abrdn Real Estate Funds ICVC

(formerly abrdn UK Real Estate Funds ICVC)

Annual Long Report
For the year ended 31 December 2024

www.aberdeenplc.com

Contents

Report of the Authorised Corporate Director

abrdn Real Estate Funds ICVC (formerly abrdn UK Real Estate Funds ICVC) (the "Company") is an investment company with variable capital, having its head office in Scotland and with registered number IC989 and authorised by the Financial Conduct Authority with effect from 6 March 2014. Its FCA Product Reference Number is 607205.

The Company has one sub-fund, the abrdn Real Estate Fund (formerly abrdn UK Real Estate Fund) (the "fund"), therefore no disclosure of cross-holdings is required.

The Company is classed as a Non-UCITS Retail Scheme ("NURS"). The Company is also a "UK AIF" (Alternative Investment Fund) for the purposes of Investment Funds Sourcebook ("Fund"), and is intended to be a Property Authorised Investment Fund ("PAIF") at all times.

The holders of shares in the Company are not liable for the debts of the Company.

Appointments

Authorised Corporate Director (ACD) and Alternative Investment Fund Manager

abrdn Fund Managers Limited

Registered Office

280 Bishopsgate
London
EC2M 4AG

Correspondence address

PO Box 12233
Chelmsford
Essex
CM99 2EE

Investment Adviser

abrdn Investment Management Limited
1 George Street
Edinburgh
EH2 2LL

Depositary

Citibank UK Limited

Registered Office

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

Report of the Authorised Corporate Director

Continued

Independent Auditor

KPMG LLP
15 Canada Square
Canary Wharf
London
E14 5GL

Valuation Advisers

CBRE Limited
Henrietta House
Henrietta Place
London
W1G 0NB

Knight Frank LLP
55 Baker Street
London
W1U 8AN

Legal Advisers

Addleshaw Goddard
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

Report of the Authorised Corporate Director

Continued

Prospectus updates since 31 December 2023

- On 27 February 2024, Martin Kwiatkowski was appointed as a director of abrdn Fund Managers Limited;
- On 15 March 2024, Fraser Tulloch was appointed as a director of abrdn Fund Managers Limited;
- On 23 July 2024, the registered office address was updated to 1 George Street, Edinburgh, EH2 2LL for abrdn Investments Limited;
- On 2 September 2024, Michael Champion and Philip Wagstaff were appointed as directors of abrdn Fund Managers Limited;
- On 2 October 2024, the abrdn UK Real Estate Fund changed name to abrdn Real Estate Fund;
- On 2 October 2024, the abrdn Real Estate Fund reduced its AMC rates across all share classes, as listed below:
  - Institutional Acc reduced from 0.75% to 0.60%
  - Institutional Inc reduced from 0.75% to 0.60%
  - J Acc reduced from 0.67% to 0.60%
  - J Inc reduced from 0.67% to 0.60%
  - Platform 1 Acc reduced from 0.75% to 0.60%
  - Platform 1 Inc reduced from 0.75% to 0.60%
  - Retail Acc reduced from 1.3% to 1.15%
  - Retail Inc reduced from 1.3% to 1.15%
- On 27 November 2024, all Platform 1 Acc and Platform Inc share classes in abrdn Real Estate Funds ICVC were closed;
- On 27 November 2024, both Jamie Matheson and Carolan Dobson resigned as directors of abrdn Fund Managers Limited;
- On 18 February 2025, Fraser Tulloch resigned as a director of abrdn Fund Managers Limited;
- Effective 12 March 2025 abrdn plc changed name to Aberdeen Group plc.
- Performance and dilution figures were refreshed, where appropriate;
- The list of eligible markets was refreshed, where appropriate;
- The list of funds managed by the ACD was updated, where appropriate;
- The list of sub-custodians 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 (unaudited)

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.

Climate-related Financial Disclosures (unaudited)

The recommendations by the Taskforce for Climate-related Financial Disclosures (TCFD) – initiated by the Financial Stability Board in 2015 and adopted in 2017 – provide organisations with a consistent framework for disclosing financial impacts of climate-related risks and opportunities. The disclosure in line with TCFD recommendations enables external stakeholders to gain a better understanding of the climate-related risks and opportunities (including how they are managed) that are likely to impact the organisation's future financial position as reflected in its income statement, cash flow statement, and balance sheet. The TCFD has developed 11 recommendations which are structured around four thematic areas, notably governance, strategy, risk management and metrics and target. In Policy Statement 21/24 the Financial Conduct Authority (FCA) have created a regulatory framework for asset managers, life insurers and FCA-regulated pension providers to make climate-related disclosures consistent with the recommendations of the TCFD. As a result of the disclosure requirements abrdn Real Estate Funds ICVC (formerly abrdn UK Real Estate Funds ICVC) is required to perform a detailed annual assessment, determining financial impacts of climate-related risks and opportunities. The resulting findings are published at **https://www.aberdeenplc.com/en-gb/personal/save-and-invest/abrdn-funds/literature**.

Investment Report

Transition

Following the EGM held on 18th September 2024, and a consultation with the regulator during 2024, from 2nd October 2024: the abrdn UK Real Estate Fund was renamed the abrdn Real Estate Fund and the Fund commenced 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 is expected to be completed within 18 -24 months. However, this timeline may vary depending on market conditions. Investors should be aware that, for a period from 2nd October 2024, investments in both direct and indirect holdings in abrdn Real Estate Fund will not align with the target allocations of 45% as stated in the investment policy.

Market background

The real estate focused FTSE EPRA Nareit Developed Index returned 2.74% over the course of the year with early gains going on to be eroded by higher bond yields and expectations around higher for longer interest rates during the later part of the year.

The MSCI UK Monthly Index saw positive monthly and annual total returns this year from January through to December. The Monthly all property total returns started in January at 0.2% and increased to 1.1% by the end of the year, whilst annual total returns started at 0.3% and increased to 7.0% by the end of the year.

For UK direct property industrial and retail sectors, the monthly total returns for the year were positive throughout, whilst for residential, hotels and other commercial, these sectors saw one month each of negative total returns (March for residential; February for hotels and October for other commercial). The office sector, however, saw only 4 months of positive total returns, all in the last 5 months of the year.

As expected, economic growth slowed over the second half of the year. The UK's economy failed to grow over the third quarter, and growth was revised down over the second quarter from 0.5% to 0.4%. The latest data pointed to a slight monthly uptick through November, though below expectations. Changes to business rates and National Insurance contributions aim to raise additional revenue to fund Labour's growth-centric agenda, although this has been met with shrinking fiscal headroom as borrowing costs remain under pressure. Indeed, a sell-off in the gilt market at the start of 2025 threatens future spending commitments and questions Labour's ability to meet their own fiscal rules

After cutting 25bps in November, the Bank of England (BofE) voted 6-3 in December to hold the policy rate at 4.75% and continued its hawkish commentary citing 'global and domestic uncertainties'. The split vote suggests an appetite for further policy easing in the near-term; something which could increase in pace in the second half of 2025 once uncertainties have been worked through or if growth struggles more than expected.

Performance

The abrdn Real Estate Fund returned -0.83%* over the period, compared with a total return of 1.13% from the Performance Target.**

The Fund underperformed the MSCI UK Daily Traded APUTs and PAIFs Quarterly Property Index (direct property benchmark) over Q1-Q3 2024 by -1.47%, recording a total return of 0.42% against a benchmark of 1.93%. Over

Discrete annual returns (%): year ended 31/12/2024

	1 Year to 31/12/2024 (%)	1 Year to 31/12/2023 (%)	1 Year to 31/12/2022 (%)	1 Year to 31/12/2021 (%)	1 Year to 31/12/2020 (%)
Retail Acc Fund performance	-1.24	-2.33	-10.74	10.39	-3.97
Institutional Acc Fund performance	-0.83	-1.98	-10.39	10.80	-3.61
Performance Target**	1.13	-0.42	-6.60	8.49	-2.41

Annualised returns (%) - to 31/12/2024

	3 Months (%)	6 Months (%)	1 Year (%)	3 Years (%pa)	5 Years (%pa)
Retail Acc Fund performance	-0.96	-0.39	-1.24	-4.87	-1.81
Institutional Acc Fund performance	-0.83	-0.28	-0.83	-4.50	-1.43
Performance Target **	-0.50	1.62	1.13	-2.02	-0.08

* Inst Acc Share Class
** IA UK Direct property sector to 30/09/2024, 45% MSCI UK Monthly Property Index, 45% FTSE EPRA Nareit Developed Net Total Return Index, 10% SONIA thereafter.

Investment Report

Continued

Q4 2024, The Fund underperformed the MSCI UK Monthly Property Index by -2.43%, recording a total return of 0.09% against a benchmark of 2.57%. The change in benchmark during the year reflects the strategy transition effective from 2 October 2024.

Investment activity

The Fund disposed of 11 assets during the reporting period, generating £302 million. In line with Fund strategy, asset sales were predominantly to enhance liquidity and reduce risk (vacancy and capex exposure). The Fund also completed the acquisition of land adjoining an existing holding at Hydehurst Lane, Crawley, during the period. The purchase is a further step towards the development of a c.62,000 sq ft parcel hub pre-let to DPD at an initial rent of c.£1.4m per annum on a 25 year lease, which is schedule to complete in Q4 2025. At 31st December 2024, liquid assets in the Fund was 17.0% of NAV.

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

In the industrial sector, activity includes at Axis Park, Peterborough, where Mcphee & Co, Kosher Bubbles and Flo-Mech entered into separate 5 year agreements at initial rents of c.£25,000 per annum (£8.50 psf); the Mears Group extended two existing leases for an additional 10 years of term at a combined initial passing rent of £150,000 per annum (an uplift of c.30%) and Baywater Healthcare agreed a 10 year lease at an initial rent of £24,882 per annum (£8.25 psf) At Ascent Park, Harlow, Carpets 4 Less also extended their lease for an additional 10 years of term, at an initial passing rent of £106,000 per annum (an uplift of c.35%). At Smiths Metal Centre at Biggleswade, a renewal has completed securing a 10 year additional term at a rent of £606,000 per annum (an uplift of 26%).

In the retail sector, at Bishop Auckland Shopping Park, Poundland have renewed their lease for a further 5 years at a rent of £103,690 per annum and a back to back lease surrender and grant of a new lease to Mountain Warehouse has completed with the ingoing tenant entering into a 20 year lease at an initial rent of £200,000 per annum, an uplift of 10% on the previous passing rent. At Bligh's Meadow, Sevenoaks, Greenway Accountancy Services have entered a 5 year lease at an initial rent of £37,000 per annum

In the office sector activity includes at 1 Marsden Street, Manchester, where International Resources Group completed a 10 year lease at an initial rent of £93,478 per annum and CoStar have extended their lease for an additional 5 years at a new rent of £76,138 per annum. At Hobart House, Edinburgh, HNH Partners have agreed a 5 year lease at an initial rent of £43,584 per annum.

Outlook and future strategy

Despite solid real estate fundamentals, volatility in the fixed income market is likely to dampen some of the optimism that the market carried into 2025. Global volatility has shaken markets and sent gilts and swaps higher.

The UK Labour government must manage growth expectations without inducing a further sell-off. To achieve this, we expect a reversal in tone with spending cuts being favoured over additional tax rises. As such, any willing buyers and sellers will aim to wait until volatility subsides; the exception to this being cash-ready, value-add buyers searching for dislocations. We believe UK real estate will retain much of its forward momentum in the face of global headwinds. Sectors such as retail and industrial will continue to outperform off structural and thematic drivers, although market participants will be watching economic indicators during a period of lacklustre growth. Aside from some tough regional and secondary markets, out-of-favour segments have noticeably slowed in their value corrections

Still, real estate fundamentals are supportive, and we expect income yields and active management to continue to drive returns. We have tempered forecasts over the short-term as capital growth is now expected to take longer to materialise.

The over-arching Fund strategy remains focused on reducing risk within the property portfolio, whilst also retaining an enhanced exposure to liquid assets. Strong asset fundamentals are important at times of volatility. We will continually review and implement enhancements as appropriate to best protect the interests of our customers and investors as matters evolve.

February 2025

Statement of Authorised Corporate Director's Responsibilities

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

In preparing the financial statements the ACD 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 Company and its fund'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 Company or its funds 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 ACD is responsible for the management of the Company in accordance with its Instrument of Incorporation, the Prospectus and the COLL Rules.

The ACD 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.

Authorised Corporate Director'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, the Authorised Corporate Director.

Aron Mitchell
Director
abrdn Fund Managers Limited
9 April 2025

Adam Shanks
Director
abrdn Fund Managers Limited
9 April 2025

Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of the abrdn Real Estate Funds ICVC (formerly abrdn UK Real Estate Funds ICVC) ('the Company') for the year ended 31 December 2024

It is the duty of the Depositary to take reasonable care to ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("the Sourcebook"), the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the OEIC Regulations), as amended, the money market funds regulation, as amended, (together "the Regulations") the Company's Instrument of Incorporation, and the Prospectus (together "the Scheme Documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors. The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored, and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Company are calculated in accordance with the Regulations,
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ("the AFM"), which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

Having carried out procedures and enquiries considered duly necessary to discharge our responsibilities as Depositary of the Company, based on information and explanations provided to us, we believe that, in all material respects, the Company, acting through the AFM:

(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations; and
(ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

S Capanni

Citibank UK Limited
9 April 2025

Independent Auditor’s report to the shareholders of abrdn Real Estate Funds ICVC (formerly abrdn UK Real Estate Funds ICVC) (‘the Company’)

Opinion

We have audited the financial statements of the Company (abrdn Real Estate Funds ICVC (formerly abrdn UK Real Estate Funds ICVC)) for the year ended 31 December 2024 which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Shareholders, the Balance Sheet, Cash Flow Statement, the Related Notes on pages 38 to 50 and Distribution Tables for the Company and the accounting policies set out on pages 34 to 37.

