



Carbon Report

abrdn UK Real Estate Share Fund

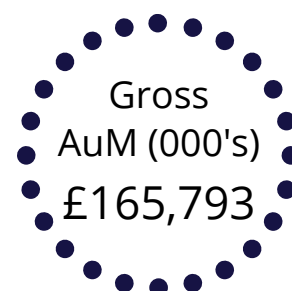
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Prepared by: abrdn

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Portfolio Overview

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Fund investment objective	To generate income and some growth over the long term (5 years or more) by investing in UK property-related equities (company shares) including listed closed ended real estate investment trusts ('REITs'). Performance Target: To achieve the return of the FTSE 350 Real Estate Index plus 3% per annum (before charges) over rolling three year periods. There is no certainty or promise that the Performance Target will be achieved. The FTSE 350 Real Estate Index (the "Index") is a representative index of the UK property related stock market.
	Please note amendments are being made to the investment objective, effective June 2025. Refer to the Prospectus and Key Investor Information Document for further information.
Purpose of the report	Climate change poses financial and societal risks. At abrdn we aim focus on our fiduciary duty to our clients by better understanding the financial risks that climate change poses to our investments. As a business ourselves we also look to reduce our own carbon footprint and provide transparent reporting on this. abrdn recognises the growing demand from investors for more climate-related information about their investments as such, we have made disclosures we believe are consistent with the TCFD Recommended Disclosures within this report and we will continue to evolve and enhance our TCFD reporting, in line with data and industry developments. The Financial Stability Board (FSB) created the Taskforce on Climate-related Financial Disclosures (TCFD) to develop recommendations on the types of information that companies should disclose to support investors in appropriately assessing and pricing a specific set of risks related to climate change. 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. For the reasons explained below we are not yet reporting TCFD related data for this fund. Due to the evolving nature of carbon metrics and methodologies and in some cases the nascent disclosure of carbon data in some asset classes and sectors there can be situations where we have low aggregated data coverage at a portfolio level. As a house we have adopted a principle of only reporting where we have greater than 50% data coverage - measured as the % of the portfolio's assets under management for which carbon data has been disclosed, partially disclosed or estimated by a third-party provider. We expect that the number of portfolio's where we have not reported due to low data coverage will decrease over time as methodologies and reporting disclosures improve. This includes fund-of-fund structures and assets which due to their location or structure have nascent corporate disclosures. In particular we will focus on working with third parties and data providers to improve coverage. However, at this stage we have adopted a conservative approach to ensure that reported data does not give a skewed perception of carbon impacts. For example, if carbon data is only available for low carbon sectors but this only relates to a small portion of the holdings, this could lead to the entire portfolio appearing to be low carbon. However, once more carbon intensive sectors are reported in time, this could significantly alter the overall position and as such, we have taken the decision to only report where we have the majority (>50%) of data available. There are some investment types that due to their nature are not possible to report or estimate carbon metrics. These are typically money market investments that do not have a carbon profile, or synthetic products where methodological constraints mean that they are considered out of scope of these reports. We are currently only reporting on corporate credit bonds, listed govt bonds and listed equities due to poor or inconsistent data coverage in other asset types. We will review this year on year, and seek to enhance coverage in future years through alternative data providers, direct engagement and supporting broader industry initiatives. Since the first year of reporting, we have taken steps to evolve our ESG data architecture, enhancing the consistency of calculation and aggregation across in-scope asset classes and evolved underlying security issuer mapping to underlying ESG data.

Portfolio Overview

abrdn UK Real Estate Share Fund

Benchmark	FTSE 350 Real Estate
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Glossary

