>France (7.77%)</b>		<b>7,584</b>	<b>7.50</b>
96,401	Interparfums	5,356	5.30
8,001	Teleperformance	2,228	2.20
<b>Germany (13.65%)</b>		<b>15,294</b>	<b>15.13</b>
9,419	Amadeus Fire	1,288	1.27
37,963	CTS Eventim	1,978	1.96
33,666	Dermapharm	2,007	1.99
14,500	Gerresheimer	960	0.95
2,409	Hypoport	781	0.77
27,113	Jungheinrich (Preference)	852	0.84
37,650	Nemetschek	2,534	2.51
1,461	New Work	238	0.24
47,804	Norma	1,288	1.27
59,000	PATRIZIA	952	0.94

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
3,936	Rational	2,416	2.39
<b>Ireland (0.99%)</b>		<b>977</b>	<b>0.97</b>
84,842	Grafton	977	0.97
<b>Italy (13.18%)</b>		<b>12,679</b>	<b>12.55</b>
114,378	Amplifon	3,585	3.55
114,969	Azimut	2,279	2.25
57,500	Brunello Cucinelli	2,457	2.43
52,665	Interpump	2,392	2.37
15,887	Reply	1,966	1.95
<b>Norway (1.75%)</b>		<b>1,832</b>	<b>1.81</b>
105,377	Borregaard	1,832	1.81
<b>Spain (2.01%)</b>		<b>3,534</b>	<b>3.50</b>
82,931	CIE Automotive	1,784	1.76
64,907	Fluidra	1,521	1.51
3,638	Vidrala	229	0.23
<b>Sweden (13.80%)</b>		<b>12,611</b>	<b>12.48</b>
149,200	AddLife 'B'	3,174	3.14
288,049	AddTech 'B'	3,887	3.85
180,000	Coor Service Management	1,135	1.12
363,000	Lagercrantz 'B'	3,032	3.00
53,439	Troax	1,383	1.37
<b>Switzerland (10.79%)</b>		<b>11,143</b>	<b>11.03</b>
4,280	Bachem	1,874	1.86

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
4,600	Burckhardt Compression	1,600	1.58
453	Interroll	1,414	1.40
5,443	Komax	1,230	1.22
8,160	Tecan	2,924	2.89
9,100	Temenos	801	0.79
18,750	VZ	1,300	1.29
<b>North American Equities (0.00%)</b>		-	-
<b>United States (0.00%)</b>		-	-
3,184,500	Ashurst Technology <sup>2</sup>	-	-
<b>UK Equities (24.68%)</b>		<b>27,304</b>	<b>27.02</b>
<b>Basic Materials (1.78%)</b>		<b>4,393</b>	<b>4.35</b>
92,549	Hill & Smith	1,381	1.37
462,660	Synthomer	1,686	1.67
65,003	Victrex	1,326	1.31
<b>Consumer Discretionary (1.97%)</b>		<b>2,371</b>	<b>2.34</b>
16,690	Games Workshop	1,324	1.31
90,622	YouGov++	1,047	1.03
<b>Financials (3.53%)</b>		<b>3,301</b>	<b>3.27</b>
31,500	Close Brothers	404	0.40
65,329	Impax Asset Management++	711	0.71
115,274	Intermediate Capital	2,186	2.16
<b>Health Care (6.54%)</b>		<b>5,273</b>	<b>5.22</b>
100,500	Abcam++	1,341	1.33
71,500	Dechra Pharmaceuticals	2,969	2.94
25,354	Genus	963	0.95

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Industrials (8.15%)</b>		<b>10,021</b>	<b>9.92</b>
93,763	Diploma	2,578	2.55
112,000	Euromoney Institutional Investor	1,020	1.01
208,460	Marshalls	1,460	1.45
65,188	Morgan Sindall	1,379	1.37
97,500	Oxford Instruments	2,106	2.08
51,000	Ultra Electronics	1,478	1.46
<b>Technology (2.71%)</b>		<b>1,945</b>	<b>1.92</b>
66,676	AVEVA	1,945	1.92
<b>Collective Investment Schemes (6.81%)</b>		<b>2,729</b>	<b>2.70</b>
2,728	Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund Z1 Inc <sup>+</sup>	2,729	2.70
Total investment assets		100,545	99.50
Net other assets		510	0.50
<b>Total Net Assets</b>		<b>101,055</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated.

The percentage figures in brackets show the comparative holding as at 31 July 2021.

<sup>+</sup> Managed by subsidiaries of abrdn plc.

<sup>++</sup> AIM listed.

<sup>Ⓐ</sup> Unapproved/unquoted security.



# Financial Statements

## Statement of Total Return

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(10,682)		7,885
Revenue	453		363	
Expenses	(585)		(389)	
Net expense before taxation	(132)		(26)	
Taxation	7		15	
Net expense after taxation		(125)		(11)
<b>Total return before equalisation</b>		<b>(10,807)</b>		<b>7,874</b>
Equalisation on shares		–		6
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(10,807)</b>		<b>7,880</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>96,541</b>		<b>62,238</b>
Amounts receivable on the issue of shares	29,069		7,277	
Amounts payable on the cancellation of shares	(13,768)		(3,871)	
		15,301		3,406
Dilution adjustment		20		–
Change in net assets attributable to shareholders from investment activities (see above)		(10,807)		7,880
<b>Closing net assets attributable to shareholders</b>		<b>101,055</b>		<b>73,524</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. 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 2022

	31 January 2022		31 July 2021	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		100,545		96,848
<b>Current assets:</b>				
Debtors	300		1,067	
Cash and bank balances	474		476	
		774		1,543
<b>Total assets</b>		<b>101,319</b>		<b>98,391</b>
<b>Liabilities:</b>				
Creditors	(264)		(1,850)	
		(264)		(1,850)
<b>Total liabilities</b>		<b>(264)</b>		<b>(1,850)</b>
<b>Net assets attributable to shareholders</b>		<b>101,055</b>		<b>96,541</b>

### Subsequent event

Investments in financial markets are affected by many factors, many of which have shifted following the outbreak of the conflict in Ukraine. The fund invests in a portfolio of assets, whose values have fallen since the interim period, primarily due to the global market volatility created by the conflict in Ukraine and the longer term uncertainty the conflict brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class A Accumulation was 2,401.22p. The Net Asset Value of share class A Accumulation as at 12 noon on 21 March 2022 was 2,290.26p. This represents a modest decrease of 4.62% from the interim period value.

# ASI Financial Equity Fund (closed)

For the six months ended 31 January 2022

## Investment Objective

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

Performance Target: To achieve the return of the MSCI AC World Financials Index plus 3% per annum over rolling three year periods (before 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 ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 70% in equities and equity related securities of financial institutions, such as banking, insurance, financial services and property companies, listed on global stock exchanges.
- The fund may also invest in companies which generate a significant part of their earnings from financial activity.
- 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 concentrated but diversified asset mix at country and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the Performance Target, the MSCI AC Financial Index 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 index is not ordinarily expected to exceed 9%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the index over the long term.

### Derivatives and Techniques

- The fund may use derivatives to reduce risk, 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.

## Performance Review

For the period ended 29 November 2021, the value of ASI Financial Equity Fund – A Income Shares increased by 5.52% compared to an increase of 8.34% in the performance target, the MSCI AC World Financials Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) any other damages. ([www.msci.com](http://www.msci.com))

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.

## Market Review

A sharp rise in market volatility saw stocks sell off aggressively, significantly reducing returns for the six-month period. US equities suffered the worst start to a year since the financial crisis. Investors were spooked by a hawkish Federal Reserve statement on interest rates and surging energy prices from mounting Russia-Ukraine tension. Until the threat of higher interest rates at the end of the review period, investors had weathered China's regulatory crackdown on its technology companies in the summer of 2021 and the appearance in November of the Omicron Covid-19 variant. Unsurprisingly, energy companies and banks were the top performers in a period of rising energy prices and interest rates.

## Portfolio Activity

French payments firm Worldline weighed on returns as its shares continued to underperform after the business missed half-year operating earnings expectations in July. The miss triggered a sharp drop in its share price as investors were disappointed it had not benefited more from shops reopening after Covid-19 lockdowns. Other stocks to weigh on returns included payments company Visa. It emerged that the US Department of Justice (DoJ)

# ASI Financial Equity Fund (closed)

## Continued

is investigating the company's financial incentives to payment companies. The DoJ is also looking into if Visa restricted merchants from using other cheaper payment networks. Meanwhile, payments solutions business Fidelity National Information Services weakened after disappointing investors with its profit outlook and the continued fallout from the collapse of merger talks with Global Payments.

On a more positive note, Blackstone, the US alternative asset manager, outperformed after releasing results that pointed to an expected surge in money inflows, almost doubling last year's figure. Other positives included Goldman Sachs, which benefited from rising long-term interest rates and a significant increase in its dividend. Goldman is well positioned in the market with its mid-term strategic plan. Lastly, US regional bank First Republic Bank enjoyed gains as it benefitted from a robust US housing market and growth in its significant wealth management operations.

## Portfolio Outlook and Strategy

The fund closed on 29 November 2021.

### Global Equity Team

February 2022

# ASI Financial Equity Fund (closed)

## 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 29 November 2021.

The fund is rated as 5 because of the extent to which the following risk factors apply:

- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector.
- 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 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.
- 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.

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>A Income<sup>B</sup></b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	49,959	43,042	52,334
Closing number of shares	1,118,983	1,194,951	1,262,553
Closing net asset value per share (pence)	4,464.66	3,601.97	4,145.12
Change in net asset value per share	23.95%	(13.10%)	13.94%
Operating charges	1.32%	1.32%	1.42%
<b>I Income<sup>B</sup></b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	1,716	1,802	2,026
Closing number of shares	915,121	1,191,418	1,163,848
Closing net asset value per share (pence)	187.54	151.27	174.07
Change in net asset value per share	23.98%	(13.10%)	13.97%
Operating charges	0.87%	0.87%	0.87%
<b>M Income<sup>A,B</sup></b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	6	5	-
Closing number of shares	5,040	5,033	100
Closing net asset value per share (pence)	125.79	101.46	116.41
Change in net asset value per share	23.98%	(12.84%)	16.41%
Operating charges	0.92%	0.92%	0.92%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences.

The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share 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 share class.

<sup>A</sup> M Income share class was launched on 27 November 2018.

<sup>B</sup> The fund closed on 29 November 2021.

# Portfolio Statement

As at 31 January 2022

Investment	Market value £'000	Percentage of total net assets
Equities (99.85%)	-	-
Emerging Market Equities (2.30%)	-	-
Brazil (2.30%)	-	-
European Equities (22.49%)	-	-
Austria (2.63%)	-	-
Denmark (2.04%)	-	-
France (2.85%)	-	-
Germany (7.50%)	-	-
Netherlands (2.04%)	-	-
Sweden (2.35%)	-	-
Switzerland (3.08%)	-	-
Japanese Equities (2.98%)	-	-
North America Equities (42.86%)	-	-
Canada (2.82%)	-	-
Mexico (1.64%)	-	-
United States (38.40%)	-	-
Pacific Basin Equities (25.30%)	-	-
China (2.10%)	-	-
Hong Kong (5.77%)	-	-
India (8.01%)	-	-

# Portfolio Statement

As at 31 January 2022 continued

Investment	Market value £'000	Percentage of total net assets
Indonesia (2.58%)	-	-
Philippines (1.08%)	-	-
Singapore (3.02%)	-	-
Thailand (1.10%)	-	-
Vietnam (1.64%)	-	-
UK Equities (3.92%)	-	-
Consumer Discretionary (2.20%)	-	-
Financials (1.72%)	-	-
Total investment assets	-	-
Net other assets	-	-
<b>Total Net Assets</b>	-	-

The percentage figures in brackets show the comparative holding as at 31 July 2021.



# Financial Statements

## Statement of Total Return

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		3,139		4,773
Revenue	326		286	
Expenses	(227)		(312)	
Interest payable and similar charges	(1)		-	
Net revenue/(expense) before taxation	98		(26)	
Taxation	(122)		(105)	
Net revenue after taxation		(24)		(131)
<b>Total return before distributions</b>		<b>3,115</b>		<b>4,642</b>
Distributions		(76)		(2)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>3,039</b>		<b>4,640</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>51,681</b>		<b>44,849</b>
Amounts receivable on the issue of shares	653		336	
Amounts payable on the cancellation of shares	(55,377)		(2,530)	
		(54,724)		(2,194)
Dilution adjustment		3		-
Change in net assets attributable to shareholders from investment activities (see above)		3,039		4,640
Unclaimed distributions		1		1
<b>Closing net assets attributable to shareholders</b>		<b>-</b>		<b>47,296</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. 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 2022

	31 January 2022		31 July 2021	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		-		51,605
<b>Current assets:</b>				
Debtors	25		76	
Cash and bank balances	3		271	
		28		347
<b>Total assets</b>		<b>28</b>		<b>51,952</b>
<b>Liabilities:</b>				
Provisions for liabilities		(3)		(109)
Bank overdrafts	(5)		-	
Creditors	(20)		(58)	
Distribution payable	-		(104)	
		(25)		(162)
<b>Total liabilities</b>		<b>(28)</b>		<b>(271)</b>
<b>Net assets attributable to shareholders</b>		<b>-</b>		<b>51,681</b>

# Distribution Table

For the six months ended 31 January 2022 (in pence per share)

## Interim dividend distribution

Group 1 – shares purchased prior to 1 August 2020

Group 2 – shares purchased between 1 August 2021 and 31 January 2021

	Revenue	Equalisation	Distribution paid* 29/04/22	Distribution paid 30/04/21
<b>A Income</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>I Income</b>				
Group 1	-	-	-	0.1533
Group 2	-	-	-	0.1533
<b>M Income</b>				
Group 1	-	-	-	0.0762
Group 2	-	-	-	0.0762

\*The fund closed on 29 November 2021.

## Equalisation

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

# ASI Global Equity Fund

For the six months ended 31 January 2022

## Investment Objective

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

Performance Target: To achieve the return of the MSCI AC World Index plus 3% per annum over rolling three year periods (before 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 ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 80% in equities and equity related securities of companies listed on global stock exchanges.
- 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 is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the Performance Target, the MSCI AC World Index 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 index is not ordinarily expected to exceed 9%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the index.

### Derivatives and Techniques

- The fund may use derivatives to reduce risk, 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.

## Performance Review

For the six months ended 31 January 2022, the value of ASI Global Equity Fund – A Income Shares increased by 0.09% compared to an increase of 3.49% in the performance target, the MSCI AC World Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) any other damages. ([www.msci.com](http://www.msci.com))

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.

## Market Review

The broader global equities market made a solid gain over the review period, but took a significant knock in January 2022. A sharp rise in market volatility saw stocks sell off aggressively, significantly reducing returns for the six-month period. US equities suffered the worst start to a year since the financial crisis. Investors were spooked by a hawkish Federal Reserve statement on interest rates and surging energy prices from mounting Russia-Ukraine tension.

Until the threat of higher interest rates at the end of the review period, investors had weathered China's regulatory crackdown on its technology companies in the summer of 2021 and the appearance in November of the Omicron Covid-19 variant.

Unsurprisingly, energy companies and banks were the top performers in a period of rising energy prices and interest rates.

## Portfolio Activity

Our lack of exposure to Apple, the largest index constituent, had the biggest negative effect on relative returns as it performed strongly over the review period. Meanwhile, despite Autodesk, the computer aided design software developer, meeting its earnings target, its shares sold off sharply after management gave a disappointing earnings outlook. Other stocks to weigh on returns included payments company Visa. It emerged that

# ASI Global Equity Fund

## Continued

the US Department of Justice (DoJ) is investigating the company's financial incentives to payment companies. The DoJ is also looking into if Visa restricted merchants from using other cheaper payment networks. Lastly, Hong Kong-based life insurance company AIA Group also detracted from performance. The company's shares weakened due to concerns over the Covid-19 resurgence in Asia in addition to industry-wide headwinds in China, potentially slowing new business growth.

On a more positive note, Costco Wholesale's resilient business model helped its shares to do relatively well during a period that saw spikes in equity market volatility. Critical to its stability is its membership model that requires shoppers to pay annual fees to gain access to the company's warehouses. Because of its low fixed costs, the business enjoys higher profit margins. Costco also announced better-than-expected revenue during the period, driven by robust demand for fresh foods, household items and jewellery as the US economy reopened.

Contract semiconductor manufacturer Taiwan Semiconductor Manufacturing Co gained after major semiconductors users announced large scale capital expenditure. This is a response to the current supply shortages and the structural ramp up in demand from 5G, cloud computing, data centres, artificial intelligence and autonomous driving. Lastly, Zurich Insurance Group benefitted from a recovery in the pricing environment in its commercial insurance business after a lacklustre period.

## Portfolio Outlook and Strategy

Overall, markets remain sensitive to headline inflation numbers and interest rate changes. Supply chain pressures, although easing in many areas, continue to disrupt operations. We believe companies with a clear competitive advantage, a solid market share and healthy balance sheet are best placed to manage these pressures. They should achieve this by either raising prices or with better inventory support. Companies with high debt appear vulnerable to rising interest rates. We expect investor concerns will turn to the growth outlook as we move through the year, particularly concerning the impact of higher interest rates. As always, our focus is on companies that can grow independently of the macro environment.

### Global Equity Team

February 2022

# ASI Global Equity Fund

## 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 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.
- The fund may invest in companies with Variable Interest Entity (VIE) structures in order to gain exposure to industries with foreign ownership restrictions. There is a risk that investments in these structures may be adversely affected by changes in the legal and regulatory framework.
- 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 going into administration.

# Comparative Tables

<b>A Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	114,813	113,835	88,178	95,192
Closing number of shares	32,999,457	33,142,002	32,742,468	34,670,286
Closing net asset value per share (pence)	347.92	343.48	269.31	274.56
Change in net asset value per share	1.29%	27.54%	(1.91%)	7.03%
Operating charges	1.29%	1.53%	1.57%	1.57%
<b>A Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	35,114	34,904	28,545	30,818
Closing number of shares	11,893,547	11,975,670	12,491,107	13,222,496
Closing net asset value per share (pence)	295.23	291.46	228.52	233.08
Change in net asset value per share	1.29%	27.54%	(1.96%)	6.61%
Operating charges	1.29%	1.53%	1.57%	1.57%
<b>I Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	88,463	93,301	85,146	128,891
Closing number of shares	23,793,763	25,478,433	29,788,534	44,429,567
Closing net asset value per share (pence)	371.79	366.20	285.84	290.10
Change in net asset value per share	1.53%	28.11%	(1.47%)	7.53%
Operating charges	0.84%	1.08%	1.12%	1.12%
<b>I Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	8,247	8,518	7,979	8,530
Closing number of shares	3,949,141	4,140,091	4,968,476	5,208,057
Closing net asset value per share (pence)	208.83	205.75	160.60	163.78
Change in net asset value per share	1.50%	28.11%	(1.94%)	6.62%
Operating charges	0.84%	1.08%	1.12%	1.12%
<b>L Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	29	29	22	23
Closing number of shares	17,318	17,318	17,318	17,318
Closing net asset value per share (pence)	168.57	165.83	129.11	130.72
Change in net asset value per share	1.65%	28.44%	(1.23%)	7.80%
Operating charges	0.59%	0.83%	0.87%	0.87%

# Comparative Tables

## Continued

<b>L Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	1,555	1,532	1,196	1,550
Closing number of shares	962,600	962,600	962,600	1,223,969
Closing net asset value per share (pence)	161.57	159.19	124.22	126.67
Change in net asset value per share	1.50%	28.15%	(1.93%)	6.62%
Operating charges	0.59%	0.83%	0.87%	0.87%
<b>M Accumulation<sup>A</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	314	297	225	-
Closing number of shares	216,161	207,762	201,533	100
Closing net asset value per share (pence)	145.23	143.09	111.74	113.14
Change in net asset value per share	1.50%	28.06%	(1.24%)	13.14%
Operating charges	0.89%	1.13%	1.17%	1.17%
<b>M Income<sup>B</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	54	54	42	-
Closing number of shares	38,594	38,663	38,581	100
Closing net asset value per share (pence)	141.01	138.93	108.52	111.51
Change in net asset value per share	1.50%	28.02%	(2.68%)	11.51%
Operating charges	0.89%	1.13%	1.17%	1.17%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences.

The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share 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 share class.

<sup>A</sup> M Accumulation share class was launched on 30 November 2018.

<sup>B</sup> M Income share class was launched on 30 November 2018.



# Portfolio Statement

As at 31 January 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (97.49%)</b>		<b>244,587</b>	<b>98.39</b>
<b>Emerging Market Equities (1.06%)</b>		<b>2,798</b>	<b>1.13</b>
<b>Brazil (1.06%)</b>		<b>2,798</b>	<b>1.13</b>
860,600	Raia Drogasil	2,798	1.13
<b>European Equities (21.48%)</b>		<b>61,729</b>	<b>24.83</b>
<b>Denmark (3.19%)</b>		<b>8,864</b>	<b>3.57</b>
14,813	Genmab	3,700	1.49
69,870	Novo Nordisk	5,164	2.08
<b>France (5.65%)</b>		<b>15,124</b>	<b>6.08</b>
13,200	LVMH Moet Hennessy Louis Vuitton	7,961	3.20
57,400	Schneider Electric	7,163	2.88
<b>Ireland (0.00%)</b>		<b>2,530</b>	<b>1.02</b>
12,800	ICON	2,530	1.02
<b>Netherlands (4.60%)</b>		<b>14,923</b>	<b>6.00</b>
2,381	Adyen	3,559	1.43
9,830	ASML	4,878	1.96
81,700	Heineken	6,486	2.61
<b>Sweden (2.00%)</b>		<b>4,500</b>	<b>1.81</b>
103,700	Atlas Copco 'A'	4,500	1.81

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Switzerland (6.04%)</b>		<b>15,788</b>	<b>6.35</b>
75,900	Nestle	7,236	2.91
13,800	Roche (Participating certificate)	3,942	1.59
13,070	Zurich Insurance	4,610	1.85
<b>Japanese Equities (3.76%)</b>		<b>9,406</b>	<b>3.78</b>
15,200	Keyence	5,724	2.30
29,900	Shin-Etsu Chemical	3,682	1.48
<b>North American Equities (42.66%)</b>		<b>98,529</b>	<b>39.64</b>
<b>United States (42.66%)</b>		<b>98,529</b>	<b>39.64</b>
43,200	AbbVie	4,406	1.77
3,630	Alphabet 'A'	7,318	2.94
3,530	Amazon.com	7,866	3.17
28,100	Autodesk	5,227	2.10
199,900	Boston Scientific	6,392	2.57
31,700	CME	5,418	2.18
10,350	Costco Wholesale	3,895	1.57
27,976	Estee Lauder	6,497	2.61
79,600	Intercontinental Exchange	7,514	3.02
124,600	Las Vegas Sands	4,068	1.64
19,176	Mastercard	5,517	2.22
49,660	Microsoft	11,501	4.63
64,300	NIKE	7,094	2.86
43,100	Procter & Gamble	5,154	2.07
34,604	Tetra Tech	3,586	1.44
131,900	TJX	7,076	2.85

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Pacific Basin Equities (15.53%)</b>		<b>40,804</b>	<b>16.41</b>
<b>Australia (2.60%)</b>		<b>5,080</b>	<b>2.04</b>
15,800	CSL	2,157	0.87
240,200	Goodman REIT	2,923	1.17
<b>China (2.66%)</b>		<b>8,147</b>	<b>3.28</b>
8,366	JD.com 'A'	223	0.09
175,700	Tencent	7,924	3.19
<b>Hong Kong (3.36%)</b>		<b>8,368</b>	<b>3.36</b>
1,085,500	AIA	8,368	3.36
<b>India (1.88%)</b>		<b>5,091</b>	<b>2.05</b>
202,400	Housing Development Finance	5,091	2.05
<b>Singapore (1.93%)</b>		<b>5,141</b>	<b>2.07</b>
747,967	Oversea-Chinese Banking	5,141	2.07
<b>Taiwan (3.10%)</b>		<b>8,977</b>	<b>3.61</b>
526,705	Taiwan Semiconductors Manufacturing	8,977	3.61
<b>UK Equities (13.00%)</b>		<b>31,321</b>	<b>12.60</b>
<b>Basic Materials (3.69%)</b>		<b>9,371</b>	<b>3.77</b>
60,656	Croda International	4,834	1.94
19,100	Linde	4,537	1.83

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Consumer Staples (2.98%)</b>		<b>7,854</b>	<b>3.16</b>
211,000	Diageo	7,854	3.16
<b>Health Care (6.33%)</b>		<b>14,096</b>	<b>5.67</b>
107,586	Abcam++	1,435	0.58
92,770	AstraZeneca	7,993	3.21
52,600	Dechra Pharmaceuticals	2,184	0.88
65,360	Genus	2,484	1.00
1,500	Sinclair Research	-	-
<b>Collective Investment Schemes (2.71%)</b>		<b>332</b>	<b>0.13</b>
332	Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund Z1 Inc+	332	0.13
Total investment assets		244,919	98.52
Net other assets		3,670	1.48
<b>Total Net Assets</b>		<b>248,589</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2021.

+ Managed by subsidiaries of abrdn plc.

++ AIM listed.

# Financial Statements

## Statement of Total Return

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		3,952		25,185
Revenue	1,252		1,128	
Expenses	(1,436)		(1,559)	
Net expense before taxation	(184)		(431)	
Taxation	(109)		(79)	
Net expense after taxation		(293)		(510)
<b>Total return before distributions</b>		<b>3,659</b>		<b>24,675</b>
Distributions		(34)		(1)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>3,625</b>		<b>24,674</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>252,470</b>		<b>211,333</b>
Amounts receivable on the issue of shares	10,051		11,021	
Amounts payable on the cancellation of shares	(17,587)		(15,224)	
		(7,536)		(4,203)
Change in net assets attributable to shareholders from investment activities (see above)		3,625		24,674
Retained distribution on accumulation shares		26		-
Unclaimed distributions		4		4
<b>Closing net assets attributable to shareholders</b>		<b>248,589</b>		<b>231,808</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. 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 2022

	31 January 2022		31 July 2021	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		244,919		252,980
<b>Current assets:</b>				
Debtors	3,182		4,161	
Cash and bank balances	1,217		1,186	
		4,399		5,347
<b>Total assets</b>		<b>249,318</b>		<b>258,327</b>
<b>Liabilities:</b>				
Provisions for liabilities		(22)		(1)
Creditors	(702)		(5,853)	
Distribution payable	(5)		(3)	
		(707)		(5,856)
<b>Total liabilities</b>		<b>(729)</b>		<b>(5,857)</b>
<b>Net assets attributable to shareholders</b>		<b>248,589</b>		<b>252,470</b>

### Subsequent event

Investments in financial markets are affected by many factors, many of which have shifted following the outbreak of the conflict in Ukraine. The fund invests in a portfolio of assets, whose values have fallen since the interim period, primarily due to the global market volatility created by the conflict in Ukraine and the longer term uncertainty the conflict brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class A Income was 295.23p. The Net Asset Value of share class A Income as at 12 noon on 21 March 2022 was 294.65p. This represents a modest decrease of 0.20% from the interim period value.

# Distribution Table

For the six months ended 31 January 2022 (in pence per share)

## Interim dividend distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 January 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
<b>A Accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>A Income</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>I Accumulation</b>				
Group 1	0.1092	-	0.1092	-
Group 2	-	0.1092	0.1092	-
<b>I Income</b>				
Group 1	0.0614	-	0.0614	-
Group 2	-	0.0614	0.0614	-
<b>L Accumulation</b>				
Group 1	0.2622	-	0.2622	0.0347
Group 2	0.2622	-	0.2622	0.0347
<b>L Income</b>				
Group 1	0.2555	-	0.2555	0.0342
Group 2	0.2555	-	0.2555	0.0342
<b>M Accumulation</b>				
Group 1	0.0056	-	0.0056	-
Group 2	-	0.0056	0.0056	-
<b>M Income</b>				
Group 1	0.0055	-	0.0055	-
Group 2	-	0.0055	0.0055	-

## Equalisation

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

# ASI Global High Yield Bond Fund (closed)

For the six months ended 31 January 2022

ASI Global High Yield Bond Fund is no longer open to investors, having redeemed all shares on 26 October 2020. It is the intention of the ACD to terminate the fund at a later date once the residual assets and liabilities are settled. As a result the financial statements for this fund has not been prepared on a going concern basis. At the time of the share cancellation, all realisable securities were sold. Some securities which were not immediately realisable due to a trading suspension, or due to being delisted, continue to be held at the current balance sheet date. Should an opportunity to sell these securities for value arise, they will be sold, otherwise abrdn will, in conjunction with the Depositary, pursue any possible residual value from such securities until all such opportunities have been reasonably exhausted.



# Comparative Tables

<b>A Accumulation<sup>C</sup></b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	1,764	88
Closing number of shares	1,074,630	53,593
Closing net asset value per share (pence)	164.20	163.26
Change in net asset value per share	0.58%	3.23%
Operating charges	1.21%	1.26%
<b>A Income<sup>C</sup></b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	64,661	107,008
Closing number of shares	75,331,865	119,865,889
Closing net asset value per share (pence)	85.84	89.27
Change in net asset value per share	(3.84%)	(1.78%)
Operating charges	1.21%	1.26%
<b>I Accumulation<sup>C</sup></b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	3,585	2,452
Closing number of shares	2,035,891	1,407,064
Closing net asset value per share (pence)	176.07	174.26
Change in net asset value per share	1.04%	3.76%
Operating charges	0.76%	0.76%
<b>I Income<sup>C</sup></b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	3,820	4,539
Closing number of shares	4,670,987	5,337,041
Closing net asset value per share (pence)	81.78	85.05
Change in net asset value per share	(3.84%)	(1.79%)
Operating charges	0.76%	0.76%
<b>M Accumulation<sup>A,C</sup></b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	17	-
Closing number of shares	15,428	100
Closing net asset value per share (pence)	107.47	106.20
Change in net asset value per share	1.20%	6.20%
Operating charges	0.81%	0.81%
<b>M Income<sup>B,C</sup></b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	1	-
Closing number of shares	963	100
Closing net asset value per share (pence)	98.60	102.50
Change in net asset value per share	(3.80%)	2.50%
Operating charges	0.81%	0.81%

# Comparative Tables

## Continued

<b>P Gross Income<sup>c</sup></b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	605	765
Closing number of shares	762,982	927,987
Closing net asset value per share (pence)	79.26	82.43
Change in net asset value per share	(3.85%)	(1.79%)
Operating charges	0.57%	0.57%
<b>P Income<sup>c</sup></b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	8,868	10,910
Closing number of shares	10,765,362	12,733,816
Closing net asset value per share (pence)	82.38	85.68
Change in net asset value per share	(3.85%)	(1.78%)
Operating charges	0.57%	0.57%
<b>Q Gross Income<sup>c</sup></b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	89	93
Closing number of shares	112,519	112,519
Closing net asset value per share (pence)	79.30	82.47
Change in net asset value per share	(3.84%)	(1.79%)
Operating charges	0.49%	0.49%
<b>Q Income<sup>c</sup></b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	9,888	29,711
Closing number of shares	12,002,520	34,676,554
Closing net asset value per share (pence)	82.38	85.68
Change in net asset value per share	(3.85%)	(1.79%)
Operating charges	0.49%	0.49%
<b>Z Accumulation<sup>c</sup></b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	426,603	547,161
Closing number of shares	244,262,912	318,566,885
Closing net asset value per share (pence)	174.65	171.75
Change in net asset value per share	1.69%	4.42%
Operating charges	0.11%	0.11%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences.

The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share 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 share class.

<sup>a</sup> M Accumulation share class was launched on 27 November 2018.

<sup>b</sup> M Income share class was launched on 27 November 2018.

<sup>c</sup> The fund closed on 26 October 2020.

# Portfolio Statement

As at 31 January 2022

Holding	Investment	Market value £'000	Percentage of total net assets
Corporate Bonds (0.00%)		-	-
807,000	Galapagos 5.375% 2021**	-	-
Equities (0.00%)		-	-
North America Equities (0.00%)		-	-
United States (0.00%)		-	-
20	New Cotai Participation*	-	-
1	Quad Graphics*	-	-
Total investment assets		-	-
Net other assets		-	-
<b>Total Net Assets</b>		-	-

The percentage figures in brackets show the comparative holding as at 31 July 2021.

\*Delisted

\*\*Defaulted

# Financial Statements

## Continued

### Statement of Total Return

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		12		669
Revenue	-		5,622	
Expenses	(1)		(292)	
Interest payable and similar charges	-		(11)	
Net (expense)/revenue before taxation	(1)		5,319	
Taxation	(11)		(41)	
Net (expense)/revenue after taxation		(12)		5,278
<b>Total return before distributions</b>		-		<b>5,947</b>
Distributions		-		(5,300)
<b>Change in net assets attributable to shareholders from investment activities</b>		-		<b>647</b>

### Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		-		<b>519,901</b>
Amounts receivable on the issue of shares	-		3,200	
Amounts payable on the cancellation of shares	-		(526,465)	
		-		(523,265)
Dilution adjustment		-		1,980
Change in net assets attributable to shareholders from investment activities (see above)		-		647
Retained distribution on accumulation shares		-		736
Unclaimed distributions		-		1
<b>Closing net assets attributable to shareholders</b>		-		<b>-</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. 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

## Balance Sheet

As at 31 January 2022

	31 January 2022		31 July 2021	
	£'000	£'000	£'000	£'000
<b>Current assets:</b>				
Cash and bank balances	12		32	
		12		32
<b>Total assets</b>		<b>12</b>		<b>32</b>
<b>Liabilities:</b>				
Bank overdrafts	-		(8)	
Creditors	(12)		(24)	
		(12)		(32)
<b>Total liabilities</b>		<b>(12)</b>		<b>(32)</b>
<b>Net assets attributable to shareholders</b>		<b>-</b>		<b>-</b>

# Distribution Table

For the six months ended 31 January 2022 (in pence per share)

## First interim interest distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 October 2021

	Revenue	Equalisation	Distribution paid* 31/01/22	Distribution paid 23/12/20
<b>A Accumulation</b>				
Group 1	-	-	-	1.4682
Group 2	-	-	-	1.4682
<b>A Income</b>				
Group 1	-	-	-	0.7668
Group 2	-	-	-	0.7668
<b>I Accumulation</b>				
Group 1	-	-	-	1.7596
Group 2	-	-	-	1.7596
<b>I Income</b>				
Group 1	-	-	-	0.8163
Group 2	-	-	-	0.8163
<b>M Accumulation</b>				
Group 1	-	-	-	1.0654
Group 2	-	-	-	1.0654
<b>M Income</b>				
Group 1	-	-	-	0.9829
Group 2	-	-	-	0.9829
<b>P Gross Income</b>				
Group 1	-	-	-	0.8259
Group 2	-	-	-	0.8259
<b>P Income</b>				
Group 1	-	-	-	0.8584
Group 2	-	-	-	0.8584
<b>Q Gross Income</b>				
Group 1	-	-	-	0.8412
Group 2	-	-	-	0.8412
<b>Q Income</b>				
Group 1	-	-	-	0.8739
Group 2	-	-	-	0.8739
<b>Z Accumulation</b>				
Group 1	-	-	-	2.0073
Group 2	-	-	-	2.0073

\* The fund closed on 26 October 2020.

# Distribution Table

For the six months ended 31 January 2022 (in pence per share) continued

## Equalisation

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

# ASI Global Opportunistic Bond Fund (closed)

For the six months ended 31 January 2022

All shares in the fund were redeemed and cancelled on 7 June 2021. The fund will formally terminate at a later date after all residual assets and liabilities are settled. The fund is not open to new investors.



# Comparative Tables

<b>A Accumulation<sup>P</sup></b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	148	133
Closing number of shares	117,992	111,704
Closing net asset value per share (pence)	125.08	119.03
Change in net asset value per share	5.08%	7.11%
Operating charges	1.06%	1.08%
<b>A Income<sup>A</sup></b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	1	-
Closing number of shares	914	499
Closing net asset value per share (pence)	99.64	97.26
Change in net asset value per share	2.45%	3.99%
Operating charges	1.06%	1.08%
<b>I Accumulation<sup>P</sup></b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	350	309
Closing number of shares	270,473	251,716
Closing net asset value per share (pence)	129.34	122.54
Change in net asset value per share	5.55%	7.60%
Operating charges	0.61%	0.61%
<b>I Income<sup>D</sup></b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	96	56
Closing number of shares	93,412	56,294
Closing net asset value per share (pence)	103.00	100.19
Change in net asset value per share	2.80%	4.36%
Operating charges	0.61%	0.61%
<b>M Accumulation<sup>B</sup></b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	1	-
Closing number of shares	908	100
Closing net asset value per share (pence)	116.17	109.86
Change in net asset value per share	5.74%	9.86%
Operating charges	0.66%	0.66%

# Comparative Tables

## Continued

<b>M Income<sup>c</sup></b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	1	-
Closing number of shares	925	100
Closing net asset value per share (pence)	110.66	107.50
Change in net asset value per share	2.94%	7.50%
Operating charges	0.66%	0.66%
<b>Z Accumulation<sup>d</sup></b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	36	4,834
Closing number of shares	28,938	4,111,909
Closing net asset value per share (pence)	124.70	117.55
Change in net asset value per share	6.08%	8.14%
Operating charges	0.11%	0.11%
<b>Z Gross Accumulation<sup>d</sup></b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	122,003	116,899
Closing number of shares	104,614,118	106,330,066
Closing net asset value per share (pence)	116.62	109.94
Change in net asset value per share	6.08%	8.14%
Operating charges	0.11%	0.11%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share 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 share class.

<sup>a</sup> A Income share class was closed on 15 March 2021.

<sup>b</sup> M Accumulation share class was closed on 15 March 2021.

<sup>c</sup> M Income share class was closed on 15 March 2021.

<sup>d</sup> The fund closed on 7 June 2021.

# Financial Statements

## Statement of Total Return

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		-		720
Revenue	(2)		1,523	
Expenses	-		(71)	
Interest payable and similar charges	-		(2)	
Net (expense)/revenue before taxation	(2)		1,450	
Taxation	-		(5)	
Net (expense)/revenue after taxation		(2)		1,445
<b>Total return before equalisation</b>		<b>(2)</b>		<b>2,165</b>
Distributions		-		(1,447)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(2)</b>		<b>718</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		-		<b>122,636</b>
Amounts receivable on the issue of shares	-		45	
Amounts payable on the cancellation of shares	-		(28)	
		-		17
Change in net assets attributable to shareholders from investment activities (see above)		(2)		718
Retained distribution on accumulation shares		-		1,445
Change in residual payment due in respect of fund closure		2		-
<b>Closing net assets attributable to shareholders</b>		<b>-</b>		<b>124,816</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. 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 2022

	31 January 2022		31 July 2021	
	£'000	£'000	£'000	£'000
<b>Current assets:</b>				
Cash and bank balances	9		11	
		9		11
<b>Total assets</b>		<b>9</b>		<b>11</b>
<b>Liabilities:</b>				
Creditors	(9)		(11)	
		(9)		(11)
<b>Total liabilities</b>		<b>(9)</b>		<b>(11)</b>
<b>Net assets attributable to shareholders</b>		<b>-</b>		<b>-</b>

# Distribution Table

For the six months ended 31 January 2022 (in pence per share)

## Interim interest distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 January 2022

	Revenue	Equalisation	Distribution paid* 29/04/22	Distribution paid 30/04/21
<b>A Accumulation</b>				
Group 1	-	-	-	1.4719
Group 2	-	-	-	1.4719
<b>A Income</b>				
Group 1	-	-	-	1.2077
Group 2	-	-	-	1.2077
<b>I Accumulation</b>				
Group 1	-	-	-	1.5238
Group 2	-	-	-	1.5238
<b>I Income</b>				
Group 1	-	-	-	1.2133
Group 2	-	-	-	1.2133
<b>M Accumulation</b>				
Group 1	-	-	-	1.4150
Group 2	-	-	-	1.4150
<b>M Income</b>				
Group 1	-	-	-	1.3376
Group 2	-	-	-	1.3376
<b>Z Accumulation</b>				
Group 1	-	-	-	1.4709
Group 2	-	-	-	1.4709
<b>Z Gross Accumulation</b>				
Group 1	-	-	-	1.3756
Group 2	-	-	-	1.3756

\* The fund closed on 7 June 2021.

## Equalisation

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

# ASI Global Sustainable and Responsible Investment Equity Fund

For the six months ended 31 January 2022

## Investment Objective

To generate growth over the long term (5 years or more) by investing in global equities (company shares) which adhere to the abrdn Sustainable and Responsible Investment Equity Approach.

Performance Target: To achieve the return of the MSCI AC World Index plus 3% per annum over rolling three year periods (before 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 ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 70% in equities and equity related securities of companies listed on global stock exchanges.
- The fund may also invest in other funds (including those managed by abrdn), money-market instruments and cash.
- All equity and equity related securities will adhere to the abrdn Sustainable and Responsible Investment Equity Approach available on [www.abrdn.com](http://www.abrdn.com) under "Sustainable Investing".
- The abrdn Sustainable and Responsible Investment Equity Approach applies the investment manager's equity investment process, where companies invested in are given an overall quality rating, a component of which is the ESG Quality Rating which enables management teams to identify sustainable leaders and improvers. Leaders are viewed as companies with the best in class ESG credentials or products and services which address global environmental and societal challenges, whilst improvers are typically companies with average governance, ESG management practices and disclosure with potential for improvement.
- An abrdn ESG House Score is also used to identify and exclude companies exposed to the highest ESG risks within high and medium risk sectors.
- In addition a set of company exclusions are applied relating to the principles of the UN Global Compact, tobacco manufacturing, thermal coal, gambling, oil & gas and weapons.

### Management Process

- The management team use their discretion (active management) to maintain a diverse asset mix at country, sector and stock level.

- Engagement with external company management teams is part of the investment process and ongoing stewardship programme which evaluates ownership structures, governance and management quality of those companies.
- Through the application of our abrdn Sustainable and Responsible Investment Equity Approach, the fund is expected to have a lower carbon footprint compared to the MSCI AC World Index.
- In seeking to achieve the performance target, the MSCI AC World Index 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 index is not ordinarily expected to exceed 12%. Due to the active and sustainable and responsible nature of the management process, the fund will not invest in a material number of stocks and sectors in the MSCI AC World Index. This means the fund's performance profile may deviate significantly from that of the MSCI AC World Index.

### Derivatives and Techniques

- The fund may use derivatives to reduce risk, 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.
- Derivatives are exempt from the abrdn Sustainable and Responsible Investment Equity Approach.

### Performance Review

For the six months ended 31 January 2022, the value of ASI Global Sustainable and Responsible Investment Equity Fund– A Income Shares decreased by 5.59% compared to an increase of 3.49% in the performance target, the MSCI AC World Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) any other damages. ([www.msci.com](http://www.msci.com))

# ASI Global Sustainable and Responsible Investment Equity Fund

## Continued

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.

## Market Review

The broader global equities market made a solid gain over the review period, but took a significant knock in January 2022. A sharp rise in market volatility saw stocks sell off aggressively, significantly reducing returns for the six-month period. US equities suffered the worst start to a year since the financial crisis. Investors were spooked by a hawkish Federal Reserve statement on interest rates and surging energy prices from mounting Russia-Ukraine tension.

Until the threat of higher interest rates at the end of the review period, investors had weathered China's regulatory crackdown on its technology companies in the summer of 2021 and the appearance in November of the Omicron Covid-19 variant.

Unsurprisingly, energy companies and banks were the top performers in a period of rising energy prices and interest rates.

## Portfolio Activity

At the stock level, our lack of exposure to Apple, the largest index constituent, had the biggest negative effect on relative returns as it performed strongly over the review period. Wuxi Biologics, the Chinese contract biopharmaceutical manufacturer, lagged the broader market. The stock was hampered by weak sentiment towards the sector amid speculation that the US may place some Chinese biotechnology companies on its restricted entity list. However, this rumour proved unfounded and we continue to see the drug developer as a beneficiary of China's drive for self-sufficiency in biologics as well as global growth in this space. Meanwhile, despite Autodesk, the computer aided design software developer, meeting its third quarter earnings target, its shares sold off sharply after management gave a disappointing earnings outlook. Elsewhere, Shopify, the e-commerce enablement and payments platform, sold off with other growth and technology companies, which suffered due to high valuations and earnings sensitivity to higher interest rates as investors aggressively rotated towards value stocks in January.

On a more positive note, Singapore's largest bank DBS Group continued to make progress after it reported a better-than-expected set of results in November. The CEO pointed out that while inflation could increase costs, higher interest rates are beneficial for banks, highlighting that he felt that the worst of the interest rate cycle for banks

was over. DBS also benefited from a strong showing in its wealth management division. The graphics microchip designer Nvidia made strong gains, as it continued to benefit from increased spending on data centres, gaming, cloud computing, artificial intelligence developments and 5G. Furthermore, the potential of Meta Platforms' (formerly Facebook) planned future development to integrate online socialising, work and play could further accelerate the company's sale growth. Lastly, the share price momentum of Italian luxury group Brunello Cucinelli continued into the second half of 2021 after the company raised its full year 2021 sales guidance for a second time.

## Portfolio Outlook and Strategy

Overall, markets remain sensitive to headline inflation numbers and interest rate changes. Supply chain pressures, although easing in many areas, continue to disrupt operations. We believe companies with a clear competitive advantage, a solid market share and healthy balance sheet are best placed to manage these pressures. They should achieve this by either raising prices or with better inventory support. Companies with high debt appear vulnerable to rising interest rates. We expect investor concerns will turn to the growth outlook as we move through the year, particularly concerning the impact of higher interest rates.

## Global Equity Team

February 2022

# ASI Global Sustainable and Responsible Investment Equity Fund

## 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 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.
- The fund may invest in companies with Variable Interest Entity (VIE) structures in order to gain exposure to industries with foreign ownership restrictions. There is a risk that investments in these structures may be adversely affected by changes in the legal and regulatory framework.
- 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 going into administration.



