abrdn Real Estate Fund

March 2025

Transition

The abrdn Real Estate Fund is currently undergoing a portfolio transition to (i) reduce its holdings to approximately 45% in direct UK property , and (ii) increase its holdings to approximately 45% in indirect property. The transition commenced on 2 October2024 and is expected to be completed within 18 - 24 months. However, this timeline may vary depending on market conditions. Investors should be aware that, for a period from 2 October 2024, investments in both direct and indirect holdings in abrdn Real Estate Fund will not align with the target allocations of 45% as stated in the investment policy.

Objective

To generate income and some growth over the long term (5 years or more) by investing in property and property related investments. It is intended that the fund will be a PAIF at all times and, as such, its investment objective is to carry on property investment business and to manage cash raised for investment in the property investment business.

Performance Target: To achieve a return in excess of the following composite index over rolling five-year periods (after charges). 45% MSCI UK Monthly Property Index; 45% FTSE EPRA Nareit Developed Net Total Return Index and 10% SONIA. The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target. The ACD believes this is an appropriate target for the sub-fund based on the investment policy of the fund and the constituents of the sector.

Portfolio construction

· The fund will target an allocation of 45% investment in direct property; 45% investment in indirect property and 10% money-market instruments (including cash) which may vary as a result of factors such as market conditions. The fund will invest at least 80% of the fund's assets in property and property related investments.

· Direct property investment will be allocated to a diversified portfolio of UK Freehold and Leasehold property selected from across the retail, office, industrial and other sectors.

· Indirect investment in global (including Emerging Markets) property is achieved through listed closed ended REITs, exchange traded funds and equities (company shares) of companies engaged in property and property related activities.

· The fund may also invest in other funds (including those managed by Aberdeen), short term government bonds, money-market instruments and cash.

Management process

· In respect of the direct property component, the management team use market research and their discretion (active management) to identify investments that are expected to benefit from changes in property prices and property improvements. They will maintain a diverse asset mix at sector level.

· In respect of the indirect property component, the management team use their discretion to maintain a diverse mix at country and company level. Their primary focus is on stock selection using research techniques to select individual holdings. The research process is focused on identifying companies where the management team have a different view of a company's prospects to that of the market, and which align with their views regarding future economic and business conditions.

· Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the composite benchmark.

Dealing information	
Minimum initial Investment	
Retail shareclass	£500
Institutional shareclass	£1,000,000
Platform One shareclass	£1,000,000
Valuation point	12:00 UK Time
Settlement terms	T+3
Accounting period end dates	31 Dec (final) and 30 Jun (interim)
Ex-dividend dates	First day of each month
Payment dates	15 Feb (final) and Last day of each month. Jan no payment (interim)
Ongoing charges figure (OCF) [A]	
Retail shareclass : 1.15%	
Institutional shareclass : 0.68%	
Annual management charge (AMC)	
Retail shareclass : 1.15%	
Institutional shareclass : 0.60%	
Retail Acc Shareclass	
Sedol	BJFL152
ISIN	GB00BJFL1522
Bloomberg	BRUKPRA LN
Lipper	60098626
Retail Inc Shareclass	
Sedol	BJFL163
ISIN	GB00BJFL1639
Bloomberg	BRUKPRI LN
Lipper	60098625
Institutional Acc Shareclass	
Sedol	BJZ2TG2
ISIN	GB00BJZ2TG29
Bloomberg	IGUKPIA LN
Lipper	68151106
Institutional Inc Shareclass	
Sedol	BJZ2V33
ISIN	GB00BJZ2V336
Bloomberg	IGUKPII LN
Lipper	68151107
Performance Target/Performance Comparator	45% MSCI UK Monthly Property Index; 45% FTSE EPRA Nareit Developed Net Total Return Index and 10% SONIA
Property Fund NAV	£599,723,065
No. of direct holdings	28
No. of listed holdings	29
Fund Launch date	22 Dec 2004
Historic Distribution Yield [B]	4.49% Fund

[A] The Ongoing Charge Figure (OCF) is an estimate as at April 2022 and may vary from year to year. It excludes the cost of buying and selling assets for the fund. An estimate is used in order to provide the figure that will most likely be charged. It does not include any initial charges or the cost of buying and selling stocks for the fund. The Ongoing Charge Figure can help you compare the annual operating expenses of different funds.

