



abrdn Dynamic Distribution Fund

Annual Long Report
For the year ended 31 March 2025

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Report of the Manager

abrdn Dynamic Distribution Fund (the "fund") is an authorised unit trust scheme under the Financial Services and Markets Act 2000. The effective date of the authorisation order made by the Financial Services Authority (the "FCA") was 8 February 2006.

The fund was established by Trust Deed entered into on 6 February 2006 and is an authorised unit trust scheme which falls into the category of non-UCITS retail scheme. The fund is also an alternative investment fund for the purposes of the FCA rules. Its FCA Product Reference Number ("PRN") is 442759.

Appointments

Manager

abrdn Fund Managers Limited

Registered office

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Correspondence address

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Investment Adviser

abrdn Investment Management Limited

Registered office

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EH2 2LL

Trustee

Citibank UK Limited

Registered office

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E14 5LB

Registrar

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SS&C House
St Nicholas Lane
Basildon
Essex
SS15 5FS

Independent Auditor

KPMG LLP
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G2 5AS

Report of the Manager

Continued

The Investment Advisers have the authority of the Manager to make decisions on its behalf in all aspects of the investment management of the investments and other property of the fund. The main terms of the agreement with each investment adviser are that it should have the authority of the Manager to make decisions on its behalf in all aspects of the investment management of the investments and other property of the fund, including the fund's powers to enter into hedging transactions relating to efficient portfolio management. The adviser's powers extend to all of the property of the fund except any part which the Manager excludes from the adviser's powers. The adviser is to report details of each transaction to the Manager and to confer with the Manager when required by it. The Manager will notify the adviser of additional cash available for investment.

The Authorised Fund Manager ('the Manager') of the fund is abrdn Fund Managers Limited, which is a private company limited by shares incorporated on 7 November 1962. The Authorised Fund Manager is a wholly owned subsidiary of Aberdeen Group plc (formerly abrdn plc) a company incorporated in Scotland.

Financial details and Fund Managers' reviews of the fund for the year ended 31 March 2025 are given in the following pages of this report.

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

The daily price for the fund appears on the Aberdeen Group plc (formerly abrdn plc) ("Aberdeen") website at **[aberdeeninvestments.com](https://www.aberdeeninvestments.com)**.

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

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

Significant Events

The military offensive from Russia against Ukraine since February 2022 continues to pose widespread sanctions on Russian assets. Geopolitical events can adversely affect assets of funds and performance thereon. To ensure the fair treatment of investors, Aberdeen's Investor Protection Committee (IPC) undertakes regular reviews of market liquidity across each asset class and fund, making appropriate adjustments where necessary.

Aberdeen'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 Aberdeen 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.

Developments and Prospectus Updates Since 1 April 2024

- On 2 September 2024, Michael Champion and Philip Wagstaff were appointed as Directors of abrdn Fund Managers Limited;
- On 27 November 2024, both Jamie Matheson and Carolan Dobson resigned as directors of abrdn Fund Managers Limited;
- On 12 March 2025, any references to abrdn plc were updated to Aberdeen Group plc;
- 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;
- The risk disclosures in relation to the funds were refreshed, where appropriate.

Assessment of Value

In 2017 the Financial Conduct Authority (FCA) published the final Asset Management Market Study. This introduced (among other reforms) new governance rules with the aim of enhancing duty of care and ensuring the industry acts in investors' best interests. The rules were outlined in the FCA policy statement PS18/8 and came into effect from 30 September 2019. As a result, abrdn Fund Managers Limited is required to perform a detailed annual assessment, determining whether our funds are "providing value to investors". The resulting findings will be published on a composite basis throughout the year, and can be found on the 'Literature' pages of our website.

Report of the Manager

Continued

Climate-related Financial Disclosures

The recommendations by the Taskforce for Climate-related Financial Disclosures (TCFD) – initiated by the Financial Stability Board in 2015 and adopted in 2017 – provide organisations with a consistent framework for disclosing financial impacts of climate-related risks and opportunities. The disclosure in line with TCFD recommendations enables external stakeholders to gain a better understanding of the climate-related risks and opportunities (including how they are managed) that are likely to impact the organisation's future financial position as reflected in its income statement, cash flow statement, and balance sheet. The TCFD has developed 11 recommendations which are structured around four thematic areas, notably governance, strategy, risk management and metrics and target. In Policy Statement 21/24 the Financial Conduct Authority (FCA) have created a regulatory framework for asset managers, life insurers and FCA-regulated pension providers to make climate-related disclosures consistent with the recommendations of the TCFD. As a result of the disclosure requirements abrdn Dynamic Distribution Index Fund is required to perform a detailed annual assessment, determining financial impacts of climate-related risks and opportunities. The resulting findings are published at Literature page of our website at [aberdeeninvestments.com](https://www.aberdeeninvestments.com).

Statement of Manager's Responsibilities

The Collective Investment Schemes sourcebook published by the FCA, ("the COLL Rules") require the Manager to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the fund and of the net revenue and net capital gains or losses on the property of the fund for the period.

In preparing the financial statements the Manager is responsible for:

- selecting suitable accounting policies and then applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- complying with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association in May 2014;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the fund or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

The Manager is responsible for the management of the fund in accordance with its Trust Deed, the Prospectus and the COLL Rules.

The Manager is responsible for the maintenance and integrity of the corporate and financial information included on its website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Manager's Statement

In accordance with the requirements of the COLL Rules as issued and amended by the Financial Conduct Authority, we hereby certify the report on behalf of abrdn Fund Managers Limited, the Authorised Fund Manager.

Aron Mitchell
Director
27 June 2025

Adam Shanks
Director
27 June 2025

Statement of the Trustee's Responsibilities in Respect of the Scheme and Report of the Trustee to the Unitholders of abrdn Dynamic Distribution Fund ('the fund') for the year ended 31 March 2025

It is the duty of the Trustee to take reasonable care to ensure that the Trust is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("the Sourcebook"), the Financial Services and Markets Act 2000, as amended, [the Money Market Funds Regulation, as amended]* (together "the Regulations"), and the Trust Deed and the Prospectus of the Trust (together "the Scheme documents") as detailed below.

The Trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Trust and its investors.

The Trustee is responsible for the safekeeping all custodial assets and maintaining a record of all other assets of the Trust in accordance with the Regulations.

The Trustee must ensure that:

- the Trust's cash flows are properly monitored, and that cash of the Trust is booked in cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Trust are calculated in accordance with the Regulations;
- the Trust's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ("the AFM"), which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

Having carried out procedures and enquiries considered duly necessary to discharge our responsibilities as Trustee of the scheme, based on information and explanations provided to us, we believe that, in all material respects, the AFM:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Trust's units and the application of the Trust's income in accordance with the Regulation and the Scheme Documents of the Trust; and,
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Trust.

Citibank UK Limited

27 June 2025

Independent Auditor's Report to the Unitholders of abrdn Dynamic Distribution Fund ('the fund')

Opinion

We have audited the financial statements of the fund for the year ended 31 March 2025 which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Unitholders, the Balance Sheet, the Related Notes and Distribution Tables for the fund and the accounting policies set out on pages 26 to 27.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the financial position of the fund as at 31 March 2025 and of the net revenue and the net capital losses on the property of the fund for the year then ended; and
- have been properly prepared in accordance with the Trust Deed, the Statement of Recommended Practice relating to Authorised Funds, and the COLL Rules.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the fund in accordance with, UK ethical requirements including the FRC Ethical Standard.

We have received all the information and explanations which we consider necessary for the purposes of our audit and we believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Manager has prepared the financial statements on the going concern basis as they do not intend to liquidate the fund or to cease their operations, and as they have concluded that the fund's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Manager's conclusions, we considered the inherent risks to the fund's business model and analysed how those risks might affect the fund's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Manager's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the fund's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the fund will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the fund's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Assessing the segregation of duties in place between the Manager, the Trustee, the Administrator and the Investment Adviser;
- Reading board minutes.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the revenue is principally non-judgemental and based on publicly available information, with limited opportunity for manipulation. We did not identify any additional fraud risks.

Independent Auditor's Report to the Unitholders of abrdn Dynamic Distribution Fund ('the fund')

Continued

We evaluated the design and implementation of the controls over journal entries and other adjustments and made inquiries of the Administrator about inappropriate or unusual activity relating to the processing of journal entries and other adjustments. We identified and selected a sample of journal entries made at the end of the reporting period and tested those substantively including all material post-closing entries. Based on the results of our risk assessment procedures and understanding of the process, including the segregation of duties between the Directors and the Administrator, no further high-risk journal entries or other adjustments were identified.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Manager and the Administrator (as required by auditing standards) and discussed with the Directors the policies and procedures regarding compliance with laws and regulations.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the fund is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related authorised fund legislation maintained by the Financial Conduct Authority) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the fund is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: money laundering, data protection and bribery and corruption legislation recognising the Fund's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and the Administrator and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The Manager is responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information; and
- in our opinion the information given in the Manager's Report for the financial year is consistent with the financial statements.

