

abrdn UK Real Estate Trust

(previously Standard Life Investments UK Real Estate Trust)

Annual Long Report
For the year ended 31 December 2022

abrdn.com

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Report of the Manager

abrdrn UK Real Estate Trust (formerly Standard Life Investments UK Real Estate Trust) (the "trust") is an authorised unit trust in umbrella form and authorised by the Financial Conduct Authority with effect from 6 March 2014. Its FCA Product Reference Number is 607206. The trust is also an Alternative Investment Fund ("AIF") for the purposes of the FCA handbook.

The trust is intended to enable companies and other investors who are not eligible or able to invest directly into the abrdrn UK Real Estate Funds ICVC to do so indirectly through its fund.

Appointments

Authorised Fund Manager and Alternative Investment Fund Manager

abrdrn Fund Managers Limited

Registered office

280 Bishopsgate
London
EC2M 4AG

Correspondence address

PO Box 12233
Chelmsford
Essex
CM99 2WJ

Investment Adviser

abrdrn Investment Management Limited
1 George Street
Edinburgh
EH2 2LL

Trustee

Citibank UK Limited
Citigroup Centre
Canada Square
Canary Wharf
London
E14 5LB

Registrar

SS&C Financial Services Europe Limited
SS&C House
St Nicholas Lane
Basildon
Essex
SS16 5FS

Independent Auditor

KPMG LLP
15 Canada Square
Canary Wharf
London
E14 5GL

Report of the Manager

Continued

Valuation Advisers

CBRE Limited
Henrietta House
Henrietta Place
London
W1G 0NB

Knight Frank
55 Baker Street
London
W1U 8AN

JLL
30 Warwick Street
London
W1B 5NH

Legal Advisers

Addleshaw Goddard LLP
Milton Gate
60 Chiswell Street
London
EC1Y 4AG

CMS Cameron McKenna LLP
Cannon Place
78 Cannon Street
London
EC4N 6AF

Managing Agent

Workman LLP
101 Victoria Street
Bristol
BS1 6PU
From 1 June 2022

JLL
30 Warwick Street
London
W1B 5NH
Until 1 November 2022

Savills
Finsbury Circus House
London
EC2M 7EB
Until 1 June 2022

Report of the Manager

Continued

Keeping you informed

You can keep up to date with the performance of your investments by visiting our website abrdn.com. Alternatively, if you would rather speak to us, please call 0345 113 6966 (+44 (0) 1268 445 488 if outwith the UK) between 8:30am and 5:30pm Monday to Friday.

Developments and prospectus updates since 31 December 2021

- On 4 January 2022, Mrs. Rowan McNay was appointed as a director of Aberdeen Standard Fund Managers Limited;
- On 5 January 2022, Mrs. Claire Marshall resigned as a director of Aberdeen Standard Fund Managers Limited;
- On 24 February 2022, Mr. Adam Shanks was appointed as a director of Aberdeen Standard Fund Managers Limited;
- On 1 August 2022, the prospectus and trust deed were updated to allow the authorised fund manager to make a mandatory conversion of units to a different unit class without instruction, in accordance with applicable Financial Conduct Authority regulation. Investors will be given prior notice of any exercise of such mandatory conversion rights in accordance with applicable regulation and guidance;
- On 1 August 2022, the Trust changed its name from Standard Life Investments UK Real Estate Trust to abrdn UK Real Estate Trust. At the same time the underlying sub-fund of the Trust renamed to reflect the "abrdn" rebranding. Additionally, the Manager of the Trust changed its name from "Aberdeen Standard Fund Managers Limited" to "abrdn Fund Managers Limited". Further details and a list of the renaming can be found at <https://www.abrdn.com/en/uk/investor/fund-centre/investor-communications>;
- On 31 December 2022, Mrs. Rowan McNay resigned as a director of abrdn Fund Managers Limited;
- The list of funds managed by the Manager was updated, where appropriate;
- Performance and dilution figures were refreshed, where appropriate;
- The list of sub-custodians was refreshed, where appropriate;
- The list of eligible markets was refreshed, where appropriate;
- The list of sub-investment advisors to the funds was refreshed, where appropriate;
- The risk disclosures in relation to the funds were refreshed, where appropriate.

Assessment of Value

In 2017 the Financial Conduct Authority (FCA) published the final Asset Management Market Study. This introduced (among other reforms) new governance rules with the aim of enhancing duty of care and ensuring the industry acts in investors' best interests. The rules were outlined in the FCA policy statement PS18/8 and came into effect from 30 September 2019. As a result, abrdn Fund Managers Limited is required to perform a detailed assessment on whether our funds are "providing value to investors". The resulting findings will be published on a composite basis throughout the year, and can be found on the 'Literature' pages of our website.

Investment Report

abrdn UK Real Estate Fund

The Standard Life Investments UK Real Estate Fund was renamed the abrdn UK Real Estate Fund with effect from 1st August 2022.

Market background

2022 can be categorised as a year of two halves for UK real estate performance and activity. During the first six months of the year, performance for UK real estate was positive, with investment activity remaining robust. However, the narrative changed in the second half of the year as inflationary pressures and weakening economic sentiment weighed on activity. The Bank of England embarked on its monetary tightening cycle in order to tame inflation, resulting in a considerable repricing of UK gilts and increased financing costs for real estate, which acted as the catalyst for a broad repricing of UK real estate.

The UK real estate market recorded a total return of -10.1% in 2022 according to the MSCI Monthly Index, with the positive performance recorded in the first six months of the year being unwound during the second half of the year. In fact, UK real estate generated a positive total

return of 9.6% in H1'22, but after June there was a -5.1% fall in capital values through Q3 and an accelerated -15.6% fall in Q4, meaning the total return for the year was negative. The all-property total return of -10.1% in 2022 masks significant divergence in returns at the sector level. The UK industrial sector was the weakest performing sector, posting a total return of -14.9% over the course of 2022, whilst the office and retail sectors recorded returns of -10.1% and -3.7% respectively over the same period. Transaction volumes reached £62.8 billion over the course of the year, 16% down on 2021 but 26% ahead of 2020 levels.

Performance

The abrdn UK Real Estate Fund returned -10.43%* over the period, compared with a total return of -7.70% from the IA UK Direct Property peer group.**

The Fund underperformed the MSCI UK Daily Traded APUTs and PAIFs Quarterly Property Index (direct property benchmark) over 2022 by -0.6% recording a total return of -11.7% against a benchmark of -11.2%. The Fund has outperformed this benchmark over 3 year and 5 year periods (by 0.3% and 0.4% respectively).

Discrete annual returns (%): year ended 31/12

	1 Year to 31/12/2022 (%)	1 Year to 31/12/2021 (%)	1 Year to 31/12/2020 (%)	1 Year to 31/12/2019 (%)	1 Year to 31/12/2018 (%)
Retail Acc Fund performance	-10.74	10.39	-3.97	-1.82	4.15
Institutional Acc Fund performance	-10.39	10.80	-3.61	-1.53	4.61
Platform 1 Acc	-10.43	10.78	-3.71	-1.46	4.57
Platform 1 Inc	-10.17	10.81	-3.68	-1.44	4.56
IA UK Direct property (sector average)**	-7.70	9.40	-2.70	0.05	3.28

Annualised returns (%) - to 31/12/2022

	3 Months (%)	6 Months (%)	1 Year (%)	3 Years (%pa)	5 Years (%pa)
Retail Acc Fund performance	-11.62	-16.38	-10.74	-1.83	-0.66
Institutional Acc Fund performance	-11.54	-16.20	-10.39	-1.46	-0.29
Platform 1 Acc	-11.55	-16.21	-10.43	-1.51	-0.31
Platform 1 Inc	-11.56	-16.22	-10.17	-1.40	-0.24
IA UK Direct property (sector average)**	-9.52	-12.45	-7.70	-0.68	0.13

* Platform 1 Acc Share Class

** The peer group includes both master and feeder funds in the IA UK Direct Property Sector.

Investment Report

Continued

Investment activity

The Fund disposed of 7 assets during the reporting period, generating £188.3 million. In line with Fund strategy, asset sales from the retail and office sectors were predominantly to reduce risk (particularly around capital expenditure), and sales from the industrial sector to crystallise performance ('profit taking') while maintaining an enhanced liquidity position, which stood at 20.2% as at 31 December 2022.

Focussing on income, successful asset management initiatives completed, including the following examples during the second half of the year:

In the industrial sector activity included six transactions at Axis Park, Peterborough, where new leases were entered into with XL Displays, C J Kelly International and Einsa letting a combined 15,960 sq ft; Steinel UK regeared for an additional 10 years on their 9,995 sq ft unit at an initial rent of £60,000 per annum; a rent review completed with Industrial Cleaning, generating a reviewed rent of £63,600 per annum (an uplift of 41%) and Diligenta entered a reversionary lease securing an additional 5 years of term at a rent of £65,000 per annum (an uplift of 44%). At The Triple Two Centre, Beckenham, Magnet extended their lease for an additional 5 years at a rent of £113,100 per annum (an uplift of 40%); a rent review completed with Access Self Storage settling at a rent of £450,000 per annum (an uplift of 27%) and a rent review with City Plumbing Supplies completed securing a revised rent of £134,963 per annum, an uplift of 38%. At Ascent Park, Harlow, a rent review with Screwfix secured a reviewed rent of £141,540 per annum (an uplift of 27%) and, finally, at Brooklands Close, Sunbury, a rent review with Kingston Digital resulted in a reviewed rent of £155,000 per annum (an uplift of 38%).

In the retail sector asset management activity included a letting at Bligh's Meadow, Sevenoaks, with Joe & The Juice completing a new lease securing a 10 year term at an initial rent of £62,500 per annum and Pets Corner entering in to a new lease at an initial rent of £40,000 per annum for a term of 7.5 years.

In the office sector a rent review with Calvin Capital at 1 Marsden St, Manchester, secured a reviewed rent of £197,500 per annum (an uplift of 12%).

Outlook and future strategy

As a result of the magnitude and speed of correction we have seen over H2 2022 in sectors including supermarkets, industrial & logistics, and long income more generally, we believe that the market pricing for these areas of UK real estate will find a floor much quicker than we have seen in previous cycles. As such, our outlook, and forecasts

for these areas of the market have improved materially, given the level of correction these sectors experienced in the second half of 2022.

Looking forward and despite the poor performance in 2022, the outlook is positive for the industrial sector and particularly for better quality assets in strong locations, as both occupiers and investors narrow their focus on best in class assets. The size and speed of value correction in 2022 means the sector now looks better value relative to other real estate sectors and indeed, other asset classes. The sector continues to benefit from structural tailwinds and a positive supply/demand dynamic, with the UK wide vacancy rate remaining near historic lows and new supply levels likely to remain muted due to increasing development costs.

The office sector continues to face real structural headwinds as working habits remain altered following the Covid-19 pandemic. The bifurcation between best in class and secondary office space is acutely evident, becoming even more entrenched during 2022. Secondary office accommodation is at risk of obsolescence and asset stranding, while the capital requirements to ensure assets meet minimum ESG credentials is prohibitive to positive returns within the sector at present. The office sector did not reprice as much as a number of other UK commercial real estate sectors in 2022, predominantly due to limited transactional evidence. However, we expect further pricing discovery to emerge over the course of 2023 and for secondary accommodation. Supply of truly best in class office space remains extremely limited across the UK which will provide more support for pricing and tenant demand.

Performance within the retail sector is expected to remain highly polarised in 2023. Consumer spending habits will be driven by consumer cost considerations and as such, non-discretionary led retailing is expected to be best placed in this regard. Following a period of repricing in 2022, the retail warehouse sector is garnering more interest from investors, particularly for food anchored schemes with a discount orientated line-up which will be more insulated from any slowdown in consumer spending. Equally, the supermarket sector now looks attractive following a broad re-pricing last year, but the sector will not be immune to increasingly price sensitive consumers, with supermarket operators adapting to changes in consumer behaviour. A divergence in performance between the supermarket operators is already evident and as such, a focus on the quality of the underlying real estate will remain crucial.

The over-arching Fund strategy remains unchanged and we remain focused on reducing risk and protecting income profiles within the portfolio, whilst also targeting an enhanced exposure to liquid assets. We have selectively

Investment Report

Continued

reduced our exposure to assets which we have concerns over being 'future-fit' and associated capital outlay. In addition, we continue to ensure ESG credentials are robust to defend against further value erosion and to be well positioned to capture the full strength of the recovery. We will continually review and implement enhancements as appropriate to best protect the interests of our investors as matters evolve.

23rd February 2023

Statement of Manager's Responsibilities

The Collective Investment Schemes sourcebook published by the FCA, ("the COLL Rules") require the Manager to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the trust and of the net income and net gains or losses on the property of the trust for the period.

In preparing the financial statements the Manager is responsible for:

- selecting suitable accounting policies and then apply them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- complying with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the trust or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

The Manager is responsible for the management of the trust in accordance with its Trust Deed, the Prospectus and the COLL Rules.

The Manager is responsible for the maintenance and integrity of the corporate and financial information included on its website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Manager's Statement

In accordance with the requirements of the COLL Rules as issued and amended by the Financial Conduct Authority, we hereby certify the report on behalf of abrdn Fund Managers Limited.



Aron Mitchell
Director
30 March 2023



Denise Thomas
Director
30 March 2023

Statement of the Trustee's Responsibilities in Respect of the Scheme and Report of the Trustee to the Unitholders of the abrdn UK Real Estate Trust ("the fund") for the year ended 31 December 2022

The Trustee is responsible for the safekeeping of all property of the fund which is entrusted to it and ensuring proper registration of tangible moveable property, and for the collection of income arising from all such scheme property.

It is the duty of the Trustee to take reasonable care to ensure that the fund is managed and operated in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("the Sourcebook"), the Financial Services and Markets Act 2000, as amended, and the Trust Deed and the Prospectus of the fund, concerning: the pricing of and dealing in fund Units; the application of income of the scheme; and the Trust investment portfolio and borrowing activities.