[B] Historic Distribution Yield - this represents the income generated by the assets in which the fund has been invested over the last twelve months, expressed as a % of the fund's value for Institutional Acc Shareclass. Please note that this income stream may be subject to taxes and charges.

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Market Review

According to the MSCI UK Monthly Index for March, the all property total return was 0.7%, marginally up on each of January and February, and was the 8th consecutive month where capital growth has remained positive.

Looking at individual sectors, retail saw the largest total return in March at 0.9%, this is the largest total return for retail this year, however it is still down on the values from the end of 2024 where retail reached 1.3%. At the other end, offices had the lowest total return for the month at 0.4%. Despite having the lowest total return, this is the 6th month in a row that the office sector has had positive returns. In fact, all sectors recorded positive total returns on a monthly, quarterly, and annual basis.

Annual all property total returns in March were 8.5%, up from 8.1% in February. Like monthly returns, this was the result of a slight increase in capital growth. Retail saw the highest total return value at 11.4%, followed by industrial at 10.4%, whilst offices remained the sector with the lowest total returns at 2.4%. Retail has now seen 11 months of consecutive increases in total return, although the size of these increases has narrowed since the start of 2025.

The real estate focused FTSE EPRA Nareit Developed Index returned -4.71% during the month.

Fund performance

The Institutional Acc shares returned investors -0.55% over the month, 1.22% ahead of the Performance Target[A]. Over the past 5 years the Fund has returned -0.95%, 1.12% behind the Performance Target[A].

Fund management activity

Recent asset management activity in the office sector includes a letting at New Clarendon, Edinburgh, where The Mission Group have taken a 10 year lease at an initial rent of £85,185 per annum and at 1 Marsden Street, Manchester, where VS Salons have extended their lease for an additional 3 years.

In the retail sector, at Bishop Auckland Shopping Park, lease renewals with Vision Express and Costa completed, securing additional lease term of 5 and 10 years respectively.

At Avant Garde, Shoreditch, retailer Voyeur Voyeur have entered into a new 10 year lease at an initial rent of £90,000 per annum.

Outlook and Fund positioning

The macro economic backdrop continues to dominate headlines. Following a raft of global tariffs from the US, volatility is high across the equity markets. As tariffs are a developing story, likely outcomes are spread wide and thin, although there are optimistic beliefs that this could end up being accommodative for UK real estate.

Q1 was relatively quiet in terms of direct real estate as investment volumes were down 34% year-over-year. Direct performance also slowed as aforementioned economic headwinds and uncertainty prevailed. Monetary policy is still residing in restrictive territory for real estate performance, although we see pathways later this year where this could become more accommodative. Robust occupier demand and a shrinking pipeline are supportive for real estate in the meantime.

The over-arching Fund strategy remains focused on reducing risk within the property portfolio, whilst also implementing the strategy to convert to a hybrid by transitioning to a higher exposure of listed real estate. We continue to favour sectors with thematics aligned to our House View.

Discrete annual returns (%) - year ended 31/03

	2021	2022	2023	2024	2025
Fund Retail Acc shareclass	-1.44	13.06	-12.44	-4.06	0.00
Fund Institutional Acc shareclass	-1.05	13.46	-12.10	-3.73	0.37
Performance Target[A]	-1.38	10.84	-9.39	-1.37	3.23

Past performance (%)

	1m	3m	6m	1y	3y p.a.	5y p.a.
Fund Retail Acc shareclass	-0.57	0.58	-0.38	0.00	-5.64	-1.31
Fund Institutional Acc shareclass	-0.55	0.65	-0.18	0.37	-5.30	-0.95
Performance Target[A]	-1.77	0.41	0.30	3.23	-2.65	0.17

[A]Performance Target IA UK Direct Property Peer group until 02/10/2024, 45% MSCI UK Monthly Property Index; 45% FTSE EPRA Nareit Developed Net Total Return Index and 10% SONIA thereafter.
Source: Aberdeen
Past performance is not a guide to future results.

