

abrdn plc
Half year results 2023

Part 3 of 3

8 August 2023

5. Supplementary information

5.1 Alternative performance measures

We assess our performance using a variety of measures that are not defined under IFRS and are therefore termed alternative performance measures (APMs). The APMs that we use may not be directly comparable with similarly named measures used by other companies. We have presented below reconciliations from these APMs to the most appropriate measure prepared in accordance with IFRS. All APMs should be read together with the condensed consolidated income statement, condensed consolidated statement of financial position and condensed consolidated statement of cash flows, which are presented in the Financial information section of this report and related metrics. Adjusted operating profit excludes certain items which are likely to be recurring such as restructuring costs, amortisation of certain intangibles, dividends from significant listed investments and the share of profit or loss from joint ventures.

Definition	Purpose
Adjusted operating profit Adjusted operating profit before tax is the Group's key APM. Adjusted operating profit includes the results of the Group's three businesses: Investments, Adviser and Personal, along with Corporate/strategic. It excludes the Group's adjusted net financing costs and investment return, and discontinued operations. Adjusted operating profit also excludes the impact of the following items: - Restructuring costs and corporate transaction expenses. Restructuring includes the impact of major regulatory change. - Amortisation and impairment of intangible assets acquired in business combinations and through the purchase of customer contracts. - Profit or loss arising on the disposal of a subsidiary, joint venture or equity accounted associate. - Change in fair value of/dividends from significant listed investments. - Share of profit or loss from associates and joint ventures. - Impairment loss/reversal of impairment loss recognised on investments in associates and joint ventures accounted for using the equity method. - Fair value movements in contingent consideration. - Items which are one-off and, due to their size or nature, are not indicative of the long-term operating performance of the Group. Further details are included in Note 4.9 of the Financial information section.	Adjusted operating profit reporting provides further analysis of the results reported under IFRS and the Directors believe it helps to give shareholders a fuller understanding of the performance of the business by identifying and analysing adjusting items. Segment reporting used in management information is reported to the level of adjusted operating profit.
Net operating revenue Net operating revenue includes revenue we generate from asset management charges (AMCs), platform charges, treasury income and other transactional charges. AMCs are earned on products such as mutual funds, and are calculated as a percentage fee based on the assets held. Investment risk on these products rests principally with the client, with our major indirect exposure to rising or falling markets coming from higher or lower AMCs. Net operating revenue is shown net of costs of sale, such as commissions and similar charges.	Net operating revenue is a component of adjusted operating profit and provides the basis for reporting of the revenue yield financial ratio. Net operating revenue is also used to calculate the cost/income ratio.
Adjusted operating expenses Adjusted operating expenses is a component	Adjusted operating expenses is a component of adjusted

Adjusted operating expenses is a component of adjusted operating profit and relates to the day-to-day expenses of managing our business. Adjusted operating expenses excludes restructuring and corporate transaction expenses. Adjusted operating expenses also excludes amortisation and impairment of intangible assets acquired in business combinations and through the purchase of customer contracts.

Adjusted operating expenses is a component of adjusted operating profit and is used to calculate the cost/income ratio.

Adjusted profit before tax

In addition to the results included in adjusted operating profit above, adjusted profit before tax includes adjusted net financing costs and investment return.

Adjusted profit before tax is a key input to the adjusted earnings per share measure.

Adjusted net financing costs and investment return

Adjusted net financing costs and investment return relates to the return from the net assets of the shareholder business, net of costs of financing. This includes the net assets in defined benefit staff pension plans and net assets relating to the financing of subordinated liabilities.

Adjusted net financing costs and investment return is a component of adjusted profit before tax.

Definition

Purpose

Cost/income ratio

This is an efficiency measure that is calculated as adjusted operating expenses divided by net operating revenue in the period.

This ratio is used by management to assess efficiency and reported to the Board and executive leadership team.

Net operating revenue yield (bps)

The net operating revenue yield is calculated as annualised net operating revenue (excluding performance fees, ii and revenue for which there are no attributable assets) divided by monthly average fee based assets. ii is excluded from the calculation of Personal and total net operating revenue yield as fees charged for this business are primarily from subscriptions and trading transactions.

The net operating revenue yield is a measure that illustrates the average margin being earned on the assets that we manage, administer or advise our clients on, excluding ii.

Adjusted diluted earnings per share

Adjusted diluted earnings per share is calculated on adjusted profit after tax. The weighted average number of ordinary shares in issue is adjusted during the period to assume the conversion of all dilutive potential ordinary shares, such as share options granted to employees.

Earnings per share is a commonly used financial metric which can be used to measure the profitability and capital efficiency of a company over time. We also calculate adjusted diluted earnings per share to illustrate the impact of adjusting items on the metric.

Details on the calculation of adjusted diluted earnings per share are set out in Note 4.8 of the Financial information section.

This ratio is used by management to assess performance and reported to the Board and executive leadership team.

Adjusted capital generation

Adjusted capital generation is part of the analysis of movements in IFPR regulatory capital. Adjusted capital generation is calculated as adjusted profit after tax less returns relating to pension schemes in surplus and interest paid on other equity which do not benefit regulatory capital. It also includes dividends from associates, joint ventures and significant listed investments.

This measure aims to show how adjusted profit contributes to regulatory capital, and therefore provides insight into our ability to generate capital that is deployed to support value for shareholders.

Adjusted diluted capital generation per share

Adjusted diluted capital generation per share is calculated as adjusted capital generation divided by the weighted average number of diluted ordinary shares outstanding.

This ratio is a measure used to assess performance for remuneration purposes.

Cash and liquid resources

Cash and liquid resources are IFRS cash and cash equivalents (netted down for overdrafts), money market instruments and holdings in money market funds. It also includes surplus cash that has been invested in liquid assets such as high-quality corporate bonds, gilts and pooled investment funds. Seed capital and co-investments are excluded. Cash collateral, cash held for charitable funds and cash held in employee benefit trusts are excluded from cash and liquid resources.

