



Aberdeen UK Property Fund

Monthly Factsheet October 2021

The Aberdeen UK Property Fund was launched on 4 March 2016 following a restructure of the Aberdeen Property Trust.

Discrete annual returns (%) - year ended 31/10

	2017	2018	2019	2020	2021
Property Feeder Unit Trust A Share Class	6.34	5.46	-5.57	-10.82	3.78
Property Feeder Unit Trust I Share Class	6.85	5.97	-5.21	-10.50	4.18
Performance Target	7.51	5.14	-1.30	-5.17	4.21

Past performance (%)

	1m	3m	6m	1y	3y p.a.
Property Feeder Unit Trust A Share Class	0.94	4.24	8.38	3.78	-4.39
Property Feeder Unit Trust I Share Class	0.97	4.34	8.58	4.18	-4.03
Performance Target*	0.92	2.36	4.64	4.21	-0.96

*The Peer Group includes both master and feeder funds in the IA UK Direct Property Sector.
Performance Data: Share Class A Acc and I Acc. Prior to 4 March 2016, this Fund was known as the Aberdeen Property Trust and any past performance information for the period prior to 4 March 2016 is from the Aberdeen Property Trust (a unit trust which launched on 29 October 2004).
A full list of risks applicable to this Fund can be found in the Prospectus.
www.abrdn.com/en/uk/investor/fund-centre
Source: Morningstar, Basis: unit price returns, net of charges.
Past performance is not a guide to future results.

Top five property holdings

Name	Value Range	Sector
London, 24 Minories	£50m-£75m	Other Commercial
London, 180 Stratford High Street	£50m-£75m	Other Commercial
Edinburgh, G&V	£25m-£50m	Other Commercial
Manchester, Sunlight House	£25m-£50m	Office
Beckenham, Triple Two Centre,	£25m-£50m	Industrial

Source: Knight Frank, October 2021.

Top five tenants (consolidated)

Name	% of total income
Radisson Collection Hotel Edinburgh Limited	13.59
Motel One (UK) Limited	13.45
Booking.com Transport Ltd	9.05
Manchester Airport Plc	6.55
Secretary of State for Community and Local G'mnt	4.53

Source: abrdn, October 2021.

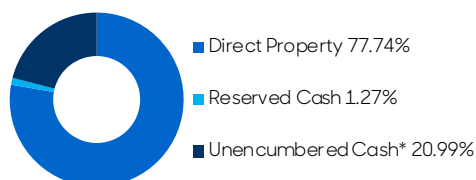
Past performance is not a guide to future results.

A The Ongoing Charge Figure (OCF) is an estimate as at 31 August 2019 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 Funds. The Ongoing Charge Figure can help you compare the annual operating expenses of different Funds.

B Current Historic 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 Share class. Please note that this income stream may be subject to taxes and charges.
Source: abrdn, October 2021.

C Breaks are assumed to be executed if the lease is over rented and the break is at the option of the tenant or mutual.

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: abrdn, October 2021.

Investment Objective: To generate income and some growth over the long term (5 years or more) by investing in UK commercial property. 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 meet the IA UK Direct Property Sector Average return (after charges) over the long term with lower volatility. 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 Company based on the investment policy of the Company and the constituents of the sector.

Portfolio Holdings: The fund will invest at least 70% in a diversified portfolio of UK freehold and leasehold commercial property selected from across the retail, office, industrial and other sectors. The fund may also invest indirectly in commercial property through investment vehicles such as quoted and unquoted property companies or funds (including those managed by Aberdeen Standard Investments). The fund may invest up to 30% in short term government bonds such as gilts, money-market instruments and cash.

Dealing information

Minimum initial investment	£500
Class A	£1,000,000
Class I	12 noon
Valuation point	T+3
Settlement terms	31 Dec (final) & 31 Mar, 30 Jun & 30 Sep (interim)
Accounting period end dates	1st of Jan, Apr, Jul & Oct
Ex-dividend dates	End of Feb, May, Aug & Nov
Payment dates	

Ongoing charges figure (OCF)^A

Property Fund Share class A: 1.35%
Property Fund Share class I: 0.90%

AMC:

Property Share class A: 1.20%
Property Share class I: 0.75%

Fund codes - A acc

Sedol	BT LX1C9
ISIN	GB00BT LX1C92
Bloomberg	ABEUAAA LN
Lipper	LP68352851

Fund codes - I acc

Sedol	BT LX1F2
ISIN	GB00BT LX1F24
Bloomberg	ABEUPIA LN
Lipper	LP68352853

Performance comparator:

Performance Target

Property Fund NAV:

£456,771.170

No. of holdings:

12

Launch date:

4 March 2016

(Note that prior to this date, this Fund was known as the Aberdeen Property Trust)

Current Historic Yield^B 1.9% (30/06/21)

Fund average unexpired lease term^C

Fund as at October 2021	8.3 years
MSCI as at September 2021	6.7 years

Source: MSCI Q3 2021.