Independent Auditor's Report to the Unitholders of abrdn Dynamic Distribution Fund ('the fund')

Continued

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where under the COLL Rules we are required to report to you if, in our opinion:

- proper accounting records for the fund have not been kept; or
- the financial statements are not in agreement with the accounting records.

Manager's responsibilities

As explained more fully in the statement set out on page 6, the Manager is responsible for: the preparation of financial statements that give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the fund's ability to continue as a going concern; disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the fund or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the fund's unitholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook ('the COLL Rules') issued by the Financial Conduct Authority under section 247 of the Financial Services and Markets Act 2000. Our audit work has been undertaken so that we might state to the fund's unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the fund and the fund's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

Wiqas Kaiser
for and on behalf of KPMG LLP, Statutory Auditor
20 Castle Terrace
Edinburgh
EH1 2EG
27 June 2025

Investment Report

Investment Objective

To generate income and some growth over the long term (5 years or more) by investing in a diversified range of abrdn funds

Performance Target: To exceed the IA Mixed Investment 20–60% Shares Sector Average return over one year (after charges) and to 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

The fund targets a yield in excess of the income that would be delivered by a representative basket of assets (composed of 22.5% UK Equities (FTSE All-Share Index), 22.5% Global Equities (MSCI World ex UK) and 55% Sterling Bonds (ICE BofA Sterling Non Gilts).

Investment Policy

Portfolio Securities

- The fund will invest at least 80% in actively managed abrdn funds to obtain broad exposure to a range of diversified investments
- It may invest up to 20% in passively managed funds (including those managed by Aberdeen)
- At least 30% of the fund will be invested in bonds (loans to a company or government) and cash or money market instruments
- At least in 50% of the fund will be in sterling denominated assets, or in assets for which the impact of currency movements is mitigated (hedged)
- The rest of the fund will be invested in a selection of other funds investing in assets classes such as equities (company shares) commercial property and funds that can use a combination of traditional assets (such as equities and bonds) and investment strategies based on derivatives

Management Process

- The management team use their discretion (active management) to select funds within each asset class and ensure that the strategic asset allocation (long term proportions in each asset class) meets the fund's objectives
- In addition, they will take tactical asset allocations (changing short term proportions in each asset class) with the aim of improving returns

- The fund will be subject to constraints which are intended to manage risk such as the fund must not hold more than 60% of its assets in equities. Due to the active nature of the management process, the fund's performance profile may deviate significantly from the IA's Mixed Investment 20–60% Shares Sector Average

Derivatives and Techniques

- The fund is not expected to invest in derivatives directly however it may invest in other funds which use derivatives more extensively.

Market review

Global equity markets rose over the 12 months under review. Stock markets in the US, UK, Europe, Asia and the emerging markets all rose, with Japan alone bucking the trend. The TOPIX Index recorded a loss over the 12-month period in both yen and sterling terms due to concerns about the fragile domestic economy and the impact of US tariffs weighed on equities. UK stocks rose, with the FTSE 100 Index, home to multinational companies, outperforming the FTSE 250 Index, which contains smaller companies typically more focused on the domestic UK economy. The performance of the FTSE 100 Index outpaced that of global equities overall.

Broadly speaking, global stocks weakened in April as stubbornly high inflation led to fears resurfacing that interest rates might remain higher for longer. These concerns also weighed on bonds. From May, renewed hopes of rate cuts and strong corporate earnings supported both equities and bonds. Although equities sold off from mid-July to early August on recession fears, they recovered after reassuring data. Donald Trump's November presidential election win in the US, with his pro-growth agenda, initially boosted equities. However, his planned measures raised concerns over inflation, contributing to a weak performance for equities later in 2024 as investors reassessed the pace of monetary easing. Equities then saw some recovery in January 2025 on hopes of a soft landing and continued disinflation. However, concerns about the economic effects of tariffs weighed on stock markets in both February and March, with the pressure intensifying in March.

On the monetary policy front, the US Federal Reserve (Fed) maintained a restrictive policy stance for much of the period. However, after a sustained fall in annual inflation and some mixed US economic data, it lowered the target range for the federal funds rate by 50 basis points (bps) in September, then by 25 bps in both November and December, taking it to 4.25–4.50%. It is now maintaining a data-dependent stance but has flagged up a further 50 bps of rate cuts before the end of 2025. Meanwhile,

Investment Report

Continued

the Bank of England (BoE) kept its Bank Rate unchanged for most of the period before cutting it by 25 bps in August, November and February, bringing it to 4.50%. The headline rate of UK annual consumer inflation fell from 3.0% in January to 2.8% in February, which was below expectations but still above the BoE's 2% target. In Europe, encouraged by signs of disinflation, the European Central Bank (ECB) cut its deposit facility rate by 25 bps in June, September, October, December, January and March, bringing it to 2.50% by the end of the period. The Japanese central bank continued to tighten its monetary policy but maintained an overall accommodative stance in the face of only a moderate economic recovery. In July, the Bank of Japan (BoJ) raised its key short-term interest rate from a range of 0.0–0.1% to 0.25% and announced plans to reduce its monthly bond purchases until the first quarter of 2026. The BoJ then hiked the rate by another 25 bps to 0.50% at its January 2025 meeting.

In fixed income markets, government rose in local-currency terms but fell slightly in sterling terms. The prospect of an end to monetary tightening and potential rate cuts supported global bonds for much of the period, although inflation concerns led to weakness in the final months of 2024. With disinflation underway, and with the Fed, ECB and BoE having started easing policy, investors were looking ahead to further potential rate cuts in 2025.

Performance Review

During the 12 months under review, the fund returned 2.30% (Institutional Accumulation shares, net of fees), which underperformed the IA Mixed Investment 20–60% Shares sector average of 3.77% (Source: Morningstar).

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

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

Companies selected for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.

The fund's credit exposure proved particularly beneficial for absolute returns. Despite a backdrop of tight spreads and growing uncertainty around US President Donald Trump's policy agenda, robust corporate fundamentals facilitated positive contributions from a range of holdings including the abrdn Short Dated Corporate Bond Fund, the abrdn Global High Yield Bond Fund and the abrdn Emerging Markets Corporate Bond Fund.

Equity performance was largely positive overall, although there was clear divergence between, and within, regions. The strongest performance contribution came from the abrdn Asia Pacific ex-Japan Equity Tracker Fund as investors took encouragement from fresh stimulus measures in China and, at least prior to April, less punitive US tariffs than had initially been envisaged. European equities performed well, notably so towards the end of the review period, as hopes grew that Germany's fiscal stimulus could power an economic recovery in the Eurozone. As such, the abrdn Europe ex UK Income Equity Fund contributed positively against a more favourable backdrop for region generally.

By contrast, Japanese equities endured a more challenging period and the abrdn Japan Equity Tracker Fund had a negative impact on the portfolio's overall return. Having bounced back strongly following the turbulence driven by the unwind of the yen carry trade in August 2024, renewed strength behind the currency in recent months represented a headwind for an equity market that has traditionally been exporter oriented.

Donald Trump's win in the US Presidential election initially led investors to assume a continuation of previously dominant "US exceptionalism" theme given a seemingly pro-growth agenda. However, the unpredictable character of the new US administration contributed to rising concerns over the health of the American economy. Given the technology-heavy nature of broader US indices, a new position in the abrdn American Equity Tracker Fund weighed on portfolio returns amid a rotation out of growthier segments of the market. However, such a negative impact was more than offset by the positive performance of the abrdn MT American Equity Value Fund, a holding which we exited over the review period.

Investment Report

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Portfolio Activity and Review

The Dynamic Distribution Fund's strategy is to invest in a range of funds managed by Aberdeen to achieve a diversified investment mix across equities, bonds and property. The fund sits within the IA Mixed Investment 20–60% Shares sector.

We exited the UK Income Unconstrained Equity Fund, which was merged into the UK Income Equity Fund. This represented a focus towards a higher conviction mandate, which invests in high-quality businesses that should provide earnings resilience during more volatile environments.

There were also some notable changes within US equities. Finding a passive approach to be more appropriate in the region, we established holdings in the American Equity Enhanced Index and American Equity Tracker Funds. On the other side of this shift, we sold the abrdn MT American Equity Value Fund.

Elsewhere, the abrdn Global Real Estate Share Fund was switched into the Global Real Estate Securities Sustainable Fund.