The purpose of this measure is to demonstrate how much cash and invested assets we hold and can be readily accessed.

5.1.1 Adjusted operating profit and adjusted profit

Reconciliation of adjusted operating profit and adjusted profit to IFRS profit by component

The components of adjusted operating profit are net operating revenue and adjusted operating expenses. These components provide a meaningful analysis of our adjusted results. The table below provides a reconciliation of movements between adjusted operating profit component measures and relevant IFRS terms. A reconciliation of Net operating revenue to the IFRS item Revenue from contracts with customers is provided in Note 4.4 of the Financial information section.

IFRS term	IFRS	Presentation differences	Adjusting items	Adjusted profit	Adjusted profit term
H1 2023	£m	£m	£m	£m	
Net operating revenue	721	-	-	721	Net operating revenue
Total administrative and other expenses	(764)	(13)	183	(594)	Adjusted operating expenses ¹
	(43)	(13)	183	127	Adjusted operating profit
Net gains or losses on financial instruments and other income	(118)	2	140	24	Adjusted net financing costs and investment return
Finance costs	(12)	11	1	-	N/A
Profit on disposal of interests in associates	-	-	-	-	N/A
Share of profit or loss from associates and joint ventures	4	-	(4)	-	N/A
Impairment of interests in associates	-	-	-	-	N/A
Loss before tax	(169)	-	320	151	Adjusted profit before tax
Total tax credit	24	-	(48)	(24)	Tax on adjusted profit
Loss for the period	(145)	-	272	127	Adjusted profit after tax

1. Adjusted operating expenses includes staff and other related costs of £305m compared with IFRS staff costs and other employee-related costs of £275m. The difference primarily relates to the inclusion of contractor, temporary agency staff and recruitment and training costs of £9m (IFRS basis: Reported within other administrative expenses). IFRS staff costs and other employee-related costs includes the benefit from the net interest credit relating to the staff pension schemes of £16m and past service costs of £5m (Adjusted profit basis: Reported within adjusted net financing costs and investment return and other adjusting items respectively).

IFRS term	IFRS ²	Presentation differences	Adjusting items ²	Adjusted profit	Adjusted profit term
H1 2022	£m	£m	£m	£m	
Net operating revenue	696	-	-	696	Net operating revenue
Total administrative and other expenses	(706)	(22)	147	(581)	Adjusted operating expenses
	(10)	(22)	147	115	Adjusted operating profit
Net gains or losses on financial instruments and other income	(298)	8	274	(16)	Adjusted net financing costs and investment return
Finance costs	(15)	14	1	-	N/A
Profit on disposal of interests in associates	6	-	(6)	-	N/A
Share of profit or loss from associates and joint ventures	-	-	-	-	N/A
Impairment of interests in associates	(9)	-	9	-	N/A
Loss before tax	(326)	-	425	99	Adjusted profit before tax
Total tax credit	31	-	(44)	(13)	Tax on adjusted profit
Loss for the period	(295)	-	381	86	Adjusted profit after tax

2. Comparatives for the six months ended 30 June 2022 have been restated for the implementation of IFRS 17. Refer Note 4.1(a)(i).

Presentation differences primarily relate to amounts presented in a different line item of the consolidated income statement.

5.1.2 Cost/income ratio

	H1 2023	H1 2022
Adjusted operating expenses (£m)	(594)	(581)
Net operating revenue (£m)	721	696
Cost/income ratio (%)	82	83

5.1.3 Net operating revenue yield (bps)

	Average AUMA (£bn)		Net operating revenue (£m)		Net operating revenue yield (bps)	
	H1 2023	H1 2022	H1 2023	H1 2022	H1 2023	H1 2022
Institutional and Retail Wealth ^{1,2}	225.5	239.4	382	446	33.7	37.1
Insurance Partners ¹	147.0	184.3	77	90	10.6	9.9
Investments ²	372.5	423.7	459	536	24.6	25.3
Adviser ²	70.3	72.3	103	92	28.8	25.5
Personal Wealth ²	12.5	13.8	37	45	60.0	60.0
Eliminations	(11.7)	(11.8)	N/A	N/A	N/A	N/A
Net operating revenue yield ³	443.6	498.0	599	673	26.9	26.9
interactive investor ³			115	13		
Performance fees			7	10		
Net operating revenue			721	696		

	Average AUM (£bn)		Net operating revenue (£m)		Net operating revenue yield (bps)	
	H1 2023	H1 2022	H1 2023	H1 2022	H1 2023	H1 2022
Equities	51.1	60.7	156	193	61.8	64.0
Fixed income ⁴	35.5	40.9	48	57	27.2	28.3
Multi-asset	27.7	33.4	34	52	24.8	31.5
Private equity	11.8	12.3	26	25	45.2	40.5
Real assets	40.3	40.9	88	89	43.9	44.0
Alternative investment solutions including private credit ⁴	23.7	24.4	16	17	13.4	13.9
Quantitative	15.7	6.2	3	2	3.2	6.5
Liquidity	19.7	20.6	6	6	6.5	6.0
Institutional and Retail Wealth	225.5	239.4	377	441	33.7	37.1

1. Wholesale has been renamed Retail Wealth, Insurance has been renamed Insurance Partners.
2. Institutional and Retail Wealth net operating revenue yield excludes revenue of £5m (H1 2022: £5m), Adviser net operating revenue yield excludes revenue of £3m (H1 2022: £nil) and Personal Wealth net operating revenue yield excludes revenue of £nil (H1 2022: £4m) for which there are no attributable assets.
3. ii is excluded from the calculation of Personal and total net operating revenue yield as fees charged for this business are primarily from subscriptions and trading transactions.
4. Alternative investment solutions includes £1.9bn (H1 2022: £2.5bn) average AUMA and £1.8m (H1 2022: £2.8m) net operating revenue relating to private credit assets previously classified as fixed income.

