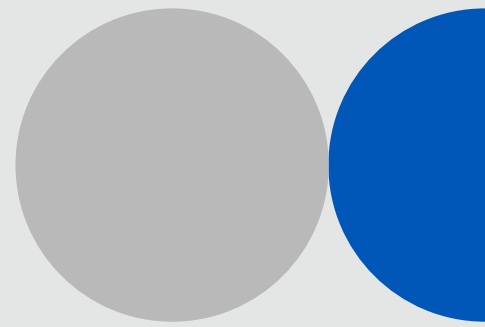


Shires Income PLC

Looking for high-quality investments for a high, regular income

Performance Data and Analytics to 31 December 2024



Investment objective

The Company's investment objective is to provide shareholders with a high level of income, together with the potential for growth of both income and capital from a diversified portfolio substantially invested in UK equities but also in preference shares, convertibles and other fixed income securities.

Benchmark

FTSE All-Share Index total return.

Cumulative performance (%)

	as at 31/12/24	1 month	3 months	6 months	1 year	3 years	5 years
Share Price	240.0p	3.9	(0.9)	4.9	13.0	6.5	7.7
NAV ^a	265.3p	(0.6)	1.0	2.9	11.3	9.9	19.3
FTSE All-Share		(1.2)	(0.4)	1.9	9.5	18.5	26.5

Discrete performance (%)

	31/12/24	31/12/23	31/12/22	31/12/21	31/12/20
Share Price	13.0	(8.0)	2.5	16.1	(12.9)
NAV ^a	11.3	2.7	(3.9)	16.1	(6.5)
FTSE All-Share	9.5	7.9	0.3	18.3	(9.8)

Total return; NAV cum income, with net income reinvested, GBP. Share price total return is on a mid-to-mid basis. Dividend calculations are to reinvest as at the ex-dividend date. NAV returns based on NAVs with debt valued at fair value. Source: abrdn Investments Limited, Lipper and Morningstar. **Past performance is not a guide to future results.**

^a Including current year revenue.

^b © 2025 Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results. For more detailed information about Morningstar's Analyst Rating, including its methodology, please go to: <http://corporate.morningstar.com/us/documents/MethodologyDocuments/AnalystRatingforFundsMethodology.pdf> The Morningstar Analyst Rating for Funds is a forward-looking analysis of a fund. Morningstar has identified five key areas crucial to predicting the future success of a fund: People, Parent, Process, Performance, and Price. The pillars are used in determining the Morningstar Analyst Rating for a fund. Morningstar Analyst Ratings are assigned on a five-tier scale running from Gold to Negative. The top three ratings, Gold, Silver, and Bronze, all indicate that our analysts think highly of a fund; the difference between them corresponds to differences in the level of analyst conviction in a fund's ability to outperform its benchmark and peers through time, within the context of the level of risk taken over the long term. Neutral represents funds in which our analysts don't have a strong positive or negative conviction over the long term and Negative represents funds that possess at least one flaw that our analysts believe is likely to significantly hamper future performance over the long term. Long term is defined as a full market cycle or at least five years. Past performance of a security may or may not be sustained in future and is no indication of future performance. For detailed information about the Morningstar Analyst Rating for Funds, please visit <http://global.morningstar.com/managerdisclosures>.

Morningstar Rating™



^b Morningstar Rating™ for Funds

Morningstar rates funds from one to five stars based on how well they've performed (after adjusting for risk and accounting for all sales charges) in comparison to similar funds.

Morningstar Sustainability Rating™



Ten largest equity holdings (%)

AstraZeneca	4.0
Morgan Sindall	3.5
HSBC	3.4
Shell	3.3
Diversified Energy	2.6
National Grid	2.5
Energiean	2.5
BP	2.4
NatWest Group	2.3
Rio Tinto	2.2
Total	28.8

Fixed income holdings (%)

Ecclesiastical Insurance	4.6
Nationwide Building Society 10.25%	3.9
Santander 10.375%	3.6
General Accident 7.875%	3.3
Standard Chartered 8.25%	2.6
Lloyds Bank 11.75%	0.8
Rea Holdings 9%	0.5
Standard Chartered 7.375%	0.2
Total	19.5

Total number of investments 60

All sources (unless indicated): abrdn: 31 December 2024.