# Comparative Tables

<b>A Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	39,661	40,275	33,627	34,413
Closing number of shares	11,726,614	11,439,607	12,366,156	12,611,996
Closing net asset value per share (pence)	338.21	352.07	271.93	272.86
Change in net asset value per share	(3.94%)	29.47%	(0.34%)	8.27%
Operating charges	1.29%	1.53%	1.57%	1.59%
<b>A Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	6,996	9,250	8,633	9,181
Closing number of shares	2,779,362	3,530,048	4,265,232	4,519,665
Closing net asset value per share (pence)	251.72	262.03	202.41	203.12
Change in net asset value per share	(3.93%)	29.46%	(0.35%)	8.00%
Operating charges	1.29%	1.53%	1.57%	1.59%
<b>I Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	91,300	92,220	67,359	66,870
Closing number of shares	23,160,619	22,525,034	21,397,763	21,265,066
Closing net asset value per share (pence)	394.21	409.41	314.80	314.46
Change in net asset value per share	(3.71%)	30.05%	0.11%	8.78%
Operating charges	0.84%	1.08%	1.12%	1.12%
<b>I Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	43,604	34,980	31,522	34,143
Closing number of shares	15,836,870	12,232,612	14,333,807	15,473,525
Closing net asset value per share (pence)	275.33	285.96	219.91	220.66
Change in net asset value per share	(3.72%)	30.04%	(0.34%)	8.01%
Operating charges	0.84%	1.08%	1.12%	1.12%
<b>M Accumulation<sup>A</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	1,240	1,352	1,208	-
Closing number of shares	852,926	895,243	1,040,123	100
Closing net asset value per share (pence)	145.37	151.02	116.18	115.92
Change in net asset value per share	(3.74%)	29.99%	0.22%	15.92%
Operating charges	0.89%	1.13%	1.17%	1.17%

# Comparative Tables

## Continued

M Income <sup>A</sup>	31 January 2022	31 July 2021	31 July 2020	31 July 2019
Closing net asset value (£'000)	23	24	18	-
Closing number of shares	15,816	15,843	15,870	100
Closing net asset value per share (pence)	143.55	149.13	114.74	114.82
Change in net asset value per share	(3.74%)	29.97%	(0.07%)	14.82%
Operating charges	0.89%	1.13%	1.17%	1.17%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences.

The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share 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 share class.

<sup>A</sup> M Accumulation share class was launched on 26 November 2018.

<sup>B</sup> M Income share class was launched on 26 November 2018.

# Portfolio Statement

As at 31 January 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (97.38%)</b>		<b>176,124</b>	<b>96.34</b>
<b>Emerging Market Equities (2.32%)</b>		<b>3,788</b>	<b>2.07</b>
<b>Brazil (2.32%)</b>		<b>3,788</b>	<b>2.07</b>
1,165,200	Raia Drogasil	3,788	2.07
<b>European Equities (26.41%)</b>		<b>45,316</b>	<b>24.79</b>
<b>Denmark (0.00%)</b>		<b>3,886</b>	<b>2.13</b>
220,500	Tryg	3,886	2.13
<b>France (6.29%)</b>		<b>11,835</b>	<b>6.47</b>
23,200	L'Oreal	7,305	3.99
36,300	Schneider Electric	4,530	2.48
<b>Germany (2.76%)</b>		<b>-</b>	<b>-</b>
<b>Ireland (5.14%)</b>		<b>8,900</b>	<b>4.87</b>
32,500	Aptiv	3,306	1.81
43,400	Trane Technologies	5,594	3.06
<b>Italy (2.05%)</b>		<b>-</b>	<b>-</b>
<b>Netherlands (5.28%)</b>		<b>8,194</b>	<b>4.48</b>
7,509	ASML	3,726	2.04
32,200	Koninklijke DSM	4,468	2.44
<b>Sweden (2.45%)</b>		<b>7,935</b>	<b>4.34</b>
106,000	Atlas Copco 'A'	4,600	2.52
93,600	Thule	3,335	1.82

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Switzerland (2.44%)</b>		<b>4,566</b>	<b>2.50</b>
47,900	Nestle	4,566	2.50
<b>Japanese Equities (2.27%)</b>		<b>7,288</b>	<b>3.99</b>
151,500	Chugai Pharmaceutical	3,636	1.99
44,400	Sony	3,652	2.00
<b>North American Equities (36.91%)</b>		<b>65,385</b>	<b>35.76</b>
<b>Canada (2.98%)</b>		<b>9,768</b>	<b>5.34</b>
194,300	CI Financial	2,684	1.47
18,500	Lululemon Athletica	4,603	2.52
3,452	Shopify 'A' (US listing)	2,481	1.35
<b>United States (33.93%)</b>		<b>55,617</b>	<b>30.42</b>
14,100	Ansys	3,569	1.95
27,500	Autodesk	5,115	2.80
29,000	Ecolab	4,095	2.24
13,530	Intuit	5,596	3.06
38,000	Microsoft	8,801	4.81
74,575	NextEra Energy	4,343	2.37
23,250	Norfolk Southern	4,711	2.58
34,640	NVIDIA	6,318	3.46
37,300	Procter & Gamble	4,461	2.44
31,700	Tetra Tech	3,285	1.80
31,600	Visa	5,323	2.91
<b>Pacific Basin Equities (19.21%)</b>		<b>38,731</b>	<b>21.19</b>
<b>Australia (8.09%)</b>		<b>12,899</b>	<b>7.06</b>
39,100	Cochlear	3,932	2.15
33,400	CSL	4,560	2.50

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
362,200	Goodman REIT	4,407	2.41
<b>China (2.07%)</b>		<b>2,458</b>	<b>1.34</b>
338,500	Wuxi Biologics (Cayman)	2,458	1.34
<b>Hong Kong (2.33%)</b>		<b>4,949</b>	<b>2.71</b>
642,000	AIA	4,949	2.71
<b>India (2.39%)</b>		<b>4,567</b>	<b>2.50</b>
181,600	Housing Development Finance	4,567	2.50
<b>New Zealand (2.39%)</b>		<b>3,722</b>	<b>2.04</b>
270,000	Fisher & Paykel Healthcare	3,722	2.04
<b>Singapore (0.00%)</b>		<b>6,362</b>	<b>3.48</b>
327,900	DBS	6,362	3.48
<b>Taiwan (1.94%)</b>		<b>3,774</b>	<b>2.06</b>
41,300	Taiwan Semiconductor Manufacturing ADR	3,774	2.06
<b>UK Equities (10.26%)</b>		<b>15,616</b>	<b>8.54</b>
<b>Basic Materials (2.99%)</b>		<b>5,045</b>	<b>2.76</b>
63,300	Croda International	5,045	2.76
<b>Health Care (2.50%)</b>		<b>3,720</b>	<b>2.03</b>
89,600	Dechra Pharmaceuticals	3,720	2.03

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Industrials (2.17%)</b>		<b>3,405</b>	<b>1.86</b>
25,700	Spirax-Sarco Engineering	3,405	1.86
<b>Technology (2.60%)</b>		<b>3,446</b>	<b>1.89</b>
118,121	AVEVA	3,446	1.89
<b>Collective Investment Schemes (0.64%)</b>		<b>-</b>	<b>-</b>
Total investment assets		176,124	96.34
Net other assets		6,700	3.66
<b>Total Net Assets</b>		<b>182,824</b>	<b>100.00</b>

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 31 July 2021.

# Financial Statements

## Statement of Total Return

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(7,943)		18,426
Revenue	763		784	
Expenses	(922)		(971)	
Net expense before taxation	(159)		(187)	
Taxation	(60)		(87)	
Net expense after taxation		(219)		(274)
<b>Total return before distributions</b>		<b>(8,162)</b>		<b>18,152</b>
Distributions		–		(1)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(8,162)</b>		<b>18,151</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>178,101</b>		<b>142,367</b>
Amounts receivable on the issue of shares	23,077		9,293	
Amounts payable on the cancellation of shares	(10,192)		(14,388)	
		12,885		(5,095)
Change in net assets attributable to shareholders from investment activities (see above)		(8,162)		18,151
<b>Closing net assets attributable to shareholders</b>		<b>182,824</b>		<b>155,423</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. 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 2022

	31 January 2022		31 July 2021	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		176,124		174,578
<b>Current assets:</b>				
Debtors	2,549		3,352	
Cash and bank balances	4,549		440	
		7,098		3,792
<b>Total assets</b>		<b>183,222</b>		<b>178,370</b>
<b>Liabilities:</b>				
Provisions for liabilities		(109)		(88)
Creditors	(289)		(181)	
		(289)		(181)
<b>Total liabilities</b>		<b>(398)</b>		<b>(269)</b>
<b>Net assets attributable to shareholders</b>		<b>182,824</b>		<b>178,101</b>

### Subsequent event

Investments in financial markets are affected by many factors, many of which have shifted following the outbreak of the conflict in Ukraine. The fund invests in a portfolio of assets, whose values have fallen since the interim period, primarily due to the global market volatility created by the conflict in Ukraine and the longer term uncertainty the conflict brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class A Income was 251.72p. The Net Asset Value of share class A Income as at 12 noon on 21 March 2022 was 249.55p. This represents a modest decrease of 0.86% from the interim period value.



# Distribution Table

For the six months ended 31 January 2022 (in pence per share)

## Interim dividend distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 January 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
<b>A Accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>A Income</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>I Accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>I Income</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>M Accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>M Income</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-

## Equalisation

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

# ASI Japanese Equity Fund

For the six months ended 31 January 2022

## Investment Objective

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

Performance Target: To achieve the return of the MSCI Japan Index, plus 3% per annum over rolling three year periods (before 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 ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 70% in equities and equity related securities of companies listed, incorporated or domiciled in Japan or companies that derive a significant proportion of their revenues or profits from Japanese operations or have a significant proportion of their assets there.
- 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 sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the Performance Target, the MSCI Japan Index 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 index is not ordinarily expected to exceed 10%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the 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.

## Performance Review

For the six months ended 31 January 2022, the value of ASI Japanese Equity Fund – A Accumulation Shares decreased by 2.99% compared to an increase of 0.21% in the performance target, the MSCI Japan Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) any other damages. ([www.msci.com](http://www.msci.com))

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.

## Market Review

Japanese equities finished the six-month period largely unchanged. Japan was one of the strongest major developed markets in August and September as investors reacted positively to the change in the political landscape and improving Covid-19 picture. These gains were reversed towards the end of the period. Shares fell in January during a volatile month for global stock markets. Investors around the world sold equities, fearful of the impact of rising inflation and interest rates.

Covid-19's new Omicron variant was first identified in late November and quickly spread globally. Though Japan had reopened its borders, it reversed these changes in late November. Cases surged early in 2022. The government has begun a drive for booster shots; however, this has been slower than other developed economies.

At the start of the period, Prime Minister Yoshihide Suga's approval rating fell to a record low due to the government's handling of Covid-19, including the decision to go ahead with staging the Olympics during a global pandemic. He has since been replaced by Fumio Kishida as leader of the ruling Liberal Democratic Party, and the party comfortably retained power in the election during the third

# ASI Japanese Equity Fund

## Continued

quarter of 2021. Kishida's ascent to power was initially welcomed but sentiment turned in October as investors became concerned about tax rises. In November, Prime Minister Kishida released details of a stimulus package of almost ¥56 trillion. The proposed measures include direct payments to families with children and support for businesses. There are also plans to support consumers who have been hit by high energy prices. Late in the period, the 2022 fiscal year annual budget was released. This is the country's largest ever; at ¥107.6 trillion, the package included Covid-19 countermeasures, social spending for the elderly, and record defence spending to prepare against rising regional threats. Recent polling on the government's handling of Omicron has been positive.

The Bank of Japan held interest rates throughout the period but announced plans in its December meeting to begin tapering market support. While recent global equity market volatility has been blamed on western central bank actions and impending rate hikes, BoJ Governor Kuroda has stated he is not contemplating additional easing measures. Nevertheless, inflation is rising. December's print saw year-on-year increases of 0.5%, on the back of rising fuel and raw material costs, with indications that this may rise to 2% in April. Analysts have predicted the yen could further depreciate against the US dollar in 2022 and foreigners have remained net sellers of Japanese equity in the new year. Rising inflation has led to falling consumer sentiment in Japan. Latest figures showed consumer confidence dropping to its lowest level since April 2020. Surveys released in the period suggested Kishida's wage policies are unlikely to support the economy in 2022.

### Portfolio Activity

At the stock level, the biggest detractor was Asahi Group. The brewer fell as the company's domestic business suffered from prolonged Covid-19-related restrictions in Japan during the third quarter, preventing a recovery of the domestic alcoholic beverage business. The company has lowered its outlook for the full year on the back of domestic weakness and cited rising uncertainties from raw material cost increases for next fiscal year. Meanwhile, the power tool supplier Makita fell as management's upward profit revision fell short of investor expectations due to rising logistical costs. Elsewhere, Nippon Paint weighed on returns. The stock had fallen as investors fear rising oil prices will hurt profit margins and a slowing Chinese property market could hit sales.

On the upside, the fund's top performer was Tokio Marine. The general insurer rose after announcing multiple stock buybacks over the course of 2021. Results from specialty chemical company Shin-Etsu Chemical exceeded expectations on better-than-expected

pricing and volumes for its core products. These include semiconductor silicon wafers and polyvinyl chloride used in the building and construction industry. While management kept their full-year guidance unchanged, they look for demand to remain strong for the remaining year. Elsewhere, the automotive components maker Denso gained after Toyota upwardly revised its 2030 sales target for electric vehicles.

In September, we sold used car auction facility operator USS, due to better growth opportunities elsewhere. With the proceeds, we initiated a position in AGC, a leading maker of glass products, chemicals and electronics that trades at attractive valuations. The company has been using cash generated by cash cow businesses, including glass products, to invest in structural growth opportunities, such as pharmaceutical development and manufacturing outsourcing, EUV masks blanks, glass, and display products for next-generation vehicles. The company has several globally leading products, enabling stable cashflow generation to support continued reinvestment in the business and shareholder returns. More recently, the fund sold its position in baby care products supplier Pigeon due to better opportunities elsewhere.

### Portfolio Outlook and Strategy

Japanese corporates have recovered as the global economy has picked up. However, inflationary pressures are starting to impact profitability. While some companies are passing higher prices on to their end customers, these actions come with a lag. Meanwhile, Japan's low number of Covid-19 cases should bolster a return to some normalcy after a tough year. Companies with strong business models and management teams have coped, and even thrived, in the last two years. Alongside structural governance improvements in Japan, we remain resolute in our belief that these companies will do well. Weighing the risk-reward in the market, we believe valuations remain attractive for the medium term.

### Asia Pacific Equity Team

February 2022

# ASI Japanese Equity Fund

## 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 2022.

The fund is rated as 6 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.
- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector.
- 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 going into administration.

# Comparative Tables

<b>A Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	11,223	12,178	9,855	12,848
Closing number of shares	4,266,603	4,496,647	4,098,326	5,527,850
Closing net asset value per share (pence)	263.04	270.83	240.45	232.43
Change in net asset value per share	(2.88%)	12.63%	3.45%	(2.72%)
Operating charges	1.31%	1.32%	1.32%	1.44%
<b>I Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	49,609	50,372	44,982	61,105
Closing number of shares	17,126,825	16,928,044	17,101,036	24,141,348
Closing net asset value per share (pence)	289.66	297.56	263.04	253.11
Change in net asset value per share	(2.65%)	13.12%	3.92%	(2.19%)
Operating charges	0.86%	0.87%	0.87%	0.87%
<b>M Accumulation<sup>A</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	66	68	72	-
Closing number of shares	53,582	53,680	64,362	100
Closing net asset value per share (pence)	123.15	126.54	111.90	107.53
Change in net asset value per share	(2.68%)	13.08%	4.06%	7.53%
Operating charges	0.91%	0.92%	0.92%	0.92%
<b>Z Accumulation<sup>B</sup></b>	<b>31 January 2022</b>			
Closing net asset value (£'000)	15,368			
Closing number of shares	16,659,911			
Closing net asset value per share (pence)	92.25			
Change in net asset value per share	(7.75%)			
Operating charges	0.11%			

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share 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 share class.

<sup>A</sup> M Accumulation share class was launched on 27 November 2018.

<sup>B</sup> Z Accumulation share class was launched on 7 October 2021.

# Portfolio Statement

As at 31 January 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (98.70%)</b>		<b>75,009</b>	<b>98.35</b>
<b>Japanese Equities (98.70%)</b>		<b>75,009</b>	<b>98.35</b>
<b>Communication Services (2.94%)</b>		<b>2,720</b>	<b>3.57</b>
100,300	KDDI	2,364	3.10
95,300	Z	356	0.47
<b>Consumer Discretionary (21.04%)</b>		<b>16,405</b>	<b>21.51</b>
44,900	Denso	2,467	3.24
30,700	Koito Manufacturing	1,132	1.49
9,800	Nitori	1,040	1.36
18,300	Open House	697	0.91
58,600	Sony	4,820	6.32
20,000	Stanley Electric	345	0.45
343,700	Toyota Motor	4,991	6.54
8,000	Workman*	260	0.34
19,500	Yamaha	653	0.86
<b>Consumer Staples (7.99%)</b>		<b>4,595</b>	<b>6.02</b>
90,700	Asahi	2,738	3.59
5,000	Pigeon	72	0.09
19,000	Shiseido	708	0.93
53,800	Welcia	1,077	1.41
<b>Financials (7.37%)</b>		<b>7,385</b>	<b>9.69</b>
75,500	Japan Exchange	1,148	1.51
102,100	Tokio Marine	4,507	5.91
21,000	Tokyo Century	763	1.00
29,300	Zenkoku Hoshu	967	1.27

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Health Care (10.81%)</b>		<b>9,521</b>	<b>12.48</b>
20,200	As One	737	0.97
52,600	Asahi Intecc	662	0.87
156,800	Astellas Pharma	1,876	2.46
90,700	Chugai Pharmaceutical	2,177	2.85
48,300	Daiichi Sankyo	801	1.05
31,100	Hoya	2,967	3.89
4,300	Sysmex	301	0.39
<b>Industrials (20.18%)</b>		<b>13,695</b>	<b>17.96</b>
35,400	AGC	1,198	1.57
195,500	Amada	1,391	1.83
6,000	Daifuku	307	0.40
12,020	Daikin Industries	1,852	2.43
5,000	FANUC	726	0.95
32,400	Makita	891	1.17
105,300	MISUMI	2,517	3.30
22,400	MonotaRO	269	0.35
51,300	Nabtesco	1,173	1.54
19,000	Nihon M&A Center	219	0.29
87,100	Recruit	3,152	4.13
<b>Information Technology (16.49%)</b>		<b>10,917</b>	<b>14.31</b>
18,200	Advantest	1,127	1.48
6,600	Freee KK	189	0.25
10,528	Keyence	3,965	5.20
19,500	Murata Manufacturing	1,077	1.41
30,700	NEC	881	1.14
26,200	Otsuka	784	1.03
58,000	Renesas Electronics	487	0.64
6,800	Tokyo Electron	2,407	3.16

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Materials (9.11%)</b>		<b>7,091</b>	<b>9.30</b>
71,800	Kansai Paint	1,102	1.45
111,700	Nippon Paint	657	0.86
90,100	Nippon Sanso	1,318	1.73
32,600	Shin-Etsu Chemical	4,014	5.26
<b>Real Estate (2.77%)</b>		<b>2,680</b>	<b>3.51</b>
661,800	Tokyu Fudosan	2,680	3.51
<b>Collective Investment Schemes (0.00%)</b>		<b>1</b>	<b>-</b>
1	Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund Z1 Inc+	1	-
Total investment assets		75,010	98.35
Net other assets		1,256	1.65
<b>Total Net Assets</b>		<b>76,266</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2021.

+ Managed by subsidiaries of abrdn plc.

\* A portion of this security is on loan at the period end.



# Financial Statements

## Statement of Total Return

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(3,665)		9,751
Revenue	523		464	
Expenses	(304)		(298)	
Net revenue before taxation	219		166	
Taxation	(52)		(47)	
Net revenue after taxation		167		119
<b>Total return before equalisation</b>		<b>(3,498)</b>		<b>9,870</b>
Equalisation on shares		2		6
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(3,496)</b>		<b>9,876</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>62,618</b>		<b>54,909</b>
Amounts receivable on the issue of shares	31,702		10,393	
Amounts payable on the cancellation of shares	(14,558)		(9,323)	
		17,144		1,070
Change in net assets attributable to shareholders from investment activities (see above)		(3,496)		9,876
<b>Closing net assets attributable to shareholders</b>		<b>76,266</b>		<b>65,855</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. 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 2022

	31 January 2022		31 July 2021	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		75,010		61,802
<b>Current assets:</b>				
Debtors	408		886	
Cash and bank balances	932		81	
		1,340		967
<b>Total assets</b>		<b>76,350</b>		<b>62,769</b>
<b>Liabilities:</b>				
Creditors	(84)		(151)	
		(84)		(151)
<b>Total liabilities</b>		<b>(84)</b>		<b>(151)</b>
<b>Net assets attributable to shareholders</b>		<b>76,266</b>		<b>62,618</b>

### Subsequent event

Investments in financial markets are affected by many factors, many of which have shifted following the outbreak of the conflict in Ukraine. The fund invests in a portfolio of assets, whose values have fallen since the interim period, primarily due to the global market volatility created by the conflict in Ukraine and the longer term uncertainty the conflict brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class A Accumulation was 263.04p. The Net Asset Value of share class A Accumulation as at 12 noon on 21 March 2022 was 253.19p. This represents a modest decrease of 3.74% from the interim period value.

# ASI Latin American Equity Fund

For the six months ended 31 January 2022

## Investment Objective

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

Performance Target: To achieve the return of the MSCI EM Latin America 10/40 Net Total Return Index plus 3% per annum over rolling three year periods (before 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 ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 70% in equities and equity related securities of companies listed, incorporated or domiciled in Latin American countries or companies that derive a significant proportion of their revenues or profits from Latin American operations or have a significant proportion of their assets there.
- 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 is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the Performance Target, the MSCI EM Latin America 10/40 Net Total Return Index 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 index is not ordinarily expected to exceed 12.5%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the 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.

## Performance Review

For the six months ended 31 January 2022, the value of ASI Latin American Equity Fund – A Accumulation Shares decreased by 11.78% compared to a decrease of 1.15% in the performance target, the MSCI EM Latin America 10/40 Net Total Return Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) any other damages. ([www.msci.com](http://www.msci.com))

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.

## Market Review

Latin American equities fell over the review period and underperformed the broader emerging market asset class. The persistence of the Covid-19 pandemic, with the emergence of new variants, set back reopening efforts in the region and around the world. Furthermore, softer economic data from the US and China, both major trading partners for Latin American countries, triggered fears that the region's nascent economic recovery could stall. Adding to this, climbing inflation triggered a turnaround in the monetary policy stances of major central banks. Brazil's central bank continued its aggressive tightening policy that it began in the first half of 2021. Similarly, in Mexico, the regulator issued a series of rate hikes to counter mounting inflation, while central banks in Argentina, Chile, Colombia and Peru also followed suit by the end of the period, following signals from the US Federal Reserve that it too would begin raising its interest rates from 2022.

Volatile energy and commodity prices also influenced the region's stock markets. Earlier in the period, low iron ore prices pressured the region's miners, but by the end of 2021, commodity prices reached their highest levels in

# ASI Latin American Equity Fund

## Continued

seven years thanks to the high demand for raw materials in the pandemic-recovery climate. Crude oil prices also rebounded towards the end of the review period due to geopolitical tensions between Russia and Ukraine.

### Portfolio Activity

The fund underperformed its benchmark, mainly due to poor stock selection in Brazil. Fiscal and political concerns remained the key drivers behind the ongoing weakness in the region's largest economy. From a sectorial perspective, the main drivers for the underperformance were the fund's exposures to energy and transportation stocks, and the underweight to telecommunications.

Within the energy sector, the lower-than-benchmark exposure to Brazilian state-owned petroleum producer Petrobras weighed most on performance as the company's shares rose on the back of improved sentiment following solid results. Additionally, investors welcomed the company's capital discipline and a commitment to dividends. Towards the end of the period, we increased our exposure to Petrobras on favourable valuations and on the basis of its improved outlook. Meanwhile, the exposure to Colombian oil and gas explorer Geopark contributed as the stock was lifted by the oil-price surge.

The exposure to transportation stocks was another laggard, and in particular the fund's holdings in Brazilian logistics companies Rumo and Sequoia disappointed. For Rumo, this was due to seasonal difficulties that affected crop output, which in turn, affected freight volumes. Whereas Sequoia faced unwarranted selling due to the market rotation away from growth. We view both these events as transitory, and we have already observed these holdings rebounding in the latter part of the period on the back of improved sentiment. Within the sector, what helped the fund was Mexican airport operator OMA that continued to outperform, thanks to its defensive business model and improving passenger traffic outlook.

Turning to telecommunications, not owning Mexican operator America Movil was the main drag as the company continued to re-rate on the back of an improvement in operational backdrop and execution of its asset monetisation strategy.

Lastly, not owning Natura was positive for the fund as the stock sold off sharply during the month following weaker-than-expected quarterly results and a downward revision in guidance due to cost pressures and weakening consumption.

In key portfolio changes, it was a busy period as we took advantage of the relatively attractive valuations of regional stocks to initiate several high-quality holdings, including junior exploration and production company 3R Petroleum, Peru's leading banking franchise Credicorp, pulp and paper producer Klabin and best-in-class sugar cane, ethanol and bioenergy producer Raizen.

We funded these through the sale of companies where our conviction had waned, such as Aenza, BK Brazil, Hoteles City and Lojas Renner.

### Portfolio Outlook and Strategy

We believe Latin America is well-placed to benefit from a conducive external backdrop for commodities, as well as the cyclical recovery of domestic economies. However, we are cognisant of several near-term risks, including rising inflation, tapering fiscal support and tighter monetary policies worldwide, as well as domestic political events amid several upcoming election cycles in the region.

At the company level, we remain encouraged by the good results of our holdings. Executives are highlighting opportunities for growth that are likely to materialise, almost irrespective of the broader economic situation. The portfolio contains a diverse pool of high-quality companies trading at attractive valuations. These companies range from businesses exposed to the long-term potential of Latin America in underpenetrated sectors such as financial services, consumption, healthcare, infrastructure, renewables and digitalisation trends. Combined, these companies should retain strong earnings power and are fundamentally well positioned to navigate the environment ahead given the characteristics of their business models, strong management team, solid balance sheets and sound environmental, social and governance credentials.

### Global Emerging Markets Equity Team

February 2022

# ASI Latin American Equity Fund

## 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 2022.

The fund is rated as 7 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.
- 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 going into administration.

# Comparative Tables

<b>A Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	18,547	19,685	20,433	33,294
Closing number of shares	20,424,439	20,106,920	23,957,959	26,949,426
Closing net asset value per share (pence)	90.81	97.90	85.29	123.54
Change in net asset value per share	(7.24%)	14.78%	(30.96%)	20.36%
Operating charges	1.59%	1.64%	1.64%	1.74%
<b>I Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	65,095	80,979	71,720	103,053
Closing number of shares	66,195,577	76,554,693	78,179,826	77,895,363
Closing net asset value per share (pence)	98.34	105.78	91.74	132.30
Change in net asset value per share	(7.03%)	15.30%	(30.66%)	21.03%
Operating charges	1.14%	1.19%	1.19%	1.19%
<b>M Accumulation<sup>A</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	4	5	5	-
Closing number of shares	4,985	4,992	5,005	100
Closing net asset value per share (pence)	94.62	101.80	88.33	127.21
Change in net asset value per share	(7.05%)	15.25%	(30.56%)	27.21%
Operating charges	1.19%	1.24%	1.24%	1.24%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences.

The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share 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 share class.

<sup>A</sup> M Accumulation share class was launched on 27 November 2018.

# Portfolio Statement

As at 31 January 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (98.37%)</b>		<b>82,263</b>	<b>98.35</b>
<b>Emerging Market Equities (72.68%)</b>		<b>59,287</b>	<b>70.88</b>
<b>Argentina (4.29%)</b>		<b>2,055</b>	<b>2.45</b>
6,555	Globant	1,248	1.49
957	MercadoLibre	807	0.96
<b>Brazil (59.43%)</b>		<b>49,215</b>	<b>58.84</b>
171,277	3R Petroleum Oleo E Gas	919	1.10
61,677	Arco Platform 'A'	967	1.16
170,178	Arezzo Industria e Comercio	1,938	2.32
2,012,820	B3 SA - Brasil Bolsa Balcao	4,131	4.94
1,677,168	Banco Bradesco	4,426	5.29
514,152	Bradespar (Preference)	1,936	2.31
187,900	GetNinjas	128	0.14
589,593	Itaú Unibanco	1,828	2.19
472,175	Itaúsa (Preference)	675	0.81
696,685	Klabin	2,433	2.91
146,770	Localiza	1,207	1.44
1,701	Lojas Renner	7	0.01
612,467	Magazine Luiza	601	0.72
477,981	MOBLY	420	0.50
439,882	Multiplan Empreendimentos Imobiliarios	1,327	1.59
228,205	Notre Dame Intermedica	2,281	2.73
826,928	Omega Energia	1,344	1.61
943,560	Petroleo (Preference)	4,283	5.12
660,532	Raia Drogasil	2,147	2.57
2,546,454	Raizen (Preference)	2,295	2.74
1,025,873	Rumo	2,249	2.69
718,875	Sequoia Logistica e Transportes	1,540	1.84
698,106	TOTVS	2,849	3.41
170,890	Vale	1,940	2.32
222,972	Vale ADR	2,523	3.02
163,933	WEG	740	0.88

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
100,834	Wilson Sons	855	1.02
35,878	XP	890	1.06
13,612	XP BDR	336	0.40
<b>Chile (7.77%)</b>		<b>5,701</b>	<b>6.82</b>
58,621	Banco Santander Chile ADR	877	1.05
785,075	Falabella	2,088	2.50
178,177	Geopark	1,866	2.23
1,012,057	Parque Arauco	870	1.04
<b>Peru (1.19%)</b>		<b>2,316</b>	<b>2.77</b>
21,651	Credicorp	2,311	2.76
31,782	Fossal	5	0.01
<b>North America Equities (25.69%)</b>		<b>22,976</b>	<b>27.47</b>
<b>Bermuda (1.07%)</b>		-	-
<b>Mexico (24.62%)</b>		<b>22,976</b>	<b>27.47</b>
414,184	Arca Continental	1,821	2.18
1,340,727	Corp Inmobiliaria Vesta	1,890	2.26
67,912	Fomento Economico Mexicano ADR	3,807	4.55
57,782	Grupo Aeroportuario del Centro Norte ADR	2,311	2.76
753,889	Grupo Financiero Banorte	3,551	4.24
1,258,524	Grupo México	4,027	4.82
339,526	Regional	1,440	1.72
1,633,767	Wal-Mart de Mexico	4,129	4.94
Total investment assets		82,263	98.35
Net other assets		1,383	1.65
<b>Total Net Assets</b>		<b>83,646</b>	<b>100.00</b>

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 31 July 2021.



# Financial Statements

## Statement of Total Return

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(9,511)		6,181
Revenue	2,172		1,240	
Expenses	(526)		(601)	
Interest payable and similar charges	(3)		-	
Net revenue before taxation	1,643		639	
Taxation	(48)		(84)	
Net revenue after taxation		1,595		555
<b>Total return before equalisation</b>		<b>(7,916)</b>		<b>6,736</b>
Equalisation on shares		(84)		(11)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(8,000)</b>		<b>6,725</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>100,669</b>		<b>92,158</b>
Amounts receivable on the issue of shares	12,379		14,806	
Amounts payable on the cancellation of shares	(21,409)		(21,083)	
		(9,030)		(6,277)
Dilution adjustment		7		-
Change in net assets attributable to shareholders from investment activities (see above)		(8,000)		6,725
<b>Closing net assets attributable to shareholders</b>		<b>83,646</b>		<b>92,606</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. 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 2022

	31 January 2022		31 July 2021	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		82,263		99,024
<b>Current assets:</b>				
Debtors	356		252	
Cash and bank balances	1,296		1,674	
		1,652		1,926
<b>Total assets</b>		<b>83,915</b>		<b>100,950</b>
<b>Liabilities:</b>				
Creditors	(269)		(281)	
		(269)		(281)
<b>Total liabilities</b>		<b>(269)</b>		<b>(281)</b>
<b>Net assets attributable to shareholders</b>		<b>83,646</b>		<b>100,669</b>

### Subsequent event

Investments in financial markets are affected by many factors, many of which have shifted following the outbreak of the conflict in Ukraine. The fund invests in a portfolio of assets, whose values have risen since the interim period, primarily due to the global market volatility created by the conflict in Ukraine and the longer term uncertainty the conflict brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class A Accumulation was 90.81p. The Net Asset Value of share class A Accumulation as at 12 noon on 21 March 2022 was 100.47p. This represents a modest increase of 10.64% from the interim period value.

# ASI Multi-Asset Fund

For the six months ended 31 January 2022

## Investment Objective

To generate income and some growth over the long term (5 years or more) by investing in a globally diversified portfolio of assets.

Performance Target: To exceed the return of the following composite index: 40% FTSE All-Share Index, 25% MSCI World ex UK Index, 15% FTSE Actuaries UK Conventional Gilts All Stocks Index, 5% FTSE Small Cap UK Index, 7.5% SONIA, 5% HFRI FOF Conservative Index, 2.5% FTSE All-Share Index-Equity Investment Instruments. 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.

Performance Comparator: The Investment Association's Mixed Investment 40-85% Shares Sector Average Returns.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of each index.

## Investment Policy

### Portfolio Securities

- The fund will invest in equities (company shares and investment companies) and bonds (loans to companies and governments) issued anywhere and in any currency.
- 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 the investments they believe are most appropriate for the fund's objective.
- Their primary focus is on asset allocation and stock selection using research techniques to select individual holdings. The research process is focused on identifying companies where the management team have a different view of a company's prospects to that of the market, and which align with their views regarding future economic and business conditions.
- The composite index is used as a reference point for portfolio construction and as a basis for setting risk constraints. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the composite Index. The fund will also be subject to constraints such that the fund's allocation to equities will be limited to the equity parameters of the Investment Association's Mixed Investment 40-85% Shares Sector Average Returns Index.

## Derivatives and Techniques

- The fund may use derivatives to reduce risk, to reduce cost and/or generate additional income or consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivatives include instruments used to express short term and long term views reflecting expected changes in interest rates, company share prices, inflation, 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.

## Performance Review

For the six months ended 31 January 2022, the value of ASI Multi-Asset Fund – A Accumulation Shares decreased by 2.33% compared to an increase of 2.37% in the performance target 40% FTSE All-Share Index, 25% MSCI World ex UK Index, 15% FTSE Actuaries UK Conventional Gilts All Stocks Index, 5% FTSE Small Cap UK Index, 7.5% 7 DAY GBP LIBOR, 5% HFRI FOF Conservative Index, 2.5% FTSE All-Share Index-Equity Investment Instruments.

Source: Lipper, BPSS, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) any other damages. ([www.msci.com](http://www.msci.com))

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.

## Market Review

Global equity markets broadly rose over the period, with US and European stocks all performing well. The US stock market particularly shone, with the S&P 500 index hitting all-time highs as US corporate earnings cheered investors. While developed markets were generally strong, their emerging market counterparts largely struggled. The broad Chinese market (including Hong Kong) was notably weak. A regulatory crackdown by the Chinese government on internet and technology stocks and a backdrop of slower economic growth and strained global supply chains hurt Chinese share prices. The discovery and spread of the Omicron Covid-19 variant

# ASI Multi-Asset Fund

## Continued

in late November sparked market falls and triggered fears of another economically damaging lockdown, but developed markets advanced in December as worries over the new variant threat began to fade. However, markets fell sharply in January amid concerns about less-supportive monetary policy and high inflation.

UK equities were relatively resilient in the January sell-off, with the larger-cap FTSE 100 index, with its high exposure to the better-performing energy and banking sectors, gaining. UK shares also performed well over the six-month period, as investors brushed off fears around the new highly transmissible Omicron variant of Covid-19. The Bank of England took the somewhat unexpected decision in December to raise its base rate from 0.1% to 0.25%, its first interest rate rise in over three years.

Global government and corporate bonds fell over the review period. Rising optimism about vaccines and concerns that the economic recovery will fuel sharp rises in inflation led to weakness in government bonds through most of the period. Despite expectations of a withdrawal of central bank support, the discovery of the Omicron variant in November left investors preferring the safety of government debt once again, pushing prices higher and yields lower. However, US, UK and European government bonds fell at the end of the period, as central banks acted to control inflation by reducing policy support. The UK's Bank of England raised its base rate for the first time in three years. The US Federal Reserve kept its key interest rate unchanged, but policymakers indicated they may raise rates three times in 2022. Higher quality corporate bonds lost ground although high yield bonds performed better.

### Portfolio Activity

The fund underperformed its comparator benchmark over the review period. The exposure to equities weighed on performance, mainly driven by positioning in UK equities, although our overseas equities exposure was positive (particularly US stocks). Our alternatives exposure was positive overall, with positive stock selection outweighing the negative impact of our underweight positioning. Although returns from government bonds were negative overall, the fund's tactical underweight exposure proved additive.

The return from UK equities was negative, with the underweight to oil & gas companies weighing on performance, particularly the lack of exposure to Shell and BP. Meanwhile, Aveva lagged after reporting a widening loss in the six-month period to the end of September. Genus also underperformed, with high-quality growth company's derating in January, as interest rate expectations and therefore implied discount rates used by the stock market increased. On the other hand, the

top contributors were Telecom Plus, whose customer proposition is more advantaged in a scenario of high energy prices, and Watches of Switzerland, which continued to see good updates across the quarter. The turn of the year has been challenging for quality investors as lower quality, cyclical companies are enjoying a moment in the sun. When market leadership is being driven by value, we do not expect to outperform. However, as we lengthen the investment time horizon to the longer term (three to five years), value rallies tend to fade into the background and quality strategies continue to present an attractive return profile.

Overseas equities generated positive performance over the period. The US was the top performer from overseas equities, with US equities hitting record highs during the period. This was despite markets pulling back sharply in January. The ASI American Equity Enhanced Index Fund benefited from underweight allocations to telecommunications and selection in software & services. Meanwhile, exposure to the energy sector proved positive, particularly positions in ExxonMobil and EOG Resources, amid the strong rise in oil prices over the period. Conversely, positioning in financials weighed on performance, particularly the underweight holding in Berkshire Hathaway, as did exposure to the healthcare equipment & services and underweight to consumer services sub-sectors.

On the other hand, Japanese equities underperformed, as investors were concerned about new Prime Minister Fumio Kishida's economic policies and rising inflationary concerns towards the end of the period. In terms of individual stocks, medical wiring and catheter manufacturer Asahi Intecc fell on profit-taking and on investor concerns over a slow recovery in the company's devices used in surgeries. However, general insurer Tokio Marine performed well after announcing multiple stock buybacks over 2021. European equities also lagged over the period, with Schibsted struggling to bounce back following increased Chinese regulation of online gaming that affected its position in Tencent. However, Nemetschek performed well, after producing upbeat results throughout the period.

Alternative assets gained over the six months, led by infrastructure, special opportunities and private equity. However, our lack of exposure to hedge funds and positioning in absolute return bonds weighed on returns. Renewable infrastructure companies generally performed well, driven in part by upward revisions to power price forecasts across the various regions in Europe. Social infrastructure company 3i Infrastructure published half-year results, with a 10.6% net-asset value (NAV) total return, reflecting strong underlying asset performance, and the partial sale of Oystercatcher at a premium.

# ASI Multi-Asset Fund

## Continued

Within special opportunities, Tufton Oceanic Assets announced strong returns for the second quarter of 2021, with a 12% uptick in its NAV, benefiting from greater demand for shipping as global growth remains on a positive track. The sale of a fleet vessel also led to positive cash flow generation. The company then disposed of one of its containerships for an internal rate of return of 27% and reinvested capital into two assets to further diversify the portfolio.

In private equity, holding Pantheon International reported its August NAV in September, which rose 9.8% from the previous month. The geographic exposure of the underlying investments adds a welcome level of diversification, while the high-quality and seasoned nature of the underlying investments provide robust cash flow generation. The firm's share price then rose significantly, reflecting the broader support for public markets, with positive upgrades made to its underlying valuations.

Moving to fixed income, the fund's lower bond allocation relative to the comparator benchmark helped overall performance, as fixed income delivered negative returns for the period. The resurgence in risk sentiment has been a boon for the equity market, but largely a negative for government bonds as investors shifted back into higher-risk assets. Fears about persistently high inflation and the removal of central bank bond-buying programmes also had a negative impact. As a result, UK gilt yields moved upwards over the six months.

## Portfolio Outlook and Strategy

Looking ahead, there are several downside risks on the horizon, although none of which are new. Investors have focused on recent downgrades to economic growth expectations, but expectations remain for two years of above-trend growth. This two-way dynamic is likely to remain a key focus in 2022. Inflation has been higher than originally forecast, but there are early signs of supply-chain bottlenecks starting to dissipate, while the filtering out of commodity base effects should also see inflation ease, to a degree. The continued race between the Covid-19 virus and vaccinations will lead to differential economic and market performance. The removal of monetary policy is gathering pace, but we expect central banks to be sensitive to global financial conditions and will try to avoid raising rates aggressively, to the detriment of the recovery. However, room for policy error exists and cannot be ignored. We continue to monitor these risks, and others, but do not believe they warrant large shifts in portfolio positioning at this point in time.

**Asset Allocation Solutions Team**

February 2022

# ASI Multi-Asset Fund

## 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	<b>5</b>	6	7

Risk and reward indicator table as at 31 January 2022.

The fund is rated as 5 because of the extent to which the following risk factors apply:

- The fund's 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 securities which are subject to the risk that the issuer may default on interest or capital payments.
- 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 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.
- 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 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.

# Comparative Tables

<b>A Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	83,863	88,822	77,896	83,659
Closing number of shares	25,138,065	26,047,011	26,777,736	28,148,434
Closing net asset value per share (pence)	333.61	341.00	290.90	297.21
Change in net asset value per share	(2.17%)	17.22%	(2.12%)	6.21%
Operating charges	1.34%	1.35%	1.41%	1.49%
<b>A Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	3,561	3,709	3,547	3,813
Closing number of shares	1,299,095	1,322,413	1,478,378	1,543,687
Closing net asset value per share (pence)	274.11	280.44	239.90	247.02
Change in net asset value per share	(2.26%)	16.90%	(2.88%)	5.53%
Operating charges	1.34%	1.35%	1.41%	1.49%
<b>I Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	53,332	54,957	49,789	49,298
Closing number of shares	14,470,770	14,621,685	15,598,089	15,184,487
Closing net asset value per share (pence)	368.55	375.86	319.20	324.65
Change in net asset value per share	(1.94%)	17.75%	(1.68%)	6.79%
Operating charges	0.89%	0.90%	0.96%	0.93%
<b>I Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	10,434	11,090	9,997	11,189
Closing number of shares	6,442,944	6,692,710	7,053,478	7,667,952
Closing net asset value per share (pence)	161.95	165.70	141.73	145.92
Change in net asset value per share	(2.26%)	16.91%	(2.87%)	5.53%
Operating charges	0.89%	0.90%	0.96%	0.93%
<b>M Accumulation<sup>A</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	316	323	276	-
Closing number of shares	245,001	245,438	246,316	100
Closing net asset value per share (pence)	129.13	131.72	111.92	113.75
Change in net asset value per share	(1.97%)	17.69%	(1.61%)	13.75%
Operating charges	0.94%	0.95%	1.01%	0.98%

# Comparative Tables

## Continued

M Income <sup>B</sup>	31 January 2022	31 July 2021	31 July 2020	31 July 2019
Closing net asset value (£'000)	1	1	1	-
Closing number of shares	915	915	915	100
Closing net asset value per share (pence)	125.15	128.05	109.54	112.55
Change in net asset value per share	(2.26%)	16.90%	(2.67%)	12.55%
Operating charges	0.94%	0.95%	1.01%	0.98%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences.

The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share 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 share class.

<sup>A</sup> M Accumulation share class was launched on 28 November 2018.

<sup>B</sup> M Income share class was launched on 28 November 2018.



# Portfolio Statement

As at 31 January 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (50.61%)</b>		<b>79,647</b>	<b>52.57</b>
<b>European Equities (0.99%)</b>		<b>1,276</b>	<b>0.84</b>
<b>Switzerland (0.99%)</b>		<b>1,276</b>	<b>0.84</b>
52,309	Coca-Cola HBC	1,276	0.84
<b>North America Equities (0.00%)</b>		<b>1,218</b>	<b>0.80</b>
<b>Bermuda (0.00%)</b>		<b>1,218</b>	<b>0.80</b>
125,488	Hiscox	1,218	0.80
<b>UK Equities (49.62%)</b>		<b>77,153</b>	<b>50.93</b>
<b>Basic Materials (2.51%)</b>		<b>2,962</b>	<b>1.96</b>
157,746	Bodycote	1,252	0.83
21,455	Croda International	1,710	1.13
<b>Consumer Discretionary (7.40%)</b>		<b>11,855</b>	<b>7.83</b>
30,726	ASOS++	680	0.45
266,927	Countryside Partnerships	817	0.54
180,990	Howden Joinery	1,469	0.97
540,783	Moonpig	1,687	1.11
420,820	Pets at Home	1,796	1.19
100,954	RELX	2,291	1.51
146,429	Watches of Switzerland	1,860	1.23
76,182	WHSmith	1,255	0.83
<b>Consumer Staples (4.00%)</b>		<b>6,158</b>	<b>4.06</b>
96,985	Diageo	3,610	2.38
47,801	Fevertree Drinks++	1,019	0.67
40,369	Unilever	1,529	1.01

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Financials (16.54%)</b>		<b>26,975</b>	<b>17.80</b>
377,176	3i Infrastructure	1,303	0.86
636,178	Aberdeen Diversified Income and Growth Trust+	649	0.43
139,339	Aberdeen Private Equity Fund+	3	-
483,226	Ashmore	1,361	0.90
1,099,547	BioPharma Credit	808	0.53
150,192	Close Brothers	1,925	1.27
1,165,360	Greencoat UK Wind	1,650	1.09
1,350,839	HICL Infrastructure	2,353	1.55
769	HIE Ventures <sup>a</sup>	-	-
159,409	HomeServe	1,215	0.80
20,805	London Stock Exchange	1,502	0.99
233,791	OSB	1,281	0.85
1,021,777	Pantheon International	3,244	2.14
176,941	Prudential	2,185	1.44
1,240,886	Renewables Infrastructure	1,653	1.09
520,911	Round Hill Music Royalty Fund	412	0.27
1,082,451	Sequoia Economic Infrastructure Income Fund	1,111	0.73
237,333	Standard Chartered	1,273	0.84
469,695	Standard Life Private Equity Trust+	2,555	1.69
519,688	Tufton Oceanic Assets*	492	0.33
<b>Health Care (6.60%)</b>		<b>7,753</b>	<b>5.12</b>
23,383	Abcam++	312	0.21
54,674	AstraZeneca	4,711	3.11
29,086	Dechra Pharmaceuticals	1,208	0.80
40,044	Genus	1,522	1.00
<b>Industrials (5.49%)</b>		<b>10,987</b>	<b>7.25</b>
12,182	Ashtead	639	0.42
129,897	Electrocomponents	1,442	0.95
143,763	Euromoney Institutional Investor	1,310	0.87

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
47,237	Halma	1,179	0.78
256,365	Marshalls	1,796	1.19
75,167	Mondi	1,382	0.91
223,606	Rentokil Initial	1,158	0.76
120,376	Weir	2,081	1.37
<b>Real Estate (1.94%)</b>		<b>3,211</b>	<b>2.12</b>
804,089	Tritax Big Box REIT	1,907	1.26
126,136	Unite REIT	1,304	0.86
<b>Technology (4.45%)</b>		<b>5,578</b>	<b>3.68</b>
268,061	Auto Trader	1,789	1.18
85,522	AVEVA	2,495	1.65
78,834	Softcat	1,294	0.85
<b>Telecommunications (0.69%)</b>		<b>1,674</b>	<b>1.11</b>
111,599	Telecom Plus	1,674	1.11
<b>Collective Investment Schemes (46.89%)</b>		<b>71,617</b>	<b>47.27</b>
559	Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund Z1 Inc+	559	0.37
6,937	Aberdeen Standard Liquidity Fund (Lux) – Short Duration Sterling Fund Z2 Acc+	942	0.62
17,375,553	ASI (AAM) Sterling Government Bond Fund Z Acc+	19,806	13.07
383,892	ASI Absolute Return Global Bond Strategies Fund SICAV Z Acc+	4,604	3.04
6,431,292	ASI American Equity Enhanced Index Fund X Acc+	17,236	11.38
6,361,672	ASI American Equity Tracker Fund X Acc+	10,182	6.72
495,865	ASI Asia Pacific Equity Fund Z Acc+	2,154	1.42
352,315	ASI Europe ex UK Equity Fund Z Acc+	1,168	0.77
2,775,732	ASI European Equity Enhanced Index Fund X Acc+	4,580	3.02
466,046	ASI Global Focused Strategies Fund SICAV D Acc Hdg+	5,191	3.43
971,849	ASI Japanese Equity Fund SICAV A Acc+	3,653	2.41
36,407	ASI Select Euro High Yield Bond Fund SICAV A Acc+	1,542	1.02

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Derivatives (0.00%)		14	0.01
Forward Currency Contracts (0.00%)		14	0.01
	Buy GBP 404,397 Sell JPY 60,767,000 10/03/2022	11	0.01
	Buy GBP 411,081 Sell USD 548,000 10/03/2022	3	-
Total investment assets		151,278	99.85
Net other assets		229	0.15
<b>Total Net Assets</b>		<b>151,507</b>	<b>100.00</b>

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

The percentage figures in brackets show the comparative holding as at 31 July 2021.

