



# Diversified Assets

Monthly Update

June 2025

For Professional Investors only – Not for Retail use

## Fund objective

### abrdn Diversified Growth and Income Fund

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

**Performance Target:** to exceed the return of SONIA by 5% per annum over rolling five year periods (before charges). The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target. SONIA has been chosen as a proxy for the return on cash deposits.

## Investment policy

### abrdn Diversified Growth and Income Fund – portfolio securities

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

## Performance

	Currency	1 month	3 months	Year to Date	1 year	3 years p.a.	Fund size (million)
abrdn Diversified Growth and Income Fund*	GBP	2.62	5.74	5.40	9.26	6.15	£440.0
Target SONIA +5% p.a.**	GBP	0.73	2.26	4.62	9.66	9.33	N/A

\* Performance data: abrdn Diversified Growth and Income Fund, GBP, ISIN GB00B1C42993. Performance gross of annual management charges. Date of launch: 30 September 2016.

\*\* Target defined as SONIA +5% p.a. gross of fees. From 01/11/2021 SONIA +5% p.a. (gross), prior 1 Month GBP LIBOR +5% p.a. (gross).

Source: Aberdeen, Lipper. Figures as at 30 June 2025.

All return data gross of annual management charges. Had such fees been deducted returns would have been lower.

Past performance is not a guide to future results.

- In June, the fund returned 2.62%.
- Most asset classes contributed positively to returns with particularly notable contributions from infrastructure, listed equity, listed private capital, Emerging Market debt, crossover credit and asset-backed securities. No asset classes notably detracted from performance.



## Portfolio changes

abrdn Diversified Growth and Income Fund			
Asset Name	May 2025	June 2025	Change +/-
Listed Equity	13.9%	14.1%	0.2%
Private Capital	6.7%	6.4%	-0.3%
Property	5.0%	7.0%	2.0%
Infrastructure	22.4%	20.9%	-1.5%
High Yield	3.7%	2.5%	-1.2%
Asset-Backed Securities	10.7%	10.3%	-0.4%
Emerging Market Bonds	17.0%	17.0%	0.0%
Special Opportunities	7.8%	7.7%	-0.1%
Investment Grade	7.2%	5.5%	-1.7%
Government Bonds	4.0%	4.0%	0.0%
Cash	1.6%	4.5%	2.9%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-0.1%</b>

Source: Aberdeen. Figures may not add up due to rounding.

During the month, we reduced our exposure to US corporate credit. There were several reasons for this reduction. While we remain constructive on the asset class, we recognise the degree to which spreads have tightened since the tariff shocks, and the impact this has on expected returns. We are also conscious of the changing views around US exceptionalism and a reduced exposure to US corporates felt appropriate in light of this. The reduction also reflected the high degree of bottom-up ideas available to us in our wider portfolio, described in more detail below.

There were a number of changes within property. As discussed in recent DA news, we have been looking to take advantage of the ongoing corporate activity within the REIT sector. Related to this, during the month we initiated a position in Picton Property Income, a diversified UK REIT investing in commercial property in the industrial, office and retail sectors. We also increased our position in UK student accommodation provider, Empiric Student Property, in anticipation of further bid activity. Separately, we initiated a position in Tritax BigBox REIT, a UK owner and developer of logistics assets, reflecting the company's strong growth potential driven by significant rental reversion and development pipeline further supported by its attractive valuation. Lastly, there were several changes within the global REITs sleeve, which is managed on our behalf by Aberdeen's Global REITs team. These changes reflected concerns from tariffs and geopolitical risks, with exposure rotated to an extent from the US into Europe and Asia.

Our overall allocation to infrastructure reduced slightly as we made some changes to allocations within the asset class. We added to our position in Pantheon Infrastructure and trimmed our position in The Renewables Infrastructure Group, both on valuation grounds. We also exited our position in infrastructure debt investor, GCP Infrastructure, given our view of risk-adjusted expected returns has deteriorated since last review as the share price had risen, and risk outlook worsened.

Lastly, within special opportunities, we added to litigation finance investor, Burford Capital, on valuation grounds.

## Outlook

US trade and fiscal policy remain sources of deep uncertainty for the global economy. While the softening in trade actions and rhetoric has helped stabilise many markets, the economic consequences are only just beginning. While we have lowered our US recession probability, it remains material. While markets appear less concerned about the tariff shock, they are increasingly on edge about fiscal policy, both in the US and in Developed Markets more generally.