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 Company as at 31 December 2024 and of the net revenue and the net capital losses on the property of the Company for the year then ended; and
- have been properly prepared in accordance with the Instrument of Incorporation, 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 Company 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 Authorised Corporate Director has prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company’s financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their 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 Authorised Corporate Director’s conclusions, we considered the inherent risks to the Company’s business model and analysed how those risks might affect the Company’s financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Authorised Corporate Director’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 Authorised Corporate Director’s assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company’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 Company 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 Company’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 ACD, the Depositary, the Administrator and the Investment Adviser;
- Reading ACD 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

Independent Auditor's report to the shareholders of abrdn Real Estate Funds ICVC (formerly abrdn UK Real Estate Funds ICVC) ('the Company')

Continued

recognition because the Company's income primarily arises from operating lease contracts with fixed, or highly predictable, periodic payments. 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 entries and other adjustments. We identified and selected certain journal entries made at the end of the reporting period and post-closing entries for testing and comparing the identified entries to supporting documentation.

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 ACD 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 Company 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 Company 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: landlord and tenant legislation, property laws and building legislation, money laundering, data protection and bribery and corruption legislation recognising the nature of Company'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 Authorised Corporate Director is responsible for the other information, which comprises the Report of the Authorised Corporate Director, the Statement of Depository's Responsibilities and Depository's Report to Shareholders, Company Information, Comparative Tables, Portfolio Statement, Remuneration Report, 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 Authorised Corporate Director's Report is consistent with the financial statements.

Independent Auditor's report to the shareholders of abrdn Real Estate Funds ICVC (formerly abrdn UK Real Estate Funds ICVC) ('the Company')

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

Authorised Corporate Director's responsibilities

As explained more fully in their statement set out on page 8 the Authorised Corporate Director 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 Company'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 Company 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 Company's shareholders, 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 the Open-Ended Investment Companies Regulations 2001. Our audit work has been undertaken so that we might state to the Company's shareholders 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 Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

M. Humphrey.

Matthew Humphrey

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL
9 April 2025

Company Information for abrdn Real Estate Funds ICVC (formerly abrdn UK Real Estate Funds ICVC)

Launch Date: May 2014

abrdn Real Estate Funds ICVC (formerly abrdn UK Real Estate Funds ICVC) (the "Company") is an investment company with variable capital, having its head office in Scotland and with registered number IC989 and authorised by the Financial Conduct Authority with effect from 6 March 2014. The Company has one sub-fund, the abrdn Real Estate Fund (formerly abrdn UK Real Estate Fund) (the "fund").

Investment Objective

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

Performance Target: To achieve a return in excess of the following composite index over rolling five year periods (after charges) - 45% MSCI UK Monthly Property Index; 45% FTSE EPRA Nareit Developed Net Total Return Index; and 10% SONIA.

The Performance Target is the level of performance that the management team hopes to achieve for the fund. There is however no certainty or promise that they will achieve the Performance Target.

The ACD believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the composite index.

Investment Policy

Portfolio Securities:

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

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

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

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

Management Process:

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

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

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

Derivatives and Techniques

The fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the fund (often referred to as "efficient portfolio management").

Where derivatives are used, this would typically be to maintain allocations following a significant inflow into the fund or to manage currency risk.

Specific Risks

Investors should be aware of the following risk factors:

Property Liquidity Risk - Property is less liquid than other asset classes. 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.

Property Transaction Charges - 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.

Company Information for abrdn Real Estate Funds ICVC (formerly abrdn UK Real Estate Funds ICVC) Continued

Property Valuation Risk – Property valuation is subjective and based on the judgment of an independent valuer, it is therefore a matter of the valuer's opinion rather than fact.

Equity Risk – 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.

Concentration Risk – A concentrated portfolio (whether by number of holdings, geographic location or sector) may be more volatile and less liquid than a diversified one.

Real Estate Investment Trust (REIT) Risk – Dividend payment policies of the REITs in which the fund invests are not representative of the dividend payment policy of the fund.

Derivatives Risk – The use of derivatives may involve additional liquidity, credit and counterparty risks. In some cases the risk of loss from derivatives may be increased where a small change in the value of the underlying investment may have a larger impact on the value of the derivative.

Single Swinging Price Risk – 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.

Comparative Tables

Retail Accumulation Shares	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	106.02	108.49	121.53
Return before operating charges*	1.15	(0.02)	(10.51)
Operating charges**	(1.37)	(1.42)	(1.60)
Property expenses#	(0.69)	(0.50)	(0.45)
Return after operating charges*	(0.91)	(1.94)	(12.56)
Gross Distributions per accumulation share	(4.99)	(5.45)	(4.54)
Net retained distribution on accumulation shares	4.51	4.92	4.06
Closing net asset value per share	104.63	106.02	108.49
* after direct transaction costs	–	–	–
Performance+			
Return after charges	(0.86%)	(1.79%)	(10.33%)
Other information			
Closing net asset value (£'000)	39,634	44,986	50,959
Closing number of shares	37,881,516	42,430,718	46,969,971
Operating charges****	1.29%	1.30%	1.31%
Property expenses ratio#	0.65%	0.46%	0.37%
Real estate expense ratio	1.94%	1.76%	1.68%
Direct transaction costs***	–	–	–
Prices			
Highest share price	104.8	109.6	128.3
Lowest share price	103.2	104.7	107.2

Property expenses are separate from fund operating charges. They represent the costs associated with property assets. The figure for property expenses should be combined with the operating charges to create a Real Estate Expense Ratio (REER) when comparing property funds.
** The operating charges include all costs borne by the Fund, except for direct transaction costs.
*** The direct transaction costs are made up of; fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties. Direct transaction costs are stated after the proportion of the amounts collected from dilution adjustments in relation to direct transaction costs.
**** The operating charges percentage shows the annualised operating expenses of the share class as a percentage of the average net asset value of the class over the same period.
+ The performance figures are calculated by taking the value of the share class per the financial statements compared to the value per the financial statements in the prior year. This figure may differ from the performance figure quoted in the Investment Report.

Comparative Tables

Continued

Institutional Accumulation Shares	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	110.37	112.62	125.62
Return before operating charges*	1.24	(0.09)	(10.90)
Operating charges**	(0.90)	(0.94)	(1.06)
Property expenses#	(0.72)	(0.52)	(0.47)
Return after operating charges*	(0.38)	(1.55)	(12.43)
Gross Distributions per accumulation share	(5.23)	(5.65)	(4.70)
Net retained distribution on accumulation shares	4.62	4.95	4.13
Closing net asset value per share	109.38	110.37	112.62
* after direct transaction costs	-	-	-
Performance+			
Return after charges	(0.35%)	(1.37%)	(9.89%)
Other information			
Closing net asset value (£'000)	50,895	151,714	175,701
Closing number of shares	46,529,557	137,458,581	156,017,242
Operating charges****	0.82%	0.83%	0.84%
Property expenses ratio#	0.65%	0.46%	0.37%
Real estate expense ratio	1.47%	1.29%	1.21%
Direct transaction costs***	-	-	-
Prices			
Highest share price	109.6	114.0	132.9
Lowest share price	107.7	109.0	111.2

Property expenses are separate from fund operating charges. They represent the costs associated with property assets. The figure for property expenses should be combined with the operating charges to create a Real Estate Expense Ratio (REER) when comparing property funds.
** The operating charges include all costs borne by the Fund, except for direct transaction costs.
*** The direct transaction costs are made up of; fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties. Direct transaction costs are stated after the proportion of the amounts collected from dilution adjustments in relation to direct transaction costs.
**** The operating charges percentage shows the annualised operating expenses of the share class as a percentage of the average net asset value of the class over the same period.
+ The performance figures are calculated by taking the value of the share class per the financial statements compared to the value per the financial statements in the prior year. This figure may differ from the performance figure quoted in the Investment Report.

Comparative Tables

Continued

Retail Income Shares	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	75.80	81.18	94.02
Return before operating charges*	0.77	0.02	(7.80)
Operating charges**	(0.95)	(1.04)	(1.23)
Property expenses#	(0.48)	(0.37)	(0.35)
Return after operating charges*	(0.66)	(1.39)	(9.38)
Gross distributions per income share	(3.50)	(3.99)	(3.46)
Closing net asset value per share	71.64	75.80	81.18
* after direct transaction costs	–	–	–
Performance+			
Return after charges	(0.87%)	(1.71%)	(9.98%)
Other information			
Closing net asset value (£'000)	667	1,633	1,990
Closing number of shares	930,878	2,154,720	2,451,170
Operating charges****	1.29%	1.30%	1.31%
Property expenses ratio#	0.65%	0.46%	0.37%
Real estate expense ratio	1.94%	1.76%	1.68%
Direct transaction costs***	–	–	–
Prices			
Highest share price	74.98	81.20	97.76
Lowest share price	70.96	75.11	80.41

Property expenses are separate from fund operating charges. They represent the costs associated with property assets. The figure for property expenses should be combined with the operating charges to create a Real Estate Expense Ratio (REER) when comparing property funds.
** The operating charges include all costs borne by the Fund, except for direct transaction costs.
*** The direct transaction costs are made up of; fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties. Direct transaction costs are stated after the proportion of the amounts collected from dilution adjustments in relation to direct transaction costs.
**** The operating charges percentage shows the annualised operating expenses of the share class as a percentage of the average net asset value of the class over the same period.
+ The performance figures are calculated by taking the value of the share class per the financial statements compared to the value per the financial statements in the prior year. This figure may differ from the performance figure quoted in the Investment Report.

Comparative Tables

Continued

Institutional Income Shares	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	79.79	85.09	98.07
Return before operating charges*	0.88	(0.02)	(8.18)
Operating charges**	(0.64)	(0.70)	(0.82)
Property expenses#	(0.51)	(0.39)	(0.36)
Return after operating charges*	(0.27)	(1.11)	(9.36)
Gross distributions per income share	(3.69)	(4.19)	(3.62)
Closing net asset value per share	75.83	79.79	85.09
* after direct transaction costs	-	-	-
Performance+			
Return after charges	(0.33%)	(1.31%)	(9.55%)
Other information			
Closing net asset value (£'000)	6,065	6,198	7,349
Closing number of shares	7,998,361	7,767,568	8,637,199
Operating charges****	0.82%	0.83%	0.84%
Property expenses ratio#	0.65%	0.46%	0.37%
Real estate expense ratio	1.47%	1.29%	1.21%
Direct transaction costs***	-	-	-
Prices			
Highest share price	78.95	85.12	102.2
Lowest share price	75.10	79.10	84.28

Property expenses are separate from fund operating charges. They represent the costs associated with property assets. The figure for property expenses should be combined with the operating charges to create a Real Estate Expense Ratio (REER) when comparing property funds.
** The operating charges include all costs borne by the Fund, except for direct transaction costs.
*** The direct transaction costs are made up of; fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties. Direct transaction costs are stated after the proportion of the amounts collected from dilution adjustments in relation to direct transaction costs.
**** The operating charges percentage shows the annualised operating expenses of the share class as a percentage of the average net asset value of the class over the same period.
+ The performance figures are calculated by taking the value of the share class per the financial statements compared to the value per the financial statements in the prior year. This figure may differ from the performance figure quoted in the Investment Report.

Comparative Tables

Continued

ZA Income Shares	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	41.91	44.37	50.72
Return before operating charges*	0.49	(0.08)	(4.28)
Operating charges**	(0.01)	–	–
Property expenses#	(0.27)	(0.20)	(0.19)
Return after operating charges*	0.21	(0.28)	(4.47)
Gross distributions per income share	(1.95)	(2.18)	(1.88)
Closing net asset value per share	40.17	41.91	44.37
* after direct transaction costs	–	–	–
Performance+			
Return after charges	0.50%	(0.63%)	(8.82%)
Other information			
Closing net asset value (£'000)	2,051	2,141	4,800
Closing number of shares	5,106,982	5,106,982	10,819,962
Operating charges****	0.03%	–	0.01%
Property expenses ratio#	0.65%	0.46%	0.37%
Real estate expense ratio	0.68%	0.46%	0.38%
Direct transaction costs***	–	–	–
Prices			
Highest share price	41.49	44.38	53.07
Lowest share price	39.80	41.55	43.94

Property expenses are separate from fund operating charges. They represent the costs associated with property assets. The figure for property expenses should be combined with the operating charges to create a Real Estate Expense Ratio (REER) when comparing property funds.
** The operating charges include all costs borne by the Fund, except for direct transaction costs.
*** The direct transaction costs are made up of; fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties. Direct transaction costs are stated after the proportion of the amounts collected from dilution adjustments in relation to direct transaction costs.
**** The operating charges percentage shows the annualised operating expenses of the share class as a percentage of the average net asset value of the class over the same period.
+ The performance figures are calculated by taking the value of the share class per the financial statements compared to the value per the financial statements in the prior year. This figure may differ from the performance figure quoted in the Investment Report.

Comparative Tables

Continued

ZC Accumulation Shares	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	53.69	54.53	60.42
Return before operating charges*	0.63	(0.09)	(5.28)
Operating charges**	(0.06)	(0.04)	(0.05)
Property expenses#	(0.35)	(0.25)	(0.23)
Return after operating charges*	0.22	(0.38)	(5.56)
Gross Distributions per accumulation share	(2.54)	(2.74)	(2.27)
Net retained distribution on accumulation shares	2.16	2.28	1.94
Closing net asset value per share	53.53	53.69	54.53
* after direct transaction costs	–	–	–
Performance+			
Return after charges	0.41%	(0.70%)	(9.21%)
Other information			
Closing net asset value (£'000)	83	95	96
Closing number of shares	156,019	176,772	176,254
Operating charges****	0.11%	0.08%	0.09%
Property expenses ratio#	0.65%	0.46%	0.37%
Real estate expense ratio	0.76%	0.54%	0.46%
Direct transaction costs***	–	–	–
Prices			
Highest share price	53.60	55.31	64.10
Lowest share price	52.61	53.05	53.81

Property expenses are separate from fund operating charges. They represent the costs associated with property assets. The figure for property expenses should be combined with the operating charges to create a Real Estate Expense Ratio (REER) when comparing property funds.
** The operating charges include all costs borne by the Fund, except for direct transaction costs.
*** The direct transaction costs are made up of; fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties. Direct transaction costs are stated after the proportion of the amounts collected from dilution adjustments in relation to direct transaction costs.
**** The operating charges percentage shows the annualised operating expenses of the share class as a percentage of the average net asset value of the class over the same period.
+ The performance figures are calculated by taking the value of the share class per the financial statements compared to the value per the financial statements in the prior year. This figure may differ from the performance figure quoted in the Investment Report.