Portfolio Outlook and Strategy

Macroeconomic factors remain as unpredictable as ever. The announcement of widespread tariffs was more negative for growth and more inflationary than anticipated. The automotive sector bore the brunt of the protectionist measures, with sentiment hit by a proposed 25% tariff on imported vehicles and car parts. Given the tariffs now appear to be a concrete policy measure (as opposed to a negotiating tool), the market reaction is reflective of a broad-based downward repricing of global growth. The market's reaction highlights that investors are most concerned about the impact on US economic growth, through a combination of demand destruction (caused by higher retail prices) and lower investment spending (caused by corporate uncertainty). Some initial estimates from investment banks and our own macro research outlook point to a 1–2% hit to GDP. The speed at which we have moved from a market characterised by higher US stocks, higher US yields, and a higher US dollar, is remarkable. While a soft landing appeared to be the most likely outcome prior to the announcement, the risk of a recession in the US and/or globally is increasing, especially if countries choose to retaliate rather than negotiate.

In Europe, Germany's recent announcement of sizeable planned fiscal stimulus should support growth both domestically and across the wider eurozone. Meanwhile, the ECB is widely expected to cut interest rates at its next meeting in April. Given a challenging macroeconomic backdrop, the central bank is expected to continue on its easing path after that.

In the UK, the BoE is estimating that inflation will follow a bumpy path in 2025. The Bank is expecting inflation to increase temporarily this year before falling back to the 2% target.

Managed & Modelled Solutions Team

April 2025

Investment Report

Continued

Risk and Reward Profile

The Risk and Reward Indicator table demonstrates where the fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time and may not be a reliable indication of the future risk profile of the fund. The table below shows the fund's ranking on the Risk and Reward Indicator.

Typically lower rewards, lower risk			Typically higher rewards, higher risk			
←						→
1	2	3	4	5	6	7

Risk and reward indicator table as at 31 March 2025.

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 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.
- Commercial property is less liquid than other asset classes such as bonds or equities. Selling property can be a lengthy process so investors in the fund should be aware that they may not be able to sell their investment when they want to.
- Commercial property transaction charges are higher than those which apply in other asset classes. Investors should be aware that a high volume of transactions would have a material impact on fund returns.
- Property valuation is a matter of judgment by an independent valuer and is therefore a matter of the valuer's opinion rather than fact.
- The fund may hold money-market instruments, the value of which may be subject to adverse movements in extreme market conditions.
- The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market

participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

- The fund invests in high yielding bonds which carry a greater risk of default than those with lower yields.
- The fund employs a single swinging pricing methodology to protect against the dilution impact of transaction costs. Due to the high transaction charges associated with the fund's assets, a change in the pricing basis will result in a significant movement in the fund's published price.

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

Retail accumulation	2025 pence per unit	2024 pence per unit	2023 pence per unit
Change in net assets per unit			
Opening net asset value per unit	98.22	91.08	95.29
Return before operating charges*	3.11	8.32	(3.05)
Operating charges	(1.28)	(1.18)	(1.16)
Return after operating charges*	1.83	7.14	(4.21)
Distributions	(4.17)	(3.87)	(3.45)
Retained distributions on accumulation units	4.17	3.87	3.45
Closing net asset value per unit	100.05	98.22	91.08
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	1.86%	7.84%	(4.42%)
Other information			
Closing net asset value (£'000)	3,941	4,300	4,951
Closing number of units	3,939,609	4,377,878	5,436,479
Operating charges	1.28%	1.28%	1.28%
Direct transaction costs	-	-	-
Prices			
Highest unit price	103.5	98.30	95.59
Lowest unit price	96.28	89.48	86.12

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the unit class.

Highest and Lowest prices are based on official published daily NAVs.

Comparative Tables

Continued

Retail income	2025 pence per unit	2024 pence per unit	2023 pence per unit
Change in net assets per unit			
Opening net asset value per unit	50.52	48.81	53.08
Return before operating charges*	1.60	4.38	(1.74)
Operating charges	(0.65)	(0.63)	(0.64)
Return after operating charges*	0.95	3.75	(2.38)
Distributions	(2.12)	(2.04)	(1.89)
Closing net asset value per unit	49.35	50.52	48.81
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	1.88%	7.68%	(4.48%)
Other information			
Closing net asset value (£'000)	432	623	683
Closing number of units	874,712	1,234,064	1,398,107
Operating charges	1.28%	1.28%	1.28%
Direct transaction costs	-	-	-
Prices			
Highest unit price	51.88	51.24	53.22
Lowest unit price	49.52	46.98	47.10

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the unit class.

Highest and Lowest prices are based on official published daily NAVs.

Comparative Tables

Continued

Institutional accumulation	2025 pence per unit	2024 pence per unit	2023 pence per unit
Change in net assets per unit			
Opening net asset value per unit	108.81	100.52	104.77
Return before operating charges*	3.34	9.12	(3.44)
Operating charges	(0.90)	(0.83)	(0.81)
Return after operating charges*	2.44	8.29	(4.25)
Distributions	(4.52)	(4.19)	(3.70)
Retained distributions on accumulation units	4.52	4.19	3.70
Closing net asset value per unit	111.25	108.81	100.52
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	2.24%	8.25%	(4.06%)
Other information			
Closing net asset value (£'000)	20,170	4,877	5,803
Closing number of units	18,130,223	4,482,173	5,773,220
Operating charges	0.81%	0.81%	0.81%
Direct transaction costs	-	-	-
Prices			
Highest unit price	115.0	108.9	105.1
Lowest unit price	106.7	98.96	94.89

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the unit class.

Highest and Lowest prices are based on official published daily NAVs.

Comparative Tables

Continued

Institutional income	2025 pence per unit	2024 pence per unit	2023 pence per unit
Change in net assets per unit			
Opening net asset value per unit	57.09	54.90	59.41
Return before operating charges*	1.75	4.89	(1.99)
Operating charges	(0.47)	(0.45)	(0.45)
Return after operating charges*	1.28	4.44	(2.44)
Distributions	(2.34)	(2.25)	(2.07)
Closing net asset value per unit	56.03	57.09	54.90
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	2.24%	8.09%	(4.11%)
Other information			
Closing net asset value (£'000)	5,279	1,192	1,304
Closing number of units	9,421,602	2,088,952	2,375,149
Operating charges	0.81%	0.81%	0.81%
Direct transaction costs	-	-	-
Prices			
Highest unit price	58.86	57.90	59.57
Lowest unit price	55.97	52.98	52.86

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the unit class.

Highest and Lowest prices are based on official published daily NAVs.

Comparative Tables

Continued

Institutional regulated accumulation	2025 pence per unit	2024 pence per unit	2023 pence per unit
Change in net assets per unit			
Opening net asset value per unit	113.80	104.83	108.97
Return before operating charges*	3.41	9.46	(3.66)
Operating charges	(0.53)	(0.49)	(0.48)
Return after operating charges*	2.88	8.97	(4.14)
Distributions	(4.66)	(4.30)	(3.78)
Retained distributions on accumulation units	4.66	4.30	3.78
Closing net asset value per unit	116.68	113.80	104.83
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	2.53%	8.56%	(3.80%)
Other information			
Closing net asset value (£'000)	55,513	62,303	67,417
Closing number of units	47,576,806	54,749,801	64,310,177
Operating charges	0.46%	0.46%	0.46%
Direct transaction costs	-	-	-
Prices			
Highest unit price	120.6	113.9	109.3
Lowest unit price	111.6	103.4	98.83

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the unit class.

Highest and Lowest prices are based on official published daily NAVs.

Comparative Tables

Continued

Platform 1 accumulation ^A	2025 pence per unit	2024 pence per unit	2023 pence per unit
Change in net assets per unit			
Opening net asset value per unit	88.44	81.74	85.23
Return before operating charges*	2.60	7.41	(2.79)
Operating charges	(0.46)	(0.71)	(0.70)
Return after operating charges*	2.14	6.70	(3.49)
Distributions	(1.68)	(3.41)	(3.02)
Retained distributions on accumulation units	1.68	3.41	3.02
Redemption value as at 6 November 2024	(90.58)	-	-
Closing net asset value per unit	-	88.44	81.74
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	2.42%	8.20%	(4.09%)
Other information			
Closing net asset value (£'000)	-	19,151	21,818
Closing number of units	-	21,652,860	26,692,374
Operating charges	0.86%	0.86%	0.86%
Direct transaction costs	-	-	-
Prices			
Highest unit price	91.78	88.51	85.50
Lowest unit price	86.71	80.45	77.17

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the unit class.

Highest and Lowest prices are based on official published daily NAVs.

^A Platform 1 accumulation share class was closed on 6 November 2024.

