

# abrdn Global Income Fund

# **Quarterly Commentary**

Quarter ended July 31, 2025



## **Fund performance**



The investment portfolio outperformed its benchmark by 1.74%, with the primary source of outperformance being the overweight exposures to the high-yielding and strongly performing US dollar-denominated credit markets in the US and emerging markets, with underweight exposure to Asia Pacific currencies.<sup>1</sup>

The Fund's NAV increased by 3.51%, outperforming its benchmark. The outperformance of the NAV was driven by the outperformance of the investment performance, as well as the impact of leverage due to the positive market performance. The strategic use of leverage is beneficial to the income generated by the fund due to the positive interest rate differential between the income earned and the cost of leverage, while the mark-to-market impact of interest rate swaps used to hedge the cost of leverage was a positive factor as interest rates rose during the period. The performance impact of the reinvestment of dividends is a negative contributor.

#### Economic & market overview

US President Donald Trump's tariff policy has been a primary focus for global bond markets during the threemonth period ending 31 July 2025, as the US reached tariff agreements with several nations. Geopolitical concerns also threatened to derail markets in June as the conflict between Israel and Iran escalated, with much attention paid to direct/indirect involvement by the US. In US monetary

#### Cumulative and annualized total return as of July 31, 2025 (%)

NAV	NAV	Market Price
10 Years (p.a)	0.84	10.50
5 Years (p.a)	-1.15	14.09
3 Years (p.a)	3.76	26.92
1 Year	-0.61	24.90
Year to Date	-0.58	19.92
3 Months	3.51	14.21
1 month	0.17	3.03

#### PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS.

Investment returns and principal value will fluctuate and shares, when sold, may be worth more or less than original cost. Current performance may be lower or higher than the performance quoted. NAV return data includes investment management fees, custodial charges and administrative fees (such as Director and legal fees) and assumes the reinvestment of all distributions.

The Fund is subject to investment risk, including the possible loss of principal. Returns for periods less than one year are not annualized.

#### **Expense ratios**

Fiscal year ended October 31 (%)

Annual Expenses	Percent of Net Assets	Percent of Managed Assets
Management Fees	0.92	0.65
Other Expenses	1.61	1.14
Fee Waiver	-0.04	-0.03
Operating Expenses	2.50	1.76
Leverage Costs	2.78	1.95
Total Expenses	5.28	3.71
Total Expenses before Fee Waiver	5.31	3.74

The Fund has an expense cap or limits on certain expenses, which excludes leverage costs, taxes, and non-routine/extraordinary expenses. Details of the cap or limit, including the term, can be found in the Fund's most recent shareholder report. Leverage Costs include interest, fees, and other other up front/ offering costs associated with the leverage struture for the Fund. Gross Operating Expenses include the Fee Waiver and Leverage Costs

The investment portfolio performance is gross of fees and expenses and not subject to leverage. The NAV performance is net of fees and expenses and includes the impact of leverage. The benchmark performance is not subject to fees and expenses and is not subject to leverage. For current holdings information, please visit abran Global Income Fund, Inc. - Portfolio Holdings





<sup>&</sup>lt;sup>1</sup>The Fund's blended benchmark comprises 10% ICE Bank of America (BofA) All Maturity Australia Government Index; 25% ICE BofA Global High Yield Constrained Index (hedged into U.S. dollars); 35% J.P. Morgan EMBI Global Diversified Index; 5% ICE BofA New Zealand Government Index; and 25% Markit iBoxx Asia Government Index. The ICE BofA Global High Yield Constrained Index tracks the performance of U.S. dollar-, Canadian dollar-, British pound- and eurodenominated below-investment-grade corporate debt publicly issued in the major domestic or eurobond markets. The J.P. Morgan EMBI Global Diversified Index is an nnmanaged index that tracks debt securities of emerging markets. The ICE BofA New Zealand Government Index tracks the performance of local-currency sovereign and quasi-sovereign bonds in New Zealand. The Markit iBoxx Asia Government Index tracks the performance of local currency-denominated sovereign and quasi sovereign debt from 10 Asian countries/territories. Indexes are unmanaged and have been provided for comparison purposes only. No fees or expenses are reflected.

policy, the FOMC held policy rates unchanged; however, the commentary following the June meeting was considered hawkish, with Chair Powell stating the strength of the US economy and a labour market that is in balance. The US yield curve bear steepened over the period under review, with the 2-year yield increasing by 34 basis points (bps) while the yield on 10- and 30-year instruments increased by 20 and 22 bps, respectively.