+Managed by subsidiaries of abrdn plc.

\*\*AIM listed.

\*A portion of this security is on loan at the period end.

<sup>‡</sup> Unapproved/unquoted security.

# Financial Statements

## Statement of Total Return

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(3,429)		12,676
Revenue	1,161		1,005	
Expenses	(884)		(834)	
Net revenue before taxation	277		171	
Taxation	14		4	
Net revenue after taxation		291		175
<b>Total return before distributions</b>		<b>(3,138)</b>		<b>12,851</b>
Distributions		(291)		(175)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(3,429)</b>		<b>12,676</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>158,902</b>		<b>141,506</b>
Amounts receivable on the issue of shares	2,068		3,133	
Amounts payable on the cancellation of shares	(6,284)		(4,591)	
		(4,216)		(1,458)
Change in net assets attributable to shareholders from investment activities (see above)		(3,429)		12,676
Retained distribution on accumulation shares		250		147
<b>Closing net assets attributable to shareholders</b>		<b>151,507</b>		<b>152,871</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. 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 2022

	31 January 2022		31 July 2021	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		151,278		154,940
<b>Current assets:</b>				
Debtors	145		328	
Cash and bank balances	443		4,480	
		588		4,808
<b>Total assets</b>		<b>151,866</b>		<b>159,748</b>
<b>Liabilities:</b>				
Investment liabilities		-		(4)
Creditors	(322)		(780)	
Distribution payable	(37)		(62)	
		(359)		(842)
<b>Total liabilities</b>		<b>(359)</b>		<b>(846)</b>
<b>Net assets attributable to shareholders</b>		<b>151,507</b>		<b>158,902</b>

### Subsequent event

Investments in financial markets are affected by many factors, many of which have shifted following the outbreak of the conflict in Ukraine. The fund invests in a portfolio of assets, whose values have fallen since the interim period, primarily due to the global market volatility created by the conflict in Ukraine and the longer term uncertainty the conflict brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class A Accumulation was 333.61p. The Net Asset Value of share class A Accumulation as at 12 noon on 21 March 2022 was 326.90p. This represents a modest decrease of 2.01% from the interim period value.

# Distribution Table

For the six months ended 31 January 2022 (in pence per share)

## Interim dividend distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 January 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
<b>A Accumulation</b>				
Group 1	0.3007	-	0.3007	0.0675
Group 2	0.0419	0.2588	0.3007	0.0675
<b>A Income</b>				
Group 1	0.2473	-	0.2473	0.0555
Group 2	0.0139	0.2334	0.2473	0.0555
<b>I Accumulation</b>				
Group 1	1.2007	-	1.2007	0.8402
Group 2	0.3340	0.8667	1.2007	0.8402
<b>I Income</b>				
Group 1	0.5293	-	0.5293	0.3731
Group 2	0.2322	0.2971	0.5293	0.3731
<b>M Accumulation</b>				
Group 1	0.3872	-	0.3872	0.2647
Group 2	0.0038	0.3834	0.3872	0.2647
<b>M Income</b>				
Group 1	0.4097	-	0.4097	0.3114
Group 2	0.4097	-	0.4097	0.3114

## Equalisation

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

# ASI Sterling Bond Fund

For the six months ended 31 January 2022

## Investment Objective

To generate income and some growth over the long term (5 years or more) by investing in Sterling-denominated bonds.

Performance Target: To achieve the return of the iBoxx Sterling Overall Index plus 1% per annum (before 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 ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 80% in Sterling denominated government, sub-sovereign and investment grade corporate bonds.
- The fund may also invest in bonds issued anywhere in the world by governments and corporations, such as sub-sovereigns, sub-investment grade, inflation-linked, convertible, asset backed and mortgage-backed bonds. The fund has some 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 bonds and derivatives after analysing companies prospects and creditworthiness alongside global economic and market conditions. They make flexible allocations using bonds and derivatives.
- In seeking to achieve the performance target, the iBoxx Sterling Overall Index 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 index is not ordinarily expected to exceed 3.50%. Due to the fund's risk constraints the intention is that the fund's performance will not deviate significantly from that of the index over the long term.

Please Note: The fund's ability to buy and sell bonds and the associated costs can be affected during periods of market stress which could include periods where interest rates move sharply.

## Derivatives and Techniques

- The fund will make routine use of 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").
- Derivatives can be used to generate growth, consistent with the fund's risk profile, if market prices are expected to rise ("long positions") or fall ("short positions"). These positions can be used in overseas markets.
- Derivatives include instruments used to manage expected changes in interest rates, inflation, currencies or creditworthiness of corporations or governments.

## Performance Review

For the six months ended 31 January 2022, the value of ASI Sterling Bond Fund – A Accumulation Shares decreased by 5.77% compared to a decrease of 5.70% in the performance target, the iBoxx Sterling Overall Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

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.

## Market Review

There were significant swings in government bond markets during the review period. Inflation dominated the headlines, with energy prices surging amid the global reopening of trade lines and bottlenecks in supply chains. Natural gas supply fears seemed particularly acute. All of this continued to challenge the 'transitory inflation' narrative.

Investors were forced to grapple with a changing economic landscape; the emergence of the Omicron variant of Covid-19; and a generally much more hawkish tone from central banks. Support from quantitative easing (QE) drove yields lower in early August, but subsequent rhetoric from central banks tested investor confidence; discussions focused on the eventual removal of support as economies continued their post-pandemic recovery. The Bank of England (BoE) shocked markets, signalling that higher interest rates could arise even before the end of its QE programme. The market took this as a signal that November could be a 'live' meeting for a potential rate hike. Having initially looked to price a move in May 2022, markets rushed to more accurately reflect this new information and gilts sold off aggressively. However, this proved to be one of several communication missteps by the BoE. Confusion and anger followed the 7-2 vote to hold policy rates steady as the market became extremely volatile and sharply reversed prior weakness.



# ASI Sterling Bond Fund

## Continued

Gilts continued to rally strongly into December, driven by Omicron fears. Then, in another surprise, the BoE voted 8-1 to hike policy rate 15 basis points to 0.25% at the December meeting. This marked the beginning of a period of weakness for UK government bonds; 10-year gilt yields rose by around 0.3% to finish 2021 close to unchanged. With the weakness in gilts led by short-dated maturities, the yield curve flattened aggressively.

At the beginning of 2022, we saw a continuation of the market moves experienced at the tail-end of 2021. There was better news on the severity of the Omicron variant. This, combined with a move by global central banks towards tightening policy, resulted in higher global yields. Ten-year gilt yields started January at 0.96% and ended at 1.30%.

Corporate bond prices fell over the period. Higher quality bonds generally underperformed riskier, high yield issues. Short-dated bonds fell less than longer-dated bonds while sterling bonds underperformed global bonds. Globally, bond prices rose early on, even as the US Federal Reserve (Fed) said it would begin offloading corporate bonds bought through its pandemic support plan. However, corporate bonds fell in September as minutes from the Fed's rate-setting committee suggested an increasingly hawkish approach from policymakers. Towards the end of the period, major central banks started to taper their pandemic-era market support programmes and the BoE raised rates.

### Portfolio Activity

While the fund's relative duration stance, country spread bias, yield curve and relative value strategies all made positive contributions to performance in the early part of the review period, some of these gains were offset by a negative contribution from inflation strategies. A short relative duration stance was positive, as yields rose sharply in September. This rise was driven by a combination of rising inflation, a hawkish change in tone from major central banks, and declining fears of economic disruption from another wave of Covid-19 infections. Country spread strategies also contributed. Our short duration strategy in gilts, and cross-market shorts in the UK versus Germany, generated excess returns. Gilts led the weakness in government bond markets. The fund participated in several yield curve strategies, which were collectively positive. Our US Treasury curve flattener and tactical UK curve steepeners generated excess returns. Yield curve strategies in Europe and Australia made small negative contributions. Inflation strategies were disappointing with the UK retail price inflation market being dragged higher by the sharp rise in energy prices, despite the already elevated implied inflation profile.

Returns remained strong in the final months of 2021.

The rally in UK government bonds was driven by long-dated maturities and a bull flattening of the yield curve. However, excess returns were negative. A strong positive contribution from active duration strategies was offset by active yield curve, inflation, and cross-market strategies. Our decision to position for a steeper yield curve in UK and European government bonds was a notable negative, with both yield curves bull flattening as a result of Omicron fears. However, our decision to position for a flatter yield curve in US Treasuries was positive. The decision to adopt overweights in Canadian government bonds relative to US Treasuries was negative. So, too, was the performance of a short position in UK inflation; market positioning, illiquidity, and energy price fears drove the market to fresh highs. Our decision to push against excessively rich UK and US government bond valuations when yields reached lows in early December boosted fund returns.

Moving into January 2022, we believed yields globally would go higher. We therefore refrained from entering cross-market or curve positions. Our rationale for adopting this underweight stance versus benchmark was primarily based on our anticipated path for monetary policy in the face of rising inflation expectations. With the BoE appearing more and more concerned about inflationary pressures becoming embedded, and the labour market rebounding impressively after the expiry of the furlough scheme, a shift to a more hawkish monetary policy stance appeared inevitable – and with it, higher nominal gilt yields. Our duration positioning took the form of being short UK in both the 10-year and 50-year part of the curve and short US 10-year Treasuries. We think the UK curve will have to re-price in 2022. However, until the fiscal year starts in April and gilt net supply dramatically increases, we do not believe the curve will steepen. Accordingly, we positioned the fund for higher yields, and not for steeper curves.

As yields increased through January, we took profits on the duration positioning, closing both the UK and US 10-year positioning. We ended the period with a much-reduced short duration position, held in the 50-year area of the curve. With one eye on the gilt syndication in mid-February and the flattening of the UK curve in early January, the fund added a 10-year/30-year steepener. This was seen as a tactical position to run into February, with the view that the fund will add more strategic steepeners as head closer to April. The fund also added a front end steepener one-year/two-year versus three-year/two-year. We felt this curve was too flat, and as yields continued to move gradually higher the belly of the UK curve would have to catch up; therefore, the curve would have to steepen. The fund also added a 2s5s10s US fly trade.

# ASI Sterling Bond Fund

## Continued

In a period of rising rates, shorter-maturity bonds performed well in the portfolio. The top performer was the 2023 bond of Metrocentre, the northern English shopping centre. Similarly, the 2025 bond of Heathrow Airport and the 2026 issue from retailer Next Group outperformed. Within the banking and insurance sector, the fund had exposure to lower-rated issuance via subordinated paper that performed well over the period. Notably, Lloyds and AXA performed well, although the upper tier-2 issue from ANZ and Nat West Group lagged. Ultra long-dated and corporate hybrid holdings detracted, including French majority state-owned utility Electricite de France, Oxford University and the Wellcome Trust. In the property sector, UK housing company Annington and retail centre owner Hammerson also underperformed.

## Portfolio Outlook and Strategy

We are about to enter a scenario where central banks are almost forced to maintain a far more hawkish disposition than experienced since the global financial crisis. With central banks reducing purchases, ceasing purchases altogether or even reducing the size of their balance sheet, the backdrop for government bonds is more challenging. The UK will continue to raise interest rates and the Fed will begin its hiking cycle around mid-year. We view 2022 as a year of higher front-end rates across most markets, with more marginal weakness further out the curve. January data showed inflation continuing to shoot up across various categories. Inflation is expected to peak in April 2022 when the energy price increases feed through to consumer price inflation. The issue is how quickly inflation subsides after April, or whether it starts to become embedded. For these reasons we expect the BoE to raise interest rates in February, and possibly once more in May. As well as inflation, mergers and acquisition activity and pandemic-related issues remain major risks for global investment-grade (IG) credit in 2022. We are cautiously optimistic on Covid-19, although we could yet see more regional lockdowns. Shrinking central bank support, slowing growth in Europe and China, and the potential for more idiosyncratic risks could lead to higher volatility. For the time being, demand for IG credit remains stable. So, while there are clearly risks of some credit spread widening, it should be met by demand which we expect to prevent a large sell-off.

### **Sterling IG and Aggregate Team**

February 2022

# ASI Sterling Bond Fund

## 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 2022.

The fund is rated as 4 because of the extent to which the following risk factors apply:

- 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 high yielding bonds which carry a greater risk of default than those with lower yields.
- The fund invests in mortgage and asset-backed securities (which may include collateralised loan, debt or mortgage obligations (respectively CLOs, CDOs or CMOs)). These are subject to prepayment and extension risk and additional liquidity and default risk compared to other credit securities.
- Convertible securities are investments that can be changed into another form upon certain triggers. As such, they can exhibit credit, equity and fixed interest risk. Contingent convertible securities (CoCos) are similar to convertible securities but have additional triggers which mean that they are more vulnerable to losses and volatile price movements and hence become less liquid.
- 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 going into administration.

# Comparative Tables

<b>A Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	5,163	5,610	5,639	5,407
Closing number of shares	3,141,112	3,202,500	3,113,815	3,232,325
Closing net asset value per share (pence)	164.39	175.18	181.08	167.29
Change in net asset value per share	(6.16%)	(3.26%)	8.24%	7.29%
Operating charges	1.04%	1.06%	1.06%	1.09%
<b>A Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	1,649	1,792	1,946	2,403
Closing number of shares	1,332,088	1,357,154	1,422,523	1,893,300
Closing net asset value per share (pence)	123.80	132.07	136.76	126.93
Change in net asset value per share	(6.26%)	(3.43%)	7.74%	6.53%
Operating charges	1.04%	1.06%	1.06%	1.09%
<b>I Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	2,706	6,820	21,308	989
Closing number of shares	2,057,052	4,876,465	14,805,852	747,175
Closing net asset value per share (pence)	131.54	139.85	143.92	132.36
Change in net asset value per share	(5.94%)	(2.83%)	8.73%	7.79%
Operating charges	0.59%	0.61%	0.61%	0.61%
<b>I Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	51	68	90	62
Closing number of shares	42,978	53,592	68,674	50,657
Closing net asset value per share (pence)	118.61	126.55	131.04	121.61
Change in net asset value per share	(6.27%)	(3.43%)	7.75%	6.54%
Operating charges	0.59%	0.61%	0.61%	0.61%
<b>L Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	20	21	776	974
Closing number of shares	18,937	18,937	675,057	922,392
Closing net asset value per share (pence)	105.18	111.77	114.90	105.57
Change in net asset value per share	(5.90%)	(2.72%)	8.84%	7.90%
Operating charges	0.49%	0.51%	0.51%	0.51%

# Comparative Tables

## Continued

<b>L Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	18	20	20	19
Closing number of shares	18,495	18,495	18,495	18,495
Closing net asset value per share (pence)	98.75	105.35	109.09	101.24
Change in net asset value per share	(6.26%)	(3.43%)	7.75%	6.55%
Operating charges	0.49%	0.51%	0.51%	0.51%
<b>M Accumulation<sup>A</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	1	1	1	-
Closing number of shares	902	902	902	100
Closing net asset value per share (pence)	110.29	117.21	120.40	110.27
Change in net asset value per share	(5.90%)	(2.65%)	9.19%	10.27%
Operating charges	0.64%	0.66%	0.66%	0.66%
<b>M Income<sup>B</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	1	1	1	-
Closing number of shares	915	915	915	100
Closing net asset value per share (pence)	106.12	113.24	117.24	108.42
Change in net asset value per share	(6.29%)	(3.41%)	8.14%	8.42%
Operating charges	0.64%	0.66%	0.66%	0.66%
<b>Z Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	145,413	135,776	137,109	138,273
Closing number of shares	75,979,376	66,893,797	65,972,451	72,703,533
Closing net asset value per share (pence)	191.38	202.97	207.83	190.19
Change in net asset value per share	(5.71%)	(2.34%)	9.27%	8.33%
Operating charges	0.09%	0.11%	0.11%	0.11%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share 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 share class.

<sup>A</sup> M Accumulation share class was launched on 28 November 2018.

<sup>B</sup> M Income share class was launched on 28 November 2018.

# Portfolio Statement

As at 31 January 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Bonds (98.98%)</b>		<b>152,236</b>	<b>98.21</b>
<b>Australian Dollar Denominated Bonds (1.79%)</b>		-	-
<b>Government Bonds (1.79%)</b>		-	-
<b>Euro Denominated Bonds (2.25%)</b>		<b>2,107</b>	<b>1.36</b>
<b>Corporate Bonds (0.95%)</b>		<b>1,350</b>	<b>0.87</b>
less than 5 years to maturity			
100,000	American Tower REIT 1.95% 2026	87	0.06
500,000	Cromwell EREIT 2.125% 2025	422	0.27
greater than 25 years to maturity			
270,000	Channel Link Enterprises Finance 2.706% fixed to floating 2050	228	0.15
Perpetual			
200,000	Telefonica Europe 3.875% fixed to floating Perpetual	174	0.11
200,000	TotalEnergies 3.369% fixed to floating Perpetual	177	0.11
300,000	Volkswagen International Finance 3.5% fixed to floating Perpetual	262	0.17
<b>Government Bonds (1.30%)</b>		<b>757</b>	<b>0.49</b>
greater than 25 years to maturity			
908,627	European Union 0.7% 2051	757	0.49
<b>Sterling Denominated Bonds (94.30%)</b>		<b>37,787</b>	<b>24.38</b>
<b>Corporate Bonds (26.93%)</b>		<b>37,787</b>	<b>24.38</b>
less than 5 years to maturity			
200,000	ABN AMRO Bank 1.375% 2025	197	0.13
100,000	American International 5% 2023	104	0.07
200,000	Banco Santander 1.5% 2026	193	0.12
300,000	Bank of America 2.3% 2025	304	0.20
100,000	Barclays 1.7% fixed to floating 2026	98	0.06
276,000	Barclays 3% 2026	282	0.18
418,000	BAT International Finance 4% 2026	440	0.28

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
127,000	Bellis Acquisition 3.25% 2026	118	0.08
1,019,000	BNG Bank 1.625% 2025	1,027	0.66
100,000	BUPA Finance 5% 2026	110	0.07
100,000	CaixaBank 1.5% fixed to floating 2026	97	0.06
152,000	Citigroup 1.75% 2026	149	0.10
287,000	Citigroup 5.15% 2026	323	0.21
350,000	Enel Finance International 5.625% 2024	384	0.25
200,000	General Motors Financial 2.25% 2024	200	0.13
69,000	Hammerson REIT 6% 2026	74	0.05
400,000	Heathrow Finance 6.25% 2025	421	0.27
335,000	HSBC 2.256% fixed to floating 2026	333	0.22
323,000	KFW 1.125% 2025	320	0.21
341,000	Lloyds Bank 7.625% 2025	397	0.26
173,000	Lloyds Banking 1.875% fixed to floating 2026	172	0.11
100,000	Metrocentre Finance REIT 8.75% 2023	58	0.04
200,000	National Grid Electricity Transmission 1.375% 2026	195	0.13
400,000	New York Life Global Funding 1.25% 2026	389	0.25
300,000	New York Life Global Funding 1.75% 2022	301	0.19
285,000	Next 4.375% 2026	311	0.20
450,000	Northumbrian Water Finance 1.625% 2026	446	0.29
100,000	Phoenix 6.625% 2025	113	0.07
100,000	Realty Income 1.875% 2027	99	0.06
100,000	Scottish Widows 5.5% 2023	104	0.07
143,000	Severn Trent Utilities Finance 1.625% 2022	143	0.09
200,000	Southern Gas Networks 2.5% 2025	204	0.13
160,000	Stagecoach 4% 2025	168	0.11
170,000	TotalEnergies Capital International 1.25% 2024	168	0.11
200,000	Virgin Money UK 3.375 fixed to floating 2026	204	0.13
123,000	Volkswagen Financial Services 2.25% 2025	123	0.08
157,000	Westfield Stratford City Finance No 2 1.642% 2026	154	0.10
200,000	Westpac Banking 1% 2022	200	0.13
between 5 and 10 years to maturity			
60,000	America Movil 5.75% 2030	75	0.05
100,000	Anglian Water Osprey Financing 2% 2028	96	0.06

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
134,000	APT Pipelines 3.125% 2031	137	0.09
100,000	Assura Financing REIT 1.5% 2030	95	0.06
279,000	Athene Global Funding 1.875% 2028	266	0.17
350,000	Barclays 3.25% 2027	361	0.23
109,000	Berkeley 2.5% 2031	101	0.07
300,000	BNP Paribas 1.25% 2031	266	0.17
100,000	BNP Paribas 2% fixed to floating 2031	96	0.06
100,000	Cie de Saint-Gobain 4.625% 2029	116	0.08
71,000	Comcast 5.5% 2029	88	0.06
240,000	Cooperatieve Rabobank 4.625% 2029	269	0.17
170,000	CPUK Finance 3.69% 2028	183	0.12
134,000	Credit Suisse 2.125% fixed to floating 2029	128	0.08
335,000	Credit Suisse 2.25% fixed to floating 2028	327	0.21
100,000	CRH Finance UK 4.125% 2029	113	0.07
268,000	Danske Bank 2.25% fixed to floating 2028	264	0.17
200,000	Deutsche Bank 1.875% fixed to floating 2028	190	0.12
318,000	Digital Stout REIT 3.75% 2030	344	0.22
200,000	Fidelity National Information Services 2.25% 2029	198	0.13
124,000	Fiserv 3% 2031	128	0.08
150,000	Grainger 3% 2030	150	0.10
300,000	Great Rolling Stock 6.5% 2031	289	0.19
304,000	Hammerson REIT 7.25% 2028	354	0.23
100,000	Heathrow Funding 2.625% 2028	97	0.06
200,000	HSBC 6.75% 2028	244	0.16
500,000	KFW 0.75% 2027	481	0.31
285,000	London & Quadrant Housing Trust 2.625% 2028	295	0.19
263,000	MPT Operating Partnership REIT 3.375% 2030	263	0.17
103,000	MPT Operating Partnership REIT 3.692% 2028	105	0.07
203,000	National Australia Bank 1.699% fixed to floating 2031	194	0.13
118,000	National Express 2.375% 2028	116	0.08
224,000	National Grid Electricity Transmission 1.125% 2028	209	0.14
500,000	National Grid Electricity Transmission 4% 2027	546	0.35
183,000	NatWest 2.057% fixed to floating 2028	178	0.12
325,000	NatWest 3.622% fixed to floating 2030	333	0.21
100,000	Orange 3.25% 2032	107	0.07



# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
192,000	Pension Insurance 4.625% 2031	202	0.13
228,000	Santander UK 2.421% fixed to floating 2029	225	0.15
111,000	Smith (DS) 2.875% 2029	112	0.07
153,000	Southern Water Services Finance 1.625% 2027	148	0.10
100,000	SP Transmission 2% 2031	98	0.06
100,000	Thames Water Utilities Finance 2.625% 2032	100	0.06
50,000	Time Warner Cable 5.75% 2031	60	0.04
100,000	TotalEnergies Capital International 1.405% 2031	93	0.06
140,000	Trafford Centre Finance 7.03% 2029	61	0.04
167,000	Unite 3.5% 2028	177	0.11
219,000	Verizon Communications 1.125% 2028	203	0.13
100,000	Verizon Communications 2.5% 2031	100	0.06
200,000	Virgin Media Secured Finance 5% 2027	203	0.13
100,000	Virgin Money UK 2.625% fixed to floating 2031	97	0.06
200,000	Volkswagen Financial Services 2.125% 2028	196	0.13
362,000	Welltower REIT 4.8% 2028	414	0.27
200,000	Wessex Water Services Finance 1.5% 2029	190	0.12
100,000	Western Power Distribution 5.875% 2027	118	0.08
350,000	Workspace REIT 2.25% 2028	338	0.22
between 10 and 15 years to maturity			
160,000	Annington Funding 2.308% 2032	150	0.10
300,000	Banco Santander 2.25% fixed to floating 2032	286	0.18
100,000	Barclays 3.25% 2033	104	0.07
100,000	BG Energy Capital 5% 2036	126	0.08
200,000	Broadgate Financing 5.098% 2033	204	0.13
100,000	Comcast 1.875% 2036	93	0.06
118,000	DWR Cymru Financing UK 2.375% 2034	115	0.07
100,000	Eastern Power Networks 6.25% 2036	147	0.09
400,000	EDF 6.125% 2034	526	0.34
54,000	Greene King Finance FRN 2033	36	0.02
216,000	Intesa Sanpaolo 2.625% 2036	202	0.13
332,000	Lloyds Banking 2.707% fixed to floating 2035	318	0.21
200,000	Manchester Airport 4.75% 2034	234	0.15
100,000	Metropolitan Housing Trust 1.875% 2036	92	0.06

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
100,000	Northern Electric Finance 5.125% 2035	128	0.08
250,000	Northern Powergrid Yorkshire 4.375% 2032	292	0.19
160,000	Premiertel 6.175% 2032	150	0.10
120,000	Scotland Gas Networks 4.875% 2034	145	0.09
150,000	Segro REIT 5.75% 2035	208	0.13
100,000	Southern Gas Networks 3.1% 2036	101	0.07
120,000	Standard Chartered 5.125% 2034	142	0.09
100,000	Wells Fargo 4.875% 2035	120	0.08
126,000	Yorkshire Water Finance 1.75% 2032	120	0.08
between 15 and 25 years to maturity			
200,000	America Movil 4.375% 2041	240	0.15
155,000	Anheuser-Busch InBev 2.85% 2037	158	0.10
150,000	Apple 3.6% 2042	188	0.12
200,000	Aspire Defence Finance 4.674% 2040 'A'	210	0.14
200,000	Aspire Defence Finance 4.674% 2040 'B'	210	0.14
100,000	Aster Treasury 4.5% 2043	134	0.09
150,000	AT&T 7% 2040	228	0.15
100,000	Berkshire Hathaway Finance 2.375% 2039	98	0.06
100,000	BHP Billiton Finance 4.3% 2042	120	0.08
100,000	Cadent Finance 2.75% 2046	95	0.06
150,000	Circle Anglia 7.25% 2038	251	0.16
70,000	Citigroup 7.375% 2039	118	0.08
135,000	Connect Plus M25 2.607% 2039	131	0.08
250,000	E.ON International Finance 6.125% 2039	361	0.23
250,000	E.ON International Finance 6.75% 2039	379	0.24
150,000	Enel 5.75% 2037	204	0.13
210,000	Eversholt Funding 2.742% 2040	200	0.13
100,000	Eversholt Funding 3.529% 2042	107	0.07
200,000	Gatwick Funding 2.625% 2046	174	0.11
150,000	GlaxoSmithKline Capital 4.25% 2045	198	0.13
150,000	GlaxoSmithKline Capital 5.25% 2042	217	0.14
150,000	HSBC 6% 2040	195	0.13
100,000	LiveWest Treasury 2.25% 2043	99	0.06
190,000	Morhomes 3.4% 2038	204	0.13

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
300,000	National Grid Electricity Transmission 2% 2040	272	0.18
200,000	Orbit Capital 3.5% 2045	229	0.15
100,000	Paragon 3.625% 2047	118	0.08
100,000	Severn Trent Utilities Finance 4.875% 2042	136	0.09
200,000	Southern Electric Power Distribution 4.625% 2037	247	0.16
243,000	Southern Water Services Finance 3% 2037	251	0.16
100,000	TC Dudgeon Ofco 3.158% 2038	100	0.06
108,000	Tesco Property Finance 3 5.744% 2040	126	0.08
200,000	Tesco Property Finance 4 5.8006% 2040	237	0.15
100,000	Tesco Property Finance 5 5.6611% 2041	121	0.08
160,000	Tesco Property Finance 7.6227% 2039	182	0.12
200,000	Thames Water Utilities Finance 5.125% 2037	258	0.17
220,000	Transport for London 3.875% 2042	265	0.17
176,000	United Utilities Water Finance 1.875% 2042	161	0.10
200,000	UPP Bond 1 Issuer 4.9023% 2040	206	0.13
200,000	Western Power Distribution 5.75% 2040	284	0.18
greater than 25 years to maturity			
240,000	Annington Funding 3.935% 2047	255	0.16
100,000	Aviva 4% fixed to floating 2055	102	0.07
200,000	Aviva 5.125% fixed to floating 2050	222	0.14
200,000	Berkshire Hathaway Finance 2.625% 2059	203	0.13
353,000	Blend Funding 3.459% 2047	415	0.27
100,000	Channel Link Enterprises Finance 3.043% fixed to floating 2050	98	0.06
100,000	Citizen Treasury 3.25% 2048	116	0.07
50,000	Dignity Finance 4.6956% 2049	53	0.03
100,000	EDF 5.125% 2050	134	0.09
100,000	EDF 6% 2114	148	0.10
100,000	Engie 5% 2060	153	0.10
190,000	Income Contingent Student Loans 2 2007-2009 2.5% 2058	157	0.10
70,000	LCR Finance 5.1% 2051	123	0.08
100,000	M&G 5.56% fixed to floating 2055	110	0.07
139,000	M&G 5.625% fixed to floating 2051	154	0.10
200,000	Notting Hill Genesis 4.375% 2054	281	0.18
100,000	Paragon Mortgages No 25 FRN 2050 'A'	72	0.05

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
100,000	Peabody Capital No 2 3.25% 2048	113	0.07
250,000	Precise Mortgage Funding 2018-2B FRN 2055	108	0.07
400,000	SSE FRN 2077	401	0.26
100,000	University of Oxford 2.544% 2117	109	0.07
100,000	Vodafone 3% 2056	94	0.06
100,000	Vodafone 3.375% 2049	102	0.07
100,000	Wellcome Trust 2.517% 2118	109	0.07
100,000	Wrekin Housing 2.5% 2048	100	0.06
Perpetual			
330,000	Aviva FRN Perpetual	338	0.22
200,000	AXA 6.6862% fixed to floating Perpetual	233	0.15
401,000	Barclays 6.375% fixed to floating Perpetual	425	0.27
122,000	BP Capital Markets 4.25% fixed to floating Perpetual	123	0.08
200,000	EDF 6% fixed to floating Perpetual	207	0.13
200,000	HSBC 5.875% fixed to floating Perpetual	209	0.14
100,000	National Express 4.25% fixed to floating Perpetual	100	0.06
200,000	NatWest 5.125% fixed to floating Perpetual	204	0.13
200,000	Zurich Finance FRN Perpetual	205	0.13
<b>Government Bonds (67.37%)</b>		<b>111,553</b>	<b>71.96</b>
less than 5 years to maturity			
500,000	European Investment Bank 0.875% 2026	490	0.32
297,000	European Investment Bank 1.125% 2025	295	0.19
100,000	FMS Wertmanagement 1.375% 2025	100	0.06
236,000	International Bank for Reconstruction & Development 0.5% 2023	234	0.15
193,000	Kommunekredit 0.375% 2024	188	0.12
461,000	Nordic Investment Bank 1.125% 2025	458	0.30
385,000	Ontario Teachers' Finance Trust 1.125% 2026	379	0.24
298,000	PRS Finance 1.75% 2026	285	0.18
1,424,500	UK (Govt of) 0.125% 2024	1,399	0.90
975,900	UK (Govt of) 0.375% 2026	942	0.61
3,174,000	UK (Govt of) 0.75% 2023*	3,166	2.04
2,526,000	UK (Govt of) 1.5% 2026	2,575	1.66

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,053,000	UK (Govt of) 1.75% 2022	1,060	0.68
2,387,000	UK (Govt of) 2% 2025	2,467	1.59
2,188,033	UK (Govt of) 2.25% 2023	2,232	1.44
8,006,300	UK (Govt of) 4% 2022	8,034	5.18
2,161,000	UK (Govt of) 5% 2025	2,419	1.56
between 5 and 10 years to maturity			
621,000	CPPIB Capital 1.25% 2027	612	0.40
565,000	PRS Finance 2% 2029	581	0.38
1,855,300	UK (Govt of) 0.125% 2028	1,747	1.13
2,626,600	UK (Govt of) 0.25% 2031	2,380	1.54
2,368,200	UK (Govt of) 0.375% 2030	2,198	1.42
160,500	UK (Govt of) 0.5% 2029	153	0.10
1,475,900	UK (Govt of) 0.875% 2029	1,441	0.93
2,726,800	UK (Govt of) 1.25% 2027	2,749	1.77
2,401,441	UK (Govt of) 1.625% 2028	2,476	1.60
1,972,800	UK (Govt of) 4.25% 2027	2,320	1.50
8,728,400	UK (Govt of) 4.75% 2030	11,291	7.28
1,210,800	UK (Govt of) 6% 2028	1,596	1.03
between 10 and 15 years to maturity			
4,757,500	UK (Govt of) 0.625% 2035	4,267	2.75
2,249,300	UK (Govt of) 0.875% 2033	2,135	1.38
1,127,000	UK (Govt of) 4.25% 2032	1,443	0.93
2,244,800	UK (Govt of) 4.5% 2034	3,043	1.96
between 15 and 25 years to maturity			
3,405,200	UK (Govt of) 0.875% 2046	2,966	1.91
771,200	UK (Govt of) 1.125% 2039	727	0.47
2,039,900	UK (Govt of) 1.25% 2041	1,947	1.26
4,087,000	UK (Govt of) 1.75% 2037	4,239	2.73
1,797,600	UK (Govt of) 3.25% 2044	2,378	1.53
1,816,400	UK (Govt of) 3.5% 2045	2,514	1.62
1,497,300	UK (Govt of) 4.25% 2039	2,143	1.38
1,634,000	UK (Govt of) 4.25% 2040	2,374	1.53

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
2,785,200	UK (Govt of) 4.25% 2046	4,362	2.81
130,987	UK (Govt of) 4.5% 2042	201	0.13
greater than 25 years to maturity			
745,000	CPPIB Capital 1.625% 2071	683	0.44
150,000	European Investment Bank 4.625% 2054	259	0.17
1,242,300	UK (Govt of) 0.5% 2061	933	0.60
4,602,000	UK (Govt of) 1.25% 2051	4,350	2.81
284,422	UK (Govt of) 1.5% 2047	284	0.18
1,182,400	UK (Govt of) 1.5% 2053	1,206	0.78
13,359	UK (Govt of) 1.625% 2054	14	0.01
1,788,600	UK (Govt of) 1.75% 2049	1,895	1.22
3,168,598	UK (Govt of) 1.75% 2057	3,489	2.25
1,113,137	UK (Govt of) 2.5% 2065	1,558	1.02
765,512	UK (Govt of) 3.5% 2068	1,356	0.88
865,400	UK (Govt of) 3.75% 2052	1,351	0.87
589,400	UK (Govt of) 4% 2060	1,054	0.68
1,134,472	UK (Govt of) 4.25% 2049	1,850	1.19
150,600	UK (Govt of) 4.25% 2055	265	0.17
<b>US Dollar Denominated Bonds (0.64%)</b>		<b>789</b>	<b>0.51</b>
<b>Corporate Bonds (0.64%)</b>		<b>789</b>	<b>0.51</b>
between 5 and 10 years to maturity			
452,000	AT&T 2.75% 2031	332	0.21
238,000	Dresdner Funding Trust I 8.151% 2031	246	0.16
greater than 25 years to maturity			
280,000	Verizon Communications 3.55% 2051	211	0.14
<b>Derivatives (-0.42%)</b>		<b>(1,049)</b>	<b>(0.68)</b>
<b>Forward Currency Contracts (0.07%)</b>		<b>34</b>	<b>0.02</b>
Buy AUD 531,000 Sell GBP 287,543 10/03/2022		(9)	(0.01)
Buy CAD 1,044,000 Sell GBP 615,726 10/03/2022		(4)	-

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
	Buy GBP 247,176 Sell AUD 464,000 10/03/2022	4	-
	Buy GBP 611,047 Sell CAD 1,044,000 10/03/2022	(1)	-
	Buy GBP 843,402 Sell EUR 989,000 10/03/2022	16	0.01
	Buy GBP 1,307,316 Sell EUR 1,533,000 10/03/2022	25	0.02
	Buy GBP 505,429 Sell USD 674,000 10/03/2022	3	-
	Buy GBP 756,645 Sell USD 1,009,000 10/03/2022	4	-
	Buy USD 542,707 Sell GBP 408,926 10/03/2022	(4)	-
<b>Futures (-0.01%)</b>		<b>99</b>	<b>0.06</b>
3	Long Gilt Future 29/03/2022	(4)	-
305	Long US 5 Year Note (CBT) Future 31/03/2022	(67)	(0.05)
(6)	Short Euro-Buxl 30 Year Future 08/03/2022	72	0.05
(61)	Short US 10 Year Ultra Future 22/03/2022	1	-
(187)	Short US 2 Year Note (CBT) Future 31/03/2022	97	0.06
<b>Inflation Swaps (-0.34%)</b>		<b>(774)</b>	<b>(0.50)</b>
GBP 5,416,000	Pay floating UKRPI receive fixed 3.33875% 15/01/2026	(583)	(0.38)
GBP 1,651,000	Pay floating UKRPI receive fixed 3.707 15/06/2031	(191)	(0.12)
<b>Interest Rate Swaps (-0.14%)</b>		<b>(408)</b>	<b>(0.26)</b>
EUR 4,037,000	Pay fixed 0.0473% receive floating EURIBOR 18/09/2055	449	0.29
GBP 7,400,000	Pay fixed 1.135% receive floating GBP-SONIA 14/01/2027	16	0.01
GBP 7,400,000	Pay fixed 1.2125% receive floating GBP-SONIA 20/01/2027	4	-
GBP 7,400,000	Pay fixed 1.2475% receive floating GBP-SONIA 20/01/2027	(1)	-
GBP 7,400,000	Pay fixed 1.258% receive floating GBP-SONIA 20/01/2027	(2)	-
EUR 12,096,000	Pay floating EURIBOR receive fixed 0.15% 18/09/2035	(576)	(0.37)
GBP 10,931,500	Pay floating GBP-SONIA receive fixed 0.592% 14/07/2025	(190)	(0.12)
GBP 214,000	Pay floating GBP-SONIA receive fixed 0.923% 31/01/2024	(2)	-
GBP 2,140,000	Pay floating GBP-SONIA receive fixed 0.936% 22/04/2024	(14)	(0.01)
GBP 7,225,000	Pay floating GBP-SONIA receive fixed 1.3% 16/01/2025	(35)	(0.02)
GBP 7,225,000	Pay floating GBP-SONIA receive fixed 1.4% 20/01/2025	(21)	(0.02)

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
GBP 7,225,000	Pay floating GBP-SONIA receive fixed 1.4175% 20/01/2025	(18)	(0.01)
GBP 7,225,000	Pay floating GBP-SONIA receive fixed 1.42% 19/01/2025	(18)	(0.01)
Total investment assets and liabilities		151,187	97.53
Net other assets		3,835	2.47
<b>Total Net Assets</b>		<b>155,022</b>	<b>100.00</b>

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities or approved derivatives within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2021.

\* A portion of this security is on loan at the period end.



# Financial Statements

## Statement of Total Return

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
Income:				
Net capital losses		(10,299)		(2,406)
Revenue	960		1,010	
Expenses	(109)		(169)	
Interest payable and similar charges	(29)		(6)	
Net revenue before taxation	822		835	
Taxation	-		-	
Net revenue after taxation		822		835
<b>Total return before distributions</b>		<b>(9,477)</b>		<b>(1,571)</b>
Distributions		(822)		(835)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(10,299)</b>		<b>(2,406)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>150,109</b>		<b>166,890</b>
Amounts receivable on the issue of shares	19,562		8,925	
Amounts payable on the cancellation of shares	(5,269)		(23,682)	
		14,293		(14,757)
Dilution adjustment		24		24
Change in net assets attributable to shareholders from investment activities (see above)		(10,299)		(2,406)
Retained distribution on accumulation shares		895		799
<b>Closing net assets attributable to shareholders</b>		<b>155,022</b>		<b>150,550</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. 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 2022

	31 January 2022		31 July 2021	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		152,927		149,820
<b>Current assets:</b>				
Debtors	1,689		1,000	
Cash and bank balances	2,872		1,642	
		4,561		2,642
<b>Total assets</b>		<b>157,488</b>		<b>152,462</b>
<b>Liabilities:</b>				
Investment liabilities		(1,740)		(1,876)
Bank overdrafts	-		(410)	
Creditors	(724)		(65)	
Distribution payable	(2)		(2)	
		(726)		(477)
<b>Total liabilities</b>		<b>(2,466)</b>		<b>(2,353)</b>
<b>Net assets attributable to shareholders</b>		<b>155,022</b>		<b>150,109</b>

### Subsequent event

Investments in financial markets are affected by many factors, many of which have shifted following the outbreak of the conflict in Ukraine. The fund invests in a portfolio of assets, whose values have fallen since the interim period, primarily due to the global market volatility created by the conflict in Ukraine and the longer term uncertainty the conflict brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class A Accumulation was 164.39p. The Net Asset Value of share class A Accumulation as at 12 noon on 21 March 2022 was 158.36p. This represents a modest decrease of 3.67% from the interim period value.

# Distribution Table

For the six months ended 31 January 2022 (in pence per share)

## Interim interest distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 January 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
<b>A Accumulation</b>				
Group 1	0.1761	-	0.1761	0.1703
Group 2	0.0391	0.1370	0.1761	0.1703
<b>A Income</b>				
Group 1	0.1328	-	0.1328	0.1286
Group 2	0.0647	0.0681	0.1328	0.1286
<b>I Accumulation</b>				
Group 1	0.4520	-	0.4520	0.4592
Group 2	0.2029	0.2491	0.4520	0.4592
<b>I Income</b>				
Group 1	0.4077	-	0.4077	0.4181
Group 2	0.2918	0.1159	0.4077	0.4181
<b>L Accumulation</b>				
Group 1	0.4179	-	0.4179	0.4236
Group 2	0.4179	-	0.4179	0.4236
<b>L Income</b>				
Group 1	0.3936	-	0.3936	0.4026
Group 2	0.3936	-	0.3936	0.4026
<b>M Accumulation</b>				
Group 1	0.4370	-	0.4370	0.4736
Group 2	0.4370	-	0.4370	0.4736
<b>M Income</b>				
Group 1	0.4227	-	0.4227	0.4730
Group 2	0.4227	-	0.4227	0.4730
<b>Z Accumulation</b>				
Group 1	1.1589	-	1.1589	1.1837
Group 2	0.2553	0.9036	1.1589	1.1837

## Equalisation

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

# ASI Sterling Inflation-Linked Bond Fund

For the six months ended 31 January 2022

## Investment Objective

To generate income and some growth over the long term (5 years or more) by investing in UK Government inflation-linked bonds.

Performance Target: To achieve the return of the FTSE Actuaries UK Index Linked Gilts Over 5 years Index plus 0.5% per annum (before 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 ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund invests at least 80% in inflation-linked government bonds issued or guaranteed by the UK Government.
- The fund may also invest in inflation-linked and non-inflation-linked investment grade corporate bonds and sub-sovereigns issued anywhere in the world. The fund will employ techniques to reduce (hedge) risk related to currency movements on non-Sterling bonds.
- 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 investments after analysing individual bonds and derivatives alongside global economic and market conditions.
- In seeking to achieve the performance target, the FTSE Actuaries UK Index Linked Gilts Over 5 years Index 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 index is not ordinarily expected to exceed 1.70%. Due to the fund's risk constraints the intention is that the fund's performance will not deviate significantly from that of the index over the long term.

### Derivatives and Techniques

- The fund will make routine use of derivatives to reduce risk, reduce cost and/or generate extra income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").

- Derivatives can be used to generate growth, consistent with the fund's risk profile, if market prices are expected to rise ("long positions") or fall ("short positions"). These positions can be used in overseas markets.
- Derivatives include instruments used to manage expected changes in interest rates, inflation, currencies or creditworthiness of corporations or governments.

## Performance Review

For the six months ended 31 January 2022, the value of ASI Sterling Inflation-Linked Bond Fund – A Accumulation Shares decreased by 2.38% compared to a decrease of 2.30% in the performance target, the FTSE Actuaries UK Index Linked Gilts over 5 six months Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

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.

## Market Review

Market volatility was a constant throughout the review period. This was caused by a myriad of competing headlines and data points as markets attempted to deal with increasing uncertainty around the economic outlook and central bank policy. Government bond markets initially rallied amid some aggressive intra-day swings, as the traditionally quieter summer months meant relatively thin liquidity conditions, exacerbating moves. While August was fairly subdued in overall market moves, September brought an uncomfortable mix of drivers leading to a marked sell-off in yields into quarter-end.