Having carried out procedures and enquiries considered duly necessary to discharge our responsibilities as Trustee of the scheme, based on information and explanations provided to us, we believe that, in all material respects, the Manager:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the scheme's units and the application of the scheme's income in accordance with the Sourcebook, the Trust Deed and Prospectus;
- (ii) has observed the investment and borrowing powers and restrictions applicable to the scheme; and
- (iii) has, otherwise, ensured the proper operation of the fund.



Citibank UK Limited

30 March 2023

Independent Auditor's Report to the Unitholders of abrdn UK Real Estate Trust (the 'Trust')

Opinion

We have audited the financial statements of the Trust for the year ended 31 December 2022 which comprise the Statements of Total Return, the Statements of Changes in Net Assets Attributable to Unitholders, the Balance Sheet, the Related Notes and Distribution Tables for the Trust and the accounting policies set out on pages 33 to 34.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, of the financial position of the Trust as at 31 December 2022 and of the net revenue and the net capital losses on the property of the Trust for the year then ended; and
- have been properly prepared in accordance with the Trust Deed, the Statement of Recommended Practice relating to Authorised Funds, and the COLL Rules.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Trust in accordance with, UK ethical requirements including the FRC Ethical Standard.

We have received all the information and explanations which we consider necessary for the purposes of our audit and we believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Manager has prepared the financial statements on the going concern basis as they do not intend to liquidate the Trust's or to cease their operations, and as they have concluded that the Trust financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Manager's conclusions, we considered the inherent risks to the Trust's business model and analysed how those risks might affect the Trust's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Manager's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Trust will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the fund's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Assessing the segregation of duties in place between the Manager, the Trustee, the Administrator and the Investment Adviser;
- Reading board minutes.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the revenue is principally non-judgemental and based on publicly available information, with limited opportunity for manipulation. We did not identify any additional fraud risks.

We evaluated the design and implementation of the controls over journal entries and other adjustments and made inquiries of the Administrator about inappropriate or unusual activity relating to the processing of journal

Independent Auditor's Report to the Unitholders of abrdn UK Real Estate Trust (the 'Trust')

Continued

entries and other adjustments. We identified and selected a sample of journal entries made at the end of the reporting period and tested those substantively including all material post-closing entries. Based on the results of our risk assessment procedures and understanding of the process, including the segregation of duties between the Directors and the Administrator, no further high-risk journal entries or other adjustments were identified.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Manager and the Administrator (as required by auditing standards) and discussed with the Directors the policies and procedures regarding compliance with laws and regulations.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the fund is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related authorised fund legislation maintained by the Financial Conduct Authority) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the fund is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: money laundering, data protection and bribery and corruption legislation recognising the fund's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and the Administrator and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement.

We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The Manager is responsible for the other information, which comprises the Report of the Manager, Investment Report, Statement of Manager's Responsibilities, Manager's Statement, Statement of Trustee's Responsibilities and Trustee's Report to Unitholders, Comparative Tables, Portfolio Statement, Remuneration, Risk Management Function and Further Information, presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information; and
- in our opinion the information given in the Manager's Report for the financial year is consistent with the financial statements.

Independent Auditor's Report to the Unitholders of abrdn UK Real Estate Trust (the 'Trust')

Continued

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where under the COLL Rules we are required to report to you if, in our opinion:

- proper accounting records for the Trust have not been kept; or
- the financial statements are not in agreement with the accounting records.

Manager's responsibilities

As explained more fully in their statement set out on page 9, the Manager is responsible for: the preparation of financial statements that give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Trust's unitholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook ('the COLL Rules') issued by the Financial Conduct Authority under section 247 of the Financial Services and Markets Act 2000. Our audit work has been undertaken so that we might state to the Trust's unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.



Matthew Williams

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL
30 March 2023

abrdrn UK Real Estate Feeder Fund

For the year ended 31 December 2022

Investment Objective

To generate income and some growth over the long term (5 years or more) by investing all or substantially all of its capital in the abrdrn UK Real Estate Fund. To the extent the fund is not fully invested it will hold its remaining assets in money-market instruments including cash.

The returns of this fund are not expected to be materially different than the returns of abrdrn UK Real Estate Fund.

The objective of the abrdrn UK Real Estate Fund is 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 of abrdrn UK Real Estate Fund: To exceed the return of the IA UK Direct Property Sector Average (after charges) over rolling three year periods. 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 Authorised Corporate Director ('ACD') of the abrdrn UK Real Estate Fund believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the sector.

Investment Policy

Portfolio Securities

- 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 abrdrn).
- The fund may also invest in short term government bonds such as gilts, money market instruments and cash.

Management Process

- 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 seeking to achieve the Performance Target, the MSCI UK Daily Traded APUTs and PAIFs in the UK Quarterly

Universe Property Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. Due to the fund's risk constraints, the intention is that the fund's performance profile will not deviate significantly from that of the MSCI UK Daily Traded APUTs and PAIFs in the UK Quarterly Universe Property Index over the longer term.

Please note: Selling property can be a lengthy process so investors in the fund should be aware that, in certain circumstances, they may not be able to sell their investment when they want to.

Derivatives and Techniques

- The fund is not expected to invest in derivatives directly however the abrdrn UK Real Estate Fund may use derivatives as set out below.
- Where derivatives are used, this would typically be to maintain allocations following a significant inflow into the fund.

Risk profile

Investors should be aware of the following risk factors:

- 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.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.

Inflation reduces the buying power of your investment and income.

The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.

abrdn UK Real Estate Feeder Fund

Continued

The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.

In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.

The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

Comparative Tables

Retail accumulation	2022 pence per unit	2021 pence per unit	2020 pence per unit
Change in net assets per unit			
Opening net asset value per unit	165.63	149.98	156.16
Return before operating charges*	(14.92)	18.52	(3.65)
Operating charges	(2.18)	(2.07)	(2.00)
Property charges	(0.62)	(0.80)	(0.53)
Return after operating charges*	(17.72)	15.65	(6.18)
Distributions	(5.65)	(4.78)	(4.84)
Retained distributions on accumulation units	5.65	4.78	4.84
Closing net asset value per unit	147.91	165.63	149.98
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(10.70%)	10.43%	(3.96%)
Other information			
Closing net asset value (£'000)	142,917	174,274	64,307
Closing number of units	96,626,650	105,217,207	42,876,059
Operating charges	1.30%	1.33%	1.33%
Property expense ratio	0.37%	0.51%	0.35%
Real estate expense ratio	1.67%	1.84%	1.68%
Direct transaction costs	-	-	-
Prices			
Highest unit price	177.2	163.7	156.6
Lowest unit price	147.8	148.4	147.9

The closing net asset value (£'000) divided by the closing number of units may not calculate to the closing net asset value per unit (p) due to rounding differences. The published closing net asset value per unit (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the unit class.

Property expenses are separate from fund operating charges. They represent the costs associated with property assets and are incurred in the abrdn UK Real Estate Fund.

Highest and Lowest prices are based on official published daily NAVs.

Comparative Tables

Continued

	2022	2021
	pence per unit	pence per unit
Retail income^A		
Change in net assets per unit		
Opening net asset value per unit	89.99	85.88 ^B
Return before operating charges*	(7.80)	5.28
Operating charges	(1.17)	(0.31)
Property charges	(0.33)	(0.12)
Return after operating charges*	(9.30)	4.85
Distributions	(3.02)	(0.74)
Closing net asset value per unit	77.67	89.99
* after direct transaction costs of:	-	-
Performance		
Return after charges	(10.33%)	5.65%
Other information		
Closing net asset value (£'000)	155,496	192,269
Closing number of units	200,204,543	213,648,863
Operating charges	1.30%	1.33%
Property expense ratio	0.37%	0.51%
Real estate expense ratio	1.67%	1.84%
Direct transaction costs	-	-
Prices		
Highest unit price	94.65	88.97
Lowest unit price	77.75	85.95

The closing net asset value (£'000) divided by the closing number of units may not calculate to the closing net asset value per unit (p) due to rounding differences. The published closing net asset value per unit (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the unit class.

Property expenses are separate from fund operating charges. They represent the costs associated with property assets and are incurred in the abrdn UK Real Estate Fund. Highest and Lowest prices are based on official published daily NAVs.

^A Retail income share class was launched on 27 September 2021.

^B The opening net asset value stated is the share class launch price.

Comparative Tables

Continued

	2022	2021	2020
Institutional accumulation	pence per unit	pence per unit	pence per unit
Change in net assets per unit			
Opening net asset value per unit	145.92	131.65	136.55
Return before operating charges*	(13.34)	16.13	(3.30)
Operating charges	(1.22)	(1.17)	(1.14)
Property charges	(0.55)	(0.69)	(0.46)
Return after operating charges*	(15.11)	14.27	(4.90)
Distributions	(4.86)	(4.08)	(4.11)
Retained distributions on accumulation units	4.86	4.08	4.11
Closing net asset value per unit	130.81	145.92	131.65
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(10.35%)	10.84%	(3.59%)
Other information			
Closing net asset value (£'000)	366,219	510,967	581,778
Closing number of units	279,969,747	350,168,356	441,918,084
Operating charges	0.83%	0.86%	0.86%
Property expense ratio	0.37%	0.51%	0.35%
Real estate expense ratio	1.20%	1.37%	1.21%
Direct transaction costs	-	-	-
Prices			
Highest unit price	156.4	144.3	137.0
Lowest unit price	130.7	130.2	129.6

The closing net asset value (£'000) divided by the closing number of units may not calculate to the closing net asset value per unit (p) due to rounding differences. The published closing net asset value per unit (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the unit class.

Property expenses are separate from fund operating charges. They represent the costs associated with property assets and are incurred in the abrdn UK Real Estate Fund. Highest and Lowest prices are based on official published daily NAVs.

Comparative Tables

Continued

	2022	2021
	pence per unit	pence per unit
Institutional income^A		
Change in net assets per unit		
Opening net asset value per unit	106.79	101.71 ^B
Return before operating charges*	(9.36)	6.31
Operating charges	(0.88)	(0.24)
Property charges	(0.40)	(0.14)
Return after operating charges*	(10.64)	5.93
Distributions	(3.56)	(0.85)
Closing net asset value per unit	92.59	106.79
* after direct transaction costs of:	-	-
Performance		
Return after charges	(9.96%)	5.83%
Other information		
Closing net asset value (£'000)	38,320	80,397
Closing number of units	41,387,670	75,288,601
Operating charges	0.83%	0.86%
Property expense ratio	0.37%	0.51%
Real estate expense ratio	1.20%	1.37%
Direct transaction costs	-	-
Prices		
Highest unit price	112.6	105.6
Lowest unit price	92.68	101.9

The closing net asset value (£'000) divided by the closing number of units may not calculate to the closing net asset value per unit (p) due to rounding differences. The published closing net asset value per unit (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the unit class.

Property expenses are separate from fund operating charges. They represent the costs associated with property assets and are incurred in the abrdn UK Real Estate Fund. Highest and Lowest prices are based on official published daily NAVs.

^A Institutional income share class was launched on 27 September 2021.

^B The opening net asset value stated is the share class launch price.

Comparative Tables

Continued

ZC accumulation	2022 pence per unit	2021 pence per unit	2020 pence per unit
Change in net assets per unit			
Opening net asset value per unit	60.29	54.07	55.75
Return before operating charges*	(5.65)	6.57	(1.43)
Operating charges	(0.04)	(0.06)	(0.06)
Property charges	(0.23)	(0.29)	(0.19)
Return after operating charges*	(5.92)	6.22	(1.68)
Distributions	(1.92)	(1.59)	(1.60)
Retained distributions on accumulation units	1.92	1.59	1.60
Closing net asset value per unit	54.37	60.29	54.07
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(9.82%)	11.50%	(3.01%)
Other information			
Closing net asset value (£'000)	20,290	13,789	9,816
Closing number of units	37,316,465	22,870,833	18,155,408
Operating charges	0.08%	0.11%	0.11%
Property expense ratio	0.37%	0.51%	0.35%
Real estate expense ratio	0.45%	0.62%	0.46%
Direct transaction costs	-	-	-
Prices			
Highest unit price	64.81	59.61	56.02
Lowest unit price	54.33	53.49	53.11

The closing net asset value (£'000) divided by the closing number of units may not calculate to the closing net asset value per unit (p) due to rounding differences. The published closing net asset value per unit (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the unit class.

Property expenses are separate from fund operating charges. They represent the costs associated with property assets and are incurred in the abrdn UK Real Estate Fund.

Highest and Lowest prices are based on official published daily NAVs.

Comparative Tables

Continued

ZA income ^A	2022 pence per unit	2021 pence per unit
Change in net assets per unit		
Opening net asset value per unit	50.73	48.13 ^B
Return before operating charges*	(4.59)	3.05
Operating charges	(0.03)	-
Property charges	(0.19)	(0.07)
Return after operating charges*	(4.81)	2.98
Distributions	(1.58)	(0.38)
Closing net asset value per unit	44.34	50.73
* after direct transaction costs of:	-	-
Performance		
Return after charges	(9.48%)	6.19%
Other information		
Closing net asset value (£'000)	3	3
Closing number of units	6,134	6,134
Operating charges	0.08%	0.03%
Property expense ratio	0.37%	0.51%
Real estate expense ratio	0.45%	0.54%
Direct transaction costs	-	-
Prices		
Highest unit price	53.69	50.15
Lowest unit price	44.38	48.29

The closing net asset value (£'000) divided by the closing number of units may not calculate to the closing net asset value per unit (p) due to rounding differences. The published closing net asset value per unit (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the unit class.

Property expenses are separate from fund operating charges. They represent the costs associated with property assets and are incurred in the abrdn UK Real Estate Fund.

Highest and Lowest prices are based on official published daily NAVs.

^A ZA Income share class was launched on 27 September 2021.