5.1.4 Additional ii information

The results for ii are included in the Group's results following the completion of the acquisition on 27 May 2022. The adjusted operating profit for ii for the six months to 30 June 2023 of £67m is included in our overall H1 2023 adjusted operating profit of £127m.

The tables below provide detail of the performance of ii for the six months ended 30 June 2023 and the six months ended 30 June 2022 to provide a fuller understanding of the performance of this business.

	H1 2023 6 months £m	H1 2022 6 months £m
Analysis of ii profit		
Net operating revenue	115	75
Adjusted operating expenses	(48)	(42)
Adjusted operating profit	67	33

	H1 2023 6 months £m	H1 2022 6 months £m
Analysis of ii net operating revenue		
Trading transactions	25	34
Subscription/account fees	27	27
Treasury income	66	17
Less: Cost of sales	(3)	(3)
Net operating revenue	115	75

5.1.5 Adjusted capital generation

The table below provides a reconciliation of movements between adjusted profit after tax and adjusted capital generation. A reconciliation of adjusted profit after tax to IFRS loss for the period is included earlier in this section.

	H1 2023 £m	H1 2022 £m
Adjusted profit after tax	127	86
Less net interest credit relating to the staff pension schemes	(16)	(15)
Less interest paid on other equity	(6)	(6)
Add dividends received from associates, joint ventures and significant listed investments	37	42
Adjusted capital generation	142	107

Net interest credit relating to the staff pension schemes

The net interest credit relating to the staff pension schemes is the contribution to adjusted profit before tax from defined benefit pension schemes which are in surplus.

Dividends received from associates, joint ventures and significant listed investments

An analysis is provided below:

	H1 2023 £m	H1 2022 £m
Phoenix	27	26
HDFC Life	-	1
HDFC Asset Management	10	15
Dividends received from associates, joint ventures and significant listed investments	37	42

The table below provides detail of dividend coverage on an adjusted capital generation basis.

	H1 2023	H1 2022
Adjusted capital generation (£m)	142	107
Interim dividend (£m)	137	153
Dividend cover on an adjusted capital generation basis (times)	1.04	0.70

5.1.6 Adjusted diluted capital generation per share

A reconciliation of adjusted capital generation to adjusted profit after tax is included in 5.1.5 above.

	H1 2023	H1 2022
Adjusted capital generation (£m)	142	107
Weighted average number of diluted ordinary shares outstanding (millions) ¹ - Note 4.8	1,949	2,130
Adjusted diluted capital generation per share (pence)	7.3	5.0

1. In accordance with IAS 33, no share options and awards have been treated as dilutive for the six months ended 30 June 2023 and the six months ended 30 June 2022 due to the loss attributable to equity holders of abrdn plc in those periods. See Note 4.8 for further details.

5.1.7 Cash and liquid resources

The table below provides a reconciliation between IFRS cash and cash equivalents and cash and liquid resources. Seed capital and co-investments are excluded.

	H1 2023 £bn	FY 2022 £bn
Cash and cash equivalents per the condensed consolidated statement of financial position	1.4	1.1
Bank overdrafts	-	-
Debt securities excluding third party interests ²	0.7	0.7
Corporate funds held in absolute return funds	-	0.1
Other ³	(0.2)	(0.2)
Cash and liquid resources	1.9	1.7

2. Excludes £90m (FY 2022: £76m) relating to seeding.

3. Cash collateral, cash held for charitable funds and cash held in employee benefit trusts are excluded from cash and liquid resources.

5.2 Investment performance

Definition	Purpose
Investment performance Investment performance has been aggregated using a money weighted average of our assets under management which are outperforming their respective benchmark. The calculation of investment performance uses a closing AUM weighting basis. Calculations for investment performance are made gross of fees with the exception of those for which the stated comparator is net of fees. Benchmarks differ by fund and are defined in the relevant investment management agreement or prospectus, as appropriate. The investment performance calculation covers all funds that aim to outperform a benchmark, with certain assets excluded where this measure of performance is not appropriate or expected, such as private markets and execution only mandates, as well as replication tracker funds which aim to perform in line with a given index.	As an asset managing business this measure demonstrates our ability to generate investment returns for our clients.

% of AUM ahead of benchmark	1 year		3 years		5 years	
	H1 2023	FY 2022	H1 2023	FY 2022	H1 2023	FY 2022
Equities	40	30	36	63	62	65
Fixed income	65	65	77	72	84	79
Multi-asset	10	13	44	50	17	22
Real assets	25	57	52	63	45	52
Alternatives	94	88	100	100	100	100
Quantitative	87	17	22	27	25	29
Liquidity	86	84	94	97	96	97
Total	41	41	58	65	56	58

5.3 Assets under management and administration and flows

Definition	Purpose
AUMA AUMA is a measure of the total assets we manage, administer or advise on behalf of our clients. It includes assets under management (AUM), assets under administration (AUA) and assets under advice (AUAAdv). AUM is a measure of the total assets that we manage on behalf of individual and institutional clients. AUM also includes fee generating assets managed for corporate purposes. AUA is a measure of the total assets we administer for clients through platform products such as ISAs, SIPPs and general trading accounts. AUAAdv is a measure of the total assets we advise our clients on, for which there is an ongoing charge.	The amount of funds that we manage, administer or advise directly impacts the level of net operating revenue that we receive.
Net flows Net flows represent gross inflows less gross outflows or redemptions. Gross inflows	The level of net flows that

are new funds from clients. Redemptions is the money withdrawn by clients during the period. Cash dividends which are retained on the ii platform are included in net flows for the ii business only. Cash dividends are included in market movements for other parts of the group including the Investments and Adviser platform businesses. We consider that this different approach is appropriate for the ii business as cash dividend payments which are retained result in additional income for ii, but are largely revenue neutral for the rest of the group.

we generate directly impacts the level of net operating revenue that we receive.