Comparative Tables

Continued

Platform 1 Accumulation Shares^	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	51.12	52.18	58.22
Return before operating charges*	1.19	(0.04)	(5.03)
Operating charges**	(0.44)	(0.46)	(0.53)
Property expenses#	(0.33)	(0.24)	(0.22)
Return after operating charges*	0.42	(0.74)	(5.78)
Gross Distributions per accumulation share	(2.13)	(2.62)	(2.18)
Net retained distribution on accumulation shares	1.88	2.30	1.92
Redemption value as at 27 November 2024	(51.29)	–	–
Closing net asset value per share	–	51.12	52.18
* after direct transaction costs	–	–	–
Performance+			
Return after charges	0.82%	(1.42%)	(9.93%)
Other information			
Closing net asset value (£'000)	–	4,782	4,781
Closing number of shares	–	9,353,669	9,162,690
Operating charges****	0.87%	0.88%	0.89%
Property expenses ratio#	0.65%	0.46%	0.37%
Real estate expense ratio	1.52%	1.34%	1.26%
Direct transaction costs***	–	–	–
Prices			
Highest share price	51.29	52.79	61.58
Lowest share price	49.87	50.48	51.53

Property expenses are separate from fund operating charges. They represent the costs associated with property assets. The figure for property expenses should be combined with the operating charges to create a Real Estate Expense Ratio (REER) when comparing property funds.
** The operating charges include all costs borne by the Fund, except for direct transaction costs.
*** The direct transaction costs are made up of; fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties. Direct transaction costs are stated after the proportion of the amounts collected from dilution adjustments in relation to direct transaction costs.
**** The operating charges percentage shows the annualised operating expenses of the share class as a percentage of the average net asset value of the class over the same period.
+ The performance figures are calculated by taking the value of the share class per the financial statements compared to the value per the financial statements in the prior year. This figure may differ from the performance figure quoted in the Investment Report.
^ Platform 1 Accumulation share class closed on 27 November 2024.

Comparative Tables

Continued

Platform 1 Income Shares^	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	39.17	41.79	48.19
Return before operating charges*	0.89	(0.01)	(4.01)
Operating charges**	(0.33)	(0.36)	(0.43)
Property expenses#	(0.25)	(0.19)	(0.18)
Return after operating charges*	0.31	(0.56)	(4.62)
Gross distributions per income share	(1.61)	(2.06)	(1.78)
Redemption value as at 27 November 2024	(37.87)	-	-
Closing net asset value per share	-	39.17	41.79
* after direct transaction costs	-	-	-
Performance+			
Return after charges	0.78%	(1.35%)	(9.59%)
Other information			
Closing net asset value (£'000)	-	1,776	1,985
Closing number of shares	-	4,534,538	4,748,684
Operating charges****	0.87%	0.88%	0.89%
Property expenses ratio#	0.65%	0.46%	0.37%
Real estate expense ratio	1.52%	1.34%	1.26%
Direct transaction costs***	-	-	-
Prices			
Highest share price	38.76	41.81	50.21
Lowest share price	37.24	38.83	41.39

Property expenses are separate from fund operating charges. They represent the costs associated with property assets. The figure for property expenses should be combined with the operating charges to create a Real Estate Expense Ratio (REER) when comparing property funds.
** The operating charges include all costs borne by the Fund, except for direct transaction costs.
*** The direct transaction costs are made up of; fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties. Direct transaction costs are stated after the proportion of the amounts collected from dilution adjustments in relation to direct transaction costs.
**** The operating charges percentage shows the annualised operating expenses of the share class as a percentage of the average net asset value of the class over the same period.
+ The performance figures are calculated by taking the value of the share class per the financial statements compared to the value per the financial statements in the prior year. This figure may differ from the performance figure quoted in the Investment Report.
^ Platform 1 Income share class closed on 27 November 2024.

Comparative Tables

Continued

Feeder Accumulation Shares	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	123.69	125.56	139.03
Return before operating charges*	1.44	(0.26)	(12.18)
Operating charges**	(0.03)	0.01	(0.01)
Property expenses#	(0.80)	(0.58)	(0.52)
Return after operating charges*	0.61	(0.83)	(12.71)
Gross Distributions per accumulation share	(5.86)	(6.29)	(5.22)
Net retained distribution on accumulation shares	4.90	5.25	4.46
Closing net asset value per share	123.34	123.69	125.56
* after direct transaction costs	-	-	-
Performance+			
Return after charges	0.49%	(0.66%)	(9.14%)
Other information			
Closing net asset value (£'000)	517,515	706,375	943,640
Closing number of shares	419,590,276	571,070,388	751,571,056
Operating charges****	0.03%	-	0.01%
Property expenses ratio#	0.65%	0.46%	0.37%
Real estate expense ratio	0.68%	0.46%	0.38%
Direct transaction costs***	-	-	-
Prices			
Highest share price	123.6	127.4	147.5
Lowest share price	121.2	122.2	123.9

Property expenses are separate from fund operating charges. They represent the costs associated with property assets. The figure for property expenses should be combined with the operating charges to create a Real Estate Expense Ratio (REER) when comparing property funds.
** The operating charges include all costs borne by the Fund, except for direct transaction costs.
*** The direct transaction costs are made up of; fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties. Direct transaction costs are stated after the proportion of the amounts collected from dilution adjustments in relation to direct transaction costs.
**** The operating charges percentage shows the annualised operating expenses of the share class as a percentage of the average net asset value of the class over the same period.
+ The performance figures are calculated by taking the value of the share class per the financial statements compared to the value per the financial statements in the prior year. This figure may differ from the performance figure quoted in the Investment Report.

Comparative Tables

Continued

Z Accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	124.12	126.07	139.68
Return before operating charges*	1.47	(0.18)	(12.21)
Operating charges**	(0.14)	(0.10)	(0.12)
Property expenses#	(0.81)	(0.58)	(0.53)
Return after operating charges*	0.52	(0.86)	(12.86)
Gross Distributions per accumulation share	(5.88)	(6.59)	(5.24)
Net retained distribution on accumulation shares	4.91	5.50	4.49
Closing net asset value per share	123.67	124.12	126.07
* after direct transaction costs	-	-	-
Performance+			
Return after charges	0.42%	(0.68%)	(9.20%)
Other information			
Closing net asset value (£'000)	38	38	634
Closing number of shares	30,605	30,493	503,144
Operating charges****	0.11%	0.08%	0.09%
Property expenses ratio#	0.65%	0.46%	0.37%
Real estate expense ratio	0.76%	0.54%	0.46%
Direct transaction costs***	-	-	-
Prices			
Highest share price	123.9	127.9	148.2
Lowest share price	121.6	122.6	124.4

Property expenses are separate from fund operating charges. They represent the costs associated with property assets. The figure for property expenses should be combined with the operating charges to create a Real Estate Expense Ratio (REER) when comparing property funds.
** The operating charges include all costs borne by the Fund, except for direct transaction costs.
*** The direct transaction costs are made up of; fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties. Direct transaction costs are stated after the proportion of the amounts collected from dilution adjustments in relation to direct transaction costs.
**** The operating charges percentage shows the annualised operating expenses of the share class as a percentage of the average net asset value of the class over the same period.
+ The performance figures are calculated by taking the value of the share class per the financial statements compared to the value per the financial statements in the prior year. This figure may differ from the performance figure quoted in the Investment Report.

Comparative Tables

Continued

J Accumulation	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	117.33	119.69	133.42
Return before operating charges*	1.35	(0.11)	(11.58)
Operating charges**	(0.90)	(0.90)	(1.02)
Property expenses#	(0.76)	(0.56)	(0.50)
Return after operating charges*	(0.31)	(1.57)	(13.10)
Gross Distributions per accumulation share	(5.53)	(6.01)	(5.01)
Net retained distribution on accumulation shares	4.87	5.22	4.38
Closing net asset value per share	116.36	117.33	119.69
* after direct transaction costs	-	-	-
Performance+			
Return after charges	(0.27%)	(1.31%)	(9.82%)
Other information			
Closing net asset value (£'000)	19	41	52
Closing number of shares	16,339	34,580	43,844
Operating charges****	0.76%	0.75%	0.76%
Property expenses ratio#	0.65%	0.46%	0.37%
Real estate expense ratio	1.41%	1.21%	1.13%
Direct transaction costs***	-	-	-
Prices			
Highest share price	116.6	121.1	141.2
Lowest share price	114.6	115.9	118.2

Property expenses are separate from fund operating charges. They represent the costs associated with property assets. The figure for property expenses should be combined with the operating charges to create a Real Estate Expense Ratio (REER) when comparing property funds.
** The operating charges include all costs borne by the Fund, except for direct transaction costs.
*** The direct transaction costs are made up of; fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties. Direct transaction costs are stated after the proportion of the amounts collected from dilution adjustments in relation to direct transaction costs.
**** The operating charges percentage shows the annualised operating expenses of the share class as a percentage of the average net asset value of the class over the same period.
+ The performance figures are calculated by taking the value of the share class per the financial statements compared to the value per the financial statements in the prior year. This figure may differ from the performance figure quoted in the Investment Report.

Comparative Tables

Continued

J Income	2024 pence per share	2023 pence per share	2022 pence per share
Change in net assets per share			
Opening net asset value per share	82.13	87.53	100.83
Return before operating charges*	0.92	(0.04)	(8.43)
Operating charges**	(0.61)	(0.65)	(0.77)
Property expenses#	(0.52)	(0.40)	(0.38)
Return after operating charges*	(0.21)	(1.09)	(9.58)
Gross distributions per income share	(3.81)	(4.31)	(3.72)
Closing net asset value per share	78.11	82.13	87.53
* after direct transaction costs	-	-	-
Performance+			
Return after charges	(0.26%)	(1.24%)	(9.50%)
Other information			
Closing net asset value (£'000)	249	311	463
Closing number of shares	319,277	379,072	529,086
Operating charges****	0.76%	0.75%	0.76%
Property expenses ratio#	0.65%	0.46%	0.37%
Real estate expense ratio	1.41%	1.21%	1.13%
Direct transaction costs***	-	-	-
Prices			
Highest share price	81.26	87.56	105.10
Lowest share price	77.36	81.43	86.69

Property expenses are separate from fund operating charges. They represent the costs associated with property assets. The figure for property expenses should be combined with the operating charges to create a Real Estate Expense Ratio (REER) when comparing property funds.
** The operating charges include all costs borne by the Fund, except for direct transaction costs.
*** The direct transaction costs are made up of; fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties. Direct transaction costs are stated after the proportion of the amounts collected from dilution adjustments in relation to direct transaction costs.
**** The operating charges percentage shows the annualised operating expenses of the share class as a percentage of the average net asset value of the class over the same period.
+ The performance figures are calculated by taking the value of the share class per the financial statements compared to the value per the financial statements in the prior year. This figure may differ from the performance figure quoted in the Investment Report.

Portfolio Statement

As at 31 December 2024

Investment	Market value £'000	Percentage of total net assets
Equities 0.29% (2023: 0.00%)		
LondonMetric Property REIT	1,755	0.29
Unite REIT	8	–
Total Equities	**1,763**	**0.29**
Collective Investment Schemes 0.00% (2023: 7.20%)		
Exchange Traded Funds 9.23% (2023: 0.00%)		
abrdn UCITS ETF**	56,997	9.23
Total Exchange Traded Funds	**56,997**	**9.23**
Investment Properties 73.29% (2023: 82.45%)		
Industrial 33.51% (2023: 34.62%)		
Properties valued between £0 and £23.3m		
Smiths Metals, Biggleswade		
Minto Commercial Park, Aberdeen		
Woodside Industrial Estate, Bishop's Stortford		
Southern Cross Distribution Park, Southampton		
Lion & Churchill House, Aberdeen		
Land at North Place, Harlow		
Ascent Park, Harlow		
Ferry Lane, Rainham		
Brooklands Close, Sunbury		
	121,114	**19.62**
Axis Park, Peterborough	37,831	6.13
Solar Park, Highlands Road, Solihull	47,899	7.76
	206,844	**33.51**
Leisure 3.99% (2023: 4.16%)		
Properties valued between £0 and £12.1m		
10 Cygnet Street, Shoreditch*		
Baxter Gate, Loughborough		
Avant Garde, Bethnal Green Road, Shoreditch, London*		
	24,603	**3.99**

Portfolio Statement

As at 31 December 2024 continued

Investment	Market value £'000	Percentage of total net assets
Other 5.98% (2023: 10.70%)		
George IV Bridge Hotel, Royal Mile, Edinburgh*	35,876	5.82
Dell of Inshes, Inverness	1,000	0.16
	36,876	**5.98**
Offices 16.29% (2023: 14.82%)		
Properties valued between £0 and £27.7m		
Hobart House, Edinburgh		
Annandale House, Hanworth Road, Sunbury		
Duncan House, Enterprise Drive, Westhill, Aberdeen		
1 America Street & 29 Guildford Street, London		
1 Marsden Street, Manchester		
Central South Square, Newcastle Upon Tyne		
	100,569	**16.29**
Retail 13.52% (2023: 12.57%)		
Properties valued between £0 and £23.7m		
Waitrose, High Street, Worthing		
166-168 High Street & 68-70 Regent Street, Cheltenham		
Tesco, Ruthin, Denbighshire		
Bishop Auckland Shopping Park, Bishop Auckland		
Tesco, Congleton*		
Bligh's Meadow Shopping Centre, Sevenoaks*		
	83,446	**13.52**
Retail Warehouses 0.00% (2023: 5.58%)		
	-	-
Total Investment Properties	**452,338**	**73.29**
Development Properties 4.52% (2023: 1.83%)		
Clarendon House 114-116 George Street, Edinburgh		
Land Off London Road, Crawley		
Total Development Properties	**27,899**	**4.52**
Total investment assets	538,997	87.33
Net other assets	78,219	12.67
Total Net Assets	**617,216**	**100.00**

The percentage figures in brackets show the comparative holding as at 31 December 2023.
* Denotes leasehold and mixed properties, those properties not highlighted are freehold properties.
** Managed by subsidiaries of Aberdeen Group plc (formerly abrdn plc).

