

abrdn Sterling Corporate Bond Fund

Retail Acc GBP



31 May 2024

Objective

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

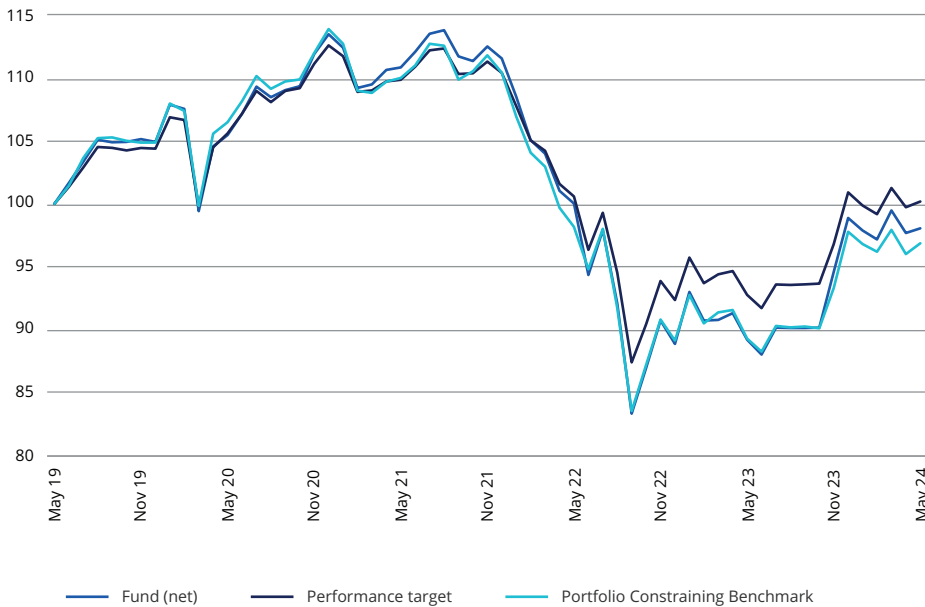
Performance Target: To exceed the Investment Association Sterling Corporate Bond Sector Average return (after charges) over 1 year and be top quartile over rolling three year periods. There is no certainty or promise that the Performance Target will be achieved.

The Investment Association Sterling Corporate Bond Sector (the "Sector") is a representative group of investment funds with a focus on sterling denominated investment grade bonds issued by companies.

Portfolio securities

- The fund will invest at least 60% in sterling denominated investment grade corporate bonds (which are like loans to companies that pay interest and are typically regarded as having a low default risk).
- The fund may also invest in other bonds (including those issued by governments and government-related bodies) issued anywhere in the world, including high yield bonds (which are like loans to companies or governments that pay a high rate of interest but have a lower credit rating than investment grade 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), cash and assets that can be turned into cash quickly.

Performance



Cumulative and annualised performance

| | 1 month | 6 months | Year to date | 1 year | 3 years (p.a.) | 5 years (p.a.) |
|--------------------------------------|---------|----------|--------------|--------|----------------|----------------|
| Fund (net) (%) | 0.38 | 3.67 | -0.83 | 8.80 | -4.34 | -0.60 |
| Performance target (%) | 0.46 | 3.50 | -0.72 | 8.00 | -3.03 | 0.04 |
| Portfolio constraining benchmark (%) | 0.89 | 3.82 | -0.94 | 8.49 | -4.15 | -0.64 |
| Sector ranking | 38/93 | 27/93 | 46/93 | 18/93 | 64/90 | 47/84 |
| Quartile | 2 | 2 | 2 | 1 | 3 | 3 |

Discrete annual returns - year to 31/5

| | 2024 | 2023 | 2022 | 2021 | 2020 |
|--------------------------------------|-------|--------|--------|-------|-------|
| Fund (net) (%) | 8.80 | -10.83 | -9.77 | 5.09 | 5.46 |
| Performance target (%) | 8.00 | -7.78 | -8.44 | 4.04 | 5.60 |
| Portfolio constraining benchmark (%) | 8.49 | -9.05 | -10.76 | 3.30 | 6.49 |
| Sector ranking | 18/93 | 81/92 | 62/90 | 13/88 | 37/84 |
| Quartile | 1 | 4 | 3 | 1 | 2 |

Performance Data: Share Class Retail Acc GBP.

Benchmark history: Portfolio constraining benchmark – Markit iBoxx Sterling Collateralized & Corporates

Source: abrdn (Fund & Benchmark) and Morningstar (Sector). Basis: Total Return, NAV to NAV, UK Net/Gross Income Reinvested.

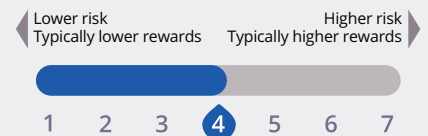
"Fund (Net)" refers to the actual unit price performance of the shareclass shown; "Fund(Gross)" adds back charges such as the annual management charge to present performance on the same basis as the performance target / performance comparator / portfolio constraining benchmark. These figures do not include the initial charge; if this is paid it will reduce performance from that shown.

Past performance is not a guide to future returns and future returns are not guaranteed.