^B The opening net asset value stated is the share class launch price.

Comparative Tables

Continued

ZB accumulation	2022 pence per unit	2021 pence per unit	2020 pence per unit
Change in net assets per unit			
Opening net asset value per unit	60.50	54.22	55.87
Return before operating charges*	(5.67)	6.58	(1.44)
Operating charges	-	(0.02)	(0.02)
Property charges	(0.23)	(0.28)	(0.19)
Return after operating charges*	(5.90)	6.28	(1.65)
Distributions	(1.91)	(1.59)	(1.60)
Retained distributions on accumulation units	1.91	1.59	1.60
Closing net asset value per unit	54.60	60.50	54.22
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(9.75%)	11.58%	(2.95%)
Other information			
Closing net asset value (£'000)	139,138	167,503	169,310
Closing number of units	254,833,428	276,858,513	312,261,861
Operating charges	-	0.03%	0.03%
Property expense ratio	0.37%	0.51%	0.35%
Real estate expense ratio	0.37%	0.54%	0.38%
Direct transaction costs	-	-	-
Prices			
Highest unit price	65.06	59.81	56.15
Lowest unit price	54.56	53.64	53.25

The closing net asset value (£'000) divided by the closing number of units may not calculate to the closing net asset value per unit (p) due to rounding differences. The published closing net asset value per unit (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the unit class.

Property expenses are separate from fund operating charges. They represent the costs associated with property assets and are incurred in the abrdn UK Real Estate Fund.

Highest and Lowest prices are based on official published daily NAVs.

Comparative Tables

Continued

Platform 1 accumulation	2022	2021	2020
	pence per unit	pence per unit	pence per unit
Change in net assets per unit			
Opening net asset value per unit	58.10	52.44	54.42
Return before operating charges*	(5.30)	6.43	(1.32)
Operating charges	(0.52)	(0.49)	(0.48)
Property charges	(0.22)	(0.28)	(0.18)
Return after operating charges*	(6.04)	5.66	(1.98)
Distributions	(1.94)	(1.63)	(1.65)
Retained distributions on accumulation units	1.94	1.63	1.65
Closing net asset value per unit	52.06	58.10	52.44
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(10.40%)	10.79%	(3.64%)
Other information			
Closing net asset value (£'000)	24,908	35,822	66,430
Closing number of units	47,843,313	61,652,425	126,678,834
Operating charges	0.88%	0.91%	0.91%
Property expense ratio	0.37%	0.51%	0.35%
Real estate expense ratio	1.25%	1.42%	1.26%
Direct transaction costs	-	-	-
Prices			
Highest unit price	62.25	57.44	54.60
Lowest unit price	52.02	51.87	51.64

The closing net asset value (£'000) divided by the closing number of units may not calculate to the closing net asset value per unit (p) due to rounding differences. The published closing net asset value per unit (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

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Highest and Lowest prices are based on official published daily NAVs.

Comparative Tables

Continued

Platform 1 income ^A	2022 pence per unit	2021 pence per unit
Change in net assets per unit		
Opening net asset value per unit	48.20	45.91 ^B
Return before operating charges*	(4.24)	2.86
Operating charges	(0.42)	(0.12)
Property charges	(0.18)	(0.06)
Return after operating charges*	(4.84)	2.68
Distributions	(1.60)	(0.39)
Closing net asset value per unit	41.76	48.20
* after direct transaction costs of:	-	-
Performance		
Return after charges	(10.04%)	5.84%
Other information		
Closing net asset value (£'000)	5,102	7,597
Closing number of units	12,215,542	15,763,374
Operating charges	0.88%	0.91%
Property expense ratio	0.37%	0.51%
Real estate expense ratio	1.25%	1.42%
Direct transaction costs	-	-
Prices		
Highest unit price	50.79	47.65
Lowest unit price	41.81	45.98

The closing net asset value (£'000) divided by the closing number of units may not calculate to the closing net asset value per unit (p) due to rounding differences. The published closing net asset value per unit (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the unit class.

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^A Platform 1 income share class was launched on 27 September 2021.

^B The opening net asset value stated is the share class launch price.

Comparative Tables

Continued

Institutional S accumulation	2022 pence per unit	2021 pence per unit	2020 pence per unit
Change in net assets per unit			
Opening net asset value per unit	59.60	53.71	55.64
Return before operating charges*	(5.46)	6.56	(1.36)
Operating charges	(0.41)	(0.39)	(0.38)
Property charges	(0.23)	(0.28)	(0.19)
Return after operating charges*	(6.10)	5.89	(1.93)
Distributions	(1.97)	(1.65)	(1.66)
Retained distributions on accumulation units	1.97	1.65	1.66
Closing net asset value per unit	53.50	59.60	53.71
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	(10.23%)	10.97%	(3.47%)
Other information			
Closing net asset value (£'000)	1,589	3,608	9,803
Closing number of units	2,970,969	6,053,181	18,251,135
Operating charges	0.68%	0.71%	0.71%
Property expense ratio	0.37%	0.51%	0.35%
Real estate expense ratio	1.05%	1.22%	1.06%
Direct transaction costs	-	-	-
Prices			
Highest unit price	63.91	58.92	55.85
Lowest unit price	53.46	53.13	52.86

The closing net asset value (£'000) divided by the closing number of units may not calculate to the closing net asset value per unit (p) due to rounding differences. The published closing net asset value per unit (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the unit class.

Property expenses are separate from fund operating charges. They represent the costs associated with property assets and are incurred in the abrdn UK Real Estate Fund. Highest and Lowest prices are based on official published daily NAVs.

Comparative Tables

Continued

Institutional S income ^A	2022 pence per unit	2021 pence per unit
Change in net assets per unit		
Opening net asset value per unit	50.85	48.39 ^B
Return before operating charges*	(4.50)	3.02
Operating charges	(0.35)	(0.09)
Property charges	(0.19)	(0.07)
Return after operating charges*	(5.04)	2.86
Distributions	(1.60)	(0.40)
Closing net asset value per unit	44.21	50.85
* after direct transaction costs of:	-	-
Performance		
Return after charges	(9.91%)	5.91%
Other information		
Closing net asset value (£'000)	32,489	99,947
Closing number of units	73,490,233	196,542,697
Operating charges	0.68%	0.71%
Property expense ratio	0.37%	0.51%
Real estate expense ratio	1.05%	1.22%
Direct transaction costs	-	-
Prices		
Highest unit price	53.71	50.27
Lowest unit price	44.25	48.49

The closing net asset value (£'000) divided by the closing number of units may not calculate to the closing net asset value per unit (p) due to rounding differences. The published closing net asset value per unit (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the unit class.

Property expenses are separate from fund operating charges. They represent the costs associated with property assets and are incurred in the abrdn UK Real Estate Fund. Highest and Lowest prices are based on official published daily NAVs.

^A Institutional S income share class was launched on 27 September 2021.

^B The opening net asset value stated is the share class launch price.

Comparative Tables

Continued

J accumulation ^A	2022 pence per unit	2021 pence per unit
Change in net assets per unit		
Opening net asset value per unit	131.01	128.5 ^B
Return before operating charges*	(11.99)	2.67
Operating charges	(1.00)	(0.10)
Property charges	(0.50)	(0.06)
Return after operating charges*	(13.49)	2.51
Distributions	(4.38)	(0.43)
Retained distributions on accumulation units	4.38	0.43
Closing net asset value per unit	117.52	131.01
* after direct transaction costs of:	-	-
Performance		
Return after charges	(10.30%)	1.95%
Other information		
Closing net asset value (£'000)	5,260	10,703
Closing number of units	4,475,763	8,169,750
Operating charges	0.75%	0.78%
Property expense ratio	0.37%	0.51%
Real estate expense ratio	1.12%	1.29%
Direct transaction costs	-	-
Prices		
Highest unit price	140.4	129.5
Lowest unit price	117.4	127.0

The closing net asset value (£'000) divided by the closing number of units may not calculate to the closing net asset value per unit (p) due to rounding differences. The published closing net asset value per unit (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the unit class.

Property expenses are separate from fund operating charges. They represent the costs associated with property assets and are incurred in the abrdn UK Real Estate Fund.

Highest and Lowest prices are based on official published daily NAVs.

^A J Accumulation share class was launched on 26 November 2021.

^B The opening net asset value stated is the share class launch price.

Comparative Tables

Continued

J income ^A	2022 pence per unit	2021 pence per unit
Change in net assets per unit		
Opening net asset value per unit	100.50	98.91 ^B
Return before operating charges*	(8.91)	2.05
Operating charges	(0.76)	(0.08)
Property charges	(0.37)	(0.05)
Return after operating charges*	(10.04)	1.92
Distributions	(3.23)	(0.33)
Closing net asset value per unit	87.23	100.50
* after direct transaction costs of:	-	-
Performance		
Return after charges	(9.99%)	1.94%
Other information		
Closing net asset value (£'000)	9,827	21,537
Closing number of units	11,265,942	21,429,030
Operating charges	0.75%	0.78%
Property expense ratio	0.37%	0.51%
Real estate expense ratio	1.12%	1.29%
Direct transaction costs	-	-
Prices		
Highest unit price	106.0	99.36
Lowest unit price	87.31	97.73

The closing net asset value (£'000) divided by the closing number of units may not calculate to the closing net asset value per unit (p) due to rounding differences. The published closing net asset value per unit (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV. Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the unit class.

Property expenses are separate from fund operating charges. They represent the costs associated with property assets and are incurred in the abrdn UK Real Estate Fund.

Highest and Lowest prices are based on official published daily NAVs.

^AJ Income share class was launched on 26 November 2021.

^BThe opening net asset value stated is the share class launch price.

Comparative Tables

Continued

Z accumulation ^A	2022 pence per unit	2021 pence per unit
Change in net assets per unit		
Opening net asset value per unit	138.25	135.53 ^B
Return before operating charges*	(12.95)	2.80
Operating charges	(0.12)	(0.01)
Property charges	(0.51)	(0.07)
Return after operating charges*	(13.58)	2.72
Distributions	(4.36)	(0.44)
Retained distributions on accumulation units	4.36	0.44
Closing net asset value per unit	124.67	138.25
* after direct transaction costs of:	-	-
Performance		
Return after charges	(9.82%)	2.01%
Other information		
Closing net asset value (£'000)	271	1,014
Closing number of units	217,040	733,256
Operating charges	0.08%	0.11%
Property expense ratio	0.37%	0.51%
Real estate expense ratio	0.45%	0.62%
Direct transaction costs	-	-
Prices		
Highest unit price	148.6	136.7
Lowest unit price	124.6	133.9

The closing net asset value (£'000) divided by the closing number of units may not calculate to the closing net asset value per unit (p) due to rounding differences. The published closing net asset value per unit (p) is based on unrounded values and represents the actual price.

The return after charges figures are based on the accounting NAV, as the financial statements are produced at a valuation point that is different from the published daily NAV.

Operating charges are expenses associated with the maintenance and administration of the fund on a day to day basis that are actually borne by the unit class.

Property expenses are separate from fund operating charges. They represent the costs associated with property assets and are incurred in the abrdn UK Real Estate Fund.

Highest and Lowest prices are based on official published daily NAVs.

^A Z Accumulation share class was launched on 26 November 2021.

^B The opening net asset value stated is the share class launch price.

Portfolio Statement

As at 31 December 2022

Holding	Investment	Market value £'000	Percentage of total net assets
Collective Investment Schemes (100.13%)		943,640	100.19
751,571,056	abrdrn UK Real Estate Fund Feeder Accumulation+	943,640	100.19
Total investment assets		943,640	100.19
Net other liabilities		(1,811)	(0.19)
Total Net Assets		941,829	100.00

The investment is in a regulated collective investment scheme within the meaning of the FCA rules.
The percentage figures in brackets show the comparative holding as at 31 December 2021.
+Managed by subsidiaries of abrdrn plc.

Financial Statements

Statement of Total Return

For the year ended 31 December 2022

	Notes	2022		2021	
		£'000	£'000	£'000	£'000
Income:					
Net capital (losses)/gains	2		(138,212)		70,080
Revenue	3	43,348		29,869	
Expenses	4	(9,805)		(6,201)	
Interest payable and similar charges		(3)		(1)	
Net revenue before taxation		33,540		23,667	
Taxation	5	(4,789)		(4,167)	
Net revenue after taxation			28,751		19,500
Total return before distributions			(109,461)		89,580
Distributions	6		(38,581)		(25,698)
Change in net assets attributable to unitholders from investment activities			(148,042)		63,882

Statement of Change in Net Assets Attributable to Unitholders

For the year ended 31 December 2022

	2022		2021	
	£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders		1,319,430		901,444
Amounts receivable on the issue of units	70,479		67,017	
Amounts receivable on merger of Standard Life UK Real Estate Income Feeder	-		264,422	
Amounts receivable on merger of Aberdeen Property Feeder Fund	-		348,876	
Amounts payable on the cancellation of units	(330,657)		(352,418)	
		(260,178)		327,897
Dilution adjustment		3,001		3,542
Change in net assets attributable to unitholders from investment activities (see above)		(148,042)		63,882
Retained distribution on accumulation units		27,618		22,665
Closing net assets attributable to unitholders		941,829		1,319,430

Financial Statements

Continued

Balance Sheet

As at 31 December 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment assets			943,640		1,321,137
Current assets:					
Debtors	7	2,528		14,075	
			2,528		14,075
Total assets			946,168		1,335,212
Current Liabilities:					
Bank overdrafts		(1,370)		(297)	
Creditors	8	(2,130)		(14,325)	
Distribution payable		(839)		(1,160)	
			(4,339)		(15,782)
Total liabilities			(4,339)		(15,782)
Net assets attributable to unitholders			941,829		1,319,430

Notes to the Financial Statements

abrdn UK Real Estate Trust (formerly Standard Life Investments UK Real Estate Trust) (the "trust") is an authorised unit trust in umbrella form and authorised by the Financial Conduct Authority with effect from 6 March 2014. Its FCA Product Reference Number is 607206.