Comparative Tables

Continued

Platform 1 income ^A	2025 pence per unit	2024 pence per unit	2023 pence per unit
Change in net assets per unit			
Opening net asset value per unit	57.42	55.25	59.83
Return before operating charges*	1.69	4.92	(2.01)
Operating charges	(0.30)	(0.48)	(0.48)
Return after operating charges*	1.39	4.44	(2.49)
Distributions	(1.09)	(2.27)	(2.09)
Redemption value as at 6 November 2024	(57.72)	-	-
Closing net asset value per unit	-	57.42	55.25
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	2.43%	8.04%	(4.16%)
Other information			
Closing net asset value (£'000)	-	5,648	6,307
Closing number of units	-	9,835,067	11,414,624
Operating charges	0.86%	0.86%	0.86%
Direct transaction costs	-	-	-
Prices			
Highest unit price	58.82	58.24	59.99
Lowest unit price	56.30	53.30	53.21

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the unit class.

Highest and Lowest prices are based on official published daily NAVs.

^A Platform 1 income share class was closed on 6 November 2024.

Comparative Tables

Continued

ZC accumulation	2025 pence per unit	2024 pence per unit	2023 pence per unit
Change in net assets per unit			
Opening net asset value per unit	116.57	107.13	111.09
Return before operating charges*	3.42	9.61	(3.79)
Operating charges	(0.19)	(0.17)	(0.17)
Return after operating charges*	3.23	9.44	(3.96)
Distributions	(4.71)	(4.33)	(3.79)
Retained distributions on accumulation units	4.71	4.33	3.79
Closing net asset value per unit	119.80	116.57	107.13
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	2.77%	8.81%	(3.56%)
Other information			
Closing net asset value (£'000)	181	325	288
Closing number of units	150,994	278,533	268,846
Operating charges	0.16%	0.16%	0.16%
Direct transaction costs	-	-	-
Prices			
Highest unit price	123.8	116.7	111.5
Lowest unit price	114.3	105.8	100.9

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

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the unit class.

Highest and Lowest prices are based on official published daily NAVs.

Portfolio Statement

As at 31 March 2025

Holding	Investment	Market value £'000	Percentage of total net assets
Collective Investment Schemes (99.88%)		84,862	99.24
Absolute Return Funds (5.95%)		5,436	6.36
591,506	abrln Total Return Credit Fund SICAV II Z Inc+	5,436	6.36
Bond Funds (43.79%)		37,730	44.12
1,753,325	abrln Corporate Bond Fund ZA Inc+	788	0.92
1,190,957	abrln Emerging Market Local Currency Debt Fund SICAV II Z Inc+	8,808	10.30
459,651	abrln Emerging Markets Corporate Bond Fund SICAV I Z Inc Hdgd+	3,890	4.55
123,249	abrln Frontier Markets Bond Fund SICAV I Z Inc Hdgd+	1,010	1.18
289,103	abrln Global Corporate Bond Fund SICAV II Z Inc Hdgd+	2,511	2.94
1,825,944	abrln Global Government Bond Tracker Fund X Acc+	1,823	2.13
820,834	abrln Global High Yield Bond Fund SICAV II Z Inc Hdgd+	6,918	8.09
214,939	abrln Global Short Dated Corporate Bond Fund SICAV II Z Inc Hdgd+	2,043	2.39
16,828,220	abrln Short Dated Corporate Bond Fund ZA Inc+	8,135	9.51
2,918,189	abrln Strategic Bond Fund ZA Inc+	1,804	2.11
Equity Funds (45.68%)		38,103	44.56
678,881	abrln American Equity Enhanced Index Fund N Acc+	2,442	2.86
2,888,997	abrln American Equity Tracker Fund X Acc+	4,829	5.65
4,658,916	abrln Asia Pacific ex-Japan Equity Tracker Fund X Inc+	4,996	5.84
3,015,723	abrln Emerging Markets Income Equity Fund ZA Inc+	2,472	2.89
3,677,254	abrln Europe ex UK Income Equity Fund ZA Inc+	5,097	5.96
1,009	abrln Global Infrastructure Equity Fund I Acc+	1	-
3,534,351	abrln Japan Equity Tracker Fund X Inc+	4,209	4.92
19,846,483	abrln UK Income Equity Fund ZA Inc+	12,086	14.13
950,702	abrln UK Smaller Companies Fund ZA Inc+	1,971	2.31
Property Funds (4.46%)		3,593	4.20
1,025,019	abrln Global Real Estate Fund ZA Inc+	608	0.71
99,869	abrln Global Real Estate Securities Sustainable Fund SICAV II S Acc+	960	1.12
5,106,782	abrln UK Real Estate Fund ZA Inc+	2,025	2.37
Total investment assets		84,862	99.24
Net other assets		654	0.76
Total Net Assets		85,516	100.00

All investments are regulated collective investment schemes within the meaning of the FCA rules.
The percentage figures in brackets show the comparative holding as at 31 March 2024.

+ Managed by subsidiaries of Aberdeen Group plc (formerly abrln plc).

Financial Statements

Statement of Total Return

For the year ended 31 March 2025

		2025		2024	
	Notes	£'000	£'000	£'000	£'000
Income:					
Net capital (losses)/gains	3		(812)		4,548
Revenue	4	4,147		4,594	
Expenses	5	(499)		(561)	
Interest payable and similar charges		(1)		(1)	
Net revenue before taxation		3,647		4,032	
Taxation	6	(499)		(515)	
Net revenue after taxation			3,148		3,517
Total return before distributions			2,336		8,065
Distributions	7		(3,723)		(4,125)
Change in net assets attributable to unitholders from investment activities			(1,387)		3,940

Statement of Change in Net Assets Attributable to Unitholders

For the year ended 31 March 2025

	2025		2024	
	£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders		98,419		108,571
Amounts receivable on the issue of units	1,527		808	
Amounts payable on the cancellation of units	(16,426)		(18,580)	
		(14,899)		(17,772)
Dilution adjustment		6		-
Change in net assets attributable to unitholders from investment activities (see above)		(1,387)		3,940
Retained distribution on accumulation units		3,371		3,680
Unclaimed distributions		6		-
Closing net assets attributable to unitholders		85,516		98,419

Financial Statements

Continued

Balance Sheet

As at 31 March 2025

		2025		2024	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			84,862		98,304
Current assets:					
Debtors	8	617		686	
Cash and bank balances	9	383		-	
Cash equivalents	9	-		358	
			1,000		1,044
Total assets			85,862		99,348
Liabilities:					
Bank overdrafts	9	-		(1)	
Creditors	10	(252)		(828)	
Distribution payable		(94)		(100)	
			(346)		(929)
Total liabilities			(346)		(929)
Net assets attributable to unitholders			85,516		98,419

Notes to the Financial Statements

For the year ended 31 March 2025

1 Accounting Policies

a. Basis of preparation

The financial statements have been prepared on a historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice (SORP) for Financial Statements of Authorised Funds issued by the Investment Association in May 2014 (IMA SORP 2014), FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The Manager has undertaken a detailed assessment, and continues to monitor, the fund's ability to meet its liabilities as they fall due, including liquidity, declines in global capital markets and investor redemption levels. Based on this assessment, the fund continues to be open for trading and the Manager is satisfied the fund has adequate financial resources to continue in operation for at least the next 12 months and accordingly it is appropriate to adopt the going concern basis in preparing the financial statements.

b. Valuation of investments

Listed investments have been valued at fair value as at the close of business on 31 March 2025. The SORP defines fair value as the market value of each security, in an active market, this is generally the quoted bid price.

Unlisted, unapproved, illiquid or suspended securities are valued at the Managers' best estimate of the amount that would be received from an immediate transfer at arm's length. The Manager has appointed a Fair Value Pricing committee to review valuations.

Collective Investment Schemes are valued by reference to their net asset value. Dual priced funds have been valued at the bid price. Single priced funds have been valued using the single price.

Any open positions in derivative contracts or forward foreign currency transactions at the year-end are included in the Balance Sheet at their mark to market value.

c. Foreign Exchange

Assets and liabilities denominated in foreign currencies are translated into Sterling at the prevailing exchange rates as at the close of business on the reporting date.

Foreign currency transactions are translated at the rates of exchange ruling on the date of such transactions. Exchange differences on such transactions follow the same treatment as the principal amounts.

d. Dilution

In certain circumstances (as detailed in the Prospectus) the Manager may apply a dilution adjustment on the issue or cancellation of shares, which is applied to the capital of the fund on an accruals basis. The adjustment is intended to protect existing investors from the costs of buying or selling underlying investments as a result of large inflows or outflows from the fund.

e. Revenue

Revenue from collective investment schemes is recognised when the investments are quoted ex dividend.

Accumulation distributions from shares held in collective investment schemes are reflected as revenue and form part of the distribution.

