

# abrdn Real Estate aberdeen Feeder Fund

September 2025



#### **Transition**

The Fund invests substantially all of its assets in the abrdn Real Estate Fund which is currently undergoing a portfolio transition to (i) reduce its holdings to approximately 45% in direct UK property, and (ii) increase its holdings to approximately 45% in indirect property. The transition commenced on 2 October 2024 and is expected to be completed within 18-24 months however, the transition may take longer due to the illiquid nature of property assets and varying market conditions. Potential investors should be aware that, for a period from 2 October 2024, investments in both direct and indirect holdings in the abrdn Real Estate Fund will not align with the target allocations of 45% as stated in the investment policy. Investors can view an updated breakdown of the composition of the abrdn Real Estate Fund www.aberdeeninvestments.com/engb/intermediary/funds view and reviewing the abrdn Real Estate Fund factsheet.

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

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

#### Portfolio securities

- $\cdot$  The fund will target an allocation of 45% investment in UK direct property, 45% investment in global property related equities and 10% cash (including assets that can be turned into cash quickly).
- · The fund will however invest at least 80% in property and property related investments The fund may also invest indirectly in other funds (including those managed by Aberdeen).
- The fund may invest in cash and assets that can be turned into cash quickly.

### Management process

- · In respect of the direct property component the management team use their discretion (active management) to identify investments that are expected to benefit from changes in property prices and property improvements. They will maintain a diverse asset mix at sector level.
- · In respect of the indirect property component the management team use their discretion to maintain a diverse mix at country and company level. Their primary focus is on company selection using research techniques to select individual holdings. The research is focused on identifying companies the management team believe will increase in value and which align with their views regarding future economic and business conditions
- · Due to the active nature of the management process, the fund's performance profile may deviate significantly from that of the composite benchmark.
- <sup>1</sup>The Ongoing Charge Figure (OCF) is an estimate as at April 2022 and may vary from year to year. It excludes the cost of buying and selling assets for the fund. An estimate is used in order to provide the figure that will most likely be charged. It does not include any initial charges or the cost of buying and selling stocks for the fund. The Ongoing Charge Figure can help you compare the annual operating expenses of different funds.
- <sup>2</sup> Historic Distribution Yield this represents the income generated by the assets in which the fund has been invested over the last twelve months, expressed as a % of the fund's value for Institutional Acc Shareclass. Please note that this income stream may be subject to taxes and charges.

<b>Dealing information</b> Minimum initial Investment	ıt
Retailshareclass	£500
Institutional shareclass	£1,000,000
Platform One shareclass	£1,000,000
Valuation point	12:00 UK Time
Settlement terms	T+3
Accounting period end	31 Dec (final) and 30 Jun
dates	(interim)
Ex-dividend dates	First day of each month
Payment dates	15 Feb (final) and Last day of
	each month I an no nayment

(interim)

#### Ongoing charges figure (OCF)1 Retail shareclass: 1.15%

Institutional shareclass: 0.68%

#### Annual management charge (AMC) Retail share class: 115%

Institutional shareclass: 0.60%

Retail Acc Shareclass	
Sedol	BYPHP97
ISIN	GB00BYPHP973
Bloomberg	IGUKFAA
Lipper	68362406
Retail Inc Shareclass	
Sedol	BYPHPB9
ISIN	GB00BYPHPB97
Bloomberg	IGUKFIA
Lipper	68362407
Institutional Acc Shareclas	s
Sedol	BYPHPD1
ISIN	GB00BYPHPD12
Bloomberg	SLIUAFP
Lipper	68367082
Performance	45% MSCI UK Monthly
Target/Performance	Property Index; 45% FTSE

Comparator Total Return Index and 10% SONIA £582.692.842 **Property Fund NAV** No. of direct holdings 27 No. of listed holdings 52 Fund Launch date 22 Dec 2004 Historic Distribution Yield<sup>2</sup> 4.49% Fund

EPRA Nareit Developed Net





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#### Market Review

According to the MSCI UK Monthly Index for September, the monthly all property total return was 0.6%, this is the sixth month in a row that the total return has been 0.6% and the eighth month this year that total return has been 0.6%. Income return continues to make up the majority of the total return at 0.5%.

For the third time this year, the Other sector saw the highest monthly return at 0.8%. This came from an increase in capital growth from -0.1% last quarter to 0.3% this quarter. This was followed closely by Retail also at 0.8%, which saw market rental value growth of 0.4%, the highest market rental value growth for the sector since November 2007.

Retail total return was led by Shopping Centres at 1.3% and SE Standard Retail at 1.1%, the two highest segment returns over the month. For Shopping Centres, capital growth saw an increase from 0.1% last month to 0.5% in September, with income return remaining consistent at 0.8%. Similarly, SE Standard Retail saw the same increase in capital growth from 0.1% to 0.5%. This is the highest total return value for SE Standard Retail since September 2021.

