abrdn Global Infrastructure Income Fund

Quarterly Commentary

Fourth quarter 2022

Fund performance

The abrdn Global Infrastructure Income Fund returned 10.71%[1] on a net asset value (NAV) basis in the fourth quarter of 2022, versus the 10.83% return of its benchmark, the S&P Global Infrastructure Net Index[2].

Non-benchmark exposures to the telecommunications and real estate sectors hampered the Fund's performance relative to the S&P Global Infrastructure Index for the quarter.

In terms of individual stock detractors, CCR, the Brazilian toll road operator, reported quarterly results that were slightly below expectations. Though most of the company's operational-level data was in line with expectations, it had some one-off charges that weighed on profits for the quarter. On top of this, we saw some sector rotation in the Brazilian market, with more cyclically exposed sectors like capital goods and materials outperforming, while the transport subsector underperformed.

National Express, the U.K.-based bus operator, underperformed as a swathe of brokers reduced their estimates in the quarter due to the company's continued inflation headwinds. Specifically, the firm is seeing higher wages in the U.S. as it looks to tackle the driver shortage. In the U.K., National Express recently agreed to a 10% wage increase for their drivers but will be unable to recoup that in pricing over the near term. However, we see some of these issues as transitory, particularly in the U.S., where the company should be able to get some pricing offsets in its contracts.

Nova-Telmax (Telmax), a private market holding focused on fiber-to-home infrastructure in Canada, was also among the weakest performers during the quarter. As is common with private market investments, the valuation was held at cost during the initial period after the investment. Therefore, Telmax's flat performance over the period was relatively poor compared to that of the Fund.

Conversely, Fund performance for the quarter relative to the S&P Global Infrastructure Index was bolstered by an underweight exposure to energy as well as stock selection in the sector. Also, stock selection in industrials was notably positive, although this was offset somewhat by having an underweight exposure to the sector.

In terms of individual stock contributors, International Container Terminal Services, a Philippines-based global port operator, outperformed during the quarter. The company announced better-than-expected third-quarter earnings due to a combination of volume growth and strong pricing, which more than offset higher expenses. Management said that fourth-quarter volume growth was following a similar trajectory to the first nine months of the year.

Owning Veolia, a European-based water, waste and energy company, was a tailwind for the Fund's performance. During the quarter, Veolia announced its nine-month results, which beat investors' expectations. The company was able to achieve strong price increases across its business. Management was confident that earnings before interest, tax, depreciation and amortization for the year should be at the top end of the previously guided range. In addition, synergies from the Suez acquisition are running ahead of target.

Vinci, a European-based owner of infrastructure concessions, as well as being a construction company, reported better-than-expected third-quarter revenues. Traffic at its airports continues to improve as economies reopen after the Covid-19 lockdowns. In addition, the company's construction order book is at a record high.

[1] **Past performance is no guarantee of 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. Net asset value return data include investment management fees, custodial charges and administrative fees (such as Director and legal fees) and assumes the reinvestment of all distributions.**

[2] The S&P Global Infrastructure Index is an unmanaged index considered representative of stock markets of developed and emerging markets.

Performance

The latest available performance figures have been calculated net-of-fees in U.S. dollars for the period:

Cumulative and annualized total return as of December 31, 2022 (%)

	NAV	Market Price	S&P Global Infrastructure Index (Net TR)
1 month	-3.17	-6.45	-2.28
3 months	10.71	10.33	10.83
Year to date	-4.65	-10.64	-0.99
1 year	-4.65	-10.64	-0.99
3 years (p.a.)	n/a	n/a	n/a
5 years (p.a.)	n/a	n/a	n/a
10 years (p.a.)	n/a	n/a	n/a
Since inception (p.a.)	n/a	n/a	n/a*

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

Market review

Global equity markets ended the quarter higher on hopes that central banks, including the U.S. Federal Reserve (Fed), could tighten policy less than feared as the global economy slows and inflation eases. Despite a lackluster third-quarter corporate earnings season, markets have recently rebounded as investors have taken advantage of more attractive valuations. The Chinese government's recent easing of its strict 'zero-Covid' policy and a cut in banks' reserve requirement ratios from the People's Bank of China have also supported sentiment.

U.S. equities ended higher. Inflationary pressures remained elevated but started to ease somewhat as the quarter progressed. As a result, the Fed increased the target range for the fed funds rate by 75 basis points (bps) in both October and November, then by a further 50 bps in December, leaving it at 4.25-4.50%. The yield on 10-year Treasuries ended the quarter around 3.8%, having risen above 4% earlier in the period.