1 Year Premium/Discount Chart (%)



Fund managers' report

Market commentary

Starting with the macro, the US Federal Reserve (Fed) delivered a widely expected 0.25% rate cut, but investors were surprised by its more hawkish interest-rate forecasts for 2025, which now project 0.5% of rate cuts, down from 1.0% in September. Meanwhile, annualised US third-quarter GDP growth was revised upward to 3.1%, driven by robust consumer spending and export activity. The conflict in mismatched beliefs that a Trump presidency will result in a strong US economy, but that the Fed will also be able to cut rates seemed to become increasingly apparent.

In Europe, the ECB cut its deposit rate by 0.25% to 3%, citing a slowing economy and a 'well-on-track' deceleration in inflation amid heightened political instability, particularly in the run-up to Germany's election. Inflation forecasts were revised downward to 2.4% for 2024 and 2.1% for 2025. While the Bank of Canada joined the trend of cutting rates, the Bank of England held rates unchanged. A third of the Monetary Policy Committee's members had voted for a rate cut, even as annual consumer price inflation in the UK rose to 2.6% in November, up from 2.3% in October. Meanwhile, new data revised the UK's GDP growth downwards, showing the economy was flat in the third quarter of 2024.

Commodities strengthened in December. Oil prices rose on expectations of robust Chinese demand, supported by improving sentiment in the industrial sector. Gas prices also climbed due to the impending expiry of a Russia-Ukraine agreement, which could disrupt supply flows in early 2025. By contrast, in precious metals, gold and silver declined, weighed down by central bank commentary.

Stocks fell in the month, retracing November's gains, though global equities ended the year with significant annual advances. In the US, fresh highs in many equity indices gave way to declines later in the month, although the high-technology NASDAQ Composite Index finished December higher, outperforming the broader S&P 500 Index. Inflationary concerns and interest-rate fears also weighed on UK equities, with the FTSE 100 Index ending the month lower, though the mid and small-cap FTSE 250 Index fared better. European markets were mixed; Switzerland lagged, while France, Germany and Italy posted gains. In Asia, Japan performed strongly as a weakening yen and ambiguous signals from the Bank of Japan on future interest-rate moves attracted investors. In China, equities rebounded, bolstered by pro-growth government policies. Emerging markets rose overall, though India and Latin American markets ended the month lower.

Fund managers' report continues overleaf

^c Expressed as a percentage of average daily net assets for the year ended 31 March 2024. The Ongoing Charges Figure (OCF) is the overall cost shown as a percentage of the value of the assets of the Company. It is made up of the Annual Management Fee and other charges. It does not include any costs associated with buying shares in the Company or the cost of buying and selling stocks within the Company. The OCF can help you compare the annual operating expenses of different Companies.

^d Calculated using the Company's historic net dividends and month end share price.

^e The 'Active Share' percentage is a measure used to describe what proportion of the Company's holdings differ from the benchmark index holdings.

^f Expressed as a percentage of total equities held divided by shareholders' funds.

^g Net gearing is defined as a percentage, with net debt (total debt less cash/cash equivalents) divided by shareholders' funds.

Sector allocation (%)

Financials	37.7
Energy	14.1
Industrials	13.0
Utilities	7.3
Health Care	5.7
Consumer Staples	4.5
Basic Materials	4.3
Consumer Discretionary	4.3
Real Estate	3.9
Telecommunications	2.8
Technology	2.3
Total	100.0

Key information

Calendar

Year end	31 March
Accounts published	June
Annual General Meeting	July
Dividend paid	January, April, July, October
Established	1929
Fund manager	Iain Pyle
Ongoing charges ^c	1.10%
Annual management fee	0.45% up to £100m and 0.4% over £100m on net assets and long term borrowings
Premium/(Discount)	(9.5)%
Yield ^d	6.0%
Active share ^e	73.7%

Gearing (%)

Equities ^f	(7.6)
Net cash/(gearing) ^g	(15.2)

AIFMD Leverage Limits

Gross Notional	2.5x
Commitment	2x

Fund managers' report - continued

Performance

The trust's net asset valuation (NAV) fell by 0.6% in December, showing its defensive strength versus the benchmark, which declined by 1.2%. It brings to a close a calendar year with NAV up by 11.3% and share price growth of 13%. While we are not overly concerned with the benchmark, given it offers a much lower level of income, it is a useful comparator and the FTSE All-Share Index was up 9.5%.