1 Accounting Policies

a. Basis of preparation

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice (SORP) for Financial Statements of Authorised Funds issued by the Investment Management Association in May 2014 (IMA SORP 2014), FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("COLL") and the Trust Deed.

The Manager has undertaken a detailed assessment, and continues to monitor, the fund's ability to meet its liabilities as they fall due, including liquidity, declines in global capital markets and investor redemption levels. Based on this assessment, the fund continues to be open for trading and the Manager is satisfied the fund has adequate financial resources to continue in operation for at least 12 months and accordingly it is appropriate to adopt the going concern basis in preparing the financial statements.

b. Valuation of investments

The abrdn UK Real Estate Feeder Fund invests all or substantially all of its capital in the feeder accumulation units of the abrdn UK Real Estate Fund (the "PAIF"). Investments in the PAIF reflect the underlying value of the respective feeder classes NAV shown in the Comparative tables of the PAIF's financial statements for the year ending 31 December 2022, which have been valued at fair value as at the close of business on 31 December 2022.

c. Revenue

Income from the PAIF investment is recognised on an accruals basis by reference to the amount of distributable income in the underlying investment. The PAIF distributes income to shareholders in three streams (Dividend distributions, Interest distributions and Property income distributions).

d. Expenses

The Manager's periodic charge and registrar fees are charged to the capital property of the fund. Handling charges are borne by the capital property of the fund for distribution purposes.

e. Taxation

Provision for Corporation Tax is based at the current rate, as appropriate, on the excess of taxable revenue over allowable expenses. Income received from the PAIF is taxed depending on the income stream. Property Income Distributions (PID) are taxed at 20%, interest distributions are taxed at 20%, and dividend distributions at 0%. Deferred tax is provided for on all timing differences that have originated but not reversed by the balance sheet date. Deferred tax is not recognised on permanent differences. Deferred tax assets are only recognised where it is more likely than not that there will be suitable taxable profits against which the future reversal of underlying timing differences can be deducted.

f. Unit Class Allocation

Revenue and non-unit class specific expenses are allocated daily, pro rata to the net asset value of assets attributable to each unit class. Unit class specific expenses are allocated based on the rates as stated in the Prospectus; the Ongoing Charges Figure disclosed within this annual report and financial statements shows the impact of the different rates of unit class specific expenses. Tax is calculated daily at a unit class level; where one unit class is in a tax paying position but the fund as a whole is not, a transfer is made to the other classes to compensate for this.

g. Unitholders rights

All unit classes have the same rights on winding-up.

Notes to the Financial Statements

Continued

h. Dilution adjustment

In certain circumstances (as detailed in the Prospectus) the Manager may apply a dilution adjustment on the creation or cancellation of units, which is applied to the capital of the relevant sub-fund on an accruals basis.

The adjustment is intended to protect existing investors from the costs of buying or selling underlying investments as a result of large inflows or outflows from the fund.

i. Basis of distribution

The distribution is calculated at a unit class level as per the unit class allocation accounting policy. All of the net revenue available for distribution at the year end will be distributed. Where a Fund has accumulation shareholders, this will be reinvested. Where a Fund has income shareholders, this will be paid.

j. Equalisation

In order that each unitholder in the same unit class shall receive the same rate of distribution per unit the buying price of each unit contains an amount called equalisation. This is equivalent to the net of distributable income less expenses accrued in the fund at the time of purchase, these purchased units are known as Group 2. As part of the distribution payment the average amount of this equalisation is returned to Group 2 unitholders. The equalisation element of the distribution to Group 2 unitholders is treated as a repayment of capital and is therefore not liable to income tax. This amount should, however, be deducted from the cost of the units for capital gains tax purposes.

2 Net Capital (Losses)/Gains

	2022 £'000	2021 £'000
Non-derivative securities*	(138,212)	70,080
Net capital (losses)/gains*	(138,212)	70,080

* Includes net realised gains of £9,393,000 and net unrealised losses of £147,605,000 (2021: net realised losses of £24,115,000 and net unrealised gains of £94,195,000). Where realised gains/(losses) include gains/(losses) arising in previous periods, a corresponding (loss)/gain is included in unrealised gains/(losses).

3 Revenue

	2022 £'000	2021 £'000
Bank and margin interest	3	-
Income from UK Collective Investment Schemes		
Franked income	9,596	2,834
Interest income	2,593	113
Property income	31,156	26,922
Total revenue	43,348	29,869

Notes to the Financial Statements

Continued

4 Expenses

	2022 £'000	2021 £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Manager's periodic charge	9,284	5,710
Dealing charge	20	23
General administration charge*	379	-
Registration fees**	115	465
	9,798	6,198
Payable to the Trustee or associates of the Trustee, and agents of either of them:		
Safe custody fees	7	3
	7	3
Total expenses	9,805	6,201

Irrecoverable VAT is included in the above expenses.

* The fixed general administration charge was introduced from 1 April 2022. The fee is paid to the Manager and covers fees payable to facilitate payment of certain common fund costs inclusive of the ongoing registration and general administration expenses of the fund. This is exclusive of the Manager's periodic charge. The fund may additionally pay out of its scheme property other fees and expenses including those incurred by the Custodian.

The audit fee for the year, excluding VAT, was £12,250 (2021: £11,000).

** These figures represent the charges to 1 April 2022, which have now been replaced by the fixed general administration charge.

5 Taxation

	2022 £'000	2021 £'000
(a) Analysis of charge in year		
Corporation tax	4,789	4,167
Total taxation (note 5b)	4,789	4,167

(b) Factors affecting current tax charge for the year

The tax assessed for the year is less than (2021: less than) the standard rate of corporation tax in the UK for authorised unit trusts (20%). The differences are explained below:

Net revenue before taxation	33,540	23,667
Corporation tax at 20% (2021: 20%)	6,708	4,733
Effects of:		
Revenue not subject to taxation	(1,919)	(566)
Total tax charge for year (note 5a)	4,789	4,167

Authorised Unit Trusts are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

(c) Factors that may affect future tax charge

At the year end there are no surplus expenses and therefore no deferred tax asset in the current or prior year.

Notes to the Financial Statements

Continued

6 Distributions (including the movement between net revenue and distributions)

	2022 £'000	2021 £'000
First interim distribution	3,603	2,228
Second interim distribution	3,556	1,687
Third interim distribution	3,164	1,730
Fourth interim distribution	3,049	1,907
Fifth interim distribution	3,455	1,779
Sixth interim distribution	3,682	1,894
Seventh interim distribution	2,576	1,808
Eighth interim distribution	2,875	1,913
Ninth interim distribution	2,800	2,205
Tenth interim distribution	3,065	2,562
Special distribution	-	1,217
Eleventh interim distribution	3,142	600
Final distribution	3,220	3,760
	38,187	25,290
Add: Income deducted on cancellation of units	481	475
Deduct: Income received on issue of units	(87)	(67)
Total distributions for the year	38,581	25,698
Movement between net revenue and distributions		
Net revenue after taxation	28,751	19,500
Expenses charged to capital	9,830	6,198
Undistributed revenue brought forward	1	1
Undistributed revenue carried forward	(1)	(1)
Total distributions for the year	38,581	25,698

Expenses taken to capital include the Manager's periodic charge, Registration, Dealing charge and the General administration charge.

Where deductions are made from capital these may limit the growth in value of the relevant fund. However, more income is generally available to distribute to unitholders.

Details of the distribution per unit are set out in this fund's distribution tables.

Notes to the Financial Statements

Continued

7 Debtors

	2022 £'000	2021 £'000
Amounts receivable from mergers	832	940
Accrued revenue	718	-
Amounts receivable from the Manager for the issue of units	96	12,244
Sales awaiting settlement	882	891
Total debtors	2,528	14,075

8 Creditors

	2022 £'000	2021 £'000
Accrued expenses payable to the Manager	628	876
Amounts payable to the Manager for cancellation of units	1,138	1,052
Corporation tax payable	244	90
Purchases awaiting settlement	120	12,307
Total creditors	2,130	14,325

9 Related Party Transactions

abrDN Fund Managers Limited, as Authorised Fund Manager, is a related party and acts as principal in respect of all transactions of units in the fund.

The aggregate monies received through issue and paid on cancellation of units are disclosed in the statement of change in net assets attributable to unitholders.

Any amounts due from or due to abrDN Fund Managers Limited at the end of the accounting year are disclosed in notes 7 and 8.

Amounts payable to abrDN Fund Managers Limited, in respect of expenses are disclosed in note 4 and any amounts due at the year end in note 8.

10 Portfolio Transaction Costs

There are no transaction costs associated with the purchases or sales of collective investment schemes during the year, or in the prior year.

Notes to the Financial Statements

Continued

Collective investments operate within the terms of the offer document or prospectus.

Trades in the year	Purchases		Sales	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Collective investment schemes	156,149	366,323	432,267	652,624
Inspecie transfers	-	611,477	-	-
Trades in the year before transaction costs	156,149	977,800	432,267	652,624
Total net trades in the year after transaction costs	156,149	977,800	432,267	652,624

At the balance sheet date the average portfolio dealing spread (i.e. the spread between bid and offer prices, expressed as a percentage of the offer prices) was nil (2021: nil).

11 Units in Issue Reconciliation

	Opening units 2021	Creations during the year	Cancellations during the year	Conversions during the year	Closing units 2022
Retail accumulation	105,217,207	17,201,956	(25,562,423)	(230,090)	96,626,650
Retail income	213,648,863	2,189,748	(15,634,068)	-	200,204,543
Institutional accumulation	350,168,356	3,091,900	(70,447,576)	(2,842,933)	279,969,747
Institutional income	75,288,601	2,222,885	(36,123,816)	-	41,387,670
ZC accumulation	22,870,833	16,671,689	(2,226,057)	-	37,316,465
ZA income	6,134	-	-	-	6,134
ZB accumulation	276,858,513	7,029,786	(29,054,871)	-	254,833,428
Platform 1 accumulation	61,652,425	10,478,715	(24,997,239)	709,412	47,843,313
Platform 1 income	15,763,374	3,694,748	(7,248,729)	6,149	12,215,542
Institutional S accumulation	6,053,181	11,168	(3,083,098)	(10,282)	2,970,969
Institutional S income	196,542,697	10,318,936	(133,362,043)	(9,357)	73,490,233
J accumulation	8,169,750	478	(6,842,597)	3,148,132	4,475,763
J income	21,429,030	2,606,170	(12,769,258)	-	11,265,942
Z accumulation	733,256	211	(516,427)	-	217,040

12 Fair Value Hierarchy

The three levels of the fair value hierarchy under FRS 102 are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for the identical unrestricted assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

Notes to the Financial Statements

Continued

	2022	2022	2022	2021	2021	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Fair value of investment assets	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Collective Investment Schemes*	-	-	943,640	-	-	1,321,137
Total investment assets	-	-	943,640	-	-	1,321,137

* Based on the underlying value of the abrdn UK Real Estate Fund Feeder share class reflected in the Comparative table of the annual report for abrdn UK Real Estate Fund.

13 Risk Management Policies and Disclosures

The risks inherent in the fund's investment portfolio are as follows:

Foreign currency risk

The fund's net exposure to foreign currencies (including any instruments used to hedge against foreign currencies) is not significant. Therefore, the financial statements are not subject to any significant risk of currency movements. This is consistent with the exposure during the prior year.

Interest rate risk

The majority of the fund's financial assets are in non-interest bearing assets. Therefore, the fund's exposure to interest rate risk is considered insignificant. This is consistent with the exposure during the prior year.

Other price risk

The fund's investment portfolio is exposed to market price fluctuations which are monitored by the Investment Adviser in pursuance of the investment objectives and policies. Adherence to investment guidelines and to investment and borrowing powers mitigate the risk of excessive exposure to any particular type of security or issuer.

An increase or decrease in market values will therefore have a direct effect on the value of the investment assets in the portfolio and therefore a proportionate effect on the value of the fund.

As at 31 December 2022, if the prices of investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the unitholders would increase or decrease by approximately £47,182,000 (2021: £66,057,000).

Financial derivatives instrument risk

The fund had no exposure to derivatives as at 31 December 2022 (2021: £Nil).

The fund had no exposure to leverage as at 31 December 2022 (2021: £Nil).

Liquidity risk

All of the fund's financial liabilities are payable on demand or in less than one year, 2022 £4,339,000 (2021: £15,782,000).

