aberdeen Investments

abrdn China A Share Equity Fund

Quarterly Commentary

Quarter ended June 30, 2025

Fund performance

The Fund returned 2.16% (Institutional Class shares, net of fees, in US dollar terms) over the quarter, underperforming the index, which rose by 3.37%.[1]

In the industrials sector, Apple supply-chain companies, such as Luxshare Precision Industry, were affected by tariff-related concerns. We are monitoring developments closely and will adjust position sizing as the situation evolves and according to the outlook for each company. Meanwhile, in the consumer discretionary segment, Midea declined due to reduced trade-in subsidies, and BYD fell on domestic auto-sector weakness.

Conversely, the consumer staples sector was the most significant contributor, with Yantai China Pet Foods as the top performer, as it continued to deliver strong earnings and faced limited impact from the tariffs. In the financials segment, China Construction Bank, Citic Securities, Ping An Insurance, Jiangsu Changshu Rural Commercial Bank, and China Merchants Bank performed well, given improving sentiment.

Market review

The mainland Chinese stock market rose in the second quarter of 2025. President Trump's unexpected and severe tariff announcement in the early stages of the review period triggered market volatility, which, in turn, shifted domestic macroeconomic sentiment from AI-driven optimism to tariff-induced uncertainty. Equities subsequently recovered some lost ground as President Trump softened his stance and China signalled potential trade discussions.

Total Returns (as of 06/30/25)

	Class A w/o sales charges	Class A with sales charges	Institutional Class	MSCI China A Onshore Index (Net TR)
10 Years (p.a.)	2.29	1.68	2.64	-2.51
5 Years (p.a.)	-2.52	-3.67	-2.16	0.65
3 Years (p.a.)	-9.57	-11.33	-9.22	-5.02
1 Year	19.70	12.82	20.15	19.36
Year to Date	5.08	-0.96	5.32	3.48
3 Months	2.02	-3.85	2.16	3.37
1 month	3.60	-2.36	3.62	4.17

PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS. The performance data quoted represents past performance and current returns may be lower or higher. Class A shares have up to a 5.75% front-end sales charge and a 0.25% 12b-1 fee. The investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. To obtain performance information current to the most recent month-end, which may be higher or lower than the performance shown above, please call 866-667-9231 or go to **aberdeeninvestments.com/us/literature.**

Performance information for periods prior to June 13, 2019 does not reflect the current investment strategy. Please consult the Fund's prospectus for more detail.

Total returns assume the reinvestment of all distributions. Total returns may reflect a waiver of part of the Fund's fees for certain periods since inception, without which returns would have been lower. Indexes are unmanaged and provided for comparison purposes only. No fees or expenses are reflected. You cannot invest directly in an index.

Expense ratios (%)

	Class A	Class C	Institutional Class
Gross/Net Expense Ratio	2.50/1.40	3.18/2.02	2.16/1.02

Expenses stated as of the Fund's most recent prospectus. All classes of the Fund have contractual waivers in place and may not be terminated before February 28, 2026 without approval of the Independent Trustees.

[1] The MSCI China A (Onshore) Index tracks the performance large- and mid-capitalization companies across China securities listed on the Shanghai and Shenzhen exchanges. Indexes are unmanaged and have been provided for comparison purposes only. No fees or expenses are reflected. You cannot invest directly in an index. Index performance is not an indication of the performance of the Fund itself. For complete Fund performance, please visit aberdeeninvestments.com.

For current holdings information, please visit **abrdn China A Share Equity Fund - Portfolio Holdings**

The Politburo meeting in April conveyed a more supportive macroeconomic policy stance in response to US tariff hikes, focusing on preparing for external shocks, stabilising key economic areas, and integrating external and domestic trade, while reaffirming China's commitment to opening service sectors to foreign investment.

The market rebound continued into May and June, as US-China trade tensions further de-escalated following a second round of talks in London. This development paved the way for a trade deal to be reached, whereby China would potentially relax its control over rare earth materials and open its business to more American companies in exchange for fewer US technology restrictions and easing of tariffs.

Meanwhile, the domestic economy remained on a mild recovery path. June's export data held up well, and both the NBS and Caixin manufacturing purchasing managers' index (PMI) surveys rose notably in June. However, concerns about a softer second-half outlook are mounting, driven by several factors. These include the payback effect from front-loaded exports, continued weakness in the property sector, and the implementation of new austerity measures. We are confident that Beijing has a comprehensive toolbox and sufficient policy reserves to achieve its target of 5.0% gross domestic product (GDP) growth.