In December, the outperformance was driven by stock selection, with a neutral contribution from allocation. On an individual basis, the greatest positive contributor was IP Group, which saw the gap to NAV narrow as it disposed a number of assets above book value. As the company does this it highlights the mis-pricing of the shares at a discount of more than 50% to the book value. Another strong performer was Wood Group, which bounced from recent lows. Recent purchase Serica Energy also performed well, rising 13% as European gas markets tightened into winter. The main negative in the month was our holding in Novo Nordisk. The company reported disappointing trial results from its new weight loss drug, and shares fell 18% in the month. The product still proved its efficacy, but in an increasingly competitive space the bar was high for the trial and after a long period of outperformance the shares understandably gave back some gains.

Trading

During the month we took some profit in our position in Standard Chartered, which was a strong performer through 2024 (+60% at the point of sale). We like the company a lot and see potential from its growing wealth franchise, differentiated capital markets business and a cheap valuation, but we are equally aware that the first stages of any US / China trade war may cause some turbulence, so decreased what had become a meaningful overweight for now. We reinvested the proceeds by buying back into Dutch bank ING. We sold ING in August, but Standard Chartered has outperformed it by 30% in four months since then and with a defensive mix and high yield it now looks attractive.

The other notable trade in the month was our decision to exit Genus. While we continue to see Genus as a high-quality business with high barriers to entry, underperformance means it has fallen below our minimum position size, causing a question of "up or out". With risks to the timing of its disease resistant genetics and low yield we choose to move on for now.

Outlook

A very happy new year to all shareholders! It is a new year, but so far there is no fresh start for UK equity markets. The same topics that headlined the last year continue to drive market direction. The most notable in the first few weeks has been that interest rate expectations and bond yields are trumping company fundamentals to a huge extent. Weaker economic data from the UK, combined with the fall-out from a disappointing budget, has meant that UK government bond auctions have needed higher prices than hoped, and yields on government bonds have risen accordingly, getting to the highest level since the late 90s.

This has an almost mechanical impact on UK equity markets and UK mid-cap stocks have underperformed large cap names materially as a result. In aggregate this makes sense - smaller companies are slightly more domestically focused and slightly higher growth, so investors sell, and with lower liquidity the price action in a down market is greater. This can have a frustrating short-term impact. We own several smaller companies which are high quality and neither cyclical or particularly weighted to the UK - but in the short term they may well underperform. In the long term, however, fundamentals tend to play out and one of the great things about income investing is that we will be paid a healthy return while we wait for that to happen. In recent times, UK bond market sell offs have been relatively short lived. Hopefully that will be the case again, although rising public expenditure, slowing GDP growth and shrinking headroom in the budget does mean that bouncing back is becoming harder. We try not to make macro bets, however, and remain confident in our portfolio holdings.

My hope for the rest of the year is that company specific fundamentals matter more than the macro-economic outlook again. That may be wishful thinking, with economic volatility, geo-political turbulence and an unpredictable new US President, it is certain to be an interesting year and I suspect the macro won't just go in one direction. My sense is that it will be a year for being nimble and finding stock specific opportunities to create value for shareholders.