Property vacancy rate

Fund as at October 2021	8.1%
MSCI as at September 2021	10.6%

Source: MSCI Q3 2021.

Property portfolio: regional analysis

Region	Portfolio %
Central London	19.5
Rest of London	29.0
South East	1.2
South West	0.0
Eastern	13.0
East Midlands	0.0
West Midlands	0.0
Yorks / Humber	0.0
North West	17.3
North East	0.0
Scotland	20.0
Northern Ireland	0.0
Wales	0.0

Source: abrch, Knight Frank, October 2021.

Property portfolio: sector analysis

Sector	Portfolio %
Retail	0.0
Standard retail	0.0
Shopping centres	0.0
Retail warehouses	0.0
Offices	23.5
Central London	0.0
South East	0.0
Rest UK	23.5
Industrial	24.3
South East	24.3
Rest UK	0.0
Distribution	0.0
Other	52.2

Source: abrch, Knight Frank, October 2021.

Market review

According to the MSCI UK Monthly Index, the all property total return for September (the latest data available) was 1.9%. There was no divergence from recent trends with the industrial sector continuing to drive returns (3.1%). Retail Warehousing continues to perform strongly (3.1%) however other segments with Retail in particular Shopping Centres continue to drag performance. Offices are now the weakest of the three main sectors with a one month total return of 0.5%. Overall the UK real estate market recorded the strongest capital growth of any quarter since the first quarter of 2010.

Fund performance

During October the I Acc shares returned investors 0.97% over the month, compared to the IA UK Direct Property Sector average of 0.92%. The Fund also outperforms on 3 month and 6 month periods.

Over the past 12 months the Fund has returned 4.18%.

Fund management activity

In the industrial sector, the Fund completed a new letting of Unit 14, Axis Park, Peterborough, to The Keen Angler for a 6 year term at an initial rent of £21,070 per annum (£7.00 per sq ft). Also on Axis Park, a 5 year lease renewal with Cura Seating has been agreed at £7.00 per sq ft per annum over Unit 42 extending to 3,041 sq ft.

The Fund's PRS holding at High Street, Stratford has had excellent letting success over recent months with the void rate now less than 3%.

Outlook and Fund positioning

Core themes remain largely unchanged with favourable risk-adjusted returns from assets offering long, secure income streams and indexation. Longer income assets are currently outperforming shorter income assets by a very wide margin in absolute terms and ongoing strong demand for those cash flows is expected to drive continued outperformance this year.

Retail that is skewed towards grocery, value and core bulky goods categories continues to see rising capital values. In contrast, discretionary and particularly fashion-led retail is expected to see further significant value loss, with shopping centre returns expected to be sharply negative in 2021.

The expected divergence in fortunes across the office sector necessitates a forensic examination of office portfolios. Offices that are not flexible, don't offer the amenity and connectivity tenants demand, aren't technologically-enabled and fall down on sustainability measures face a challenging future.

We continue to expect outperformance from the industrial sector particularly over the next 12 months. Investment demand shows no sign of cooling, applying ongoing downward pressure on yields.

The over-arching Fund Strategy remains unchanged and we remain focused on reducing risk within the property portfolio, whilst also retaining an enhanced exposure to liquid assets. We will continually review and implement enhancements as appropriate to best protect the interests of our customers and investors as matters evolve.

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 go down as well as up and you may get back less than the amount invested.
- The Aberdeen UK Property Feeder Unit Trust 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.
- 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, a change in the pricing basis will result in a significant movement in the fund's published price.
- A full list of risks applicable to this Fund can be found in the Prospectus.

Other important information:

The Aberdeen UK Property Fund in which the Unit Trust invests is a sub-fund of AberdeenProperty ICVC, an authorised open-ended investment company (OEIC) and qualifies as a Property Authorised Investment Fund (PAIF) for tax purposes. The Authorised Corporate Director is Aberdeen Standard Fund Managers Limited (ASFML). 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 in the Fund and is by way of information only. Subscriptions will only be received and shares issued on the basis of the current Prospectus, relevant Key Investor Information Document (KIID) and Supplementary Information Document (SID) for the Fund. These can be obtained from Aberdeen Standard Fund Managers Limited (ASFML), PO Box 12233, Chelmsford, CM99 2EE.

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