

abrdn Life Sterling Credit Bond Fund

(Prior to 13/12/2021 the fund name was ASI Life Sterling Credit Bond Fund)



Performance Data and Analytics to 31 December 2023

For Professional Investors Only - Not For Use By Retail Investors or Advisers

Summary investment objective

To provide exposure to an actively managed portfolio, the majority of which invests in sterling denominated non-government investment grade debt and debt related securities. The fund may also include some exposure to overseas interest rates and currencies.

The abrdn Life Sterling Credit Bond Fund operates as a feeder fund, holding units in the abrdn Corporate Bond Fund.

Performance (%)

	3 months	6 months	1 year	Annualised	
				3 years	5 years
Fund	8.76	11.56	10.69	-4.00	1.63
Benchmark	8.34	10.78	9.69	-4.97	0.61
Difference	0.42	0.79	1.00	0.96	1.03
Sector average	8.54	10.47	9.33	-4.21	0.62
Sector ranking	67/186	20/186	27/185	80/183	30/176
Quartile	2	1	1	2	1

Discrete annual returns (%) - year ended 31/12

	2023	2022	2021	2020	2019
Fund	10.69	-18.98	-1.36	9.81	11.64

Calendar year performance (%)

	Year to date	2023	2022	2021	2020
Fund	10.69	10.69	-18.98	-1.36	9.81
Benchmark	9.69	9.69	-19.29	-3.05	8.61
Difference	1.00	1.00	0.31	1.69	1.20
Sector average	9.33	9.33	-17.51	-2.54	7.65
Sector ranking	27/185	27/185	136/184	39/190	21/191
Quartile	1	1	3	1	1

Performance Data: Share Class A.

Source: abrdn, Lipper.

Basis: Total Return, NAV to NAV, gross of TER, gross income reinvested, GBP.

Rankings and quartiles sourced from Lipper, based on dealing prices and are net of annual management charge.

Historic past performance is that of Aberdeen Life Sterling Credit Fund which changed its name on 01/11/2012 to Aberdeen Life Sterling Credit Bond Fund (As of 07/08/2019 ASI Life Sterling Credit Bond Fund).

Prior to September 2005 the Fund was managed by a different management company. Its historic performance has been treated as continuous since inception.

The performance will be reduced by the impact of the management fees paid, the amount of which varies depending on the share class held, and the terms of any fee arrangement reflected in your policy schedule. The sector average incorporates the performance of all funds in the sector at any stage during the period while sector rankings reflect the relative performance of those funds which have been in the sector throughout the period. This may give rise to apparently incongruous results.

Past performance is not a guide to future results.

Expenses Disclosure

Fund	Class	Management Fee	Additional Expenses	Total Ongoing Charges
abrdn Life Sterling Credit Bond Fund	A	0.000%	0.089%	0.089%
abrdn Life Sterling Credit Bond Fund	E	0.300%	0.089%	0.389%

Annualised tracking error

	3 years	5 years
Annualised tracking error	1.43	1.22

Source: abrdn, BNP Paribas.
Basis: Total Return, Gross of Fees (GBP). Performance based on A class, using prices struck at month-end close-of-business for comparability with the benchmark.

Top ten holdings	%
UK (Govt of) 0.375% 2026	1.8
UK (Govt of) 0.625% 2035	1.7
UK (Govt of) 3.75% 2053	1.5
Societe Generale 6.25% 2033	1.2
Broadgate 5.098% 2035	1.2
Lloyds Banking Group 2.707% 2035	1.1
Tesco Property 5.774% 2040	1.1
HSBC Holdings 5.7% 2034	1.0
Danske Bank 2.25% 2028	1.0
Natwest Group 0.0001% 2031	1.0
Total	12.7

Total number of holdings 243

Sector breakdown (%)

	Fund	Benchmark	Difference
Financials	30.4	27.8	2.6
Real Estate	4.4	1.9	2.5
Utilities	4.0	4.2	(0.2)
Communication Services	3.4	4.8	(1.4)
Industrials	1.2	1.6	(0.5)
Materials	0.2	0.1	0.1
Consumer Staples	0.1	1.8	(1.7)
Consumer Discretionary	-	1.3	(1.3)
Other	53.4	56.4	(3.0)
Cash	2.8	-	2.8
Total	100.0	100.0	

Figures may not always sum to 100 due to rounding.

Key information

Benchmark	iBoxx Sterling Corporate & Collateralized
Fund size	£ 3.5 m
Performance launch date	11 March 2004
Investment team	Multi Asset Portfolio Implementation

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All sources (unless indicated):

Aberdeen Asset Management 31 December 2023

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. A full list of risks applicable to this fund can be found in the Key Facts Document.