Stepping back, we continue to believe the regime of US growth and market exceptionalism will remain under pressure. Long-term potential growth will slow, and the policy environment looks structurally less stable. In Europe, with growing evidence of subdued sentiment, weak demand, and passthrough of lower energy commodity prices to consumer prices, we think Eurozone growth will be weak, and inflation will undershoot its target. In China, financial conditions are accommodative, but the difficulty of securing a trade deal with the US still points to decoupling being a long-lasting headwind to Chinese growth.

Ultimately, the global growth outlook is highly uncertain, dominated by the unpredictable rollout of US tariffs.

Given this backdrop, while we do see selective opportunities in traditional asset classes, we remain cautious on relying on them alone to generate returns. Our portfolios also have meaningful allocations to alternative asset classes, many of which have

- infrastructure assets that have attractive and reliable yields with links to inflation;
- Emerging Market bonds offering attractive returns as well as diversification benefits;
- asset-backed securities which continue to offer attractive yield relative to traditional credit
- some specialist property investments which can offer attractive, reliable returns; and
- a variety of special opportunities such as healthcare and precious metals royalties and litigation finance.

## Asset class news

### Listed equity

Following a robust performance in May, global equities continued their upward trajectory in June, buoyed by easing trade tensions and resilient economic data. US equity markets hit all-time highs during the month, supported by strong company earnings and a temporary rollback of tariffs between the US and China. European equities also advanced, aided by expectations of monetary easing from the ECB and a delay in proposed EU tariffs.

On June 13, Israel launched targeted strikes on Iranian nuclear and energy infrastructure, prompting retaliatory missile attacks from Iran. While this raised concerns over potential disruptions to global energy supply – particularly through the Strait of Hormuz – markets have so far shown resilience to the ongoing conflict.

Against this backdrop, our ESG enhanced core equity and our listed private capital performed broadly in line with global equities. Our EuroStoxx dividend futures position underperformed global equities.

### Listed private capital

Our listed private capital positions on aggregate produced a positive return contribution, performing well against a backdrop of rising global equity markets.

The listed private equity trust, ICG Enterprise Trust (ICGT), held its annual capital markets day during the month. Sentiment around private equity realisations and fundraising has started to improve after recent volatility, and management has begun to have more constructive discussions with their underlying PE managers. ICGT also has a leading private equity secondaries strategy that management is using proactively to take advantage of liquidity constraints across the industry while also remaining proactive on their own capital allocation by selling older assets and deploying into buybacks to take advantage of the trust's current discount.

### Infrastructure

Infrastructure companies on aggregate produced a notably positive return over the month, with discounts narrowing materially in some cases. We have been speaking for some time about the value that we see within this asset class, and it has been pleasing to see this start to materialise in June.

Turning to company specific news, several companies produced full-year and half-year results during the month.

Economic infrastructure investor, Pantheon Infrastructure, announced full year results to end-December with a NAV total return of 14.3% over the year, in excess of its 8–10% annual target. The company benefitted from the AI boom, with notable valuation increases from a number of companies operating in the digital space. The biggest gain was driven by the announced sale of Calpine, a US based power producer, proceeds of which will begin arriving this year. The dividend increased by 5% over the year and the company continues to target a progressive policy going forward.

Infrastructure debt investor, Sequoia Economic Infrastructure Income, announced full year results to end-March with a NAV total return of 6.1% slightly below its 7–8% target. Income gains were offset by dividends, costs, and valuation losses, though buybacks added value. The portfolio quality improved over the year, with increased exposure to senior secured loans and a reduction in non-performing loans from around 5% of NAV to 1%. The company extended over £300m in new loans and maintained a strong yield-to-maturity of 9.8%.

Energy efficiency investor, SDCL Energy Efficiency, published full-year results to end-March with a NAV total return of 7.1%. The five largest investments, that account for c.80% of the portfolio, produced aggregate EBITDA broadly in line with budget with weaker performance from some assets offset by strong performance elsewhere. The portfolio continues to benefit from long-term, inflation-linked contracts, with a weighted average remaining life of 16 years, providing durable, visible cash flows. Management are progressing opportunities across the portfolio to release liquidity, reduce gearing and recycle capital, as they seek to protect and crystallise shareholder value.

Foresight Environmental Infrastructure published a broadly flat full NAV total return to end-March. The return was driven by the discount rate unwind which was offset by a write-down in their green hydrogen investment, lower wind yield assumptions and below budget power generation. The dividend was 1.3x covered and the shares currently yield around 10%.