Portfolio Statement

As at 31 December 2024 continued

Investment	Market value £'000
Reconciliation of assets and liabilities to the balance sheet	
Investment assets per the balance sheet	538,997
Net other assets	78,219
Total Net Assets	**617,216**

Financial Statements

Statement of Total Return

For the year ended 31 December 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
Income:					
Net capital losses	3		(35,974)		(58,433)
Revenue	4	39,878		66,434	
Expenses	5	(4,923)		(14,429)	
Interest payable and similar charges		(4)		(11)	
Net revenue before taxation		34,951		51,994	
Taxation	6	–		–	
Net revenue after taxation			34,951		51,994
Total return before distributions			**(1,023)**		**(6,439)**
Distributions	7		(36,447)		(54,186)
Change in net assets attributable to shareholders from investment activities			**(37,470)**		**(60,625)**

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 December 2024

	2024		2023	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		**920,090**		**1,192,450**
Amounts receivable on the issue of shares	9,096		23,407	
Amounts payable on the cancellation of shares	(308,040)		(283,041)	
		(298,944)		(259,634)
Dilution adjustment		3,792		3,140
Change in net assets attributable to shareholders from investment activities (see above)		(37,470)		(60,625)
Retained distribution on accumulation shares		29,746		44,758
Unclaimed distributions		2		1
Closing net assets attributable to shareholders		**617,216**		**920,090**

Financial Statements

Continued

Balance Sheet

As at 31 December 2024

		2024		2023	
	Notes	£'000	£'000	£'000	£'000
Assets:					
Fixed assets:					
Investment Properties	8	480,237		775,462	
Investment assets	20	58,760		–	
			538,997		775,462
Current assets:					
Debtors	9	23,477		32,541	
Cash and bank balances	10	1,364		701	
Cash equivalents	10	76,689		131,978	
			101,530		165,220
Total assets			**640,527**		**940,682**
Liabilities:					
Creditors: amounts falling due after more than one year	11		(11)		(11)
Current liabilities:					
Distribution payable		(593)		(943)	
Creditors	11	(22,707)		(19,638)	
			(23,300)		(20,581)
Total liabilities			**(23,311)**		**(20,592)**
Net assets attributable to shareholders			**617,216**		**920,090**

Financial Statements

Continued

Cash Flow Statement

For the year ended 31 December 2024

	2024 £'000	2023 £'000
Cash flows from operating activities		
Net revenue before taxation	34,951	51,994
Adjustments for:		
Decrease in debtors	8,704	11,814
Decrease in creditors	(4,746)	(5,044)
Interest payable and similar charges	(4)	(11)
Cash from operations	38,905	58,753
Interest payable and similar charges	4	11
Net cash from operating activities	**38,909**	**58,764**
Cash flows from investing activities		
Purchase of equity investments	(63,159)	-
Purchases of development property and capital expenditure	(29,189)	(4,545)
Disposal of investment property	300,755	90,913
Net cash generated from investing activities	**208,407**	**86,368**
Cash flows from financing activities		
Amounts received on issue of shares	9,455	22,705
Amounts paid on cancellation of shares	(308,138)	(283,624)
Distributions paid	(7,051)	(9,799)
Dilution adjustment	3,792	3,140
Net cash used in financing activities	**(301,942)**	**(267,578)**
Net decrease in cash and cash equivalents	**(54,626)**	**(122,446)**
Reconciliation to net cash decrease		
Cash and cash equivalents at the start of the year	132,679	255,125
Decrease in cash and cash equivalents	(54,626)	(122,446)
Cash and cash equivalents at the end of the year	**78,053**	**132,679**

Please refer to Note 10 for details of the cash and cash equivalents.

Financial Statements

Continued

Analysis of Change in Net Debt

	As at 1 January 2024 £'000	Cash flows £'000	As at 31 December 2024 £'000
Cash and cash equivalents			
Cash	701	663	1,364
Cash equivalents	131,978	(55,289)	76,689
	132,679	**(54,626)**	**78,053**

Notes to the Financial Statements

1 Accounting Policies

These accounting policies and associated notes are consistent with the detailed provisions in the prospectus and COLL.

a. Basis of preparation

The financial statements have been prepared on a going concern basis in accordance with the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Management Association (IMA) in May 2014.

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investment property and in accordance with 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 Company's Instrument of Incorporation.

The Financial Statements are presented in pound sterling, which is the fund's functional currency and the currency of the primary economic environment of the fund.

Going concern

The Authorised Corporate Director has prepared cash flow forecasts, which includes a stress scenario, for a period of 12 months from the date of approval of these financial statements which indicate that the Fund will have sufficient funds and liquidity to meet its liabilities as they fall due for that period.

The ACD has regular conversations with key investors, and monitors the level of liquidity within the Fund on a daily basis, including investor redemption levels within the abrdn Real Estate Feeder Fund. At the end of February 2025 the Fund has cash resources of approximately £130 million (2024: £125 million).

The ACD is confident that the Fund will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

b. Revenue

Rental income is accounted for on a straight line basis. Benefits to lessees in the form of rent free periods are treated as a reduction in overall return on the leases and lease incentives given as capital contributions are shown as a debtor and amortised on a straight line basis over the lease term.

Surrender premiums paid by tenants for the early redemption of a lease are recognised as revenue in the period that all obligations relating to the surrender have been performed.

Dilapidations received from tenants are recognised as revenue when the income is due to the Fund.

Dividends on equities and preference stocks are recognised when the securities are quoted ex-dividend, or in the case of unquoted securities when the dividend is declared.

Revenue from offshore funds is recognised when income is reported by the offshore fund operator.

Interest on deposits is recognised on an accruals basis.

Revenue from authorised collective investment schemes is recognised when the investments are quoted ex-dividend. Where accumulation units or shares are held in another authorised collective investment scheme, the accumulation of revenue relating to the holding is recognised in the revenue account including any withholding taxes but excluding tax credits.

Management fee rebates from collective investment schemes are recognised as revenue or capital on a consistent basis to how the underlying scheme accounts for the management fee. Where such rebates are revenue in nature, the income forms part of the distribution.

Notes to the Financial Statements

Continued

c. Expenses

The Fund may have a number of different share classes. Each share class may suffer a different ACD fee. Consequently the level of expenses attributable to each share class will differ. The ACD and the Depositary have agreed that all of the ACD's annual management charge, any Registration fees and all Dealing charges shall be treated as a capital expense for distribution purposes.

Expenses incurred in respect of, or attributable to, the Fund as a whole are allocated when incurred in the proportion of the net asset value of each share class to the total net asset value of Fund.

All other expenses, other than those mentioned above or those relating to the purchase and sale of investments, are accounted for on an accruals basis and charged to the revenue of the Fund and included in expenses in the statement of total return.

Where fees are payable from capital, these will not form part of the distribution.

Surrender premiums paid by the Fund to tenants following the break of a lease are recognised immediately in the Statement of Total Return as an expense.

d. Taxation

The Fund qualifies as a Property Authorised Investment Fund (PAIF) for tax purposes. Accordingly, the income generated by its property investment business will be exempt from tax.

e. Valuation of investments

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost and remeasured to fair value at the reporting date. Fair value is the market value as defined in the Appraisal and Valuation Standards Manual issued by the Royal Institution of Chartered Surveyors of the United Kingdom ('RICS Valuation – Global Standards ('Red Book')'). Property investments within the Fund were valued by CBRE Limited and Knight Frank as Valuation Advisers (the Valuers), on the basis of a full valuation with physical inspection once a year. Regulation requires a review of the last full valuation by the Valuers at least once per month. Leasehold properties that are leased out to tenants under operating leases are classified as investment properties as the risks and rewards are retained by the Fund. They are included in the Balance Sheet at fair value.

We shall continue to monitor market conditions and may increase the frequency of reviews as we consider appropriate in the light of those conditions. Further, regulations require us to consult and agree with the Valuers a value for a particular immoveable property if we, the Valuers or the Depositary of the Fund have reasonable grounds to believe that the most recent valuation of that property does not reflect its current value. The Valuers' fees shall increase to reflect the additional reviews it is to carry out and additional fees may be payable to the Valuers in respect of any requirement to agree a value for a property, or any other valuation service which the Valuers may be required or requested to provide.

The Valuers receive a quarterly fee from the Fund calculated as a fixed amount per property per month that the property is held. The Valuers also receive additional fees for the set up costs of new acquisitions and these are agreed at the point of purchase between the ACD and the Valuers. For properties in the course of development or which have development potential the Residual Method is adopted, where the valuer forms an opinion of the value of the completed development using the Investment Method and deductions are made from this value for the total costs of development, including any developer profit (if applicable). Properties currently undergoing development are valued reflecting the state reached in construction and the costs remaining to be spent in order to complete the development, and taking account of any agreed letting and any contracted liabilities to advance further monies. For recently completed developments deductions are made in the valuation for retention monies and any outstanding development costs, fees and other expenditure for which there may be a liability.

Acquisition costs, tax and professional fees directly attributable to a property are capitalised.

Listed investments have been valued at fair value as at the close of business on 31 December 2024. The SORP defines fair value as the market value of each security, in an active market, this is generally the quoted bid price.

Collective Investment Schemes are valued by reference to their net asset value. Dual priced funds have been valued at the bid price. Single priced funds have been valued using the single price.

Notes to the Financial Statements

Continued

f. Dilution adjustment

In certain circumstances (as detailed in the Prospectus) the ACD may apply a dilution adjustment on the creation or cancellation of shares, which is applied to the capital of the relevant 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.

g. Property purchases and sales

Property purchases are recognised on completion. Property sales are derecognised on completion.

h. Provision for bad debts

The potential non-recovery of tenant debts and arrears are considered and expected losses are provided for by way of a bad debt provision. Key criteria considered when reviewing and assessing the provision are:

- Insolvent tenants – those who are in administration, liquidation or a creditors voluntary arrangement (CVA);
- High risk tenants determined by a relevant credit system;
- Poor payors, concern tenants and where enforcement agents/solicitors have been used to recover previous payments;
- Tenants who have vacated premises or their leases have expired whereby arrears cannot be actively pursued.

Where a provision is recognised for a tenant and that tenant has a material lease incentive debtor balance, this will also be provided, net of deposit held.

i. Cash equivalents

The Fund holds cash and cash equivalents to maintain liquidity. At the period end any instrument with a maturity of less than 3 months and are subject to an insignficant risk of changes in value. the abrdn Liquidity Fund - Sterling Fund has been disclosed as a cash equivalent.

j. Service charges

Service charge revenue and service charge expenditure, attributable to tenants, are accounted for on an accruals basis and in the accounting period in which the services are rendered. When the Fund is acting as principal, service charge revenue and expenditure are separately disclosed under revenue and expenses in the statement of total return.

In determining whether the Fund is acting as principal or agent and hence whether the revenue and expenditure is recognised gross or net, the following indicators (of being a principal) are considered:

- The Fund is the primary obligor in the arrangement i.e. the obligation to settle service charges is with the Fund;
- The Fund bears the risks of owning the property;
- The Fund has latitude in establishing the rentals;
- The Fund has discretion in service charge supplier selection;
- The Fund is involved in the determination of lease specifications;
- The Fund bears the credit risk

Void costs attributable to the Fund have been separately disclosed under expenses in the statement of total return.

k. Critical accounting estimates and judgements in applying accounting policies

The Fund makes estimates and assumptions that affect the amounts of assets and liabilities reported at the end of the financial period and the amounts of income and expenses during the financial period. Estimates are continually evaluated, based on historical experience and other factors, including expectations of future events, to ensure they are reasonable under the circumstances.

The estimates, assumptions and management judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial statements are outlined below:

Estimates:

Fair value of investment properties

The best evidence of the fair value of investment properties is the current price in an active market. In the absence of such information, the Fund determines the amount within a range of reasonable fair value estimates and assumptions based on market conditions existing at each period end.

Open market value is determined by reference to:

- Information provided by the Fund such as current rents, terms and conditions of lease agreements, service charges, capital expenditure, etc. This information is derived from the Fund's financial and property management processes and is subject to the Fund's overall control environment.
- Valuation models used by the valuers – these are typically market related, such as yields and rental value. These are based on their professional judgement and market observation.

The fair market valuations provided by the valuer are reviewed and where appropriate challenged by the Fund's Investment Manager on the basis of their knowledge and understanding of current prevailing market conditions and transactional activity obtained from a variety of other external sources.

Estimation uncertainty affecting inputs such as ERVs and yields, is mitigated by appointing the services of an expert in property, please see Risk Management Function.

2 Distribution Policies

(a) Basis of distribution

The distribution is calculated at a share class level as per the share class allocation accounting policy. The policy of the Fund is to distribute income to shareholders in three streams (dividend, interest and property). All of the net revenue available for distribution at the end of the year will be distributed or reinvested in the Fund.

Where the ACD has discretion about the extent to which revenue and expenses are recognised within the distributable income property of the Fund, the approach adopted, at all times, will be governed by the aim of maximising the total return to shareholders through limiting avoidable taxation costs.

(b) Equalisation

In order that each shareholder in the same share class shall receive the same rate of distribution per share the buying price of each share 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 shares are known as Group 2. As part of the distribution payment the average amount of this equalisation is returned to Group 2 shareholders. The equalisation element of the distribution to Group 2 shareholders 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 shares for capital gains tax purposes.

(c) Distribution policy

The net revenue from the Fund's investments accumulates daily, proportionately to the net asset value of the assets attributable to each share class, over each accounting period. If revenue exceeds expenses during the period, the net revenue of the Fund is available for distribution (or re-investment) at share class level to the shareholders in accordance with the OEIC Regulations. If expenses exceed revenue during the period, the net revenue shortfall may be funded from capital.

The Fund makes property, interest and dividend distributions.

Gains and losses on non-derivative investments and currencies, whether realised or unrealised, are taken to capital and are not available for distribution. For derivative investments, where positions are undertaken to enhance capital return, the gains and losses are taken to capital, otherwise where they generate revenue, the amounts are included as revenue or expense and affect distributions.