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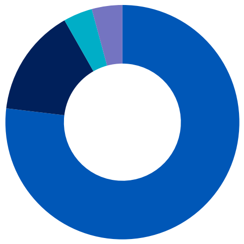
Asset allocation



*The unencumbered cash figure includes cash or cash equivalents plus any short-term assets and liabilities within the fund less any future committed capital expenditures.
Source: Aberdeen, March 2025.

Top five tenants (direct assets, consolidated)

Name	% of total income
T P Bennett LLP	6.3
British Telecommunications plc	4.0
Expro North Sea Limited	3.7
Tesco Stores Limited	2.5
TCL Manufacturing Ltd	2.5

Source: Aberdeen, March 2025

Sector analysis (direct assets)

Sector	Fund %
Retail	**14.3**
Retail Warehouses	4.6
Standard Retail - South East	2.1
Standard Retail - Rest of UK	2.3
Shopping Centres	5.3
Offices	**25.0**
Office - Rest of UK	16.8
Office - Rest of South East	8.2
Industrial	**47.9**
Industrial - South East	31.7
Industrial - Rest of UK	16.2
Other	**12.8**

Source: Aberdeen, March 2025

Important Information

The following risk factors should be carefully considered before making an investment decision:

- The value of investments and the income from them can fall and investors may get back less than the amount invested.
- The abrdn Real Estate Fund invests in assets that may at times be hard to sell. This means that there may be occasions when you experience a delay or receive less than you might otherwise expect when selling your investment. For more information on risks, see the prospectus and key investor information document.
- 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. The fund does not make extensive use of derivatives.
- Commercial property is less liquid than other asset classes such as bonds or equities. Selling property can be a lengthy process so investors in the fund should be aware that they may not be able to sell their investment when they want to.
- Commercial property transaction charges are higher than those which apply in other asset classes. Investors should be aware that a high volume of transactions would have a material impact on fund returns.
- Property valuation is a matter of judgment by an independent valuer and is therefore a matter of the valuer's opinion rather than fact.
- The fund employs a single swinging pricing methodology to protect against the dilution impact of transaction costs. Due to the high transaction charges associated with the fund's assets, a change in the pricing basis will result in a significant movement in the fund's published price.
- Equities can lose value rapidly, and typically involve higher (often significantly higher) market risks than bonds or money market instruments. If a company goes through bankruptcy or a similar financial restructuring, its equities may lose most or all of their value.
- Real estate and related investments can be hurt by any factor that makes an area or individual property less valuable. Specifically, investments in real estate holdings or related businesses or securities (including interests in mortgages) can be hurt by natural disasters, economic declines, overbuilding, zoning changes, tax increases, population or lifestyle trends, environmental contamination, defaults on mortgages, failures of management, and other factors that may affect the market value or cash flow of the investment. Many issuers of real estate related securities are highly leveraged, which can make their securities more volatile. The value of real estate-related securities does not necessarily track the value of the underlying assets.
- To the extent that the fund invests a large portion of its assets in a limited number of industries, sectors, or issuers, or within a limited geographical area, it can be more risky than a fund that invests more broadly. Focusing on any company, industry, sector, country, region, type of stock, type of economy, etc. makes the fund more sensitive to the factors that determine market value for the area of focus. These factors may include economic, financial or market conditions as well as social, political, economic, environmental or other conditions. The result can be both higher volatility and a greater risk of loss.

Important Information

To help you understand this fund and for a full explanation of risks and the overall risk profile of this fund and the share classes within it, please refer to the Key Investor Information Documents and Prospectus which are available on our website www. aberdeeninvestments.com. The Prospectus also contains a glossary of key terms used in this document.

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