Social infrastructure investor, International Public Partnerships Ltd, released half year results to end-June. The company's portfolio of over 140 projects and businesses performed well, both operationally and financially, during the period. During the month INPP signed an agreement to raise £49m in proceeds from its UK education infrastructure portfolio. In the last 30 months, realisations have totalled c.£317m across a range of sectors, equivalent to c.12% of the portfolio, with pricing in line with valuation. Finally, INPP reconfirmed that the projected cash receipts from the portfolio are such that even if no further investments are made, the company currently expects to be able to continue to meet its existing progressive dividend policy for at least the next 20 years.

Lastly, we think it worth noting that the UK Government's 10-year infrastructure strategy was published during the month, emphasising the UK's infrastructure needs. It reaffirmed the UK Government's long-term policy support for investing in infrastructure to enable resilient growth, drive the transition to a secure, low-carbon energy system, and ensure social infrastructure is capable of supporting essential public services. Many of the infrastructure companies we invest in have worked successfully in partnership with governments and are well positioned to support the UK's significant infrastructure investment pipeline.

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.



### **Emerging Market (EM) debt**

Emerging Market bonds produced a positive return contribution over the month driven by accrued interest, rising bond prices and FX moves (measured against our currency funding basket). Brazil was the most material positive contributor to performance with the Brazilian Real appreciating over the month.

### **Asset-backed securities**

Asset-backed securities produced a small positive return in June with income and positive price changes the primary drivers.

### **Crossover credit**

Our crossover credit allocation is invested in a mix of US investment grade credit and higher quality high yield bonds. The allocation produced a positive return over the month driven by both positive bond movements and accrued interest.

### **Property**

While our overall property allocation was flat over the month, there was some company specific news. We wrote in our March DA news that we had initiated a position in Empiric Student Property, a UK-based owner of student accommodation assets, as we believed it could be a potential beneficiary from increased corporate activity within the REIT sector. In June, Empiric received a non-binding acquisition proposal from Unite Group, another UK-listed student accommodation provider. The proposed offer, comprising a mix of cash and stock, implies a 10% discount to Empiric's most recently reported net asset value and a 10% premium to its undisturbed pre-bid share price.

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.



## Appendix

abrdn Diversified Growth and Income Fund	Holdings (%)
<b>Listed Equity</b>	<b>14.1%</b>
ESG Enhanced Core Equity	13.6%
Equity Dividend Futures	0.6%
<b>Private Capital</b>	<b>6.4%</b>
Listed Private Capital	6.4%
<b>Property</b>	<b>7.0%</b>
Property REITS	5.0%
Logistics (Tritax Big Box REIT)	0.7%
Student Accommodation (Empiric Student Property)	0.7%
Logistics (Pictou Property)	0.5%
<b>Infrastructure</b>	<b>20.9%</b>
Social Infrastructure (HICL)	2.1%
Social Infrastructure (International Public Partnerships)	2.1%
Renewable Infrastructure (Bluefield Solar Income)	1.0%
Renewable Infrastructure (Greencoat Renewables)	1.5%
Renewable Infrastructure (Greencoat UK Wind)	2.7%
Renewable Infrastructure (JLEN Environmental)	0.3%
Renewable Infrastructure (SDCL Energy Efficiency))	1.0%
Renewable Infrastructure (The Renewables Infrastructure Group)	2.4%
Infrastructure Debt (Sequoia Economic Infrastructure)	1.0%
Energy Storage Infrastructure (Gresham House Storage)	0.1%
Diversified Infrastructure (3I Infrastructure)	3.1%
Diversified Infrastructure (Cellnex Telecom)	1.2%
Diversified Infrastructure (Pantheon Infrastructure)	1.4%
Digital Infrastructure (Cordiant Digital Infrastructure)	1.0%
<b>High Yield</b>	<b>2.5%</b>
<b>Investment Grade</b>	<b>5.5%</b>
<b>Government Bonds</b>	<b>4.0%</b>

abrdn Diversified Growth and Income Fund	Holdings (%)
<b>Asset-Backed Securities</b>	<b>10.3%</b>
Collateralised Loan Obligations (Fair Oaks Dynamic Credit Fund) OEIC	4.2%
Collateralised Loan Obligations (Fair Oaks Income)	0.3%
Mezzanine ABS (TwentyFour Income)	1.3%
Mezzanine ABS (TwentyFour Asset Backed Opportunities Fund) OEIC	4.6%
<b>Emerging Market Debt</b>	<b>17.0%</b>
Emerging Market Bonds	17.0%
<b>Special Opportunities</b>	<b>7.7%</b>
Litigation Finance (Burford)	2.5%
Precious Metals Royalties (Franco Nevada)	0.5%
Shipping (Tufton Oceanic)	0.5%
Precious Metals Royalties (Wheaton Precious Metals)	1.5%
Healthcare Royalties (BioPharma Credit)	2.7%
<b>Cash</b>	<b>4.5%</b>
<b>Total</b>	<b>100.0</b>