Distribution Tables

For the year ended 31 December 2022 (in pence per unit)

First interim dividend distribution

Group 1 - units purchased prior to 1 January 2022

Group 2 - units purchased between 1 January 2022 and 31 January 2022

	Revenue	Equalisation	Distribution paid 28/02/22	Distribution paid 26/02/21
Retail accumulation				
Group 1	0.4735	-	0.4735	0.3958
Group 2	0.2213	0.2522	0.4735	0.3958
Retail income				
Group 1	0.2576	-	0.2576	-
Group 2	0.1337	0.1239	0.2576	-
Institutional accumulation				
Group 1	0.4063	-	0.4063	0.3378
Group 2	0.1821	0.2242	0.4063	0.3378
Institutional income				
Group 1	0.2972	-	0.2972	-
Group 2	0.1284	0.1688	0.2972	-
ZC accumulation				
Group 1	0.1601	-	0.1601	0.1318
Group 2	0.1409	0.0192	0.1601	0.1318
ZA income				
Group 1	0.1330	-	0.1330	-
Group 2	0.1330	-	0.1330	-
ZB accumulation				
Group 1	0.1598	-	0.1598	0.1314
Group 2	0.1598	-	0.1598	0.1314
Platform 1 accumulation				
Group 1	0.1621	-	0.1621	0.1359
Group 2	0.0577	0.1044	0.1621	0.1359
Platform 1 income				
Group 1	0.1347	-	0.1347	-
Group 2	0.0769	0.0578	0.1347	-
Institutional S accumulation				
Group 1	0.1646	-	0.1646	0.1369
Group 2	0.0782	0.0864	0.1646	0.1369
Institutional S income				
Group 1	0.1403	-	0.1403	-
Group 2	0.0732	0.0671	0.1403	-

Distribution Tables

For the year ended 31 December 2022 (in pence per unit) continued

	Revenue	Equalisation	Distribution paid 28/02/22	Distribution paid 26/02/21
J accumulation				
Group 1	0.3629	-	0.3629	-
Group 2	0.3629	-	0.3629	-
J income				
Group 1	0.2783	-	0.2783	-
Group 2	0.2383	0.0400	0.2783	-
Z accumulation				
Group 1	0.3672	-	0.3672	-
Group 2	0.3231	0.0441	0.3672	-

Distribution Tables

For the year ended 31 December 2022 (in pence per unit) continued

Second interim dividend distribution

Group 1 – units purchased prior to 1 February 2022

Group 2 – units purchased between 1 February 2022 and 28 February 2022

	Revenue	Equalisation	Distribution paid 31/03/22	Distribution paid 31/03/21
Retail accumulation				
Group 1	0.4963	-	0.4963	0.3124
Group 2	0.3080	0.1883	0.4963	0.3124
Retail income				
Group 1	0.2688	-	0.2688	-
Group 2	0.1527	0.1161	0.2688	-
Institutional accumulation				
Group 1	0.4266	-	0.4266	0.2648
Group 2	0.2626	0.1640	0.4266	0.2648
Institutional income				
Group 1	0.3113	-	0.3113	-
Group 2	0.1956	0.1157	0.3113	-
ZC accumulation				
Group 1	0.1695	-	0.1695	0.1025
Group 2	0.1648	0.0047	0.1695	0.1025
ZA income				
Group 1	0.1418	-	0.1418	-
Group 2	0.1418	-	0.1418	-
ZB accumulation				
Group 1	0.1694	-	0.1694	0.1021
Group 2	0.0981	0.0713	0.1694	0.1021
Platform 1 accumulation				
Group 1	0.1702	-	0.1702	0.1057
Group 2	0.0730	0.0972	0.1702	0.1057
Platform 1 income				
Group 1	0.1409	-	0.1409	-
Group 2	0.0695	0.0714	0.1409	-
Institutional S accumulation				
Group 1	0.1730	-	0.1730	0.1065
Group 2	0.0987	0.0743	0.1730	0.1065
Institutional S income				
Group 1	0.0966	-	0.0966	-
Group 2	0.0412	0.0554	0.0966	-

Distribution Tables

For the year ended 31 December 2022 (in pence per unit) continued

	Revenue	Equalisation	Distribution paid 31/03/22	Distribution paid 31/03/21
J accumulation				
Group 1	0.3816	-	0.3816	-
Group 2	0.3816	-	0.3816	-
J income				
Group 1	0.2919	-	0.2919	-
Group 2	0.0942	0.1977	0.2919	-
Z accumulation				
Group 1	0.3886	-	0.3886	-
Group 2	0.3564	0.0322	0.3886	-

Distribution Tables

For the year ended 31 December 2022 (in pence per unit) continued

Third interim dividend distribution

Group 1 – units purchased prior to 1 March 2022

Group 2 – units purchased between 1 March 2022 and 31 March 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
Retail accumulation				
Group 1	0.4463	-	0.4463	0.3424
Group 2	0.2179	0.2284	0.4463	0.3424
Retail income				
Group 1	0.2410	-	0.2410	-
Group 2	0.1282	0.1128	0.2410	-
Institutional accumulation				
Group 1	0.3815	-	0.3815	0.2907
Group 2	0.1657	0.2158	0.3815	0.2907
Institutional income				
Group 1	0.2777	-	0.2777	-
Group 2	0.1537	0.1240	0.2777	-
ZC accumulation				
Group 1	0.1501	-	0.1501	0.1122
Group 2	0.0441	0.1060	0.1501	0.1122
ZA income				
Group 1	0.1250	-	0.1250	-
Group 2	0.1250	-	0.1250	-
ZB accumulation				
Group 1	0.1497	-	0.1497	0.1117
Group 2	0.1215	0.0282	0.1497	0.1117
Platform 1 accumulation				
Group 1	0.1524	-	0.1524	0.1162
Group 2	0.1013	0.0511	0.1524	0.1162
Platform 1 income				
Group 1	0.1258	-	0.1258	-
Group 2	0.0787	0.0471	0.1258	-
Institutional S accumulation				
Group 1	0.1543	-	0.1543	0.1178
Group 2	0.0780	0.0763	0.1543	0.1178
Institutional S income				
Group 1	0.1311	-	0.1311	-
Group 2	0.0665	0.0646	0.1311	-

Distribution Tables

For the year ended 31 December 2022 (in pence per unit) continued

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
J accumulation				
Group 1	0.3426	-	0.3426	-
Group 2	0.3426	-	0.3426	-
J income				
Group 1	0.2600	-	0.2600	-
Group 2	0.0104	0.2496	0.2600	-
Z accumulation				
Group 1	0.3442	-	0.3442	-
Group 2	0.3442	-	0.3442	-

Distribution Tables

For the year ended 31 December 2022 (in pence per unit) continued

Fourth interim dividend distribution

Group 1 – units purchased prior to 1 April 2022

Group 2 – units purchased between 1 April 2022 and 30 April 2022

	Revenue	Equalisation	Distribution paid 31/05/22	Distribution paid 28/05/21
Retail accumulation				
Group 1	0.4430	-	0.4430	0.3874
Group 2	0.1213	0.3217	0.4430	0.3874
Retail income				
Group 1	0.2388	-	0.2388	-
Group 2	0.1663	0.0725	0.2388	-
Institutional accumulation				
Group 1	0.3793	-	0.3793	0.3305
Group 2	0.1641	0.2152	0.3793	0.3305
Institutional income				
Group 1	0.2751	-	0.2751	-
Group 2	0.1466	0.1285	0.2751	-
ZC accumulation				
Group 1	0.1492	-	0.1492	0.1290
Group 2	0.1443	0.0049	0.1492	0.1290
ZA income				
Group 1	0.1240	-	0.1240	-
Group 2	0.1240	-	0.1240	-
ZB accumulation				
Group 1	0.1490	-	0.1490	0.1287
Group 2	0.0706	0.0784	0.1490	0.1287
Platform 1 accumulation				
Group 1	0.1514	-	0.1514	0.1316
Group 2	0.0669	0.0845	0.1514	0.1316
Platform 1 income				
Group 1	0.1245	-	0.1245	-
Group 2	0.0507	0.0738	0.1245	-
Institutional S accumulation				
Group 1	0.1535	-	0.1535	0.1340
Group 2	0.0873	0.0662	0.1535	0.1340
Institutional S income				
Group 1	0.1302	-	0.1302	-
Group 2	0.1030	0.0272	0.1302	-

Distribution Tables

For the year ended 31 December 2022 (in pence per unit) continued

	Revenue	Equalisation	Distribution paid 31/05/22	Distribution paid 28/05/21
J accumulation				
Group 1	0.3388	-	0.3388	-
Group 2	0.3388	-	0.3388	-
J income				
Group 1	0.2581	-	0.2581	-
Group 2	0.2500	0.0081	0.2581	-
Z accumulation				
Group 1	0.3089	-	0.3089	-
Group 2	0.3089	-	0.3089	-

Distribution Tables

For the year ended 31 December 2022 (in pence per unit) continued

Fifth interim dividend distribution

Group 1 – units purchased prior to 1 May 2022

Group 2 – units purchased between 1 May 2022 and 31 May 2022

	Revenue	Equalisation	Distribution paid 30/06/22	Distribution paid 30/06/21
Retail accumulation				
Group 1	0.5061	-	0.5061	0.3784
Group 2	0.2205	0.2856	0.5061	0.3784
Retail income				
Group 1	0.2724	-	0.2724	-
Group 2	0.2096	0.0628	0.2724	-
Institutional accumulation				
Group 1	0.4349	-	0.4349	0.3227
Group 2	0.1845	0.2504	0.4349	0.3227
Institutional income				
Group 1	0.3149	-	0.3149	-
Group 2	0.1851	0.1298	0.3149	-
ZC accumulation				
Group 1	0.1722	-	0.1722	0.1255
Group 2	0.1528	0.0194	0.1722	0.1255
ZA income				
Group 1	0.1432	-	0.1432	-
Group 2	0.1432	-	0.1432	-
ZB accumulation				
Group 1	0.1720	-	0.1720	0.1251
Group 2	0.0299	0.1421	0.1720	0.1251
Platform 1 accumulation				
Group 1	0.1736	-	0.1736	0.1287
Group 2	0.0865	0.0871	0.1736	0.1287
Platform 1 income				
Group 1	0.1426	-	0.1426	-
Group 2	0.0885	0.0541	0.1426	-
Institutional S accumulation				
Group 1	0.1762	-	0.1762	0.1303
Group 2	0.1098	0.0664	0.1762	0.1303
Institutional S income				
Group 1	0.1488	-	0.1488	-
Group 2	0.0840	0.0648	0.1488	-

Distribution Tables

For the year ended 31 December 2022 (in pence per unit) continued

	Revenue	Equalisation	Distribution paid 30/06/22	Distribution paid 30/06/21
J accumulation				
Group 1	0.3888	-	0.3888	-
Group 2	0.3467	0.0421	0.3888	-
J income				
Group 1	0.2955	-	0.2955	-
Group 2	0.2474	0.0481	0.2955	-
Z accumulation				
Group 1	0.3947	-	0.3947	-
Group 2	0.3947	-	0.3947	-

Distribution Tables

For the year ended 31 December 2022 (in pence per unit) continued

Sixth interim dividend distribution

Group 1 – units purchased prior to 1 June 2022

Group 2 – units purchased between 1 June 2022 and 30 June 2022

	Revenue	Equalisation	Distribution paid 29/07/22	Distribution paid 30/07/21
Retail accumulation				
Group 1	0.5408	-	0.5408	0.4079
Group 2	0.2334	0.3074	0.5408	0.4079
Retail income				
Group 1	0.2902	-	0.2902	-
Group 2	0.0891	0.2011	0.2902	-
Institutional accumulation				
Group 1	0.4658	-	0.4658	0.3482
Group 2	0.2472	0.2186	0.4658	0.3482
Institutional income				
Group 1	0.3361	-	0.3361	-
Group 2	0.1697	0.1664	0.3361	-
ZC accumulation				
Group 1	0.1849	-	0.1849	0.1365
Group 2	0.1800	0.0049	0.1849	0.1365
ZA income				
Group 1	0.1538	-	0.1538	-
Group 2	0.1538	-	0.1538	-
ZB accumulation				
Group 1	0.1850	-	0.1850	0.1362
Group 2	0.1850	-	0.1850	0.1362
Platform 1 accumulation				
Group 1	0.1859	-	0.1859	0.1391
Group 2	0.0517	0.1342	0.1859	0.1391
Platform 1 income				
Group 1	0.1512	-	0.1512	-
Group 2	0.0374	0.1138	0.1512	-
Institutional S accumulation				
Group 1	0.1884	-	0.1884	0.1409
Group 2	0.1201	0.0683	0.1884	0.1409
Institutional S income				
Group 1	0.1588	-	0.1588	-
Group 2	0.0872	0.0716	0.1588	-

Distribution Tables

For the year ended 31 December 2022 (in pence per unit) continued

	Revenue	Equalisation	Distribution paid 29/07/22	Distribution paid 30/07/21
J accumulation				
Group 1	0.4166	-	0.4166	-
Group 2	0.4166	-	0.4166	-
J income				
Group 1	0.3153	-	0.3153	-
Group 2	0.0149	0.3004	0.3153	-
Z accumulation				
Group 1	0.4245	-	0.4245	-
Group 2	0.4245	-	0.4245	-

Distribution Tables

For the year ended 31 December 2022 (in pence per unit) continued

Seventh interim dividend distribution

Group 1 – units purchased prior to 1 July 2022

Group 2 – units purchased between 1 July 2022 and 31 July 2022

	Revenue	Equalisation	Distribution paid 31/08/22	Distribution paid 31/08/21
Retail accumulation				
Group 1	0.3816	-	0.3816	0.4050
Group 2	0.1267	0.2549	0.3816	0.4050
Retail income				
Group 1	0.2050	-	0.2050	-
Group 2	0.1373	0.0677	0.2050	-
Institutional accumulation				
Group 1	0.3245	-	0.3245	0.3448
Group 2	0.2282	0.0963	0.3245	0.3448
Institutional income				
Group 1	0.2347	-	0.2347	-
Group 2	0.0521	0.1826	0.2347	-
ZC accumulation				
Group 1	0.1300	-	0.1300	0.1348
Group 2	0.1274	0.0026	0.1300	0.1348
ZA income				
Group 1	0.1049	-	0.1049	-
Group 2	0.1049	-	0.1049	-
ZB accumulation				
Group 1	0.1259	-	0.1259	0.1344
Group 2	0.0958	0.0301	0.1259	0.1344
Platform 1 accumulation				
Group 1	0.1297	-	0.1297	0.1377
Group 2	0.0169	0.1128	0.1297	0.1377
Platform 1 income				
Group 1	0.1065	-	0.1065	-
Group 2	0.0280	0.0785	0.1065	-
Institutional S accumulation				
Group 1	0.1309	-	0.1309	0.1394
Group 2	0.0589	0.0720	0.1309	0.1394
Institutional S income				
Group 1	0.1104	-	0.1104	-
Group 2	0.0369	0.0735	0.1104	-