The outlook for policy shifted as central bankers across many developed economies voiced their wariness over the inflation landscape. Chaos in natural gas markets resulted in a spike in UK and European inflation. Rhetoric from the Bank of England (BoE) led the market to reassess how its Monetary Policy Committee might react to a dangerous mix of rising prices alongside the removal of fiscal support.

Moving into the final three months of 2021, eye-wateringly high inflation coincided with big moves in energy commodities and a resurgence of Covid-19 fears. The focus on inflation will be key in the coming months. The BoE was widely criticised for leading the market to price an imminent rate hike at its November meeting, before failing to deliver and keeping rates on hold. Its credibility was further damaged when it proceeded to raise the Bank rate to 0.25% at the December meeting, with far less indication that it would do so. The huge volatility in natural gas prices is likely to lead to a huge jump in household bills

# ASI Sterling Inflation-Linked Bond Fund

## Continued

when the OFGEM price cap is raised in April. Any action to ameliorate the effects on consumers is likely to be limited, with retail price inflation now expected to peak around 9% in the second quarter of 2022.

Inflation remained high in January 2022, and markets priced a more aggressive path of monetary policy tightening across all major developed market economies. The UK market sold off, aided by a slew of positive domestic data which led the market to expect a second 0.25% rate hike at its early February meeting. GDP data for November was better than expected, and unemployment also fell by one-tenth to 4.1%. Inflation was significantly higher than expected, with consumer price inflation (CPI) at 5.4% core CPI at 4.2%, and retail price inflation at 7.5%. This marked the highest inflation prints since the BoE gained its independence, with CPI markedly above the 4.5% forecast that the BoE had been expecting. The market quickly priced a full hike in February, and a higher path for Bank rate over the coming months. Ten-year nominal gilts sold off by 34 basis points (bps), ending the month at 1.33%. Real yields, in contrast to the US, held in well, with 10-year breakevens rising strongly, up 21bps to end January at 4.15%.

### Portfolio Activity

Throughout the period the fund has held a long position in 30-year US inflation, as we looked for the inflation risk premium to return further along the curve. Latterly, this position has been negative, as inflation pricing has moderated on the back of expectations that the US Federal Reserve would look to tighten policy more aggressively. Conversely, the fund's underweight in 10-year Treasury-Inflation Protected Securities (TIPS) was positive as yields sold off sharply.

We maintained our long position in New Zealand real yields, as we thought the aggressively hawkish outlook of the Reserve Bank of New Zealand would struggle to be realised, and that these bonds offered value when compared to other developed market index-linked bonds over the medium term. Later in the review period this position detracted, as New Zealand real yields were dragged higher by the global rise in yields.

The fund continues to hold a modest flattening bias. Our short position in 10-year UK gilts has been positive as the market has priced a more aggressive path of interest rate hikes from the Bank of England.

At the beginning of January, we removed our long 10-year German bunds position. This had acted as a counterweight to some of our short duration positions previously, but we felt it was increasingly vulnerable to a pronounced sell-off alongside other bond markets. In the middle of the month, we entered a US butterfly curve trade

and went long five-year futures versus two-year and 10-year. We believe this offers good value, given the relative underperformance of five-year nominals compared to other parts of the curve.

### Portfolio Outlook and Strategy

Inflation remains higher than expected and the original fears around the impact of Omicron have proven overstated. Accordingly, markets are pricing in a need for the major developed market central banks to tighten policy faster and further. Markets are now predicting an immediate lifting of policy rates in the US in March, and more rate rises to come. The conversation has also turned to how the Fed might look to unwind some of the balance sheet expansion it amassed through quantitative easing purchases. This has important implications for the TIPS market, given that the composition of their portfolio means it holds a greater proportion of outstanding TIPS than nominal bonds. Against this backdrop, we maintain our underweight in US real yields, which we think could continue to sell-off if market pricing is backed up by the Fed's response. We have also employed a real yield curve flattener, as we think five-year TIPS are more likely to be affected if the Fed delivers a rapid policy tightening. We maintain a long position in 30-year US CPI, which, if inflation risk premium is raised further out the curve by more persistent inflation prints, could benefit us. Amid volatility in energy markets and the prospect of huge increases in household bills when the OFGEM price cap is raised in April, UK politicians are focusing on the likely effects on the cost of living due to a potential squeeze in real incomes. We remain underweight nominal gilt futures in anticipation of the market repricing higher as the BoE is forced to take the same path as the Fed and raise rates more quickly than expected. We hold a very modest overweight in UK real yields given the favourable supply backdrop over the coming weeks.

### Inflation Team

February 2022

# ASI Sterling Inflation-Linked Bond Fund

## 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 2022.

The fund is rated as 5 because of the extent to which the following risk factors apply:

- 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 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 going into administration.

# Comparative Tables

<b>A Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	1,285	1,455	1,640	1,280
Closing number of shares	449,847	493,977	559,896	471,542
Closing net asset value per share (pence)	285.59	294.53	292.95	271.47
Change in net asset value per share	(3.04%)	0.54%	7.91%	11.95%
Operating charges	0.79%	0.93%	0.95%	0.97%
<b>A Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	395	395	404	376
Closing number of shares	172,671	166,673	171,355	171,407
Closing net asset value per share (pence)	228.49	236.80	235.97	219.48
Change in net asset value per share	(3.51%)	0.35%	7.51%	11.59%
Operating charges	0.79%	0.93%	0.95%	0.97%
<b>I Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	10,050	7,009	5,411	5,297
Closing number of shares	3,974,477	2,694,651	2,100,916	2,229,143
Closing net asset value per share (pence)	252.86	260.12	257.57	237.61
Change in net asset value per share	(2.79%)	0.99%	8.40%	12.72%
Operating charges	0.29%	0.47%	0.50%	0.50%
<b>I Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	883	888	1,168	1,046
Closing number of shares	536,435	520,245	686,973	661,316
Closing net asset value per share (pence)	164.64	170.64	170.03	158.13
Change in net asset value per share	(3.52%)	0.36%	7.53%	11.33%
Operating charges	0.29%	0.47%	0.50%	0.50%
<b>K Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	6	26	3,023	2,723
Closing number of shares	4,056	17,427	2,006,271	1,960,450
Closing net asset value per share (pence)	148.04	152.23	150.65	138.90
Change in net asset value per share	(2.75%)	1.05%	8.46%	12.30%
Operating charges	0.24%	0.42%	0.45%	0.45%

# Comparative Tables

## Continued

<b>M Accumulation<sup>A</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	1	1	1	-
Closing number of shares	906	906	906	100
Closing net asset value per share (pence)	122.61	126.12	124.82	115.08
Change in net asset value per share	(2.78%)	1.04%	8.46%	15.08%
Operating charges	0.34%	0.52%	0.55%	0.55%
<b>M Income<sup>B</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	1	1	1	-
Closing number of shares	909	909	909	100
Closing net asset value per share (pence)	119.70	124.03	123.56	114.64
Change in net asset value per share	(3.49%)	0.38%	7.78%	14.64%
Operating charges	0.34%	0.52%	0.55%	0.55%
<b>Z Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	35,865	38,677	30,540	86,670
Closing number of shares	10,810,812	11,344,134	9,080,284	28,046,276
Closing net asset value per share (pence)	331.75	340.94	336.33	309.03
Change in net asset value per share	(2.70%)	1.37%	8.83%	12.69%
Operating charges	0.09%	0.10%	0.10%	0.10%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share 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 share class.

<sup>A</sup> M Accumulation share class was launched on 28 November 2018.

<sup>B</sup> M Income share class was launched on 28 November 2018.



# Portfolio Statement

As at 31 January 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Bonds (99.34%)</b>		<b>47,731</b>	<b>98.44</b>
<b>New Zealand Dollar Denominated Bonds (2.15%)</b>		<b>1,082</b>	<b>2.23</b>
<b>Government Bonds (2.15%)</b>		<b>1,082</b>	<b>2.23</b>
between 10 and 15 years to maturity			
1,634,000	New Zealand (Govt of) 2.5% Index-Linked 2035	1,082	2.23
<b>Sterling Denominated Bonds (96.49%)</b>		<b>46,649</b>	<b>96.21</b>
<b>Government Bonds (96.49%)</b>		<b>46,649</b>	<b>96.21</b>
between 5 and 10 years to maturity			
1,583,000	UK (Govt of) 0.125% Index-Linked 2029	2,617	5.40
345,000	UK (Govt of) 0.125% Index-Linked 2031	490	1.01
425,000	UK (Govt of) 1.25% Index-Linked 2027	884	1.82
9,000	UK (Govt of) 4.125% Index-Linked 2030	35	0.07
between 10 and 15 years to maturity			
703,200	UK (Govt of) 0.125% Index-Linked 2036	1,261	2.60
496,233	UK (Govt of) 0.75% Index-Linked 2034	1,000	2.06
1,413,300	UK (Govt of) 1.25% Index-Linked 2032	3,086	6.36
542,000	UK (Govt of) 2% Index-Linked 2035	1,658	3.42
between 15 and 25 years to maturity			
100,000	UK (Govt of) 0.125% Index-Linked 2039	163	0.34
888,800	UK (Govt of) 0.125% Index-Linked 2041	1,621	3.34
1,053,500	UK (Govt of) 0.125% Index-Linked 2044	2,295	4.73
926,900	UK (Govt of) 0.125% Index-Linked 2046	1,965	4.05
1,185,457	UK (Govt of) 0.625% Index-Linked 2040	2,911	6.00
1,055,740	UK (Govt of) 0.625% Index-Linked 2042	2,801	5.78
794,852	UK (Govt of) 1.125% Index-Linked 2037	2,117	4.37
greater than 25 years to maturity			
1,194,943	UK (Govt of) 0.125% Index-Linked 2048	2,495	5.15
648,500	UK (Govt of) 0.125% Index-Linked 2056	1,623	3.35
690,000	UK (Govt of) 0.125% Index-Linked 2058	1,837	3.79

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
381,000	UK (Govt of) 0.125% Index-Linked 2065	1,170	2.41
726,891	UK (Govt of) 0.125% Index-Linked 2068	2,513	5.18
24,000	UK (Govt of) 0.125% Index-Linked 2073	77	0.16
902,331	UK (Govt of) 0.25% Index-Linked 2052	2,340	4.83
1,089,031	UK (Govt of) 0.375% Index-Linked 2062	3,612	7.45
899,000	UK (Govt of) 0.5% Index-Linked 2050	2,686	5.54
461,000	UK (Govt of) 0.75% Index-Linked 2047	1,410	2.91
459,545	UK (Govt of) 1.25% Index-Linked 2055	1,982	4.09
<b>US Dollar Denominated Bonds (0.70%)</b>		-	-
<b>Government Bonds (0.70%)</b>		-	-
<b>Derivatives (-0.16%)</b>		<b>63</b>	<b>0.13</b>
<b>Forward Currency Contracts (0.02%)</b>		<b>48</b>	<b>0.10</b>
	Buy GBP 52,051 Sell EUR 61,000 10/03/2022	1	-
	Buy GBP 1,170,695 Sell NZD 2,296,000 10/03/2022	47	0.10
<b>Futures (0.06%)</b>		<b>42</b>	<b>0.08</b>
66	Long US 5 Year Note (CBT) Future 31/03/2022	15	0.03
(11)	Short Long Gilt Future 29/03/2022	33	0.07
(13)	Short US 10 Year Ultra Future 22/03/2022	(13)	(0.03)
(41)	Short US 2 Year Note (CBT) Future 31/03/2022	7	0.01
<b>Inflation Swaps (-0.15%)</b>		<b>(65)</b>	<b>(0.13)</b>
USD 215,000	Pay fixed 2.311% receive floating USCPI 12/07/2051	15	0.03
USD 248,000	Pay fixed 2.42% receive floating USCPI 09/09/2025	7	0.02
USD 1,250,000	Pay floating USCPI receive fixed 2.288% 25/02/2031	(87)	(0.18)

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Interest Rate Swaps (-0.09%)		38	0.08
USD 2,250,000	Pay fixed 0.705% receive floating USD-LIBOR 08/07/2024	32	0.07
USD 1,450,000	Pay fixed 1.428% receive floating USD-LIBOR 25/02/2031	31	0.06
CAD 2,585,000	Pay floating CAD-BA receive fixed 1.3675% 08/07/2024	(25)	(0.05)
Total investment assets and liabilities		47,794	98.57
Net other assets		692	1.43
<b>Total Net Assets</b>		<b>48,486</b>	<b>100.00</b>

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities or approved derivatives within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2021.

# Financial Statements

## Statement of Total Return

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
Income:				
Net capital losses		(1,891)		(2,342)
Revenue	435		213	
Expenses	(37)		(46)	
Interest payable and similar charges	-		(1)	
Net revenue before taxation	398		166	
Taxation	-		-	
Net revenue after taxation		398		166
<b>Total return before distributions</b>		<b>(1,493)</b>		<b>(2,176)</b>
Distributions		(398)		(166)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(1,891)</b>		<b>(2,342)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>48,452</b>		<b>42,188</b>
Amounts receivable on the issue of shares	4,834		5,393	
Amounts payable on the cancellation of shares	(3,297)		(5,125)	
		1,537		268
Dilution adjustment		-		6
Change in net assets attributable to shareholders from investment activities (see above)		(1,891)		(2,342)
Retained distribution on accumulation shares		388		166
<b>Closing net assets attributable to shareholders</b>		<b>48,486</b>		<b>40,286</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. 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 2022

	31 January 2022		31 July 2021	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		47,919		48,185
<b>Current assets:</b>				
Debtors	165		158	
Cash and bank balances	542		267	
		707		425
<b>Total assets</b>		<b>48,626</b>		<b>48,610</b>
<b>Liabilities:</b>				
Investment liabilities		(125)		(128)
Bank overdrafts	–		(3)	
Creditors	(6)		(23)	
Distribution payable	(9)		(4)	
		(15)		(30)
<b>Total liabilities</b>		<b>(140)</b>		<b>(158)</b>
<b>Net assets attributable to shareholders</b>		<b>48,486</b>		<b>48,452</b>

### Subsequent event

Investments in financial markets are affected by many factors, many of which have shifted following the outbreak of the conflict in Ukraine. The fund invests in a portfolio of assets, whose values have fallen since the interim period, primarily due to the global market volatility created by the conflict in Ukraine and the longer term uncertainty the conflict brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class A Accumulation was 285.59p. The Net Asset Value of share class A Accumulation as at 12 noon on 21 March 2022 was 272.04p. This represents a modest decrease of 4.74% from the interim period value.

# Distribution Table

For the six months ended 31 January 2022 (in pence per share)

## Interim interest distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 January 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
<b>A Accumulation</b>				
Group 1	1.3909	-	1.3909	0.1071
Group 2	0.8864	0.5045	1.3909	0.1071
<b>A Income</b>				
Group 1	1.1185	-	1.1185	0.0861
Group 2	0.4498	0.6687	1.1185	0.0861
<b>I Accumulation</b>				
Group 1	1.8935	-	1.8935	0.6572
Group 2	0.8974	0.9961	1.8935	0.6572
<b>I Income</b>				
Group 1	1.2422	-	1.2422	0.4338
Group 2	0.7009	0.5413	1.2422	0.4338
<b>K Accumulation</b>				
Group 1	1.1527	-	1.1527	0.4300
Group 2	1.1527	-	1.1527	0.4300
<b>M Accumulation</b>				
Group 1	0.8854	-	0.8854	0.3632
Group 2	0.8854	-	0.8854	0.3632
<b>M Income</b>				
Group 1	0.8779	-	0.8779	0.3630
Group 2	0.8779	-	0.8779	0.3630
<b>Z Accumulation</b>				
Group 1	2.8314	-	2.8314	1.5131
Group 2	1.8537	0.9777	2.8314	1.5131

## Equalisation

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

# ASI Sterling Long Dated Government Bond Fund

For the six months ended 31 January 2022

## Investment Objective

To generate income and some growth over the long term (5 years or more) by investing in UK Government bonds with a maturity of 10 years or longer.

Performance Target: To achieve the return of the FTSE Actuaries UK Conventional Gilts All Stocks Over 15 Years Index plus 0.5% per annum (before 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 ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund invests at least 80% in government bonds issued or guaranteed by the UK Government with a maturity of ten years or longer.
- The fund may also invest in investment grade bonds of any maturity, issued anywhere in the world by governments, sub-sovereigns and corporations including inflation-linked bonds. The fund will employ techniques to reduce (hedge) risk related to currency movements on non-Sterling bonds.
- 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 investments after analysing individual bonds and derivatives alongside global economic and market conditions.
- In seeking to achieve the Performance Target, the FTSE Actuaries UK Conventional Gilts All Stocks Over 15 Years Index 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 index is not ordinarily expected to exceed 1.70%. Due to the active nature of the management process the intention is that the fund's performance will not deviate significantly from that of the index over the long term.

### Derivatives and Techniques

- The fund will make routine use of derivatives to reduce risk, reduce cost and/or generate extra income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").

- Derivatives can be used to generate growth, consistent with the fund's risk profile, if market prices are expected to rise ("long positions") or fall ("short positions"). These positions can be used in overseas markets.
- Derivatives include instruments used to manage expected changes in interest rates, inflation, currencies or creditworthiness of corporations or governments.

## Performance Review

For the six months ended 31 January 2022, the value of ASI Sterling Long Dated Government Bond Fund – A Accumulation Shares decreased by 8.69% compared to a decrease of 9.19% in the performance target, the FTSE Actuaries UK Conventional Gilts All Stocks Over 15 Six months Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

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.

## Market Review

There were significant swings in government bond markets during the review period. Inflation dominated headlines, with energy prices surging amid the global reopening of trade lines and bottlenecks in supply chains. Natural gas supply fears seemed particularly acute. All of this continued to challenge the 'transitory inflation' narrative.

Investors were forced to grapple with a changing economic landscape; the emergence of the Omicron variant of Covid-19; and a generally much more hawkish tone from central banks. Support from quantitative easing (QE) drove yields lower in early August, but subsequent rhetoric from central banks tested investor confidence; discussions focused on the eventual removal of support as economies continued their post-pandemic recovery. The Bank of England (BoE) shocked markets, signalling that higher interest rates could arise even before the end of its QE programme. The market took this as a signal that November could be a 'live' meeting for a potential rate hike. Having initially looked to price a move in May 2022, markets rushed to more accurately reflect this new information and gilts sold off aggressively. However, this proved to be one of several communication missteps by the BoE. Confusion and anger followed the 7-2 vote to hold policy rates steady as the market became extremely volatile and sharply reversed prior weakness. Gilts continued to rally strongly into December, driven by Omicron fears. Then, in another surprise, the BoE voted 8-1 to hike the policy rate 15 basis points to 0.25% at the December meeting. This marked the beginning of a period

# ASI Sterling Long Dated Government Bond Fund

## Continued

of weakness for UK government bonds; 10-year gilt yields rose by around 0.3% to finish 2021 close to unchanged. With the weakness in gilts led by short-dated maturities, the yield curve flattened aggressively.

At the beginning of 2022, we saw a continuation of the market moves experienced at the tail-end of 2021. There was better news on the severity of the Omicron variant. This, combined with a move by global central banks towards tightening policy, resulted in higher global yields. Ten-year gilt yields started January at 0.96% and ended at 1.30%.

### Portfolio Activity

At the start of the review period, government bond yields were trading close to six-month lows. We established a significant short relative duration stance via underweights in UK gilts. This was increased in scale during October and November, based on our anticipated path for monetary policy in the face of rising inflation expectations. The Bank of England appeared increasingly concerned about inflationary pressures, and the labour market had rebounded impressively after the expiry of the furlough scheme. Accordingly, a shift to a more hawkish monetary policy stance appeared inevitable, bringing higher nominal gilt yields. However, the emergence of the Omicron variant caused gilt yields to decline further as a result of risk-off sentiment. Although this was challenging for our short duration strategy, we increased its scale in mid-December. That decision paid dividends into the end of the calendar year.

We held off-benchmark yield curve-flattening strategies in the US yield curves. We held longer-dated 30-year versus five-year US Treasuries. We believed the Federal Reserve (Fed) was close to reconsidering easy monetary policy stances, given the economic rebound and building inflationary pressures. With that in mind, any move higher in yields was likely to be led by the front end of curves. In the US, a particularly acute flattening of the yield curve in September caused us to take profits.

We held yield curve-steepening strategies in the UK gilt market and core European rates markets. We believed the end of quantitative easing asset purchases by the BoE and an increase in net gilt supply would weigh more heavily on the long end of the curve. In Europe, we believed a reduced level of European Central Bank asset purchases would lead to steeper yield curves. While Omicron has led to a flattening of both yield curves, we maintain these strategies; we believe the change in monetary policy stance and curve steepening has merely been delayed. Toward the end of 2021, we simplified the risk in the portfolio to position for higher nominal yields in early 2022. Our strategy is underweight 10-year and 50-year nominal gilts, and short 10-year nominal US Treasuries.

Inflation strategies proved disappointing, with the UK retail price inflation market being dragged higher by the sharp rise in energy prices. Against that, our short relative duration stance was positive for performance. Country spread strategies were also positive. Our decision to position for a steeper yield curve in UK and European government bonds was a notable negative. Both yield curves flattened as a result of Covid-19 Omicron fears. Conversely, our decision to position for a flatter yield curve in US Treasuries boosted performance. The decision to adopt overweights in Canadian government bonds relative to US Treasuries detracted from performance. A short position in UK inflation also detracted after market positioning, illiquidity and energy price fears drove the market to fresh highs. Positive duration strategies included our decision to push against excessively rich UK and US government bond valuations when yields reached their low points in December.

### Portfolio Outlook and Strategy

The economic narrative has flipped from ensuring a recovery to significant concerns of overheating. This has forced a sharp rethink in central bank policy, with ramifications for the economic outlook and asset market valuations. This year will be a big test for equity and bond markets; inflation in most developed markets has reached multi-decade highs, with confidence waning that we will return smoothly and quickly to a more normal level. Interest rate markets have begun to more accurately reflect the likely path for future policy. We are about to enter a scenario where central banks are almost forced to maintain a far more hawkish disposition than experienced since the global financial crisis. With central banks reducing purchases, ceasing purchases altogether or even reducing the size of their balance sheet, the backdrop for government bonds is more challenging. The UK will continue to raise interest rates and the US Federal Reserve will begin its hiking cycle around mid-year. We view 2022 as a year of higher front-end rates across most markets, with more marginal weakness further out the curve.

The market was comfortable with pricing a full interest rate hike at February's BoE meeting. Both official and survey data continue to point to an incredibly tight labour market. Vacancies were at record highs, and this fed through to wages. January data showed inflation continuing to shoot up across various categories. Inflation is expected to peak in April 2022 when the energy price increases feed through to consumer price inflation. The issue is how quickly inflation subsides after April, or whether it starts to become embedded. For these reasons we expect the BoE to raise interest rates in February, and possibly once more in May.

**Pan Euro Macro Team**

February 2022



# ASI Sterling Long Dated Government Bond Fund

## 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 2022.

The fund is rated as 5 because of the extent to which the following risk factors apply:

- 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 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 going into administration.

# Comparative Tables

<b>A Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	42	35	46	37
Closing number of shares	35,461	27,208	32,402	30,248
Closing net asset value per share (pence)	118.25	130.77	141.21	121.80
Change in net asset value per share	(9.57%)	(7.39%)	15.94%	11.00%
Operating charges	0.81%	0.92%	0.95%	0.95%
<b>I Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	6,258	8,266	10,326	4,471
Closing number of shares	1,934,457	2,316,560	2,691,929	1,357,339
Closing net asset value per share (pence)	323.51	356.83	383.60	329.38
Change in net asset value per share	(9.34%)	(6.98%)	16.46%	11.52%
Operating charges	0.31%	0.47%	0.50%	0.50%
<b>K Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	554	717	3,598	3,164
Closing number of shares	169,366	198,624	927,531	950,582
Closing net asset value per share (pence)	327.40	361.03	387.91	332.91
Change in net asset value per share	(9.32%)	(6.93%)	16.52%	11.51%
Operating charges	0.26%	0.42%	0.45%	0.45%
<b>K Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	170	450	510	329
Closing number of shares	161,046	385,774	405,549	302,091
Closing net asset value per share (pence)	105.33	116.59	125.87	108.80
Change in net asset value per share	(9.66%)	(7.37%)	15.69%	10.13%
Operating charges	0.26%	0.42%	0.45%	0.45%
<b>M Accumulation<sup>A</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	1	1	1	-
Closing number of shares	851	851	851	100
Closing net asset value per share (pence)	115.60	127.51	136.99	117.25
Change in net asset value per share	(9.34%)	(6.92%)	16.84%	17.25%
Operating charges	0.36%	0.52%	0.55%	0.55%

# Comparative Tables

## Continued

Z Accumulation	31 January 2022	31 July 2021	31 July 2020	31 July 2019
Closing net asset value (£'000)	6,840	6,178	7,673	27,398
Closing number of shares	2,603,086	2,133,732	2,474,297	10,330,979
Closing net asset value per share (pence)	262.75	289.52	310.10	265.20
Change in net asset value per share	(9.25%)	(6.64%)	16.93%	11.90%
Operating charges	0.11%	0.10%	0.10%	0.10%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences.

The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share 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 share class.

<sup>A</sup>M Accumulation share class was launched on 28 November 2018.

# Portfolio Statement

As at 31 January 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Bonds (99.52%)</b>		<b>13,679</b>	<b>98.65</b>
<b>Australian Dollar Denominated Bonds (1.21%)</b>		-	-
<b>Government Bonds (1.21%)</b>		-	-
<b>Euro Denominated Bonds (0.84%)</b>		<b>127</b>	<b>0.91</b>
<b>Government Bonds (0.84%)</b>		<b>127</b>	<b>0.91</b>
greater than 25 years to maturity			
151,857	European Union 0.7% 2051	127	0.91
<b>Sterling Denominated Bonds (97.47%)</b>		<b>13,552</b>	<b>97.74</b>
<b>Government Bonds (97.47%)</b>		<b>13,552</b>	<b>97.74</b>
between 5 and 10 years to maturity			
99,600	UK (Govt of) 4.75% 2030	129	0.93
between 15 and 25 years to maturity			
629,300	UK (Govt of) 0.875% 2046	548	3.95
165,700	UK (Govt of) 1.125% 2039	156	1.13
581,031	UK (Govt of) 1.25% 2041	555	4.00
1,650,654	UK (Govt of) 1.75% 2037	1,712	12.35
499,800	UK (Govt of) 3.25% 2044	661	4.77
504,965	UK (Govt of) 3.5% 2045	699	5.04
276,700	UK (Govt of) 4.25% 2039	396	2.86
251,927	UK (Govt of) 4.25% 2040	366	2.64
521,500	UK (Govt of) 4.25% 2046	817	5.89
275,918	UK (Govt of) 4.5% 2042	424	3.06
greater than 25 years to maturity			
357,663	UK (Govt of) 0.5% 2061	269	1.94
930,500	UK (Govt of) 1.25% 2051	879	6.34
285,036	UK (Govt of) 1.5% 2047	285	2.06
111,800	UK (Govt of) 1.5% 2053	114	0.82
139,399	UK (Govt of) 1.625% 2054	146	1.06
299,456	UK (Govt of) 1.625% 2071	345	2.49

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
563,746	UK (Govt of) 1.75% 2049	597	4.31
1,159,229	UK (Govt of) 1.75% 2057	1,277	9.21
352,462	UK (Govt of) 2.5% 2065	493	3.55
354,941	UK (Govt of) 3.5% 2068	629	4.53
421,354	UK (Govt of) 3.75% 2052	658	4.74
392,400	UK (Govt of) 4.25% 2049	640	4.61
430,764	UK (Govt of) 4.25% 2055	757	5.46
<b>Derivatives (-0.38%)</b>		<b>(75)</b>	<b>(0.53)</b>
<b>Forward Currency Contracts (0.04%)</b>		<b>2</b>	<b>0.02</b>
	Buy AUD 38,000 Sell GBP 20,576 10/03/2022	(1)	-
	Buy CAD 29,000 Sell GBP 17,103 10/03/2022	-	-
	Buy GBP 25,050 Sell AUD 47,000 10/03/2022	-	-
	Buy GBP 16,984 Sell CAD 29,000 10/03/2022	-	-
	Buy GBP 15,410 Sell EUR 18,000 10/03/2022	-	-
	Buy GBP 121,128 Sell EUR 142,000 10/03/2022	3	0.02
	Buy GBP 42,065 Sell USD 56,000 10/03/2022	-	-
	Buy USD 47,910 Sell GBP 36,099 10/03/2022	-	-
<b>Futures (0.00%)</b>		<b>11</b>	<b>0.08</b>
2	Long Long Gilt Future 29/03/2022	(3)	(0.02)
20	Long US 5 Year Note (CBT) Future 31/03/2022	(4)	(0.03)
(1)	Short Euro-Buxl 30 Year Future 08/03/2022	12	0.09
(4)	Short US 10 Year Ultra Future 22/03/2022	-	-
(12)	Short US 2 Year Note (CBT) Future 31/03/2022	6	0.04
<b>Inflation Swaps (-0.27%)</b>		<b>(71)</b>	<b>(0.51)</b>
GBP 611,000	Pay floating UKRPI receive fixed 3.33875% 15/01/2026	(66)	(0.47)
GBP 42,000	Pay floating UKRPI receive fixed 3.707% 15/06/2031	(5)	(0.04)
<b>Interest Rate Swaps (-0.15%)</b>		<b>(17)</b>	<b>(0.12)</b>

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
EUR 371,000	Pay fixed 0.0473% receive floating EURIBOR 18/09/2055	40	0.28
GBP 477,500	Pay fixed 1.135% receive floating GBP-SONIA 14/01/2027	1	0.01
GBP 477,500	Pay fixed 1.2125% receive floating GBP-SONIA 20/01/2027	-	-
GBP 477,500	Pay fixed 1.2475% receive floating GBP-SONIA 20/01/2027	-	-
GBP 477,500	Pay fixed 1.258% receive floating GBP-SONIA 20/01/2027	-	-
EUR 1,110,000	Pay floating EURIBOR receive fixed 0.15% 18/09/2035	(53)	(0.37)
GBP 467,500	Pay floating GBP-SONIA receive fixed 1.3% 16/01/2025	(2)	(0.01)
GBP 467,500	Pay floating GBP-SONIA receive fixed 1.4% 20/01/2025	(1)	(0.01)
GBP 467,500	Pay floating GBP-SONIA receive fixed 1.4175% 20/01/2025	(1)	(0.01)
GBP 467,500	Pay floating GBP-SONIA receive fixed 1.42% 19/01/2025	(1)	(0.01)
Total investment assets and liabilities		13,604	98.12
Net other assets		261	1.88
<b>Total Net Assets</b>		<b>13,865</b>	<b>100.00</b>

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities or approved derivatives within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2021.

# Financial Statements

## Statement of Total Return

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
Income:				
Net capital losses		(1,458)		(1,049)
Revenue	77		91	
Expenses	(13)		(36)	
Interest payable and similar charges	(4)		(1)	
Net revenue before taxation	60		54	
Taxation	–		–	
Net revenue after taxation		60		54
<b>Total return before distributions</b>		<b>(1,398)</b>		<b>(995)</b>
Distributions		(60)		(54)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(1,458)</b>		<b>(1,049)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>15,647</b>		<b>22,154</b>
Amounts receivable on the issue of shares	3,080		2,810	
Amounts payable on the cancellation of shares	(3,462)		(5,409)	
		(382)		(2,599)
Dilution adjustment		2		1
Change in net assets attributable to shareholders from investment activities (see above)		(1,458)		(1,049)
Retained distribution on accumulation shares		56		49
<b>Closing net assets attributable to shareholders</b>		<b>13,865</b>		<b>18,556</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. 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 2022

	31 January 2022		31 July 2021	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		13,741		15,665
<b>Current assets:</b>				
Debtors	120		47	
Cash and bank balances	197		121	
		317		168
<b>Total assets</b>		<b>14,058</b>		<b>15,833</b>
<b>Liabilities:</b>				
Investment liabilities		(137)		(153)
Creditors	(55)		(32)	
Distribution payable	(1)		(1)	
		(56)		(33)
<b>Total liabilities</b>		<b>(193)</b>		<b>(186)</b>
<b>Net assets attributable to shareholders</b>		<b>13,865</b>		<b>15,647</b>

### Subsequent event

Investments in financial markets are affected by many factors, many of which have shifted following the outbreak of the conflict in Ukraine. The fund invests in a portfolio of assets, whose values have fallen since the interim period, primarily due to the global market volatility created by the conflict in Ukraine and the longer term uncertainty the conflict brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class A Accumulation was 118.25p. The Net Asset Value of share class A Accumulation as at 12 noon on 21 March 2022 was 110.78p. This represents a modest decrease of 6.32% from the interim period value.



# Distribution Table

For the six months ended 31 January 2022 (in pence per share)

## Interim interest distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 January 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
<b>A Accumulation</b>				
Group 1	0.1014	-	0.1014	-
Group 2	0.0409	0.0605	0.1014	-
<b>I Accumulation</b>				
Group 1	1.1509	-	1.1509	0.6997
Group 2	0.7321	0.4188	1.1509	0.6997
<b>K Accumulation</b>				
Group 1	1.2531	-	1.2531	0.8021
Group 2	0.8704	0.3827	1.2531	0.8021
<b>K Income</b>				
Group 1	0.4056	-	0.4056	0.2601
Group 2	0.2748	0.1308	0.4056	0.2601
<b>M Accumulation</b>				
Group 1	0.3761	-	0.3761	0.2950
Group 2	0.3761	-	0.3761	0.2950
<b>Z Accumulation</b>				
Group 1	1.2178	-	1.2178	1.1698
Group 2	0.9090	0.3088	1.2178	1.1698

## Equalisation

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

# ASI Sterling Money Market Fund

For the six months ended 31 January 2022

## Investment Objective

The fund aims to generate income and preserve some capital over the short term (2 years or less) by investing in cash deposits and money market instruments.

Performance Target: The fund targets a return equivalent to SONIA. 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.

SONIA has been chosen as a proxy for the return from cash deposits.

## Investment Policy

### Portfolio Securities

- The fund invests at least 80% in cash deposits and money market instruments.
- The fund may also invest in reverse repos, securitisations and asset-backed commercial paper.
- The fund may also invest in other funds (including those managed by abrdn).
- The fund qualifies as a money-market fund under the MMF Regulation and more specifically as a Standard VNAV MMF.

### Management Process

- The management team use their discretion (active management) to maintain a diverse asset mix at country, sector and company level.
- The fund is managed in line with the MMF Regulation which is used as a reference for portfolio management and risk monitoring of the fund. For example, constraints include limits on the average maturity of the portfolio.

### Derivatives and Techniques

- The fund may use derivatives to reduce risk, reduce cost and/or generate extra income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivatives include instruments used to manage expected changes in interest rates.

## Performance Review

For the six months ended 31 January 2022, the value of ASI Sterling Money Market Fund – A Accumulation Shares decreased by 0.04% compared to an increase of 0.02% in the performance target, the 1 Week GBP LIBID.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

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.

## Market Review

The six-month review period began with the Bank of England's (BoE) Monetary Policy Committee (MPC) meeting on 5 August. Monetary policy settings were unaltered at that meeting – the bank rate remained at 0.10% and the total quantitative easing purchase target stayed at £895 billion. However, the MPC noted growing inflationary pressures. And, while these pressures had been acknowledged in previous meetings, the prevailing narrative had been that "transitory". There was less emphasis on the transitory nature this time around, and an acknowledgement that some modest tightening of policy was likely to be necessary. Markets reacting by increasing the probability of an interest rate hike by June 2022 from 60% to 90%. Then, on 21 September, BoE Governor Bailey said in a speech that four of the eight MPC members thought some initial conditions had been met to begin exploring the possibility of raising interest rates. At the next MPC meeting two days later, all members agreed that any tightening of policy would be implemented via the bank rate "even if that tightening became appropriate before the end of the existing UK government bond asset purchase programme". The market reacted strongly, and with further evidence of inflationary pressures since, the probability of a bank rate hike by the February '22 meeting, which had started the third quarter at 18%, ended the quarter at 93%.

At the beginning of October, there was a sense that the BoE firmly intended to hike interest rates, but with great uncertainty about the timing. In the event, the BoE caused a lot of angst in financial markets with several communication missteps. A series of messages left the market convinced that a November policy rate hike was inevitable with only the scale of the move left open for debate. Confusion and anger followed the 7–2 vote to hold policy rates steady as the market became extremely volatile and sharply reversed prior weakness. Gilts continued to rally strongly into December, driven by Omicron fears. Then, in yet another surprise, the BoE voted 8–1 to hike the policy rate 15 basis points to 0.25% at the December meeting. Broadly speaking, this marked the beginning of a period of weakness for UK government bonds; 10-year gilt yields rose by around 0.3% to finish the quarter close to unchanged. With the weakness in gilts led by short-dated maturities, the yield curve flattened aggressively over the quarter.

# ASI Sterling Money Market Fund

## Continued

Following the interest rate hike in December, we heard very little from the members of the MPC. However, the market was comfortable with pricing a full hike at the BoE meeting in early February. The issue now for the MPC is how quickly inflation subsides, or whether it starts to become embedded. For these reasons we expect the BoE to raise interest rates possibly once more in May.

### Portfolio Activity

Money market yields remained at historical lows until the much anticipated but ill-fated potential rate rise in November. Given that interest rates remained at historical lows until December, the fund continued to invest in short-term tenors as there was a distinct lack of value in any longer-term investments. The anticipation of multiple rate hikes within a relatively short period, however, meant that the fund needed to remain responsive to future increases. There was therefore little extra value to be gained from investing for longer periods, when future rates were based on a base rate of only 0.25%. After the turn of the year, the expected February rate rise allowed the fund to take advantage of a much-improved rate environment. Some longer-term positions were added to the portfolio where significant additional value could be gained from investing in high-quality, liquid paper.

The fund remained liquid throughout the period with a good ladder of maturities. Floating-rate notes continued to play a more subdued role in the investment allocations due to the continued tight credit spread levels. The fund is well positioned to take advantage of further expected rate rises and rapidly capture the additional returns on offer.

### Portfolio Outlook and Strategy

The direction of travel in UK base rates has been clearly set following the December MPC meeting. However, we remain cautious about the speed of future rises for the UK as several unknowns remain and we have already seen the BoE adjust quickly to data and sentiment. We are also mindful of the communication around the sequencing for monetary policy and quantitative tightening, and its potential implications for the timing of future policy moves. At this time, market yields remain below our targets, so some caution will be exercised around adjusting current positioning in any meaningful way.

### Liquidity Management Team

February 2022

# ASI Sterling Money Market Fund

## 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 2022.

The fund is rated as 1 because of the extent to which the following risk factors apply:

- 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 may hold money-market instruments, the value of which may be subject to adverse movements in extreme market conditions.
- The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- 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 going into administration.

# Comparative Tables

<b>A Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	29,483	27,829	31,897	27,751
Closing number of shares	26,057,432	24,583,611	28,161,935	24,634,417
Closing net asset value per share (pence)	113.15	113.20	113.26	112.65
Change in net asset value per share	(0.04%)	(0.05%)	0.54%	0.66%
Operating charges	0.25%	0.25%	0.25%	0.25%
<b>A Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	669	791	889	997
Closing number of shares	668,397	790,273	887,607	997,691
Closing net asset value per share (pence)	100.03	100.08	100.13	99.96
Change in net asset value per share	(0.05%)	(0.05%)	0.17%	0.09%
Operating charges	0.25%	0.25%	0.25%	0.25%
<b>I Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	389,029	374,004	418,301	363,056
Closing number of shares	336,971,905	323,969,346	362,501,423	316,650,126
Closing net asset value per share (pence)	115.45	115.44	115.39	114.66
Change in net asset value per share	0.01%	0.04%	0.64%	0.76%
Operating charges	0.15%	0.15%	0.15%	0.15%
<b>I Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	17,271	17,676	19,567	28,574
Closing number of shares	17,249,376	17,654,426	19,549,617	28,597,199
Closing net asset value per share (pence)	100.13	100.12	100.09	99.92
Change in net asset value per share	0.01%	0.03%	0.17%	0.08%
Operating charges	0.15%	0.15%	0.15%	0.15%
<b>M Accumulation<sup>A</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	135	160	156	-
Closing number of shares	134,854	159,531	155,149	100
Closing net asset value per share (pence)	100.41	100.43	100.43	100.01
Change in net asset value per share	(0.02%)	-	0.42%	0.01%
Operating charges	0.20%	0.20%	0.20%	0.20%

# Comparative Tables

## Continued

<b>M Income<sup>B</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	1	1	1	-
Closing number of shares	1,000	1,000	1,000	100
Closing net asset value per share (pence)	100.26	100.25	100.20	100.01
Change in net asset value per share	0.01%	0.05%	0.19%	0.01%
Operating charges	0.20%	0.20%	0.20%	0.20%
<b>Z Gross Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	200	1	80	3,027
Closing number of shares	183,082	699	73,942	2,801,172
Closing net asset value per share (pence)	109.08	109.03	108.87	108.07
Change in net asset value per share	0.05%	0.15%	0.74%	0.87%
Operating charges	0.05%	0.05%	0.05%	0.05%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences.

The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share 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 share class.

<sup>A</sup> M Accumulation share class was launched on 29 November 2018.

<sup>B</sup> M Income share class was launched on 29 November 2018.

# Portfolio Statement

As at 31 January 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Sterling Denominated Bonds (7.36%)</b>		<b>17,613</b>	<b>4.03</b>
<b>Corporate Bonds (7.36%)</b>		<b>17,613</b>	<b>4.03</b>
less than 5 years to maturity			
8,000,000	HSBC Bank FRN 2022	8,024	1.84
5,000,000	HSBC FRN 2023	5,036	1.15
4,548,000	Royal Bank of Canada FRN 2022	4,553	1.04
<b>Money Markets (78.45%)</b>		<b>390,281</b>	<b>89.35</b>
<b>Certificates Of Deposits (66.08%)</b>		<b>335,290</b>	<b>76.76</b>
5,000,000	Australia & New Zealand CD 0% 15/02/2022	5,000	1.15
10,000,000	Australia & New Zealand CD 0.14% 09/03/2022	10,000	2.29
8,000,000	Bank of America CD 0% 06/07/2022	7,983	1.83
15,000,000	Bank of Nova Scotia CD 0.38% 19/04/2022	15,000	3.43
10,000,000	Banque Federative du Credit Mutual CD 0% 01/04/2022	9,998	2.29
5,000,000	Barclays Bank CD 0.3% 13/04/2022	5,002	1.15
10,000,000	Barclays UK Ringfen CD 0.195% 07/02/2022	10,000	2.29
10,000,000	BNP Paribas CD 0.08% 01/02/2022	10,000	2.29
10,000,000	BNP Paribas CD 0.08% 18/02/2022	10,000	2.29
5,000,000	Commonwealth Bank of Australia CD 0.52% 13/10/2022	5,000	1.15
10,000,000	Danske Bank CD 0.33% 13/04/2022	10,000	2.29
4,000,000	DNB Bank CD 0.85% 10/01/2023	4,000	0.92
5,000,000	Goldman Sachs CD 0% 14/07/2022	4,994	1.14
10,000,000	Goldman Sachs CD 1.025% 30/11/2022	10,000	2.29
8,400,000	Goldman Sachs International CD 0% 11/05/2022	8,396	1.92
5,000,000	Handelsbanken CD 0.11% 08/02/2022	5,000	1.14
10,000,000	Handelsbanken CD 0.13% 17/03/2022	10,000	2.29
10,000,000	KBC Bank CD 0% 28/03/2022	9,998	2.29
3,000,000	Korea Development Bank CD 0% 18/11/2022	2,983	0.68
20,000,000	Lloyds Bank CD 0.12% 01/02/2022	20,000	4.58
20,000,000	Mizuho Bank CD 0% 18/02/2022	19,998	4.58
15,000,000	MUFG Bank CD 0.5% 25/04/2022	15,000	3.43
21,000,000	National Australia Bank CD 0% 04/05/2022	20,977	4.80
8,000,000	Natixis CD 0.14% 04/04/2022	8,000	1.83

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
10,000,000	Natixis CD 0.17% 23/03/2022	10,000	2.29
7,500,000	Norinchukin Bank CD 0% 22/02/2022	7,499	1.72
5,000,000	OP Corporate Bank CD 0% 01/08/2022	4,996	1.14
15,000,000	Rabobank International CD 0% 14/04/2022	14,992	3.43
10,000,000	Rabobank International CD 0% 03/10/2022	9,977	2.28
10,000,000	Royal Bank of Canada CD 0% 21/04/2022	9,998	2.29
7,500,000	Santander UK CD 0.28% 03/02/2022	7,500	1.72
10,000,000	Societe Generale CD 0.35% 01/03/2022	10,000	2.29
10,000,000	Toronto-Dominion Bank CD 0% 25/03/2022	9,999	2.29
8,000,000	UBS CD 0.15% 01/04/2022	8,000	1.83
5,000,000	Wells Fargo CD 0.3% 25/02/2022	5,000	1.14
<b>Commercial Paper (12.37%)</b>		<b>54,991</b>	<b>12.59</b>
18,000,000	Agence Centrale CP 0.2% 14/02/2022	17,998	4.12
15,000,000	Landesbank Baden CP 0.19% 07/02/2022	15,000	3.43
8,000,000	Skandinaviska Enskil CP 0.09% 29/03/2022	7,997	1.83
10,000,000	Toyota Motor Finance CP 0.22% 25/02/2022	9,997	2.29
4,000,000	Transport for London CP 0.25% 28/02/2022	3,999	0.92
<b>Collective Investment Schemes (4.21%)</b>		<b>22,050</b>	<b>5.05</b>
22,050	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc+	22,050	5.05
Total investment assets		429,944	98.43
Net other assets		6,844	1.57
<b>Total Net Assets</b>		<b>436,788</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2021.

+Managed by subsidiaries of abrdn plc.



# Financial Statements

## Statement of Total Return

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		78		524
Revenue	258		227	
Expenses	(328)		(375)	
Interest payable and similar charges	(7)		–	
Net expense before taxation	(77)		(148)	
Taxation	–		–	
Net expense after taxation		(77)		(148)
<b>Total return before distributions</b>		<b>1</b>		<b>376</b>
Distributions		–		(40)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>1</b>		<b>336</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>420,462</b>		<b>470,891</b>
Amounts receivable on the issue of shares	50,153		77,790	
Amounts payable on the cancellation of shares	(33,828)		(63,368)	
		16,325		14,422
Change in net assets attributable to shareholders from investment activities (see above)		1		336
Retained distribution on accumulation shares		–		38
<b>Closing net assets attributable to shareholders</b>		<b>436,788</b>		<b>485,687</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. 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 2022

	31 January 2022		31 July 2021	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		429,944		378,511
<b>Current assets:</b>				
Debtors	146		623	
Cash and bank balances	27,016		41,394	
		27,162		42,017
<b>Total assets</b>		<b>457,106</b>		<b>420,528</b>
<b>Liabilities:</b>				
Creditors	(20,318)		(66)	
		(20,318)		(66)
<b>Total liabilities</b>		<b>(20,318)</b>		<b>(66)</b>
<b>Net assets attributable to shareholders</b>		<b>436,788</b>		<b>420,462</b>

### Subsequent event

Investments in financial markets are affected by many factors, many of which have shifted following the outbreak of the conflict in Ukraine. The fund invests in a portfolio of assets, whose values have risen since the interim period, primarily due to the global market volatility created by the conflict in Ukraine and the longer term uncertainty the conflict brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class A Accumulation was 113.15p. The Net Asset Value of share class A Accumulation as at 12 noon on 21 March 2022 was 113.17p. This represents a modest increase of 0.02% from the interim period value.