Notes to the Financial Statements

Continued

3 Net Capital Losses

	2024 £'000	2023 £'000
Net capital losses during the year comprise:		
Investment properties*	(31,584)	(58,433)
Investment assets*	(4,399)	–
Authorised corporate director capitalised fee rebate	11	–
Transaction costs	(2)	–
Net capital losses	**(35,974)**	**(58,433)**
***The above includes:**		
Realised losses	(55,413)	(27,958)
Unrealised gains/(losses)	19,430	(30,475)
	(35,983)	**(58,433)**

* Where realised losses include gains/(losses) arising in previous periods, a corresponding (loss)/gain is included in unrealised gains/(losses).

4 Revenue

	2024 £'000	2023 £'000
UK REIT Dividends	28	–
Rental revenue*	31,209	51,566
Service charges	1,995	5,149
Bank and deposits interest	6,447	9,297
Surrender Premiums	199	151
Dilapidation claims	–	271
Total revenue	**39,878**	**66,434**

* Reduced Rental revenue for the year ended 31 December 2024 includes the removal of income from prior years which is now no longer due to the Fund (corresponding credit through Bad debts reversal in Note 5).

5 Expenses

	2024 £'000	2023 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director's periodic charge taken from the capital account	(1,398)	(2,043)
Dealing charge taken from the capital account	(4)	(3)
General Administration Charge taken from the capital account	(94)	(147)
	(1,496)	(2,193)

Notes to the Financial Statements

Continued

	2024 £'000	2023 £'000
Payable to the Depositary or associates of the Depositary, and agents of either of them:		
Depositary fees	–	50
Safe custody fees	–	(2)
	–	48
Other expenses:		
Service charges	(1,995)	(5,149)
Void costs	(3,326)	(2,555)
Operating costs	(1,139)	(1,608)
Abortive costs	(6)	–
Bad debts reversal/(bad debts)*	3,714	(2,015)
Managing agent fee	(92)	(108)
Legal costs	(512)	(712)
Rent review fees	(71)	(137)
	(3,427)	(12,284)
Total expenses	**(4,923)**	**(14,429)**

The audit fee for the year, excluding VAT, was £131,800 (2023: £116,100).
* Bad debts reversal for the year ended 31 December 2024 includes the removal of rent arrears from prior years now no longer due to the Fund (corresponding debit through Rental revenue in Note 4).

6 Taxation

	2024 £'000	2023 £'000
(a) Analysis of charge in year		
Total current tax (note 6b)	–	–
Total tax charge for the year	–	–
(b) Factors affecting current tax charge for the year		
Net revenue before taxation	34,951	51,994
Net revenue before taxation multiplied by the standard rate of corporation tax of 20%	6,990	10,399
Effects of:		
Net income distributed as a property income distribution	(5,611)	(8,654)
Tax deductible interest distributions	(1,291)	(1,857)
Impact of notional capital allowances	(88)	112
Tax charge for year (note 6a)	**-**	**-**

The Fund qualifies as a Property Authorised Investment Fund (PAIF) for tax purposes. Authorised Open-Ended Investment Companies are exempt from tax on capital gains in the UK. Therefore, any capital gain is not included in the above reconciliation.

(c) Provision for deferred taxation:

There is no provision required for deferred taxation at the Balance sheet date in the current or prior year.

Notes to the Financial Statements

Continued

7 Distributions

The distributions take account of income received on the issue of shares and income deducted on the cancellation of shares and comprise:

	2024 £'000	2023 £'000
First interim distribution	3,924	4,750
Second interim distribution	3,388	4,919
Third interim distribution	3,799	4,690
Fourth interim distribution	3,519	4,873
Fifth interim distribution	3,216	4,081
Sixth interim distribution	3,583	4,922
Seventh interim distribution	2,796	4,532
Eighth interim distribution	2,948	4,512
Ninth interim distribution	2,597	3,982
Tenth interim distribution	2,454	4,339
Eleventh interim distribution	2,262	4,337
Final distribution	1,202	3,782
Add: Revenue deducted on the cancellation of shares	782	467
Deduct: Revenue received on the creation of shares	(23)	-
Net distribution for the year	**36,447**	**54,186**
Net revenue after taxation	34,951	51,994
Expenses charged to capital	1,496	2,193
Add: Undistributed revenue brought forward	2	1
Undistributed revenue carried forward	(2)	(2)
Total distributions	**36,447**	**54,186**

Expenses taken to capital include the ACD periodic charge, Registration fees, Dealing charge and 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 shareholders

Details of the distribution per share are set out in the distribution tables.

Notes to the Financial Statements

Continued

8 Carrying amount of investment property

	2024 £'000	2023 £'000
Direct investment property opening carrying value	758,651	908,827
Disposal	(298,306)	(98,978)
Property reclassified to development property	(1,250)	–
Capital expenditure	11,573	3,018
Movement in lease incentives	(599)	171
Movement in retentions	169	100
Fair value adjustments in the year	(17,900)	(54,487)
Direct investment property closing carrying value	**452,338**	**758,651**
Direct development property opening carrying value	16,811	11,005
Property reclassified to development property	1,250	–
Capital expenditure and purchases	9,520	5,332
Movement in retentions	63	156
Fair value adjustments in the year	255	318
Direct development property closing carrying value	**27,899**	**16,811**
Direct property closing carrying value	**480,237**	**775,462**

Reconciliation of market value of investment and development property per the valuers reports to their fair value:

	2024 £'000	2023 £'000
Market value per valuers of investment property	458,000	771,895
Market value per valuers of development property	27,675	16,650
Lease incentives	(6,042)	(13,470)
Leasehold obligations	11	11
Retentions	593	376
Direct property closing carrying value	**480,237**	**775,462**

The valuers used the Investment Method to value the investment properties at Fair Value; this method is based on inputs which include:

Equivalent yield: based on actual location, size, tenancies and quality of the properties and taking into account market data at the valuation date.

Estimated rental value: based on the actual location, type and quality of the properties and supported by the terms of an existing lease, other contracts or external evidence such as current market rents for similar properties.

Notes to the Financial Statements

Continued

The inputs used to derive fair values of the Investment Properties are as follows:

Completed property	Fair Value 2024 £'000	Fair Value 2023 £'000	Input	2024 %	2023 %
Investment properties	452,338	758,651	average equivalent yield	7.08	6.86
				£/sqFt	£/sqFt
			ERV	5.89-63.93	5.89-56.42

Development property	Fair Value 2024 £'000	Fair Value 2023 £'000	Input	2024 %	2023 %
Development properties	27,899	16,811	equivalent yield	6.53	6.49
				£/sqFt	£/sqFt
			ERV	45.67	42.85

Sensitivity analysis to significant changes in unobservable inputs

Equivalent Yield and ERV - Investment and Development properties valued by Knight Frank: = £254.98 million	2024 £'000	2023 £'000
Increase in equivalent yield of 25 bps	(10,104)	(17,871)
Decrease in equivalent yield of 25 bps	10,954	19,388
Increase in rental rates of 5% (ERV)	10,738	18,032
Decrease in rental rates of 5% (ERV)	(10,585)	(17,788)

Equivalent Yield and ERV - Investment and Development properties valued by CBRE: = £230.70 million	2024 £'000	2023 £'000
Increase in equivalent yield of 25 bps	(8,444)	(18,211)
Decrease in equivalent yield of 25 bps	9,135	(363)
Increase in rental rates of 5% (ERV)	8,829	11,607
Decrease in rental rates of 5% (ERV)	(8,626)	(11,429)

Notes to the Financial Statements

Continued

9 Debtors

	2024 £'000	2023 £'000
Amounts receivable from the ACD for the issue of shares	376	733
Lease incentives debtor	6,042	13,470
Trade debtor*	1,170	5,862
Agent bank accounts	3,004	6,101
Service charge debtors	4,714	2,448
Accrued interest	38	330
Other property debtors	3,887	1,115
Floats to managing agent	2,061	104
Held in escrow	–	140
Receivable for tenant rental deposits	2,068	2,140
Accrued management fee rebate	11	–
Deferred expenditure	106	98
Total debtors	**23,477**	**32,541**

* Trade debtors includes the Bad Debt Provision for the year end £2,464,961 (2023:£6,553,156).

10 Cash and cash equivalents

	2024 £'000	2023 £'000
Cash and bank balances		
Cash at bank	1,364	701
	1,364	**701**
Cash equivalents		
abrdn Liquidity Fund – Sterling Fund	–	66,212
Deposits with a maturity of less than 3 months	76,689	65,766
Total cash equivalents	**76,689**	**131,978**
Net Liquidity	**78,053**	**132,679**

Notes to the Financial Statements

Continued

11 Creditors

	2024 £'000	2023 £'000
Creditors amounts falling due within one year		
Service charge and void cost creditor	(4,834)	(2,672)
Amounts payable for the cancellation of shares	(643)	(45)
Amounts payable to ACD	(75)	(185)
Accrued expenses	(12)	(11)
Rental income in advance	(5,728)	(10,132)
Payable for tenant rental deposits	(2,068)	(2,140)
VAT payable	(466)	(2,632)
Other accruals	(616)	(975)
Other property creditors	(422)	(221)
Capex provision	(5,000)	-
Capital retentions	(2,733)	-
Amounts due for property purchases/sales	(110)	(625)
	(22,707)	(19,638)
Creditors: amounts falling due after more than one year		
Leasehold obligations*	(11)	(11)
Total other creditors	**(22,718)**	**(19,649)**

*The fund has lease obligations a breakdown of which can be found in note 18 of the report.

12 Contingencies and commitments

At the year end the fund has an estimated total contractual commitment of £26,237,724 (2023 : £13,137,049).

13 Related Party Transactions

abrdn Fund Managers Limited, as ACD, is a related party and acts as principal in respect of all transactions of shares in the Fund.

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

Any amounts due from or due to abrdn Fund Managers Limited at the end of the accounting year are disclosed in notes 9 and 11.

Amounts payable to abrdn Fund Managers Limited, in respect of periodic charge and registration services, are disclosed in note 5 and any amounts due at the year end in note 11.

A portion of the management fee rebate received by the fund is from investments in other funds managed by abrdn Group companies. During the year £11,000 (2023: Nil) has been recognised and is included in the total rebate amounts in notes 3. The balance due to the fund at the year end in respect of this amounted to £11,000 (2023: Nil) and is included in the Management fee rebate receivable amount disclosed in note 9.

Notes to the Financial Statements

Continued

Phoenix Group Holdings Plc, whose registered office is 20 Old Bailey, London, EC4M 7AN, has a greater than 50% interest in the Fund, held directly and indirectly, and is therefore a related party. Under the definition of parent undertaking in Section 1162 of the Companies Act 2006, Phoenix Group Holdings Plc is the ultimate parent undertaking. The financial statements of the fund are consolidated into the financial statements of Phoenix Group Holdings Plc which are publicly available on www.thephoenixgroup.com. As at 31 December 2024, all financial and operational decisions regarding the Fund remain with the ACD and Depositary or their duly appointed delegates. Transactions for monies received through issue and paid on cancellation of shares to or from Phoenix Group Holdings Plc are included in the statement of change in net assets attributable to shareholders. Amounts distributed to Phoenix Group Holdings Plc are included in Note 7.

14 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).

Fair value of investment assets	2024 £'000 Level 1	2024 £'000 Level 2	2024 £'000 Level 3	2023 £'000 Level 1	2023 £'000 Level 2	2023 £'000 Level 3
Equities	58,760	-	-	-	-	-
Collective Investment Schemes*	-	-	-	-	66,212	-
Total investment assets	**58,760**	**-**	**-**	**-**	**66,212**	**-**

* Investment in abrdn Liquidity Fund – Sterling is included in the above table within Level 2 in line with disclosure within the portfolio statement. In accordance with the AIFMD requirements, the fund has treated the investment in the abrdn Liquidity Fund – Sterling disclosed within the Portfolio statement as cash equivalents for the purposes of the Balance Sheet disclosure.

15 Shareholder Funds

	Opening shares 2024	Creations during the year	Cancellations during the year	Conversions during the year	Closing shares 2024
Retail Accumulation Shares	42,430,718	102,386	(3,192,808)	(1,458,780)	37,881,516
Institutional Accumulation Shares	137,458,581	712,566	(97,656,500)	6,014,910	46,529,557
Retail Income Shares	2,154,720	72,614	(279,605)	(1,016,851)	930,878
Institutional Income Shares	7,767,568	441,426	(2,900,467)	2,689,834	7,998,361
ZA Income Shares	5,106,982	-	-	-	5,106,982
ZC Accumulation Shares	176,772	29,985	(12,289)	(38,449)	156,019
Platform 1 Accumulation Shares	9,353,669	3,159,849	(2,565,401)	(9,948,117)	-
Platform 1 Income Shares	4,534,538	1,154,513	(2,201,749)	(3,487,302)	-
Feeder Accumulation Shares	571,070,388	4,623,374	(156,103,486)	-	419,590,276
Z Accumulation	30,493	290	(178)	-	30,605
J Accumulation	34,580	38	(18,279)	-	16,339
J Income	379,072	202	(59,997)	-	319,277

Notes to the Financial Statements

Continued

16 Risk Disclosure

In accordance with the investment objectives, the Fund may hold certain financial instruments. These comprise:

- securities held in accordance with the investment objective and policies;
- cash and short-term debtors and creditors arising directly from operations; and
- derivatives.

The main risks arising from the Fund's financial instruments are market price, interest rate, credit and liquidity risk. The policies for managing these risks are summarised below and have been applied consistently throughout the year, and prior year.

a) Market 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.

Property valuation is a matter of judgment by an independent valuer. Valuation is therefore generally a matter of valuer's opinion rather than fact. Commercial property is a less liquid asset than other asset classes such as bonds or equities and values could be affected if properties need to be sold at short notice. The fund seeks to minimise the impact of these risks by maintaining a well-diversified property portfolio. In addition, a detailed review of economic trends is maintained in order to anticipate major changes affecting property values.

The value of holdings in collective investment schemes is not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual collective investment scheme or be caused by the general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. Any change to the interest rates relevant for particular securities may result in either revenue increasing or decreasing, or the ACD being unable to secure similar returns on the expiry of contracts or the sale of securities. Changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of securities held. In addition, the management of the fund complies with the Financial Conduct Authority COLL sourcebook, which include rules limiting the size of investment in any particular holding.