5.3.1 Analysis of AUMA

	Opening AUMA at 1 Jan 2023	Gross inflows	Redemptions	Net flows	Market and other movements	Corporate actions ⁴	Closing AUMA at 30 Jun 2023
£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn
6 months ended 30 June 2023							
Institutional	161.9	9.0	(13.9)	(4.9)	(5.2)	-	151.8
Retail Wealth ¹	69.3	6.8	(8.6)	(1.8)	(0.8)	0.5	67.2
Insurance Partners ^{1,2}	144.9	11.2	(11.0)	0.2	3.5	-	148.6
Investments	376.1	27.0	(33.5)	(6.5)	(2.5)	0.5	367.6
Adviser ³	68.5	2.9	(3.5)	(0.6)	1.4	2.5	71.8
interactive investor	54.0	4.9	(3.0)	1.9	0.9	-	56.8
Personal Wealth	13.1	0.7	(0.8)	(0.1)	0.1	(2.5)	10.6
Personal	67.1	5.6	(3.8)	1.8	1.0	(2.5)	67.4
Eliminations ⁵	(11.7)	(1.3)	1.4	0.1	0.5	-	(11.1)
Total AUMA	500.0	34.2	(39.4)	(5.2)	0.4	0.5	495.7

	Opening AUMA at 1 Jan 2022	Gross inflows	Redemptions	Net flows	Market and other movements	Corporate actions ⁶	Closing AUMA at 30 Jun 2022
£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn
6 months ended 30 June 2022							
Institutional	174.0	7.7	(16.8)	(9.1)	(11.6)	7.5	160.8
Retail Wealth ¹	79.1	8.9	(10.8)	(1.9)	(5.7)	-	71.5
Insurance Partners ^{1,2}	210.5	8.8	(35.1)	(26.3)	(22.7)	(7.5)	154.0
Investments	463.6	25.4	(62.7)	(37.3)	(40.0)	-	386.3
Adviser	76.2	4.0	(2.6)	1.4	(9.3)	-	68.3
interactive investor	-	0.6	(0.4)	0.2	(3.3)	55.4	52.3
Personal Wealth	14.4	0.8	(0.7)	0.1	(1.2)	-	13.3
Personal	14.4	1.4	(1.1)	0.3	(4.5)	55.4	65.6
Eliminations ⁵	(12.1)	(1.4)	1.1	(0.3)	1.5	(0.9)	(11.8)
Total AUMA	542.1	29.4	(65.3)	(35.9)	(52.3)	54.5	508.4

1. Wholesale has been renamed Retail Wealth, Insurance has been renamed Insurance Partners.

2. Insurance AUM at 30 June 2023 includes £147.5bn (31 Dec 2022: £143.7bn, 30 Jun 2022: £152.8bn) relating to Phoenix and £1.1bn (31 Dec 2022: £1.2bn, 30 Jun 2022: £1.2bn) of other AUM.

3. Includes Platform AUA at 30 June 2023 of £69.3bn (31 December 2022: £68.5bn, 30 June 2022: £68.3bn).

4. Corporate actions in H1 2023 relates to the transfer of the MPS business from Personal Wealth to Adviser in May 2023 of £2.5bn and £0.5bn relating to the acquisition of Macquarie closed-end funds in March 2023.

5. Eliminations remove the double count reflected in Investments, Adviser and Personal. The Personal vector includes assets that are reflected in both the discretionary investment management and financial planning businesses. This double count is also removed within Eliminations.

6. Corporate actions in H1 2022 relate to the acquisition of ii on 27 May 2022 and also reflect the transfer of retained LBG AUM of c£7.5bn from Insurance into Institutional (quantitatives), to better reflect how the relationship is being managed. The eliminations are to remove the double count for the assets that are reflected in both ii and Investments.

5.3.2 Quarterly net flows

	3 months to 30 Jun 23	3 months to 31 Mar 23	3 months to 31 Dec 22	3 months to 30 Sep 22	3 months to 30 Jun 22
£bn	£bn	£bn	£bn	£bn	£bn
15 months ended 30 June 2023					
Institutional	(0.7)	(4.2)	2.2	(0.3)	(7.8)
Retail Wealth	(0.8)	(1.0)	(2.0)	(0.5)	-
Insurance Partners	1.7	(1.5)	(6.3)	3.2	(4.6)
Investments	0.2	(6.7)	(6.1)	2.4	(12.4)
Adviser	(0.5)	(0.1)	-	0.2	0.5
interactive investor	1.0	0.9	0.6	0.8	0.2
Personal Wealth	0.1	(0.2)	0.2	-	-
Personal	1.1	0.7	0.8	0.8	0.2
Eliminations	0.2	(0.1)	(0.1)	-	(0.1)
Total net flows	1.0	(6.2)	(5.4)	3.4	(11.8)

5.4 Public markets and Alternatives investment capability

We have simplified and focused our investment capabilities on areas where we have both the skill and the scale to

we have simplified and focused our investment capabilities on areas where we have both the skill and the scale to capitalise on the key themes shaping the market, through either public markets or alternative asset classes. This analysis includes Institutional, Retail Wealth and Insurance Partners.

Analysis of AUM and net operating revenue

	AUM (£bn)		Net operating revenue (£m)	
	H1 2023	H1 2022	H1 2023	H1 2022
Equities	73.4	88.8	184	225
Fixed income (including Liquidity) ^{1,2}	125.0	134.7	81	93
Multi-asset ²	30.0	29.3	43	64
Quantitative	58.3	43.2	8	9
Other	N/A	N/A	5	5
Public markets	286.7	296.0	321	396
Real assets	43.7	50.3	96	104
Private credit	8.1	8.6	7	6
Alternative investment solutions	16.8	18.0	14	14
Private equity	12.3	13.4	28	26
Alternatives	80.9	90.3	145	150
Total Investments	367.6	386.3	466	546

1. Total liquidity AUM at 30 June 2023 was £38.1bn (30 June 2022: £38.4bn). Total liquidity net operating revenue in H1 2023 was £12m (H1 2022: £15m).

