This document is issued by the discretionary investment management area of abrdn, which has a separate legal entity, abrdn Capital Limited.

Investment objective
The aim of the Fund is to increase the value of an investment over a minimum of 5 years through a combination of capital growth – which is profit on investments held, and income received by the Fund – which is money paid out of investments, such as dividends from shares and interest from bonds. The Fund also aims to deliver, over any rolling 5 year period, an average of inflation plus 4% per annum.

Investment strategy
The Investment Manager seeks returns by investing in companies that are focused on driving and improving ESG change and are also well positioned to grow profit and overall company value.

Assessing ESG performance
- The Fund will seek validation of its ESG credentials using an independent ESG ratings agency to assess the portfolio’s overall ESG score.
- The Fund currently uses MSCI for this assessment and a “high” ESG score should be considered as AA or AAA. MSCI methodology can be found in the useful details section (page 3).

Responsible investing framework
Ethical screening is used to avoid investing in companies that generate more than a defined percentage of revenue from certain activities including, but not limited to:
- Tobacco, Gambling services, Armaments (military weapons, equipment and civilian firearms) – maximum of 5% of revenue.
- Pornography – maximum of 3% of revenue.
- Predatory lending, Cluster munitions and landmines – 0% of revenue.
- Coal, unconventional oil or gas extraction (eg tar sands and shale), or coal power generation - maximum of 5% of revenue.

Performance

<table>
<thead>
<tr>
<th>Cumulative performance</th>
<th>IFSL CAF ESG Growth Fund*</th>
<th>CPI +4%</th>
<th>ARC Steady Growth Charity Index (ACI)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quarter (%)</td>
<td>1.1</td>
<td>3.6</td>
<td>-0.2</td>
</tr>
<tr>
<td>YTD (%)</td>
<td>4.9</td>
<td>6.0</td>
<td>2.0</td>
</tr>
<tr>
<td>1 Year (%)</td>
<td>3.3</td>
<td>12.9</td>
<td>2.8</td>
</tr>
<tr>
<td>3 Years (%) (p.a.)</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>5 Years (%) (p.a.)</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Source: Morningstar (Fund) and Thomson Reuters DataStream (Performance target and comparator)

Risk and reward profile

This indicator reflects the volatility of the fund’s share price over the last five years. See Key Investor Information Document (KIID) for details.

Securities within the portfolio are not all denominated in sterling.

The investment manager seeks to hedge currency risk for fixed income, but does not generally hedge non-sterling equity exposure.

*MSCI company ratings are provided to enable comparisons with investments held elsewhere in a standardised format. We conduct our own proprietary research which may lead us to have a view different to that expressed by the MSCI score.
Key Risks
(a) The value of investments and the income from them can fall and investors may get back less than the amount invested.

(b) The fund invests in securities which are subject to the risk that the issuer may default on interest or capital payments.

(c) 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.

(d) 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.

(e) 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.

(f) The fund invests in high yielding bonds which carry a greater risk of default than those with lower yields.

(g) 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.

Definitions: Cash and Other – may include bank and building society deposits, other money market instruments such as Certificates of Deposits (CDs), Floating Rate Notes (FRNs) including Asset Backed Securities (ABSs), Money Market Funds and allowances for tax, dividends and interest due if appropriate.
Voting and Engagement in the quarter

abrdn believes that better corporate behaviour will provide better returns over the longer term. We aim to enhance and preserve the value of our clients’ investments through active and engaged ownership of their assets. We consider a broad range of factors that might affect the success of a given company.

We vote on all shareholdings, seeking to represent our clients’ best interests in the decisions we make on their behalves. Because we believe that strong business ethics and governance will generate positive outcomes, we encourage best-practice standards in our investee companies.

Meetings by meeting type (%)

<table>
<thead>
<tr>
<th>Meeting Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual</td>
<td>84.7%</td>
</tr>
<tr>
<td>Special</td>
<td>7.1%</td>
</tr>
<tr>
<td>Extraordinary Shareholders</td>
<td>4.1%</td>
</tr>
<tr>
<td>Annual/Special</td>
<td>3.4%</td>
</tr>
<tr>
<td>Court</td>
<td>0.3%</td>
</tr>
<tr>
<td>Ordinary Shareholders</td>
<td>0.2%</td>
</tr>
<tr>
<td>Bondholder</td>
<td>0.1%</td>
</tr>
<tr>
<td>Proxy Contest</td>
<td>0.1%</td>
</tr>
</tbody>
</table>

Voting alignment with management

- 14% against
- 86% for

Engagements by sector

- Industrials: 17.1%
- Information Technology: 10.1%
- Real Estate: 9.8%
- Health Care: 8.2%
- Consumer Discretionary: 5.1%
- Utilities: 5.1%
- Energy: 4.1%
- Financials: 15.1%
- Consumer Discretionary: 9.0%
- Minerals: 9.6%
- Communication Services: 5.0%
- Consumer Staples: 0.2%
- Courtyard: 0.3%
- Ordinary Shareholders: 0.1%
- Bondholder: 0.1%
- Proxy Contest: 0.1%

Market Commentary

- We are nearing the end of the interest rate hiking cycle. Our expectation is that the Bank of England will continue to raise rates in upcoming meetings but that market expectations of reaching above 6.0% may be too high. In the US we believe the Fed is closer to peak rates. The most likely outcome of monetary policy is a mild recession in developed markets by 2024.
- Risk of earnings downgrades due to macroeconomic conditions will likely drive share prices in the near term although recent strength in the tech sector shows the potential for structural trends to outweigh short-term uncertainty. Fixed income looks increasingly attractive.
- Preference for quality defensive over cyclically exposed equities. Within fixed income we see value in higher quality corporate bonds, while government bonds look increasingly attractive as a ‘safe haven’ asset.
- Our quality, sustainable growth approach maintains our focus on companies underpinned by long-term structural growth themes. We seek to identify businesses that will benefit from shifting trends while avoiding those where change will be detrimental. Experience has taught us that companies that have strong balance sheets and can create value by generating cash flow exceeding their operational requirements tend to generate stronger and more sustainable returns. They are also usually better positioned to reinvest in their businesses and distribute earnings to shareholders. We believe these types of companies merit long-term positions in portfolios regardless of shorter-term sentiment.

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This report is for use by charitable clients of the IFSL CAF ESG Growth Fund.

abrdn is a global business providing a range of services to help clients and customers plan, save and invest. abrdn group uses different legal entities to meet different client and customer needs.

This Fund is an authorised Investment Company with Variable Capital. The Authorised Corporate Director is Investment Fund Services Limited (IFSL), registered office: Marlborough House, 59 Chorley New Road, Bolton, BL1 4QP. Issued by the appointed Investment Manager, abrdn. Further product information, including full details of charges and risks, is set out in the prospectus which is available from www.ifslfunds.com/sponsor-literature/CAF/

The period of extreme volatility experienced in bond markets and the heightened correlation between bonds, equities and alternative assets since the fund was launched in June 2022 owing to rapid interest rate rises in response to heightened inflation, has impacted SRRIs across the marketplace. In all cases, an increase in the SRRI was due to higher market volatility and not because of any changes in the fund’s investment objective or policy. The SRRIs are constantly reviewed and may be lower or higher in future.

abrdn Capital Limited, registered in Scotland (SC317950) at 1 George Street, Edinburgh EH2 2LL.

abrdn Capital Limited is authorised and regulated by the Financial Conduct Authority.

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