The risk outlined overleaf relating to gearing is particularly relevant to this trust, but should be read in conjunction with all warnings and comments given.
Important information overleaf

Assets/Debt

	£'000	%
Equities (inc. Cnv's)	100,653	92.4
Fixed Income	24,890	22.8
Total investments	125,542	115.3
Cash & cash equivalents	2,409	2.1
Other net assets	(53)	0.0
Debt	(18,972)	(17.4)
Net Assets	108,926	100.0

Capital structure

Ordinary shares	41,174,929
3.5% Cumulative Preference shares	50,000

Allocation of management fees and finance costs

Capital	60%
Revenue	40%

Trading details

Reuters/Epic/Bloomberg code	SHRS
ISIN code	GB0008052507
Sedol code	0805250
Stockbrokers	J.P. Morgan Cazenove
Market makers	INV. JPMS, MREX, PEEL, SCAP, WINS



Factsheet

Receive the factsheet by email as soon as it is available by registering at www.abrdn.com/trustupdates or www.abrdn.com/SHRS



Contact

Private investors
trusts@abrdn.com

Institutional Investors
InvestmentTrustInvestorRelations-UK@abrdn.com

Ben Heatley
 Head of Closed End Fund Sales
Ben.Heatley@abrdn.com

Shires Income PLC

Statement of Operating Expenses

Publication date: 14 October 2024

Recurring Operating Expenses (£000s)	Year ended 31 Mar 2024	% of Average NAV	Year ended 31 Mar 2023	% of Average NAV	% Change (YOY)
Management Fee (inc AIFM)	420	0.49%	414	0.51%	1.4%
Custody fees and bank charges	11	0.01%	7	0.01%	57.1%
Promotional activities	50	0.06%	40	0.05%	25.0%
Directors remuneration	141	0.17%	134	0.17%	5.2%
Auditors' remuneration	60	0.07%	53	0.07%	13.2%
Other administrative expenses	243	0.29%	183	0.23%	32.8%
Ongoing Operating Expenses (ex indirect fund management expenses)	925	1.09%	831	1.03%	11.3%
Expenses relating to investments in other collective investments		0.01%		0.14%	
Ongoing Operating Expenses (inc indirect fund management expenses)	925	1.10%	831	1.17%	11.3%
Average Net Asset Value	85,134		80,617		5.6%
Operating Expense Ratio (ex indirect fund management expenses)	1.09%		1.03%		
Operating Expense Ratio (inc indirect fund management expenses)	1.10%		1.17%		

Transaction costs and other one-off expenses (£000s)	Year ended 31 Mar 2024	% of Average NAV	Year ended 31 Mar 2023	% of Average NAV	% Change (YOY)
Transaction costs	197	0.23%	89	0.11%	121.3%
Performance fees		0.00%		0.00%	
Other non-recurring expenses	24	0.03%	-	0.00%	N/A
Total	221	0.26%	89	0.11%	148.3%

Service providers as at year ended 31 March 2024

AIFM	abrnd Fund Managers Limited
Investment Manager	abrnd Investments Limited
Company Secretary	abrnd Holdings Limited
Fund Accounting Services	BNP Paribas Fund Services UK Limited
Auditor	Ernst & Young LLP
Depositary & Custodian	BNP Paribas S.A. London Branch
Registrar	Equitini Limited
Corporate Broker	JPMorgan Cazenove

Summary of key commercial arrangements

The Company has appointed abrnd Fund Managers Limited ("aFML"), a wholly owned subsidiary of abrnd plc, as its alternative investment fund manager. aFML has been appointed to provide investment management, risk management, administration, company secretarial services and promotional activities to the Company. aFML has sub-delegated administrative and company secretarial services to abrnd Holdings Limited, promotional activities to abrnd Investments Limited and fund accounting services to BNP Paribas Fund Services UK Limited.

The Company's portfolio is managed by abrnd Investments Limited by way of a group delegation agreement in place between aFML and abrnd Investments Limited.

Details of the management fee and fees payable for promotional activities are shown in notes 4 and 5 to the financial statements in the annual report.

The management agreement is terminable on not less than six months' notice. In the event of termination by the Company on less than the agreed notice period, compensation is payable to the Manager in lieu of the unexpired notice period.

No performance fee.

Fee scale	% of Net Assets plus LT borrowings
£0-£100m	0.45%
>£100m	0.40%

Directors fee rates (£)	Year ended 31 Mar 2024	Year ended 31 Mar 2023	% change YoY
Chair	41,000	39,000	5.1%
Chair of Audit & Risk Committee	33,500	32,000	4.7%
Senior Independent Director	30,000	28,500	5.3%
Director	29,000	27,500	5.5%
Number of Directors	5	5	

Important Information

The Statement of Operating Expenses is designed to help investors understand the impact of operating expenses on financial performance.