2. Fixed income at 30 June 2023 includes £9.4bn of Liability aware funds AUM previously managed as a multi-asset capability (30 June 2022: £10.8bn, 31 December 2022: £9.7bn).

5.5 Institutional and Retail Wealth¹ AUM

Detailed asset class split

	Opening AUM at 1 Jan 2023	Gross inflows	Redemptions	Net flows	Market and other movements	Corporate actions ³	Closing AUM at 30 Jun 2023
£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn
6 months ended 30 June 2023							
Developed markets equities	11.1	0.6	(1.7)	(1.1)	0.2	-	10.2
Emerging markets equities	12.5	0.4	(1.1)	(0.7)	(0.2)	-	11.6
Asia Pacific equities	20.5	1.4	(2.5)	(1.1)	(1.5)	-	17.9
Global equities	8.2	0.7	(0.9)	(0.2)	0.2	0.4	8.6
Total equities	52.3	3.1	(6.2)	(3.1)	(1.3)	0.4	48.3
Developed markets credit	22.5	1.6	(2.4)	(0.8)	(0.2)	0.1	21.6
Developed markets rates	2.0	0.8	(0.4)	0.4	0.8	-	3.2
Emerging markets fixed income	11.3	0.7	(1.7)	(1.0)	(0.3)	-	10.0
Total fixed income ²	35.8	3.1	(4.5)	(1.4)	0.3	0.1	34.8
Absolute return	5.7	0.1	(0.8)	(0.7)	(0.4)	-	4.6
Diversified growth/income	0.3	-	(0.1)	(0.1)	0.1	-	0.3
MyFolio	15.6	0.8	(1.2)	(0.4)	0.7	-	15.9
Other multi-asset	6.7	0.4	(0.7)	(0.3)	(1.1)	-	5.3
Total multi-asset	28.3	1.3	(2.8)	(1.5)	(0.7)	-	26.1
Total private equity	12.3	0.1	(0.5)	(0.4)	(0.1)	-	11.8
UK real estate	19.3	0.1	(0.7)	(0.6)	(2.2)	-	16.5
European real estate	14.3	0.2	-	0.2	(0.9)	-	13.6
Global real estate	1.6	0.1	(0.2)	(0.1)	(0.2)	-	1.3
Real estate multi-manager	1.4	0.1	-	0.1	(0.3)	-	1.2
Infrastructure equity	6.1	0.3	(0.1)	0.2	(0.1)	-	6.2
Total real assets	42.7	0.8	(1.0)	(0.2)	(3.7)	-	38.8
Total alternative investment solutions (including private credit) ²	24.0	1.0	(0.9)	0.1	(0.8)	-	23.3
Total quantitative	15.0	1.5	(0.9)	0.6	0.2	-	15.8
Total liquidity	20.8	4.9	(5.7)	(0.8)	0.1	-	20.1
Total	231.2	15.8	(22.5)	(6.7)	(6.0)	0.5	219.0

1. Wholesale has been renamed Retail Wealth.

2. Alternative investment solutions include opening AUM of £1.8bn, net inflows of £0.2bn and closing AUM of £1.9bn relating to private credit assets previously classified as fixed income.

3. Corporate actions of £0.5bn in H1 2023 relates to the acquisition of Macquarie closed-end funds in March 2023.

	Opening AUM at 1 Jan 2022	Gross inflows	Redemptions	Net flows	Market and other movements	Corporate actions ²	Closing AUM at 30 Jun 2022
£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn
6 months ended 30 June 2022							

Developed markets equities	17.0	1.1	(1.6)	(0.5)	(4.8)	-	11.7
Emerging markets equities	16.4	1.1	(1.5)	(0.4)	(2.4)	-	13.6
Asia Pacific equities	25.3	1.4	(2.6)	(1.2)	(2.9)	-	21.2
Global equities	10.3	0.7	(0.8)	(0.1)	(2.1)	-	8.1
Total equities	69.0	4.3	(6.5)	(2.2)	(12.2)	-	54.6
Developed markets credit	28.3	1.6	(2.8)	(1.2)	(2.9)	-	24.2
Developed markets rates	2.9	0.2	(0.3)	(0.1)	(0.6)	-	2.2
Emerging markets fixed income	12.2	1.6	(1.4)	0.2	(1.0)	-	11.4
Total fixed income ¹	43.4	3.4	(4.5)	(1.1)	(4.5)	-	37.8
Absolute return	10.0	0.2	(0.7)	(0.5)	(2.0)	-	7.5
Diversified growth/income	0.5	0.1	(0.1)	-	(0.1)	-	0.4
MyFolio	17.7	0.9	(1.0)	(0.1)	(1.8)	-	15.8
Other multi-asset	7.8	0.5	(0.4)	0.1	(1.5)	-	6.4
Total multi-asset	36.0	1.7	(2.2)	(0.5)	(5.4)	-	30.1
Total private equity	12.3	0.2	(0.5)	(0.3)	0.7	-	12.7
UK real estate	19.9	0.2	(0.5)	(0.3)	0.8	-	20.4
European real estate	10.3	0.2	-	0.2	2.8	-	13.3
Global real estate	1.8	0.1	(0.1)	-	(0.1)	-	1.7
Real estate multi-manager	1.2	0.1	(0.1)	-	-	-	1.2
Infrastructure equity	6.2	0.3	(0.5)	(0.2)	0.1	-	6.1
Total real assets	39.4	0.9	(1.2)	(0.3)	3.6	-	42.7
Total alternative investment solutions (including private credit)	23.2	1.5	(0.8)	0.7	1.6	-	25.5
1							
Total quantitative	5.5	1.5	(1.1)	0.4	(1.1)	7.5	12.3
Total liquidity	24.3	3.1	(10.8)	(7.7)	-	-	16.6
Total	253.1	16.6	(27.6)	(11.0)	(17.3)	7.5	232.3

1. Alternative investment solutions include opening AUM of £2.4bn, net inflows of £0.1bn and closing AUM of £2.9bn relating to private credit assets previously classified as fixed income.