At 31 December 2024, if the price of property and investments held by the fund increased or decreased by 5%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £26,950,000 (2023: £38,773,000). There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair values.

b) Interest rate risk

Interest receivable on bank deposits or payable on bank overdrafts will be affected by fluctuations in interest rates. The Investment Adviser continuously reviews interest rates and inflation expectations. The assessment of this may result in a change in investment strategy. In the event of a change in interest rates there would be no material impact on the net assets of the Fund.

Notes to the Financial Statements

Continued

	Floating rate financial assets/ (liabilities) £'000	Financial assets/ (liabilities) not carrying interest £'000	Total £'000
2024			
UK Sterling	78,053	166	78,219
2023			
UK Sterling	132,679	11,949	144,628

c) Credit risk

All cash exposures are carefully managed to ensure that money is placed on deposit with counterparties that meet the minimum credit rating deemed appropriate for this fund. In certain circumstances, the Fund Manager may deliberately invest in securities (e.g. corporate bonds) with a well defined and published credit rating. In this case the fund would be deliberately taking credit risk in order to seek additional rewards.

Credit Risk includes the risk that a counterparty will be unable to meet a commitment that it has entered into with the Fund. In the event of default by an occupational tenant, the Fund will suffer a rental shortfall and incur additional related costs. The ACD receives regular reports on the concentration of risk and any tenants in arrears. The Fund has no significant concentration of credit risk as the exposure is spread over a high number of tenants. The Fund also has an investment restriction which states that not more than 25% of the rental income of the Fund can be from any one tenant or a group of connected tenants. The investment restrictions on the Fund are reviewed monthly.

(d) Liquidity risk

Investments in immovable property are relatively illiquid and more difficult to realise than most equities or bonds. If an asset cannot be liquidated in a timely manner then it may be harder to attain a reasonable price. As a result, at times, the ACD may have to delay acting on instructions to sell investments which may have a materially adverse impact on the value of the shares in the fund.

Detailed daily monitoring is performed by the Investment Adviser of the fund's liquidity position against key triggers set by the Investor Protection Committee (IPC). These include reviewing net cash levels, creations and liquidations, and Net Asset Value. As at 31 December the fund had a liquidity of 17.12%. More details on how liquidity and other risks are managed can be found in the Risk Management Function on page 64.

To manage liquidity, in particular during periods of uncertain or volatile markets, the Investment Adviser may choose to hold a substantial proportion of the Scheme Property of the fund in money-market instruments and/or cash deposits, provided the fund satisfies all those provisions in the Tax Regulations required for it to maintain its PAIF tax status.

(e) Derivatives

The fund held no derivatives at the end of the current year and prior year.

The fund did not employ any leverage at the end of the current year and prior year.

For further details on any of the above risks please refer to the Risk Management Function section on pages 62-67.

Notes to the Financial Statements

Continued

17 Portfolio Transaction Costs

	Purchases		Sales	
Trades in the year	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Equities	2,018	–	–	–
Exchange Traded Fund	61,129	–	–	–
Property	5,650	–	300,755	90,913
Trades in the year before transaction costs	**68,797**	**-**	**300,755**	**90,913**
Commissions				
Equities	1	–	–	–
Total commissions	**1**	**-**	**-**	**-**
Taxes				
Equities	10	–	–	–
Property	273	–	–	–
Total taxes	**283**	**-**	**-**	**-**
Property costs				
Agents commission	25	–	(2,041)	(565)
Legal costs	–	–	(641)	(338)
Other costs	111	–	(169)	1
Total sales costs	**136**	**-**	**(2,851)**	**(902)**
Total transaction costs	**420**	**-**	**(2,851)**	**(902)**
Total net trades in the year after transaction costs	**69,217**	**-**	**297,904**	**90,011**

	Purchases		Sales	
	2024 %	2023 %	2024 %	2023 %
Total transaction costs expressed as a percentage of asset type cost				
Commissions				
Equities	0.07	–	–	–
Taxes				
Equities	0.50	–	–	–
Property	4.87	–	–	–
Property costs				
Agents commission	0.44	–	0.68	0.62
Legal costs	–	–	0.21	0.37
Other sales costs	1.95	–	0.06	–

Notes to the Financial Statements

Continued

	2024 %	2023 %
Total transaction costs expressed as a percentage of net asset value		
Property costs	0.39	0.05
Taxes	0.04	-

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 price) was 0.34% (2023: 0.00%), this is representative of the average spread on the assets held during the year.

18 Finance lease payable

Commitments in relation to finance leases are payable as follows:

	2024 £'000	2023 £'000
Between one and five years	1	1
Over five years	297	297
Total minimum lease payments on leasehold properties	**298**	**298**
Less: Future finance charges	(287)	(287)
Total lease liabilities	**11**	**11**

The present value of finance lease liabilities is as follows:

	2024 £'000	2023 £'000
Between one and five years	1	1
Over five years	10	10
Total lease liabilities	**11**	**11**

19 Operating Leases

The fund leases out its investment property under operating leases. At 31 December the future minimum lease receipts under non-cancellable leases are as follows:

	2024 £'000	2023 £'000
Within one year	27,326	45,364
Between one and five years	75,126	131,120
Over five years	48,982	138,810
Total lease receipts	**151,434**	**315,294**

Notes to the Financial Statements

Continued

20 Investments

	2024 £'000	2023 £'000
Investment assets		
Equities	1,763	–
abrdn UCITS ETF	56,997	–
	58,760	**–**

21 Subsequent Events

Since 31 December 2024, the Fund has completed the sale of: Duncan House, Aberdeen, on 6 February 2025, for £7,000,000; and Tesco, Congleton, on 19 February 2025 for £20,728,125.

Distribution Tables

For the year ended 31 December 2024

First interim dividend distribution

Group 1 - shares purchased prior to 1 January 2024
Group 2 - shares purchased between 1 January 2024 and 31 January 2024

	Revenue	Equalisation	Distribution paid 29/02/24	Distribution paid 28/02/23
Retail accumulation				
Group 1	0.4184	–	0.4184	0.3874
Group 2	0.3700	0.0484	0.4184	0.3874
Institutional accumulation				
Group 1	0.4271	–	0.4271	0.3738
Group 2	0.1672	0.2599	0.4271	0.3738
Retail income				
Group 1	0.2992	–	0.2992	0.2897
Group 2	0.1842	0.1150	0.2992	0.2897
Institutional income				
Group 1	0.3086	–	0.3086	0.2825
Group 2	0.2242	0.0844	0.3086	0.2825
ZA income				
Group 1	0.1544	–	0.1544	0.1473
Group 2	0.1544	–	0.1544	0.1473
ZC accumulation				
Group 1	0.1979	–	0.1979	0.1808
Group 2	0.1979	–	0.1979	0.1808
Platform 1 accumulation				
Group 1	0.1982	–	0.1982	0.1732
Group 2	0.0748	0.1234	0.1982	0.1732
Platform 1 income				
Group 1	0.1519	–	0.1519	0.1387
Group 2	0.0998	0.0521	0.1519	0.1387
Feeder accumulation				
Group 1	0.4561	–	0.4561	0.4164
Group 2	0.2314	0.2247	0.4561	0.4164
Z accumulation				
Group 1	0.4579	–	0.4579	0.4182
Group 2	0.4039	0.0540	0.4579	0.4182
J accumulation				
Group 1	0.4525	–	0.4525	0.3974
Group 2	0.4525	–	0.4525	0.3974
J income				
Group 1	0.3166	–	0.3166	0.2905
Group 2	0.1848	0.1318	0.3166	0.2905

Second interim dividend distribution

Group 1 - shares purchased prior to 1 February 2024
Group 2 - shares purchased between 1 February 2024 and 29 February 2024

	Revenue	Equalisation	Distribution paid 28/03/24	Distribution paid 31/03/23
Retail accumulation				
Group 1	0.3773	-	0.3773	0.4002
Group 2	0.1764	0.2009	0.3773	0.4002
Institutional accumulation				
Group 1	0.3847	-	0.3847	0.3999
Group 2	0.2252	0.1595	0.3847	0.3999
Retail income				
Group 1	0.2681	-	0.2681	0.2984
Group 2	0.2681	-	0.2681	0.2984
Institutional income				
Group 1	0.2771	-	0.2771	0.2997
Group 2	0.1628	0.1143	0.2771	0.2997
ZA income				
Group 1	0.1386	-	0.1386	0.1538
Group 2	0.1386	-	0.1386	0.1538
ZC accumulation				
Group 1	0.1782	-	0.1782	0.1894
Group 2	0.0384	0.1398	0.1782	0.1894
Platform 1 accumulation				
Group 1	0.1787	-	0.1787	0.1896
Group 2	0.0594	0.1193	0.1787	0.1896
Platform 1 income				
Group 1	0.1364	-	0.1364	0.1514
Group 2	0.0628	0.0736	0.1364	0.1514
Feeder accumulation				
Group 1	0.4104	-	0.4104	0.4360
Group 2	0.1678	0.2426	0.4104	0.4360
Z accumulation				
Group 1	0.4121	-	0.4121	0.4377
Group 2	0.1125	0.2996	0.4121	0.4377
J accumulation				
Group 1	0.4078	-	0.4078	0.4156
Group 2	0.0820	0.3258	0.4078	0.4156
J income				
Group 1	0.2842	-	0.2842	0.3030
Group 2	0.2842	-	0.2842	0.3030

Distribution Tables

For the year ended 31 December 2024 continued

Third interim dividend distribution

Group 1 – shares purchased prior to 1 March 2024
Group 2 – shares purchased between 1 March 2024 and 31 March 2024

	Revenue	Equalisation	Distribution paid 30/04/24	Distribution paid 28/04/23
Retail accumulation				
Group 1	0.4287	–	0.4287	0.3996
Group 2	0.2191	0.2096	0.4287	0.3996
Institutional accumulation				
Group 1	0.4381	–	0.4381	0.3866
Group 2	0.1689	0.2692	0.4381	0.3866
Retail income				
Group 1	0.3041	–	0.3041	0.2967
Group 2	0.3041	–	0.3041	0.2967
Institutional income				
Group 1	0.3144	–	0.3144	0.2896
Group 2	0.1239	0.1905	0.3144	0.2896
ZA income				
Group 1	0.1578	–	0.1578	0.1483
Group 2	0.1578	–	0.1578	0.1483
ZC accumulation				
Group 1	0.2037	–	0.2037	0.1847
Group 2	–	0.2037	0.2037	0.1847
Platform 1 accumulation				
Group 1	0.2034	–	0.2034	0.1792
Group 2	0.0900	0.1134	0.2034	0.1792
Platform 1 income				
Group 1	0.1546	–	0.1546	0.1425
Group 2	0.0780	0.0766	0.1546	0.1425
Feeder accumulation				
Group 1	0.4693	–	0.4693	0.4249
Group 2	0.1750	0.2943	0.4693	0.4249
Z accumulation				
Group 1	0.4709	–	0.4709	0.4266
Group 2	0.0658	0.4051	0.4709	0.4266
J accumulation				
Group 1	0.4644	–	0.4644	0.4051
Group 2	0.0128	0.4516	0.4644	0.4051
J income				
Group 1	0.3227	–	0.3227	0.2940
Group 2	0.1932	0.1295	0.3227	0.2940

Distribution Tables

For the year ended 31 December 2024 continued

Fourth interim dividend distribution

Group 1 - shares purchased prior to 1 April 2024
Group 2 - shares purchased between 1 April 2024 and 30 April 2024

	Revenue	Equalisation	Distribution paid 31/05/24	Distribution paid 31/05/23
Retail accumulation				
Group 1	0.4040	-	0.4040	0.4242
Group 2	0.3338	0.0702	0.4040	0.4242
Institutional accumulation				
Group 1	0.4127	-	0.4127	0.4784
Group 2	0.1229	0.2898	0.4127	0.4784
Retail income				
Group 1	0.2855	-	0.2855	0.3141
Group 2	0.0042	0.2813	0.2855	0.3141
Institutional income				
Group 1	0.2950	-	0.2950	0.3600
Group 2	0.1279	0.1671	0.2950	0.3600
ZA income				
Group 1	0.1483	-	0.1483	0.1624
Group 2	0.1483	-	0.1483	0.1624
ZC accumulation				
Group 1	0.1919	-	0.1919	0.2019
Group 2	-	0.1919	0.1919	0.2019
Platform 1 accumulation				
Group 1	0.1915	-	0.1915	0.2185
Group 2	0.0713	0.1202	0.1915	0.2185
Platform 1 income				
Group 1	0.1452	-	0.1452	0.1737
Group 2	0.0708	0.0744	0.1452	0.1737
Feeder accumulation				
Group 1	0.4421	-	0.4421	0.4644
Group 2	0.1117	0.3304	0.4421	0.4644
Z accumulation				
Group 1	0.4435	-	0.4435	0.5760
Group 2	0.0315	0.4120	0.4435	0.5760
J accumulation				
Group 1	0.4373	-	0.4373	0.5173
Group 2	0.0016	0.4357	0.4373	0.5173
J income				
Group 1	0.3027	-	0.3027	0.3759
Group 2	0.3027	-	0.3027	0.3759

Distribution Tables

For the year ended 31 December 2024 continued

Fifth interim dividend distribution

Group 1 - shares purchased prior to 1 May 2024
Group 2 - shares purchased between 1 May 2024 and 31 May 2024

	Revenue	Equalisation	Distribution paid 28/06/24	Distribution paid 30/06/23
Retail accumulation				
Group 1	0.3806	-	0.3806	0.3963
Group 2	0.1831	0.1975	0.3806	0.3963
Institutional accumulation				
Group 1	0.3882	-	0.3882	0.3571
Group 2	0.1814	0.2068	0.3882	0.3571
Retail income				
Group 1	0.2679	-	0.2679	0.2919
Group 2	0.2679	-	0.2679	0.2919
Institutional income				
Group 1	0.2764	-	0.2764	0.2661
Group 2	0.0803	0.1961	0.2764	0.2661
ZA income				
Group 1	0.1376	-	0.1376	0.1390
Group 2	0.1376	-	0.1376	0.1390
ZC accumulation				
Group 1	0.1790	-	0.1790	0.1730
Group 2	-	0.1790	0.1790	0.1730
Platform 1 accumulation				
Group 1	0.1801	-	0.1801	0.1703
Group 2	0.0883	0.0918	0.1801	0.1703
Platform 1 income				
Group 1	0.1358	-	0.1358	0.1325
Group 2	0.0271	0.1087	0.1358	0.1325
Feeder accumulation				
Group 1	0.4124	-	0.4124	0.3987
Group 2	0.1531	0.2593	0.4124	0.3987
Z accumulation				
Group 1	0.4137	-	0.4137	0.4680
Group 2	0.0333	0.3804	0.4137	0.4680
J accumulation				
Group 1	0.4112	-	0.4112	0.3797
Group 2	0.0036	0.4076	0.4112	0.3797
J income				
Group 1	0.2836	-	0.2836	0.2731
Group 2	0.2836	-	0.2836	0.2731

