

abrdn Life UK Property Fund

(Prior to 13/12/2021 the fund name was ASI Life UK Property Fund)



Performance Data and Analytics to 31 March 2023

For Professional Investors Only - Not For Use By Retail Investors or Advisers

Summary investment objective

The investment objective of the Sub-Fund is to carry on Property Investment Business and to manage cash raised from investors for investment in the Property Investment Business. The Sub-Fund aims to provide investors with a combination of income and growth of capital consistent with a diversified commercial property portfolio.

The abrdn Life UK Property Fund operates as a feeder fund, holding units in the SLI UK Real Estate Fund.

Performance (%)

	3 months	6 months	1 year	3 years	5 years	Annualised
Fund	1.53	-9.73	-11.48	-3.07	-2.99	
Benchmark	-1.41	-12.23	-11.61	-0.30	-0.16	
Difference	2.94	2.50	0.13	-2.77	-2.83	
Sector average	-1.05	-13.03	-12.93	-0.56	-0.26	
Sector ranking	9/82	13/82	29/81	63/79	60/77	
Quartile	1	1	2	4	4	

Discrete annual returns (%) - year ended 31/03

	2023	2022	2021	2020	2019
Fund	-11.48	11.30	-7.55	-8.93	3.57

Calendar year performance (%)

	Year to date	2022	2021	2020	2019
Fund	1.53	-9.41	4.56	-7.70	-6.91
Benchmark	-1.41	-7.24	11.42	-4.44	-0.94
Difference	2.94	-2.17	-6.86	-3.26	-5.97
Sector average	-1.05	-8.82	12.27	-4.35	-0.94
Sector ranking	9/82	36/81	84/92	81/98	91/100
Quartile	1	2	4	4	4

Performance Data: Share Class B.

Source: abrdn, Lipper.

Basis: Total Return, NAV to NAV, gross of TER, gross income reinvested, GBP.

Benchmark: IPD Property UK Monthly until 30/06/2016 then ABI UK - UK Direct Property - Pen

Rankings and quartiles sourced from Lipper, based on dealing prices and are net of annual management charge.

The performance will be reduced by the impact of the management fees paid, the amount of which varies depending on the share class held, and the terms of any fee arrangement reflected in your policy schedule. The sector average incorporates the performance of all funds in the sector at any stage during the period while sector rankings reflect the relative performance of those funds which have been in the sector throughout the period. This may give rise to apparently incongruous results.

Past performance is not a guide to future results.

Expenses Disclosure

Fund	Class	Management Fee	Additional Expenses	Total Ongoing Charges
abrdn Life UK Property Fund	A	-	0.079%	0.079%
abrdn Life UK Property Fund	B	0.400%	0.079%	0.479%

The value of investments and the income from them can go down as well as up and you may get back less than the amount invested. A full list of risks applicable to this fund can be found in the Key Facts Document.

Total number of holdings	43
Sector breakdown - as percentage of direct property	
%	
Industrial	41.9
Retail	20.4
Office	19.2
Other	18.5
Total	100.0

Figures may not always sum to 100 due to rounding.

Key information ^

Benchmark	ABI UK - UK Direct Property - Pen
Sector	ABI UK - UK Direct Property - Pen
Fund size	£ 0.6 m
Performance launch date	28 November 2014
Investment team	Real Assets

[^]The ABI Property Median sector includes all funds that invest at least 80% of their assets in direct property and property securities. The abrdn Life UK Property Fund, a feeder fund for the SLI UK Real Estate Fund, does not hold direct investment in property and therefore may not meet with these sector requirements.

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Fund manager's report - for the Aberdeen UK Property Fund

Market review

According to the MSCI Monthly Index for March, the all property total return was 0.7%, a marked improvement from the -0.3% recorded in February. As a result the 3-month total return has improved significantly to 0.2%, compared to the -3.7% in the previous month. The rolling annual total return is -14.3% as the sharp repricing seen in Q4 2022 weighs heavily on the figures. Capital growth turned positive this month at 0.2% with the industrial sector seeing the largest growth at 0.7% and the office sector seeing continued decline at -1.0% over the month.

Fund performance

During March the Institutional Acc shares returned investors 0.81% over the month taking the return to 1.26% over 3 months, ahead of the IA Direct benchmark. Over the past 12 months the Fund has returned -12.10%.

Fund management activity

In the industrial sector, at Axis Park, Peterborough, new leases with Fabricsmart Manufacturing and Danzen Logistics completed, securing a 10 year term at an initial rent of £67,300 per annum and a 5 year term at an initial rent of £44,600 per annum respectively. At Pegasus Drive, Biggleswade, a rent review with Smiths Metal Centre generated a revised rent of £480,000 per annum (an uplift of 21%). In the office sector, at Duncan House, Westhill, Aberdeen, a reversionary lease with Technip secured an additional 5 years of term, creating an unexpired lease length of 9 years.

Outlook and Fund positioning

While prime and secondary prices moved out in tandem during 2022, confidence is beginning to return for prime stock with indications from valuers that some subsectors are reaching a plateau.

The pace of repricing for UK real estate suggests that opportunities will arise over the course of 2023, particularly when the path of monetary policy turns more accommodative. Those sectors that benefit from longer term growth drivers, such as the industrial sector, will see greater investment demand return and at stronger pricing levels. The relative repricing of long-income real estate assets, following repricing in fixed income markets, should also create an attractive opportunity. The focus for investors should be on good-quality assets with strong ESG credentials, which should be in a strong position to benefit from a recovery in UK real estate performance and to protect longer-term returns.

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.

Asset allocation	%
Direct Property	79.4
Unencumbered Cash	19.1
Reserved Cash	1.5
Total	100.0

Figures may not always sum to 100 due to rounding.

Additional information

Fund type	Unit Linked Life Fund
Domicile	UK
Currency	GBP
Registered for sale	UK
Sector	ABI UK - UK Direct Property - Pen
Deal closing time	10.00 am (UK)
Daily valuation point	12.00 noon (UK)

Important information

These are the risks listed for the underlying Fund in which this Fund invests:

- The value of investments and the income from them can go down as well as up and you may get back less than the amount invested.
- The SLI UK 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.
- 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.
- Commercial property is less liquid than other asset classes such as bonds or equities. Selling property can be a lengthy process so investors in the fund should be aware that they may not be able to sell their investment when they want to.
- Commercial property transaction charges are higher than those which apply in other asset classes. Investors should be aware that a high volume of transactions would have a material impact on fund returns.
- Property valuation is a matter of judgment by an independent valuer and is therefore a matter of the valuer's opinion rather than fact.
- The fund employs a single swinging pricing methodology to protect against the dilution impact of transaction costs. Due to the high transaction charges associated with the fund's assets, a change in the pricing basis will result in a significant movement in the fund's published price.

Other important information:

The Fund is a unit-linked life fund issued by abrdn Life and Pensions Limited.

The fund invests in other abrdn managed funds. The top ten holdings listed reflect those of the underlying funds.

The value of any holding in other collective investment schemes managed by any subsidiary of abrdn Asset Management PLC is excluded for the calculation of management charges.

Nothing herein constitutes investment, legal, tax or other advice and is not to be relied upon in making an investment or other decision. No recommendation is made, positive or otherwise, regarding individual securities mentioned.

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