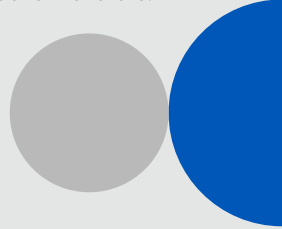


# Global Real Estate Securities Sustainable Fund

Quarterly Update – Q2 2025



This is a marketing communication. Please refer to the Prospectus of the UCITS/Information document and see the Key Investor Information Document (KIID) or Key Information Document (KID) as applicable, before making any final investment decisions.

The Global Real Estate Securities Sustainable Fund quarterly update provides an overview of the market; fund performance, positioning and portfolio changes; and the fund manager's outlook for the months ahead.

The Global Real Estate Securities Sustainable Fund, a Euro denominated sub fund of the abrdn SICAV II. This fund is managed by abrdn Investments Luxembourg S.A.

## OBJECTIVES AND INVESTMENT POLICY

### Investment Objective

The Global Real Estate Securities Sustainable Fund aims to provide long term growth from a combination of income and capital growth by investing in listed real estate investment trusts (REITs) and companies principally engaged in real estate activities (together "Real Estate Companies") on a global basis, which adhere to the abrdn Global Real Estate Securities Sustainable Investment Approach (the "Investment Approach").

Performance Target: To outperform the return of the FTSE EPRA Nareit Developed Net Return Index (before charges).

### Risk profile

Investors should be aware of the following risk factors:

- (a) The fund invests in equity and equity related securities. These are sensitive to variations in the stock markets which can be volatile and change substantially in short periods of time.
- (b) A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector.
- (c) Dividend payment policies of the REITs in which the fund invests are not representative of the dividend payment policy of the fund.
- (d) Applying ESG and sustainability criteria in the investment process may result in the exclusion of securities within the fund's benchmark or universe of potential investments. The interpretation of ESG and sustainability criteria is subjective meaning that the fund may invest in companies which similar funds do not (and thus perform differently) and which do not align with the personal views of any individual investor.
- (e) The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.

Note: Companies selected for illustrative purposes only to demonstrate the investment management style described herein and not as an investment recommendation or indication of future performance.

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## Market commentary

Despite market volatility, the global real estate market achieved modest gains in the first quarter, meaningfully outperforming broader equity markets. However, amid increased market volatility as the year progressed, the global real estate market posted modest losses in the second quarter, underperforming the broader equity markets. Continued macroeconomic uncertainty, including persistent inflationary pressures and mixed signals from central banks regarding the interest rate path caused some of the divergence in the regional performance for the asset class. The shock of "Liberation Day" tariff announcements and the threats of a trade war also pressured the market. While hopes for a soft landing remain, concerns around slowing consumer demand, job fears at the government level and tight credit conditions weighed on investor sentiment. With much of these concerns impacting the US market, investors questioned the concept of "American exceptionalism" and began to rotate into European and Asian markets early in the quarter, though later in the period, this trend started to soften as some of the pre-existing fiscal questions in the UK, France and Germany reemerged.

There was wide variation in price performance during the quarter, with the top-performing German residential sector outperforming the worst-performing US cold storage sector by more than 5,500 basis points. The leading sectors globally were German residential, UK retail, and Hong Kong offices. Hopes for the start of an interest rate easing cycle benefitted both the German residential and Hong Kong office sectors, while cheap relative valuations spurred the rally in the UK retail names. The US cold storage sector was the weakest performer by a wide margin. Food storage inventories continued to decline leading to higher vacancy levels. US industrial REITs struggled following the "Liberation Day" shock as the market digested the initial onslaught of headlines from the announcement. Additionally, residential REITs, particularly in the multi-family segment, underperformed due to a weaker leasing season and elevated supply in key Sunbelt markets.

## Outlook

We believe that the real estate sector is well-positioned for relative performance. The defensive nature of real estate, with contractual leases, should allow earnings to remain stable relative to the broader market, especially if prolonged economic uncertainty arises from trade disruptions or tariff policies. Additionally, unlike previous economic downturns, supply is currently under control, which may help to mitigate downward pressure on market rents. However, the sector is not entirely immune to economic weakness, and some sectors with long-term secular tailwinds are expected to outperform compared to those more sensitive to short-term economic activity.

As a result, we are focused on sectors and companies where we see opportunities to increase rents in the near term, with strong structural tailwinds supporting longer-term growth. We have also increased the Fund's allocation to less economically sensitive sectors, which we believe will better preserve their valuations.

The UK and parts of Europe are expected to lead the recovery, while the Asia Pacific region faces a muted cycle due to China's real estate challenges and Japan's monetary policies. The US recovery is slower, as European central banks ease policies ahead of the US Federal Reserve.