European equities also advanced as investors' risk appetite improved. With annual inflation reaching 10.6% in October before easing to 10.1% over November, the European Central Bank raised interest rates by a cumulative 125 bps over the quarter. Meanwhile, the yield on 10-year German Bunds ended the quarter around 2.4%, having dipped below 1% during the summer.

U.K. equities rose as concerns about the economic and political backdrop eased after new chancellor Jeremy Hunt announced a package of tax increases and spending cuts, improving the outlook for the country's fiscal position. Sterling notably recovered, while the yield on 10-year gilts fell from over 4.5% to about 3.6%. To combat rising inflation (which reached a 41-year high of 11.1% in October before easing to a still-high 10.7% in November), the Bank of England (BoE) raised its Bank Rate by a cumulative 125 bps during the quarter, taking it to 3.5%.

In the Asia Pacific region, the more growth-oriented Australian market rose as inflationary pressures showed signs of ebbing and China eased Covid-19 restrictions. Stocks in Hong Kong also recovered on reduced concerns about U.S. monetary tightening and the Chinese economy. Japanese equities also had a reasonable quarter, despite a stronger yen over the second half of the period (which weighed on exporters). With inflation rising, the Bank of Japan has begun to adjust its yield curve control targets, but it still has a relatively dovish monetary policy stance compared with other major central banks.

Emerging markets rebounded. Chinese equities ended higher despite ongoing investor worries about the country's overindebted property sector. The government finally relaxed its strict 'zero-Covid' policy and, together with the People's Bank of China, took measures to support the economy. Stocks in Taiwan and South Korea also advanced as they benefited from their relatively high exposure to technology companies. Brazilian equities came under pressure over the period on concerns about Brazil's fiscal outlook after Lula da Silva's left-leaning party won the country's general election. Meanwhile, the Central Bank of Brazil kept its Selic rate at 13.75% during the quarter. This was after its 12 consecutive rate hikes since March 2021 helped to bring annual inflation back below 6%. In contrast, Turkey's central bank continued with its policy of slashing rates, which has contributed to a plunge in the lira and annual inflation of around 85%. Turkish equities performed strongly over the quarter.

Outlook

Global capital markets continue to face numerous headwinds. As consumers' disposable incomes increasingly come under pressure from higher inflation, negative real incomes and the cost-of-living crisis, the outlook for global economic growth has arguably never been so opaque. Whether central banks worldwide successfully manage the trade-off between rising inflation and slowing growth remains a critical factor. The current trajectory suggests not "if" recessions will occur, but when and how deep. Other risks include enormous debt burdens in a world of rising interest rates, unsustainable trade and current account deficits, and the ongoing conflict in Ukraine. Against such a challenging backdrop, the portfolio will remain diversified, defensive and focused on businesses best positioned to manage financial pressures through to times of greater market stability. Periods of market weakness represent an opportunity for the long-term investor. We reiterate the importance of a diversified portfolio with a 'bottom-up' investment approach focused on quality characteristics.

Looking ahead, we expect the recent passing of both the Infrastructure Investment and Jobs Act and the Inflation Reduction Act (IRA) will lead to increased infrastructure spending in the U.S., supporting exchange-listed and private infrastructure companies. Additionally, we think that investor sentiment for renewables will remain stable, supported by government stimulus programs globally. For example, the IRA is the most significant renewable energy legislation in a generation, not only for mainstay solar and wind technologies but also for hydro and hydrogen-related infrastructure. In response to the IRA, the European Union announced a new proposal, the 'Net-Zero Industry Act'. If this is passed, it should stimulate green investment in Europe. In the transportation sector, we continue to see a rebound in air traffic. In 2022, global air traffic reached 74% of 2019 levels, while we believe that figure should surpass 90% this year.

On the private side, 2023 will continue to see a focus from investors on energy security, exacerbated by the Ukraine war and the hasty transition of energy assets without a durable plan for replacement. We see opportunities in two interrelated segments: energy import/export, particularly related to natural gas, and renewables.

Growing demand for natural gas dovetails with energy security requirements, as Russia was Europe's largest importer of natural gas. Some of this demand has shifted to liquified natural gas (LNG). The International Energy Agency forecasts annual growth of 4% in global LNG trade, with significant challenges and opportunities for related infrastructure. In the U.S., an LNG exporter, and Europe, the major import market, this means opportunities in terminal and pipeline businesses, as well as ports and transportation infrastructure.

The demand for renewable energy infrastructure remains high, buoyed both by public sector incentives, such as those contained in the Inflation Reduction Act, and demand for private capital to support energy-transition initiatives. Energy security plays a role, too, as renewable energy reduces reliance on energy imports. At the same time, the variable energy production found in renewables requires dispatchable energy generation in the form of battery storage or natural gas-fueled power. We continue to see opportunities in energy storage and renewable generation but remain mindful of the frothy valuations of major assets, supported by $150 billion in global infrastructure dry powder. This pool of capital is mostly focused on large-scale investments, giving us opportunities in the middle market to acquire and grow assets built for major infrastructure owners.