# Distribution Tables

For the six months ended 31 January 2022 (in pence per share)

## First interim interest distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 October 2021

	Revenue	Equalisation	Distribution paid 31/01/22	Distribution paid 29/01/21
<b>A Accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>A Income</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>I Accumulation</b>				
Group 1	-	-	-	0.0104
Group 2	-	-	-	0.0104
<b>I Income</b>				
Group 1	-	-	-	0.0091
Group 2	-	-	-	0.0091
<b>M Accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>M Income</b>				
Group 1	-	-	-	0.0020
Group 2	-	-	-	0.0020
<b>Z Gross Accumulation</b>				
Group 1	0.0049	-	0.0049	0.0372
Group 2	0.0032	0.0017	0.0049	0.0372

# Distribution Tables

For the six months ended 31 January 2022 (in pence per share) continued

## Second interim interest distribution

Group 1 – shares purchased prior to 1 November 2021

Group 2 – shares purchased between 1 November 2021 and 31 January 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
<b>A Accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>A Income</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>I Accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>I Income</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>M Accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>M Income</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>Z Gross Accumulation</b>				
Group 1	0.0316	-	0.0316	-
Group 2	0.0141	0.0175	0.0316	-

## Equalisation

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

# ASI Sterling Opportunistic Corporate Bond Fund (closed)

For the six months ended 31 January 2022

All shares in the fund were redeemed and cancelled on 19 October 2020. The fund will formally terminate at a later date after all residual assets and liabilities are settled. The fund is not open to new investors.

# Comparative Tables

<b>A Accumulation<sup>F</sup></b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	16	42
Closing number of shares	10,706	29,499
Closing net asset value per share (pence)	145.94	140.96
Change in net asset value per share	3.53%	4.61%
Operating charges	1.07%	1.09%
<b>A Income<sup>F</sup></b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	203,175	244,511
Closing number of shares	175,941,881	215,131,503
Closing net asset value per share (pence)	115.48	113.66
Change in net asset value per share	1.60%	2.29%
Operating charges	1.07%	1.09%
<b>I Accumulation<sup>F</sup></b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	112	120
Closing number of shares	72,614	81,006
Closing net asset value per share (pence)	153.98	148.05
Change in net asset value per share	4.01%	5.11%
Operating charges	0.62%	0.62%
<b>I Income<sup>F</sup></b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	1,148	1,624
Closing number of shares	964,802	1,386,300
Closing net asset value per share (pence)	119.04	117.16
Change in net asset value per share	1.60%	2.29%
Operating charges	0.62%	0.62%
<b>I Gross Accumulation<sup>A</sup></b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	22,565	23,420
Closing number of shares	15,706,390	16,954,252
Closing net asset value per share (pence)	143.67	138.14
Change in net asset value per share	4.00%	5.10%
Operating charges	0.62%	0.62%
<b>I Gross Income<sup>B</sup></b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	12	24
Closing number of shares	10,795	22,698
Closing net asset value per share (pence)	108.58	106.77
Change in net asset value per share	1.70%	2.29%
Operating charges	0.62%	0.62%

# Comparative Tables

## Continued

<b>M Accumulation<sup>C,F</sup></b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	1	-
Closing number of shares	936	100
Closing net asset value per share (pence)	110.89	106.50
Change in net asset value per share	4.12%	6.50%
Operating charges	0.67%	0.67%
<b>M Income<sup>D,F</sup></b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	1	-
Closing number of shares	955	100
Closing net asset value per share (pence)	106.05	103.98
Change in net asset value per share	1.99%	3.98%
Operating charges	0.67%	0.67%
<b>P Income<sup>E</sup></b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	17	84
Closing number of shares	15,240	73,716
Closing net asset value per share (pence)	115.62	113.67
Change in net asset value per share	1.72%	2.30%
Operating charges	0.39%	0.39%
<b>Q Income<sup>F</sup></b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	804	2,006
Closing number of shares	695,802	1,763,413
Closing net asset value per share (pence)	115.58	113.75
Change in net asset value per share	1.61%	2.35%
Operating charges	0.31%	0.31%
<b>Z Accumulation<sup>E</sup></b>	<b>31 July 2019</b>	
Closing net asset value (£'000)	879	
Closing number of shares	798,852	
Closing net asset value per share (pence)	109.98	
Change in net asset value per share	5.62%	
Operating charges	0.12%	

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences.

The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share 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 share class.

<sup>A</sup> I Gross Accumulation share class was closed on 07 October 2020.

<sup>B</sup> I Gross Income share class was closed on 01 September 2020.

<sup>C</sup> M Accumulation share class was launched on 29 November 2018.

<sup>D</sup> M Income share class was launched on 29 November 2018.

<sup>E</sup> Z Accumulation share class was closed on 16 June 2020.

<sup>F</sup> The fund closed on 19 October 2020.

# Financial Statements

## Statement of Total Return

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		-		1,126
Revenue	-		1,089	
Expenses	-		(497)	
Interest payable and similar charges	-		(2)	
Net revenue before taxation	-		590	
Taxation	-		41	
Net revenue after taxation		-		631
<b>Total return before distributions</b>		-		<b>1,757</b>
Distributions		-		(610)
<b>Change in net assets attributable to shareholders from investment activities</b>		-		<b>1,147</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		-		<b>227,851</b>
Amounts receivable on the issue of shares	-		1,779	
Amounts payable on the cancellation of shares	-		(230,866)	
		-		(229,087)
Dilution adjustment		-		89
Change in net assets attributable to shareholders from investment activities (see above)		-		1,147
<b>Closing net assets attributable to shareholders</b>		-		<b>-</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. 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 2022

	31 January 2022		31 July 2021	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Current assets:</b>				
Cash and bank balances	3		3	
		3		3
<b>Total assets</b>		<b>3</b>		<b>3</b>
<b>Liabilities:</b>				
Creditors	(3)		(3)	
		(3)		(3)
<b>Total liabilities</b>		<b>(3)</b>		<b>(3)</b>
<b>Net assets attributable to shareholders</b>		<b>-</b>		<b>-</b>

# Distribution Table

For the six months ended 31 January 2022 (in pence per share)

## First interim interest distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 October 2021

	Revenue	Equalisation	Distribution paid* 31/01/22	Distribution paid 16/12/20
<b>A Accumulation</b>				
Group 1	-	-	-	0.3953
Group 2	-	-	-	0.3953
<b>A Income</b>				
Group 1	-	-	-	0.3113
Group 2	-	-	-	0.3113
<b>I Accumulation</b>				
Group 1	-	-	-	0.5689
Group 2	-	-	-	0.5689
<b>I Income</b>				
Group 1	-	-	-	0.4394
Group 2	-	-	-	0.4394
<b>I Gross Accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>I Gross Income</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>M Accumulation</b>				
Group 1	-	-	-	0.4509
Group 2	-	-	-	0.4509
<b>M Income</b>				
Group 1	-	-	-	0.4260
Group 2	-	-	-	0.4260
<b>P Income</b>				
Group 1	-	-	-	0.4876
Group 2	-	-	-	0.4876
<b>Q Income</b>				
Group 1	-	-	-	0.5060
Group 2	-	-	-	0.5060
<b>Z Accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-

\* The fund closed on 19 October 2020.

# Distribution Table

For the six months ended 31 January 2022 (in pence per share) continued

## Equalisation

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

# ASI Sterling Short Term Government Bond Fund

For the six months ended 31 January 2022

## Investment Objective

To generate income and some growth over the medium to long term (3 to 5 years) by investing in UK Government bonds with a maturity of up to five years.

Performance Target: To achieve the return of the FTSE Actuaries UK Conventional Gilts up to 5 Years Index plus 0.5% per annum (before 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 ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund invests at least 80% in government bonds issued or guaranteed by the UK Government with a maturity of up to 5 years.
- The fund may also invest in investment grade bonds of any maturity, issued anywhere in the world by governments, sub-sovereigns and corporations including inflation-linked bonds. The fund will employ techniques to reduce (hedge) risk related to currency movements on non-Sterling bonds.
- 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 investments after analysing individual bonds and derivatives alongside global economic and market conditions.
- In seeking to achieve the Performance Target, the FTSE Actuaries UK Conventional Gilts up to 5 Years Index 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 index is not ordinarily expected to exceed 1.70%. Due to the fund's risk constraints the intention is that the fund's performance will not deviate significantly from that of the index over the long term.

### Derivatives and Techniques

- The fund will make routine use of derivatives to reduce risk, reduce cost and/ or generate extra income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").

- Derivatives can be used to generate growth, consistent with the fund's risk profile, if market prices are expected to rise ("long positions") or fall ("short positions"). These positions can be used in overseas markets.
- Derivatives include instruments used to manage expected changes in interest rates, inflation, currencies or creditworthiness of corporations or governments.

## Performance Review

For the six months ended 31 January 2022, the value of ASI Sterling Short Term Government Bond Fund – A Accumulation Shares decreased by 2.06% compared to a decrease of 1.82% in the performance target, the FTSE Actuaries UK Conventional Gilts All Stocks up to 5 Six months Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

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.

## Market Review

Expectations of tighter policy gripped markets in the second half of the year as inflation continued to rise sharply and economies surged back after lockdowns. Supply chains remained disrupted, and this caused goods prices to rise. Energy prices also surged. Inflation across most developed markets rose faster than consensus expectations, putting central banks in an increasingly uncomfortable position. Bond yields moved higher across the curve as investors weighed the potential for future interest rate hikes. Bank of England (BoE) Governor Bailey caused angst among markets as he suggested tighter policy could arrive far sooner than had been previously communicated. The idea that interest rates could increase before the bank finished its current quantitative easing programme caused a significant re-pricing of front-end yields.

Further communications along these lines meant the November Monetary Policy Committee (MPC) meeting was one of the most hotly awaited meetings of recent history, with most market participants calling for a hike. Confusion, bordering on anger, was the result as the MPC confounded expectations by holding rates and then suggesting that their job was not to guide markets. Gilts rallied aggressively into December, falling 30 basis points (bps) from the level at the end of September. Then the BoE surprised the market once more with a 15bps hike at the December meeting. While the US Federal Reserve (Fed) was more consistent in its observations and signalling, it also took a more hawkish step. While the case

# ASI Sterling Short Term Government Bond Fund

## Continued

for tighter policy is weaker in the Eurozone, the European Central Bank (ECB) also made slight gestures towards a tighter policy mix going forward. It laid out a path out of asset purchases and into a potential rate hike in early 2023 if inflation fits the forecasts. Bunds were relatively unchanged over the quarter, reflecting the view that the ECB was more trapped in looser policy mode compared to its global peers.

Economic activity remained relatively robust, while supply pressures were evident across industries, leading to increased inflationary pressures. While forward-looking indicators still point towards healthy growth across major economies, from a fiscal point of view, we are well past the peak. The US 'Build Back Better' agenda remained in Congressional gridlock with Senator Manchin acting as the latest roadblock for the President and his investment plans. While this is not yet lost, it shows that enthusiasm for unrestrained fiscal largesse against a backdrop of spiralling inflation is waning.

### Portfolio Activity

The fund entered the period short duration with long positions in dollar bloc government bond markets (US, Canada and Australia) relative to those in Europe and the UK. Our short duration made a significant positive contribution to performance, with yields rising sharply. This precipitous rise in nominal government bond yields was driven by a combination of rising inflation, a hawkish change in tone from major central banks, and declining fears of economic disruption from another wave of Covid-19 infections.

Country spread strategies also made a significant positive contribution to performance, with our decisions to focus our short duration strategy in gilts and adopt cross-market shorts in the UK versus Germany generating excess returns for the Fund. With the BoE leading the hawkish tilt among major central banks, and the UK becoming the epicentre of stagflation concerns, gilts led the weakness in government bond markets. The fund also participated in several yield curve strategies, which collectively made a modest positive contribution to performance. Our US Treasury curve flattener was the single largest positive strategy. On the flipside, yield curve strategies in Europe and Australia made small negative contributions to performance.

Inflation strategies proved disappointing. The UK RPI market was dragged higher by the sharp rise in energy prices, despite the already elevated implied inflation profile. Theoretically, short-term shifts in energy prices should lead to such a dramatic impact in inflation pricing further out the curve, but with stagflationary fears intensifying, the market became volatile and illiquid. Our

structural underweight in UK inflation therefore made a significant negative contribution. Gilt relative value strategies continue to provide incremental excess returns, most significantly due to our 'Green Gilt' strategy, which delivered impressive excess returns on a risk-adjusted basis.

### Portfolio Outlook and Strategy

The economic narrative has flipped from supporting recovery to genuine concerns of overheating and inflationary pressures. This backdrop has forced a sharp re-think in policy, with significant ramifications for the economic outlook over the next 12 months, and the appropriate valuation of all financial assets. The coming year will present a significant test for both equity and bond market valuations with inflation in most developed markets likely to reach multi-decade highs, and waning confidence that we will smoothly return to pre pandemic averages. With tight labour markets across developed economies, and having stimulated demand into a supply shock, central banks are now being forced to contend with rising spot inflation which is at risk of becoming embedded into inflation expectations. Collectively, this backdrop implies central banks will be forced to revert to their primary mandate of maintaining price stability, meaning a broadly more hawkish stance for prevailing global monetary policy. Although this has begun to be reflected in short- and medium-dated nominal yields, the bond market could potentially have much farther to travel if the active reduction of central bank balance sheets becomes a live prospect.

We expect the BoE will continue to raise policy rates this year with another two or three hikes, and the Fed will likely begin its hiking cycle in the first half of 2022. While short-dated UK rates have reflected this new environment, the US market looks vulnerable to further repricing as the Fed continues to catch up with the economic narrative. On the contrary, the ECB is divided between those doves pushing back firmly against market repricing of policy rate expectations, and those hawks who believe Europe is playing with fire and at risk of being behind the curve on tackling inflation. Although we believe the ECB will remain a laggard among global central banks, trapped by the fragilities of peripheral nations, there is likely to be a compromise reduction in monetary policy support via asset purchases in the second half of 2022.

### Rates Team

February 2022

# ASI Sterling Short Term Government Bond Fund

## 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 2022.

The fund is rated as 2 because of the extent to which the following risk factors apply:

- 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 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 going into administration.

# Comparative Tables

<b>A Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	8,179	9,707	7,513	6,634
Closing number of shares	6,513,834	7,564,297	5,769,846	5,144,184
Closing net asset value per share (pence)	125.57	128.33	130.22	128.95
Change in net asset value per share	(2.15%)	(1.45%)	0.98%	1.47%
Operating charges	0.75%	0.79%	0.80%	0.82%
<b>A Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	612	639	883	873
Closing number of shares	534,841	546,328	743,548	742,299
Closing net asset value per share (pence)	114.50	117.02	118.74	117.58
Change in net asset value per share	(2.15%)	(1.45%)	0.99%	2.51%
Operating charges	0.75%	0.79%	0.80%	0.82%
<b>I Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	51,300	97,698	56,580	51,987
Closing number of shares	50,116,444	93,621,527	53,679,433	50,030,591
Closing net asset value per share (pence)	102.36	104.35	105.40	103.91
Change in net asset value per share	(1.91%)	(1.00%)	1.43%	2.62%
Operating charges	0.25%	0.33%	0.35%	0.35%
<b>I Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	4,864	6,199	10,953	17,402
Closing number of shares	4,855,072	6,069,032	10,613,849	17,067,059
Closing net asset value per share (pence)	100.18	102.14	103.20	101.96
Change in net asset value per share	(1.92%)	(1.03%)	1.22%	2.12%
Operating charges	0.25%	0.33%	0.35%	0.35%
<b>M Accumulation<sup>A</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	1	1	1	-
Closing number of shares	986	986	986	100
Closing net asset value per share (pence)	100.41	102.37	103.42	101.75
Change in net asset value per share	(1.91%)	(1.02%)	1.64%	1.75%
Operating charges	0.30%	0.38%	0.40%	0.40%

# Comparative Tables

## Continued

<b>M Income<sup>b</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	50	100	1	-
Closing number of shares	49,877	98,483	990	100
Closing net asset value per share (pence)	99.70	101.67	102.75	101.31
Change in net asset value per share	(1.94%)	(1.05%)	1.42%	1.31%
Operating charges	0.30%	0.38%	0.40%	0.40%
<b>P Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	2,015	1,666	1,431	7,794
Closing number of shares	1,740,920	1,411,635	1,200,647	6,616,574
Closing net asset value per share (pence)	115.77	118.02	119.20	117.80
Change in net asset value per share	(1.91%)	(0.99%)	1.19%	1.42%
Operating charges	0.25%	0.25%	0.25%	0.25%
<b>Z Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	363	369	372	1,264
Closing number of shares	238,388	238,388	238,388	824,580
Closing net asset value per share (pence)	152.10	154.90	156.02	153.34
Change in net asset value per share	(1.81%)	(0.72%)	1.75%	2.16%
Operating charges	0.05%	0.05%	0.05%	0.05%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share 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 share class.

<sup>a</sup> M Accumulation share class was launched on 28 November 2018.

<sup>b</sup> M Income share class was launched on 28 November 2018.



# Portfolio Statement

As at 31 January 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Bonds (98.20%)</b>		<b>64,302</b>	<b>95.43</b>
<b>Australian Dollar Denominated Bonds (1.11%)</b>		-	-
<b>Government Bonds (1.11%)</b>		-	-
<b>Euro Denominated Bonds (0.90%)</b>		<b>634</b>	<b>0.94</b>
<b>Government Bonds (0.90%)</b>		<b>634</b>	<b>0.94</b>
greater than 25 years to maturity			
761,371	European Union 0.7% 2051	634	0.94
<b>Sterling Denominated Bonds (96.19%)</b>		<b>809</b>	<b>1.20</b>
<b>Corporate Bonds (1.49%)</b>		<b>809</b>	<b>1.20</b>
less than 5 years to maturity			
607,000	BNG Bank 1.625% 2025	612	0.91
199,000	KFW 1.125% 2025	197	0.29
<b>Government Bonds (94.70%)</b>		<b>62,859</b>	<b>93.29</b>
less than 5 years to maturity			
183,000	European Investment Bank 1.125% 2025	182	0.27
100,000	FMS Wertmanagement 1.375% 2025	100	0.15
214,000	Kommunekredit 0.375% 2024	208	0.31
277,000	Nordic Investment Bank 1.125% 2025	275	0.41
430,000	Ontario Teachers' Finance Trust 1.125% 2026	423	0.63
312,000	PRS Finance 1.75% 2026	298	0.44
8,238,600	UK (Govt of) 0.125% 2023	8,173	12.13
3,303,100	UK (Govt of) 0.125% 2024	3,244	4.81
4,316,046	UK (Govt of) 0.125% 2026	4,159	6.17
533,900	UK (Govt of) 0.25% 2025	520	0.77
1,233,600	UK (Govt of) 0.375% 2026	1,191	1.77
5,539,200	UK (Govt of) 0.5% 2022*	5,538	8.22
5,921,790	UK (Govt of) 0.625% 2025	5,843	8.67
4,502,700	UK (Govt of) 0.75% 2023	4,491	6.66
3,309,124	UK (Govt of) 1% 2024	3,308	4.91

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
5,968,800	UK (Govt of) 1.5% 2026	6,084	9.03
3,962,405	UK (Govt of) 1.75% 2022*	3,988	5.92
5,116,913	UK (Govt of) 2% 2025	5,288	7.85
1,317,000	UK (Govt of) 2.25% 2023	1,343	1.99
2,425,854	UK (Govt of) 2.75% 2024*	2,532	3.76
4,783,977	UK (Govt of) 5% 2025	5,355	7.95
between 5 and 10 years to maturity			
321,000	CPPIB Capital 1.25% 2027	316	0.47
<b>Derivatives (-0.16%)</b>		<b>(270)</b>	<b>(0.40)</b>
<b>Forward Currency Contracts (0.04%)</b>		<b>11</b>	<b>0.02</b>
	Buy AUD 199,000 Sell GBP 107,761 10/03/2022	(3)	-
	Buy CAD 125,000 Sell GBP 73,722 10/03/2022	-	-
	Buy GBP 106,028 Sell AUD 199,000 10/03/2022	1	-
	Buy GBP 73,195 Sell CAD 125,000 10/03/2022	-	-
	Buy GBP 686,904 Sell EUR 805,000 10/03/2022	14	0.02
	Buy GBP 289,610 Sell USD 386,000 10/03/2022	2	-
	Buy USD 337,650 Sell GBP 254,417 10/03/2022	(3)	-
<b>Futures (0.02%)</b>		<b>72</b>	<b>0.11</b>
91	Long US 5 Year Note (CBT) Future 31/03/2022	(21)	(0.03)
(5)	Short Euro-Buxl 30 Year Future 08/03/2022	60	0.09
(2)	Short Long Gilt Future 29/03/2022	3	0.01
(18)	Short US 10 Year Ultra Future 22/03/2022	1	-
(56)	Short US 2 Year Note (CBT) Future 31/03/2022	29	0.04
<b>Inflation Swaps (-0.16%)</b>		<b>(374)</b>	<b>(0.55)</b>
GBP 1,935,000	Pay floating UKRPI receive fixed 3.33875% 15/01/2026	(209)	(0.31)
GBP 1,428,000	Pay floating UKRPI receive fixed 3.707% 15/06/2031	(165)	(0.24)

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Interest Rate Swaps (-0.06%)		21	0.02
EUR 1,485,000	Pay fixed 0.0473% receive floating EURIBOR 18/09/2055	165	0.25
GBP 591,000	Pay fixed 0.3985% receive floating GBP-SONIA 04/08/2071	111	0.16
GBP 648,000	Pay fixed 0.9175% receive floating GBP-SONIA 13/01/2052	23	0.03
GBP 2,275,000	Pay fixed 1.135% receive floating GBP-SONIA 14/01/2027	5	0.01
GBP 2,275,000	Pay fixed 1.2125% receive floating GBP-SONIA 20/01/2027	1	-
GBP 2,275,000	Pay fixed 1.2475% receive floating GBP-SONIA 20/01/2027	-	-
GBP 2,275,000	Pay fixed 1.258% receive floating GBP-SONIA 20/01/2027	(1)	-
EUR 4,450,000	Pay floating EURIBOR receive fixed 0.15% 18/09/2035	(212)	(0.31)
GBP 1,800,000	Pay floating GBP-SONIA receive fixed 1.063% 13/01/2032	(25)	(0.04)
GBP 2,225,000	Pay floating GBP-SONIA receive fixed 1.3% 16/01/2025	(11)	(0.02)
GBP 2,225,000	Pay floating GBP-SONIA receive fixed 1.4% 20/01/2025	(6)	(0.01)
GBP 2,225,000	Pay floating GBP-SONIA receive fixed 1.4175% 20/01/2025	(6)	(0.01)
GBP 2,225,000	Pay floating GBP-SONIA receive fixed 1.42% 19/01/2025	(5)	(0.01)
GBP 2,737,000	Pay floating GBP-SONIA receive fixed 0.936% 22/04/2024	(18)	(0.03)
Total investment assets and liabilities		64,032	95.03
Net other assets		3,352	4.97
<b>Total Net Assets</b>		<b>67,384</b>	<b>100.00</b>

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved securities or approved derivatives within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2021.

\*A portion of this security is on loan at the period end.

# Financial Statements

## Statement of Total Return

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
Income:				
Net capital losses		(1,834)		(155)
Revenue	118		168	
Expenses	(144)		(158)	
Interest payable and similar charges	(15)		(2)	
Net (expense)/revenue before taxation	(41)		8	
Taxation	-		-	
Net (expense)/revenue after taxation		(41)		8
<b>Total return before distributions</b>		<b>(1,875)</b>		<b>(147)</b>
Distributions		(2)		(28)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(1,877)</b>		<b>(175)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>116,379</b>		<b>77,734</b>
Amounts receivable on the issue of shares	11,548		14,332	
Amounts payable on the cancellation of shares	(58,673)		(20,651)	
		(47,125)		(6,319)
Dilution adjustment		5		1
Change in net assets attributable to shareholders from investment activities (see above)		(1,877)		(175)
Retained distribution on accumulation shares		2		25
<b>Closing net assets attributable to shareholders</b>		<b>67,384</b>		<b>71,266</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. 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 2022

	31 January 2022		31 July 2021	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		64,717		114,831
<b>Current assets:</b>				
Debtors	845		698	
Cash and bank balances	3,272		1,773	
		4,117		2,471
<b>Total assets</b>		<b>68,834</b>		<b>117,302</b>
<b>Liabilities:</b>				
Investment liabilities		(685)		(728)
Creditors	(765)		(195)	
		(765)		(195)
<b>Total liabilities</b>		<b>(1,450)</b>		<b>(923)</b>
<b>Net assets attributable to shareholders</b>		<b>67,384</b>		<b>116,379</b>

### Subsequent event

Investments in financial markets are affected by many factors, many of which have shifted following the outbreak of the conflict in Ukraine. The fund invests in a portfolio of assets, whose values have fallen since the interim period, primarily due to the global market volatility created by the conflict in Ukraine and the longer term uncertainty the conflict brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class A Accumulation was 125.57p. The Net Asset Value of share class A Accumulation as at 12 noon on 21 March 2022 was 124.61p. This represents a modest decrease of 0.76% from the interim period value.

# Distribution Tables

For the six months ended 31 January 2022 (in pence per share)

## First interim interest distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 October 2021

	Revenue	Equalisation	Distribution paid 31/01/22	Distribution paid 29/01/21
<b>A Accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>A Income</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>I Accumulation</b>				
Group 1	0.0015	-	0.0015	0.0375
Group 2	-	0.0015	0.0015	0.0375
<b>I Income</b>				
Group 1	0.0014	-	0.0014	0.0368
Group 2	-	0.0014	0.0014	0.0368
<b>M Accumulation</b>				
Group 1	-	-	-	0.0233
Group 2	-	-	-	0.0233
<b>M Income</b>				
Group 1	-	-	-	0.0202
Group 2	-	-	-	0.0202
<b>P Income</b>				
Group 1	0.0018	-	0.0018	0.0724
Group 2	-	0.0018	0.0018	0.0724
<b>Z Accumulation</b>				
Group 1	0.0803	-	0.0803	0.1734
Group 2	0.0803	-	0.0803	0.1734

# Distribution Tables

For the six months ended 31 January 2022 (in pence per share) continued

## Second interim interest distribution

Group 1 – shares purchased prior to 1 November 2021

Group 2 – shares purchased between 1 November 2021 and 31 January 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
<b>A Accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>A Income</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>I Accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>I Income</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>M Accumulation</b>				
Group 1	-	-	-	-
Group 2	-	-	-	-
<b>M Income</b>				
Group 1	-	-	-	0.0027
Group 2	-	-	-	0.0027
<b>P Income</b>				
Group 1	-	-	-	0.0216
Group 2	-	-	-	0.0216
<b>Z Accumulation</b>				
Group 1	0.0484	-	0.0484	0.1069
Group 2	0.0484	-	0.0484	0.1069

## Equalisation

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

# ASI Strategic Bond Fund

For the six months ended 31 January 2022

## Investment Objective

To generate income and some growth over the long term (5 years or more) by investing in government and corporate bonds issued anywhere in the world.

Performance Target: To exceed the IA £ Strategic Bond Sector Average return over 1 year (after charges) and be top quartile over rolling three year periods. 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. It has been chosen as the target as the constituents of the sector have similar aims and objectives.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 80% in bonds issued anywhere in the world by governments, sub-sovereigns and corporations.
- The fund may invest in investment grade, emerging market, high yield, inflation-linked, convertible, asset backed and mortgage-backed bonds.
- At least 80% of the fund's investments will be in Sterling or will be subjected to techniques to reduce (hedge) risk related to currency movements on non-Sterling investments. The fund has some flexibility to seek returns from currencies.
- The fund may also invest in other funds (including those managed by abrdn) and money-market instruments, and cash.

### Management Process

- The management team use their discretion (active management) to identify bonds and derivatives after analysing companies prospects and creditworthiness alongside global economic and market conditions.
- 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 8%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the average fund of the IA £ Strategic Bond Sector Average over the long term.

Please Note: The fund's ability to buy and sell bonds and the associated costs can be affected during periods of market stress which could include periods where interest rates move sharply.

## Derivatives and Techniques

- The fund will routinely use derivatives to reduce risk, reduce cost and/or generate extra income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").
- Derivatives can be used to generate growth, consistent with the fund's risk profile, if market prices are expected to rise ("long positions") or fall ("short positions").
- Derivatives include instruments used to manage expected changes in interest rates, inflation, currencies or creditworthiness of corporations or governments.

## Performance Review

For the six months ended 31 January 2022, the value of ASI Strategic Bond Fund – A Accumulation Shares decreased by 2.74% compared to a decrease of 2.02% in the performance target, the IA £ Strategic Bond Sector Average return over 1 six months (after charges).

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

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.

## Market Review

Corporate bond prices fell over the period. Investors were challenged by rising inflation, the withdrawal of central bank support and interest rate rises from the Bank of England (BoE). Covid-19 remained a threat throughout the period. Higher quality bonds generally underperformed riskier, high yield issues. Short-dated bonds fell less than longer-dated bonds while sterling bonds underperformed global bonds.

Globally, bond prices rose early in the period, even as the US Federal Reserve (Fed) said it would begin offloading corporate bonds bought through its pandemic support plan. However, corporate bonds fell in September as minutes from the Fed's rate-setting committee suggested an increasingly hawkish approach from policymakers. Towards the end of the period, major central banks started to taper their pandemic-era market support programmes and the BoE raised rates. In late November, news of the emergence of the Covid-19 Omicron variant led to a significant sell-off in global risk assets and a strong rally in Treasury yields. However, by the end of December, worries regarding Omicron lessened and risk sentiment recovered, with Treasury yields also rising back up sharply.



# ASI Strategic Bond Fund

## Continued

### Portfolio Activity

The fund has significant allocations to lower-quality investment-grade credit in developed markets and better-rated high-yield corporates. Emerging market exposure is limited. Towards the start of the period, lower-rated investment grade areas of the sterling market modestly outperformed the wider market, boosting performance. Fund performance was adversely affected by a widening in credit spreads and by a short duration position as the Omicron variant shocked markets. That said, a very short duration position has recently benefited the Fund.

In terms of individual holdings, the subordinated financials of AXA, Lloyds and Standard Chartered performed well. In US healthcare property, the 2030 bonds of Medical Properties Trust and the 2028 bonds of Welltower were attributive. On the downside, downgrades and a loss of investor confidence in the Chinese property sector weighed on holding of Sunac. The corporate hybrids of EDF and Volkswagen also detracted.

Early in the period, we increased our allocation to areas of the markets that would benefit as economies reopened. We added to bonds issued by companies in the US and European travel and leisure sectors. Later in the period, some credit risk was added to the Fund as risk assets sold off; bonds issued by Hammerson, General Motors, Axa and Garfunkels were added at attractive levels. Some risk was pared back, and we sold residual holdings in China. In government bonds, positions in Canadian and Australian 10-year bonds were replaced by UK and German bonds. A short position in Italian BTPs was also added.

### Portfolio Outlook and Strategy

Inflation, mergers and acquisition activity, and pandemic-related issues remain major risks for global investment-grade credit in 2022. We are cautiously optimistic on Covid-19, although we could yet see more regional lockdowns. If inflation stays high or keeps rising, market tensions will remain and challenge global central banks' patience, indeed many are accelerating the tapering of their asset purchase programmes. Shrinking central bank support, slowing growth in Europe and China, and the potential for more idiosyncratic risks could lead to higher volatility.

Although inflation is expected to fall back over the coming months, the trend towards higher government bond yields is still in place. Significantly more hawkish central banks are a risk to all fixed income asset classes. For the time being, investment grade and high yield markets remain relatively calm and attractive. Some prudence is necessary, given the scope for volatility; accordingly, we have increased cash balances. Duration remains low and focused primarily on the UK market.

### Sterling IG And Aggregate Team

February 2022

# ASI Strategic Bond Fund

## 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 2022.

The fund is rated as 3 because of the extent to which the following risk factors apply:

- 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.
- The fund invests in high yielding bonds which carry a greater risk of default than those with lower yields.
- The fund invests in mortgage and asset-backed securities (which may include collateralised loan, debt or mortgage obligations (respectively CLOs, CDOs or CMOs)). These are subject to prepayment and extension risk and additional liquidity and default risk compared to other credit securities.
- Convertible securities are investments that can be changed into another form upon certain triggers. As such, they can exhibit credit, equity and fixed interest risk. Contingent convertible securities (CoCos) are similar to convertible securities but have additional triggers which mean that they are more vulnerable to losses and volatile price movements and hence become less liquid.
- 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 going into administration.

# Comparative Tables

<b>A Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	1,286	1,507	683	1,230
Closing number of shares	760,956	866,345	424,843	792,485
Closing net asset value per share (pence)	169.00	173.99	160.69	155.20
Change in net asset value per share	(2.87%)	8.28%	3.54%	4.32%
Operating charges	1.06%	1.07%	1.06%	1.06%
<b>A Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	31	26	8	10
Closing number of shares	25,274	20,377	7,005	8,087
Closing net asset value per share (pence)	120.83	125.79	118.80	117.72
Change in net asset value per share	(3.94%)	5.88%	0.92%	1.26%
Operating charges	1.06%	1.07%	1.06%	1.06%
<b>I Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	26,472	19,899	4,290	8,227
Closing number of shares	14,849,537	10,867,133	2,547,813	5,082,117
Closing net asset value per share (pence)	178.27	183.11	168.36	161.88
Change in net asset value per share	(2.64%)	8.76%	4.00%	4.80%
Operating charges	0.61%	0.62%	0.61%	0.61%
<b>I Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	3,507	3,696	2,837	3,703
Closing number of shares	2,910,116	2,945,787	2,394,509	3,155,009
Closing net asset value per share (pence)	120.50	125.45	118.48	117.39
Change in net asset value per share	(3.95%)	5.88%	0.93%	1.11%
Operating charges	0.61%	0.62%	0.61%	0.61%
<b>I Gross Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	17,407	17,911	727	893
Closing number of shares	12,441,538	12,462,542	550,544	702,770
Closing net asset value per share (pence)	139.91	143.72	132.14	127.05
Change in net asset value per share	(2.65%)	8.76%	4.01%	4.82%
Operating charges	0.61%	0.62%	0.61%	0.61%

# Comparative Tables

## Continued

<b>I Gross Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	13,756	15,178	14,378	14,235
Closing number of shares	13,115,344	13,900,362	13,942,541	13,931,539
Closing net asset value per share (pence)	104.88	109.19	103.12	102.18
Change in net asset value per share	(3.95%)	5.89%	0.92%	1.11%
Operating charges	0.61%	0.62%	0.61%	0.61%
<b>K Accumulation<sup>A</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>		
Closing net asset value (£'000)	27,755	14,369		
Closing number of shares	27,964,200	14,108,415		
Closing net asset value per share (pence)	99.25	101.85		
Change in net asset value per share	(2.55%)	1.85%		
Operating charges	0.41%	0.42%		
<b>K Income<sup>B</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>		
Closing net asset value (£'000)	2,450	1		
Closing number of shares	2,540,332	1,000		
Closing net asset value per share (pence)	96.45	100.41		
Change in net asset value per share	(3.94%)	0.41%		
Operating charges	0.41%	0.42%		
<b>M Accumulation<sup>C</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	1	1	1	-
Closing number of shares	929	929	929	100
Closing net asset value per share (pence)	117.77	121.03	111.27	106.83
Change in net asset value per share	(2.69%)	8.77%	4.16%	6.83%
Operating charges	0.66%	0.67%	0.66%	0.66%
<b>M Income<sup>D</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	1	1	1	-
Closing number of shares	953	953	953	100
Closing net asset value per share (pence)	106.92	111.32	105.14	103.79
Change in net asset value per share	(3.95%)	5.88%	1.30%	3.79%
Operating charges	0.66%	0.67%	0.66%	0.66%

# Comparative Tables

## Continued

Z Accumulation	31 January 2022	31 July 2021	31 July 2020	31 July 2019
Closing net asset value (£'000)	24,614	30,823	63,214	59,415
Closing number of shares	13,025,053	15,918,917	35,687,020	35,060,143
Closing net asset value per share (pence)	188.98	193.62	177.13	169.47
Change in net asset value per share	(2.40%)	9.31%	4.52%	5.34%
Operating charges	0.11%	0.12%	0.11%	0.11%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences.

The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share 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 share class.

<sup>A</sup> K Accumulation share class was launched on 04 February 2021.

<sup>B</sup> K Income share class was launched on 04 February 2021.

<sup>C</sup> M Accumulation share class was launched on 29 November 2018.

<sup>D</sup> M Income share class was launched on 29 November 2018.

# Portfolio Statement

As at 31 January 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Bonds (90.32%)</b>		<b>101,879</b>	<b>86.87</b>
<b>Euro Denominated Bonds (19.63%)</b>		<b>19,678</b>	<b>16.78</b>
<b>Corporate Bonds (19.63%)</b>		<b>19,678</b>	<b>16.78</b>
less than 5 years to maturity			
1,060,000	Carnival 10.125% 2026	984	0.84
2,000,000	Cromwell EREIT 2.125% 2025	1,687	1.44
750,000	Matterhorn Telecom 3.125% 2026	610	0.52
550,000	Motion Finco 7% 2025	478	0.41
1,250,000	Teva Pharmaceutical Finance Netherlands II 4.5% 2025	1,057	0.90
between 5 and 10 years to maturity			
500,000	CaixaBank 2.25% fixed to floating 2030	428	0.36
700,000	General Motors Financial 0.65% 2028	558	0.48
1,100,000	Novo Banco 8.5% fixed to floating 2028*	934	0.80
621,000	SoftBank 5% 2028	510	0.43
1,300,000	Syngenta Finance 1.25% 2027	1,071	0.91
1,768,000	Verisure 3.25% 2027	1,432	1.22
greater than 25 years to maturity			
1,100,000	Bayer 2.375% fixed to floating 2079	906	0.77
470,000	Channel Link Enterprises Finance 2.706% fixed to floating 2050	397	0.34
Perpetual			
600,000	Abanca Corporacion Bancaria 6% fixed to floating Perpetual	515	0.44
900,000	BNP Paribas FRN Perpetual	709	0.60
600,000	CaixaBank 5.25% fixed to floating Perpetual	513	0.44
600,000	Commerzbank 6.125% fixed to floating Perpetual	531	0.45
450,000	Credit Agricole FRN Perpetual	374	0.32
400,000	Deutsche Bank 4.625% fixed to floating Perpetual	329	0.28
900,000	Deutsche Bank FRN Perpetual	761	0.65
500,000	Iberdrola International 1.874% fixed to floating Perpetual	418	0.36
1,276,207	Stichting 6.5% Perpetual	1,378	1.18
1,200,000	Telefonica Europe 2.376% fixed to floating Perpetual	930	0.79

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
500,000	Telefonica Europe 3.875% fixed to floating Perpetual	435	0.37
400,000	Unicaja Banco 4.875% fixed to floating Perpetual	326	0.28
1,000,000	Van Lanschot Kempen 6.75% fixed to floating Perpetual	884	0.75
600,000	Volkswagen International Finance 3.5% fixed to floating Perpetual	523	0.45
<b>Sterling Denominated Bonds (52.19%)</b>		<b>60,115</b>	<b>51.26</b>
<b>Corporate Bonds (51.61%)</b>		<b>60,115</b>	<b>51.26</b>
less than 5 years to maturity			
1,500,000	Anglian Water Osprey Financing 4% 2026	1,584	1.35
427,000	Arqiva Broadcast Finance 6.75% 2023	431	0.37
600,000	BAT International Finance 4% 2026	631	0.54
754,000	Bellis Acquisition 4.5% 2026	732	0.62
1,500,000	CPUK Finance 4.875% 2025	1,493	1.27
1,400,000	Ford Motor Credit 2.748% 2024	1,393	1.19
750,000	Garfunkelux Holdco 3 7.75% 2025	767	0.65
800,000	General Motors Financial 2.35% 2025	799	0.68
900,000	Go-Ahead 2.5% 2024	872	0.74
800,000	Hammerson REIT 3.5% 2025	800	0.68
800,000	Hammerson REIT 6% 2026	862	0.74
389,000	Jerrold Finco 5.25% 2027	389	0.33
950,000	Metrocentre Finance REIT 8.75% 2023	547	0.47
887,000	Phoenix 6.625% 2025	1,006	0.86
520,000	Thames Water Kemble Finance 4.625% 2026	523	0.45
700,000	Virgin Money UK 4% fixed to floating 2026	729	0.62
between 5 and 10 years to maturity			
600,000	APT Pipelines 3.125% 2031	612	0.52
452,000	Australia & New Zealand Banking 1.809% fixed to floating 2031	431	0.37
400,000	Banco Bilbao Vizcaya Argentaria 3.104% fixed to floating 2031	399	0.34
900,000	BNP Paribas 2% fixed to floating 2031	867	0.74
500,000	BPCE 5.25% 2029	578	0.49
515,000	Co-Operative Bank Finance 9.5% fixed to floating 2029	557	0.48
360,000	Credit Suisse 2.125% fixed to floating 2029	345	0.29

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
700,000	Fuller Smith & Turner 6.875% 2028	777	0.66
1,333,000	Heathrow Finance 3.875% 2027	1,304	1.11
550,000	HSBC 6.75% 2028	671	0.57
578,000	MPT Operating Partnership REIT 3.375% 2030	577	0.49
201,000	MPT Operating Partnership REIT 3.692% 2028	206	0.18
484,000	National Australia Bank 1.699% fixed to floating 2031	462	0.39
453,000	National Express 2.375% 2028	447	0.38
604,000	NatWest 2.057% fixed to floating 2028	589	0.50
600,000	NatWest 2.105% fixed to floating 2031	576	0.49
192,000	NewRiver REIT 3.5% 2028	189	0.16
768,000	Pension Insurance 4.625% 2031	810	0.69
500,000	RL Finance Bonds No 3 6.125% 2028	576	0.49
634,000	Santander UK 2.421% fixed to floating 2029	625	0.53
334,000	Smith (DS) 2.875% 2029	338	0.29
600,000	Trafford Centre Finance 7.033% 2029	261	0.22
1,030,000	Virgin Media Secured Finance 5.25% 2029	1,043	0.89
975,000	Virgin Money UK 5.125% fixed to floating 2030	1,033	0.88
850,000	Vmed O2 UK Financing I 4% 2029	792	0.68
800,000	Volkswagen Financial Services 1.375% 2028	749	0.64
1,000,000	Workspace REIT 2.25% 2028	965	0.82
between 10 and 15 years to maturity			
760,000	Annington Funding 3.685% 2034	778	0.66
1,200,000	Banco Santander 2.25% fixed to floating 2032	1,145	0.98
600,000	Broadgate Financing 5.098% 2033	613	0.52
800,000	Gatwick Funding 4.625% 2034	907	0.77
2,258,000	Lloyds Banking 2.707% fixed to floating 2035	2,161	1.84
750,000	Manchester Airport 4.75% 2034	878	0.75
1,264,000	Nordea Bank 1.625% fixed to floating 2032	1,182	1.01
348,000	Pension Insurance 3.625% 2032	337	0.29
520,000	Premiertel 6.175% 2032	487	0.42
between 15 and 25 years to maturity			
2,114,000	Tesco Property Finance 3 5.744% 2040	2,470	2.11



# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
greater than 25 years to maturity			
700,000	Aviva 4% fixed to floating 2055	711	0.61
1,500,000	Aviva 4.375% fixed to floating 2049	1,595	1.36
170,000	Channel Link Enterprises Finance 3.043% fixed to floating 2050	166	0.14
500,000	Income Contingent Student Loans 2 2007-2009 2.5% 2058	414	0.35
1,550,000	NGG Finance 5.625% fixed to floating 2073	1,651	1.41
1,119,000	Ørsted 2.5% fixed to floating 3021	1,061	0.91
1,000,000	SSE FRN 2077	1,003	0.86
513,000	Vattenfall 2.5% fixed to floating 2083	491	0.42
Perpetual			
1,000,000	AXA 6.6862% fixed to floating Perpetual	1,164	0.99
675,000	Barclays 5.875% fixed to floating Perpetual	694	0.59
1,200,000	Barclays 6.375% fixed to floating Perpetual	1,272	1.09
460,000	Barclays Bank 9% Perpetual	516	0.44
481,000	BP Capital Markets 4.25% fixed to floating Perpetual	486	0.41
200,000	Cheltenham & Gloucester 11.75% Perpetual	405	0.35
500,000	Credit Agricole 7.5% fixed to floating Perpetual	560	0.48
1,500,000	Deutsche Bank 7.125% fixed to floating Perpetual	1,565	1.33
2,400,000	EDF 5.875% fixed to floating Perpetual	2,478	2.11
345,000	HBOS FRN Perpetual	347	0.30
489,000	National Express 4.25% fixed to floating Perpetual	491	0.42
487,000	NatWest 4.5% fixed to floating Perpetual	472	0.40
1,050,000	NatWest 5.125% fixed to floating Perpetual	1,070	0.91
203,000	NatWest FRN Perpetual	208	0.18
<b>Government Bonds (0.58%)</b>		-	-
<b>US Dollar Denominated Bonds (18.50%)</b>		<b>22,086</b>	<b>18.83</b>
<b>Corporate Bonds (18.50%)</b>		<b>22,086</b>	<b>18.83</b>
between 5 and 10 years to maturity			
750,000	Boeing 2.95% 2030	549	0.47
800,000	CCO 5.125% 2027	611	0.52
1,200,000	Cedar Fair 6.5% 2028	942	0.80

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,579,000	Coinbase Global 3.625% 2031	1,025	0.87
1,268,000	Ford Motor Credit 2.9% 2028	902	0.77
700,000	Goodyear Tire & Rubber 5% 2029	522	0.44
1,546,000	Howmet Aerospace 3% 2029	1,089	0.93
1,350,000	Macy's Retail 5.875% 2029	1,026	0.87
1,400,000	Marriott Ownership Resorts 4.75% 2028	1,037	0.88
1,400,000	Petroleos Mexicanos 5.95% 2031	995	0.85
1,577,000	Six Flags Entertainment 5.5% 2027	1,185	1.01
1,159,000	Turkiye Garanti Bankasi FRN 2027*	857	0.73
between 10 and 15 years to maturity			
677,000	Omega Healthcare Investors REIT 3.25% 2033	479	0.41
between 15 and 25 years to maturity			
510,000	Broadcom 3.5% 2041	359	0.31
Perpetual			
647,000	Ally Financial 4.7% fixed to floating Perpetual	481	0.41
2,280,000	Australia & New Zealand Banking FRN Perpetual	1,575	1.34
1,500,000	AXA 6.379% fixed to floating Perpetual	1,513	1.29
800,000	Banco Santander 7.5% fixed to floating Perpetual	634	0.54
2,340,000	Bank of Nova Scotia FRN Perpetual	1,711	1.46
1,500,000	Credit Suisse 6.25% fixed to floating Perpetual	1,174	1.00
350,000	HSBC FRN Perpetual	243	0.21
1,400,000	ING 3.875% fixed to floating Perpetual	958	0.82
597,000	Societe Generale 4.75% fixed to floating Perpetual	440	0.38
1,000,000	Standard Chartered 7.014% fixed to floating Perpetual	1,019	0.87
1,100,000	Westpac Banking FRN Perpetual	760	0.65
<b>Collective Investment Schemes (4.52%)</b>		<b>4,213</b>	<b>3.59</b>
136,304	ASI Asian Credit Bond Fund SICAV Z Acc USD+	1,329	1.13
180,702	ASI Emerging Markets Total Return Bond Fund SICAV Z Acc USD+	2,884	2.46

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Derivatives (-0.55%)</b>		<b>88</b>	<b>0.08</b>
Credit Default Swaps (0.09%)		-	-
<b>Forward Currency Contracts (-0.02%)</b>		<b>716</b>	<b>0.61</b>
	Buy AUD 433,000 Sell GBP 230,744 10/03/2022	(3)	-
	Buy CAD 312,000 Sell GBP 182,761 10/03/2022	-	-
	Buy EUR 70,000 Sell GBP 58,624 10/03/2022	-	-
	Buy EUR 1,075,000 Sell GBP 902,138 10/03/2022	(3)	-
	Buy EUR 1,098,000 Sell GBP 921,320 10/03/2022	(3)	-
	Buy EUR 1,353,000 Sell GBP 1,130,640 10/03/2022	1	-
	Buy EUR 2,892,000 Sell GBP 2,419,224 10/03/2022	-	-
	Buy GBP 26,453,938 Sell EUR 31,002,000 10/03/2022	524	0.45
	Buy GBP 207,502 Sell NZD 407,000 10/03/2022	8	0.01
	Buy GBP 28,195,726 Sell USD 37,580,000 10/03/2022	179	0.15
	Buy USD 296,000 Sell GBP 217,791 10/03/2022	3	-
	Buy USD 312,000 Sell GBP 227,289 10/03/2022	5	-
	Buy USD 746,000 Sell GBP 551,473 10/03/2022	5	-
<b>Futures (-0.42%)</b>		<b>544</b>	<b>0.46</b>
48	Long Australia 10 Year Bond Future 15/03/2022	(60)	(0.05)
7	Long Canadian 10 Year Bond Future 22/03/2022	1	-
(19)	Short Euro-Bobl Future 08/03/2022	33	0.03
(17)	Short Euro-Buxl 30 Year Future 08/03/2022	120	0.10
(91)	Short Long Gilt Future 29/03/2022	288	0.24
(56)	Short US 10 Year Note (CBT) Future 22/03/2022	113	0.10
(83)	Short US 10 Year Ultra Future 22/03/2022	49	0.04
<b>Inflation Swaps (-0.24%)</b>		<b>(734)</b>	<b>(0.62)</b>
GBP 3,900,000	Pay floating UKRPI receive fixed 3.31% 28/02/2025	(289)	(0.24)
USD 6,750,000	Pay floating USCPI receive fixed 2.333% 23/02/2031	(445)	(0.38)

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Interest Rate Swaps (0.04%)		(438)	(0.37)
GBP 1,400,000	Pay fixed 0.366% receive floating GBP-SONIA 26/09/2069	106	0.09
GBP 780,000	Pay fixed 0.609% receive floating GBP-SONIA 12/08/2054	76	0.06
USD 22,700,000	Pay fixed 0.852% receive floating USD-LIBOR 03/03/2023	(39)	(0.03)
CAD 32,300,000	Pay floating CAD-BA-CDOR receive fixed 1.295% 03/03/2023	37	0.03
GBP 4,240,000	Pay floating GBP-SONIA receive fixed 0.42% 12/08/2026	(163)	(0.14)
GBP 17,710,000	Pay floating GBP-SONIA receive fixed 1.049% 07/12/2024	(169)	(0.14)
NZD 12,800,000	Pay floating NZD-BKBM receive fixed 2.02% 09/09/2027	(272)	(0.23)
NZD 4,810,000	Pay floating NZD-BKBM receive fixed 2.845% 02/11/2027	(14)	(0.01)
Total investment assets and liabilities		106,180	90.54
Net other assets		11,100	9.46
<b>Total Net Assets</b>		<b>117,280</b>	<b>100.00</b>

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

The percentage figures in brackets show the comparative holding as at 31 July 2021.

