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

abrdn Global Real Estate Fund, a Sterling denominated unit trust - This fund is managed by abrdn Fund Managers Limited.

abrdn Global Real Estate Fund invests in assets that may at times be hard to sell. This means that there may be occasions when you experience a delay or receive less than you might otherwise expect when selling your investment. For more information on risks, see the prospectus and key investor information document.

OBJECTIVES AND INVESTMENT POLICY

Investment Objective

To generate income and some growth over the long term (5 years or more) by investing in global commercial property markets.

Performance Target: To generate a return of 5% per annum over rolling three year periods, after charges. There is no certainty or promise that the Performance Target will be achieved.

Economic Outlook

The global economy is facing significant challenges due to the recent US tariff shocks and ongoing trade tensions. Economic activity is expected to slow down across major economies, with the US GDP growth forecasted to be around 1.3% in 2025, down from 2.8% in 2024. The Eurozone is also expected to see a decline in growth, with GDP growth forecasted at 0.6% in 2025. Inflation is set to remain elevated in the US, with expectations of 3.2% in 2025. The UK is also facing higher inflation rates than Europe, forecasted at 2.9% in 2025. Economic policy responses are varied, with the Federal Reserve likely to wait until September to deliver its only cut this year, while the European Central Bank is expected to reduce rates to 2.0% by September and to 1.75% by the end of the year.

Real Estate Market Outlook

In March 2025, Aberdeen's multi-asset investments House view committee changed global real estate to a '+1 overweight' recommendation. Despite recent volatility in liquid assets like fixed income, equities, and REITs, Aberdeen remains confident in a recovery in real estate total returns.

In Europe, though the market backdrop has grown riskier, relative pricing remains favourable. MSCI annualized European total returns reached 4.8% in 2024, driven by capital growth and strong performance in the Netherlands, Portugal, Sweden, Spain, and Denmark. Investment volumes rose by 26% in the first quarter of 2025, with annual volumes up 15%. Ongoing rental growth is expected in quality assets due to low supply and high construction costs and the rate is expected to exceed inflation for much of the forecast outlook.

UK real estate posted an 8.1% total return for the 12 months to February 2025, led by retail and industrial sectors. The performance was driven by income returns, with capital values moving into positive territory at 2.1%. Polarisation continued, with prime assets performing strongly. The first half of 2024 saw a slight decline in capital values, but the second half showed growth, driven by industrial and retail sectors. Investment volumes fell 33% year-on-year in Q1 2025, mainly due to macroeconomic and geopolitical uncertainties, but we expect an improvement in the second half of this year.

In APAC, Japan and Korea remain top investment destinations amid ongoing uncertainties elsewhere. A slower pace of interest rate normalization in Japan and faster policy easing in Korea support capital value forecasts. The living sector, particularly Tokyo multifamily, is robust due to tight vacancy rates and enduring leasing demand and this remains a particular bright spot. Office fundamentals in Tokyo and Seoul are strong, with low vacancy rates and healthy pre-leasing activity for new developments. Despite concerns about new supply in Seoul from 2028, demand for advanced technologies is expected to underpin office space demand.

The US real estate market faces downside risks from tariffs and slowing consumer confidence. Industrial vacancy rates are projected to peak at low levels in 2025, supporting rental growth recovery by early 2026. The retail sector is challenged by slowing consumer spending and rising store closures, with variations in rental performance expected. Multifamily housing remains resilient, with strong demand in key regions despite significant drops in construction starts. High barriers to homeownership and tight supply keep vacancy rates low, supporting rental growth into 2026.

Outlook for Risk and Returns

The global real estate market was experiencing an improvement in returns in the first quarter, but economic risks and weaker overall sentiment have put that at risk. However, trade negotiations are ongoing and there is significant risk of further policy shifts in either direction. As a result, we are still advocating that real estate is sitting ready for an uneven improvement in performance. The UK and Europe appear to be ahead of the curve, with the US likely to lag. Lower interest rates in Europe and the UK are set to help facilitate the recovery there. We are currently forecasting global real estate returns of 5.3% over the next 12 months, with a gradual recovery leading to three- and five-year annualised forecast returns of 6.9% over both time horizons.