Operating expenses are NOT deducted from the value of an investor's shareholding, which is derived from the share price.

The market value (share price) of all publicly traded companies reflects a wide range of factors, including the estimated impact of operating expenses on future financial performance.

The market value of an investment trust may diverge materially, both positively and negatively, from the reported net asset value.

Important information

Risk factors you should consider prior to investing:

- The value of investments, and the income from them, can go down as well as up and investors may get back less than the amount invested.
- Past performance is not a guide to future results.
- Investment in the Company may not be appropriate for investors who plan to withdraw their money within 5 years.
- The Company may borrow to finance further investment (gearing). The use of gearing is likely to lead to volatility in the Net Asset Value (NAV) meaning that any movement in the value of the company's assets will result in a magnified movement in the NAV.
- The Company may accumulate investment positions which represent more than normal trading volumes which may make it difficult to realise investments and may lead to volatility in the market price of the Company's shares.
- The Company may charge expenses to capital which may erode the capital value of the investment.
- There is no guarantee that the market price of the Company's shares will fully reflect their underlying Net Asset Value.
- As with all stock exchange investments the value of the Company's shares purchased will immediately fall by the difference between the buying and selling prices, the bid-offer spread. If trading volumes fall, the bid-offer spread can widen.
- Certain trusts may seek to invest in higher yielding securities such as bonds, which are subject to credit risk, market price risk and interest rate risk. Unlike income from a single bond, the level of income from an investment trust is not fixed and may fluctuate.
- With funds investing in bonds there is a risk that interest rate fluctuations could affect the capital value of investments. Where long term interest rates rise, the capital value of shares is likely to fall, and vice versa. In addition to the interest rate risk, bond investments are also exposed to credit risk reflecting the ability of the borrower (i.e. bond issuer) to meet its obligations (i.e. pay the interest on a bond and return the capital on the redemption date). The risk of this happening is usually higher with bonds classified as 'sub-investment grade'. These may produce a higher level of income but at a higher risk than investments in 'investment grade' bonds. In turn, this may have an adverse impact on funds that invest in such bonds.
- Yields are estimated figures and may fluctuate, there are no guarantees that future dividends will match or exceed historic dividends and certain investors may be subject to further tax on dividends.

Other important information:

An investment trust should be considered only as part of a balanced portfolio. The information contained in this document should not be considered as an offer, solicitation or investment recommendation to deal in the shares of any securities or financial instruments. It is not intended for distribution or use by any person or entity who is a citizen or resident of or located in any jurisdiction where such distribution, publication or use would be prohibited. 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. This is not an invitation to subscribe for shares and is by way of information only. Investment should only be following a review of the current Key Information Document (KID) and pre-investment disclosure document (PIDD) both of which are available on www.investortrusts.co.uk. Any data contained herein which is attributed to a third party ("Third Party Data") is the property of (a) third party supplier(s) (the "Owner") and is licensed for use by abrdn*. Third Party Data may not be copied or distributed. Third Party Data is provided "as is" and is not warranted to be accurate, complete or timely. To the extent permitted by applicable law, none of the Owner, abrdn* or any other third party (including any third party involved in providing and/or compiling Third Party Data) shall have any liability for Third Party Data or for any use made of Third Party Data. Neither the Owner nor any other third party sponsors, endorses or promotes the fund or product to which Third Party Data relates. * abrdn means the relevant member of abrdn group, being abrdn plc together with its subsidiaries, subsidiary undertakings and associated companies (whether direct or indirect) from time to time.

FTSE International Limited ('FTSE') © FTSE 2025. 'FTSE®' is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence. RAFI® is a registered trademark of Research Affiliates, LLC. All rights in the FTSE indices and/or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.

Issued by abrdn Fund Managers Limited, registered in England and Wales (740118) at 280 Bishopsgate, London, EC2M 4AG, authorised and regulated by the Financial Conduct Authority in the UK.

For more information visit abrdn.com/trusts