\*Managed by subsidiaries of abrdn plc.

\*A portion of this security is on loan at the period end

# Financial Statements

## Statement of Total Return

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(4,544)		3,690
Revenue	1,839		1,478	
Expenses	(238)		(146)	
Interest payable and similar charges	(40)		(9)	
Net revenue before taxation	1,561		1,323	
Taxation	(3)		–	
Net revenue after taxation		1,558		1,323
<b>Total return before distributions</b>		<b>(2,986)</b>		<b>5,013</b>
Distributions		(1,558)		(1,323)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(4,544)</b>		<b>3,690</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>103,412</b>		<b>86,139</b>
Amounts receivable on the issue of shares	30,076		36,937	
Amounts payable on the cancellation of shares	(13,064)		(28,271)	
		17,012		8,666
Dilution adjustment		34		99
Change in net assets attributable to shareholders from investment activities (see above)		(4,544)		3,690
Retained distribution on accumulation shares		1,366		1,085
<b>Closing net assets attributable to shareholders</b>		<b>117,280</b>		<b>99,679</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. 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 2022

	31 January 2022		31 July 2021	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		107,640		98,918
<b>Current assets:</b>				
Debtors	1,772		1,412	
Cash and bank balances	9,526		5,539	
		11,298		6,951
<b>Total assets</b>		<b>118,938</b>		<b>105,869</b>
<b>Liabilities:</b>				
Investment liabilities		(1,460)		(1,414)
Bank overdrafts	(1)		(100)	
Creditors	(61)		(821)	
Distribution payable	(136)		(122)	
		(198)		(1,043)
<b>Total liabilities</b>		<b>(1,658)</b>		<b>(2,457)</b>
<b>Net assets attributable to shareholders</b>		<b>117,280</b>		<b>103,412</b>

### Subsequent event

Investments in financial markets are affected by many factors, many of which have shifted following the outbreak of the conflict in Ukraine. The fund invests in a portfolio of assets, whose values have fallen since the interim period, primarily due to the global market volatility created by the conflict in Ukraine and the longer term uncertainty the conflict brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class A Accumulation was 169.00p. The Net Asset Value of share class A Accumulation as at 12 noon on 21 March 2022 was 163.73p. This represents a modest decrease of 3.12% from the interim period value.

# Distribution Tables

For the six months ended 31 January 2022 (in pence per share)

## First interim interest distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 October 2021

	Revenue	Equalisation	Distribution paid 31/01/22	Distribution paid 29/01/21
<b>A Accumulation</b>				
Group 1	0.9511	-	0.9511	0.9667
Group 2	0.4309	0.5202	0.9511	0.9667
<b>A Income</b>				
Group 1	0.6888	-	0.6888	0.7109
Group 2	0.3774	0.3114	0.6888	0.7109
<b>I Accumulation</b>				
Group 1	1.2096	-	1.2096	1.2075
Group 2	0.3584	0.8512	1.2096	1.2075
<b>I Income</b>				
Group 1	0.8288	-	0.8288	0.8497
Group 2	0.3335	0.4953	0.8288	0.8497
<b>I Gross Accumulation</b>				
Group 1	0.9495	-	0.9495	0.9477
Group 2	0.5347	0.4148	0.9495	0.9477
<b>I Gross Income</b>				
Group 1	0.7213	-	0.7213	0.7396
Group 2	0.4141	0.3072	0.7213	0.7396
<b>K Accumulation</b>				
Group 1	0.7243	-	0.7243	-
Group 2	0.1805	0.5438	0.7243	-
<b>K Income</b>				
Group 1	0.7068	-	0.7068	-
Group 2	0.2042	0.5026	0.7068	-
<b>M Accumulation</b>				
Group 1	0.7770	-	0.7770	0.8491
Group 2	0.7770	-	0.7770	0.8491
<b>M Income</b>				
Group 1	0.7553	-	0.7553	0.7962
Group 2	0.7553	-	0.7553	0.7962
<b>Z Accumulation</b>				
Group 1	1.5249	-	1.5249	1.4985
Group 2	1.5249	-	1.5249	1.4985

# Distribution Tables

For the six months ended 31 January 2022 (in pence per share) continued

## Second interim interest distribution

Group 1 – shares purchased prior to 1 November 2021

Group 2 – shares purchased between 1 November 2021 and 31 January 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
<b>A Accumulation</b>				
Group 1	0.9422	-	0.9422	0.9252
Group 2	0.4301	0.5121	0.9422	0.9252
<b>A Income</b>				
Group 1	0.6759	-	0.6759	0.6778
Group 2	0.0194	0.6565	0.6759	0.6778
<b>I Accumulation</b>				
Group 1	1.2048	-	1.2048	1.1748
Group 2	0.4929	0.7119	1.2048	1.1748
<b>I Income</b>				
Group 1	0.8185	-	0.8185	0.8190
Group 2	0.4021	0.4164	0.8185	0.8190
<b>I Gross Accumulation</b>				
Group 1	0.9429	-	0.9429	0.9193
Group 2	0.4976	0.4453	0.9429	0.9193
<b>I Gross Income</b>				
Group 1	0.7112	-	0.7112	0.7124
Group 2	0.3880	0.3232	0.7112	0.7124
<b>K Accumulation</b>				
Group 1	0.7234	-	0.7234	-
Group 2	0.5405	0.1829	0.7234	-
<b>K Income</b>				
Group 1	0.7202	-	0.7202	-
Group 2	0.6238	0.0964	0.7202	-
<b>M Accumulation</b>				
Group 1	0.7576	-	0.7576	0.7845
Group 2	0.7576	-	0.7576	0.7845
<b>M Income</b>				
Group 1	0.7543	-	0.7543	0.7700
Group 2	0.7543	-	0.7543	0.7700
<b>Z Accumulation</b>				
Group 1	1.5102	-	1.5102	1.4705
Group 2	0.2987	1.2115	1.5102	1.4705

## Equalisation

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



# ASI Target Return Bond Fund (closed)

For the six months ended 31 January 2022

## Investment Objective

To generate a positive return over rolling 12-month periods in all market conditions by investing in government and corporate bonds issued anywhere in the world. Invested capital is however at risk and there is no guarantee that this positive return will be attained over any time period.

Performance Target: To exceed the return of the SONIA plus 3% per annum (before 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.

SONIA has been chosen as a proxy for the return on cash deposits.

## Investment Policy

### Portfolio Securities

- The fund will invest directly or indirectly via derivatives, in fixed income markets and bonds issued anywhere in the world by governments, sub-sovereigns and corporations, as well as money-market instruments and cash.
- The fund may invest in investment grade, high yield, inflation-linked, convertible, asset backed and mortgage-backed bonds.
- The fund has flexibility to seek returns from currencies.
- The fund may invest in other funds (including those managed by abrdn).
- In some instances, up to 100% of the fund may at any time consist of money-market instruments and cash.

### Management Process

- The management team use their discretion (active management) to identify bonds and derivatives based on analysis of global economic and market conditions (for example, interest rates and inflation), analysis of a company's prospects and creditworthiness compared to that of the market and make flexible allocations across bond, derivatives and currencies.
- 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 7.50%.
- Please Note: The fund's ability to buy and sell bonds and the associated costs can be affected during periods of market stress which could include periods where interest rates move sharply.

### Derivatives and Techniques

- The fund will make extensive use of derivatives to reduce risk, reduce cost and/ or generate extra income or growth consistent with the risk profile of the fund (often referred to as "Efficient Portfolio Management").

- Derivatives include instruments used to manage expected changes in interest rates, inflation, currencies or creditworthiness of corporations or governments.
- Derivatives can be used to generate growth, consistent with the fund's risk profile, if market prices are expected to rise ("long positions") or fall ("short positions"). Leverage in the fund arises as a result of the use of derivatives.

## Performance Review

For the period ended 19 November 2021, the value of ASI Target Return Bond Fund - A Accumulation Shares decreased by 3.14% compared to an increase of 0.02% in the performance target, the 3 Month GBP LIBOR.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

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.

## Market Review

Corporate bond prices fell over the six months to the end of January 2022. Investors were challenged by rising inflation, the withdrawal of central bank support and interest rate rises from the Bank of England. Covid-19 also remained a threat throughout the period. Higher-quality bonds generally underperformed riskier high-yield issues. Short-dated bonds fell less than longer-dated bonds while sterling bonds underperformed global bonds.

## Portfolio Activity

The fund underperformed its benchmark in the period until the fund's closure. In particular, downgrades and a loss of investor confidence in the Chinese property sector weighed on holdings in Shimao, Sunac and Country Garden. The 2024 bonds of Carrier Global, which manufactures air conditioning and refrigerator units, also weighed on returns. On the upside, the fund's European property holdings were attributive, including construction group Lendlease and Segro European Logistics Partnership.

## Portfolio Outlook and Strategy

The fund closed on 19 November 2021.

### Global IG and Aggregate Team

February 2022

# ASI Target Return Bond Fund (closed)

## 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 19 November 2021.

The fund is rated as 3 because of the extent to which the following risk factors apply:

- The fund invests in mortgage- and asset-backed securities which are subject to prepayment, extension, liquidity and default risk.
- Convertible securities are investments that can be changed into another form upon certain triggers. As such, they can exhibit credit, equity and fixed interest risk. Contingent convertible securities (CoCos) are similar to convertible securities but have additional triggers which mean that they are more vulnerable to losses and volatile price movements and hence become less liquid.
- The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- 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 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.
- The fund invests in high yielding bonds which carry a greater risk of default than those with lower yields.
- 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.

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>A Accumulation<sup>c</sup></b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	863	1,204	1,376
Closing number of shares	701,899	971,432	1,140,057
Closing net asset value per share (pence)	122.94	123.97	120.71
Change in net asset value per share	(0.83%)	2.70%	0.71%
Operating charges	1.06%	1.06%	1.08%
<b>A Income<sup>c</sup></b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	7	7	7
Closing number of shares	7,207	7,297	7,277
Closing net asset value per share (pence)	97.37	98.85	97.34
Change in net asset value per share	(1.50%)	1.55%	(0.57%)
Operating charges	1.06%	1.06%	1.08%
<b>I Accumulation<sup>c</sup></b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	3,421	7,844	7,280
Closing number of shares	3,076,504	7,026,012	6,728,023
Closing net asset value per share (pence)	111.21	111.64	108.21
Change in net asset value per share	(0.39%)	3.17%	1.18%
Operating charges	0.61%	0.61%	0.61%
<b>I Income<sup>c</sup></b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	784	1,238	2,221
Closing number of shares	816,862	1,272,729	2,318,924
Closing net asset value per share (pence)	95.94	97.36	95.76
Change in net asset value per share	(1.46%)	1.67%	(0.57%)
Operating charges	0.61%	0.61%	0.61%
<b>I Gross Accumulation<sup>c</sup></b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	24	136	46
Closing number of shares	18,357	105,769	37,266
Closing net asset value per share (pence)	127.70	128.21	124.30
Change in net asset value per share	(0.40%)	3.15%	1.18%
Operating charges	0.61%	0.61%	0.61%

# Comparative Tables

## Continued

<b>I Gross Income<sup>c</sup></b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	30	35	101
Closing number of shares	32,000	36,125	106,125
Closing net asset value per share (pence)	95.03	96.48	95.02
Change in net asset value per share	(1.50%)	1.54%	(0.58%)
Operating charges	0.61%	0.61%	0.61%
<b>K Accumulation<sup>c</sup></b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	90	433	23
Closing number of shares	82,358	395,645	21,576
Closing net asset value per share (pence)	108.98	109.35	105.93
Change in net asset value per share	(0.34%)	3.23%	1.22%
Operating charges	0.56%	0.56%	0.56%
<b>M Accumulation<sup>A</sup></b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	-	1	-
Closing number of shares	-	965	100
Closing net asset value per share (pence)	-	105.73	102.29
Change in net asset value per share	-	3.36%	2.29%
Operating charges	-	0.66%	0.66%
<b>M Income<sup>B</sup></b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	-	1	-
Closing number of shares	-	982	100
Closing net asset value per share (pence)	-	102.29	100.40
Change in net asset value per share	-	1.88%	0.40%
Operating charges	-	0.66%	0.66%
<b>Z Accumulation<sup>c</sup></b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	21,796	24,753	149,053
Closing number of shares	15,579,516	17,713,598	110,597,786
Closing net asset value per share (pence)	139.90	139.74	134.77
Change in net asset value per share	0.11%	3.69%	1.68%
Operating charges	0.11%	0.11%	0.11%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share 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 share class.

<sup>A</sup> M Accumulation share class was launched on 29 November 2018 and closed on 26 July 2021.

<sup>B</sup> M Income share class was launched on 29 November 2018 and closed on 26 July 2021.

<sup>c</sup> The fund closed on 19 November 2021.

# Portfolio Statement

As at 31 January 2022

Holding	Investment	Market value £'000	Percentage of total net assets
Bonds (93.09%)		-	-
Australian Dollar Denominated Bonds (0.45%)		-	-
Corporate Bonds (0.45%)		-	-
Euro Denominated Bonds (31.08%)		-	-
Corporate Bonds (31.08%)		-	-
Sterling Denominated Bonds (23.20%)		-	-
Corporate Bonds (22.83%)		-	-
Government Bonds (0.37%)		-	-
US Dollar Denominated Bonds (38.36%)		-	-
Corporate Bonds (38.36%)		-	-
Collective Investment Schemes (3.81%)		-	-
Derivatives (-3.39%)		-	-
Credit Default Swaps (-1.07%)		-	-
Forward Currency Contracts (0.68%)		-	-
	Buy BRL 1,911,083 Sell GBP 255,084 24/02/2022	12	-
	Buy GBP 279,852 Sell RUB 27,961,000 24/02/2022	12	-
	Buy GBP 522,816 Sell USD 703,931 24/02/2022	(2)	-
	Buy IDR 5,351,120,000 Sell GBP 276,930 24/02/2022	1	-
	Buy KRW 430,249,000 Sell GBP 270,492 24/02/2022	(4)	-
	Buy RUB 27,961,000 Sell USD 376,331 24/02/2022	(13)	-
	Buy USD 343,552 Sell BRL 1,911,082 24/02/2022	(11)	-
	Buy USD 372,601 Sell IDR 5,351,120,000 24/02/2022	-	-
	Buy USD 364,108 Sell KRW 430,249,000 24/02/2022	5	-
Futures (-0.98%)		-	-
Inflation Swaps (-0.12%)		-	-
Interest Rate Swaps (-1.90%)		-	-

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
Total investment assets and liabilities		-	-
Net other assets		-	-
<b>Total Net Assets</b>		-	-

All investments (excluding OTC derivatives) are listed on recognised stock exchanges and are approved derivatives within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2021.

# Financial Statements

## Statement of Total Return

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(907)		289
Revenue	146		435	
Expenses	(9)		(48)	
Interest payable and similar charges	(6)		(198)	
Net revenue before taxation	131		189	
Taxation	-		-	
Net revenue after taxation		131		189
<b>Total return before distributions</b>		<b>(776)</b>		<b>478</b>
Distributions		(131)		(189)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(907)</b>		<b>289</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>27,015</b>		<b>35,653</b>
Amounts receivable on the issue of shares	330		864	
Amounts payable on the cancellation of shares	(26,559)		(3,235)	
		(26,229)		(2,371)
Dilution adjustment		4		-
Change in net assets attributable to shareholders from investment activities (see above)		(907)		289
Retained distribution on accumulation shares		117		182
<b>Closing net assets attributable to shareholders</b>		<b>-</b>		<b>33,753</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. 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 2022

	31 January 2022		31 July 2021	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		30		26,620
<b>Current assets:</b>				
Debtors	-		260	
Cash and bank balances	6		1,784	
		6		2,044
<b>Total assets</b>		<b>36</b>		<b>28,664</b>
<b>Liabilities:</b>				
Investment liabilities		(30)		(1,357)
Bank overdrafts	(1)		-	
Creditors	(5)		(286)	
Distribution payable	-		(6)	
		(6)		(292)
<b>Total liabilities</b>		<b>(36)</b>		<b>(1,649)</b>
<b>Net assets attributable to shareholders</b>		<b>-</b>		<b>27,015</b>



# Distribution Table

For the six months ended 31 January 2022 (in pence per share)

## Interim interest distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 18 November 2021

	Revenue	Equalisation	Distribution paid* 21/01/22	Distribution paid 30/04/21
<b>A Accumulation</b>				
Group 1	0.2979	-	0.2979	0.1964
Group 2	0.0547	0.2432	0.2979	0.1964
<b>A Income</b>				
Group 1	0.2354	-	0.2354	0.1520
Group 2	0.2354	-	0.2354	0.1520
<b>I Accumulation</b>				
Group 1	0.4182	-	0.4182	0.4067
Group 2	0.3194	0.0988	0.4182	0.4067
<b>I Income</b>				
Group 1	0.3613	-	0.3613	0.3449
Group 2	0.1457	0.2156	0.3613	0.3449
<b>I Gross Accumulation</b>				
Group 1	0.4845	-	0.4845	0.4949
Group 2	0.4845	-	0.4845	0.4949
<b>I Gross Income</b>				
Group 1	0.3566	-	0.3566	0.3722
Group 2	0.3566	-	0.3566	0.3722
<b>K Accumulation</b>				
Group 1	0.4355	-	0.4355	0.4555
Group 2	0.4355	-	0.4355	0.4555
<b>M Accumulation</b>				
Group 1	-	-	-	0.4830
Group 2	-	-	-	0.4830
<b>M Income</b>				
Group 1	-	-	-	0.4573
Group 2	-	-	-	0.4573
<b>Z Accumulation</b>				
Group 1	0.7361	-	0.7361	0.8970
Group 2	0.5181	0.2180	0.7361	0.8970

\* The fund closed on 19 November 2021.

## Equalisation

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

# ASI UK Equity Fund

For the six months ended 31 January 2022

## Investment Objective

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

Performance Target: To achieve the return of the FTSE All-Share Index plus 3% per annum over rolling three year periods (before 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 ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 70% in equities and equity related securities of companies listed, incorporated or domiciled in the UK or companies that derive a significant proportion of their revenues or profits from UK operations or have a significant proportion of their assets there.
- 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 sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the Performance Target, the FTSE All-Share Index 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 index is not ordinarily expected to exceed 9%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the index.

### Derivatives and Techniques

- The fund may use derivatives to reduce risk, 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.

## Performance Review

For the six months ended 31 January 2022, the value of ASI UK Equity Fund – A Income Shares decreased by 7.72% compared to an increase of 5.60% in the performance target, the FTSE All Share Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

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.

## Market Review

UK equities advanced solidly over the six-month period. Investors continued to grapple with the economic fallout from the coronavirus pandemic, as well as mounting concerns about inflation.

Although stocks suffered a slight fall at the beginning of the period on higher Covid-19 numbers, supportive government policy, easing lockdown restrictions, positive earnings results and a successful vaccine rollout collectively drove markets upwards. The market dipped in November following the emergence of the Omicron variant but quickly recovered in December as fears about the latest virus strain began to recede and a further lockdown was avoided. The 'value' bias of the UK stock market and its exposure to old economy sectors, such as energy and banks, helped it hold up much better than most other developed stock markets in January's volatility. Large-cap stocks, as measured by the FTSE 100 Index, outperformed mid-cap stocks over the period.

In economic news, the UK economy grew 1.1% in the third calendar quarter, leaving it 1.5% smaller than it was before the start of the pandemic. Inflation has continued to rise in the UK, hitting a three-decade high of 5.4% in December 2021. High energy costs and supply shortages caused by kinks in global supply chains following the pandemic are among the main reasons for escalating prices. Labour shortages caused by Brexit and the pandemic have also stoked inflationary pressures. The strength of the job market has surprised many. The widely expected spike in unemployment after the end of the government's furlough scheme, designed to support workers laid off in the pandemic, never materialised, with the unemployment rate falling to 4.1% in January 2022.

# ASI UK Equity Fund

## Continued

In the face of surging prices, the Bank of England increased its base rate by 0.15% to 0.25% in December 2021, representing its first rate hike in three years. It was the first major central bank to raise interest rates since the start of the pandemic.

### Portfolio Activity

Recent market conditions have presented our UK quality strategy with a challenging backdrop. After many years in the doldrums, lower quality, cyclical companies are enjoying a moment in the sun. This has included commodity stocks, banks and for the most part, relatively low-quality businesses that are unlikely to achieve attractive through-cycle returns or growth but have enjoyed near-term earnings momentum. When market leadership is being strongly driven by value, we would therefore not expect the fund to outperform. However, as we lengthen the investment-time horizon to the longer term (three to five years), value rallies tend to fade into the background and our quality strategies continue to present an attractive return profile of outperformance, with resilience in more economically challenged times.

At a stock level, shares of chipmaker Alphawave fell sharply after a short-selling thesis was published around the company's relationships with some of its key customers. Countryside shares underperformed, reflecting the wind-down of its housebuilding business. This led to forecasts being reset for the business as it evolves into a standalone partnerships business. Online retailer ASOS also contributed negatively, after its shares fell sharply after it warned about the impact of supply-chain issues and reduced its full-year earnings guidance during the period. A lack of exposure to Shell and BP and HSBC also hurt returns.

On the other side, holding Watches of Switzerland benefited the fund. The company saw record revenue growth over the year, reflecting strong online demand for luxury watches and progress in its international expansion. Another strong performer in the period was Telecom Plus. Its conservative approach and low cost business model have stood the business in good stead for the current period of high energy prices and resulting bankruptcies of a number of its competitors.

### Portfolio Outlook and Strategy

While the rotation into cyclical value stocks, and in particular the energy and banking sectors, may have further to run in the near term as interest-rate expectations begin to rise, creating a near-term headwind for this strategy, we believe that stock picking will be a greater source of alpha than style or positioning over the medium term.

Quality growth companies are unlikely to have the same interest-rate tailwind that they have benefited from in recent years, but reliable, meaningful, long-term growth in earnings is still not going to be easy to come by in a post-Brexit, post-Covid world. Those businesses that can achieve that, particularly if they can beat market expectations, will still have a scarcity value.

Inflation is likely to put increasing pressure on corporate profitability over the coming quarters. Businesses with high gross margins and strong pricing power will be best placed to protect their earnings in this environment and we believe such businesses are very well represented among the high-quality names in the portfolio.

We are therefore positive on the portfolio's long-term prospects to build on its strong three and five-year performance record and will continue to seek to take advantage of opportunities that may arise from volatile markets. We do not feel we will need to compromise our strict quality criteria in order to do so.

We will continue to stick to our process. We have been investing with our quality approach for many years – through periods of growth and expansion and through times of great uncertainty. Informed by our research and close corporate contact, we are taking the opportunity to double-check the long-term investment cases for our holdings and to review our portfolio risk positions. Generally speaking, we are using volatility to top up preferred positions and to buy new holdings where valuations now look attractive.

In our experience, these periods of market volatility, while challenging to navigate, can create some of the best long-term buying opportunities. Making the right decisions today can significantly enhance our potential to outperform in the future.

### UK Equity Team

February 2022

# ASI UK Equity Fund

## 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 2022.

The fund is rated as 6 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.
- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector.
- 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 going into administration.

# Comparative Tables

<b>A Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	80,531	89,925	76,542	86,801
Closing number of shares	34,618,661	35,740,575	37,920,768	39,593,142
Closing net asset value per share (pence)	232.62	251.61	201.85	219.23
Change in net asset value per share	(7.55%)	24.65%	(7.93%)	4.28%
Operating charges	1.28%	1.30%	1.30%	1.40%
<b>A Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	30,366	34,029	28,796	32,912
Closing number of shares	16,849,086	17,433,743	18,327,350	19,177,938
Closing net asset value per share (pence)	180.23	195.19	157.12	171.61
Change in net asset value per share	(7.66%)	24.23%	(8.44%)	3.24%
Operating charges	1.28%	1.30%	1.30%	1.40%
<b>I Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	337,527	366,614	288,014	53,973
Closing number of shares	131,669,664	132,526,992	130,364,641	22,593,871
Closing net asset value per share (pence)	256.34	276.63	220.93	238.88
Change in net asset value per share	(7.33%)	25.21%	(7.51%)	4.85%
Operating charges	0.83%	0.85%	0.85%	0.85%
<b>I Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	10,518	11,619	9,853	11,143
Closing number of shares	5,839,549	5,954,997	6,275,169	6,497,753
Closing net asset value per share (pence)	180.11	195.10	157.02	171.49
Change in net asset value per share	(7.68%)	24.25%	(8.44%)	3.25%
Operating charges	0.83%	0.85%	0.85%	0.85%
<b>K Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	975	1,241	922	857
Closing number of shares	632,328	746,339	694,467	597,718
Closing net asset value per share (pence)	154.14	166.28	132.70	143.37
Change in net asset value per share	(7.30%)	25.31%	(7.44%)	4.93%
Operating charges	0.76%	0.78%	0.78%	0.78%

# Comparative Tables

## Continued

<b>L Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	150	161	140	170
Closing number of shares	107,076	107,076	116,576	131,176
Closing net asset value per share (pence)	139.88	150.76	120.10	129.53
Change in net asset value per share	(7.22%)	25.53%	(7.28%)	5.11%
Operating charges	0.58%	0.60%	0.60%	0.60%
<b>L Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	40	43	35	38
Closing number of shares	31,267	31,267	31,267	31,267
Closing net asset value per share (pence)	127.92	138.58	111.53	121.79
Change in net asset value per share	(7.69%)	24.25%	(8.42%)	3.26%
Operating charges	0.58%	0.60%	0.60%	0.60%
<b>M Accumulation<sup>A</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	287	337	281	-
Closing number of shares	228,188	247,812	258,664	100
Closing net asset value per share (pence)	125.98	135.99	108.66	117.35
Change in net asset value per share	(7.36%)	25.15%	(7.41%)	17.35%
Operating charges	0.88%	0.90%	0.90%	0.90%
<b>M Income<sup>B</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	33	36	29	-
Closing number of shares	27,112	27,062	26,985	100
Closing net asset value per share (pence)	122.05	132.21	106.41	116.01
Change in net asset value per share	(7.68%)	24.25%	(8.28%)	16.01%
Operating charges	0.88%	0.90%	0.90%	0.90%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share 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 share class.

<sup>A</sup> M Accumulation share class was launched on 30 November 2018.

<sup>B</sup> M Income share class was launched on 30 November 2018.

# Portfolio Statement

As at 31 January 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (97.78%)</b>		<b>457,942</b>	<b>99.46</b>
<b>UK Equities (97.78%)</b>		<b>457,942</b>	<b>99.46</b>
<b>Basic Materials (6.19%)</b>		<b>21,466</b>	<b>4.66</b>
1,182,332	Bodycote	9,388	2.04
151,545	Croda International	12,078	2.62
<b>Consumer Discretionary (18.21%)</b>		<b>87,155</b>	<b>18.93</b>
229,554	ASOS***	5,078	1.10
1,975,341	Countryside Properties	6,049	1.31
1,304,100	Howden Joinery	10,587	2.30
4,061,214	Moonpig	12,671	2.75
3,121,700	Pets at Home	13,323	2.89
711,189	RELX	16,137	3.51
1,118,500	Watches of Switzerland	14,205	3.09
552,650	WH Smith	9,105	1.98
<b>Consumer Staples (12.42%)</b>		<b>56,849</b>	<b>12.35</b>
400,669	Coca-Cola HBC	9,776	2.12
724,317	Diageo	26,963	5.86
406,418	Fevertree Drinks**	8,665	1.88
302,214	Unilever	11,445	2.49
<b>Financials (16.86%)</b>		<b>89,304</b>	<b>19.40</b>
3,421,500	Ashmore	9,635	2.09
1,127,500	Close Brothers	14,455	3.14
1,894,500	Epic Brand Investments*	-	-
6,075	HIE Ventures <sup>a</sup>	-	-
916,139	Hiscox	8,892	1.93
1,187,751	HomeServe	9,057	1.97
147,779	London Stock Exchange	10,667	2.32
1,752,274	OSB	9,602	2.09

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
1,406,356	Prudential	17,369	3.77
1,794,056	Standard Chartered	9,627	2.09
<b>Health Care (15.89%)</b>		<b>57,500</b>	<b>12.49</b>
187,586	Abcam++	2,502	0.54
410,393	AstraZeneca	35,359	7.68
197,451	Dechra Pharmaceuticals	8,198	1.78
301,082	Genus	11,441	2.49
<b>Industrials (13.39%)</b>		<b>81,800</b>	<b>17.77</b>
91,198	Ashtead	4,782	1.04
1,018,553	Electrocomponents	11,306	2.46
1,057,000	Euromoney Institutional Investor	9,629	2.09
354,873	Halma	8,854	1.92
1,852,276	Marshalls	12,975	2.82
560,038	Mondi	10,296	2.24
1,612,400	Rentokil Initial	8,352	1.81
902,842	Weir	15,606	3.39
<b>Real Estate (2.22%)</b>		<b>9,972</b>	<b>2.16</b>
964,881	Unite REIT	9,972	2.16
<b>Technology (10.97%)</b>		<b>41,863</b>	<b>9.09</b>
2,015,434	Auto Trader	13,451	2.92
641,623	AVEVA	18,716	4.06
590,858	Softcat	9,696	2.11
<b>Telecommunications (1.63%)</b>		<b>12,033</b>	<b>2.61</b>
802,210	Telecom Plus	12,033	2.61



# Portfolio Statement

As at 31 January 2022 continued

Investment	Market value £'000	Percentage of total net assets
Total investment assets	457,942	99.46
Net other assets	2,485	0.54
<b>Total Net Assets</b>	<b>460,427</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities within the meaning of the FCA rules unless otherwise stated.  
The percentage figures in brackets show the comparative holding as at 31 July 2021.

++ AIM listed.

\* Delisted.

\*\* A portion of this security is on loan at the period end.

<sup>a</sup> Unapproved/unquoted security.

# Financial Statements

## Statement of Total Return

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(38,173)		54,347
Revenue	3,834		3,132	
Expenses	(2,368)		(2,162)	
Net revenue before taxation	1,466		970	
Taxation	(2)		34	
Net revenue after taxation		1,464		1,004
<b>Total return before distributions</b>		<b>(36,709)</b>		<b>55,351</b>
Distributions		(1,464)		(1,004)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(38,173)</b>		<b>54,347</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>504,005</b>		<b>404,612</b>
Amounts receivable on the issue of shares	4,373		15,813	
Amounts payable on the cancellation of shares	(11,195)		(10,448)	
		(6,822)		5,365
Change in net assets attributable to shareholders from investment activities (see above)		(38,173)		54,347
Retained distribution on accumulation shares		1,377		958
Unclaimed distributions		40		9
<b>Closing net assets attributable to shareholders</b>		<b>460,427</b>		<b>465,291</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. 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 2022

	31 January 2022		31 July 2021	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		457,942		492,803
<b>Current assets:</b>				
Debtors	712		2,290	
Cash and bank balances	2,589		13,360	
		3,301		15,650
<b>Total assets</b>		<b>461,243</b>		<b>508,453</b>
<b>Liabilities:</b>				
Creditors	(736)		(4,292)	
Distribution payable	(80)		(156)	
		(816)		(4,448)
<b>Total liabilities</b>		<b>(816)</b>		<b>(4,448)</b>
<b>Net assets attributable to shareholders</b>		<b>460,427</b>		<b>504,005</b>

### Subsequent event

Investments in financial markets are affected by many factors, many of which have shifted following the outbreak of the conflict in Ukraine. The fund invests in a portfolio of assets, whose values have fallen since the interim period, primarily due to the global market volatility created by the conflict in Ukraine and the longer term uncertainty the conflict brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class A Accumulation was 180.23p. The Net Asset Value of share class A Accumulation as at 12 noon on 21 March 2022 was 172.92p. This represents a modest decrease of 4.06% from the interim period value.

# Distribution Table

For the six months ended 31 January 2022 (in pence per share)

## Interim dividend distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 January 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
<b>A Accumulation</b>				
Group 1	0.3048	-	0.3048	0.1211
Group 2	-	0.3048	0.3048	0.1211
<b>A Income</b>				
Group 1	0.2365	-	0.2365	0.0943
Group 2	-	0.2365	0.2365	0.0943
<b>I Accumulation</b>				
Group 1	0.9615	-	0.9615	0.6762
Group 2	0.0091	0.9524	0.9615	0.6762
<b>I Income</b>				
Group 1	0.6781	-	0.6781	0.4805
Group 2	0.2086	0.4695	0.6781	0.4805
<b>K Accumulation</b>				
Group 1	0.6403	-	0.6403	0.4605
Group 2	0.6403	-	0.6403	0.4605
<b>L Accumulation</b>				
Group 1	0.7140	-	0.7140	0.5318
Group 2	0.7140	-	0.7140	0.5318
<b>L Income</b>				
Group 1	0.6573	-	0.6573	0.4936
Group 2	0.6573	-	0.6573	0.4936
<b>M Accumulation</b>				
Group 1	0.4388	-	0.4388	0.3028
Group 2	0.1166	0.3222	0.4388	0.3028
<b>M Income</b>				
Group 1	0.4269	-	0.4269	0.2965
Group 2	-	0.4269	0.4269	0.2965

## Equalisation

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

# ASI UK Income Equity Fund

For the six months ended 31 January 2022

## Investment Objective

To generate income and some capital over the long term (5 years or more) by investing in UK equities (company shares).

Performance Target: To deliver a yield greater than that of the FTSE All Share Index over a rolling five year period (before charges) and achieve a return in excess of the FTSE All Share Index over a rolling five year period (before 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.

Performance Comparator: IA UK Equity Income sector average.

The ACD believes this is an appropriate target/comparator for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 70% in equities and equity related securities of companies incorporated or domiciled in the UK or having significant operations and/or exposure to the UK.
- The fund may invest up to 20% in non-UK listed Companies.
- 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 sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the Performance Target, the FTSE All-Share Index 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 index is not ordinarily expected to exceed 9%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the index.

## Derivatives and Techniques

- The fund may use derivatives to reduce risk, 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.

## Performance Review

For the six months ended 31 January 2022, the value of ASI UK Income Equity Fund – A Accumulation Shares decreased by 0.98% compared to an increase of 5.60% in the performance target, the FTSE All Share Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

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.

## Market Review

UK equities advanced solidly over the six-month period. Investors continued to grapple with the economic fallout from the coronavirus pandemic, as well as mounting concerns about inflation.

Although stocks suffered a slight fall at the beginning of the period on higher Covid-19 numbers, supportive government policy, easing lockdown restrictions, positive earnings results and a successful vaccine rollout collectively drove markets upwards. The market dipped in November following the emergence of the Omicron variant but quickly recovered in December as fears about the latest virus strain began to recede and further lockdown was avoided. The 'value' bias of the UK stock market and its exposure to old economy sectors, such as energy and banks, helped it hold up much better than most other developed stock markets in January's volatility. Large-cap stocks, as measured by the FTSE 100 Index, outperformed mid-cap stocks over the period.

In economic news, the UK economy grew 1.1% in the third calendar quarter, leaving it 1.5% smaller than it was before the start of the pandemic. Inflation has continued to rise in the UK, hitting a three-decade high of 5.4% in December 2021. High energy costs and supply shortages caused by kinks in global supply chains following the pandemic are among the main reasons for escalating prices. Labour shortages caused by Brexit and the pandemic have also stoked inflationary pressures. The strength of the job market has surprised many. The widely expected spike in unemployment after the end of the Government's

# ASI UK Income Equity Fund

## Continued

furlough scheme, designed to support workers laid off in the pandemic, never materialised, with the unemployment rate falling to 4.1% in January 2022.

In the face of surging prices, the Bank of England increased its base rate by 0.15% to 0.25% in December 2021, representing its first rate hike in three years. It was the first major central bank to raise interest rates since the start of the pandemic.

### Portfolio Activity

At a stock level, negatively contributing to returns was Countryside Partnerships after its shares underperformed, reflecting the wind-down of its housebuilding business. This led to forecasts being reset for the business as it evolves into a standalone partnerships business. A lack of exposure to Shell and British American Tobacco also hurt relative returns. Against this, Safestore performed well on continued robust occupancy data. Standard Chartered, Unilever and Drax also added to returns. Meanwhile, a lack of exposure to Scottish Mortgage Investment Trust and Paddy Power helped relative returns.

### Portfolio Outlook and Strategy

Catalysed by hawkish signals from the US Federal Reserve, given concerns around the inflation outlook, real bond yields have risen since the start of the calendar year. Furthermore, concerns have grown around the potential for a Russian invasion of Ukraine. This has resulted in a sharp style rotation within the equity market favouring value at the expense of quality and growth companies. Macroeconomic influences can have a salient impact on share prices in the short term, but we are reminded of the saying attributed to the famous investor Benjamin Graham that 'in the short run the market is a voting machine, but in the long run it is a weighing machine'. Or in other words, long-term share-price performance will reflect the fundamentals of the businesses that we invest in and that is certainly borne out empirically.

Our baseline forecasts are for global growth to remain above trend in 2022, helped by a rebound from the Omicron headwind. For the UK in particular, the backdrop is generally supportive with pent-up demand and a fast booster rollout, albeit the prospect of higher utility bills weighing on consumer disposable income and other less benign inflationary pressures are increasingly areas of concern.

We also take comfort that the valuations of UK-listed companies remain attractive on a relative basis, and as a result, we think a fair proportion of the portfolio may be vulnerable to corporate activity. Moreover, the dividend yield of the UK market remains at an appealing

premium to other regional equity markets let alone other asset classes. Furthermore, international investors remain underweight the UK providing a further underpin. Therefore, we feel very comfortable maintaining our long-term focus on investments in high-quality companies capable of sustainable earnings and dividend growth.

### UK Equity Team

February 2022

# ASI UK Income Equity Fund

## 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 2022.

The fund is rated as 6 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.
- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector.
- The shares of small and mid-cap companies may be less liquid and more volatile than those of larger companies.
- 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 going into administration.

# Comparative Tables

<b>A Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	57,166	59,010	50,026	58,855
Closing number of shares	3,954,243	4,047,479	4,275,993	4,575,770
Closing net asset value per share (pence)	1,445.68	1,457.95	1,169.92	1,286.23
Change in net asset value per share	(0.84%)	24.62%	(9.04%)	3.57%
Operating charges	1.29%	1.30%	1.30%	1.41%
<b>A Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	55,134	57,928	50,825	60,471
Closing number of shares	14,217,449	14,538,970	15,351,430	15,973,007
Closing net asset value per share (pence)	387.79	398.43	331.07	378.58
Change in net asset value per share	(2.67%)	20.35%	(12.55%)	(0.70%)
Operating charges	1.29%	1.30%	1.30%	1.41%
<b>I Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	40,295	38,143	22,114	21,567
Closing number of shares	2,494,901	2,347,079	1,703,296	1,517,773
Closing net asset value per share (pence)	1,615.08	1,625.12	1,298.29	1,420.98
Change in net asset value per share	(0.62%)	25.17%	(8.63%)	4.14%
Operating charges	0.84%	0.85%	0.85%	0.85%
<b>I Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	16,198	16,772	13,008	14,890
Closing number of shares	3,717,763	3,755,205	3,520,669	3,540,194
Closing net asset value per share (pence)	435.70	446.64	369.49	420.59
Change in net asset value per share	(2.45%)	20.88%	(12.15%)	(0.14%)
Operating charges	0.84%	0.85%	0.85%	0.85%
<b>K Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	132	164	355	35
Closing number of shares	108,581	131,782	345,248	29,770
Closing net asset value per share (pence)	121.36	124.37	102.80	116.94
Change in net asset value per share	(2.42%)	20.98%	(12.09%)	(0.08%)
Operating charges	0.76%	0.78%	0.78%	0.78%



# Comparative Tables

## Continued

<b>M Accumulation<sup>A</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	27	27	34	-
Closing number of shares	20,958	20,994	33,625	100
Closing net asset value per share (pence)	128.78	129.58	103.60	113.28
Change in net asset value per share	(0.62%)	25.08%	(8.55%)	13.28%
Operating charges	0.89%	0.90%	0.90%	0.90%
<b>M Income<sup>B</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	39	39	47	-
Closing number of shares	33,869	33,204	48,554	100
Closing net asset value per share (pence)	115.25	118.13	97.84	110.50
Change in net asset value per share	(2.44%)	20.74%	(11.46%)	10.50%
Operating charges	0.89%	0.90%	0.90%	0.90%
<b>Z Income<sup>C</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	
Closing net asset value (£'000)	9,283	10,466	7,233	
Closing number of shares	7,821,453	8,632,853	7,260,428	
Closing net asset value per share (pence)	118.69	121.23	99.62	
Change in net asset value per share	(2.10%)	21.69%	(0.38%)	
Operating charges	0.09%	0.10%	0.10%	

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share 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 share class.

<sup>A</sup> M Accumulation share class was launched on 30 November 2018.

<sup>B</sup> M Income share class was launched on 30 November 2018.

<sup>C</sup> Z Income share class was launched on 29 April 2020.

