



abr dn UK Real Estate Trust

(Previously Standard Life Investments UK Real
Estate Trust)

Interim Long Report (unaudited)
For the six months ended 30 June 2022

abr dn.com

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Report of the Manager

abrdrn UK Real Estate Trust (the "trust") is an authorised unit trust in umbrella form and authorised by the Financial Conduct Authority with effect from 6 March 2014. Its FCA Product Reference Number is 607206. The trust is also an Alternative Investment Fund ("AIF") for the purposes of the FCA handbook.

The trust is intended to enable companies and other investors who are not eligible or able to invest directly into the abrdrn UK Real Estate Funds ICVC to do so indirectly through its fund.

Appointments

Authorised Fund Manager and Alternative Investment Fund Manager

abrdrn Fund Managers Limited

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Depositary

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Registrar

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Independent Auditor

KPMG LLP
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E14 5GL

Report of the Manager

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Valuation Adviser

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Report of the Manager

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Keeping you informed

You can keep up to date with the performance of your investments by visiting our website abrdn.com. Alternatively, if you would rather speak to us, please call 0345 113 6966 (+44 (0) 1268 445 488 if outwith the UK) between 8:30am and 5:30pm Monday to Friday.

Significant Events

On 01/08/22 the below name changes were made:

Standard Life Investments UK Real Estate Trust to abrdn UK Real Estate Trust

Aberdeen Standard Fund Managers Limited to abrdn Fund Managers Limited

Developments and prospectus updates since 31 December 2021

- On 4 January 2022, Mrs. Rowan McNay was appointed as a director of Aberdeen Standard Fund Managers Limited.
- On 5 January 2022, Mrs. Claire Marshall resigned as a director of Aberdeen Standard Fund Managers Limited.
- On 24 February 2022, Mr. Adam Shanks was appointed as a director of Aberdeen Standard Fund Managers Limited.
- The list of funds managed by the ACD was updated, where appropriate.
- Performance and dilution figures were refreshed, where appropriate.
- The list of sub-custodians was refreshed, where appropriate.
- The list of eligible markets was refreshed, where appropriate.
- The list of sub-investment advisors to the funds was refreshed, where appropriate.

Assessment of Value

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 within 4 months of the fund year end date and can be found on the 'Fund Centre' pages of our website at abrdn.com.

Russia/Ukraine Conflict

On 24th February 2022, Russia launched a military offensive against Ukraine resulting in widespread sanctions on Russia and heightened security and cyber threats. As at the date of the report the fund did not hold any assets in Ukraine or Russia. The fund's key suppliers do not have operations pertaining to the Fund in Ukraine or Russia.

The situation in the region is rapidly evolving and the Manager continues to monitor the situation carefully and will take whatever steps are necessary and in the best interests of the fund's unit holders. This includes but is not limited to ensuring that the requirements of all international sanctions are adhered to, managing the assets of the fund proactively to best mitigate risk and ensuring that the Manager and other key suppliers continue to operate all protections, protocols and monitoring of heightened cyber threats.

At the time of writing, there is not expected to be any significant long term adverse impact from the conflict in Ukraine on the assets, operational activities, processes and procedures of the fund.

Manager'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.



Aron Mitchell
Director
25 August 2022



Denise Thomas
Director
25 August 2022

Investment Report

Market Background

The first half of 2022 has been heavily impacted by several geopolitical events. Initially, some positivity was returning as the UK economy proved more resilient to a further Covid related shock posed by the Omicron variant. This positivity was soon curtailed as the advent of the war in Ukraine sent shockwaves throughout global markets. Supply chain disruption and rising prices have had a significant impact, and the UK economy is now facing several headwinds.

UK Gross Domestic Product (GDP) surprised to the upside in May 2022 and grew by 0.5%, following two consecutive monthly declines in April (-0.2%) and March 2022 (-0.1%). The healthcare sector was the biggest driver of performance in May as the number of GP visits rose, pushing growth in the services sector by 0.4%. Consumer sentiment appeared more dampened as wholesale and retail sales fell by 0.8% over the month, with the "cost-of-living crisis" placing pressure on household disposable income levels. Looking forward the short-term risk to the UK economy is that the energy price shock and associated real-income squeeze will result in a significant fall in activity growth. The medium-term risk is that monetary tightening by the Bank of England to tackle underlying pressures tips the economy into recession in late 2022/early 2023. In addition, there is a real risk that the spill-over effects from a US recession, which we are now expecting in our baseline as a result of aggressive monetary policy tightening by the Federal Reserve, will also drag the UK into recession in late 2023.

As a result, in an attempt to quell the inflation rate, the Bank of England is expected to continue to hike interest rates over the next few meetings, with the terminal interest rate forecast to reach 2.75%, despite the predicted slowdown in activity.