Fund positioning

Top 10 direct assets	Fund (%)
DC Goossens, Veghel, The Netherlands	12.7
44 Esplanade, St Helier, Jersey	10.8
52/54 and 56 Peck Seah Street, Singapore	8.8
11 Amour Street, Milperra, Sydney, Australia	8.3
Galeria Gniezno, Gniezno, Poland	7.6
3 & 5 Custom House Plaza, Dublin, Ireland	6.2
Niu Fury, Munich, Germany	6.0
3-5 John Morphett Place, Erskine Park, Sydney, Australia	6.0
Cholet, Nantes, France	5.9
1651-1657 Centre Rd, Melbourne, Australia	4.3

Figures exc Cash.

Top 10 tenants (Direct only)	Contracted Rent (%)
Ogier	16.5
Goossens	14.5
Citco	7.8
Novum Hotels Sub GmbH	7.8
Jamestrong Packaging Australia Pty Ltd	6.6
Le Roy Logistique	6.4
Kohler	6.0
Acrow Formwork and Scaffolding	4.7
Coil Steels Group Pty Ltd	3.7
Castorama	3.3

Figures exc Cash.

Fund facts

Fund size	£304.5m
Average lot size	£19.0m
Average lease length[1]	6.6 years
Number of direct properties	12
Number of tenancies	75
Distribution yield[2]	2.52%
Standing Void[3]	3.18%

[1] Average Unexpired lease term (to first break).
[2] Yields are historic based on the preceding 12 months' distributions as a percentage of the mid market unit/share price at date shown. Yields will vary, do not include any preliminary charges and investors may be subject to tax on distributions. Based on institutional income shareclass, net of fees at 31/03/2025.
[3] Void rate excluding development and major refurbishment.

Top 5 listed holdings

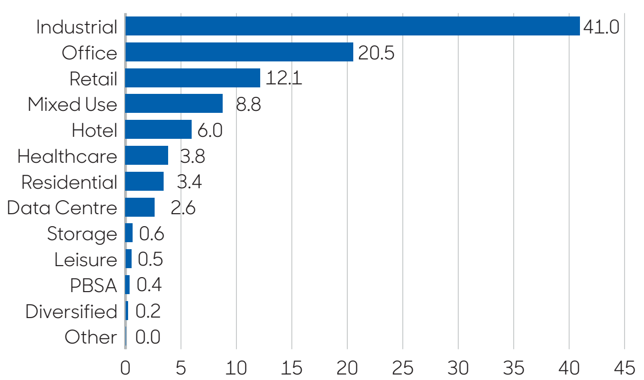
	Fund (%)
Welltower Inc	2.0
Equinix Inc	1.3
Digital Realty Trust Inc	1.3
Prologis Inc	1.2
CTP NV W/I	1.1

Figures exc Cash.

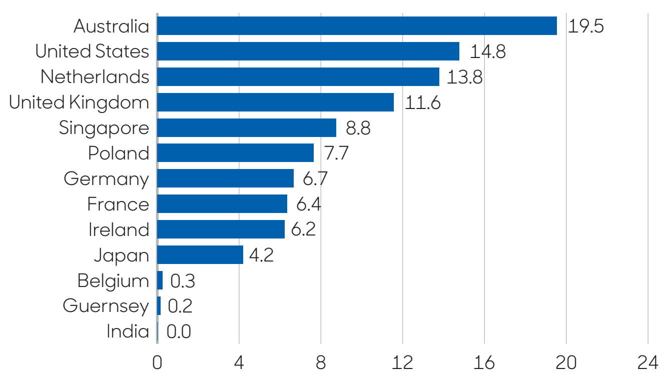
Performance - % growth	3 mths	6 mths	1 yr	3 yrs	5 yrs
abrdn Global Real Estate Fund	-0.28	-2.15	-1.18	-1.80	0.80
Benchmark[4]	1.23	2.47	5.00	5.00	4.23

Fund performance is quoted net of Institution Accumulation fees.
Returns over 1 year are annualised.
[4] Benchmark: IPD Direct/MSCI World Real Estate Custom Index to 31/12/19, 0% to 31/12/2020, 5% p.a thereafter.