# Portfolio Statement

As at 31 January 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (100.02%)</b>		<b>176,235</b>	<b>98.85</b>
<b>UK Equities (100.02%)</b>		<b>176,235</b>	<b>98.85</b>
<b>Basic Materials (11.18%)</b>		<b>14,894</b>	<b>8.35</b>
233,600	BHP	5,482	3.07
193,987	Bodycote	1,540	0.86
39,121	Croda International	3,118	1.75
91,700	Rio Tinto	4,754	2.67
<b>Consumer Discretionary (9.17%)</b>		<b>16,838</b>	<b>9.44</b>
671,000	Countryside Properties	2,055	1.15
394,100	Howden Joinery	3,199	1.79
356,084	Moonpig	1,111	0.62
299,274	RELX	6,791	3.81
223,180	Vistry	2,281	1.28
527,700	Watkin Jones++	1,401	0.79
<b>Consumer Staples (13.75%)</b>		<b>21,668</b>	<b>12.15</b>
179,894	Coca-Cola HBC	4,389	2.46
236,357	Diageo	8,798	4.93
49,800	Fevertree Drinks++	1,062	0.60
62,700	Mowi	1,137	0.64
19,809	Nestle	1,888	1.06
116,037	Unilever	4,394	2.46
<b>Energy (3.78%)</b>		<b>9,213</b>	<b>5.17</b>
982,400	BP	3,760	2.11
129,968	TotalEnergies	5,453	3.06

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Financials (16.30%)</b>		<b>34,042</b>	<b>19.10</b>
722,000	Ashmore	2,033	1.14
246,571	Bridgepoint	940	0.53
474,800	Chesnara	1,339	0.75
313,900	Close Brothers	4,024	2.26
1,107,300	Direct Line Insurance	3,375	1.89
124,641	Hiscox	1,210	0.68
82,512	HomeServe	629	0.35
85,545	Intermediate Capital	1,622	0.91
1,689,100	M&G	3,640	2.04
288,291	Nordea Bank (Swedish listing)	2,537	1.42
558,250	OSB	3,059	1.72
262,200	Oversea-Chinese Banking	1,802	1.01
178,654	Prudential	2,206	1.24
1,048,500	Standard Chartered	5,626	3.16
<b>Health Care (11.05%)</b>		<b>18,793</b>	<b>10.54</b>
102,585	AstraZeneca	8,839	4.96
1,052,387	ConvaTec	1,846	1.03
31,760	Dechra Pharmaceuticals	1,319	0.74
165,600	GlaxoSmithKline	2,721	1.53
29,900	Novo Nordisk	2,210	1.24
148,300	Smith & Nephew	1,858	1.04
<b>Industrials (16.03%)</b>		<b>27,119</b>	<b>15.21</b>
488,334	DS Smith	1,836	1.03
132,500	Electrocomponents	1,471	0.81
299,000	Euromoney Institutional Investor	2,724	1.53
400,340	Genuit	2,286	1.28
473,030	Inchcape	3,976	2.23

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
34,364	Kone	1,643	0.92
439,637	Marshalls	3,080	1.73
112,442	Mondi	2,067	1.16
425,100	Rentokil Initial	2,202	1.24
5,734	VAT	1,709	0.96
145,985	Weir	2,523	1.42
33,000	XP Power	1,602	0.90
<b>Real Estate (7.40%)</b>		<b>13,716</b>	<b>7.69</b>
2,382,283	Assura REIT	1,593	0.89
1,552,483	Industrials REIT	2,942	1.65
374,548	Safestore REIT	4,738	2.66
2,185,464	Sirius Real Estate	2,819	1.58
157,175	Unite REIT	1,624	0.91
<b>Technology (3.42%)</b>		<b>5,376</b>	<b>3.02</b>
122,910	AVEVA	3,585	2.01
248,500	Sage	1,791	1.01
<b>Telecommunications (2.70%)</b>		<b>2,935</b>	<b>1.65</b>
120,000	Accton Technology	852	0.48
169,925	Telenor	2,083	1.17
<b>Utilities (5.24%)</b>		<b>11,641</b>	<b>6.53</b>
461,954	Drax	2,774	1.56
340,129	National Grid	3,671	2.06
328,470	SSE	5,196	2.91

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Collective Investment Schemes (0.00%)</b>		<b>1</b>	<b>-</b>
1	Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund Z1 Inc+	1	-
<b>Derivatives (0.00%)</b>		<b>(166)</b>	<b>(0.09)</b>
<b>Equity Options (0.00%)</b>		<b>(44)</b>	<b>(0.02)</b>
(54,700)	Sell Call Bodycote 20/05/2022	(2)	-
(29,800)	Sell Call Close Brothers 14/04/2022	(2)	-
(4,300)	Sell Call Croda International 14/04/2022	-	-
(7,012)	Sell Call Fever-Tree 18/03/2022	-	-
(9,800)	Sell Call Inchcape 20/05/2022	-	-
(30,700)	Sell Call Safestore 18/03/2022	-	-
(18,000)	Sell Put Aveva 18/03/2022	(8)	-
(42,400)	Sell Put Electrocomponents 18/03/2022	(16)	(0.01)
(46,800)	Sell Put Vistry 18/03/2022	(16)	(0.01)
<b>Exchange Traded Options (0.00%)</b>		<b>(122)</b>	<b>(0.07)</b>
(5)	Call Astrazeneca 18/03/2022	(6)	-
(15)	Call Coca-Cola 18/03/2022	(1)	-
(35)	Call Prudential 18/02/2022	(1)	-
(35)	Call Prudential 18/03/2022	(4)	-
(34)	Call Prudential 14/04/2022	(10)	(0.01)
(87)	Call Rentokil Initial 14/04/2022	(7)	-
(97)	Call Standard Chartered 18/03/2022	(70)	(0.04)
(77)	Call Standard Chartered 18/03/2022	(10)	(0.01)
(371)	Call Telenor 17/06/2022	(10)	(0.01)
(11)	Call Unilever 18/02/2022	(3)	-
Total investment assets and liabilities		176,069	98.76
Net other assets		2,205	1.24
<b>Total Net Assets</b>		<b>178,274</b>	<b>100.00</b>

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

The percentage figures in brackets show the comparative holding as at 31 July 2021.

+ Managed by subsidiaries of abrdn plc.

++ AIM listed.

# Financial Statements

## Statement of Total Return

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(3,723)		13,184
Revenue	3,319		2,612	
Expenses	(999)		(891)	
Net revenue before taxation	2,320		1,721	
Taxation	45		(10)	
Net revenue after taxation		2,365		1,711
<b>Total return before distributions</b>		<b>(1,358)</b>		<b>14,895</b>
Distributions		(3,308)		(2,456)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(4,666)</b>		<b>12,439</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>182,549</b>		<b>143,642</b>
Amounts receivable on the issue of shares	5,285		16,698	
Amounts payable on the cancellation of shares	(6,718)		(5,988)	
		(1,433)		10,710
Dilution adjustment		-		23
Change in net assets attributable to shareholders from investment activities (see above)		(4,666)		12,439
Retained distribution on accumulation shares		1,791		1,296
Unclaimed distributions		33		33
<b>Closing net assets attributable to shareholders</b>		<b>178,274</b>		<b>168,143</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. 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 2022

	31 January 2022		31 July 2021	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		176,235		182,583
<b>Current assets:</b>				
Debtors	573		1,615	
Cash and bank balances	5,501		481	
		6,074		2,096
<b>Total assets</b>		<b>182,309</b>		<b>184,679</b>
<b>Liabilities:</b>				
Investment liabilities		(166)		-
Creditors	(2,356)		(400)	
Distribution payable	(1,513)		(1,730)	
		(3,869)		(2,130)
<b>Total liabilities</b>		<b>(4,035)</b>		<b>(2,130)</b>
<b>Net assets attributable to shareholders</b>		<b>178,274</b>		<b>182,549</b>

### Subsequent event

Investments in financial markets are affected by many factors, many of which have shifted following the outbreak of the conflict in Ukraine. The fund invests in a portfolio of assets, whose values have fallen since the interim period, primarily due to the global market volatility created by the conflict in Ukraine and the longer term uncertainty the conflict brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class A Accumulation was 1,445.68p. The Net Asset Value of share class A Accumulation as at 12 noon on 21 March 2022 was 1,423.97p. This represents a modest decrease of 1.50% from the interim period value.

# Distribution Table

For the six months ended 31 January 2022 (in pence per share)

## Interim dividend distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 January 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
<b>A Accumulation</b>				
Group 1	26.5830	-	26.5830	19.0675
Group 2	7.1290	19.4540	26.5830	19.0675
<b>A Income</b>				
Group 1	7.2678	-	7.2678	5.3968
Group 2	1.4882	5.7796	7.2678	5.3968
<b>I Accumulation</b>				
Group 1	29.6519	-	29.6519	21.1767
Group 2	7.3555	22.2964	29.6519	21.1767
<b>I Income</b>				
Group 1	8.1529	-	8.1529	6.0278
Group 2	2.1409	6.0120	8.1529	6.0278
<b>K Income</b>				
Group 1	2.2707	-	2.2707	1.6773
Group 2	1.6482	0.6225	2.2707	1.6773
<b>M Accumulation</b>				
Group 1	2.3671	-	2.3671	1.3329
Group 2	0.0352	2.3319	2.3671	1.3329
<b>M Income</b>				
Group 1	2.1701	-	2.1701	1.2595
Group 2	0.4080	1.7621	2.1701	1.2595
<b>Z Income</b>				
Group 1	2.2158	-	2.2158	1.6270
Group 2	2.2158	-	2.2158	1.6270

## Equalisation

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



# ASI UK Mid-Cap Equity Fund

For the six months ended 31 January 2022

## Investment Objective

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

**Performance Target:** To achieve the return of the FTSE 250 (ex Investment Trusts) Index plus 3% per annum over rolling three year periods (before 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 ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 60% in mid-capitalisation equities and equity related securities of companies listed, incorporated or domiciled in the UK or companies that derive a significant proportion of their revenues or profits from UK operations or have a significant proportion of their assets there.
- Mid capitalisation companies are defined as any stock included in the FTSE 250 (ex Investment Trusts) Index or, if not included within the index, any stock having a market capitalisation smaller than that of the stock with the largest market capitalisation in such index.
- The fund may also invest in smaller and larger capitalisation companies listed, incorporated or domiciled in the UK.
- 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 sector and stock level.
- Their primary focus is on stock selection using the management team's quality, growth and momentum approach. It aims to identify companies that show a range of high quality characteristics, operate in growing markets and display positive business momentum.
- In seeking to achieve the Performance Target, the FTSE 250 (ex Investment Trusts) Index 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 index is not ordinarily expected to exceed 9%. Due to the active nature of the management process, the

fund's performance profile may deviate significantly from that of the index.

- Please note: The fund's ability to buy and sell small and mid-capitalisation shares and the associated costs can be affected during periods of market stress. In certain circumstances investors in the fund may not be able to sell their investment when they want to.

### Derivatives and Techniques

- The fund may use derivatives to reduce risk, 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.

## Performance Review

For the six months ended 31 January 2022, the value of ASI UK Mid-Cap Equity Fund – A Accumulation Shares decreased by 13.54% compared to a decrease of 4.16% in the performance target, the FTSE 250 (ex Investment Trusts) Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

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.

## Market Review

UK equities advanced solidly over the six-month period. Investors continued to grapple with the economic fallout from the coronavirus pandemic as well as mounting concerns about inflation.

Although stocks suffered a slight fall at the beginning of the period on higher Covid-19 numbers, supportive government policy, easing lockdown restrictions, positive earnings results and a successful vaccine rollout collectively drove markets upwards. The market dipped in November following the emergence of the Omicron variant but quickly recovered in December as fears about the latest virus strain began to recede and further lockdown was avoided. The 'value' bias of the UK stock market and its exposure to old economy sectors, such as energy and banks, helped it hold up much better than most other developed stock markets in January's volatility. Large-cap stocks, as measured by the FTSE 100, outperformed mid-cap stocks over the period.

# ASI UK Mid-Cap Equity Fund

## Continued

In economic news, the UK economy grew 1.1% in the third calendar quarter, leaving it 1.5% smaller than it was before the start of the pandemic. Inflation has continued to rise in the UK, hitting a three-decade high of 5.4% in December 2021. High energy costs and supply shortages caused by kinks in global supply chains following the pandemic are among the main reasons for escalating prices. Labour shortages caused by Brexit and the pandemic have also stoked inflationary pressures. The strength of the job market has surprised many. The widely expected spike in unemployment after the end of the government's furlough scheme, designed to support workers laid off in the pandemic, never materialised, with the unemployment rate falling to 4.1% in January 2022.

In the face of surging prices, the Bank of England increased its base rate by 0.15% to 0.25% in January 2022, representing its first rate hike in three years. It was the first major central bank to raise interest rates since the start of the pandemic.

## Portfolio Activity

Looking at individual holdings, shares of chipmaker Alphawave IP Group fell sharply after a short-selling thesis was published around the company's relationships with some of its key customers. Our off-benchmark position in Gamma Communications weighed on returns, despite announcing excellent results during the period. The communications services firm, which specialises in facilitating employee collaboration and client communication wherever they may be, appeared to be harshly judged on its European sales, despite a strong performance. Some investors may be concerned about increased competition, but Europe remains underdeveloped compared with the UK and presents the company with a great long-term opportunity. Trustpilot Group, the online product and service review platform, also weakened after delivering solid first-half results in September. Meanwhile, a lack of exposure to Meggit, Centrica and Marks & Spencer also hurt relative returns after they all saw share-price increases during the period.

Conversely, a lack of exposure to Countryside Partnerships contributed to returns after its shares underperformed, reflecting the wind-down of its housebuilding business. This led to forecasts being reset for the business as it evolves into a standalone partnerships business. Safestore performed well on continued robust occupancy data while Dunelm benefited from strong demand.

In terms of activity, we made a number of new purchases, including CVS, Pets at Home, Watches of Switzerland and Big Technologies, which provides market-leading electronic monitoring systems. On the sell side, we removed Telecom Plus, Aveva, Sanne, Victoria Plumbing and Avast, among others.

## Portfolio Outlook and Strategy

Uncertainty around the new variant Omicron and geopolitical tensions between Russia and Ukraine will continue to dominate news flow in the short term. However, many of the risk factors throughout 2021 have moderated, with global vaccination rates rising and the direction of Chinese policy becoming clearer. Meanwhile, the removal of central bank support has been priced in, to some extent. Nevertheless, persistently high inflation and supply-chain strains may lead to earnings pressure for many businesses.

## Smaller Companies Equity Team

February 2022

# ASI UK Mid-Cap Equity Fund

## 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 2022.

The fund is rated as 6 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 shares of small and mid-cap companies may be less liquid and more volatile than those of larger companies.
- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector.
- 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 going into administration.

# Comparative Tables

<b>A Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	22,803	26,104	18,697	19,069
Closing number of shares	7,449,719	7,369,622	7,218,252	7,472,480
Closing net asset value per share (pence)	306.09	354.21	259.03	255.18
Change in net asset value per share	(13.59%)	36.74%	1.51%	4.95%
Operating charges	1.29%	1.30%	1.30%	1.40%
<b>A Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	4,451	5,339	4,101	4,281
Closing number of shares	1,740,242	1,803,463	1,893,056	1,998,456
Closing net asset value per share (pence)	255.75	296.04	216.62	214.21
Change in net asset value per share	(13.61%)	36.66%	1.13%	4.02%
Operating charges	1.29%	1.30%	1.30%	1.40%
<b>I Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	119,478	126,138	38,105	21,210
Closing number of shares	47,099,526	43,069,995	17,872,471	10,143,636
Closing net asset value per share (pence)	253.67	292.87	213.21	209.10
Change in net asset value per share	(13.38%)	37.36%	1.97%	5.53%
Operating charges	0.84%	0.85%	0.85%	0.85%
<b>I Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	12,223	12,411	4,355	3,092
Closing number of shares	5,499,742	4,822,418	2,313,080	1,662,883
Closing net asset value per share (pence)	222.25	257.37	188.27	185.94
Change in net asset value per share	(13.65%)	36.70%	1.25%	4.02%
Operating charges	0.84%	0.85%	0.85%	0.85%
<b>K Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	56,001	18,665	1,344	410
Closing number of shares	30,934,576	8,933,630	884,296	275,571
Closing net asset value per share (pence)	181.03	208.93	152.00	148.95
Change in net asset value per share	(13.35%)	37.45%	2.05%	5.62%
Operating charges	0.76%	0.78%	0.78%	0.78%

# Comparative Tables

## Continued

<b>M Accumulation<sup>A</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	30	34	23	-
Closing number of shares	20,980	20,644	19,118	100
Closing net asset value per share (pence)	142.50	164.56	119.87	117.48
Change in net asset value per share	(13.41%)	37.28%	2.03%	17.48%
Operating charges	0.89%	0.90%	0.90%	0.90%
<b>M Income<sup>B</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	1	2	1	-
Closing number of shares	885	885	885	100
Closing net asset value per share (pence)	139.00	160.95	117.74	116.12
Change in net asset value per share	(13.64%)	36.70%	1.40%	16.12%
Operating charges	0.89%	0.89%	0.90%	0.90%
<b>Z Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	41,688	44,034	59,953	7,167
Closing number of shares	10,927,610	10,035,277	18,908,573	2,322,273
Closing net asset value per share (pence)	381.49	438.80	317.07	308.63
Change in net asset value per share	(13.06%)	38.39%	2.73%	6.33%
Operating charges	0.09%	0.10%	0.10%	0.10%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences.

The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share 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 share class.

<sup>A</sup> M Accumulation share class was launched on 30 November 2018.

<sup>B</sup> M Income share class was launched on 30 November 2018.

# Portfolio Statement

As at 31 January 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (94.79%)</b>		<b>241,635</b>	<b>94.14</b>
<b>UK Equities (94.79%)</b>		<b>241,635</b>	<b>94.14</b>
<b>Basic Materials (4.61%)</b>		<b>11,356</b>	<b>4.42</b>
243,088	Hill & Smith	3,627	1.41
1,619,475	Synthomer	5,901	2.30
89,600	Victrex	1,828	0.71
<b>Consumer Discretionary (22.09%)</b>		<b>71,320</b>	<b>27.79</b>
237,138	CVS++	4,672	1.82
1,048,061	Dr. Martens	3,188	1.24
448,029	Dunelm	5,959	2.32
232,532	Focusrite++	3,075	1.20
319,915	Future	10,045	3.91
62,829	Games Workshop	4,985	1.94
177,610	GlobalData++	2,371	0.92
829,320	Halfords	2,710	1.06
1,484,834	Hollywood Bowl	3,712	1.45
3,023,196	JD Sports Fashion	5,684	2.22
237,938	Jet2++*	3,135	1.22
309,652	Keywords Studios++	7,797	3.04
1,027,298	Pets at Home	4,385	1.71
583,583	Team17++	4,138	1.61
430,264	Watches of Switzerland	5,464	2.13
<b>Consumer Staples (6.53%)</b>		<b>19,662</b>	<b>7.66</b>
122,739	Cranswick	4,495	1.75
239,408	Greggs	6,385	2.49
319,113	Hilton Food	3,306	1.29
1,150,524	Hotel Chocolat++	5,476	2.13

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Financials (13.16%)</b>		<b>33,251</b>	<b>12.95</b>
1,219,648	AJ Bell	4,098	1.60
800,257	Impax Asset Management++	8,707	3.39
291,439	Intermediate Capital	5,526	2.15
695,728	JTC	5,420	2.11
291,462	Liontrust Asset Management	4,722	1.84
626,245	Molten Ventures	4,778	1.86
<b>Health Care (4.45%)</b>		<b>8,469</b>	<b>3.30</b>
124,915	Craneware++	2,367	0.92
59,661	Dechra Pharmaceuticals	2,477	0.97
95,401	Genus	3,625	1.41
<b>Industrials (15.03%)</b>		<b>26,927</b>	<b>10.50</b>
1,439,825	Chemring	3,902	1.52
81,695	Diploma	2,247	0.88
185,303	FDM	1,979	0.77
713,990	Genuit	4,077	1.59
986,477	Marshalls	6,910	2.69
849,496	Midwich++	5,122	2.00
534,241	RWS++	2,690	1.05
<b>Real Estate (3.03%)</b>		<b>10,761</b>	<b>4.19</b>
500,755	Safestore REIT	6,335	2.47
3,431,261	Sirius Real Estate	4,426	1.72
<b>Technology (21.89%)</b>		<b>53,143</b>	<b>20.70</b>
844,161	Alphawave IP*	1,362	0.53
728,591	Auction Technology	7,796	3.04
422,697	Auto Trader	2,821	1.10

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
825,791	Big Technologies++	2,139	0.83
2,024,032	Bytes Technology	9,331	3.64
249,596	Computacenter	6,629	2.58
587,307	DiscoverIE	4,992	1.94
662,577	GB++	4,350	1.69
572,823	Kainos	8,707	3.39
191,660	Softcat	3,145	1.23
1,023,531	Trustpilot	1,871	0.73
<b>Telecommunications (4.00%)</b>		<b>6,746</b>	<b>2.63</b>
318,588	Gamma Communication++	4,932	1.92
736,754	Spirent Communications	1,814	0.71
<b>Collective Investment Schemes (4.69%)</b>		<b>11,778</b>	<b>4.59</b>
11,778	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc+	11,778	4.59
Total investment assets		253,413	98.73
Net other assets		3,262	1.27
<b>Total Net Assets</b>		<b>256,675</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2021.

+ Managed by subsidiaries of abrdn plc.

++ AIM listed.

\* A portion of this security is on loan at the year end.



# Financial Statements

## Statement of Total Return

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(39,251)		17,836
Revenue	1,741		1,031	
Expenses	(986)		(486)	
Net revenue before taxation	755		545	
Taxation	-		-	
Net revenue after taxation		755		545
<b>Total return before distributions</b>		<b>(38,496)</b>		<b>18,381</b>
Distributions		(755)		(550)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(39,251)</b>		<b>17,831</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>232,727</b>		<b>126,579</b>
Amounts receivable on the issue of shares	87,779		77,527	
Amounts payable on the cancellation of shares	(25,735)		(16,516)	
		62,044		61,011
Dilution adjustment		310		353
Change in net assets attributable to shareholders from investment activities (see above)		(39,251)		17,831
Retained distribution on accumulation shares		844		631
Unclaimed distributions		1		-
<b>Closing net assets attributable to shareholders</b>		<b>256,675</b>		<b>206,405</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. 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 2022

	31 January 2022		31 July 2021	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		253,413		231,522
<b>Current assets:</b>				
Debtors	7,625		1,105	
Cash and bank balances	401		338	
		8,026		1,443
<b>Total assets</b>		<b>261,439</b>		<b>232,965</b>
<b>Liabilities:</b>				
Creditors	(4,727)		(200)	
Distribution payable	(37)		(38)	
		(4,764)		(238)
<b>Total liabilities</b>		<b>(4,764)</b>		<b>(238)</b>
<b>Net assets attributable to shareholders</b>		<b>256,675</b>		<b>232,727</b>

### Subsequent event

Investments in financial markets are affected by many factors, many of which have shifted following the outbreak of the conflict in Ukraine. The fund invests in a portfolio of assets, whose values have fallen since the interim period, primarily due to the global market volatility created by the conflict in Ukraine and the longer term uncertainty the conflict brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class A Accumulation was 306.09p. The Net Asset Value of share class A Accumulation as at 12 noon on 21 March 2022 was 284.9p. This represents a modest decrease of 6.92% from the interim period value.

# Distribution Table

For the six months ended 31 January 2022 (in pence per share)

## Interim dividend distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 January 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
<b>A Accumulation</b>				
Group 1	0.0938	-	0.0938	-
Group 2	0.0028	0.0910	0.0938	-
<b>A Income</b>				
Group 1	0.0784	-	0.0784	-
Group 2	0.0621	0.0163	0.0784	-
<b>I Accumulation</b>				
Group 1	0.7378	-	0.7378	0.4838
Group 2	0.3750	0.3628	0.7378	0.4838
<b>I Income</b>				
Group 1	0.6482	-	0.6482	0.4279
Group 2	0.3514	0.2968	0.6482	0.4279
<b>K Accumulation</b>				
Group 1	0.6072	-	0.6072	0.4085
Group 2	0.2373	0.3699	0.6072	0.4085
<b>M Accumulation</b>				
Group 1	0.3724	-	0.3724	0.2383
Group 2	0.1931	0.1793	0.3724	0.2383
<b>M Income</b>				
Group 1	0.3660	-	0.3660	0.3219
Group 2	0.3660	-	0.3660	0.3219
<b>Z Accumulation</b>				
Group 1	2.7548	-	2.7548	2.0373
Group 2	0.6943	2.0605	2.7548	2.0373

## Equalisation

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

# ASI UK Real Estate Share Fund

For the six months ended 31 January 2022

## Investment Objective

To generate income and some growth over the long term (5 years or more) by investing in UK property-related equities (company shares) including listed closed ended real estate investment trusts ("REITs").

Performance Target: To achieve the return of the FTSE 350 Real Estate Index plus 3% per annum (before charges) over rolling three year periods. 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 ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund invests in equities and equity-related securities of companies that derive a significant proportion of their revenues or profits from real estate operations or have a significant proportion of their assets in real estate.
- At least 80% of the fund must be invested in UK listed securities, while up to 20% may be invested overseas.
- 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 concentrated asset mix at sector and stock level.
- Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on finding high quality companies at attractive valuations that can be held for the long term.
- The FTSE 350 Real Estate Index 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 index is not ordinarily expected to exceed 12%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the index over the long term.

## Derivatives and Techniques

- The fund may use derivatives to reduce risk, 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.

## Performance Review

For the six months ended 31 January 2022, the value of ASI UK Real Estate Share Fund – A Accumulation Shares decreased by 2.18% compared to an increase of 3.47% in the performance target, the FTSE 350 Real Estate Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

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.

## Market Review

Over the period, investors continued to grapple with the economic fallout from the coronavirus pandemic and increasing concerns about inflation. Labour shortages caused by Brexit and the pandemic have also stoked inflationary pressures. However, the easing of lockdown restrictions following an effective vaccine rollout maintained the positive economic momentum from earlier in the year. The strength of the job market has surprised many. The widely expected spike in unemployment after the end of the government's furlough scheme never materialised, with the unemployment rate falling to 4.1% in the three months to December 2021.

UK property shares continued to perform positively over the period. In August, the listed-property sector cheered improving economic data and month-on-month capital value growth turned positive for all major segments of the underlying property market. Share prices wobbled in September in the face of rising inflation which raised interest rate expectations, with a similar sell-off in January particularly hitting the share prices of more defensive interest-rate sensitive REITs. Nonetheless, the overall trend remained positive, helped by robust results reported by almost all names in the sector, led by standout growth for logistics-owning stocks, together with weaker (but still positive) growth in book values and dividends for the previously hard-hit retail and office landlords.

# ASI UK Real Estate Share Fund

## Continued

### Portfolio Activity

The fund lagged the rising market over the period. This follows a number of years of strong relative returns. The fund had some successes as a number of dynamic small and mid-cap holdings performed well, such as Industrials REIT, Watkin Jones, Sirius Real Estate and recently introduced Urban Logistics. The overweight to strong-performing self-storage names such as Safestore and Shurgard also aided performance, despite seeing their share prices weaken towards the end of the period.

Nonetheless, fund performance was hampered by two main factors. Firstly, the weakness in our housebuilding positions, Bellway and Countryside Properties. The sector has been very weak due to concerns over the health of the UK consumer market, increased interest rates and the prospect of further government taxation of the sector to help fund the remediation of cladding safety issues. The sector weakness was compounded by a poor operational performance by Countryside Properties, which prompted a profit warning and change in management. Secondly, approximately 10% of the fund is invested in overseas listed securities. These are currently more defensive in nature and lagged in the recent rotation away from names perceived as being exposed to rising rates, as the positions in both German residential landlord LEG Immobilien and mobile phone tower specialist Cellnex underperformed.

In terms of activity, just prior to the start of the period, we exited the position in St Modwen Properties following an attractively priced takeover offer. We then raised further proceeds by exiting Shaftesbury, after its share price rallied sharply. Proceeds from these sales provided ample capital to participate in a number of attractively priced equity raises. These included the introduction of a new position in Urban Logistics REIT and the support of raises by residential specialist Grainger and industrial landlord and developer Tritax Big Box REIT. We also specifically reallocated capital from Shaftesbury by topping up in its peer Capital & Counties, which is better positioned and more attractively valued. We also added to housebuilders Countryside Properties and Bellway on weakness.

In the final few months of the period, there were no introductions or exits, but we did make a number of changes. We supported favourably priced equity raises by Supermarket Income REIT, Sirius Real Estate, Assura and Urban Logistics – all high-conviction positions where we see the potential for attractive long-term returns. To finance these additions, we took profits in our holdings in flexible office specialist Workspace, self-storage holdings Big Yellow and Safestore, and industrial leader SEGRO.

### Portfolio Outlook and Strategy

It would appear that the worst of the Omicron variant has passed and government restrictions are to be lifted. Nevertheless, uncertainty remains: UK inflation is expected to peak at over 7% and we have just seen the start of a number of anticipated interest rate increases by the Bank of England. The combination of higher-than-expected inflation and a faster-than-expected cycle of interest rate increases has weighed on equity markets globally, with the FTSE 350 Real Estate Index being no exception, down approximately 8% in the first few weeks of 2022.

The underlying property market, however, appears to be in better shape, with the latest data from MSCI Investment Property Databank Index pointing to rising values in recent months for the three main office, retail and industrial segments. Consequently, we expect almost all of the fund's holdings to be well placed to report rising net asset values and dividends in the coming months.

Despite recent volatility, we have not changed our fairly nuanced outlook. That being said, we will continue to unearth selective opportunities, often aided by attractively priced equity raises, as detailed above. We also expect mergers and acquisitions activity to pick up given the abundance of private market capital looking to be put to work, which should provide us with investment opportunities.

### UK Equity Team

February 2022

# ASI UK Real Estate Share Fund

## 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 2022.

The fund is rated as 6 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.
- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector.
- Dividend payment policies of the REITs in which the fund invests are not representative of the dividend payment policy of the fund.
- 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 going into administration.

# Comparative Tables

<b>A Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	89,938	93,429	81,197	94,510
Closing number of shares	52,338,519	53,448,815	61,118,713	73,536,431
Closing net asset value per share (pence)	171.84	174.80	132.85	128.52
Change in net asset value per share	(1.69%)	31.58%	3.37%	1.92%
Operating charges	1.29%	1.30%	1.30%	1.41%
<b>I Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	298,610	297,574	237,326	266,221
Closing number of shares	102,458,668	100,519,027	105,634,038	122,624,294
Closing net asset value per share (pence)	291.44	296.04	224.67	217.10
Change in net asset value per share	(1.55%)	31.77%	3.49%	2.00%
Operating charges	0.84%	0.85%	0.85%	0.85%
<b>K Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	74,047	45,562	14,345	8,460
Closing number of shares	43,142,497	26,142,598	10,851,905	6,626,444
Closing net asset value per share (pence)	171.63	174.28	132.19	127.66
Change in net asset value per share	(1.52%)	31.84%	3.55%	2.05%
Operating charges	0.76%	0.78%	0.78%	0.78%
<b>M Accumulation<sup>A</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	52	52	38	-
Closing number of shares	36,097	34,831	33,723	100
Closing net asset value per share (pence)	145.68	148.00	112.37	108.49
Change in net asset value per share	(1.57%)	31.71%	3.58%	8.49%
Operating charges	0.89%	0.90%	0.90%	0.90%
<b>Z Accumulation<sup>B</sup></b>	<b>31 January 2022</b>			
Closing net asset value (£'000)	8,168			
Closing number of shares	8,564,480			
Closing net asset value per share (pence)	95.37			
Change in net asset value per share	(4.63%)			
Operating charges	0.09%			

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences. The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share 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 share class.

<sup>A</sup> M Accumulation share class was launched on 30 November 2018.

<sup>B</sup> Z Accumulation share class was launched on 13 August 2021.

# Portfolio Statement

As at 31 January 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (96.73%)</b>		<b>464,842</b>	<b>98.73</b>
<b>European Equities (16.34%)</b>		<b>72,618</b>	<b>15.42</b>
<b>Belgium (1.68%)</b>		<b>8,472</b>	<b>1.80</b>
198,810	Shurgard Self Storage	8,472	1.80
<b>Germany (8.17%)</b>		<b>36,339</b>	<b>7.72</b>
122,430	LEG Immobilien	12,025	2.55
18,848,143	Sirius Real Estate	24,314	5.17
<b>Netherlands (2.52%)</b>		<b>12,400</b>	<b>2.63</b>
824,490	CTP	12,400	2.63
<b>Spain (1.98%)</b>		<b>6,510</b>	<b>1.38</b>
193,370	Cellnex Telecom	6,510	1.38
<b>Sweden (1.99%)</b>		<b>8,897</b>	<b>1.89</b>
210,420	Catena	8,897	1.89
<b>UK Equities (80.39%)</b>		<b>392,224</b>	<b>83.31</b>
<b>Consumer Discretionary (11.70%)</b>		<b>55,020</b>	<b>11.69</b>
422,510	Bellway	11,982	2.55
5,172,719	Countryside Partnerships	15,839	3.36
730,130	Fuller Smith & Turner	5,067	1.08
5,210,930	Watkin Jones++	13,835	2.94
274,630	Whitbread	8,297	1.76



# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Real Estate (68.69%)</b>		<b>337,204</b>	<b>71.62</b>
38,770,215	Assura REIT	25,918	5.50
1,311,700	Big Yellow REIT	19,584	4.16
9,357,650	Capital & Counties Properties REIT	16,020	3.40
3,241,413	CLS	7,245	1.54
283,840	Derwent London REIT	9,662	2.05
6,451,950	Grainger	19,330	4.11
809,993	Great Portland Estates REIT	6,164	1.31
9,116,011	Industrials REIT	17,275	3.67
9,846,650	LondonMetric Property REIT	26,251	5.58
8,163,080	Primary Health Properties REIT	11,722	2.49
1,672,910	Rightmove	10,867	2.31
1,708,851	Safestore REIT	21,617	4.59
604,980	Savills	8,119	1.72
3,417,210	Segro REIT	44,475	9.45
16,483,840	Supermarket Income REIT	19,533	4.15
8,167,590	Tritax Big Box REIT	19,373	4.11
2,770,500	Unite REIT	28,633	6.08
9,074,415	Urban Logistics REIT	15,880	3.37
1,129,850	Workspace REIT	9,536	2.03
<b>Collective Investment Schemes (2.72%)</b>		<b>2,865</b>	<b>0.61</b>
2,865	Aberdeen Standard Liquidity Fund (Lux) - Sterling Fund Z1 Inc+	2,865	0.61
Total investment assets		467,707	99.34
Net other assets		3,108	0.66
<b>Total Net Assets</b>		<b>470,815</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities or regulated collective investment schemes within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2021.

+ Managed by subsidiaries of abrdn plc.

++ AIM listed.

# Financial Statements

## Statement of Total Return

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(11,362)		25,637
Revenue	4,926		3,220	
Expenses	(2,204)		(1,593)	
Net revenue before taxation	2,722		1,627	
Taxation	(17)		(12)	
Net revenue after taxation		2,705		1,615
<b>Total return before distributions</b>		<b>(8,657)</b>		<b>27,252</b>
Distributions		(2,704)		(1,615)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(11,361)</b>		<b>25,637</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>436,617</b>		<b>332,906</b>
Amounts receivable on the issue of shares	85,789		30,794	
Amounts payable on the cancellation of shares	(43,020)		(46,328)	
		42,769		(15,534)
Dilution adjustment		68		-
Change in net assets attributable to shareholders from investment activities (see above)		(11,361)		25,637
Retained distribution on accumulation shares		2,722		1,623
<b>Closing net assets attributable to shareholders</b>		<b>470,815</b>		<b>344,632</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. 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 2022

	31 January 2022		31 July 2021	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		467,707		434,222
<b>Current assets:</b>				
Debtors	2,093		2,468	
Cash and bank balances	2,028		2,184	
		4,121		4,652
<b>Total assets</b>		<b>471,828</b>		<b>438,874</b>
<b>Liabilities:</b>				
Bank overdrafts	-		(2)	
Creditors	(1,013)		(2,255)	
		(1,013)		(2,257)
<b>Total liabilities</b>		<b>(1,013)</b>		<b>(2,257)</b>
<b>Net assets attributable to shareholders</b>		<b>470,815</b>		<b>436,617</b>

### Subsequent event

Investments in financial markets are affected by many factors, many of which have shifted following the outbreak of the conflict in Ukraine. The fund invests in a portfolio of assets, whose values have fallen since the interim period, primarily due to the global market volatility created by the conflict in Ukraine and the longer term uncertainty the conflict brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class A Accumulation was 171.84p. The Net Asset Value of share class A Accumulation as at 12 noon on 21 March 2022 was 170.24p. This represents a modest decrease of 0.93% from the interim period value.

# Distribution Table

For the six months ended 31 January 2022 (in pence per share)

## Interim dividend distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 January 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
<b>A Accumulation</b>				
Group 1	0.7630	-	0.7630	0.4355
Group 2	0.5137	0.2493	0.7630	0.4355
<b>I Accumulation</b>				
Group 1	1.7464	-	1.7464	1.2735
Group 2	1.2074	0.5390	1.7464	1.2735
<b>K Accumulation</b>				
Group 1	1.0825	-	1.0825	0.7973
Group 2	0.6332	0.4493	1.0825	0.7973
<b>M Accumulation</b>				
Group 1	0.8434	-	0.8434	0.9758
Group 2	0.5058	0.3376	0.8434	0.9758
<b>Z Accumulation</b>				
Group 1	0.7758	-	0.7758	-
Group 2	0.6695	0.1063	0.7758	-

## Equalisation

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

# ASI UK Sustainable and Responsible Investment Equity Fund

For the six months ended 31 January 2022

## Investment Objective

To generate growth over the long term (5 years or more) by investing in UK equities (company shares), which adhere to the abrdn Sustainable and Responsible Investment Equity Approach.

**Performance Target:** To achieve the return of the FTSE All-Share Index plus 3% per annum over rolling five year periods (before 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 ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 70% in equities and equity related securities of companies, incorporated or domiciled in the UK or companies having significant operations and/or exposure to the UK.
- The fund may also invest in other funds (including those managed by abrdn), money-market instruments and cash.
- All equity and equity related securities will adhere to the abrdn Sustainable and Responsible Investment Equity Approach available on [www.abrdn.com](http://www.abrdn.com) under "Sustainable Investing".
- The abrdn Sustainable and Responsible Investment Equity Approach applies the investment manager's equity investment process, where companies invested in are given an overall quality rating, a component of which is the ESG Quality Rating which enables management teams to identify sustainable leaders and improvers. Leaders are viewed as companies with the best in class ESG credentials or products and services which address global environmental and societal challenges, whilst improvers are typically companies with average governance, ESG management practices and disclosure with potential for improvement.
- An abrdn ESG House Score is also used to identify and exclude companies exposed to the highest ESG risks within high and medium risk sectors.
- In addition a set of company exclusions are applied relating to the principles of the UN Global Compact, tobacco manufacturing, thermal coal, gambling, oil & gas and weapons.

### Management Process

- The management team use their discretion (active management) to maintain a diverse asset mix at sector and stock level.

- Engagement with external company management teams is part of the investment process and ongoing stewardship programme which evaluates ownership structures, governance and management quality of those companies.
- Through the application of our abrdn Sustainable and Responsible Investment Equity Approach, the fund is expected to have a lower carbon footprint compared to the FTSE All-Share Index.
- In seeking to achieve the performance target, the FTSE All-Share Index 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 index is not ordinarily expected to exceed 10%. Due to the active and sustainable and responsible nature of the management process, the fund will not invest in a material number of stocks and sectors in the FTSE All-Share Index. This means the fund's performance profile may deviate significantly from that of the FTSE All-Share Index.

### Derivatives and Techniques

- The fund may use derivatives to reduce risk, 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.
- Derivatives are exempt from the abrdn Sustainable and Responsible Investment Equity Approach.

### Performance Review

For the six months ended 31 January 2022, the value of ASI UK Responsible Equity Fund – A Accumulation Shares decreased by 9.24% compared to an increase of 5.60% in the performance target, the FTSE All Share Index.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

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.

### Market Review

UK equities advanced solidly over the six-month period. Investors continued to grapple with the economic fallout from the coronavirus pandemic, as well as mounting concerns about inflation. Although stocks suffered a slight fall at the beginning of the period on higher Covid-19 numbers, supportive government policy, easing lockdown restrictions, positive earnings results and a successful

# ASI UK Sustainable and Responsible Investment Equity Fund

## Continued

vaccine rollout collectively drove markets upwards. The market dipped in November following the emergence of the Omicron variant but quickly recovered in December as fears about the latest virus strain began to recede and a further lockdown was avoided. The 'value' bias of the UK stock market and its exposure to old economy sectors, such as energy and banks, helped it hold up much better than most other developed stock markets in January's volatility. Large-cap stocks, as measured by the FTSE 100 Index, outperformed mid-cap stocks over the period.

In economic news, the UK economy grew 1.1% in the third calendar quarter, leaving it 1.5% smaller than it was before the start of the pandemic. Inflation has continued to rise in the UK, hitting a three-decade high of 5.4% in December 2021. High energy costs and supply shortages caused by kinks in global supply chains following the pandemic are among the main reasons for escalating prices. Labour shortages caused by Brexit and the pandemic have also stoked inflationary pressures. The strength of the job market has surprised many. The widely expected spike in unemployment after the end of the government's furlough scheme, designed to support workers laid off in the pandemic, never materialised, with the unemployment rate falling to 4.1% in January 2022.

In the face of surging prices, the Bank of England increased its base rate by 0.15% to 0.25% in December 2021, representing its first rate hike in three years. It was the first major central bank to raise interest rates since the start of the pandemic.

## Portfolio Activity

At the stock level, one of the worst detractors from returns was Aveva, the engineering software developer. Its share price suffered when it reported a widening loss early on in the period. Shares of chipmaker Alphawave fell sharply after a short-selling thesis was published around the company's relationships with some of its key customers. A lack of exposure to Shell hurt returns as the ongoing oil price strength drove the oil major to outperform the market. Similarly, not holding HSBC hurt performance towards the end of the period. The expectation of rising UK and US interest rates continued to underpin the performance of the bank. An overweight position in Countryside weighed on returns as its shares underperformed throughout the period, reflecting the wind-down of its housebuilding business. The company also informed the market in January 2022 that trading was worse than expectations due to a combination of planning delays and poor financial guidance. This further resulted in the departure of the CEO and the chair announcing a review of the business.

On the flip side, an overweight position in Standard Chartered added to performance, as the expectation for UK and US interest rates continued to move higher. This will support earnings growth and returns for the bank against an attractive valuation. A lack of exposure to Experian proved to be positive as the cyclical rotation away from growth names towards value weighed on the shares towards the end of the period. Watches of Switzerland was another top performer, with the share price rising significantly over the period due to strong demand.

## Portfolio Outlook and Strategy

Looking to 2022 and beyond, we continue to have optimism that growth will continue to recover, given the success of the vaccine rollout and easing of restrictions. Further, inflation has spiked through the year following supply-chain constraints and commodity price inflation. While the rotation into cyclical value stocks, and in particular the energy and banks sectors, may have further to run in the near term as interest-rate expectations begin to rise, creating a near-term headwind for this strategy, we believe that stock picking will be a greater source of alpha than style or positioning over the medium term.

Quality growth companies are unlikely to have the same interest-rate tailwind that they have benefited from in recent years, but reliable, meaningful, long-term growth in earnings is still not going to be easy to come by in a post-Brexit, post-Covid world. Those businesses that can achieve that, particularly if they can beat market expectations, will still have a scarcity value. In particular, we are looking to own businesses that are going to emerge from Covid stronger, in terms of competitive position and demand outlook, than they went into it.

While we remain mindful of the macroeconomic backdrop and risks present in the fund, we continue to be focused on bottom-up stock picking and environmental, social and governance (ESG) integration. We believe companies that actively consider and manage their key ESG impacts will be well placed to navigate through uncertain times and harness opportunities. The fund is looking for high quality, sustainable leaders and ESG improvers across the UK market and has a three to five-year time horizon. We continue to engage with holdings to understand the key ESG risks and opportunities they face and support positive change.

## UK Equity Team

February 2022

# ASI UK Sustainable and Responsible Investment Equity Fund

## 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 2022.

The fund is rated as 6 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.
- A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector.
- The shares of small and mid-cap companies may be less liquid and more volatile than those of larger companies.
- 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 going into administration.

# Comparative Tables

<b>A Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	21,795	24,022	18,193	20,081
Closing number of shares	9,232,063	9,301,516	9,543,219	9,665,145
Closing net asset value per share (pence)	236.08	258.25	190.64	207.76
Change in net asset value per share	(8.58%)	35.46%	(8.24%)	6.30%
Operating charges	1.29%	1.32%	1.32%	1.42%

  

<b>A Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	239	227	68	61
Closing number of shares	132,273	114,772	46,291	37,718
Closing net asset value per share (pence)	180.72	198.07	147.23	161.93
Change in net asset value per share	(8.76%)	34.53%	(9.08%)	5.06%
Operating charges	1.29%	1.32%	1.32%	1.42%

  

<b>I Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	29,442	34,650	15,370	11,355
Closing number of shares	14,149,099	15,256,495	9,209,455	6,270,910
Closing net asset value per share (pence)	208.09	227.11	166.89	181.08
Change in net asset value per share	(8.37%)	36.08%	(7.84%)	6.89%
Operating charges	0.84%	0.87%	0.87%	0.87%

  

<b>I Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	21,739	20,345	4,182	1,549
Closing number of shares	12,542,264	10,708,242	2,962,049	997,588
Closing net asset value per share (pence)	173.32	190.00	141.20	155.28
Change in net asset value per share	(8.78%)	34.56%	(9.07%)	5.07%
Operating charges	0.84%	0.87%	0.87%	0.87%

  

<b>K Accumulation<sup>A</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>
Closing net asset value (£'000)	1	1
Closing number of shares	994	994
Closing net asset value per share (pence)	94.65	103.08
Change in net asset value per share	(8.18%)	3.08%
Operating charges	0.46%	0.41%



# Comparative Tables

## Continued

<b>M Accumulation<sup>b</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	1	1	1	-
Closing number of shares	881	881	881	100
Closing net asset value per share (pence)	135.09	147.49	108.46	117.57
Change in net asset value per share	(8.41%)	35.99%	(7.75%)	17.57%
Operating charges	0.89%	0.95%	0.92%	0.92%
<b>M Income<sup>c</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	1	1	1	-
Closing number of shares	892	892	892	100
Closing net asset value per share (pence)	129.76	142.23	105.69	116.01
Change in net asset value per share	(8.77%)	34.57%	(8.90%)	16.01%
Operating charges	0.89%	0.94%	0.92%	0.92%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences.

The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share 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 share class.

<sup>a</sup> K Accumulation share class was launched on 29 June 2021.

<sup>b</sup> M Accumulation share class was launched on 28 November 2018.

<sup>c</sup> M Income Share class was launched on 28 November 2018.