Distribution Tables

For the year ended 31 December 2022 (in pence per unit) continued

	Revenue	Equalisation	Distribution paid 31/08/22	Distribution paid 31/08/21
J accumulation				
Group 1	0.2895	-	0.2895	-
Group 2	0.2895	-	0.2895	-
J income				
Group 1	0.2194	-	0.2194	-
Group 2	-	0.2194	0.2194	-
Z accumulation				
Group 1	0.2896	-	0.2896	-
Group 2	0.2896	-	0.2896	-

Distribution Tables

For the year ended 31 December 2022 (in pence per unit) continued

Eighth interim dividend distribution

Group 1 – units purchased prior to 1 August 2022

Group 2 – units purchased between 1 August 2022 and 31 August 2022

	Revenue	Equalisation	Distribution paid 30/09/22	Distribution paid 30/09/21
Retail accumulation				
Group 1	0.4354	-	0.4354	0.4317
Group 2	0.3573	0.0781	0.4354	0.4317
Retail income				
Group 1	0.2248	-	0.2248	-
Group 2	0.1403	0.0845	0.2248	-
Institutional accumulation				
Group 1	0.3794	-	0.3794	0.3715
Group 2	0.0178	0.3616	0.3794	0.3715
Institutional income				
Group 1	0.3287	-	0.3287	-
Group 2	0.1924	0.1363	0.3287	-
ZC accumulation				
Group 1	0.1432	-	0.1432	0.1450
Group 2	0.0346	0.1086	0.1432	0.1450
ZA income				
Group 1	0.1170	-	0.1170	-
Group 2	0.1170	-	0.1170	-
ZB accumulation				
Group 1	0.1429	-	0.1429	0.1454
Group 2	0.0679	0.0750	0.1429	0.1454
Platform 1 accumulation				
Group 1	0.1492	-	0.1492	0.1483
Group 2	0.0723	0.0769	0.1492	0.1483
Platform 1 income				
Group 1	0.1399	-	0.1399	-
Group 2	0.0425	0.0974	0.1399	-
Institutional S accumulation				
Group 1	0.1574	-	0.1574	0.1502
Group 2	0.0126	0.1448	0.1574	0.1502
Institutional S income				
Group 1	0.1236	-	0.1236	-
Group 2	0.0518	0.0718	0.1236	-

Distribution Tables

For the year ended 31 December 2022 (in pence per unit) continued

	Revenue	Equalisation	Distribution paid 30/09/22	Distribution paid 30/09/21
J accumulation				
Group 1	0.3278	-	0.3278	-
Group 2	0.3278	-	0.3278	-
J income				
Group 1	0.2439	-	0.2439	-
Group 2	-	0.2439	0.2439	-
Z accumulation				
Group 1	0.3283	-	0.3283	-
Group 2	0.3283	-	0.3283	-

Distribution Tables

For the year ended 31 December 2022 (in pence per unit) continued

Ninth interim dividend distribution

Group 1 – units purchased prior to 1 September 2022

Group 2 – units purchased between 1 September 2022 and 30 September 2022

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
Retail accumulation				
Group 1	0.4317	-	0.4317	0.4858
Group 2	0.3848	0.0469	0.4317	0.4858
Retail income				
Group 1	0.2285	-	0.2285	0.0659
Group 2	0.1525	0.0760	0.2285	0.0659
Institutional accumulation				
Group 1	0.3680	-	0.3680	0.4182
Group 2	0.1695	0.1985	0.3680	0.4182
Institutional income				
Group 1	0.2643	-	0.2643	0.0774
Group 2	0.1464	0.1179	0.2643	0.0774
ZC accumulation				
Group 1	0.1449	-	0.1449	0.1648
Group 2	-	0.1449	0.1449	0.1648
ZA income				
Group 1	0.1193	-	0.1193	0.0358
Group 2	0.1193	-	0.1193	0.0358
ZB accumulation				
Group 1	0.1448	-	0.1448	0.1645
Group 2	0.1448	-	0.1448	0.1645
Platform 1 accumulation				
Group 1	0.1475	-	0.1475	0.1667
Group 2	0.0961	0.0514	0.1475	0.1667
Platform 1 income				
Group 1	0.1198	-	0.1198	0.0349
Group 2	0.0773	0.0425	0.1198	0.0349
Institutional S accumulation				
Group 1	0.1496	-	0.1496	0.1690
Group 2	0.1053	0.0443	0.1496	0.1690
Institutional S income				
Group 1	0.1243	-	0.1243	0.0367
Group 2	0.0644	0.0599	0.1243	0.0367

Distribution Tables

For the year ended 31 December 2022 (in pence per unit) continued

	Revenue	Equalisation	Distribution paid 31/10/22	Distribution paid 29/10/21
J accumulation				
Group 1	0.3288	-	0.3288	-
Group 2	0.3288	-	0.3288	-
J income				
Group 1	0.2470	-	0.2470	-
Group 2	0.1615	0.0855	0.2470	-
Z accumulation				
Group 1	0.3323	-	0.3323	-
Group 2	0.3323	-	0.3323	-

Distribution Tables

For the year ended 31 December 2022 (in pence per unit) continued

Tenth interim dividend distribution

Group 1 – units purchased prior to 1 October 2022

Group 2 – units purchased between 1 October 2022 and 31 October 2022

	Revenue	Equalisation	Distribution paid 30/11/22	Distribution paid 30/11/21
Retail accumulation				
Group 1	0.4783	-	0.4783	0.4523
Group 2	0.2902	0.1881	0.4783	0.4523
Retail income				
Group 1	0.2535	-	0.2535	0.2477
Group 2	0.0449	0.2086	0.2535	0.2477
Institutional accumulation				
Group 1	0.4108	-	0.4108	0.3871
Group 2	0.3007	0.1101	0.4108	0.3871
Institutional income				
Group 1	0.2938	-	0.2938	0.2858
Group 2	0.1890	0.1048	0.2938	0.2858
ZC accumulation				
Group 1	0.1630	-	0.1630	0.1522
Group 2	0.0876	0.0754	0.1630	0.1522
ZA income				
Group 1	0.1331	-	0.1331	0.1276
Group 2	0.1331	-	0.1331	0.1276
ZB accumulation				
Group 1	0.1625	-	0.1625	0.1520
Group 2	0.1388	0.0237	0.1625	0.1520
Platform 1 accumulation				
Group 1	0.1653	-	0.1653	0.1547
Group 2	0.1201	0.0452	0.1653	0.1547
Platform 1 income				
Group 1	0.1332	-	0.1332	0.1294
Group 2	0.0632	0.0700	0.1332	0.1294
Institutional S accumulation				
Group 1	0.1668	-	0.1668	0.1567
Group 2	0.1224	0.0444	0.1668	0.1567
Institutional S income				
Group 1	0.1387	-	0.1387	0.1346
Group 2	0.0954	0.0433	0.1387	0.1346

Distribution Tables

For the year ended 31 December 2022 (in pence per unit) continued

	Revenue	Equalisation	Distribution paid 30/11/22	Distribution paid 30/11/21
J accumulation				
Group 1	0.4136	-	0.4136	-
Group 2	0.4136	-	0.4136	-
J income				
Group 1	0.2744	-	0.2744	-
Group 2	0.2527	0.0217	0.2744	-
Z accumulation				
Group 1	0.3732	-	0.3732	-
Group 2	0.3732	-	0.3732	-

Distribution Tables

For the year ended 31 December 2022 (in pence per unit) continued

Special dividend distribution

	Distribution paid 24/12/21
Retail accumulation	
Group 1	0.2224
Group 2	0.2224
Retail income	
Group 1	0.1212
Group 2	0.1212
Institutional accumulation	
Group 1	0.1859
Group 2	0.1859
Institutional income	
Group 1	0.1362
Group 2	0.1362
ZC accumulation	
Group 1	0.0705
Group 2	0.0705
ZA income	
Group 1	0.0586
Group 2	0.0586
ZB accumulation	
Group 1	0.0701
Group 2	0.0701
Platform 1 accumulation	
Group 1	0.0744
Group 2	0.0744
Platform 1 income	
Group 1	0.0622
Group 2	0.0622
Institutional S accumulation	
Group 1	0.0748
Group 2	0.0748
Institutional S income	
Group 1	0.0640
Group 2	0.0640

Distribution Tables

For the year ended 31 December 2022 (in pence per unit) continued

Eleventh interim dividend distribution

Group 1 – units purchased prior to 1 November 2022

Group 2 – units purchased between 1 November 2022 and 30 November 2022

	Revenue	Equalisation	Distribution paid 30/12/22	Distribution paid 31/12/21
Retail accumulation				
Group 1	0.5016	-	0.5016	0.0763
Group 2	0.4058	0.0958	0.5016	0.0763
Retail income				
Group 1	0.2652	-	0.2652	0.0416
Group 2	0.2313	0.0339	0.2652	0.0416
Institutional accumulation				
Group 1	0.4336	-	0.4336	0.0658
Group 2	0.2371	0.1965	0.4336	0.0658
Institutional income				
Group 1	0.3078	-	0.3078	0.0482
Group 2	0.2235	0.0843	0.3078	0.0482
ZC accumulation				
Group 1	0.1731	-	0.1731	0.0262
Group 2	0.1679	0.0052	0.1731	0.0262
ZA income				
Group 1	0.1410	-	0.1410	0.0223
Group 2	0.1410	-	0.1410	0.0223
ZB accumulation				
Group 1	0.1730	-	0.1730	0.0262
Group 2	0.1730	-	0.1730	0.0262
Platform 1 accumulation				
Group 1	0.1727	-	0.1727	0.0264
Group 2	0.1013	0.0714	0.1727	0.0264
Platform 1 income				
Group 1	0.1392	-	0.1392	0.0218
Group 2	0.0913	0.0479	0.1392	0.0218
Institutional S accumulation				
Group 1	0.1748	-	0.1748	0.0267
Group 2	0.1327	0.0421	0.1748	0.0267
Institutional S income				
Group 1	0.1469	-	0.1469	0.0228
Group 2	0.0864	0.0605	0.1469	0.0228

Distribution Tables

For the year ended 31 December 2022 (in pence per unit) continued

	Revenue	Equalisation	Distribution paid 30/12/22	Distribution paid 31/12/21
J accumulation				
Group 1	0.3872	-	0.3872	0.0587
Group 2	0.3872	-	0.3872	0.0587
J income				
Group 1	0.2450	-	0.2450	0.0452
Group 2	0.1034	0.1416	0.2450	0.0452
Z accumulation				
Group 1	0.3971	-	0.3971	0.0600
Group 2	0.3971	-	0.3971	0.0600

Distribution Tables

For the year ended 31 December 2022 (in pence per unit) continued

Final dividend distribution

Group 1 – units purchased prior to 1 December 2022

Group 2 – units purchased between 1 December 2022 and 31 December 2022

	Revenue	Equalisation	Distribution paid 15/02/23	Distribution paid 15/02/22
Retail accumulation				
Group 1	0.5173	-	0.5173	0.4844
Group 2	0.4694	0.0479	0.5173	0.4844
Retail income				
Group 1	0.2728	-	0.2728	0.2641
Group 2	0.2522	0.0206	0.2728	0.2641
Institutional accumulation				
Group 1	0.4469	-	0.4469	0.4152
Group 2	0.2777	0.1692	0.4469	0.4152
Institutional income				
Group 1	0.3167	-	0.3167	0.3050
Group 2	0.2162	0.1005	0.3167	0.3050
ZC accumulation				
Group 1	0.1789	-	0.1789	0.1639
Group 2	0.1739	0.0050	0.1789	0.1639
ZA income				
Group 1	0.1454	-	0.1454	0.1361
Group 2	0.1454	-	0.1454	0.1361
ZB accumulation				
Group 1	0.1785	-	0.1785	0.1638
Group 2	0.1785	-	0.1785	0.1638
Platform 1 accumulation				
Group 1	0.1786	-	0.1786	0.1659
Group 2	0.1286	0.0500	0.1786	0.1659
Platform 1 income				
Group 1	0.1434	-	0.1434	0.1380
Group 2	0.1088	0.0346	0.1434	0.1380
Institutional S accumulation				
Group 1	0.1793	-	0.1793	0.1681
Group 2	0.1318	0.0475	0.1793	0.1681
Institutional S income				
Group 1	0.1504	-	0.1504	0.1439
Group 2	0.1038	0.0466	0.1504	0.1439

Distribution Tables

For the year ended 31 December 2022 (in pence per unit) continued

	Revenue	Equalisation	Distribution paid 15/02/23	Distribution paid 15/02/22
J accumulation				
Group 1	0.3994	-	0.3994	0.3712
Group 2	0.3994	-	0.3994	0.3712
J income				
Group 1	0.2976	-	0.2976	0.2856
Group 2	0.2976	-	0.2976	0.2856
Z accumulation				
Group 1	0.4101	-	0.4101	0.3763
Group 2	0.4101	-	0.4101	0.3763

Equalisation

This applies only to units purchased during the distribution period (group 2 units). It is the average amount of revenue included in the purchase price of group 2 units and is refunded to the holders of these units as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

Risk Management Function

abrdn (the 'Company') functionally and hierarchically separates the functions of risk management from the operating units and portfolio management functions, to ensure independence and avoid any potential or actual conflicts of interest.