Activity

Regarding portfolio movements, we participated in the Hong Kong initial public offering (IPO) of Chinese heating systems supplier Zhejiang Sanhua Intelligent Controls.

We also added Beijing New Building Materials, the world's largest gypsum board manufacturer with a strong cost moat. The company is growing both organically and inorganically through counter-cyclical acquisitions in related sectors and is poised to become the world's leading building materials business. The new management is young and sufficiently incentivised to deliver strong results for shareholders.

Conversely, we exited our remaining positions in China Tourism Group Duty Free, Guangzhou Baiyun Airport and Shanghai International Airport, given that these companies will likely take longer to see a meaningful recovery in the current climate. Elsewhere, we sold Proya Cosmetics and ENN Natural Gas.

Outlook

We continue to favour companies with predominantly domestic exposure and higher earnings visibility to weather further volatility. On a see-through weighted basis, approximately 80% of the revenue exposure of our A-share strategies is derived domestically, with the remainder diversified into non-US regions. We remain incrementally positive following the policy pivot late last year, and external pressure may prompt a greater focus on domestic stimulus, which is key to turning the economy around.

Important information

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

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.

Potential losses that may arise from changes in the market conditions which in turn affect the market prices of the investments of the Fund.

The value of a security may decline for reasons directly related to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services.

The stock or other security of a company may not perform as well as expected, and may decrease in value, because of factors related to the company, to the industry in which the company is engaged, or to the market as a whole.

The Fund is subject to the risk that the Adviser or Subadviser may make poor security selections.

Foreign securities are more volatile, harder to price and less liquid than U.S. securities. They are subject to different accounting and regulatory standards, and currency exchange rate, political and economic risks.

The value of foreign currencies relative to the U.S. Dollar fluctuates in response to market, economic, political, regulatory, geopolitical or other conditions. Fluctuations in currency exchange rates may impact a Fund's returns more greatly to the extent the Fund does not hedge currency exposure or hedging techniques are unsuccessful.

Illiquid securities are assets that the Fund reasonably expects cannot be sold or disposed of in current market conditions in seven calendar days or less without the sale or disposition significantly changing the market value of the asset. An inability to sell a portfolio position can adversely affect the Fund's value or prevent the Fund from being able to take advantage of other investment opportunities. Illiquid and relatively less liquid securities may also be difficult to value.

Occasionally, shareholders may make large redemptions or purchases of Fund shares, which may cause the Fund to have to sell securities or invest additional cash. These transactions may adversely affect the Fund's performance and increase transaction costs.

Investing in mutual funds involves risk, including possible loss of principal. There is no assurance that the investment objective of any fund will be achieved.

Investors should carefully consider a fund's investment objectives, risks, fees, charges and expenses before investing any money. To obtain this and other fund information, please call 866-667-9231 to request a summary prospectus and/or prospectus, or download at https://www.aberdeeninvestments.com/en-us. Please read the summary prospectus and/or prospectus carefully before investing any money.

The information contained herein is current at the time of distribution, intended to be of general interest only and does not constitute advice. Neither Aberdeen nor any of its agents have given any consideration to nor have they made any investigation of the investment objectives, financial situation or particular need of the reader, any specific person or group of persons. Accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of the reader, any person or group of persons acting on any information, opinion or estimate contained in this document. Aberdeeen does not warrant the accuracy, adequacy or completeness of the information and materials contained in this document and expressly disclaims liability for errors or omissions in such information and materials. Aberdeen reserves the right to make changes and corrections to its opinions expressed in this document at any time, without notice.

Some of the information in this document may contain projections or other forward-looking statements regarding future events or future financial performance of countries, markets or companies. These statements are only predictions and actual events or results may differ materially. The reader must make his/her own assessment of the relevance, accuracy and adequacy of the information contained in this document, and make such independent investigations as he/she may consider necessary or appropriate for the purpose of such assessment.

abrdn Funds are distributed by Aberdeen Fund Distributors LLC, Member FINRA and SIPC. 1900 Market Street, Suite 200, Philadelphia PA, 19103. Aberdeen Fund Distributors, LLC is a wholly owned subsidiary of abrdn Inc. abrdn Inc. is a wholly-owned subsidiary of Aberdeen Group plc.

NOT FDIC INSURED * NO BANK GUARANTEE * MAY LOSE VALUE

For more information visit aberdeeninvestments.com

REF #: AA-170725-196238-12