Key facts

| | |
|-------------------------------------|---|
| Fund manager(s) | Adam Walker |
| Fund managers start date | 01 December 2005 |
| Fund launch date | 09 July 1990 |
| Share class launch date | 09 May 1994 |
| Authorised corporate director (ACD) | abrdn Fund Managers Limited |
| Fund size | £173.0m |
| Number of holdings | 182 |
| Performance target | IA Sterling Corporate Bond Sector Average |
| Portfolio constraining benchmark | Markit iBoxx Sterling Collateralized & Corporates |
| Yield to maturity exc derivatives | 6.81% |
| Distribution frequency | Quarterly |
| Entry charge (up to) ¹ | 0.00% |
| Annual management charge | 1.00% |
| Ongoing charge figure ² | 1.01% |
| Minimum initial investment | GBP 500 |
| Fund type | OEIC |
| Valuation point | 12:00 (UK time) |
| Base currency | GBP |
| Sedol | BYR0W6 |
| ISIN | GB00BYR0W60 |
| Bloomberg | SLIC0BA LN |
| Citicode | B505 |
| Domicile | United Kingdom |

Risk and reward profile



This indicator reflects the volatility of the fund's share price. See the relevant UCITS Key Investor Information Document (KIID) or PRIIPs Key Information Document (KID) for details

Key risks

- The value of investments and the income from them can fall and investors may get back less than the amount invested.
- Credit Risk** - The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- Interest Rate Risk** - The fund invests in securities which can be subject to price fluctuation for a variety of reasons including changes in interest rates or inflation expectations.
- High Yield Credit Risk** - The fund invests in high yield bonds which typically carry a greater risk of default than those with lower yields.

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Management process

- The management team use their discretion (active management) to identify investments based on analysis of global economics along with analysis of an investment's prospects and creditworthiness (debt repayment ability) compared to that of the market.
- Due to the active nature of the management process, the fund's profile may deviate significantly from Markit iBoxx Sterling Collateralized & Corporates Index (which is a representative index of the market for sterling denominated investment grade bonds issued by companies) 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.

Top Ten Holdings

| | |
|---|-------------|
| Broadgate 5.098% 2035 | 1.7 |
| UK (Govt of) 3.75% 2053 | 1.5 |
| Tesco Property 5.774% 2040 | 1.3 |
| Natwest Group 0.00001% 2031 | 1.3 |
| Danske Bank 2.25% 2028 | 1.3 |
| Premiertel 6.175% 2032 | 1.3 |
| UK (Govt of) 3.25% 2044 | 1.2 |
| Aviva 4.375% 2049 | 1.2 |
| Thames Water Utilities Cayman 4.375% 2034 | 1.2 |
| HSBC Holdings 5.7% 2034 | 1.2 |
| Assets in top ten holdings | 13.2 |

Country (%)

| | |
|--------------------------|------|
| United Kingdom | 72.5 |
| United States of America | 6.3 |
| France | 4.8 |
| Germany | 4.1 |
| Switzerland | 2.3 |
| Spain | 2.1 |
| Denmark | 2.0 |
| Italy | 1.1 |
| Other | 3.2 |
| Cash | 1.6 |

Maturity (%)

| | |
|-------------|------|
| 0-5 years | 50.8 |
| 5-10 years | 23.7 |
| 10-15 years | 10.0 |
| 15-20 years | 5.7 |
| 20-25 years | 2.6 |
| 25-30 years | 3.3 |
| 30+ years | 3.8 |

Source : abrdn 31/05/2024

Figures may not always sum to 100 due to rounding.

Sector (%)

| | |
|----------------------------|------|
| Financials | 39.7 |
| Utilities | 17.6 |
| Real Estate | 13.0 |
| Industrials | 5.6 |
| Consumer Discretionary | 3.9 |
| Government | 3.6 |
| Quasi Sovereign | 2.9 |
| Telecommunication Services | 2.8 |
| Other | 9.3 |
| Cash | 1.6 |

Credit rating (%)

| | |
|-----|------|
| AA | 4.4 |
| A | 25.1 |
| BBB | 56.4 |
| BB | 10.8 |
| B | 1.7 |
| N/R | 1.6 |

- (e) ABS / MBS Risk - Asset and mortgage backed securities are subject to prepayment and extension risk and additional liquidity and default risk compared to other credit securities.
- (f) Convertible Securities Risk - These investments can be changed into another form upon certain triggers as such they can exhibit risks typically associated with both bonds and equities. 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.
- (g) Derivatives Risk - The use of derivatives may involve additional liquidity, credit and counterparty risks and may lead to substantial loss and increased volatility in adverse market conditions. 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.

Risk stats

| | |
|--|-------|
| Alpha [^] | 1.07 |
| Benchmark Volatility (SD) [^] | 10.06 |
| Beta [^] | 1.04 |
| Fund Volatility (SD) [^] | 10.51 |
| Information Ratio [^] | 0.66 |
| R-Squared [^] | 0.99 |
| Sharpe Ratio [^] | -0.58 |
| Tracking Error [^] | 1.25 |
| Effective duration (years) | 6.29 |

Source : abrdn. [^] Three year annualised.

Derivative usage

- The fund will make routine use of derivatives to reduce risk, reduce cost and/ or generate additional income or growth consistent with the risk profile of the fund.
- Derivatives are linked to the value of other assets. In other words, they derive their price from one or more underlying asset. They can generate returns when the value of these underlying assets 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.

To help you understand this fund and for a full explanation of risks and the overall risk profile of this fund and the shareclasses within it, please refer to the Key Investor Information Documents and Prospectus which are available on our website www.abrdn.com The Prospectus also contains a glossary of key terms used in this document.

¹These are the maximum charges that we might take out of your money before it is invested. In some cases, the charges may be less and you should speak to your financial advisor about this.

²The Ongoing Charge Figure (OCF), is the overall cost shown as a percentage of the value of the assets of the fund. It is made up of the Annual Management Charge (AMC) of 1.00% and other charges. It does not include any initial charges or the cost of buying and selling stocks for the fund. The Ongoing Charges figure can help you compare the annual operating expenses of different funds.

The fund is a sub-fund of abrdn OEIC II, an authorised open-ended investment company (OEIC).

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