# Portfolio Statement

As at 31 January 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>UK Equities (97.31%)</b>		<b>72,040</b>	<b>98.39</b>
<b>Basic Materials (4.60%)</b>		<b>3,335</b>	<b>4.56</b>
201,583	Bodycote	1,601	2.19
21,755	Croda International	1,734	2.37
<b>Consumer Discretionary (16.36%)</b>		<b>14,251</b>	<b>19.46</b>
49,606	ASOS++	1,097	1.50
49,276	Bellway	1,398	1.91
336,835	Countryside Partnerships	1,031	1.41
113,844	Dunelm	1,514	2.07
137,635	Go-Ahead	918	1.25
219,058	Howden Joinery	1,778	2.43
357,425	Moonpig	1,115	1.52
98,479	RELX (UK listing)	2,235	3.05
153,026	Watches of Switzerland	1,944	2.65
74,089	WH Smith	1,221	1.67
<b>Consumer Staples (5.00%)</b>		<b>3,909</b>	<b>5.34</b>
57,179	Coca-Cola HBC	1,395	1.91
67,522	Diageo	2,514	3.43
<b>Financials (20.60%)</b>		<b>15,693</b>	<b>21.43</b>
627,880	Ashmore	1,768	2.41
126,303	Bridgepoint	481	0.66
146,833	Close Brothers	1,882	2.57
154,002	HomeServe	1,174	1.60
55,237	Intermediate Capital	1,047	1.43
96,724	JTC	754	1.03
2,000,568	Lloyds Banking	1,021	1.39
20,592	London Stock Exchange	1,486	2.03

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
246,716	OSB	1,352	1.85
179,721	Prudential	2,220	3.03
467,423	Standard Chartered (UK listing)	2,508	3.43
<b>Health Care (11.37%)</b>		<b>8,627</b>	<b>11.78</b>
56,806	AstraZeneca	4,894	6.68
736,186	ConvaTec	1,292	1.76
32,578	Dechra Pharmaceuticals	1,353	1.85
28,627	Genus	1,088	1.49
<b>Industrials (23.02%)</b>		<b>14,917</b>	<b>20.37</b>
30,862	Ashtead	1,618	2.21
2,189,860	Coats	1,428	1.95
262,024	DS Smith	985	1.34
126,746	Electrocomponents	1,407	1.92
67,250	FDM	718	0.98
269,378	Genuit	1,538	2.10
42,172	Halma	1,052	1.44
211,716	Marshalls	1,483	2.03
109,033	Mondi (UK listing)	2,005	2.74
44,538	Oxford Instruments	962	1.31
187,225	Rentokil Initial	970	1.32
5,670	Spirax-Sarco Engineering	751	1.03
<b>Real Estate (2.03%)</b>		<b>1,433</b>	<b>1.96</b>
138,691	Unite REIT	1,433	1.96
<b>Technology (11.88%)</b>		<b>6,634</b>	<b>9.06</b>
398,004	Alphawave IP*	642	0.88
214,778	Auto Trader	1,434	1.96

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
85,806	AVEVA	2,503	3.42
95,548	GB++	627	0.85
87,026	Softcat	1,428	1.95
<b>Utilities (2.45%)</b>		<b>3,241</b>	<b>4.43</b>
172,091	Drax	1,033	1.41
139,581	SSE	2,208	3.02
Total investment assets		72,040	98.39
Net other assets		1,178	1.61
<b>Total Net Assets</b>		<b>73,218</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are approved securities schemes within the meaning of the FCA rules. The percentage figures in brackets show the comparative holding as at 31 July 2021.

++ AIM listed.

\* A portion of this security is on loan at the period end.

# Financial Statements

## Statement of Total Return

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(7,181)		6,618
Revenue	663		393	
Expenses	(393)		(250)	
Net revenue before taxation	270		143	
Taxation	-		3	
Net revenue after taxation		270		146
<b>Total return before distributions</b>		<b>(6,911)</b>		<b>6,764</b>
Distributions		(270)		(146)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(7,181)</b>		<b>6,618</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>79,247</b>		<b>37,815</b>
Amounts receivable on the issue of shares	9,764		12,821	
Amounts payable on the cancellation of shares	(8,788)		(2,925)	
		976		9,896
Dilution adjustment		8		39
Change in net assets attributable to shareholders from investment activities (see above)		(7,181)		6,618
Retained distribution on accumulation shares		168		137
<b>Closing net assets attributable to shareholders</b>		<b>73,218</b>		<b>54,505</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. 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 2022

	31 January 2022		31 July 2021	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		72,040		77,117
<b>Current assets:</b>				
Debtors	301		552	
Cash and bank balances	1,065		1,813	
		1,366		2,365
<b>Total assets</b>		<b>73,406</b>		<b>79,482</b>
<b>Liabilities:</b>				
Bank overdrafts	(2)		-	
Creditors	(91)		(85)	
Distribution payable	(95)		(150)	
		(188)		(235)
<b>Total liabilities</b>		<b>(188)</b>		<b>(235)</b>
<b>Net assets attributable to shareholders</b>		<b>73,218</b>		<b>79,247</b>

### Subsequent event

Investments in financial markets are affected by many factors, many of which have shifted following the outbreak of the conflict in Ukraine. The fund invests in a portfolio of assets, whose values have fallen since the interim period, primarily due to the global market volatility created by the conflict in Ukraine and the longer term uncertainty the conflict brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class A Accumulation was 236.08p. The Net Asset Value of share class A Accumulation as at 12 noon on 21 March 2022 was 229.50p. This represents a modest decrease of 2.79% from the interim period value.

# Distribution Table

For the six months ended 31 January 2022 (in pence per share)

## Interim dividend distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 January 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
<b>A Accumulation</b>				
Group 1	0.4417	-	0.4417	0.4013
Group 2	0.0399	0.4018	0.4417	0.4013
<b>A Income</b>				
Group 1	0.3381	-	0.3381	0.3113
Group 2	0.0897	0.2484	0.3381	0.3113
<b>I Accumulation</b>				
Group 1	0.9013	-	0.9013	0.7708
Group 2	0.2932	0.6081	0.9013	0.7708
<b>I Income</b>				
Group 1	0.7540	-	0.7540	0.6521
Group 2	0.2305	0.5235	0.7540	0.6521
<b>K Accumulation</b>				
Group 1	0.6103	-	0.6103	-
Group 2	0.6103	-	0.6103	-
<b>M Accumulation</b>				
Group 1	0.5334	-	0.5334	0.5028
Group 2	0.5334	-	0.5334	0.5028
<b>M Income</b>				
Group 1	0.5170	-	0.5170	0.4901
Group 2	0.5170	-	0.5170	0.4901

## Equalisation

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

# ASI World Income Equity Fund

For the six months ended 31 January 2022

## Investment Objective

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

Performance Target: To exceed the return of the MSCI AC World High Yield Index plus 3% per annum over rolling three year periods (before 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 ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the index.

## Investment Policy

### Portfolio Securities

- The fund will invest at least 70% in equities and equity related securities of companies listed on global stock exchanges that offer good sustainable income prospects.
- 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 is focused on finding high quality companies at attractive valuations that can be held for the long term.
- In seeking to achieve the Performance Target, the MSCI AC World High Yield Index 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 index is not ordinarily expected to exceed 9%. Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the index over the long term.

### Derivatives and Techniques

- The fund may use derivatives to reduce risk, 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.

## Performance Review

For the six months ended 31 January 2022, the value of ASI World Equity Income Fund – A Income Shares increased by 7.38% compared to an increase of 6.90% in the performance target, the MSCI AC World High Yield Index benchmark.

Source: Lipper, Basis: total return, published NAV to NAV, net of annual charges, UK Net income reinvested, GBP.

The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) any other damages. ([www.msci.com](http://www.msci.com))

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.

## Market Review

The broader global equities market made a solid gain over the review period, but took a significant knock in January 2022. A sharp rise in market volatility saw stocks sell off aggressively, significantly reducing returns for the six-month period. US equities suffered the worst start to a year since the financial crisis. Investors were spooked by a hawkish Federal Reserve statement on interest rates and surging energy prices from mounting Russia-Ukraine tension.

Until the threat of higher interest rates at the end of the review period, investors had weathered China's regulatory crackdown on its technology companies in the summer of 2021 and the appearance in November of the Omicron Covid-19 variant.

Unsurprisingly, energy companies and banks were the top performers in a period of rising energy prices and interest rates.



# ASI World Income Equity Fund

## Continued

### Portfolio Activity

China Resources Land's share's responded positively to reports that the regulator may exclude some top-tier developers' merger and acquisition loans from China's 'three red lines' metrics on debt. This could enable companies such as China Resources Land to speed up acquisitions should it wish to do so. TotalEnergies, the French energy major, benefited from rising oil and gas prices. The company bounced back from losses in 2020 when the Covid-19 pandemic cut demand for oil. Its shares rose after profits surged and the company announced a new buyback programme. The CEO pointed to the global economic recovery, notably in Asia, driving energy prices higher. He also highlighted that sharply higher gas prices had been beneficial to the business. Elsewhere, semiconductor designer Broadcom outperformed. The shares strengthened on the continued high demand for its products, especially for cloud and hyperscale computing. Broadcom's latest result surpassed consensus forecasts, with management projecting a healthy performance for the start of 2022.

By contrast, Brazilian miner Vale weighed on returns. The shares weakened on the company's cut in iron ore and nickel production, which resulted from softer industrial metal prices. Iron ore prices dropped on falling demand from China. Other issues to affect the company included the write down of coal assets, which all added up to the business delivering disappointing results. The shares of Taiwanese semiconductor wafer manufacturer GlobalWafers dropped sharply in January when it failed to get approval from the German government for its takeover of Siltronic. This combined with the broader market rotation away from high valuation stocks during January in the face of higher interest rates. Lastly, Chinese life insurer Ping An continued to struggle amid concerns that new business growth may be subdued in the short term from a tougher competitive environment. Moreover, rising concern about China's economic growth also weighed on investor sentiment. Notwithstanding this, Ping An remains a market leader and should benefit from the restructuring of its sales force going forward.

### Portfolio Outlook and Strategy

Overall, markets remain sensitive to headline inflation numbers and interest rate changes. Supply chain pressures, although easing in many areas, continue to disrupt operations. We believe companies with a clear competitive advantage, a solid market share and healthy balance sheet are best placed to manage these pressures. They should achieve this by either raising prices

or with better inventory support. Companies with high debt appear vulnerable to rising interest rates. We expect investor concerns will turn to the growth outlook as we move through the year, particularly concerning the impact of higher interest rates.

### Global Equity Team

February 2022

# ASI World Income Equity Fund

## 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 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.
- The fund may invest in companies with Variable Interest Entity (VIE) structures in order to gain exposure to industries with foreign ownership restrictions. There is a risk that investments in these structures may be adversely affected by changes in the legal and regulatory framework.
- 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 going into administration.

# Comparative Tables

<b>A Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	3,958	3,929	3,627	4,607
Closing number of shares	2,463,943	2,660,858	2,893,441	3,002,964
Closing net asset value per share (pence)	160.62	147.66	125.37	153.42
Change in net asset value per share	8.78%	17.78%	(18.28%)	8.07%
Operating charges	1.34%	1.53%	1.57%	1.59%
<b>A Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	9,942	9,431	14,071	32,181
Closing number of shares	15,371,642	15,525,949	26,414,589	47,629,147
Closing net asset value per share (pence)	64.68	60.74	53.27	67.57
Change in net asset value per share	6.49%	14.02%	(21.16%)	3.87%
Operating charges	1.34%	1.53%	1.57%	1.59%
<b>I Accumulation</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	1,872	1,729	1,570	2,385
Closing number of shares	1,182,650	1,190,935	1,279,270	1,595,022
Closing net asset value per share (pence)	158.31	145.21	122.73	149.51
Change in net asset value per share	9.02%	18.32%	(17.91%)	8.62%
Operating charges	0.89%	1.08%	1.12%	1.12%
<b>I Income</b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	13,987	16,036	19,572	35,536
Closing number of shares	20,359,417	24,907,411	34,825,708	50,079,475
Closing net asset value per share (pence)	68.70	64.38	56.20	70.96
Change in net asset value per share	6.71%	14.56%	(20.80%)	4.37%
Operating charges	0.89%	1.08%	1.12%	1.12%
<b>M Accumulation<sup>A</sup></b>	<b>31 January 2022</b>	<b>31 July 2021</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
Closing net asset value (£'000)	1	1	1	-
Closing number of shares	936	936	936	100
Closing net asset value per share (pence)	117.80	108.00	91.20	110.76
Change in net asset value per share	9.07%	18.42%	(17.66%)	10.76%
Operating charges	0.94%	1.13%	1.17%	1.17%

# Comparative Tables

## Continued

M Income <sup>8</sup>	31 January 2022	31 July 2021	31 July 2020	31 July 2019
Closing net asset value (£'000)	11	11	9	-
Closing number of shares	10,783	10,644	10,388	100
Closing net asset value per share (pence)	104.12	97.58	85.18	107.37
Change in net asset value per share	6.70%	14.56%	(20.67%)	7.37%
Operating charges	0.94%	1.13%	1.17%	1.17%

The closing net asset value (£'000) divided by the closing number of shares may not calculate to the closing net asset value per share (pence) due to rounding differences.

The published closing net asset value per share (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per share 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 share class.

<sup>^</sup>M Accumulation share class was launched on 30 November 2018.

<sup>8</sup>M Income share class was launched on 30 November 2018.

# Portfolio Statement

As at 31 January 2022

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Equities (99.68%)</b>		<b>29,251</b>	<b>98.25</b>
<b>Emerging Market Equities (9.40%)</b>		<b>2,485</b>	<b>8.34</b>
<b>Brazil (7.41%)</b>		<b>1,968</b>	<b>6.61</b>
160,010	Banco Bradesco ADR	510	1.71
86,900	Telefonica Brasil ADR	607	2.04
75,200	Vale ADR	851	2.86
<b>Chile (1.99%)</b>		<b>517</b>	<b>1.73</b>
12,800	Sociedad Quimica y Minera de Chile ADR	517	1.73
<b>European Equities (14.61%)</b>		<b>4,718</b>	<b>15.85</b>
<b>Denmark (2.09%)</b>		<b>615</b>	<b>2.07</b>
34,916	Tryg	615	2.07
<b>Finland (0.00%)</b>		<b>293</b>	<b>0.98</b>
33,300	Nordea Bank (Swedish listing)	293	0.98
<b>France (3.10%)</b>		<b>1,143</b>	<b>3.84</b>
4,200	Sanofi	325	1.09
19,500	TotalEnergies	818	2.75
<b>Italy (1.32%)</b>		<b>437</b>	<b>1.47</b>
77,100	Enel	437	1.47
<b>Norway (2.07%)</b>		<b>615</b>	<b>2.07</b>
50,200	Telenor	615	2.07

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Sweden (3.31%)</b>		<b>841</b>	<b>2.82</b>
11,000	Atlas Copco 'B'	414	1.39
31,900	Epiroc 'B'	427	1.43
<b>Switzerland (2.72%)</b>		<b>774</b>	<b>2.60</b>
1,600	Roche (Participating certificate)	457	1.54
900	Zurich Insurance	317	1.06
<b>North America Equities (32.51%)</b>		<b>9,730</b>	<b>32.68</b>
<b>Canada (5.43%)</b>		<b>1,774</b>	<b>5.96</b>
13,300	Enbridge	419	1.41
11,300	Nutrien	587	1.97
11,600	TC Energy	446	1.50
18,400	TELUS	322	1.08
<b>United States (21.93%)</b>		<b>6,427</b>	<b>21.59</b>
12,000	AbbVie	1,224	4.11
11,500	Bristol-Myers Squibb	556	1.87
2,100	Broadcom	917	3.08
17,900	Cisco Systems	742	2.49
6,300	CME	1,077	3.62
2,500	Johnson & Johnson	321	1.08
10,550	Philip Morris International	809	2.72
19,700	Verizon Communications	781	2.62
<b>Mexico (5.15%)</b>		<b>1,529</b>	<b>5.13</b>
73,900	Grupo Aeroportuario del Sureste	1,114	3.74
386,900	Kimberly-Clark de Mexico	415	1.39

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Pacific Basin Equities (34.24%)</b>		<b>9,435</b>	<b>31.69</b>
<b>China (3.56%)</b>		<b>1,060</b>	<b>3.56</b>
147,500	China Vanke 'H'	283	0.95
133,500	Ping An Insurance 'H'	777	2.61
<b>Hong Kong (2.21%)</b>		<b>1,034</b>	<b>3.47</b>
288,000	China Resources Land	1,034	3.47
<b>India (2.26%)</b>		<b>658</b>	<b>2.21</b>
528,596	Castrol India	658	2.21
<b>Indonesia (2.88%)</b>		<b>1,091</b>	<b>3.66</b>
747,000	Indocement Tunggul Prakarsa	423	1.42
3,082,200	Telkom Indonesia Persero	668	2.24
<b>Singapore (4.35%)</b>		<b>962</b>	<b>3.23</b>
94,700	Oversea-Chinese Banking	651	2.19
231,800	Singapore Telecommunications	311	1.04
<b>South Korea (4.09%)</b>		<b>866</b>	<b>2.91</b>
830	Samsung Electronics GDR	866	2.91
<b>Taiwan (12.00%)</b>		<b>3,027</b>	<b>10.17</b>
58,000	Globalwafers	1,197	4.02
214,000	Hon Hai Precision	585	1.97
113,600	Taiwan Mobile	304	1.02
10,300	Taiwan Semiconductor Manufacturing ADR	941	3.16

# Portfolio Statement

As at 31 January 2022 continued

Holding	Investment	Market value £'000	Percentage of total net assets
<b>Thailand (2.89%)</b>		<b>737</b>	<b>2.48</b>
911,700	Lotus's Retail Growth Freehold And Leasehold Property Fund (Alien Market)	261	0.88
169,400	Siam Commercial Bank (Alien Market)	476	1.60
<b>UK Equities (8.92%)</b>		<b>2,883</b>	<b>9.69</b>
<b>Basic Materials (1.53%)</b>		<b>481</b>	<b>1.62</b>
20,500	BHP	481	1.62
<b>Consumer Staples (5.37%)</b>		<b>1,624</b>	<b>5.46</b>
23,300	British American Tobacco	737	2.48
11,700	Unilever (Netherland listing)	444	1.49
11,700	Unilever (UK listing)	443	1.49
<b>Energy (1.14%)</b>		<b>470</b>	<b>1.58</b>
24,900	Shell	470	1.58
<b>Telecommunications (0.88%)</b>		<b>308</b>	<b>1.03</b>
237,200	Vodafone	308	1.03
Total investment assets		29,251	98.25
Net other assets		520	1.75
<b>Total Net Assets</b>		<b>29,771</b>	<b>100.00</b>

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 31 July 2021.



# Financial Statements

## Statement of Total Return

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		2,083		3,954
Revenue	689		569	
Expenses	(161)		(236)	
Net revenue before taxation	528		333	
Taxation	(16)		(48)	
Net revenue after taxation		512		285
<b>Total return before distributions</b>		<b>2,595</b>		<b>4,239</b>
Distributions		(659)		(499)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>1,936</b>		<b>3,740</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 January 2022

	31 January 2022		31 January 2021	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>31,137</b>		<b>38,850</b>
Amounts receivable on the issue of shares	698		1,193	
Amounts payable on the cancellation of shares	(4,122)		(10,170)	
		(3,424)		(8,977)
Dilution adjustment		-		9
Change in net assets attributable to shareholders from investment activities (see above)		1,936		3,740
Retained distribution on accumulation shares		122		71
Unclaimed distributions		-		1
<b>Closing net assets attributable to shareholders</b>		<b>29,771</b>		<b>33,694</b>

Comparative information is provided for the statement of change in net assets attributable to shareholders. 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 2022

	31 January 2022		31 July 2021	
	£'000	£'000	£'000	£'000
<b>Assets:</b>				
<b>Fixed assets:</b>				
Investment assets		29,251		31,037
<b>Current assets:</b>				
Debtors	259		309	
Cash and bank balances	479		99	
		738		408
<b>Total assets</b>		<b>29,989</b>		<b>31,445</b>
<b>Liabilities:</b>				
Creditors	(48)		(91)	
Distribution payable	(170)		(217)	
		(218)		(308)
<b>Total liabilities</b>		<b>(218)</b>		<b>(308)</b>
<b>Net assets attributable to shareholders</b>		<b>29,771</b>		<b>31,137</b>

### Subsequent event

Investments in financial markets are affected by many factors, many of which have shifted following the outbreak of the conflict in Ukraine. The fund invests in a portfolio of assets, whose values have fallen since the interim period, primarily due to the global market volatility created by the conflict in Ukraine and the longer term uncertainty the conflict brings. As at the close of business on the balance sheet date the Net Asset Value of the lead share class A Income was 64.68p. The Net Asset Value of share class A Income as at 12 noon on 21 March 2022 was 66.95p. This represents a modest decrease of 3.51% from the interim period value.

# Distribution Tables

For the six months ended 31 January 2022 (in pence per share)

## First interim dividend distribution

Group 1 – shares purchased prior to 1 August 2021

Group 2 – shares purchased between 1 August 2021 and 31 October 2021

	Revenue	Equalisation	Distribution paid 31/01/22	Distribution paid 29/01/21
<b>A Accumulation</b>				
Group 1	2.1340	-	2.1340	0.9988
Group 2	1.0701	1.0639	2.1340	0.9988
<b>A Income</b>				
Group 1	0.8781	-	0.8781	0.4261
Group 2	0.0832	0.7949	0.8781	0.4261
<b>I Accumulation</b>				
Group 1	2.0999	-	2.0999	0.9779
Group 2	1.5146	0.5853	2.0999	0.9779
<b>I Income</b>				
Group 1	0.9333	-	0.9333	0.4479
Group 2	0.4409	0.4924	0.9333	0.4479
<b>M Accumulation</b>				
Group 1	1.5580	-	1.5580	0.7448
Group 2	1.5580	-	1.5580	0.7448
<b>M Income</b>				
Group 1	1.4214	-	1.4214	0.6685
Group 2	1.4214	-	1.4214	0.6685

# Distribution Tables

For the six months ended 31 January 2022 (in pence per share) continued

## Second interim dividend distribution

Group 1 – shares purchased prior to 1 November 2021

Group 2 – shares purchased between 1 November 2021 and 31 January 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
<b>A Accumulation</b>				
Group 1	1.1333	-	1.1333	0.8525
Group 2	0.4374	0.6959	1.1333	0.8525
<b>A Income</b>				
Group 1	0.4592	-	0.4592	0.3592
Group 2	0.0132	0.4460	0.4592	0.3592
<b>I Accumulation</b>				
Group 1	1.1156	-	1.1156	0.8357
Group 2	0.3039	0.8117	1.1156	0.8357
<b>I Income</b>				
Group 1	0.4885	-	0.4885	0.3795
Group 2	0.1522	0.3363	0.4885	0.3795
<b>M Accumulation</b>				
Group 1	0.8345	-	0.8345	0.6390
Group 2	0.8345	-	0.8345	0.6390
<b>M Income</b>				
Group 1	0.7410	-	0.7410	0.5628
Group 2	0.6646	0.0764	0.7410	0.5628

## Equalisation

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

# Securities Financing Transactions Disclosure

The Company engages in Securities Financing Transactions (SFTs) (as defined in Article 3 of Regulation (EU) 2015/2365, SFTs include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions). In accordance with Article 13 of the Regulation, the Company's involvement in and exposures related to securities lending for the six months ending 31 January 2022 are detailed below:

## Absolute value of assets engaged in SFTs

Fund	Market Value of securities on loan £'000	% of lendable assets	% of assets under management
ASI (AAM) Sterling Government Bond Fund	4,867	2.96	3.95
ASI (AAM) UK Smaller Companies Fund	2	0.00	0.00
ASI Corporate Bond Fund	532	0.33	0.42
ASI Diversified Income Fund	192	0.15	0.10
ASI Emerging Markets Bond Fund	148	0.44	0.50
ASI Emerging Markets Equity Fund	3,844	0.80	0.43
ASI European High Yield Bond Fund	4,415	8.47	10.93
ASI European Real Estate Share Fund	3,526	2.97	3.10
ASI Japanese Equity Fund	258	0.27	0.34
ASI Multi-Asset Fund	96	0.05	0.06
ASI Sterling Bond Fund	3,096	1.51	2.00
ASI Sterling Short Term Government Bond	11,873	13.71	17.62
ASI Strategic Bond Fund	1,714	1.37	1.46
ASI UK Equity Fund	5,098	0.84	1.11
ASI UK Mid-Cap Equity Fund	4,383	1.50	1.71
ASI UK Sustainable and Responsible Investment Equity Fund	657	0.70	0.90

# Securities Financing Transactions Disclosure

Continued

## Concentration data

### Top ten collateral Issuers

Issuers	Market value of collateral received £'000	Issuers	Market value of collateral received £'000	Issuers	Market value of collateral received £'000
<b>ASI (AAM) Sterling Government Bond Fund</b>		<b>ASI (AAM) UK Smaller Companies Fund</b>		<b>ASI Corporate Bond Fund</b>	
France (Republic of)	1,722	Duke Realty REIT	1	Netherlands (Kingdom of)	221
Germany (Federal Republic of)	1,722	Extra Space Storage REIT	1	Germany (Federal Republic of)	220
Canada (Gov't of)	979	Healthpeak Properties REIT	1	France (Republic of)	189
Netherlands (Kingdom of)	742	Public Storage REIT	-		
United States Treasury Notes	1	Ventas REIT	-		
		Regency Centers REIT	-		
		Equity Residential REIT	-		
		Realty Income REIT	-		
		Welltower REIT	-		
		SBA Communications REIT	-		
		Other equity	-		
<b>Total</b>	<b>5,166</b>	<b>Total</b>	<b>3</b>	<b>Total</b>	<b>630</b>
<b>ASI Diversified Income Fund</b>		<b>ASI Emerging Markets Bond Fund</b>		<b>ASI Emerging Markets Equity Fund</b>	
Canada (Gov't of)	70	Germany (Federal Republic of)	74	Australia (Commonwealth of)	420
France (Republic of)	70	France (Republic of)	73	France (Republic of)	413
Germany (Federal Republic of)	70	Netherlands (Kingdom of)	63	United States Treasury Notes	412
				Weyerhaeuser REIT	390
				Pentair	390
				Kimco Realty REIT	390
				Federal REIT	390
				Duke Realty REIT	390
				Johnson Controls International	390
				Discovery 'A'	390
				Other assets	1,501
<b>Total</b>	<b>210</b>	<b>Total</b>	<b>210</b>	<b>Total</b>	<b>5,476</b>

# Securities Financing Transactions Disclosure

## Continued

Issuers	Market value of collateral received £'000	Issuers	Market value of collateral received £'000	Issuers	Market value of collateral received £'000
<b>ASI European High Yield Bond Fund</b>		<b>ASI European Real Estate Share Fund</b>		<b>ASI Japanese Equity Fund</b>	
France (Republic of)	1,690	France (Republic of)	1,013	Canada (Gov't of)	105
Denmark (Kingdom of)	1,662	UnitedHealth	360	American Tower REIT	30
Netherlands (Kingdom of)	950	WalMart	360	SSE	30
Germany (Federal Republic of)	491	SSE	360	Coca-Cola	30
United States Treasury Notes	37	Zoetis	360	Extra Space Storage REIT	30
		American Tower REIT	360	Applied Materials	30
		First Quantum Minerals	180	UnitedHealth	30
		Pirelli & C	180	Iveco	15
		Iveco	180	Wheaton Precious Metals	15
		Hera	180	Hera	7
		Other assets	338		
<b>Total</b>	<b>4,830</b>	<b>Total</b>	<b>3,871</b>	<b>Total</b>	<b>322</b>
<b>ASI Multi-Asset Fund</b>		<b>ASI Sterling Bond Fund</b>		<b>ASI Sterling Short Term Government Bond</b>	
Prologis REIT	10	France (Republic of)	1,085	France (Republic of)	4,184
Mid-America Apartment Communities REIT	10	Germany (Federal Republic of)	1,085	Germany (Federal Republic of)	4,184
Pro Medicus	5	Netherlands (Kingdom of)	1,085	Netherlands (Kingdom of)	4,184
BCE	5				
Restaurant Brands International	5				
Barrick Gold	5				
TELUS	5				
Thomson Reuters	5				
Shaw Communications 'B'	5				
Sun Life Financial	5				
Other equity	50				
<b>Total</b>	<b>110</b>	<b>Total</b>	<b>3,255</b>	<b>Total</b>	<b>12,552</b>

# Securities Financing Transactions Disclosure

## Continued

Issuers	Market value of collateral received £'000	Issuers	Market value of collateral received £'000	Issuers	Market value of collateral received £'000
<b>ASI Strategic Bond Fund</b>		<b>ASI UK Equity Fund</b>		<b>ASI UK Mid-Cap Equity Fund</b>	
France (Republic of)	629	International Paper	510	Entain	300
Germany (Federal Republic of)	316	Experian	510	Meggitt	300
United States Treasury Notes	315	Comcast	510	Comcast	300
Netherlands (Kingdom of)	315	Vinci	510	WalMart	300
Australia (Commonwealth of)	315	Ferguson	510	Activision Blizzard	300
		Meta Platforms	510	Hikma Pharmaceuticals	300
		T-Mobile	510	Vinci	300
		salesforce.com	510	Diageo	300
		InterContinental Hotels	510	Flutter Entertainment	300
		Flutter Entertainment	510	Netflix	300
		Other equity	408	Other assets	1,755
<b>Total</b>	<b>1,890</b>	<b>Total</b>	<b>5,508</b>	<b>Total</b>	<b>4,755</b>
<b>ASI UK Sustainable and Responsible Investment Equity Fund</b>					
Canada (Gov't of)	245				
WalMart	70				
Applied Materials	70				
American Tower REIT	70				
Extra Space Storage REIT	70				
UnitedHealth	70				
First Quantum Minerals	35				
Wheaton Precious Metals	35				
Nexi	35				
Amplifon	34				
Other equity	18				
<b>Total</b>	<b>752</b>				



# Securities Financing Transactions Disclosure

## Continued

### Top ten counterparties per type of SFT

Counterparty	Market value of securities on loan £'000	Counterparty	Market value of securities on loan £'000	Counterparty	Market value of securities on loan £'000
<b>ASI (AAM) Sterling Government Bond Fund</b>		<b>ASI (AAM) UK Smaller Companies Fund</b>		<b>ASI Corporate Bond Fund</b>	
Bank of Nova Scotia (London Branch)	2,768	Citigroup Global Markets	2	Barclays Bank	532
Citigroup Global Markets	2,099				
<b>ASI Diversified Income Fund</b>		<b>ASI Emerging Markets Bond Fund</b>		<b>ASI Emerging Markets Equity Fund</b>	
Bank of Nova Scotia (London Branch)	192	Barclays Bank	148	UBS (London Branch)	3,844
<b>ASI European High Yield Bond Fund</b>		<b>ASI European Real Estate Share Fund</b>		<b>ASI Japanese Equity Fund</b>	
BNP Paribas (London Branch)	4,415	UBS (London Branch)	3,526	UBS (London Branch)	258
<b>ASI Multi-Asset Fund</b>		<b>ASI Sterling Bond Fund</b>		<b>ASI Sterling Short Term Government Bond</b>	
JP Morgan Securities	96	Citigroup Global Markets	3,096	Citigroup Global Markets	11,873
<b>ASI Strategic Bond Fund</b>		<b>ASI UK Equity Fund</b>		<b>ASI UK Mid-Cap Equity Fund</b>	
Credit Suisse Securities	887	Bank of Nova Scotia (London Branch)	5,098	Bank of Nova Scotia (London Branch)	2,990
Goldman Sachs International	827			UBS (London Branch)	1,393
<b>ASI UK Sustainable and Responsible Investment Equity Fund</b>					
UBS (London Branch)	657				

# Securities Financing Transactions Disclosure

## Continued

### Aggregate Transaction Data

Counterparty	Countries of counterparty establishment	Type	Quality	Collateral currency	Settlement and Clearing	Custodian	Market value of collateral received £'000
<b>ASI (AAM) Sterling Government Bond Fund</b>							
Bank of Nova Scotia (London Branch)	Canada	Government Bond	Main market listing	CAD	Tri-party	BNY Mellon	443
Bank of Nova Scotia (London Branch)	Canada	Government Bond	Main market listing	EUR	Tri-party	BNY Mellon	1,960
Bank of Nova Scotia (London Branch)	Canada	Government Bond	Main market listing	USD	Tri-party	BNY Mellon	537
Citigroup Global Markets	United States	Government Bond	Main market listing	EUR	Tri-party	BNY Mellon	2,226
<b>ASI (AAM) UK Smaller Companies Fund</b>							
Citigroup Global Markets	United States	Equity	Main market listing	USD	Tri-party	BNY Mellon	3
<b>ASI Corporate Bond Fund</b>							
Barclays Bank	United Kingdom	Government Bond	Main market listing	EUR	Tri-party	Euroclear	630
<b>ASI Diversified Income Fund</b>							
Bank of Nova Scotia (London Branch)	Canada	Government Bond	Main market listing	CAD	Tri-party	BNY Mellon	70
Bank of Nova Scotia (London Branch)	Canada	Government Bond	Main market listing	EUR	Tri-party	BNY Mellon	140
<b>ASI Emerging Markets Bond Fund</b>							
Barclays Bank	United Kingdom	Government Bond	Main market listing	EUR	Tri-party	Euroclear	210
<b>ASI Emerging Markets Equity Fund</b>							
Goldman Sachs International	United States	Government Bond	Main market listing	AUD	Tri-party	BNY Mellon	420
Goldman Sachs International	United States	Government Bond	Main market listing	EUR	Tri-party	BNY Mellon	420
Goldman Sachs International	United States	Government Bond	Main market listing	USD	Tri-party	BNY Mellon	420
Goldman Sachs International	United States	Equity	Main market listing	EUR	Tri-party	BNY Mellon	1
UBS (London Branch)	Switzerland	Equity	Main market listing	CAD	Tri-party	BNY Mellon	195
UBS (London Branch)	Switzerland	Equity	Main market listing	GBP	Tri-party	BNY Mellon	270
UBS (London Branch)	Switzerland	Equity	Main market listing	USD	Tri-party	BNY Mellon	3,750
<b>ASI European High Yield Bond Fund</b>							
BNP Paribas (London Branch)	France	Government Bond	Main market listing	DKK	Tri-party	Euroclear	1,662
BNP Paribas (London Branch)	France	Government Bond	Main market listing	EUR	Tri-party	Euroclear	3,131
BNP Paribas (London Branch)	France	Government Bond	Main market listing	USD	Tri-party	Euroclear	37

# Securities Financing Transactions Disclosure

## Continued

Counterparty	Countries of counterparty establishment	Type	Quality	Collateral currency	Settlement and Clearing	Custodian	Market value of collateral received £'000
<b>ASI European Real Estate Share Fund</b>							
UBS (London Branch)	Switzerland	Government Bond	Main market listing	EUR	Tri-party	BNY Mellon	1,013
UBS (London Branch)	Switzerland	Government Bond	Main market listing	USD	Tri-party	BNY Mellon	158
UBS (London Branch)	Switzerland	Equity	Main market listing	CAD	Tri-party	BNY Mellon	360
UBS (London Branch)	Switzerland	Equity	Main market listing	EUR	Tri-party	BNY Mellon	540
UBS (London Branch)	Switzerland	Equity	Main market listing	GBP	Tri-party	BNY Mellon	360
UBS (London Branch)	Switzerland	Equity	Main market listing	USD	Tri-party	BNY Mellon	1,440
<b>ASI Japanese Equity Fund</b>							
UBS (London Branch)	Switzerland	Government Bond	Main market listing	CAD	Tri-party	BNY Mellon	105
UBS (London Branch)	Switzerland	Equity	Main market listing	CAD	Tri-party	BNY Mellon	15
UBS (London Branch)	Switzerland	Equity	Main market listing	EUR	Tri-party	BNY Mellon	22
UBS (London Branch)	Switzerland	Equity	Main market listing	GBP	Tri-party	BNY Mellon	30
UBS (London Branch)	Switzerland	Equity	Main market listing	USD	Tri-party	BNY Mellon	150
<b>ASI Multi-Asset Fund</b>							
JP Morgan Securities	United States	Equity	Main market listing	AUD	Tri-party	BNY Mellon	5
JP Morgan Securities	United States	Equity	Main market listing	CAD	Tri-party	BNY Mellon	85
JP Morgan Securities	United States	Equity	Main market listing	USD	Tri-party	BNY Mellon	20
<b>ASI Sterling Bond Fund</b>							
Citigroup Global Markets	United States	Government Bond	Main market listing	EUR	Tri-party	BNY Mellon	3,255
<b>ASI Sterling Short Term Government Bond</b>							
Citigroup Global Markets	United States	Government Bond	Main market listing	EUR	Tri-party	BNY Mellon	12,552
<b>ASI Strategic Bond Fund</b>							
Credit Suisse Securities	Switzerland	Government Bond	Main market listing	EUR	Tri-party	BNY Mellon	945
Goldman Sachs International	United States	Government Bond	Main market listing	AUD	Tri-party	BNY Mellon	315
Goldman Sachs International	United States	Government Bond	Main market listing	EUR	Tri-party	BNY Mellon	315
Goldman Sachs International	United States	Government Bond	Main market listing	USD	Tri-party	BNY Mellon	315

# Securities Financing Transactions Disclosure

## Continued

Counterparty	Countries of counterparty establishment	Type	Quality	Collateral currency	Settlement and Clearing	Custodian	Market value of collateral received £'000
<b>ASI UK Equity Fund</b>							
Bank of Nova Scotia (London Branch)	Canada	Equity	Main market listing	EUR	Tri-party	BNY Mellon	510
Bank of Nova Scotia (London Branch)	Canada	Equity	Main market listing	GBP	Tri-party	BNY Mellon	2,039
Bank of Nova Scotia (London Branch)	Canada	Equity	Main market listing	USD	Tri-party	BNY Mellon	2,959
<b>ASI UK Mid-Cap Equity Fund</b>							
Bank of Nova Scotia (London Branch)	Canada	Equity	Main market listing	EUR	Tri-party	BNY Mellon	300
Bank of Nova Scotia (London Branch)	Canada	Equity	Main market listing	GBP	Tri-party	BNY Mellon	1,500
Bank of Nova Scotia (London Branch)	Canada	Equity	Main market listing	USD	Tri-party	BNY Mellon	1,440
UBS (London Branch)	Switzerland	Government Bond	Main market listing	USD	Tri-party	BNY Mellon	88
UBS (London Branch)	Switzerland	Equity	Main market listing	CAD	Tri-party	BNY Mellon	140
UBS (London Branch)	Switzerland	Equity	Main market listing	EUR	Tri-party	BNY Mellon	168
UBS (London Branch)	Switzerland	Equity	Main market listing	GBP	Tri-party	BNY Mellon	140
UBS (London Branch)	Switzerland	Equity	Main market listing	USD	Tri-party	BNY Mellon	979
<b>ASI UK Sustainable and Responsible Investment Equity Fund</b>							
UBS (London Branch)	Switzerland	Government Bond	Main market listing	CAD	Tri-party	BNY Mellon	245
UBS (London Branch)	Switzerland	Equity	Main market listing	CAD	Tri-party	BNY Mellon	70
UBS (London Branch)	Switzerland	Equity	Main market listing	EUR	Tri-party	BNY Mellon	69
UBS (London Branch)	Switzerland	Equity	Main market listing	USD	Tri-party	BNY Mellon	368

# Securities Financing Transactions Disclosure

## Continued

### Maturity Tenor of collateral (remaining period to maturity)

	Less than one day £'000	One day to one week £'000	One week to one month £'000	One to three months £'000	Three months to one year £'000	Above one year £'000	Open maturity £'000	Total £'000
ASI (AAM) Sterling Government Bond Fund	-	-	-	1,722	-	3,444	-	5,166
ASI (AAM) UK Smaller Companies Fund	-	-	-	-	-	-	3	3
ASI Corporate Bond Fund	-	-	-	-	-	630	-	630
ASI Diversified Income Fund	-	-	69	-	-	141	-	210
ASI Emerging Markets Bond Fund	-	-	-	-	-	210	-	210
ASI Emerging Markets Equity Fund	-	-	7	-	-	1,253	4,216	5,476
ASI European High Yield Bond Fund	-	-	-	-	-	4,830	-	4,830
ASI European Real Estate Share Fund	-	-	-	-	-	1,171	2,700	3,871
ASI Japanese Equity Fund	-	-	-	-	-	105	217	322
ASI Multi-Asset Fund	-	-	-	-	-	-	110	110
ASI Sterling Bond Fund	-	-	-	-	-	3,255	-	3,255
ASI Sterling Short Term Government Bond	-	-	-	-	-	12,552	-	12,552
ASI Strategic Bond Fund	-	-	-	-	315	1,575	-	1,890
ASI UK Equity Fund	-	-	-	-	-	-	5,508	5,508
ASI UK Mid-Cap Equity Fund	-	-	-	-	-	88	4,667	4,755
ASI UK Sustainable and Responsible Investment Equity Fund	-	-	-	245	-	-	507	752

Lending transactions operate on a rolling one day contract and can be recalled on demand.

#### Data on reuse of collateral

Non-cash collateral is held with a segregated account by the funds' Custodian and will not be sold, re-invested or pledged.

#### Safekeeping of collateral

##### Granted

At the year end there was no non-cash collateral posted by the funds.

##### Received

As at the year end date, collateral was received for stock lending transactions into a segregated account at the funds' Custodian in the form of Government bonds and main market listed equity valued at £50m.

# Securities Financing Transactions Disclosure

## Continued

### Return and cost per type of SFT

Fund	Total gross amount of securities lending income £'000	Direct costs deducted by securities lending agent £'000	Net amount of securities lending income £'000	Gross amount of securities lending income %	Direct costs deducted by securities lending agent %	Net return of the Fund %
ASI (AAM) Sterling Government Bond Fund	1	-	1	100.00	(15.00)	85.00
ASI (AAM) UK Smaller Companies Fund*	-	-	-	100.00	(15.00)	85.00
ASI Asia Pacific and Japan Equity Fund	1	-	1	100.00	(15.00)	85.00
ASI Asia Pacific Equity Fund**	-	-	-	100.00	(15.00)	85.00
ASI Corporate Bond Fund	2	-	2	100.00	(15.00)	85.00
ASI Diversified Income Fund	1	-	1	100.00	(15.00)	85.00
ASI Emerging Markets Bond Fund	1	-	1	100.00	(15.00)	85.00
ASI Emerging Markets Equity Fund	35	5	30	100.00	(15.00)	85.00
ASI European High Yield Bond Fund	41	6	35	100.00	(15.00)	85.00
ASI European Real Estate Share Fund	6	1	5	100.00	(15.00)	85.00
ASI European Smaller Companies Fund***	-	-	-	100.00	(15.00)	85.00
ASI Global Sustainable and Responsible Investment Equity Fund****	-	-	-	100.00	(15.00)	85.00
ASI Japanese Equity Fund	5	1	4	100.00	(15.00)	85.00
ASI Latin American Equity Fund	2	-	2	100.00	(15.00)	85.00
ASI Multi-Asset Fund*****	-	-	-	100.00	(15.00)	85.00
ASI Sterling Bond Fund*****	-	-	-	100.00	(15.00)	85.00
ASI Sterling Short Term Government Bond	4	1	3	100.00	(15.00)	85.00
ASI Strategic Bond Fund	8	1	7	100.00	(15.00)	85.00
ASI UK Equity Fund	5	1	4	100.00	(15.00)	85.00
ASI UK Mid-Cap Equity Fund	4	1	3	100.00	(15.00)	85.00
ASI UK Real Estate Share Fund	2	-	2	100.00	(15.00)	85.00
ASI UK Sustainable and Responsible Investment Equity Fund*****	-	-	-	100.00	(15.00)	85.00

\* Net income from securities lending in the period was £6, with direct costs of £1.

\*\* Net income from securities lending in the period was £299, with direct costs of £53.

\*\*\* Net income from securities lending in the period was £70, with direct costs of £12.

\*\*\*\* Net income from securities lending in the period was £377, with direct costs of £67.

\*\*\*\*\* Net income from securities lending in the period was £222, with direct costs of £39.

\*\*\*\*\* Net income from securities lending in the period was £116, with direct costs of £20.

\*\*\*\*\* Net income from securities lending in the period was £203, with direct costs of £36.

# Further Information

## Constitution

Aberdeen Standard OEIC I was incorporated on 23 December 1997, incorporated under the FCA Regulations. The Company is an open-ended investment company (OEIC) with variable capital under regulation 12 (authorisation) of the OEIC Regulations. Consumers' rights and protections, including any derived from EU legislation, are currently unaffected by the result of the UK referendum to leave the European Union and will remain unchanged unless and until the UK Government changes the applicable legislation.

## Documentation

Copies of the current Prospectus and Key Investor Information Documents (KIIDs) for the Aberdeen Standard OEIC I funds, daily prices, together with the latest Annual (and if issued later the interim) Report and Accounts for any fund, are available to download at [abrdn.com](http://abrdn.com). A paper copy of the Report and Accounts is available on request from the ACD.

## Notices/Correspondence

Please send any notices to Aberdeen Standard Fund Managers Limited, PO Box 12233, Chelmsford, CM99 2EE. Any notice to the ACD will only be effective when actually received by the ACD. 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 ACD, 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](mailto:complaints@abrdn.com) in the first instance. Alternatively if you have a complaint about the Company or Funds you can contact the Depositary directly. A leaflet detailing our complaints procedure is available on request. We will endeavour to respond 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](mailto: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](http://www.fscs.org.uk).

## UCITS

The Funds were certified under the Undertaking for Collective Investment in Transferable Securities (UCITS) directive, which allows the ACD to market the Funds in member States of the European Union subject to relevant local laws, specifically marketing laws.

## Important Information

The above document is strictly for information purposes only and should not be considered as an offer, investment recommendation or solicitation, to deal in any of the investments or funds mentioned herein and does not constitute investment research. Aberdeen Standard Fund Managers Limited (abrdrn) does not warrant the accuracy, adequacy or completeness of the information and materials. Any research or analysis used in the preparation of this document has been procured by abrdrn for its own use and may have been acted on for its own purpose. The results thus obtained are made available only coincidentally and the information is not guaranteed as to its accuracy. Some of the information in this document may contain projections or other forward looking statements regarding future events or future financial performance of countries, markets or companies. These statements are only predictions and actual events or results may differ materially. The reader must make their own assessment of the relevance, accuracy and adequacy of the information contained in this document and make such independent investigations, as they may consider necessary or appropriate for the purpose of such assessment. Any opinion or estimate contained in this document is made on a general basis and is not to be relied on by the reader as advice. Neither abrdrn nor any of its employees, associated group companies or agents have given any consideration to nor have they or any of them made any investigation of the investment objectives, financial situation or particular need of the reader, any specific person or group of persons. Accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of the reader, any person or group of persons acting on any information, opinion or estimate contained in this document. abrdrn reserves the right to make changes and corrections to any information in this document at any time, without notice.