Distribution Tables

For the year ended 31 December 2024 continued

Sixth interim dividend distribution

Group 1 - shares purchased prior to 1 June 2024
Group 2 - shares purchased between 1 June 2024 and 30 June 2024

	Revenue	Equalisation	Distribution paid 31/07/2024	Distribution paid 31/07/2023
Retail accumulation				
Group 1	0.4300	-	0.4300	0.4463
Group 2	0.2544	0.1756	0.4300	0.4463
Institutional accumulation				
Group 1	0.4407	-	0.4407	0.4523
Group 2	0.1570	0.2837	0.4407	0.4523
Retail income				
Group 1	0.3015	-	0.3015	0.3279
Group 2	0.2734	0.0281	0.3015	0.3279
Institutional income				
Group 1	0.3128	-	0.3128	0.3341
Group 2	0.1829	0.1299	0.3128	0.3341
ZA income				
Group 1	0.1573	-	0.1573	0.1686
Group 2	0.1573	-	0.1573	0.1686
ZC accumulation				
Group 1	0.2049	-	0.2049	0.2110
Group 2	-	0.2049	0.2049	0.2110
Platform 1 accumulation				
Group 1	0.2046	-	0.2046	0.2104
Group 2	0.0977	0.1069	0.2046	0.2104
Platform 1 income				
Group 1	0.1539	-	0.1539	0.1661
Group 2	0.0489	0.1050	0.1539	0.1661
Feeder accumulation				
Group 1	0.4725	-	0.4725	0.4857
Group 2	0.0976	0.3749	0.4725	0.4857
Z accumulation				
Group 1	0.4741	-	0.4741	0.4786
Group 2	0.0397	0.4344	0.4741	0.4786
J accumulation				
Group 1	0.4675	-	0.4675	0.4622
Group 2	0.0052	0.4623	0.4675	0.4622
J income				
Group 1	0.3211	-	0.3211	0.3321
Group 2	0.3211	-	0.3211	0.3321

Distribution Tables

For the year ended 31 December 2024 continued

Seventh interim dividend distribution

Group 1 - shares purchased prior to 1 July 2024
Group 2 - shares purchased between 1 July 2024 and 31 July 2024

	Revenue	Equalisation	Distribution paid 30/08/24	Distribution paid 31/08/23
Retail accumulation				
Group 1	0.3666	-	0.3666	0.4196
Group 2	0.0051	0.3615	0.3666	0.4196
Institutional accumulation				
Group 1	0.3895	-	0.3895	0.4271
Group 2	0.1496	0.2399	0.3895	0.4271
Retail income				
Group 1	0.2558	-	0.2558	0.3072
Group 2	0.1495	0.1063	0.2558	0.3072
Institutional income				
Group 1	0.2637	-	0.2637	0.3157
Group 2	0.1577	0.1060	0.2637	0.3157
ZA income				
Group 1	0.1302	-	0.1302	0.1572
Group 2	0.1302	-	0.1302	0.1572
ZC accumulation				
Group 1	0.1819	-	0.1819	0.1973
Group 2	-	0.1819	0.1819	0.1973
Platform 1 accumulation				
Group 1	0.1733	-	0.1733	0.1982
Group 2	0.0363	0.1370	0.1733	0.1982
Platform 1 income				
Group 1	0.1298	-	0.1298	0.1554
Group 2	0.0528	0.0770	0.1298	0.1554
Feeder accumulation				
Group 1	0.3933	-	0.3933	0.4271
Group 2	0.0341	0.3592	0.3933	0.4271
Z accumulation				
Group 1	0.3939	-	0.3939	0.4665
Group 2	0.0021	0.3918	0.3939	0.4665
J accumulation				
Group 1	0.3936	-	0.3936	0.4501
Group 2	0.0018	0.3918	0.3936	0.4501
J income				
Group 1	0.2706	-	0.2706	0.3199
Group 2	0.2706	-	0.2706	0.3199

Distribution Tables

For the year ended 31 December 2024 continued

Eighth interim dividend distribution

Group 1 - shares purchased prior to 1 August 2024
Group 2 - shares purchased between 1 August 2024 and 31 August 2024

	Revenue	Equalisation	Distribution paid 30/09/24	Distribution paid 29/09/23
Retail accumulation				
Group 1	0.3912	-	0.3912	0.4207
Group 2	0.2233	0.1679	0.3912	0.4207
Institutional accumulation				
Group 1	0.3997	-	0.3997	0.4283
Group 2	0.2568	0.1429	0.3997	0.4283
Retail income				
Group 1	0.2720	-	0.2720	0.3066
Group 2	0.2625	0.0095	0.2720	0.3066
Institutional income				
Group 1	0.2812	-	0.2812	0.3152
Group 2	0.0793	0.2019	0.2812	0.3152
ZA income				
Group 1	0.1400	-	0.1400	0.1572
Group 2	0.1400	-	0.1400	0.1572
ZC accumulation				
Group 1	0.1885	-	0.1885	0.1979
Group 2	-	0.1885	0.1885	0.1979
Platform 1 accumulation				
Group 1	0.1856	-	0.1856	0.1989
Group 2	0.0950	0.0906	0.1856	0.1989
Platform 1 income				
Group 1	0.1383	-	0.1383	0.1553
Group 2	0.0574	0.0809	0.1383	0.1553
Feeder accumulation				
Group 1	0.4237	-	0.4237	0.4557
Group 2	0.1434	0.2803	0.4237	0.4557
Z accumulation				
Group 1	0.4251	-	0.4251	0.4663
Group 2	-	0.4251	0.4251	0.4663
J accumulation				
Group 1	0.4235	-	0.4235	0.4535
Group 2	0.0083	0.4152	0.4235	0.4535
J income				
Group 1	0.2887	-	0.2887	0.3200
Group 2	0.2887	-	0.2887	0.3200

Distribution Tables

For the year ended 31 December 2024 continued

Ninth interim dividend distribution

Group 1 - shares purchased prior to 1 September 2024
Group 2 - shares purchased between 1 September 2024 and 30 September 2024

	Revenue	Equalisation	Distribution paid 31/10/24	Distribution paid 31/10/23
Retail accumulation				
Group 1	0.3957	-	0.3957	0.3895
Group 2	0.1798	0.2159	0.3957	0.3895
Institutional accumulation				
Group 1	0.4049	-	0.4049	0.3943
Group 2	0.2120	0.1929	0.4049	0.3943
Retail income				
Group 1	0.2744	-	0.2744	0.2830
Group 2	0.0986	0.1758	0.2744	0.2830
Institutional income				
Group 1	0.2841	-	0.2841	0.2909
Group 2	0.1121	0.1720	0.2841	0.2909
ZA income				
Group 1	0.1414	-	0.1414	0.1448
Group 2	0.1414	-	0.1414	0.1448
ZC accumulation				
Group 1	0.1906	-	0.1906	0.1829
Group 2	-	0.1906	0.1906	0.1829
Platform 1 accumulation				
Group 1	0.1878	-	0.1878	0.1841
Group 2	0.0789	0.1089	0.1878	0.1841
Platform 1 income				
Group 1	0.1397	-	0.1397	0.1431
Group 2	0.0453	0.0944	0.1397	0.1431
Feeder accumulation				
Group 1	0.4295	-	0.4295	0.4213
Group 2	0.0862	0.3433	0.4295	0.4213
Z accumulation				
Group 1	0.4307	-	0.4307	0.4372
Group 2	-	0.4307	0.4307	0.4372
J accumulation				
Group 1	0.4293	-	0.4293	0.4149
Group 2	0.0010	0.4283	0.4293	0.4149
J income				
Group 1	0.2918	-	0.2918	0.2983
Group 2	0.2918	-	0.2918	0.2983

Distribution Tables

For the year ended 31 December 2024 continued

Tenth interim dividend distribution

Group 1 - shares purchased prior to 1 October 2024
Group 2 - shares purchased between 1 October 2024 and 31 October 2024

	Revenue	Equalisation	Distribution paid 29/11/24	Distribution paid 30/11/23
Retail accumulation				
Group 1	0.3707	-	0.3707	0.4311
Group 2	0.2218	0.1489	0.3707	0.4311
Institutional accumulation				
Group 1	0.3785	-	0.3785	0.4395
Group 2	0.2962	0.0823	0.3785	0.4395
Retail income				
Group 1	0.2560	-	0.2560	0.3120
Group 2	0.1141	0.1419	0.2560	0.3120
Institutional income				
Group 1	0.2646	-	0.2646	0.3214
Group 2	0.1103	0.1543	0.2646	0.3214
ZA income				
Group 1	0.1335	-	0.1335	0.1605
Group 2	0.1335	-	0.1335	0.1605
ZC accumulation				
Group 1	0.1795	-	0.1795	0.2034
Group 2	-	0.1795	0.1795	0.2034
Platform 1 accumulation				
Group 1	0.1757	-	0.1757	0.2042
Group 2	0.0709	0.1048	0.1757	0.2042
Platform 1 income				
Group 1	0.1302	-	0.1302	0.1583
Group 2	0.0437	0.0865	0.1302	0.1583
Feeder accumulation				
Group 1	0.4065	-	0.4065	0.4686
Group 2	0.0415	0.3650	0.4065	0.4686
Z accumulation				
Group 1	0.4078	-	0.4078	0.4700
Group 2	-	0.4078	0.4078	0.4700
J accumulation				
Group 1	0.4021	-	0.4021	0.4653
Group 2	0.0026	0.3995	0.4021	0.4653
J income				
Group 1	0.2724	-	0.2724	0.3296
Group 2	0.2724	-	0.2724	0.3296

Distribution Tables

For the year ended 31 December 2024 continued

Eleventh interim dividend distribution

Group 1 – shares purchased prior to 1 November 2024
Group 2 – shares purchased between 1 November 2024 and 30 November 2024

	Revenue	Equalisation	Distribution paid 31/12/24	Distribution paid 29/12/23
Retail accumulation				
Group 1	0.3390	–	0.3390	0.4359
Group 2	0.1864	0.1526	0.3390	0.4359
Institutional accumulation				
Group 1	0.3457	–	0.3457	0.4450
Group 2	0.0403	0.3054	0.3457	0.4450
Retail income				
Group 1	0.2333	–	0.2333	0.3143
Group 2	0.0816	0.1517	0.2333	0.3143
Institutional income				
Group 1	0.2408	–	0.2408	0.3242
Group 2	0.0198	0.2210	0.2408	0.3242
ZA income				
Group 1	0.1219	–	0.1219	0.1624
Group 2	0.1219	–	0.1219	0.1624
ZC accumulation				
Group 1	0.1641	–	0.1641	0.2066
Group 2	0.0957	0.0684	0.1641	0.2066
Platform 1 accumulation				
Group 1	–	–	–	0.2066
Group 2	–	–	–	0.2066
Platform 1 income				
Group 1	–	–	–	0.1596
Group 2	–	–	–	0.1596
Feeder accumulation				
Group 1	0.3730	–	0.3730	0.4760
Group 2	–	0.3730	0.3730	0.4760
Z accumulation				
Group 1	0.3739	–	0.3739	0.4984
Group 2	–	0.3739	0.3739	0.4984
J accumulation				
Group 1	0.3677	–	0.3677	0.4717
Group 2	–	0.3677	0.3677	0.4717
J income				
Group 1	0.2480	–	0.2480	0.3325
Group 2	0.2480	–	0.2480	0.3325

Distribution Tables

For the year ended 31 December 2024 continued

Final dividend distribution

Group 1 - shares purchased prior to 1 December 2024
Group 2 - shares purchased between 1 December 2024 and 31 December 2024

	Revenue	Equalisation	Distribution paid 14/02/25	Distribution paid 15/02/24
Retail accumulation				
Group 1	0.2094	-	0.2094	0.4064
Group 2	0.0883	0.1211	0.2094	0.4064
Institutional accumulation				
Group 1	0.2091	-	0.2091	0.4148
Group 2	0.0263	0.1828	0.2091	0.4148
Retail income				
Group 1	0.1438	-	0.1438	0.2917
Group 2	0.1208	0.0230	0.1438	0.2917
Institutional income				
Group 1	0.1454	-	0.1454	0.3010
Group 2	0.0378	0.1076	0.1454	0.3010
ZA income				
Group 1	0.0688	-	0.0688	0.1439
Group 2	0.0688	-	0.0688	0.1439
ZC accumulation				
Group 1	0.0969	-	0.0969	0.1837
Group 2	0.0047	0.0922	0.0969	0.1837
Platform 1 accumulation				
Group 1	-	-	-	0.1928
Group 2	-	-	-	0.1928
Platform 1 income				
Group 1	-	-	-	0.1481
Group 2	-	-	-	0.1481
Feeder accumulation				
Group 1	0.2106	-	0.2106	0.4234
Group 2	0.0106	0.2000	0.2106	0.4234
Z accumulation				
Group 1	0.2113	-	0.2113	0.4319
Group 2	0.1560	0.0553	0.2113	0.4319
J accumulation				
Group 1	0.2127	-	0.2127	0.4395
Group 2	0.2127	-	0.2127	0.4395
J income				
Group 1	0.1499	-	0.1499	0.3088
Group 2	0.1499	-	0.1499	0.3088

Distribution Tables

For the year ended 31 December 2024 continued

Equalisation

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

Risk Management Function (unaudited)

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 Governance and other Compliance 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;

1st line	2nd line	3rd line
Risk ownership, management and control	Establishment and oversight of risk, compliance and conduct frameworks	Independent assurance, challenge and advice
· Most risks arise in the business and this is where they should be owned and managed. · Ownership and management means taking responsibility for identifying and controlling risk.	· Establish and oversee the Enterprise Risk Management Framework and supporting methodologies. · Provide independent advice and challenge of business operations in relation to (i) regulatory compliance and (ii) design of operational controls. · Support executives and boards in their oversight of risks.	· Internal Audit provides independent assurance, challenge and advice across all business functions and risk domains including the adequacy and effectiveness of the internal risk and control management framework.