2. Corporate actions include the transfer of retained LBG AUM of c£7.5bn from Insurance into Institutional (quantitatives), to better reflect how the relationship is being managed.

5.6 Investments AUM by geography

	30 Jun 2023			31 Dec 2022		
	Institutional and Retail Wealth	Insurance Partners	Total	Institutional and Retail Wealth	Insurance Partners	Total
	£bn	£bn	£bn	£bn	£bn	£bn
UK	107.4	148.6	256.0	111.2	144.9	256.1
Europe, Middle East and Africa (EMEA)	52.7	-	52.7	57.5	-	57.5
Asia Pacific (APAC)	15.2	-	15.2	16.4	-	16.4
Americas	43.7	-	43.7	46.1	-	46.1
Total AUM	219.0	148.6	367.6	231.2	144.9	376.1

5.7 Surplus regulatory capital

The £1,017m indicative capital surplus below includes a deduction to allow for the declared interim dividend which will be paid in September 2023.

	H1 2023	FY 2022
	£m	£m
IFPR Group regulatory capital position		
Common Equity Tier 1 capital resources	1,601	1,302
Additional Tier 1 capital resources	207	207
Total Tier 1 capital resources	1,808	1,509
Tier 2 capital resources	588	621
Total regulatory capital resources	2,396	2,130
Subordinated debt restrictions	(325)	(358)
Total regulatory capital resources available to meet total regulatory capital requirements	2,071	1,772
Total regulatory capital requirements	(1,054)	(1,054)
Surplus regulatory capital	1,017	718

6. Glossary

Adjusted net financing costs and investment return

Adjusted net financing costs and investment return is a component of adjusted profit and relates to the return from the net assets of the shareholder business, net of costs of financing. This includes the net assets in defined benefit staff pension plans and net assets relating to the financing of subordinated liabilities.

Adjusted operating expenses

Adjusted operating expenses is a component of adjusted operating profit and relates to the day-to-day expenses of managing our business.

Adjusted operating profit

Adjusted operating profit before tax is the Group's key APM. Adjusted operating profit includes the results of the Group's three businesses: Investments, Adviser and Personal, along with Corporate/strategic.

It excludes the Group's adjusted net financing costs and investment return, and discontinued operations.

Adjusted operating profit also excludes the impact of the following items:

- Restructuring costs and corporate transaction expenses. Restructuring includes the impact of major regulatory change.
- Amortisation and impairment of intangible assets acquired in business combinations and through the purchase of customer contracts.
- Profit or loss arising on the disposal of a subsidiary, joint venture or equity accounted associate.
- Change in fair value of dividends from significant listed investments.
- Share of profit or loss from associates and joint ventures.
- Impairment loss/reversal of impairment loss recognised on investments in associates and joint ventures accounted for using the equity method.
- Fair value movements in contingent consideration.
- Items which are one-off and, due to their size or nature, are not indicative of the long-term operating performance of the Group.

Adjusted profit before tax

In addition to the results included in adjusted operating profit above, adjusted profit before tax includes adjusted net financing costs and investment return.

Assets under management and administration (AUMA)

AUMA is a measure of the total assets we manage, administer or advise on behalf of our clients. It includes assets under management (AUM), assets under administration (AUA) and assets under advice (AUAdv). AUMA does not include assets for associates and joint ventures.

AUM is a measure of the total assets that we manage on behalf of individual and institutional clients. AUM also includes assets managed for corporate purposes.

AUA is a measure of the total assets we administer for clients through our Platforms.

AUAdv is a measure of the total assets we advise our clients on, for which there is an ongoing charge.

Board

The Board of Directors of the Company.

Chief Operating Decision Maker

The executive leadership team.

Company

abrln plc.

Cost/income ratio

This is an efficiency measure that is calculated as adjusted operating expenses divided by net operating revenue.

Director

A director of the Company.

Earnings per share (EPS)

EPS is a commonly used financial metric which can be used to measure the profitability and strength of a company over time. EPS is calculated by dividing profit by the number of ordinary shares. Basic EPS uses the weighted average number of ordinary shares outstanding during the year. Diluted EPS adjusts the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares, such as share options awarded to employees.

Effective tax rate

Tax expense/(credit) attributable to equity holders' profit divided by profit before tax attributable to equity holders' profits expressed as a percentage.

Executive leadership team (ELT)

Our ELT leads across our businesses and supporting functions globally and is responsible for executing and monitoring progress on the delivery of our business plans. The ELT also ensures we meet our obligations to our clients, people, shareholders, regulators and partners.

Fair value through profit or loss (FVTPL)

FVTPL is an IFRS measurement basis permitted for assets and liabilities which meet certain criteria. Gains or losses on assets or liabilities measured at FVTPL are recognised directly in the income statement.

FCA

Financial Conduct Authority of the United Kingdom.

Group or abrln

Relates to the Company and its subsidiaries.

Internal Capital Adequacy and Risk Assessment (ICARA)

The ICARA is the means by which the Group assesses the levels of capital and liquidity that adequately support all of the relevant current and future risks in its business.

International Financial Reporting Standards (IFRS)

International Financial Reporting Standards are accounting standards issued by the International Accounting Standards Board (IASB).

Investment Firms Prudential Regime (IFPR)

The Investment Firms Prudential Regime is the FCA's new prudential regime for MiFID investment firms. The regime came into force on 1 January 2022.