Sector allocation



Geographical breakdown



[5] MSCI classify the Channel Islands as part of the UK for benchmarking purposes, this is the reason the asset in Jersey falls under the UK.

Portfolio update

Within the listed portfolio, we repositioned our US healthcare exposure. We reduced the position in Omega due to concerns over the effect of the government's healthcare spending cuts and recycled the proceeds into Ventas, which we believe to be insulated from these cuts and better positioned for growth. Meanwhile, we sold our position in Canadian Apartments due to concerns that a restrictive immigration policy could affect demand. We initiated a position in shopping centre company Simon Property due to a stabilisation in the mall sector's cashflows, lack of new supply and resilient consumer spending.

Later in the quarter, we reduced positions in Digital Realty and Equinix due to a more muted outlook for data-centre demand. We also disposed of the position in US gaming name GLPI and reinvested the proceeds into ETR Properties, within the same sector, which we believe has greater growth potential.

In the direct portfolio, we concluded negotiations for the sale of the logistics asset at Erskine Park, Sydney. The sale, which is to the incumbent tenant, exchanged shortly after the quarter ended.

There has been positive leasing momentum at Customs House Plaza, Dublin. During the quarter, we completed the lease re-gear of the existing tenant Flexifi, and leased the vacant third-floor suite to global insurance company Companjon. This leaves only one vacant office suite, where we have strong interest from a tenant who has short listed this building as one of its two preferred options.

Performance review

During the first quarter of 2025, the Fund's Institutional accumulation shares returned -0.28%.

The listed portfolio returned -2.84% over the quarter, with gains in January and February more-than offset by the weaker return in March, which was affected by investors' concerns about geopolitical risks.

The largest positive contributions came from US healthcare companies Welltower and Ventas, and we added to these positions during the quarter. Conversely, the Fund's holdings in data centre companies Digital Realty and Equinix detracted the most, as they were affected by the sell-off in technology companies after the release of DeepSeek's latest artificial-intelligence model.

Fund Outlook

In the US, economic activity is slowing down due to elevated policy uncertainty and a decline in sentiment. The labour market is cooling but is not consistent with a downturn. The tariff shock is likely to push US growth lower and inflation higher. The US Federal Reserve (Fed) is expected to focus on securing a soft landing, with Chair Jerome Powell making clear that the Fed would not welcome any further deterioration in the labour market.

In the eurozone, weak near-term growth prospects are evident, with the rollover of labour markets in France and Germany pushing domestically generated inflation pressures down. Fiscal expansion, including increased defence spending and infrastructure investment in Germany, are expected to boost growth in the medium term. This could also push up inflation in the medium term if it is more aggressive and impactful than currently expected.

In Asia Pacific, China's economic activity has been stronger than expected, with the first-quarter GDP expanding 5.4% year-over-year. However, the property sector continues to struggle, and the authorities may allow deflation to become embedded, blunting policy easing. Japan's fourth-quarter GDP was revised lower to 1.1% as consumption disappointed.

The recent economic and financial market upheaval stemming from trade tariffs has had a material impact on risk across markets. This is particularly the case for the US and China, while the rest of the world is likely to experience weaker-than-expected performance. We trimmed our forecasts to reflect a weighted-average US tariff rate of around 20%. At the time of writing, it is currently around 23%, but with a much narrower focus on China and less on the rest of the world. However, the situation is fluid, and we are therefore not revising our current forecasts until the final position on tariffs becomes clearer. Instead, we are signalling greater risks to the outlook and a lower probability attributed to our base case.