Source: Aberdeen, 30 June 2025.  
Figures may not add up due to rounding



## abrdn Diversified Growth and Income Fund

### Performance (% in GBP)

	Annualised						
	1 month	3 months	6 months	1 year	3 years	5 years	Since inception
Fund (net)*	2.58	5.66	5.21	8.84	5.85	5.61	3.65
Fund (gross)**	2.62	5.74	5.40	9.26	6.15	5.99	4.07
Target SONIA +5% p.a. (gross)***	0.73	2.26	4.62	9.66	9.33	7.66	6.29

### Annual Returns (% in GBP) - year ended 30/06

	2025	2024	2023	2022	2021
Fund (net)*	8.84	6.71	2.14	-3.30	14.53
Fund (gross)**	9.26	7.16	2.17	-2.84	15.08
Target SONIA +5% p.a. (gross)***	9.66	10.20	8.13	5.36	5.04

### Calendar year performance (% in GBP)

	Year to Date	2024	2023	2022	2021	2020
Fund (net)*	5.21	4.96	8.50	-8.49	10.65	1.10
Fund (gross)**	5.40	5.38	9.00	-8.46	11.17	1.59
Target SONIA +5% p.a. (gross)***	4.62	10.07	9.61	6.42	5.06	5.22

Performance data:

\*abrdn Diversified Growth and Income Fund, Share Class I Acc GBP, ISIN GB00B1C42779. Performance net of annual management charges. Inception date of share class: 30 September 2016.

\*\*abrdn Diversified Growth and Income Fund, Share Class Z Acc GBP, ISIN GB00B1C42993. Performance gross of annual management charges. Inception date of share class: 30 September 2016.

\*\*\* From 01/11/2021 SONIA +5% p.a. (gross), prior 1 Month GBP LIBOR +5% p.a. (gross)

Target defined as SONIA +5% p.a. (gross).

Source: Aberdeen, Lipper. Figures as at 30 June 2025.

Past performance is not a guide to future results.

### Important information

#### Risk factors you should consider before investing

#### abrdn Diversified Growth and Income Fund

- **Equity risk - Equity Risk** - 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.
- **Closed End Fund/Investment Trust Risk Warning - Closed-ended Funds (Investment Trust) Risk** - These may trade at a discount or premium to the value of their underlying assets, which will impact on returns in addition to the performance of the underlying assets. A reduction in the premium or an increase in the discount will negatively impact investors' returns.
- **Private Markets Risk within UCITS Pooled Fund - Private Markets Risk (UCITS funds)** - The fund invests in companies that are listed on stock markets. The value of these companies is driven by the growth and performance of the underlying private market assets in which they invest. These underlying private market assets do not trade on public markets therefore, valuation and pricing may be difficult to determine. Assets may be long-term projects which have development risk and uncertainty regarding their financial viability and overall the risk of default, bankruptcy or dilution of the value of the fund's holding in individual assets is higher than for public market assets.
- **Interest rate risk - Interest Rate Risk** - The fund invests in securities which can be subject to price fluctuation for a variety of reasons including changes in interest rates or inflation expectations.
- **Credit risk - Credit Risk** - The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- **Emerging Markets risk - Emerging Markets Risk** - The fund may invest in emerging markets, where political, economic, legal and regulatory systems are less developed. As a result, investing in emerging markets may involve higher volatility and a greater risk of loss than investing in developed markets. In particular, where the fund invests in Variable Interest Entity (VIE) structures to gain exposure to industries with foreign ownership restrictions or invests in Chinese assets via Stock Connect / Bond Connect, there are additional operational risks, which are outlined in the prospectus.
- **Derivatives risk (limited) - Derivatives Risk** - The use of derivatives may involve additional liquidity, credit and counterparty risks. In some cases the risk of loss from derivatives may be increased where a small change in the value of the underlying investment may have a larger impact on the value of the derivative.



## Further information

For more information please contact your local Aberdeen representative, or visit our website at [aberdeeninvestments.com](http://aberdeeninvestments.com)

## Other important information

For professional investors only – not for use by retail investors

**Past performance is not a guide to future results. The value of investments and the income from them can go down as well as up and you may get back less than the amount invested.**

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