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# Global Real Estate Securities Sustainable Fund

Quarterly Update – Q2 2025

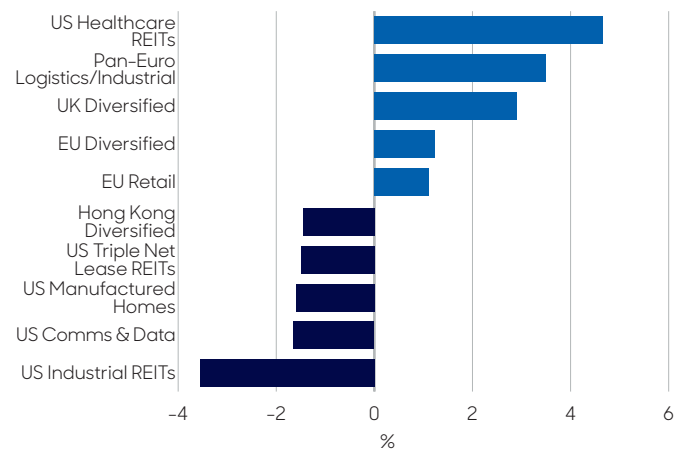


## Fund positioning

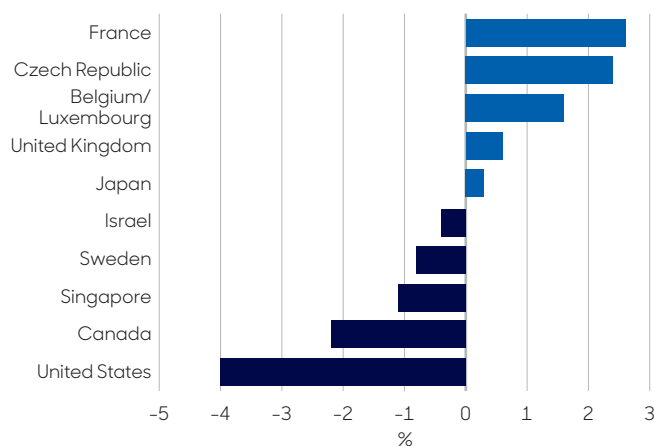
Top 5 and bottom 5 relative positions	Fund (%)	Benchmark <sup>1</sup> (%)	Relative (%)
Welltower, Inc.	8.15	5.27	2.59
CTP NV	2.37	0.00	2.37
Unibail-Rodamco-Westfield SE	2.52	0.52	2.01
Essex Property Trust, Inc.	2.93	1.02	1.93
American Healthcare REIT, Inc.	2.15	0.29	1.83
Mitsui Fudosan Co., Ltd.	0.00	1.50	(1.39)
Equity Residential	0.00	1.47	(1.41)
Iron Mountain, Inc.	0.00	1.56	(1.66)
Extra Space Storage, Inc.	0.00	1.73	(1.72)
VICI Properties, Inc.	0.00	1.91	(1.90)

Figures exc Cash.

## Sector exposure versus benchmark<sup>1</sup>



## Geographical exposure versus benchmark<sup>1</sup>



<sup>1</sup> Benchmark: FTSE EPRA/NAREIT Global Developed The information provided is for the abrdn Global RESS (SICAV) fund, 31 March 2025. Figures ex cash. Source: Aberdeen, FTSE EPRA/NAREIT, Bloomberg. For illustrative purpose only. No assumptions regarding future performance should be made.

## Fund facts

Fund size (EUR)	EUR 466.4m
Number of holdings	52
MSCI ESG Rating	A
MSCI ESG Quality Score	6.3
ISIN	LU0277137690
Sedol	B4QZ1C5
Inception Date	26 January 2007
Retail AMC	1.50%
Retail OCF	1.67%
Institutional AMC	0.85%
Institutional OCF	0.97%

## Performance (%)

	3 mths	1 yr	3 yrs <sup>2</sup>	5 yrs <sup>2</sup>	10 yrs <sup>2</sup>
Global Real Estate Securities Sustainable Fund (Retail A Acc EUR)	(3.59)	0.91	(2.04)	2.25	0.91
Global Real Estate Securities Sustainable Fund (Institutional D Acc EUR)	(3.41)	1.60	(1.33)	3.03	1.69
FTSE EPRA Nareit Developed Net Return Index (EUR)	(3.92)	1.51	(0.24)	4.65	3.34

<sup>2</sup> Returns are annualised.  
Figures are shown net of fees.