Top 10 Holdings (as of December 31, 2022)

Private Infrastructure Holding	4.10
Private Infrastructure Holding	3.17
Ferrovial	2.86
Kinder Morgan	2.79
Private Infrastructure Holding	2.75
RWE	2.68
Williams Cos	2.56
Engie	2.49
Vinci	2.48
Enbridge	2.46
Percent of Portfolio in Top Ten	**28.33**

Source : abrdn 12/31/2022.

Holdings are subject to change and are provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities shown. The top ten holdings are reported by share class. Certain companies listed may be held in additional share classes not listed above.

Compositions are subject to change. The table summarizes the composition of the Fund's portfolio, expressed as a percentage of total assets.

P/E ratio (price-to-earnings ratio) of a stock is a measure of the price paid for a share relative to the annual earnings per share.

Figures may not always sum to 100 due to rounding.

Aberdeen Global Infrastructure Income Fund Distribution Rates[4]

NAV distribution rate	7.16%
Market price distribution rate	8.29%

[4] As of ex-dividend date, December 31, 2022.

The following tables set forth the estimated amounts of the sources of the distributions for purposes of Section 19 of the 1940 Act and the rules adopted thereunder. The tables have been computed based on generally accepted accounting principles. The tables include estimated amounts and percentages for the current distributions paid this month as well as for the cumulative distributions paid relating to fiscal year to date, from the following sources: net investment income; net realized short-term capital gains; net realized long-term capital gains; and return of capital. The estimated compositions of the distributions may vary because the estimated composition may be impacted by future income, expenses and realized gains and losses on securities and currencies.

The Fund's estimated sources of the current distributions to be paid and for its current fiscal year to date are as follows:

Estimated Amounts of Current Distribution per Share

Fund	Distribution Amount	Net Investment Income		Net Realized Short-Term Gains[5]		Net Realized Long-Term Gains		Return of Capital	
ASGI	$0.1200	$0.0084	7%	–	–	$0.1116	93%	–	–

Estimated Amounts of Fiscal Year[5] to Date Cumulative Distributions per Share

Fund	Fiscal Year[6] to Date Distribution Amount	Net Investment Income		Net Realized Short-Term Gains[5]		Net Realized Long-Term Gains		Return of Capital	
ASGI	$0.6000	$0.0420	7%	–	–	$0.5580	93%	–	–

[5] Includes currency gains.

[6] ASGI has a 9/30 fiscal year end.

Where the estimated amounts above show a portion of the distribution to be a "Return of Capital," it means that the Fund estimates that it has distributed more than its income and capital gains; therefore, a portion of your distribution may be a return of capital. A return of capital may occur for example, when some or all of the money that you invested in a Fund is paid back to you. A return of capital distribution does not necessarily reflect the Fund's investment performance and should not be confused with "yield" or "income".

The amounts and sources of distributions reported in this notice are only estimates and are not being provided for tax reporting purposes. The final determination of the source of all distributions for the current year will only be made after year-end. The actual amounts and sources of the amounts for tax reporting purposes will depend upon the Fund's investment experience during the remainder of the fiscal year and may be subject to change based on tax regulations. After the end of each calendar year, a Form 1099-DIV will be sent to shareholders for the prior calendar year that will tell you how to report these distributions for federal income tax purposes.

The following table provides the Fund's total return performance based on net asset value (NAV) over various time periods compared to the Fund's annualized and cumulative distribution rates.

Fund Performance and Distribution Rate Information

Fund	Average Annual Total Return on NAV for the 5 Year Period Ending 01/31/2023[7]	Current Fiscal Period's Annualized Distribution Rate on NAV[8]	Cumulative Total Return on NAV[7]	Cumulative Distribution Rate on NAV[8]
ASGI[9]	9.43%	6.76%	16.49%	2.25%

[7] Return data is net of all fund expenses and fees and assumes the reinvestment of all distributions reinvested at prices obtained under the Fund's dividend reinvestment plan, with the exception of the most recent distribution.

[8] Based on the Fund's NAV as of January 31, 2023.

[9] The Fund launched within the past 5 years; the performance and distribution rate information presented reflects data from inception (July 29, 2020) through January 31, 2023.

Shareholders should not draw any conclusions about a Fund's investment performance from the amount of the Fund's current distributions or from the terms of the distribution policy (the "Distribution Policy").

Important Information

Past performance is no guarantee of future results.

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's portfolio. The 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.

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.

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