The lowest sector return this month came from Offices at 0.2%. Within the Office segments, Rest of SE Offices was the lowest performing segment at -0.3%, followed by Rest of UK Offices at 0.0%. With the exception of West End and Mid Town Offices, all Office segments are still seeing negative capital growth

On an annual basis, all property total return was 8.6%, a slight drop on last month's value of 8.7%, however still consistent with the annual total return values the index has been seeing since March. This was led by Retail at 10.4%, followed by Industrials at 10.1%. The lowest performing sector on an annual basis was Offices at 4.0%. Despite this, this is the highest annual return the sector has seen in 3 years and is the ninth continuous month of positive returns. Rest of SE Offices was the segment with the lowest annual return at 0.8%, with the segment seeing 3 years of negative capital growth.

 $The \ real \ estate focused \ FTSE\ EPRA\ Nare it\ Developed\ Index\ returned\ 1.25\%\ during\ the\ month\ as\ the\ market\ speculated\ on\ expectations\ of\ rate\ cuts\ later\ in\ the\ year.$ 

### **Fund performance**

The Institutional Acc shares returned investors 0.32% over the month, behind the Performance Target which achieved  $0.89\%^A$ . Over the past 5 years the Fund has returned -0.22%, -1.58% behind the Performance Target<sup>A</sup>.

# Fund management activity

Recent asset management activity includes at Woodside Industrial Estate, Bishop's Stortford, where Buzz Supplies entered into a lease renewal providing an additional 10 years of term at a revised rent of £191,952 per annum (an uplift of 60%).

#### Outlook and Fund positioning

Although the first half of 2025 had stronger than expected growth of 1.1%, initial estimates over the summer suggest this shine has dulled. Economic headwinds are dominating the domestic environment, with fiscal concerns once again at the centre of attention ahead of the Autumn Budget. Concerns around productivity are at the forefront of the Office for Budget Responsibility's forecasts, which highlight the fiscal consolidation required.

Inflationary risk still poses a threat, although we expect salient components to fade away as labour market weakness persists. With this context, pressure on Labour to deliver on productivity growth is meeting intense public pressure on key policies regarding immigration and benefits. As a result of domestic turbulence, long-dated gilt yields have climbed steadily throughout 2025; the UK's 30-year benchmark is nearing 30 year highs, leaving government borrowing costs in constrictive territory.

International risk hasn't disappeared; if anything, it has increased this year, given tariffs from the US and geopolitical tensions in the Middle East and Europe. However, the UK real estate market remains a bright spot and is consistently ranked as a favourite for global investors. Despite these challenges, we still expect UK real estate to perform well. We are forecasting 8.4% annual returns over three years, led by the industrial and retail sectors. Converging returns remain a trend in our forecasts; offices will still lag all property, but less so than in previous years. A broad lack of construction starts supports our outlook across the sectors, particularly for higher-quality assets. We expect capital growth to have more of an impact from year two onwards, although the speed of rate cuts could shift this timeline.

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

# Discrete annual returns (%) - year ended 30/09

	2021	2022	2023	2024	2025
Fund Retail Acc shareclass	8.06	4.49	-11.37	-3.34	0.35
Fund Institutional Acc shareclass	8.49	4.88	-11.09	-2.93	0.71
Performance Target <sup>1</sup>	5.01	6.30	-9.38	1.56	4.13

# Past performance (%)

	1m	3m	6m	1y	3y p.a.	5y p.a.
Fund Retail Acc shareclass	0.28	1.28	0.71	0.35	-4.92	-0.59
Fund Institutional Acc shareclass	0.32	1.44	0.95	0.71	-4.56	-0.22
Performance Target <sup>1</sup>	0.89	3.57	3.81	4.13	-1.41	1.36

<sup>1</sup>Performance Target IA UK Direct Property Peer group until 02/10/2024, 45% MSCI UK Monthly Property Index; 45% FTSE EPRA Nareit Developed Net Total Return Index and 10% SONIA thereafter.

abrdn Real Estate Feeder Fund

<sup>&</sup>lt;sup>2</sup>Real Capital Analytics

Source: Aberdeen

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September 2025

# **Asset allocation**



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

# Top five tenants (direct assets, consolidated)

Name	% of total income
T P Bennett LLP	6.7
British Telecommunications plc	4.2
Expro North Sea Limited	3.9
Tesco Stores Limited	2.6
TCL Manufacturing Ltd	2.6

Source: Aberdeen, September 2025

# Sector analysis (direct assets)

Fund %
16.4
5.3
2.4
2.7
6.0
28.4
19.2
9.2
43.1
37.2
5.9
12.1

Source: Aberdeen, September 2025

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## Important Information

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

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

## Important Information

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

The fund's Authorised Corporate Director is abrdn Fund Managers Limited.

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