Data Point	Definition
Abatement	Abatement refers to the act of reducing the emissions of an activity (synonymous with decarbonisation).
Carbon dioxide equivalent (CO ₂ e)	This metric utilises global warming potentials of all the greenhouse gases as defined by the International Panel of Climate Change to calculate a single consistent metric for GHG impact in carbon dioxide equivalent terms.
Carbon emissions / Greenhouse Gas	Carbon emissions is used as a generic term for the main greenhouse gas (GHG) emissions (carbon dioxide, methane, nitrous oxide, F-gases) in our reporting. This is synonymous to the term carbon dioxide equivalent (CO ₂ e).
Carbon Emissions - Scope 1	Greenhouse gas emissions generated from sources which are owned or controlled by the company.
Carbon Emissions - Scope 2	Greenhouse gas emissions generated from the consumption of purchased electricity, heat or steam by the company.
Carbon Emissions - Scope 3	Greenhouse gas emissions that are a consequence of the activities of the company, but occur from sources not owned or controlled by the company, upstream and downstream of a company supply-chain, such as, the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by the reporting entity, electricity related activities (e.g.T&D losses) not covered in Scope 2.
Carbon Intensive Sectors	We have determined the GICS Industry Groups: Utilities, Energy, Materials and Transportation as representing 'Carbon Intensive Sectors'.
Climate Change Scenario analysis	Climate change scenario analysis provides a quantitative assessment of the financial impact of a range of potential future climate change scenario pathways and related policy and technology scenarios on investments.
Climate Value at Risk	The associated financial risk measured based on a selected climate scenario.
Current Policy Scenario ('hot house world')	No new policy action is implemented beyond what is already in place, resulting in a global temperature rise of 3.2C by 2100.
Early Action Scenario ('orderly' transition)	Strict and immediate policy action is put in place and is steadily ramped up to achieve an orderly transition that results in a global temperature rise of 1.7 oC by 2100.
Economic Emissions Intensity (Carbon Footprint)	Economic Emissions Intensity (EEI) is the terminology used by PCAF - who introduced the use of EVIC. This metric is synonymous with 'carbon footprint'. EEI is a normalised carbon intensity metric, expressed as tCO ₂ e/million USD invested. The portfolio weighting of each holding is multiplied by the ratio of the investee company's emissions normalised by the investee company's enterprise value including cash (EVIC). This is equivalent to dividing the portfolio Financed Emissions by the portfolio's AUM.
Enterprise value including Cash (EVIC)	Is a denominator used in both the Financed Emissions and Economic Emissions Intensity, EVIC is equivalent to traditional financial measure of EV, however, with cash included. This concept was developed by PCAF to produce a consistent Financed Emissions metric that can be used equivalently across equity and debt investors.
Financed Emissions	This is the absolute tonnes of carbon dioxide equivalent (tCO ₂ e) that is attributed or 'owned' by an investors, based on the value of the investment in an investee company. This metric is consistent to the PCAF Financed Emissions methodology, which is integrated into TCFD recommendations.
GICS / BICS	GICS: Global Industry Classification Standard is an industry taxonomy developed by MSCI and Standard & Poor's. BICS: Bloomberg Industry Classification System is an industry classification system developed by Bloomberg.
Glasgow Financial Alliance for Net Zero	The Glasgow Financial Alliance for Net Zero (GFANZ) is a global coalition of leading financial institutions committed to accelerating the decarbonization of the economy.
Net Zero Investment Framework	The Net-Zero Investment Framework was developed by the Institutional Investors Group on Climate Change (IIGCC), it produced an alignment metric that is now being referred to as the maturity scale approach (as defined by GFANZ).
NZIF Maturity Scale Alignment	This alignment metric enables investors to cover the Binary Target Approach in more detail, categorising companies into levels of alignment as defined by the IIGCC NZIF recommendations.
PCAF	Partnership for Carbon Accounting Financials.
Physical Risk	Climate risks associated to the physical impacts of climate change, these can be broadly categorised into acute risk (short-term impacts) and chronic risk (long-term impacts).
Probability Weighted Scenario	Weighted average scenario based on our latest assessment of probability across our full suite of 16 scenarios, resulting in a global temperature rise of 2.3C by 2100.
Stricter Action Scenario ('disorderly' transition)	The implementation of strict policy action is delayed until 2030, resulting in a disorderly transition and a global temperature rise of 1.9C by 2100.
Transition Risk	Climate risks associated with the transition to a low-carbon economy, these include, demand creation, demand destruction, technology risk, carbon price risk, market risks etc...
Weighted Average Carbon Intensity (WACI)	Weighted average carbon intensity (WACI), is a normalised carbon intensity figure, expressed as tCO ₂ e/million USD revenue. The portfolio weighting of each holding is multiplied by the ratio of the investee company's emissions normalised by the investee company's revenue.

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

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