Tariffs also pose a threat to the expected market recovery. The global real estate market was experiencing an improvement in returns in the first quarter, but economic risks and weaker overall sentiment have put that at risk. However, trade negotiations are ongoing and there is a significant risk of further policy shifts in either direction. As a result, we are still advocating that real estate is sitting ready for an uneven improvement in performance. The UK and Europe appear to be ahead of the curve, with the US likely to lag. Lower interest rates in Europe and the UK are set to help facilitate the recovery there. Nevertheless, geopolitics and macroeconomic uncertainties could delay the cycle and pose the largest risk to our forecasts. The US and China are most exposed while the UK is well positioned.

Fund Strategy

In the short term, we are focused on concluding the aforementioned disposal of the Erskine Park logistics asset and reinvesting the proceeds into attractive opportunities in the listed sector, which we expect will continue to benefit from the interest-rate cutting cycle despite the current market volatility. Elsewhere, we will focus our efforts to find a replacement tenant for Casterama at Gneizno, and secure a tenant for the recently refurbished sole vacant office suite at Customs House Plaza, Dublin.

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Risk profile

Investors should be aware of the following risk factors:

- (a) Commercial property is less liquid than other asset classes such as bonds or equities. Selling property can be a lengthy process so investors in the fund should be aware that they may not be able to sell their investment when they want to.
- (b) Commercial property transaction charges are higher than those which apply in other asset classes. Investors should be aware that a high volume of transactions would have a material impact on fund returns.
- (c) Property valuation is a matter of judgement by an independent valuer and is therefore a matter of the valuer's opinion rather than fact.
- (d) The fund invests in equities 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.
- (e) Dividend payment policies of the REITs in which the fund invests are not representative of the dividend payment policy of the fund.
- (f) The fund may invest in emerging market equities and/or bonds. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- (g) The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure amongst market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested) and in these market conditions the effect of leverage will be to magnify losses.
- Past performance is not a guide to future returns and future returns are not guaranteed. The price of assets and the income from them may go down as well as up and cannot be guaranteed; an investor may receive back less than their original investment.
- The fund does not make extensive use of derivatives.
- The fund employs a single swinging pricing methodology to protect against the dilution impact of transaction costs. A change in the pricing basis will result in movement in the fund's published price.
  All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.
- Inflation reduces the buying power of your investment and income.
- The value of assets held in the fund may rise and fall as a result of exchange rate fluctuations.
- The fund could lose money if an entity (counterparty) with which it does business becomes unwilling or unable to honour its obligations to the fund.
- In extreme market conditions some securities may become hard to value or sell at a desired price. This could affect the fund's ability to meet redemptions in a timely manner.
- The fund could lose money as the result of a failure or delay in operational processes and systems including but not limited to third party providers failing or going into administration.

Historical Performance of the Fund

The following table shows the percentage growth of the fund and the historical performance data of the fund over the periods stated below.

Performance	31 Mar 2025	31 Mar 2024	31 Mar 2023	31 Mar 2022	31 Mar 2021
abrdn Global Real Estate Fund	-1.18	-0.61	-3.58	11.55	-1.48
Performance Target: To generate a return of 5% per annum over rolling three year periods, after charges	5.00	5.00	5.00	5.00	1.23

Source: Factset and Aberdeen.
Basis: NAV to NAV, The above figures are based on Institution Accumulation Units, GBP.
* Benchmark: IPD Direct/MSCI World Real Estate Custom Index to 31/12/19, 0% to 31/12/2020, 5% p.a thereafter
Data regarding the performance target is not available for the period from 31/12/2019 to 31/12/2020 as the index provider ceased to calculate any index returns during this period.
As of 01/01/2021, the fund has moved to a total return benchmark, aiming to generate a total return of 5% p.a. (after charges) over rolling three year periods.

Important information

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

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

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Further information:
aberdeeninvestments.com

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