Investment performance

Investment performance

Investment performance has been aggregated using a money weighted average of our assets under management which are outperforming their respective benchmark. The calculation of investment performance uses a closing AUM weighting basis. Calculations for investment performance are made gross of fees with the exception of those for which the stated comparator is net of fees. Benchmarks differ by fund and are defined in the relevant investment management agreement or prospectus, as appropriate. The investment performance calculation covers all funds that aim to outperform a benchmark, with certain assets excluded where this measure of performance is not appropriate or expected, such as private markets and execution only mandates, as well as replication tracker funds which aim to perform in line with a given index.

LBG tranche withdrawals

On 24 July 2019, the Group announced that it had agreed a final settlement in relation to the arbitration proceedings between the parties concerning LBG's attempt to terminate investment management arrangements under which assets were managed by members of the Group for LBG entities. In its decision of March 2019, the arbitral tribunal found that LBG was not entitled to terminate these investment management contracts. The Group had continued to manage approximately £104bn (as at 30 June 2019) of assets under management (AUM) for LBG entities during the period of the dispute. Approximately two thirds of the total AUM (the transferring AUM) will be transferred to third party managers appointed by LBG through a series of planned tranches from 24 July 2019. During this period, the Group continued to be remunerated for its services in relation to the transferring AUM. The final tranche withdrawal was completed in H1 2022.

Market Disclosure

This IFPR disclosure complements the Own funds requirement and Own funds threshold requirement with the aim of improving market discipline by requiring companies to publish certain details of their risks, capital and risk management. Relevant disclosures are made in the abrdn plc consolidated annual report and accounts and in the accounts of the Group's individual IFPR-regulated entities, all of which can be found on the abrdn plc Group's website.

Net flows

Net flows represent gross inflows less gross outflows or redemptions. Gross inflows are new funds from clients. Redemptions is the money withdrawn by clients during the period. Cash dividends which are retained on the ii platform are included in net flows for the ii business only. Cash dividends are included in market movements for other parts of the group including the Investments and Adviser platform businesses. We consider that this different approach is appropriate for the ii business as cash dividend payments which are retained result in additional income for ii, but are largely revenue neutral for the rest of the group.

Net operating revenue

Net operating revenue is a component of adjusted operating profit and includes revenue we generate from asset management charges (AMCs), platform charges, treasury income and other transactional charges. AMCs are earned on products such as mutual funds, and are calculated as a percentage fee based on the assets held. Investment risk on these products rests principally with the client, with our major indirect exposure to rising or falling markets coming from higher or lower AMCs. Treasury income is the interest earned on cash balances less the interest paid to customers. Net operating revenue is shown net of fees, costs of sale, commissions and similar charges. Costs of sale include revenue from fund platforms which is passed to the product provider.

Net operating revenue yield (bps)

The net operating revenue yield is a measure that illustrates the average margin being earned on the assets that we manage, administer or advise our clients on excluding interactive investor. It is calculated as annualised net operating revenue (excluding performance fees, interactive investor and revenue for which there are no attributable assets) divided by monthly average fee based assets. Interactive investor is excluded from the calculation of Personal and total net operating revenue yield as fees charged for this business are primarily from subscriptions and trading transactions.

Own Funds Requirement

Under IFPR, the Own Funds Requirement is the higher of the permanent minimum capital requirement, the fixed overhead requirements, and the K-factor requirement. The K-factor requirement is the sum of: Risk-to-Client, Risk-to-Market, and Risk-to-Firm K-factors.

Under IFPR, the Own Funds Threshold Requirement is the higher of Own funds required on an ongoing basis and Own funds required on a wind-down basis. The firm identifies and measures risks of harm and determines the degree to which systems and controls alone mitigate those risks of harm (or risks of disorderly wind-down). Any additional own funds needed, over and above the Own funds requirement, to cover this identified residual risk is held under the Own Funds Threshold Requirement.

Phoenix or Phoenix Group

Phoenix Group Holdings plc or Phoenix Group Holdings plc and its subsidiaries.

Significant listed investments

Relates to our investments in HDFC Asset Management, HDFC Life and Phoenix. Fair value movements and dividend income relating to these investments are treated as adjusting items for the purpose of determining the Group's adjusted profit. Our remaining stakes in HDFC Asset Management and HDFC Life were sold during H1 2023. At 30 June 2023, Phoenix is the only significant listed investment.

Subordinated liabilities

Subordinated liabilities are debts of a company which, in the event of liquidation, rank below its other debts but above share capital. The 5.25% Fixed Rate Reset Perpetual Subordinated Contingent Convertible Notes issued by the Company in December 2021 are classified as other equity as no contractual obligation to deliver cash exists.

7. Shareholder information

Registered office

1 George Street
Edinburgh
EH2 2LL
Scotland

Company registration number: SC286832

For shareholder services call: +44 (0)371 384 2464*

* Calls are monitored/recorded to meet regulatory obligations and for training and quality purposes. Call charges will vary.

Secretary: Julian Baddeley

Registrar: Equiniti

Auditors: KPMG LLP

Solicitors: Slaughter and May

Brokers: JP Morgan Cazenove, Goldman Sachs

Shareholder services

We offer a wide range of shareholder services. For more information, please:

- Contact our registrar, Equiniti, who manage this service for us. Their details can be found on the inside back cover.
- Visit our share portal at www.abrdnshares.com

Sign up for Ecommunications

Signing up means:

- You'll receive an email when documents like the annual report and accounts, Half year results and AGM guide are available on our website.
- Voting instructions for the Annual General Meeting will be sent to you electronically.

Set up a share portal account

Having a share portal account means you can:

- Manage your account at a time that suits you.
- Download your documents when you need them.

To find out how to sign up, visit www.abrdnshares.com

Preventing unsolicited mail

By law, the Company has to make certain details from its share register publicly available. As a result it is possible that some registered shareholders could receive unsolicited mail, emails or phone calls. You could also be targeted by fraudulent 'investment specialists', clone firms or scammers posing as government bodies e.g. HMRC, FCA. Frauds are becoming much more sophisticated and may use real company branding, the names of real employees or email addresses that appear to come from the company. If you get a social or email message and you're unsure if it is from us, you can send it to emailscams@abrdn.com and we'll let you know.