Discrete annual returns (%): year ended 30/06

	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)
Platform 1 Acc***	14.70	4.62	-6.00	1.43	6.95
Platform 1 Inc***	14.72	6.59	-6.00	1.47	6.99
Sector Average**	12.41	0.37	-5.25	0.81	6.41

Annualised returns (%) - to 30/6

	3 Months (%)	6 Months (%)	1 Year (%)	3 Years (%pa)	5 Years (%pa)
Platform 1 Acc***	3.61	6.90	14.70	4.10	4.12
Platform 1 Inc***	3.61	6.92	14.72	4.12	4.15
Sector Average**	2.51	5.53	12.41	5.10	3.78

* Platform 1 Acc Share Class.

** The peer group includes both master and feeder funds in the IA UK Direct Property Sector.

*** Platform 1 share class performance from 21/03/2016. Retail share class used prior to 21/03/2016.

UK real estate carried some of its positive performance momentum from 2021 into the early part of 2022. However, this year will likely be categorised as a year of two halves as some of the strong performance in the first half of the year is expected to be unwound moving forward. With sentiment towards UK real estate weakening, investment volumes are also expected to slow during the remainder of 2022.

According to the MSCI monthly index (June 2022), UK commercial property returned 9.6% over the reporting period. As expected, the industrial and logistics sector continued to drive the market and posted a total return of 5.1% in the second quarter, whilst the office sector once again provided the weakest performance at 1.7% in Q2. The retail sector recorded another strong quarter in Q2 and provided a total return of 3.8%, but much of this positive performance was attributable to the retail warehouse sector, which provided a robust total return of 5.2% in the second quarter according to the MSCI monthly index.

Performance

The abrdn UK Real Estate Fund returned 6.90%* over the period, compared with a total return of 5.53% from the IA UK Direct Property peer group.**

The MSCI Daily Traded APUTs and PAIFs comparative (direct property) for H2 2022, illustrating the relative performance of the underlying direct property assets, recorded a total return for the Fund of 8.66% over the reporting period compared with 9.71% for the MSCI benchmark. The Fund has out-performed this MSCI index over 3, 5 and 10 years. The medium out-performance is attributable to stronger capital performance in part driven by the over-weight exposure to the industrial sector, particularly in the South East.

Investment Report

Continued

Investment activity

The Fund disposed of two assets during the reporting period realising c.£27m. The sales were made from the office sector where, in-line with our broader strategy, we have sought to reduce risk within the portfolio and particular to the office sectors, exposure to non-Future-Fit assets. Our Future-Fit assessment includes a number of factors with a focus on ESG and efficiency characteristics.

Income remains a key focus across the Fund and a number of successful asset management initiatives have completed over the period.

In the retail sector at High Street, Worthing, Waitrose extended their existing lease for an additional 15 years at an initial rent of £608,000 per annum. Two new lettings were secured at Gateway Retail Park, Harwich where Greggs were secured on a 10 year lease at an initial rent of £31,500 per annum and Peacocks for a 5 year term at a rent of £65,000 per annum. At The Old Diary, South Ruislip, Asda's rent review was settled securing an uplift in rent to £2,115,270 per annum, an increase of 15%.

Activity in the office sector has been focussed around the Fund's assets in Manchester and Newcastle. At 1 Marsden Street, Manchester a 3,132 sq ft suite on the 10th floor has been let to Interpath on a new 10 year lease reflecting £33.50 per sq ft. Transactions with another four existing tenants in the property have been concluded enhancing the overall income and term on the property, demonstrating the occupational appeal of the asset. At 55 Princes St, Manchester a regear with A2E Industries, securing an additional 5 years of term at an initial rent of £66,146 per annum also completed. In Newcastle -upon-Tyne at Central Square South, Keyence UK entered into a new 5 year lease at an rent of £65,088 per annum (£25.00 psf).

Significant accretive initiatives have been completed across the industrial / distribution assets including at Minto Commercial Park, Aberdeen, where Control Valve Solutions have entered a reversionary lease extending their occupation until March 2033. At Solar Park, Solihull, Norton Motorcycle Co regear their existing lease securing a term of 8 years at an initial rent of £483,187 per annum. At Axis Park, Peterborough, new leases to Wayland Additive (£64,805 per annum) and Britannic Foods (£24,256 per annum) completed. At Masthead Industrial Estate, Dartford, a rent review with Vodafone completed securing a reviewed rent of £175,600 per annum (an uplift of 42%) and at Woodside Industrial Estate, Bishop Stortford, a rent review with Diageo completed securing a reviewed rent of £149,820 per annum (an uplift of 22%). On the South Coast at Nursling Industrial Estate, Southampton, a lease renewal with CLF Distribution completed, securing an additional 10 years of term at an initial rent of £383,822 per annum (£10.20 per sq ft). Nicholls & Clarke extended

their lease at Ascent Park, Harlow, for an additional 10 years at an initial rent of £110,725 per annum (an uplift of 42%); CMB Foods extended their lease at The Felbridge Centre, East Grinstead, for an additional 6 years at a rent of £187,300 per annum (an uplift of 25%) and George Jackson extended their lease at IO Centre, Sutton, for an additional 5 years at a rent of £132,500 per annum (an uplift of 25%).