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# Global Real Estate Securities Sustainable Fund

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## Positive Performance Drivers

- The combination of near-shoring and budget decisions in Europe drove expectations of increased demand for logistics, particularly in Central Europe. As such, the Fund benefitted from both its overweight allocation to the sector as a whole, as well as its overweight position in CTP N.V., reflecting its market leading position in these markets.
- The Fund's underweight exposure to the US industrials sector benefitted performance as the sector materially underperformed in the immediate aftermath of "Liberation Day" and the beginning of the trade war, and with the implementation of reciprocal tariffs that were much higher than previously expected. Trade policy uncertainty has significantly elongated leasing decision times and when coupled with pre-existing slower demand growth and excess supply, market rents continued to decline, pressuring share prices.
- The US leisure triple net sector underperformed over the quarter as interest rates remained elevated, thereby benefitting the Fund's underweight position. Despite the lower-than-benchmark exposure to the sector, the Fund was overweight to EPR Properties, which outperformed dramatically in the quarter due to a better-than-expected box office performance, which helped to boost the health of its largest theatre tenant.

## Negative Performance Drivers

- The Fund's overweight position to US apartments, which had been a top contributor in the first quarter, became the largest drag on performance in the second quarter. The key spring leasing season was weaker than expected, resulting in lower market rents, placing downward pressure on stock performance.
- The Fund's underweight position in the Australian industrial sector detracted from performance during the period. Goodman Group, the largest company in the sector, rebounded in the second quarter after materially underperforming in the first quarter. The rally was spurred by development starts and leasing in the company's data centre business.
- Stock selection in the data centre sector weighed on performance over the quarter. A slower-than-expected earnings growth forecast for the next three to five years by Equinix, due to higher financing costs associated with its development pipeline, led to a sharp drop in the company's share price during the quarter. Additionally, the Fund was underweight Iron Mountain, which outperformed in the period following better-than-expected earnings growth.

## Annual returns to 30 June 2025 (%)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Global Real Estate Securities Sustainable Fund (Retail A Acc EUR)	0.91	4.22	(10.63)	(3.17)	22.81	(13.28)	9.69	2.87	(6.92)	7.53
Global Real Estate Securities Sustainable Fund (Institutional D Acc EUR)	1.60	4.97	(9.93)	(2.38)	23.79	(12.59)	10.55	3.68	(6.18)	8.40
FTSE EPRA Nareit Developed Net Return Index (EUR)	1.51	6.42	(8.10)	(1.01)	27.70	(14.28)	11.39	4.24	(1.49)	12.90

Fund performance net of fees.

Note: Performance has been calculated over the stated period on the share price performance basis, based on the given shareclass and net of fees.

Past Performance is not a guide to future performance. The price of shares 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.

For full details of the fund's objective, policy, investment and borrowing powers and details of the risks investors need to be aware of, please refer to the prospectus.

The fund does not have an index-tracking objective.



This information is for existing investors only. Past performance is not a guide to the future.

# Global Real Estate Securities Sustainable Fund



Quarterly Update – Q2 2025

## Important information

Investment involves risk. The value of investments and the income from them can go down as well as up and investors may get back less than the amount invested. Past performance is not a guide to future performance.

This document is intended for use by individuals who are familiar with investment terminology. To help you understand this fund and for a full explanation of specific risks and the overall risk profile of this fund and the shareclasses within it, please refer to the Key Investor Information Documents and Prospectus which are available on our website – [www.aberdeeninvestments.com](http://www.aberdeeninvestments.com).

Aberdeen has not considered the suitability of investment against your individual needs and risk tolerance. If you are in any doubt as to whether this fund is suitable for you, you should seek advice. An advisor is likely to charge for advice. We are unable to provide investment advice.

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## Further information:

[aberdeeninvestments.com](http://aberdeeninvestments.com)

In Switzerland the prospectus, the key investor information documents (KIIDs), the articles of incorporation, the annual and semi-annual report in German, and further information can be obtained free of charge from the representative in Switzerland: Carnegie Fund Services S.A., 11, rue du Général-Dufour, CH-1204 Geneva, Switzerland, web: [www.carnegie-fund-services.ch](http://www.carnegie-fund-services.ch). The Swiss paying agent is: Banque Cantonale de Genève, 17, quai de l'Île, CH-1204 Geneva. The latest share prices can be found on [www.fundinfo.com](http://www.fundinfo.com). In Italy these documents can be obtained from the Paying Agent, Società Generale Securities Services S.p.A., Via Benigno Crespi 19A – MAC2, 20159 Milan. In Germany these documents can be obtained from the Paying Agent Marcard, Stein & Co. AG, Ballindamm 36, D-20095 Hamburg, in Austria from the Fund's Representative and Paying Agent Raiffeisen Zentralbank Österreich Aktiengesellschaft, Am Stadtpark 9, A-1030 Wien. In France, these documents can be obtained from the Centralising Correspondent Agent: CACEIS Bank, 1-3 Place Valhubert, Paris Cedex 13, France. In Belgium, these documents can be obtained from the Fund's Paying Agent, BNP Paribas Securities Services, Succursale de Bruxelles, 489, Avenue Louise, 1050 Bruxelles.

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