Equalisation received from distributions or accumulations on units in underlying investments is treated as capital and deducted from the cost of the investment.

Interest on bank deposits is recognised on an accruals basis.

Interest from short-term deposits is recognised on an accruals basis.

Notes to the Financial Statements

For the year ended 31 March 2025 continued

f. Expenses

All expenses are charged against capital for distribution purposes. All expenses are accounted for on an accruals basis.

Expenses relating to the purchases of investments are charged to the cost of investment and expenses relating to the sales of investments are deducted from the proceeds on sales.

g. Taxation

Provision is made for corporation tax at the current rate on the excess of taxable income over allowable expenses.

UK dividends are disclosed net of any related tax credit.

Overseas dividends are disclosed gross of any foreign tax suffered and the tax element is separately disclosed in the taxation note.

The tax accounting treatment follows that of the principal amount, with charges or reliefs allocated using the marginal basis regardless of any alternative treatment that may be permitted in determining the distribution.

Deferred taxation is provided on all timing differences that have originated but not reversed by the balance sheet date other than those differences regarded as permanent. Any liability to deferred tax is provided at the average rate of tax expected to apply. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

Deferred tax assets are only recognised to the extent that it is regarded more likely than not that there will be taxable profits against which the reversal of underlying timing differences can be offset.

The fund does not apply marginal tax relief as permitted in the SORP.

h. Distributions

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

The Manager has elected to recognise the equalisation received from Collective Investment Schemes within the distribution.

Further details with regards to the distribution policy and deductions from capital can be found in the distribution note where it applies.

i. Equalisation

Equalisation appears within the fund reports as part of the distribution. This represents the net revenue in the fund unit price attached to the issue and cancellation of units. It will form part of any distributions at the period end attributable to unitholders.

2 Risk management policies

Generic risks that the Aberdeen range are exposed to and the risk management techniques employed are disclosed below. Numerical disclosures and specific risks, where relevant, are disclosed within the financial statements.

The Financial Conduct Authority (FCA) Collective Investment Schemes Sourcebook (COLL) and FCA Funds Sourcebook (FUND) rules require the Management Company to establish, implement and maintain an adequate and documented Risk Management Process (RMP) for identifying the risks they manage, or might be, exposed to. The RMP must comprise of such procedures as are necessary to enable Aberdeen to assess the exposure of each fund it manages to market risk, liquidity risk, counterparty risk, operational risk and all other risks that might be material.

Notes to the Financial Statements

For the year ended 31 March 2025 continued

Aberdeen functionally and hierarchically separates the functions of risk management from the operating units and portfolio management functions, to ensure independence and avoid any potential or actual conflicts of interest. The risk management function has the necessary authority, access to all relevant information, staff and regular contact with senior management and the Board of Directors of the Company. The management of investment risk within Aberdeen is organised across distinct functions, aligned to the well-established 'three lines of defence' model.

1. Risk ownership, management and control.
2. Oversight of risk, compliance and conduct frameworks.
3. Independent assurance, challenge and advice.

The risk management process involves monitoring the fund on a regular and systematic basis to identify, measure and monitor risk and where necessary escalate appropriately, including to the relevant Board, any concerns and proposed mitigating actions.

The risk team, in line with client expectations and the investment process, develops the risk profiles for the fund in order to set appropriate risk limits. Regulatory limits as well as those agreed, are strictly enforced to ensure that Aberdeen does not inadvertently (or deliberately) breach them and add additional risk exposure. In addition, there is an early warnings system of potential changes in the portfolio risk monitoring triggers. Where possible, these are coded into the front office dealing system, in a pre-trade capacity, preventing exposures or breaching limits before the trade is actually executed.

Risk Definitions & Risk Management Processes

- i) **Market Risk** is the risk that economic, market or idiosyncratic events cause a change in the market value of Client assets.

Market Risk can be broadly separated into two types:

(1) Systematic risk stems from any factor that causes a change in the valuation of groups of assets. These factors may emerge from a number of sources, including but not limited to economic conditions, political events or actions, the actions of central banks or policy makers, industry events or, indeed, investor behaviour and risk appetite.

(2) Specific or Idiosyncratic Risk, which is the part of risk directly associated with a particular asset, outside the realms of, and not captured by Systematic Risk. In other words, it is the component of risk that is peculiar to a specific asset, and may manifest itself in various guises, for example: corporate actions, fraud or bankruptcy.

Portfolios are subject to many sub-categories of market risk. Many of these risks are interlinked and not mutually exclusive. Examples of these types of investment risk include: Country risk; Sector risk; Asset-class risk; Inflation/deflation risk; Interest rate risk; Currency risk; Derivatives risk; Concentration risk; and Default risk. Factors that cause changes in market risks include: future perceived prospects (i.e. changes in perception regarding the future economic position of countries, companies, sectors, etc.); shifts in demand and supply of products and services; political turmoil, changes in interest rate/inflation/taxation policies; major natural disasters; recessions; and terrorist attacks.

There are several ways in which to review and measure investment risk. The risk team recognises that each method is different and has its own unique insights and limits, and applies the following measurements for each fund, where relevant:

- **Leverage:** has the effect of gearing a fund's expected performance by allowing it to gain greater exposure to underlying investment opportunities (gains and losses). The higher the leverage the greater the risk (potential loss).
- **Value-at-Risk (VaR) and Conditional VaR (CVaR):** VaR measures with a degree of confidence the maximum the fund could expect to lose in any given time frame. Assuming a normal (Gaussian) distribution, this is a function of the volatility of the fund's returns. The higher the volatility, the higher the VaR, the greater the risk. CVaR calculates the expected tail loss, under the assumption that the VaR has been reached.
- **Volatility, Tracking Error (TE):** Volatility measures the size of variation in returns that the fund is likely to expect. The higher the volatility the higher the risk. TE measures the expected magnitude of divergence of returns between the fund and benchmark over a given time.

Notes to the Financial Statements

For the year ended 31 March 2025 continued

- **Risk Decomposition:** Volatility, tracking error and VaR may be broken down to show contribution from market related factors ("Systematic" Risk) and instrument specific (Idiosyncratic Risk). This is not a different measure as such, but is intended to highlight the sources of volatility and VaR.
- **Concentration Risk:** By grouping the portfolio into various different exposures (e.g. country, sector, issuer, asset, etc.), we are able to see where, if any, concentration risk exists.
- **Stress Tests and Scenario Analysis:** This captures how much the current portfolio will make or lose if certain market conditions occur.
- **Back Testing:** This process helps to assess the adequacy of the VaR model and is carried out in line with UCITS regulatory requirements (FCA COLL 6.12). Excessive levels of overshoots and the reasons behind them are reported to the Board.

To generate these risk analytics the risk team relies on third party calculation engines, such as APT, Bloomberg PORT+, RiskMetrics and Axioma. Once the data has been processed, it is analysed by the risk team, generally reviewing absolute and relative risks, change on month and internal peer analysis. Any issues or concerns that are raised through the analysis prompt further investigation and escalation if required. Breaches of hard limits are also escalated immediately. All client mandated and regulatory risk limits are monitored on a daily basis.

Stress tests are intended to highlight those areas in which a portfolio would be exposed to risk if the current economic conditions were likely to change. An economic event may be a simple change in the direction of interest rates or return expectations, or may take the form of a more extreme market event such as one caused through military conflict. The stress test itself is intended to highlight any weakness in the current portfolio construction that might deliver unnecessary systematic exposure if the market were to move abruptly.

Stress testing is performed on a regular basis using relevant historical and hypothetical scenarios.

- ii) **Liquidity risk** is defined as the risk that a portfolio may need to raise cash or reduce derivative positions on a timely basis either in reaction to market events or to meet client redemption requests and may be obliged to sell long term assets at a price lower than their market value. Liquidity is also an important consideration in the management of portfolios: Portfolio Managers need to pay attention to market liquidity when sizing, entering and exiting trading positions.

Measuring liquidity risk is subject to three main dimensions:

- Asset Liquidity Risk – how quickly can assets be sold.
- Liability Risk – managing redemptions as well as all other obligations arising from the liabilities side of the balance sheet.
- Contingency Arrangements or Liquidity Buffers – utilising credit facilities etc.

Liquidity Risk Management Framework

Aberdeen has a liquidity risk management framework in place applicable to the fund and set out in accordance with its overall Risk Management Process, relative to the size, scope and complexity of the fund. Liquidity assessment and liquidity stress testing is typically performed monthly, monitoring both the asset and liability sides. Asset side stressed scenarios are considered based on the nature of different asset classes and their liquidity risks to demonstrate the effects of a market stress on the ability to sell-down a fund. Liability side analysis includes stress scenarios on the investor profile as well as liabilities on the balance sheet. Any particular concerns noted or liquidity risk limit breaches are escalated to the relevant Committees and Boards, if material.