Increased first line ownership of risk and control assessment is a key evolution in first and second line interaction.

Second and third line interactions are more defined (e.g. monitor, review, assure) with each function supporting various boards and committees.

- 1LoD – Functions that own and manage risks, reporting to the COO Investments Vector, in particular the Investment Control function.
  - 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 and Compliance functions.
  - 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 (unaudited)

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 Monitoring and Escalation Procedure:

Where mandated investment restriction breaches are identified, Investment Control and / or Investment Risk Governance assesses whether the breach is active or passive by conducting investigation and contacting and discussing the issue with the appropriate Fund Manager to identify the cause of breach.

- Active breaches: In case of an active breach, Investment Control will request immediate (where possible) resolution of the regulatory breach and will also ensure key stakeholders are made aware of the issue as soon as possible. All active breaches are reviewed by Risk and Compliance and through that process an assessment is made as to whether it is FCA reportable or not.
- Passive breaches: In case of a passive breach, Investment Control will notify the Investment Management Team or Fund Manager and the timeframe for correction within the regulatory, client and internal guidelines. If the passive breach cannot be rectified within those timeframes, Investment Control will obtain from the fund manager a relevant rationale. Please note that regardless of the timescales the action taken should always consider the best interests of the underlying investors.

In addition, all active breaches are logged in Shield, in accordance with Company's policies and within the prescribed time limits.

Mandate Governance & Controls

There are three key stakeholder groups who will be involved in ensuring that a fund mandate is set up with appropriate objectives, guidelines etc, to ensure that it is managed in line with client expectations;

- 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

In order to ensure adherence with the RMP, investment risk monitoring is performed on a regular and systematic basis on 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 deliberately) 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 fund mandate. 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 Governance team. In addition, internal risk monitoring triggers are set and used, where required, by the Investment

Risk Management Function (unaudited)

Continued

Risk Governance team. As with the internal limits described 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.

Appendix 1 – Risk Definitions & Risk Management Processes

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 these asset classes largely due to the lack of data and / or appropriate systems, within the industry, to produce meaningful output. The Investment Risk Governance team utilise other metrics specific to the asset class. Such metrics may include, but are not limited to:

Key Risks	Risk Description	Measurement
Strategy alignment	Risk of portfolio drifting away from the intended strategic objectives and investment guidelines of the fund (including sustainability related objectives). Highlights any potential mismatch between the fund's risk profile, offering documents and house views resulting from portfolio construction and management.	Monitoring of strategy execution and breaches to investment restrictions and guidelines.
Market risk	Highlights country and / or sector risk and major shifts in the macroeconomic environment and / or market fundamentals relevant to portfolios and their underlying investments.	Assessment of key portfolio exposures, including geography, sector, investment size, etc. Quarterly market and liquidity stress testing performed for direct real estate funds.
Concentration	Highlights risk of over-exposure to asset type, currency, country, stage of development, tenant, manager or counterparties.	Analysis of funds' concentration ratios and comparison against limits or guidelines.
Valuation risk	Highlights the risk of a significant impact on the value of investments due to asset specific or market driven factors such as fire safety regulations.	Captured through market reviews and income risk analysis of the underlying assets, bids received for ongoing sales, etc. Inquiries to the Fund Management, Operations and Valuation committee's representatives as applicable.
Liquidity	Highlights liquidity risk by considering asset liquidity profile and assessing the ability of the portfolio to meet its obligations, such as debt maturity and outstanding / potential redemptions, considering the liquidity mechanisms incorporated in the legal documentation. Further, it is the risk that market conditions are such that a fund cannot execute its preferred exit strategy or cannot exit at the expected price. It also highlights the risk that committed capital is not provided by investors when it falls due, resulting in the target quantum of funding falling short, preventing the portfolio meeting its intended investment strategy.	Measured by assessing whether the fund has sufficient liquidity to cover its short-term liabilities and whether the maturity of the remaining fund liabilities is aligned with the asset liquidity profile. Liquidity stress testing is performed quarterly for direct real estate funds.
Income risk	Highlights revenue risk arising from the portfolio characteristics; this includes the type of leases or changes in local rental market prices, tenant concentration and tenant credit quality, as well as the risk of not meeting minimum tenant / governmental standards (e.g., energy certificates).	Analysis of key lease risk indicators and concentration ratios, including WAULT (Weighted Average Unexpired Lease Term), rental levels vs. market rent, void rates, two-year lease rollover, capex requirements and tenant / income concentration.
Debt risk	Highlights the increase in the volatility of fund return due the magnifying effect of gearing on both gains and losses. This could impact the ability to manage the portfolio's assets due to restrictions or banking covenants associated with debt and the risk of not be able to re-finance debt upon maturity. Secondary risks relate to debt-facility costs and maturities.	Analysis of key debt risk indicators such as LTV (Loan to Value), ICR (Interest Coverage Ratio), debt maturity, lender concentration and cost of debt.
Investor risk	Highlights the risk profile of investors and their alignment to the fund strategy and the execution thereof.	Analysis of key risk indicators, including investor concentration, liquidity / redemption profiles, investment objectives etc.

Risk Management Function (unaudited)

Continued

Key Risks	Risk Description	Measurement
Development risk	Highlights risks related to projects that are under development, including counterparty risk, zoning risk and lease risk.	Analysis of key risk indicators, including developer concentration and credit ratings, construction delays, budget overruns etc. Inquiries to fund management and development teams.
Sustainability risk	Defined as environmental, social or governance events that could cause a negative material risk on the value of an investment. It highlights the risk of sustainability measures not being implemented resulting in targets not being met.	Analysis and monitoring of sustainability targets

These metrics are generated from a combination of sources, including Argus Enterprise, Burgiss, Horizon, MSCI, Real Capital Analytics and internal accounting data. Once this data has been processed the Investment Risk Governance team analyse reports, assessing absolute 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 the Investment Risk Manager, Investment Management and appropriate Client representative. Funds are generally reviewed quarterly in line with typical valuation cycles, or more frequently as appropriate.

Market Stress Tests and Scenario Analysis

Stress tests are intended to highlight those areas in which a portfolio would be exposed to risk if the current economic conditions were likely to change. An economic event may be a simple change in the direction of interest rates or return expectations or may take the form of a more extreme market event such as one caused through military conflict. The stress test itself is intended to highlight any weakness in the current portfolio construction that might deliver unnecessary systematic exposure if the market were to move abruptly. Stress testing is applied regularly (as appropriate to each fund's investment philosophy).

Market stress tests are performed quarterly for regulated Real Estate funds and aim to understand the impact of specific scenarios on the fund valuation. These stress tests are defined as follows:

- Yield Test: property yields across the portfolio are shocked by 100bps;
- Capital Test: property valuations are stressed by 1 standard deviation

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.

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 abrdn's UK Management Companies, in line with the ESMA LST guidelines, are detailed in the Liquidity Stress Test Policy within the abrdn 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.

Risk Management Function (unaudited)

Continued

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 abrdn liquidity management contingency plan which includes:

- Governance Framework;
- How abrdn 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 abrdn will implement the Contingency Plan;
- Details of communication arrangements for internal and external concerned parties. Details of how abrdn will work with the depositary, 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. 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.

Risk Management Function (unaudited)

Continued

Sustainability Risk

abrdn's investment process embeds the assessment of sustainability risks at the level of each individual investment and approved counterparties.

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. Credit Risk is the risk that an underlying issuer may be unable (or unwilling) to make a payment or to fulfil their contractual obligations. This may materialise as an actual default or, or to a lesser extent, by a weakening in a counterparty's credit quality. The actual default will result in an immediate loss whereas, the lower credit quality will more likely lead to mark-to-market adjustment.

abrdn has a Global Counterparty Credit Risk Policy (GCCR Policy) in place to ensure appropriate management of Credit Risk (defined as an explicit or implicit exposure of abrdn to the default of a Counterparty which arises as an indirect consequence of the financial instrument or investment activity being procured or undertaken. The GCCR Policy and the underlying processes it establishes are supported and governed primarily by the abrdn's Counterparty Credit Risk Forum.

The GCCR Policy:

- Requires that all Counterparties are approved by the Counterparty Credit Risk Forum before credit risk can be taken against them;
- Requires that all Counterparties are subject to a regular credit assessment as part of an annual review cycle;
- Requires that exposure limits are agreed in terms of credit risk exposures for each Counterparty and, potentially, each class of business based on agreed methodology recommended to the Counterparty Credit Risk Forum;
- Prohibits an active increase in credit risk exposure to a Counterparty in excess of the exposure limits; and
- Incorporates the methodology for calculating the credit risk exposures

Operational Risk Management Framework

The abrdn Operational Risk Management Policy sets out the standards that abrdn must adhere to in relation to Operational Risk which is reviewed annually. Operational risk is a core element of the abrdn Enterprise Risk Management Framework (ERMF).

The policy and ERMF define Operational risk as the risk of loss or adverse consequences for the business resulting from inadequate or failed internal processes, people or systems, or from external events.

abrdn establish a strong risk culture throughout the business, where all colleagues understand their responsibilities and accountabilities for managing operational risk, in line with a Three Lines of Defence model. Key to that culture is the promotion of abrdn's ERMF.

Risk and Compliance develop and maintain the ERMF, establishing clear operational risk standards, procedures and tools and providing appropriate training thereof. The Risk and Compliance maintain a documented risk appetite that is periodically reviewed and set by the Aberdeen Group plc (formerly abrdn plc) Board. Business Areas are required to implement and embed the ERMF, demonstrating active management of operational risk to support positive client, customer, shareholder and market outcomes and drive robust capital and liquidity assessments.

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 (unaudited)

Alternative Investment Fund Managers Directive (AIFMD)
Remuneration Disclosure AIF Annual Report and Accounts

Remuneration Policy

The Aberdeen Group plc Remuneration Policy (the "**Policy**") applies with effect from 1 January 2024. The purpose of the Policy is to document clearly the remuneration policies, practices and procedures of Aberdeen as approved by the Aberdeen Group plc Remuneration Committee (the "**Committee**"). The Policy is available on request.

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

Remuneration Principles

Aberdeen 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 is flexible to accommodate the different challenges and priorities across all businesses and functions 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 remuneration (salary and cash allowances, where appropriate; and Benefits (including pension).

b) Variable remuneration (bonus, a proportion of which may be subject to retention or deferral depending on role and regulatory requirements; 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 Aberdeen 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 an award.

Remuneration (unaudited)

Continued

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.
Annual Performance Bonus Awards	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. Annual bonuses are based upon Group, Business, 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, incorporating consideration of all risk categories, including sustainability risks* (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. abrdn 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. The overall bonus pool is allocated to businesses and functions based on absolute and relative performance of each business 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 business / function and regional heads based on the absolute and relative performance of the constituent teams and alignment with strategic priorities. Individual annual bonus awards are determined at the end of the 12-month performance period with performance assessed against financial and non-financial 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, to 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. In addition to the application of ex-ante adjustments described above, variable remuneration is subject to ex-post adjustment (malus / clawback arrangements).
Other elements of remuneration – selected employees	The following remuneration arrangements may be awarded in certain very limited circumstances: **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. **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. **Retention and Special Performance Awards / LTIP** – Supports retention and / or the delivery of specific performance outcomes and / or to incentivise senior employees to support the long-term, sustained performance of Aberdeen. The Company may determine that it is appropriate to grant such awards 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. **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.

Remuneration (unaudited)

Continued

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 Committee.

Conflicts of interest

The 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 2024 to 31 December 2024** inclusive.

	Headcount	Total Remuneration £'000
abrdn Fund Managers Limited[1]	**737**	**116,700**
of which		
Fixed remuneration		84,827
Variable remuneration		31,873
abrdn Fund Managers Limited 'Identified Staff'[2]	**119**	**49,858**
of which		
Senior Management[3]	43	29,800
Other 'Identified Staff'	76	20,058

[1] As there are a number of individuals indirectly and directly employed by abrdn Fund Managers Limited this figure represents an apportioned amount of Aberdeen's total remuneration fixed and variable pay, apportioned to the ManCo on an AUM basis. 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 ManCo who are fully or partly involved in the activities of the ManCo.
[3] Senior Management are defined in this table as ManCo Directors and members of the Aberdeen Group plc Board, together with its Executive and Group Operating Committees, Investment Executive members and the Chief Product and Marketing Officer.

Further Information

abrdn Real Estate Funds ICVC (formerly abrdn UK Real Estate Funds ICVC) was incorporated on 6 March 2014 under the FCA Regulations. The Company is an open-ended investment company (OEIC) with variable capital under regulation 12 (authorisation) of the OEIC Regulations.

Consumers' rights and protections, including any derived from EU legislation, are currently unaffected by the result of the UK referendum to leave the European Union and will remain unchanged unless and until the UK Government changes the applicable legislation.

Documentation and Prices

Copies of the current Prospectus and Key Investor Information Documents (KIIDs) for the abrdn Real Estate Funds ICVC (formerly abrdn UK Real Estate Funds ICVC), daily prices, together with the latest Annual (and if issued later the Interim) Report and Accounts for any fund, are available to download at **www.aberdeenplc.com**. A paper copy of the Report and Accounts is available on request from the ACD.

Notices/Correspondence

Please send any notices to abrdn Fund Managers Limited, PO Box 12233, Chelmsford, Essex, CM99 2EE. Any notice to the ACD will only be effective when actually received by the ACD. 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 ACD, 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, abrdn Investments, 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@aberdeenplc.com** in the first instance. Alternatively if you have a complaint about the Company or Funds you can contact the Depository 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 to 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-ombusdman.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

Issued by abrdn Fund Managers Limited. Authorised and regulated by the Financial Conduct Authority in the United Kingdom.