In Europe, the key market event was the European Central Bank's (ECB) June meeting, where the Governing Council voted to cut the key deposit rate by 25 bps to 2.00%, and the accompanying staff forecasts detailed lower inflation expectations for 2026 than previously forecasted. The outlook for the ECB tilted more hawkish, with markets now questioning whether there will be one more 25 bps cut this year. Market pricing implies one further 25 bps cut from the ECB in 2025. Lastly, the Bank of England held the UK policy rate at 4.25% in June. The Brent crude oil price rose by almost 20% over the period under review to US\$71 a barrel, although it has subsequently settled back to the mid-US\$60 range as geopolitical risks have eased.

#### EM debt & currencies

Performance for emerging-market (EM) debt was robust over the three-month period under review. EM debt recovered as sentiment around US-imposed tariffs improved. Geopolitical tensions threatened to derail momentum after joint Israeli-US missile strikes on Iranian nuclear facilities. However, overall risk sentiment held.

Hard-currency EM bonds (+4.87%) posted positive returns over the period, led by high yield (+6.97%), which was the standout performer over the three months, although investment grade also delivered robust returns (+2.72%).

Africa was the standout region (+11.01%), with all other regions also performing solidly over the period. Ecuador also performed well over the period (+22.70%) after the government announcement on subsidy cuts and tax reforms, as well as plans to issue US dollar bonds in 2026 guaranteed by multilateral lenders. Conversely, Barbados was the only country to post negative returns (-0.17%), if only marginally. EM local-currency bonds underperformed their hard-currency counterparts. The JPMorgan GBI-EM Global Diversified Index (unhedged in USD terms) returned +3.61%. Uruguay (+13.49%) was the top performer, driven by a strong bond return as the central bank unexpectedly cut rates by 25 bps to 9%, while India (-2.83%) exhibited the largest underperformance.

# Global high yield

The high-yield asset class recorded gains over the three-month period under review. Markets recovered in May amid a combination of receding trade tensions and benign economic data. The high-yield market posted its best monthly total return since July 2024, with the credit spread tightening of 63 bps during the month. Credit spreads continued to recover in June and July, tightening from their recent peak of over 450 basis points as the summer rally took hold. Gradual progress on the tariff front was enough to buoy markets that had previously feared a more draconian scenario. These factors have produced a solid 4.99% year-to-date return for the US high-yield asset class.

### Outlook

Credit markets, especially higher-yielding markets, have benefited over recent months from a combination of stable economic data and a slow drip of clarity on the tariff front. Despite a lingering cloud of uncertainty, corporates have been able to successfully navigate their way amidst a resilient economy. Strong fundamentals and a positive tailwind on the technical side, with steady inflows into the asset class, have facilitated spread tightening.

As we look ahead to what remains of the year, we would expect that the summer rally eventually runs into a period of seasonal resistance, which tends to be the case in September, often due to the usual deluge of new supply. However, at this point, we would expect any widening in spreads to be welcomed by investors looking for an entry point into the market.

In the US, concerns about the potential impact of the current administration's policies on growth have caused market volatility. As we start to see softer data, we think the uncertainty could negatively affect the economic backdrop, and we anticipate the pressure will build on the Federal Reserve to ease monetary policy in the latter part of the year. In Asia, inflation remains well contained and is in a downward trend. With still positive real yields, policy rate expectations are becoming more dovish amid global growth concerns and weaker domestic situations.

In foreign exchange, we have increased our exposure to Asian currencies to position the fund for the structural theme of US-dollar-asset diversification. We think the flow impact of this could be significant and will happen without a prior signal; hence, we have decided to position the fund for such an event.

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#### Important Information

International investing entails special risk considerations, including currency fluctuations, lower liquidity, economic and political risks, and differences in accounting methods; these risks are generally heightened for emerging market investments.

Fixed income securities are subject to certain risks including, but not limited to: interest rate (changes in interest rates may cause a decline in the market value of an investment), credit (changes in the financial condition of the issuer, borrower, counterparty, or underlying collateral), prepayment (debt issuers may repay or refinance their loans or obligations earlier than anticipated), and extension (principal repayments may not occur as quickly as anticipated, causing the expected maturity of a security to increase).

Please see the Fund's most recent annual report for more information on risks applicable to the Fund.

Closed-end funds are traded on the secondary market through one of the stock exchanges. The Fund's investment return and principal value will fluctuate so that an investor's shares may be worth more or less than the original cost. Shares of closed-end funds may trade above (a premium) or below (a discount) the net asset value (NAV) of the Fund. The net asset value (NAV) is the value of an entity's assets less the value of its liabilities. The market price is the current price at which an asset can be bought or sold. There is no assurance that the Fund will achieve its investment objective. Past performance does not guarantee future results.

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