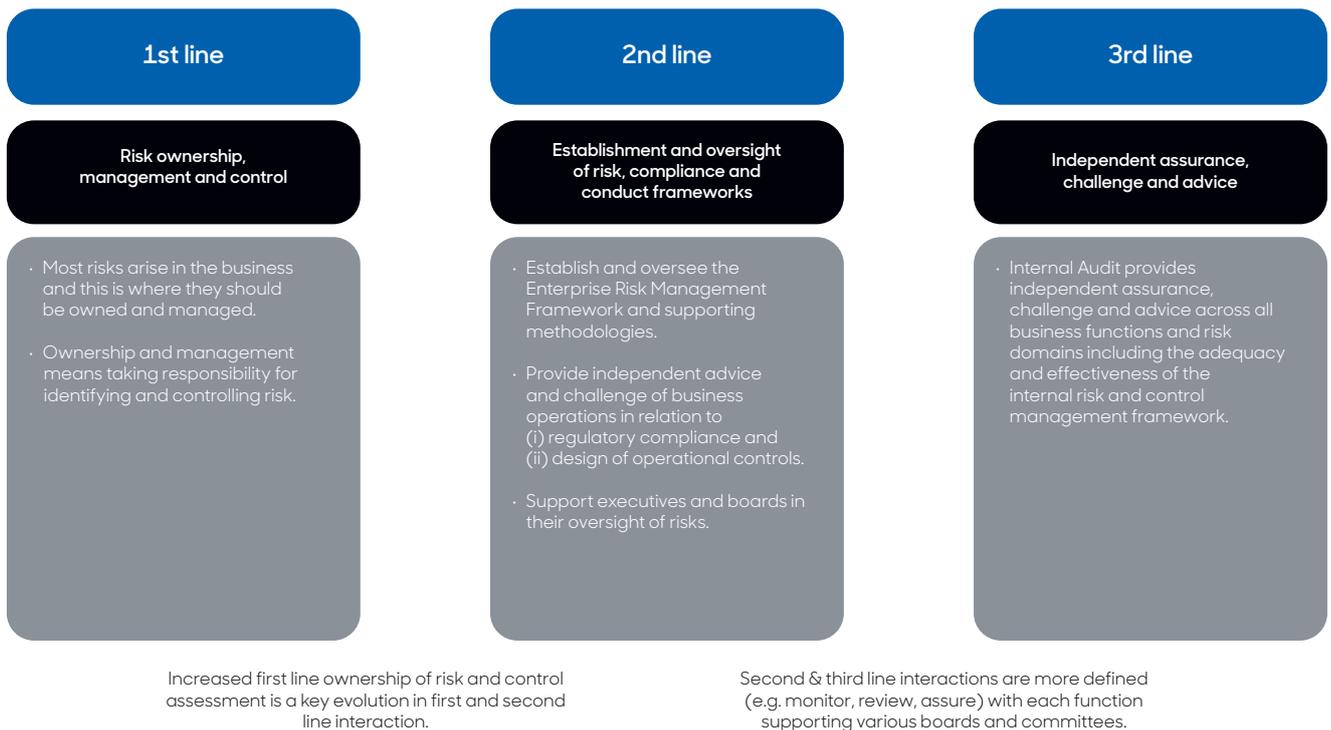
The Risk Management Function for abrdn comprises both first line (Investment Control) and second line areas such as Investment Risk and other risk functions.

The Risk Management Function has responsibility for:

- Implementation of the risk management process and the development and maintenance of the Company's RMP;
- Understanding the business and strategy from the product development phase and provide advice to the Board of Directors as regards the identification of the risk profiles of the funds.
- The identification, measurement, management and monitoring of the risks of the Funds in order to ensure that the level of risk is aligned with the Fund's risk profile; and
- Provision of regular updates to the board of directors/senior management on the adequacy and effectiveness of the risk management process indicating, where applicable, actual or anticipated deficiencies and their remedial measures.

Risk Management Framework – Three Lines of Defence

The management of investment risk within abrdn is organised across distinct functions, aligned to the well-established 'three lines of defence' (LoD) model;



- 1LoD – Functions that own and manage risks, reporting to the COO Investments Vector, in particular the Investment Oversight and Investment Control functions.
 - Continuously improving the management of investments through the generation of value-added insight and the implementation of a robust control environment.
- 2LoD – Functions that oversee risk, reporting to the Group Chief Risk Officer, in particular the Investment Risk function
 - Providing assurance, advice and challenge to drive risk awareness and accountability in the business which is where most risks arise should be managed and owned.
 - Managing the risks to the firm, and potential conflicts of interest in 1LoD.
- 3LoD – Functions that provide independent assurance, reporting to the Chief Internal Auditor

Risk Management Function

Continued

Investment risk management activity is owned and managed within the functionally and hierarchically independent 2LoD Risk & Compliance function. This mitigates potential conflicts of interest by preventing functions that own the risks from unilaterally establishing their own assessment and control frameworks.

Breach and Escalation procedures

The Risk Management Function provides regular reporting to the Board/senior management, which demonstrates the adequacy and effectiveness of the RMP. This indicates, where applicable, actual or anticipated deficiencies and the remedial measures. In addition, issues and events impacting the Company or the funds managed by the Company are logged in Shield, abrdn's operational risk system, by the relevant area within the prescribed time limits. The Shield system allows for management information and reporting, and thematic issues and trends are highlighted for the attention of Senior Management. Significant events are also reported to the Board and other events may be reported depending on the potential impacts. The Management Company Board receives quarterly event reports from the operational risk function that details the events which have impacted the Funds, directly or indirectly.

Mandate Governance & Controls

Tripartite Process, The 'Tripartite process', which embodies our culture and values, is the cornerstone of mandate governance and is a key control against the risk of mandate failure thereby protecting the company from client complaints, regulatory censure and reputational damage. Equally, it conveys a strong and clear message to external stakeholders about how we strive to meet client expectations. It is a principle based set of processes and protocols that define how mandates are agreed, understood, documented and delivered. Its overarching aim is to develop and document a common understanding of all investment mandates between the following areas;

- Investment Risk Managers - Responsible for the oversight of investment risk and ensuring that the management of investment mandates can be adequately controlled and governed within the overall risk framework.
- Investment Management - Responsible for the day to day management of the mandate and understanding the mandates objectives and constraints.
- Appropriate Client representatives - Responsible for representing the clients' interests and developing and articulating the client or fund objectives).

Fund specific risk limits and monitoring

The RMP involves monitoring on a regular and systematic basis all funds under its purview, to allow both 1st and 2nd line risk teams to identify, measure and monitor risk and where necessary escalate appropriately, including to the Board, any concerns and proposed mitigating actions.

As advised above, in developing the risk profiles for the funds abrdn will determine and set specific risk limits as appropriate for each Fund. In addition, there will be an early warnings system of potential changes via portfolio risk monitoring triggers.

Regulatory limits as well as those set out in the Fund's prospectus (or equivalent documentation), are strictly enforced to ensure that abrdn does not inadvertently (or advertently) breach them and add additional risk exposure to the Fund. Where possible, these are coded into the front office dealing system, Charles River (used for equities, fixed income, multi-asset and the fund of long-only funds businesses) in a pre-trade capacity. These limits are also monitored on a post-trade basis by the Investment Control department, who escalate any breaches identified immediately.

Internal limits or guidelines are also used where appropriate and are captured as part of the Tripartite process. They provide an early warning system of potential risks in the fund and they operate as triggers for further investigation every time they are exceeded. Any exceptions of internal limits are reviewed and, where appropriate, the relevant portfolio manager will rectify the identified internal breach within a reasonable timeframe.

Investment risk limits are generally metrics that are either derived from a risk model with modelling assumptions, regulatory defined market risk measures and/or liquidity risk measures. These limits are monitored by the Investment Risk team. In addition, for these types of parameter internal risk monitoring triggers are set and used, where required, by the Investment Risk team. As with the internal limits above they operate as early warning triggers for further investigation aimed at preventing client and regulatory limit breaches. Any issues or concerns arising from investment risk limits are promptly reviewed and discussed for resolution with the relevant Investment Teams.

Risk Management Function

Continued

Appendix 1 – Risk Definitions & Risk Management Processes

i) Market Risk Management Processes

Investment Risk is responsible for identification, monitoring and measurement of risks for real estate funds.

Real Estate – Quantitative risk systems are not typically deployed in the production of risk analytics for this asset class largely due to the lack of data and/or appropriate systems, within the industry, to produce meaningful output. The Investment Risk team utilise other metrics specific to the asset class. Such metrics may include, but are not limited to:

Real Estate

- **Tenant and Rent Roll Risk** – This measure attempts to capture and consider property vacancy, lease rolls, tenant quality and tenant concentration at an asset level (Direct Real Estate funds at a property level, Real Estate Multi-Manager at a target fund level) to provide an indication of the stability of income.
- **Debt risk** – After a certain level, debt can significantly increase the volatility of return and limit the capacity of managing the asset appropriately. This measure captures and weights the loan to gross asset value, debt expiry, current and potential covenant breach and cost of debt at asset level to provide an indication of whether debt is **endangering the stability of income and the capacity of the fund management team to follow the fund's strategy.**
- **Loan-To-Value (LTV)** – The use of gearing on an asset-by-asset basis can provide increased returns, but will also increase the risks a Fund is exposed to. As risk is a non-linear function of gearing, the unequal application of LTV can lead to outsized and/or disproportionate exposures to investment risk when compared to equally leveraged portfolios.
- **Refinancing Risk** – This measure captures and considers the risks inherent in refinancing any debt held within a portfolio. The indicator considers the loan to gross asset value, interest coverage, covenants and maturity of the debt facility, in order to determine whether the fund is at risk of failing to achieve a refinancing of the debt, or whether the fund is at risk of failing to achieve adequate terms commensurate with the expected return of the properties backing the facility.
- **Country and Sector Exposures** – Measures concentration of the fund's investments by country and sector
- **Top holdings** – Measures exposure to top individual holdings
- **Tenant Concentration and Tenant Industry Exposures** – Measures the % exposure to individual tenants and to the tenant industry
- **Returns Risk** – Measures the risk of returns being impacted by specific exposures; this could be capital or income driven.

These metrics are generated from a combination of sources, including MSCI, internal systems and tenant data. Once this data has been processed the Investment Risk team analyses reports, assessing absolute and relative exposures and trends across valuation points. Any issues/concerns identified prompt further investigation and escalation as appropriate. Breaches of hard risk limits will be escalated immediately via Tripartite. Funds are generally reviewed quarterly in line with typical valuation cycle, or more frequently as appropriate.

ii) Liquidity Risk

Liquidity risk is defined as the risk that a portfolio may need to raise cash or reduce derivative positions on a timely basis either in reaction to market events or to meet client redemption requests and may be obliged to sell long term assets at a price lower than their market value. Liquidity is also an important consideration in the management of portfolios: Portfolio Managers need to pay attention to market liquidity when sizing, entering and exiting trading positions.

Measuring liquidity risk is subject to three main dimensions:

- **Asset Liquidity Risk** – how quickly can assets be sold.
- **Liability Risk** – managing redemptions as well as all other obligations arising from the liabilities side of the balance sheet.
- **Contingency Arrangements or Liquidity Buffers** – utilising credit facilities etc.

Risk Management Function

Continued

Liquidity Risk Management Framework

For all funds in scope, details on all governance arrangements and processes applied to fund liquidity stress testing, as set by abrdrn's UK Management Companies, in line with the ESMA LST guidelines, are detailed in the Liquidity Stress Test Policy within the abrdrn UK RMP.

Escalation Process for Liquidity Limit Breaches

The process for the escalation of liquidity risk limit breaches follows the process for investment risk limit breaches. In addition to the escalation routes, any liquidity concerns may also be escalated to the IPC. The ESMA LST policy describes the liquidity stress testing limit breach process in detail.

IPC Process During Heightened Liquidity Crisis

The central role of the IPC is to ensure investor protection. During a liquidity crisis, the main concern of the IPC is to ensure that all redemptions can be met within the fund terms and that the fund liquidity and overall risk profile does not deteriorate materially as a result of any redemptions (e.g. fund manager selling the most liquid assets to meet the redemption, leaving the remaining shareholders of the fund with materially fewer liquid assets). Therefore, in a heightened liquidity crisis, the additional LST analysis required by the IPC over the business-as-usual process includes:

- Daily liquidity meetings where Investment Management teams, Risk Management teams, Operations, Senior Management and IPC members are represented, where day-to-day liquidity in equities and fixed income markets is discussed and where all outflows above an agreed level depending on circumstances (e.g. 1% during March and April 2020) on the net asset value of the funds are discussed, tracked and monitored.
- Additional LST analysis which analyses the trades executed to meet the redemptions, the changes in portfolio allocation, the changes in fund liquidity profile and the changes in time required to liquidate the portfolio under the liquidity (stressed) crisis environment.

The IPC also oversees the abrdrn liquidity management contingency plan which includes:

- Governance Framework;
- How abrdrn will respond to liquidity risks crystallising;
- Details of the liquidity tools and arrangements available, which may be deployed in such circumstances and operational challenges likely to arise from working with relevant third parties or associated with such tools and consequences for investors;
- How abrdrn will implement the Contingency Plan;
- Details of communication arrangements for internal and external concerned parties. Details of how abrdrn will work with the trustee, intermediate unitholders, third party administrators and others as necessary to implement this contingency plan.

Tools to Manage Liquidity, Contingency Arrangements and Liquidity Buffers

Investor behaviour is the main driver of liquidity within an open-ended investment fund. As such, the Fund's articles, management regulations and prospectuses contain certain key provisions or limits, which provide protection to the Fund and ultimately investors in situations where liquidity might become a concern. These provisions or limits are specific to each Fund.

The following are examples of these types of controls used:

- Swing Pricing Policy;
- Redemption limits, for example 10% of Net Asset Value maximum can be redeemed in any one business day;
- In Specie Redemptions; and,
- Settlement Period provisions, extending the settlement period to, for example, T+10 business days to give the fund the ability to liquidate the required portion of the fund in an orderly manner.

Other methods that the Management Company can utilise to help manage liquidity is to use contingency arrangements and liquidity buffers. The Fund's articles, management regulations and prospectuses contain extraordinary liquidity mechanisms to allow the Management Company to act in certain extreme circumstances.

Risk Management Function

Continued

This should provide additional protection to the Fund and investors. These provisions or limits are specific to each Fund. The following are examples of these types of controls:

- Overdraft facilities;
- Review of the liquidity terms
- Holding a cash limit and or invest in very short dated instruments to ensure cash is available in the fund; and,
- Suspension of Redemptions.