- iii) **Counterparty credit risk** is the risk of loss resulting from the fact that the counterparty to a transaction may default on its obligations prior to the final settlement of the transaction's cash flow. Credit risk falls into both market risk and specific risk categories. Credit risk is the risk that an underlying issuer may be unable (or unwilling) to make a payment or to fulfil their contractual obligations. This may materialise as an actual default or, or to a lesser extent, by a weakening in a counterparty's credit quality. The actual default will result in an immediate loss whereas, the lower credit quality will more likely lead to mark-to-market adjustment.

Transactions involving derivatives are only entered into with counterparties having an appropriate internal credit rating that has been validated by the credit research team and approved by the relevant credit committee. Appropriate counterparty exposure limits will be set and agreed by these committees and the existing credit exposures will be assessed against these limits.

Notes to the Financial Statements

For the year ended 31 March 2025 continued

iv) Operational Risk

Operational risk can be defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk also includes the breakdown of processes to comply with laws, regulations or directives.

Operational Risk Management

An Operational Risk Management Framework is in place to identify, manage and monitor appropriate operational risks, including professional liability risks, to which the Management Company and the fund are or could be reasonably exposed. The operational risk management activities are performed independently as part of one of the functions of the Risk Division.

Aberdeen Group plc (formerly abrdn plc) (the "Group") Risk Management Framework is based upon the Basel II definition of operational risk which is "the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events".

The Group's management of operational risk is therefore aimed at identifying risks in existing processes and improving existing controls to reduce their likelihood of failure and the impact of losses. The Group has developed a framework that embodies continuous improvement to internal controls and ensures that the management of risk is embedded in the culture of the Group.

The identification, management, monitoring and resolution of events, risks and controls are facilitated via the Group's risk management system, Shield. The system is designed to facilitate the convergence of governance, risk and compliance programmes and automate a comprehensive review and assessment of operational risks.

3 Net Capital (Losses)/Gains

	2025 £'000	2024 £'000
Non-derivative securities*	(811)	4,550
Transaction charges	(1)	(2)
Net capital (losses)/gains*	(812)	4,548

* Includes net realised gains of £1,069,000 and net unrealised losses of £1,961,000 (2024: net realised gains of £1,968,000 and net unrealised gains of £2,530,000). Where realised gains/(losses) include gains/(losses) arising in previous periods, a corresponding (loss)/gain is included in unrealised gains/(losses).

4 Revenue

	2025 £'000	2024 £'000
Management fee rebates on collective investment scheme holdings	9	-
Bank and margin interest	14	32
Income from Overseas Collective Investment Schemes		
Franked income	6	-
Unfranked income	2,121	2,364
Income from UK Collective Investment Schemes		
Franked income	1,146	1,457
Unfranked income	50	85
Interest income	713	563
Property income	88	93
Total revenue	4,147	4,594

Notes to the Financial Statements

For the year ended 31 March 2025 continued

5 Expenses

	2025 £'000	2024 £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Manager's periodic charge	417	466
Dealing charge	7	13
General administration charge	70	77
	494	556
Payable to the Trustee or associates of the Trustee, and agents of either of them:		
Safe custody fee	5	5
	5	5
Total expenses	499	561

Irrecoverable VAT is included in the above expenses, where applicable.
The audit fee for the year, including VAT, was £17,940 (2024: £16,800).

6 Taxation

	2025 £'000	2024 £'000
(a) Analysis of charge in year		
Corporation tax	499	515
Double taxation relief	(6)	(10)
Overseas taxes	6	10
Total taxation (note 6b)	499	515

(b) Factors affecting total tax charge for the year

The tax assessed for the year is less than (2024: less than) the standard rate of corporation tax in the UK for authorised unit trusts (20%). The differences are explained below:

Net revenue before taxation	3,647	4,032
Corporation tax at 20% (2024: 20%)	729	806
Effects of:		
Revenue not subject to taxation	(230)	(291)
Overseas taxes	6	10
Double taxation relief	(6)	(10)
Total tax charge for year (note 6a)	499	515

Authorised unit trusts are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

(c) Factors that may affect future tax charge

At the year end there are no surplus expenses and therefore no deferred tax asset in the current or prior year.

Notes to the Financial Statements

For the year ended 31 March 2025 continued

7 Distributions (including the movement between net revenue and distributions)

	2025 £'000	2024 £'000
First interim distribution	790	869
Second interim distribution	937	1,144
Third interim distribution	529	689
Final distribution	1,369	1,292
	3,625	3,994
Add: Income deducted on cancellation of units	113	137
Deduct: Income received on issue of units	(15)	(6)
Total distributions for the year	3,723	4,125
Movement between net revenue and distributions		
Net revenue after taxation	3,148	3,517
Expenses charged to capital	495	556
Equalisation on Collective Investment Schemes	80	52
Total distributions for the year	3,723	4,125

Expenses taken to capital include the Annual management charge, Registration, Dealing expenses and the General administration charge. This policy only applies to the income classes.

Where deductions are made from capital these may limit the growth in value of the relevant fund. However, more income is generally available to distribute to shareholders.

Details of the distribution per unit are set out in this fund's distribution tables.

8 Debtors

	2025 £'000	2024 £'000
Accrued revenue	328	281
Amounts receivable from the Manager for the issue of units	289	70
Sales awaiting settlement	-	335
Total debtors	617	686

Notes to the Financial Statements

For the year ended 31 March 2025 continued

9 Liquidity

	2025 £'000	2024 £'000
Cash and bank balances		
Cash at bank	383	-
	383	-
Bank overdrafts		
Overdraft at bank	-	(1)
	-	(1)
Cash equivalents		
Deposits with original maturity of less than 3 months	-	358
Total cash equivalents	-	358
Net liquidity	383	357

10 Creditors

	2025 £'000	2024 £'000
Accrued expenses payable to the Manager	39	107
Accrued expenses payable to the Trustee or associates of the Trustee	1	1
Amounts payable to the Manager for cancellation of units	32	532
Corporation tax payable	180	188
Total creditors	252	828

11 Related Party Transactions

abrdn Fund Managers Limited, as Authorised Fund Manager, is a related party and acts as principal in respect of all transactions of units in the fund.

The aggregate monies received through issue and paid on cancellation of units are disclosed in the statement of change in net assets attributable to unitholders.

Any amounts due from or due to abrdn Fund Managers Limited at the end of the accounting year are disclosed in notes 8 and 10.

Amounts payable to abrdn Fund Managers Limited, in respect of expenses are disclosed in note 5 and any amounts due at the year end in note 10.

Notes to the Financial Statements

For the year ended 31 March 2025 continued

12 Portfolio Transaction Costs

There are no transaction costs associated with the purchases or sale of collective investment schemes during the year, or in the prior year.

Collective investments operate within the terms of the offer document or prospectus. Typically we do not invest into funds that require an initial charge to be made. The underlying price may contain an estimation of cost known as a dilution levy which is applied from time to time.

	Purchases		Sales	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Trades in the year				
Collective investment schemes	20,665	29,658	33,230	41,937
Trades in the year before transaction costs	20,665	29,658	33,230	41,937
Total net trades in the year after transaction costs	20,665	29,658	33,230	41,937

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices expressed as a percentage of the offer price) was 0.00% (2024: 0.00%), this is representative of the average spread on the assets held during the year.

13 Units in Issue Reconciliation

	Opening units 2024	Creations during the year	Cancellations during the year	Conversions during the year	Closing units 2025
Retail accumulation	4,377,878	50,205	(488,474)	-	3,939,609
Retail income	1,234,064	12,844	(372,196)	-	874,712
Institutional accumulation	4,482,173	89,591	(2,018,933)	15,577,392	18,130,223
Institutional income	2,088,952	118,531	(1,040,825)	8,254,944	9,421,602
Institutional regulated accumulation	54,749,801	1,045,824	(8,218,819)	-	47,576,806
Platform 1 accumulation	21,652,860	15,127	(2,492,909)	(19,175,078)	-
Platform 1 income	9,835,067	101,140	(1,727,035)	(8,209,172)	-
ZC accumulation	278,533	24,308	(151,848)	1	150,994

14 Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Notes to the Financial Statements

For the year ended 31 March 2025 continued

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

	2025 £'000	2025 £'000	2025 £'000	2024 £'000	2024 £'000	2024 £'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Collective Investment Schemes	-	84,862	-	-	98,304	-
Total investment assets	-	84,862	-	-	98,304	-

15 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

Foreign currency risk

The fund's net exposure to foreign currencies (including any instruments used to hedge against foreign currencies) is not significant. Therefore, the financial statements are not subject to any significant risk of currency movements. This is consistent with the exposure during the prior year.