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Interest rate exposure (years)

	Fund	Benchmark	Difference
Europe/Middle East/Africa	5.24	5.06	0.18
Americas	0.62	1.06	(0.43)

Interest rate exposure is calculated by multiplying market weight by duration.

Maturity profile IRE (years)

	Fund	Benchmark	Difference
<1	0.02	0.01	0.01
1-3	0.41	0.48	(0.07)
3-5	0.75	0.72	0.03
5-7	0.69	0.63	0.06
7-10	0.88	0.88	-
10-15	1.06	1.15	(0.09)
15-25	1.14	1.59	(0.45)
>25	0.95	0.79	0.16
Total	5.90	6.26	(0.36)

Currency Exposure (%)

	Fund	Benchmark	Difference
Pound Sterling	100.0	100.0	-
Euro	0.0	-	-
United States Dollar	0.0	-	-
Total	100.0	100.0	

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Fund manager's report

Market review

The fourth quarter of 2023 was a very strong one for total returns. The review period got off to a weak start, with spreads drifting higher and government bond yields climbing towards their highest points of the year. However, this began to change in November; weaker inflation figures and signs of softening employment data were backed up by dovish comments from central banks. This resulted in markets pricing in interest-rate cuts, leading to a significant move lower in government bond yields. Credit spreads also tightened as the 'soft landing' scenario began to take hold. Spreads tightened by 22 basis points (bps), ending the year at their tightest level since the first quarter of 2022. This benefited higher beta sectors, such as financials, and those sectors that benefit from a lower interest-rate environment, such as real estate.

Fund review

The Fund outperformed its benchmark. The Fund benefited from its long duration position, with 10-year yields falling around 90 bps. Real estate names continued to be among the top performers as the sector benefits from lower yields. Subordinated bank paper was also strong, and the Fund's Tier 2 and AT1 exposure was positive. An overweight to Thames was a negative, as was an overweight to Mobico, which suffered from a profit warning. A proposed asset sale will be positive for Mobico.

Important information

These are the risks listed for the underlying Fund in which this Fund invests:

- 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.
- Funds investing overseas can be affected by changes in exchange rates which may cause the value of your investment to decrease or increase.
- Credit risk - The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.
- Interest rate risk - The fund 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.
- High Yield Credit risk - The fund invests in high yielding bonds which carry a greater risk of default than those with lower yields.
- Asset Backed / Mortgage Backed Securities - The fund invests in mortgage and asset-backed securities (which may include collateralised loan, debt or mortgage obligations (respectively CLOs, CDOs or CMOs)). These are subject to prepayment and extension risk and additional liquidity and default risk compared to other credit securities.
- Convertible Securities and CoCos risk - Convertible securities are investments that can be changed into another form upon certain triggers. As such, they can exhibit credit, equity and fixed interest risk. Contingent convertible securities (CoCos) are similar to convertible securities but have additional triggers which mean that they are more vulnerable to losses and volatile price movements and hence become less liquid.
- Derivatives Risk: 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.
- For a full list of risks applicable to this fund, please see the abrdn Life Key Facts Document.

Other important information:

The Fund is a unit-linked life fund issued by abrdn Life and Pensions Limited.

The fund invests in other abrdn managed funds. The top ten holdings listed reflect those of the underlying funds.

The value of any holding in other collective investment schemes managed by any subsidiary of abrdn Asset Management PLC is excluded for the calculation of management charges.

Nothing herein constitutes investment, legal, tax or other advice and is not to be relied upon in making an investment or other decision. No recommendation is made, positive or otherwise, regarding individual securities mentioned.

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Credit rating (%)

	Fund	Benchmark	Difference
AAA	-	3.3	(3.4)
AA	7.3	8.5	(1.2)
A	25.6	39.7	(14.1)
BBB	56.8	48.3	8.5
BB	6.5	0.2	6.3
B	1.0	-	1.0
N/R	2.8	-	2.8
Total	100.0	100.0	

Figures may not always sum to 100 due to rounding.

Market Exposure (%)^a

	Fund	Benchmark	Difference
United Kingdom	66.4	53.7	12.7
Europe (ex UK)	20.5	24.9	(4.4)
Dollar Bloc	9.0	18.5	(9.5)
Asia	1.3	2.4	(1.0)
Total	100.0	100.0	

^aCalculated as a percentage of interest rate exposure. Figures may not always sum to 100 due to rounding.

Fund Statistics

Weighted average life (years)	7.9 vs 8.7
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Additional information

Fund type	Unit Linked Life Fund
Domicile	UK
Currency	GBP
Registered for sale	UK
Sector	ABI UK - Sterling Corporate Bond - Pen
Deal closing time	10.00 am (UK)
Daily valuation point ^b	12.00 noon (UK)

^bEffective from 3 March 2014, previous valuation point was 10.00 am (UK).

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