Counterparty Credit Risk

Counterparty credit risk is the risk of loss resulting from the fact that the counterparty to a transaction may default on its obligations prior to the final settlement of the transaction's cash flow. Credit risk falls into both market risk and specific risk categories

Operational Risk Management Framework

Operational risk can be defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk also includes the breakdown of processes to comply with laws, regulations or directives.

An Operational Risk Management Framework is in place to identify, manage and monitor appropriate operational risks, including professional liability risks, to which the Management Company and the Funds are or could be reasonably exposed. The operational risk management activities are performed independently as part of one of the functions of the Risk Division.

The Group's Risk Management Framework is based upon the Basel II definition of operational risk which is "the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events".

The Group's management of operational risk is therefore aimed at identifying risks in existing processes and improving existing controls to reduce their likelihood of failure and the impact of losses. The Group has developed a framework that embodies continuous improvement to internal controls and ensures that the management of risk is embedded in the culture of the Group.

The identification, management, monitoring and resolution of events, risks and controls are facilitated via the Group's risk management system, Shield. The system is designed to facilitate the convergence of governance, risk and compliance programmes and automate a comprehensive review and assessment of operational risks.

Remuneration

Alternative Investment Fund Managers Directive (AIFMD)

Remuneration Disclosure AIF Annual Report and Accounts

Remuneration Policy

The abrdrn plc Remuneration Policy applies with effect from 1 January 2022. The purpose of the abrdrn plc Remuneration Policy (the "Policy") is to document clearly the remuneration policies, practices and procedures of abrdrn as approved by the abrdrn plc Remuneration Committee (the "Committee"). The Policy is available on request.

The Policy applies to employees of the abrdrn group of companies ("Group" or "abrdrn") including AIFMD Management Companies ("ManCos") and the AIFMD funds that the ManCo manages.

Remuneration Principles

abrdrn applies Group wide principles for remuneration policies, procedures and practices ensuring that:

- Remuneration within the Group is simple, transparent and fair.
- Our Policy supports our long-term strategy by reinforcing a performance-driven culture. It aligns the interests of our employees, shareholders and, importantly, our clients/customers.
- Our remuneration structure recognises the different challenges and priorities of roles and Vectors and Functions across the organisation as appropriate.
- Remuneration policies, procedures and practices promote good conduct, including sound and effective risk management and do not encourage risk taking that exceeds the level of tolerated risk appetite.
- Remuneration extends beyond the provision of fixed and variable pay, with a focus on the retirement provision and the wellbeing needs of our employees, as part of our remuneration philosophy. Total remuneration delivered is affordable for the Group.

Remuneration Framework

Employee remuneration is composed of fixed and variable elements of reward as follows:

- a) Fixed reward (fixed remuneration: salary and cash allowances, if appropriate); and Benefits (including pension).
- b) Variable reward (bonus, a proportion of which may be subject to retention or deferral depending on role and regulatory requirements; and senior employees may also be awarded a long-term incentive award).

Appropriate ratios of fixed: variable remuneration will be set to as to ensure that:

- a) Fixed and variable components of total remuneration are appropriately balanced and
- b) The fixed component is a sufficiently high proportion of total remuneration to allow abrdrn to operate a fully flexible policy on variable remuneration components, including having the ability to award no variable remuneration component in certain circumstances where either individual and/or Group performance does not support such award.

Base salary	Base salary provides a core reward for undertaking the role and depending on the role, geographical or business market variances or other indicators, additional fixed cash allowances may make up a portion of fixed remuneration. Periodic reviews take into account the employee's role, scope of responsibilities, skills and experience, salary benchmarks (where available) and, where relevant, any local legislative or regulatory requirements.
Benefits (including retirement benefit where appropriate)	Benefits are made up of core benefits which are provided to all employees; and extra voluntary benefits that may be chosen by certain employees which may require contribution through salary sacrifice or other arrangements. Retirement benefits are managed in line with the relevant legislative requirements and governance structures. In certain, very limited circumstances, a cash allowance may be offered in lieu of a retirement arrangement.

Remuneration

Continued

Annual Performance Bonus Awards	<p>Employees who have been employed during a performance year (1 January to 31 December) may be eligible to be considered for an annual bonus in respect of that year.</p> <p>Annual bonuses are based upon Group, Vector, Function, Team and Individual performance (with individual performance assessed against agreed goals and behaviours). The variable remuneration pool for all eligible employees, including Identified Staff or Material Risk Takers ("MRTs"), is determined initially by reference to profitability and other quantitative and qualitative financial and non-financial factors including risk considerations (on an ex-post and ex-ante basis). In reaching its final funding decision, the Committee exercises its judgement to ensure that the outcome reflects holistic Company performance considerations.</p> <p>abrdr Fund Managers Limited has specific obligations to act in the best interests of the AIFMD funds it manages and its investors. Accordingly, the performance of the underlying funds and the interests of investors (including, where relevant, investment risk) are also taken into account as appropriate. The Risk and Capital Committee and the Audit Committee formally advise the Committee as part of this process.</p> <p>The overall bonus pool is allocated to vectors and functions based on absolute and relative performance for each vector and function, and their alignment with strategic priorities and risk considerations. Allocation by region and subdivision/team is determined on a discretionary basis by the vector, regional and functional heads based on the absolute and relative performance of the constituent teams and alignment with strategic priorities.</p> <p>Individual annual bonus awards are determined at the end of the 12-month performance period with performance assessed against financial and nonfinancial individual objectives, including behaviour and conduct. Individual awards for Identified Staff are reviewed and approved by the Committee (with some individual award approvals delegated, as appropriate, to the Group's Compensation Committee, over which the Committee retains oversight). In carrying out these approvals, the Committee seeks to ensure that outcomes are fair in the context of overall Group performance measures and adjusted, where appropriate, reflect input from the Risk and Capital Committee and the Audit Committee. Variable remuneration awards are subject to deferral for a period of up to three years. A retention period may also be applied as required by the relevant regulatory requirements. Deferral rates and periods comply, at a minimum, with regulatory requirements and may exceed these. In addition to the application of ex-ante adjustments described above, variable remuneration is subject to ex-post adjustment (malus / clawback arrangements).</p>
Other elements of remuneration – selected employees	<p>The following remuneration arrangements may be awarded in certain very limited circumstances:</p> <p>Carried Interest Plans – These arrangements are designed to reward performance in roles where a carried interest plan is appropriate. Selected employees are granted carried interest shares in private market funds established by the Group.</p> <p>Buy-Out Awards/Guaranteed Bonuses – These are intended to facilitate/support the recruitment of new employees. Buy-outs are not awarded, paid or provided unless they are in the context of hiring new employees. Guaranteed bonuses are not awarded, paid or provided unless they are exceptional and in the context of hiring new employees and limited to the first year of service. These awards are only made where such a payment or award is permitted under any relevant remuneration regulations and are designed to compensate for actual or expected remuneration foregone from previous employers by virtue of their recruitment.</p> <p>Retention and Special Performance Awards / LTIP – Supports retention and/or the delivery of specific performance outcomes. The Company may determine that it is appropriate to grant an exceptional award in limited circumstances. Awards are structured to deliver specific retention and/or performance outcomes. Retention and/or special performance awards comply with all relevant regulatory requirements.</p> <p>Severance Pay – Payment made to support an employee whose role is considered to be redundant. Severance payments comply with any legislative and regulatory requirements and any payments are inclusive of any statutory entitlement. In the event of severance, the treatment of any individual elements of an employee's remuneration is governed, as appropriate, by relevant plan or scheme rules.</p>

Control Functions

The Group ensures that, as appropriate, senior employees engaged in a control function are independent from the business units they oversee and have appropriate authority to undertake their roles and duties. These include, but are not necessarily limited to, Risk, Compliance and Internal Audit function roles. Senior employees engaged in a control function are remunerated in a way that ensures they are independent from the business areas they oversee, have appropriate authority, and have their remuneration directly overseen by the Remuneration Committee.

Remuneration

Continued

Conflicts of interest

The Remuneration Policy is designed to avoid conflicts of interest between the Group and its clients and is designed to adhere to local legislation, regulations or other provisions. In circumstances or jurisdictions where there is any conflict between the Policy and local legislation, regulations or other provisions then the latter prevail. Where the Committee receives input from members of management on the remuneration arrangements in operation across the Group this never relates to their own remuneration.

Personal Investment Strategies

The Company adheres to the regulatory principles and industry best practice on the use of personal hedging strategies which act in restricting the risk alignment embedded in employee remuneration arrangements.

AIFMD Identified Staff / MRTs

The 'Identified Staff' or MRTs of abrdn Fund Managers Limited are those employees who could have a material impact on the risk profile of abrdn Fund Managers Limited or the AIFMD Funds it manages. This broadly includes senior management, decision makers and control functions. For the purposes of this disclosure, 'Identified Staff' includes employees of entities to which activities have been delegated.

Quantitative remuneration disclosure

The table below provides an overview of the following:

- Aggregate total remuneration paid by abrdn Fund Managers Limited to its entire staff; and
- Aggregate total remuneration paid by abrdn Fund Managers Limited to its AIFMD 'Identified Staff'.

Amounts shown reflect payments made during the financial reporting period in question. The reporting period runs from **1 January 2022 to 31 December 2022** inclusive.

	Headcount	Total Remuneration £'000
abrdn Fund Managers Limited¹	855	141,552
of which		
Fixed remuneration		101,713
Variable remuneration		39,839
abrdn Fund Managers Limited 'Identified Staff'²	113	62,151
of which		
Senior Management ³	46	34,570
Other 'Identified Staff'	67	27,581

1 As there are a number of individuals indirectly and directly employed by abrdn Fund Managers Limited this figure represents an apportioned amount of abrdn's total remuneration fixed and variable pay, apportioned to the Management Company on an AUM basis, plus any carried interest paid. The Headcount figure provided reflects the number of beneficiaries calculated on a Full Time Equivalent basis.

2 The Identified Staff disclosure relates to AIFMD MRTs and represents total compensation of those staff of the Management Company who are fully or partly involved in the activities of the Management Company

3 Senior management are defined in this table as Management Company Directors and members of the abrdn plc Board, together with its Executive Committee, Investment Management Committee and Group Product Committee.

Further Information

abrdrn UK Real Estate Trust was incorporated on 6 March 2014, incorporated under the FCA Regulations. The fund is an authorised unit trust in umbrella form, the fund is also an Alternative Investment Fund ("AIF") for the purposes of the FCA handbook.

Consumers' rights and protections, including any derived from EU legislation, are unaffected by the result of the UK leaving the European Union and has now been incorporated into UK legislation.

Documentation and Prices

Copies of the current Prospectus and Key Investor Information Documents (KIIDs) for the abrdrn UK Real Estate Trust, daily prices, together with the latest Annual (and if issued later the interim) Report and Accounts for any fund, are available to download at abrdrn.com. A paper copy of the Report and Accounts is available on request from the Manager.

Notices/Correspondence

Please send any notices to abrdrn Fund Managers Limited, PO Box 12233, Chelmsford, CM99 2EE. Any notice to the Manager will only be effective when actually received by the Manager. All notices will be sent to the investor at the address set out in the Application form or the latest address which the investor has notified to the Manager, and will be deemed to have been received three days after posting.

Events detailed in these terms and conditions will be carried out on the dates specified, unless the dates are a non-business day, when they will be carried out on the next business day.

Complaints and Compensation

If you need to complain about any aspect of our service, you should write to the Complaints Team, abrdrn, PO Box 12233, Chelmsford, CM99 2EE, who will initiate our formal complaints procedure. If you prefer, you may call the Complaints Team on 0345 113 6966 or email complaints@abrdrn.com in the first instance. Alternatively if you have a complaint about the Company or fund you can contact the Trustee directly. A leaflet detailing our complaints procedure is available on request.

We will endeavour to respond to your complaint as soon as possible and will notify you of our outcome within 8 weeks. If the complaint is not resolved by us to your satisfaction then you may have the right take your complaint to the Financial Ombudsman Service (FOS).

To contact the FOS Service you should write to The Financial Ombudsman Service, Exchange Tower, London, E14 9SR, email complaint.info@financial-ombudsman.org.uk or telephone 0800 023 4567 (free for landlines and mobiles) or 0300 123 9123 (calls cost no more than calls to 01 and 02 numbers) or +44 20 7964 0500 (available from outside the UK - calls will be charged).

We are covered by the Financial Services Compensation Scheme, which means if we become insolvent, you may be entitled to compensation. The level of compensation will depend on the type of business and the circumstances of your claim. Investments are covered up to £85,000 for claims against firms that fail on or after 1 April 2019. Details are available from the FSCS Helpline on 0800 678 1100 or 020 7741 4100 and on the FSCS website: www.fscs.org.uk.

Important Information

The above document is strictly for information purposes only and should not be considered as an offer, investment recommendation or solicitation, to deal in any of the investments or funds mentioned herein and does not constitute investment research as defined under EU Directive 2003/125/EC. abrdn Fund Managers Limited ("abrdn") does not warrant the accuracy, adequacy or completeness of the information and materials contained in this document and expressly disclaims liability for errors or omissions in such information and materials. Any research or analysis used in the preparation of this document has been procured by abrdn for its own use and may have been acted on for its own purpose. The results thus obtained are made available only coincidentally and the information is not guaranteed as to its accuracy. Some of the information in this document may contain projections or other forward looking statements regarding future events or future financial performance of countries, markets or companies. These statements are only predictions and actual events or results may differ materially. The reader must make their own assessment of the relevance, or necessary or appropriate for the purpose of such assessment. Any opinion or estimate contained in this document is made on a general basis and is not to be relied on by the reader as advice. Neither abrdn nor any of its employees, associated group companies or agents have given any consideration to nor have they or any of them made any investigation of the investment objectives, financial situation or particular need of the reader, any specific person or group of persons. Accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of the reader, any person or group of persons acting on any information, opinion or estimate contained in this document. abrdn reserves the right to make changes and corrections to any information in this document at any time, without notice.