Interest rate risk

The majority of the fund's financial assets are in non-interest bearing assets. Therefore, the fund's exposure to interest rate risk is considered insignificant. This is consistent with the exposure during the prior year.

Other price risk

The fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Adviser in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

As at 31 March 2025, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the unitholders would increase or decrease by approximately £4,243,000 (2024: £4,915,000).

Financial derivatives instrument risk

The fund had no exposure to derivatives as at 31 March 2025 (2024: £Nil).

Leverage

	Derivative Exposure Percent - Fund Commitment	Gross Leverage Percent - Fund Leverage
2025	99.15%	99.15%
2024	100.14%	100.14%

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2025 £346,000 (2024: £929,000).

Distribution Tables

For the year ended 31 March 2025 (in pence per unit)

First interim dividend distribution

Group 1 – units purchased prior to 1 April 2024

Group 2 – units purchased between 1 April 2024 and 30 June 2024

	Revenue	Equalisation	Distribution paid 30/08/24	Distribution paid 31/08/23
Retail accumulation				
Group 1	0.8582	–	0.8582	0.7885
Group 2	0.6024	0.2558	0.8582	0.7885
Retail income				
Group 1	0.4436	–	0.4436	0.4221
Group 2	0.0194	0.4242	0.4436	0.4221
Institutional accumulation				
Group 1	0.9255	–	0.9255	0.8466
Group 2	0.4600	0.4655	0.9255	0.8466
Institutional income				
Group 1	0.4859	–	0.4859	0.4620
Group 2	0.0293	0.4566	0.4859	0.4620
Institutional regulated accumulation				
Group 1	0.9483	–	0.9483	0.8640
Group 2	0.2458	0.7025	0.9483	0.8640
Platform 1 accumulation				
Group 1	0.7547	–	0.7547	0.6900
Group 2	0.3354	0.4193	0.7547	0.6900
Platform 1 income				
Group 1	0.4902	–	0.4902	0.4664
Group 2	0.2600	0.2302	0.4902	0.4664
ZC accumulation				
Group 1	0.9542	–	0.9542	0.8669
Group 2	0.3687	0.5855	0.9542	0.8669

Distribution Tables

For the year ended 31 March 2025 (in pence per unit) continued

Second interim dividend distribution

Group 1 – units purchased prior to 1 July 2024

Group 2 – units purchased between 1 July 2024 and 30 September 2024

	Revenue	Equalisation	Distribution paid 29/11/24	Distribution paid 30/11/23
Retail accumulation				
Group 1	1.0464	–	1.0464	1.0796
Group 2	0.3141	0.7323	1.0464	1.0796
Retail income				
Group 1	0.5336	–	0.5336	0.5735
Group 2	0.0290	0.5046	0.5336	0.5735
Institutional accumulation				
Group 1	1.1345	–	1.1345	1.1689
Group 2	0.2461	0.8884	1.1345	1.1689
Institutional income				
Group 1	0.5900	–	0.5900	0.6331
Group 2	0.0875	0.5025	0.5900	0.6331
Institutional regulated accumulation				
Group 1	1.1666	–	1.1666	1.2015
Group 2	0.1648	1.0018	1.1666	1.2015
Platform 1 accumulation				
Group 1	0.9242	–	0.9242	0.9526
Group 2	0.2194	0.7048	0.9242	0.9526
Platform 1 income				
Group 1	0.5950	–	0.5950	0.6384
Group 2	0.2469	0.3481	0.5950	0.6384
ZC accumulation				
Group 1	1.1781	–	1.1781	1.2122
Group 2	0.3345	0.8436	1.1781	1.2122

Distribution Tables

For the year ended 31 March 2025 (in pence per unit) continued

Third interim dividend distribution

Group 1 – units purchased prior to 1 October 2024

Group 2 – units purchased between 1 October 2024 and 31 December 2024

	Revenue	Equalisation	Distribution paid 28/02/25	Distribution paid 29/02/24
Retail accumulation				
Group 1	0.6349	–	0.6349	0.6844
Group 2	0.1768	0.4581	0.6349	0.6844
Retail income				
Group 1	0.3200	–	0.3200	0.3592
Group 2	0.0107	0.3093	0.3200	0.3592
Institutional accumulation				
Group 1	0.6737	–	0.6737	0.7328
Group 2	0.1604	0.5133	0.6737	0.7328
Institutional income				
Group 1	0.3471	–	0.3471	0.3922
Group 2	0.0254	0.3217	0.3471	0.3922
Institutional regulated accumulation				
Group 1	0.6893	–	0.6893	0.7467
Group 2	0.0869	0.6024	0.6893	0.7467
Platform 1 accumulation				
Group 1	–	–	–	0.5982
Group 2	–	–	–	0.5982
Platform 1 income				
Group 1	–	–	–	0.3962
Group 2	–	–	–	0.3962
ZC accumulation				
Group 1	0.6908	–	0.6908	0.7475
Group 2	0.1724	0.5184	0.6908	0.7475

Distribution Tables

For the year ended 31 March 2025 (in pence per unit) continued

Final dividend distribution

Group 1 – units purchased prior to 1 January 2025

Group 2 – units purchased between 1 January 2025 and 31 March 2025

	Revenue	Equalisation	Distribution paid 30/05/25	Distribution paid 31/05/24
Retail accumulation				
Group 1	1.6347	-	1.6347	1.3212
Group 2	0.6336	1.0011	1.6347	1.3212
Retail income				
Group 1	0.8196	-	0.8196	0.6888
Group 2	0.0093	0.8103	0.8196	0.6888
Institutional accumulation				
Group 1	1.7904	-	1.7904	1.4378
Group 2	0.0920	1.6984	1.7904	1.4378
Institutional income				
Group 1	0.9164	-	0.9164	0.7643
Group 2	0.0172	0.8992	0.9164	0.7643
Institutional regulated accumulation				
Group 1	1.8559	-	1.8559	1.4828
Group 2	0.0069	1.8490	1.8559	1.4828
Platform 1 accumulation				
Group 1	-	-	-	1.1707
Group 2	-	-	-	1.1707
Platform 1 income				
Group 1	-	-	-	0.7703
Group 2	-	-	-	0.7703
ZC accumulation				
Group 1	1.8854	-	1.8854	1.5007
Group 2	0.0030	1.8824	1.8854	1.5007

Equalisation

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

Remuneration (unaudited)

Alternative Investment Fund Managers Directive (UCITS V)
Remuneration Disclosure UCITS V Annual Report and Accounts

Remuneration Policy

The Aberdeen Group plc Remuneration Policy (the "**Policy**") applies with effect from 1 January 2024. The purpose of the Policy is to document clearly the remuneration policies, practices and procedures of Aberdeen as approved by the Aberdeen Group plc Remuneration Committee (the "**Committee**"). The Policy is available on request.

The Policy applies to employees of the Aberdeen Group of companies ("**Group**" or "**Aberdeen**"), including UCITS V Management Companies ("**ManCos**") and the UCITS V funds that the ManCo manages.

Remuneration Principles

Aberdeen applies Group wide principles for remuneration policies, procedures and practices ensuring that:

- Remuneration within the Group is simple, transparent and fair.
- Our Policy supports our long-term strategy by reinforcing a performance-driven culture. It aligns the interests of our employees, shareholders and, importantly, our clients / customers.
- Our remuneration structure is flexible to accommodate the different challenges and priorities across all businesses and functions as appropriate.
- Remuneration policies, procedures and practices promote good conduct, including sound and effective risk management and do not encourage risk taking that exceeds the level of tolerated risk appetite.
- Remuneration extends beyond the provision of fixed and variable pay, with a focus on the retirement provision and the wellbeing needs of our employees, as part of our remuneration philosophy.
- Total remuneration delivered is affordable for the Group.

Remuneration Framework

Employee remuneration is composed of fixed and variable elements of reward as follows:

- a) Fixed remuneration (salary and cash allowances, where appropriate; and Benefits (including pension).
- b) Variable remuneration (bonus, a proportion of which may be subject to retention or deferral depending on role and regulatory requirements; senior employees may also be awarded a long-term incentive award).

Appropriate ratios of fixed: variable remuneration will be set to as to ensure that:

- a) Fixed and variable components of total remuneration are appropriately balanced; and
- b) The fixed component is a sufficiently high proportion of total remuneration to allow Aberdeen to operate a fully flexible policy on variable remuneration components, including having the ability to award no variable remuneration component in certain circumstances where either individual and / or Group performance does not support such an award.