You can also check the FCA warning list and warning from overseas regulators, however, please note that this is not an exhaustive list and do not assume that a firm is legitimate just because it does not appear on the list as fraudsters frequently change their name and it may not have been reported yet.

www.fca.org.uk/consumers/unauthorised-firms-individuals

www.iosco.org/investor_protection/?subsection=investor_alerts_portal

You can find more information about share scams at the Financial Conduct Authority website

www.fca.org.uk/consumers/scams

If you are a certificated shareholder, your name and address may appear on a public register. Using a nominee company to hold your shares can help protect your privacy. You can transfer your shares into the Company-sponsored nominee - the abrdn Share Account - by contacting Equiniti, or you could get in touch with your broker to find out about their nominee services.

If you want to limit the amount of unsolicited mail you receive generally, please visit www.mpsonline.org.uk

Financial calendar

Half year results 2023	8 August
Ex-dividend date for 2023 interim dividend	17 August
Record date for 2023 interim dividend	18 August
Last date for DRIP elections for 2023 interim dividend	6 September
Dividend payment date for 2023 interim dividend	26 September

Analysis of registered shareholdings at 30 June 2023

Range of shares	Number of holders	% of total holders	Number of shares	% of total shares
1-1,000	57,268	65.77	22,871,837	1.17
1,001-5,000	25,200	28.94	52,648,807	2.68
5,001-10,000	2,684	3.08	18,154,006	0.93
10,001-100,000	1,493	1.72	36,008,557	1.83
#100,001+	429	0.49	1,832,622,153	93.39
Total	87,074	100.00	1,962,305,360	100

These figures include the Company-sponsored nominee - the abrdn Share Account - which had 891,802 participants holding 634,281,155 shares.

8. Forward-looking statements

This document may contain certain 'forward-looking statements' with respect to the financial condition, performance, results, strategies, targets, objectives, plans, goals and expectations of the Company and its affiliates. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts.

Forward-looking statements are prospective in nature and are not based on historical or current facts, but rather on current expectations, assumptions and projections of management of the abrdn Group about future events, and are therefore subject to known and unknown risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.

For example but without limitation, statements containing words such as 'may', 'will', 'should', 'could', 'continue'

For example but without limitation, statements containing words such as 'may', 'will', 'should', 'could', 'continues', 'aims', 'estimates', 'projects', 'believes', 'intends', 'expects', 'hopes', 'plans', 'pursues', 'ensure', 'seeks', 'targets' and 'anticipates', and words of similar meaning (including the negative of these terms), may be forward-looking. These statements are based on assumptions and assessments made by the Company in light of its experience and its perception of historical trends, current conditions, future developments and other factors it believes appropriate.

By their nature, all forward-looking statements involve risk and uncertainty because they are based on information available at the time they are made, including current expectations and assumptions, and relate to future events and/or depend on circumstances which may be or are beyond the Group's control, including among other things: UK domestic and global political, economic and business conditions (such as the UK's exit from the EU and the ongoing conflict between Russia and Ukraine); market related risks such as fluctuations in interest rates and exchange rates, and the performance of financial markets generally; the impact of inflation and deflation; the impact of competition; the timing, impact and other uncertainties associated with future acquisitions, disposals or combinations undertaken by the Company or its affiliates and/or within relevant industries; experience in particular with regard to mortality and morbidity trends, lapse rates and policy renewal rates; the value of and earnings from the Group's strategic investments and ongoing commercial relationships; default by counterparties; information technology or data security breaches (including the Group being subject to cyberattacks); operational information technology risks, including the Group's operations being highly dependent on its information technology systems (both internal and outsourced); natural or man-made catastrophic events; the impact of pandemics, such as the COVID-19 (coronavirus) outbreak; climate change and a transition to a low-carbon economy (including the risk that the Group may not achieve its targets); exposure to third-party risks including as a result of outsourcing; the failure to attract or retain necessary key personnel; the policies and actions of regulatory authorities and the impact of changes in capital, solvency or accounting standards, and tax and other legislation and regulations (including changes to the regulatory capital requirements) that the Group is subject to in the jurisdictions in which the Company and its affiliates operate. As a result, the Group's actual future financial condition, performance and results may differ materially from the plans, goals, objectives and expectations set forth in the forward-looking statements.

Neither the Company, nor any of its associates, directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur. Persons receiving this document should not place reliance on forward-looking statements. All forward-looking statements contained in this document are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Each forward-looking statement speaks only as at the date of the particular statement. Neither the Company nor its affiliates assume any obligation to update or correct any of the forward-looking statements contained in this document or any other forward-looking statements it or they may make (whether as a result of new information, future events or otherwise), except as required by law. Past performance is not an indicator of future results and the results of the Company and its affiliates in this document may not be indicative of, and are not an estimate, forecast or projection of, the Company's or its affiliates' future results.

Contact us

Got a shareholder question? Contact our shareholder services team.

UK and overseas (excluding Germany and Austria)

phone +44 (0)371 384 2464*
email questions@abrdnshares.com
visit www.abrdnshares.com
mail abrdn Shareholder Services
Aspect House
Spencer Road
Lancing, West Sussex
BN99 6DA, United Kingdom

Germany and Austria

phone +44 (0)371 384 2493*
email fragen@abrdnshares.com
visit www.abrdnshares.com
mail abrdn Shareholder Services
Aspect House
Spencer Road
Lancing, West Sussex
BN99 6DA, United Kingdom

* Calls are monitored/recorded to meet regulatory obligations and for training and quality purposes. Call charges will vary.

Please remember that the value of shares can go down as well as up and you may not get back the full amount invested or any income from it. All figures and share price information have been calculated as at 30 June 2023 (unless otherwise indicated).

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abrdn plc is registered in Scotland (SC286832) at 1 George Street, Edinburgh EH2 2LL.

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