Remuneration (unaudited)

Continued

Base salary	Base salary provides a core reward for undertaking the role and depending on the role, geographical or business market variances or other indicators, additional fixed cash allowances may make up a portion of fixed remuneration. Periodic reviews take into account the employee's role, scope of responsibilities, skills and experience, salary benchmarks (where available) and, where relevant, any local legislative or regulatory requirements.
Benefits (including retirement benefit where appropriate)	<p>Benefits are made up of core benefits which are provided to all employees; and extra voluntary benefits that may be chosen by certain employees which may require contribution through salary sacrifice or other arrangements.</p> <p>Retirement benefits are managed in line with the relevant legislative requirements and governance structures. In certain, very limited circumstances, a cash allowance may be offered in lieu of a retirement arrangement.</p>
Annual Performance Bonus Awards	<p>Employees who have been employed during a performance year (1 January to 31 December) may be eligible to be considered for an annual bonus in respect of that year.</p> <p>Annual bonuses are based upon Group, Business, Function, Team and Individual performance (with individual performance assessed against agreed goals and behaviours). The variable remuneration pool for all eligible employees, including Identified Staff or Material Risk Takers ("MRTs"), is determined initially by reference to profitability and other quantitative and qualitative financial and non-financial factors, incorporating consideration of all risk categories, including sustainability risks* (on an ex-post and ex-ante basis). In reaching its final funding decision, the Committee exercises its judgement to ensure that the outcome reflects holistic Company performance considerations.</p> <p>abrdn Fund Managers Limited has specific obligations to act in the best interests of the UCITS V funds it manages and its investors. Accordingly, the performance of the underlying funds and the interests of investors (including, where relevant, investment risk) are also taken into account as appropriate. The Risk and Capital Committee and the Audit Committee formally advise the Committee as part of this process.</p> <p>The overall bonus pool is allocated to businesses and functions based on absolute and relative performance of each business and function and their alignment with strategic priorities and risk considerations. Allocation by region and subdivision / team is determined on a discretionary basis by the business / function and regional heads based on the absolute and relative performance of the constituent teams and alignment with strategic priorities.</p> <p>Individual annual bonus awards are determined at the end of the 12-month performance period with performance assessed against financial and non-financial individual objectives, including behaviour and conduct. Individual awards for Identified Staff are reviewed and approved by the Committee (with some individual award approvals delegated, as appropriate, to the Group's Compensation Committee, over which the Committee retains oversight). In carrying out these approvals, the Committee seeks to ensure that outcomes are fair in the context of overall Group performance measures and adjusted, where appropriate, to reflect input from the Risk and Capital Committee and the Audit Committee. Variable remuneration awards are subject to deferral for a period of up to three years. A retention period may also be applied as required by the relevant regulatory requirements. Deferral rates and periods comply, at a minimum, with regulatory requirements. In addition to the application of ex-ante adjustments described above, variable remuneration is subject to ex-post adjustment (malus / clawback arrangements).</p>
Other elements of remuneration – selected employees	<p>The following remuneration arrangements may be awarded in certain very limited circumstances:</p> <p>Carried Interest Plans – These arrangements are designed to reward performance in roles where a carried interest plan is appropriate. Selected employees are granted carried interest shares in private market funds established by the Group.</p> <p>Buy-Out Awards / Guaranteed Bonuses – These are intended to facilitate / support the recruitment of new employees. Buy-outs are not awarded, paid or provided unless they are in the context of hiring new employees. Guaranteed bonuses are not awarded, paid or provided unless they are exceptional and in the context of hiring new employees and limited to the first year of service. These awards are only made where such a payment or award is permitted under any relevant remuneration regulations and are designed to compensate for actual or expected remuneration foregone from previous employers by virtue of their recruitment.</p> <p>Retention and Special Performance Awards / LTIP – Supports retention and / or the delivery of specific performance outcomes and / or to incentivise senior employees to support the long-term, sustained performance of Aberdeen. The Company may determine that it is appropriate to grant such awards in limited circumstances. Awards are structured to deliver specific retention and / or performance outcomes. Retention and / or special performance awards comply with all relevant regulatory requirements.</p> <p>Severance Pay – Payment made to support an employee whose role is considered to be redundant. Severance payments comply with any legislative and regulatory requirements and any payments are inclusive of any statutory entitlement. In the event of severance, the treatment of any individual elements of an employee's remuneration is governed, as appropriate, by relevant plan or scheme rules.</p>

*According to SFDR, sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.

Remuneration (unaudited)

Continued

Control Functions

The Group ensures that, as appropriate, senior employees engaged in a control function are independent from the business units they oversee and have appropriate authority to undertake their roles and duties. These include, but are not necessarily limited to, Risk, Compliance and Internal Audit function roles. Senior employees engaged in a control function are remunerated in a way that ensures they are independent from the business areas they oversee, have appropriate authority and have their remuneration directly overseen by the Committee.

Conflicts of interest

The Policy is designed to avoid conflicts of interest between the Group and its clients and is designed to adhere to local legislation, regulations or other provisions. In circumstances or jurisdictions where there is any conflict between the Policy and local legislation, regulations or other provisions, then the latter prevail. Where the Committee receives input from members of management on the remuneration arrangements in operation across the Group, this never relates to their own remuneration.

Personal Investment Strategies

The Company adheres to the regulatory principles and industry best practice on the use of personal hedging strategies which act in restricting the risk alignment embedded in employee remuneration arrangements.

UCITS V Identified Staff / MRTs

The 'Identified Staff' or MRTs of abrdn Fund Managers Limited are those employees who could have a material impact on the risk profile of abrdn Fund Managers Limited or the UCITS V funds it manages. This broadly includes senior management, decision makers and control functions. For the purposes of this disclosure, 'Identified Staff' includes employees of entities to which activities have been delegated.

Quantitative Remuneration Disclosure

The table below provides an overview of the following:

- Aggregate total remuneration paid by abrdn Fund Managers Limited to its entire staff; and
- Aggregate total remuneration paid by abrdn Fund Managers Limited to its UCITS V 'Identified Staff'.

Amounts shown reflect payments made during the financial reporting period in question. The reporting period runs from **1 January 2024 to 31 December 2024** inclusive.

	Headcount	Total Remuneration £'000
abrdn Fund Managers Limited¹	1,011	143,746
of which		
Fixed remuneration		108,512
Variable remuneration		35,234
abrdn Fund Managers Limited 'Identified Staff'²	98	45,049
of which		
Senior Management ³	40	28,552
Other 'Identified Staff'	58	16,497

¹ As there are a number of individuals indirectly and directly employed by abrdn Fund Managers Limited this figure represents an apportioned amount of Aberdeen's total remuneration fixed and variable pay, apportioned to the ManCo on an AUM basis. The Headcount figure provided reflects the number of beneficiaries calculated on a Full Time Equivalent basis.

² The Identified Staff disclosure relates to UCITS V MRTs and represents total compensation of those staff of the ManCo who are fully or partly involved in the activities of the ManCo.

³ Senior Management are defined in this table as ManCo Directors and members of the Aberdeen Group plc Board, together with its Executive and Group Operating Committees, Investment Executive members and the Chief Product and Marketing Officer.

Further Information

abrdrn Dynamic Distribution Fund is an authorised unit trust scheme under FCA 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 and Prices

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

Notices/Correspondence

Please send any notices to abrdrn Fund Managers Limited, PO Box 12233, Chelmsford, Essex, CM99 2EE. Any notice to the Manager will only be effective when actually received by the Manager. All notices will be sent to the investor at the address set out in the application form or the latest address which the investor has notified to the Manager, and will be deemed to have been received three days after posting. Events detailed in these terms and conditions will be carried out on the dates specified, unless the dates are a non-business day, when they will be carried out on the next business day.

Complaints and Compensation

If you need to complain about any aspect of our service, you should write to the Complaints Team, Aberdeen, 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@aberdeenplc.com** in the first instance.

Alternatively if you have a complaint about the Company or Funds you can contact the Trustee directly. A leaflet detailing our complaints procedure is available on request. We will endeavour to respond to your complaint as soon as possible and will notify you of our outcome within 8 weeks. If the complaint is not resolved by us to your satisfaction then you may have the right to take your complaint to the Financial Ombudsman Service (FOS). To contact the FOS Service you should write to The Financial Ombudsman Service, Exchange Tower, London, E14 9SR, email **complaint.info@financial-ombudsman.org.uk** or telephone 0800 023 4567 (free for landlines and mobiles) or 0300 123 9123 (calls cost no more than calls to 01 and 02 numbers) or +44 20 7964 0500 (available from outside the UK – calls will be charged).

We are covered by the Financial Services Compensation Scheme, which means if we become insolvent, you may be entitled to compensation. The level of compensation will depend on the type of business and the circumstances of your claim. Investments are covered up to £85,000 for claims against firms that fail on or after 1 April 2019. Details are available from the FSCS Helpline on 0800 678 1100 or 020 7741 4100 and on the FSCS website: **www.fscs.org.uk**.

Important Information

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