Outlook and future strategy

In June 2022, the spread between UK real estate and UK 10 year gilts reached the lowest level since 2008 as the UK 10 year yield peaked at 2.65% in response to increasing inflation and interest rate expectations. Whilst the yield has since fallen back from this level, we expect the yield on UK gilts to remain at or above 2% in the near-term, meaning that a smaller margin between gilts and UK real estate is likely remain in the near term. On top of this, with rising debt costs driven by tightening monetary policy, a number of leveraged players have begun to step back from the market, as the cost of debt outstrips yields and is now prohibitive to further debt backed investment in several sectors. As a result of these factors, we are now expecting a repricing across all segments of the UK real estate market, driven predominantly by rates 're-rating' and an increased cost of capital.

Pricing in the lower yielding areas of the market, including the industrial and logistics sector, is expected to move first but, as the relative pricing between prime and secondary assets tightens, greater capital value declines are to be expected in the secondary end of the market. As a result, investors are anticipated to take a more risk off approach towards UK real estate in the second half of this year and polarisation of investor focus will deepen, as investors target best in class assets which should provide more resilient returns in a weakening environment. In our view, risk in UK real estate portfolios will not be rewarded in the current environment, and greater scrutiny must be applied to the resilience of income streams.

As a result, ESG considerations are expected to become even more integral to investor decision making and asset underwriting. This trend was expedited as a result of the Covid-19 pandemic, but with the current energy crisis and pathway to net-zero, the case for integrating ESG considerations across all UK real estate sectors has never been greater. A greater focus on ESG requirements for both acquisitions and developments is expected to gain further momentum.

Overall, we expect a slowdown in the market in the near term, with polarisation between best in class and secondary assets expected to intensify. The abrdn Research Institute currently expect inflation to slow

Investment Report

Continued

through 2023 before moving closer to the 2% target rates in 2024. The Bank of England is anticipated to start reversing its interest rate hikes, with a cutting cycle starting in 2023 and resulting in rates returning to 0.1% by 2024. Consequently, we would expect the overall cost of debt to move lower, in line with the UK policy rate, and become more widely available as the economic environment and investor sentiment towards UK real estate improves. UK government bond yields will also move lower, in line with the more accommodative monetary policy environment we expect to return to. We therefore expect a relatively short period of increasingly tight spreads over the next 18-24 months, before UK real estate begins to look more attractive to investors again. Opportunities within the market should emerge once repricing has occurred and a rebound in real estate performance is anticipated.

The over-arching Fund Strategy remains relatively unchanged and we remain focused on high quality assets, maintaining and enhancing income in conjunction with reducing risk from within the portfolio. ESG considerations are expected to become even more integral to investor decision making and asset underwriting. This trend was expedited as a result of the Covid-19 pandemic, but with the current energy crisis and pathway to net-zero, the case for integrating ESG considerations across all UK real estate sectors has never been greater. We continue to focus on ESG requirements for our existing portfolio and for any acquisitions or refurbishments undertaken.

8th August 2022

abrdn UK Real Estate Feeder Fund

For the six months ended 30 June 2022

Investment Objective

To generate income and some growth over the long term (5 years or more) by investing all or substantially all of its capital in the abrdn UK Real Estate Fund. To the extent the fund is not fully invested it will hold its remaining assets in money-market instruments including cash.

The returns of this fund are not expected to be materially different than the returns of abrdn UK Real Estate Fund.

The objective of the abrdn UK Real Estate Fund is to generate income and some growth over the long term (5 years or more) by investing in UK commercial property. 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 of abrdn UK Real Estate Fund: To exceed the return of the IA UK Direct Property Sector Average (after charges) over rolling three year periods. 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 of the abrdn UK Real Estate Fund believes this is an appropriate target for the fund based on the investment policy of the fund and the constituents of the sector.

Investment Policy

Portfolio Securities

- The fund will invest at least 70% in a diversified portfolio of UK freehold and leasehold commercial property selected from across the retail, office, industrial and other sectors.
- The fund may also invest indirectly in commercial property through investment vehicles such as quoted and unquoted property companies or funds (including those managed by abrdn).
- The fund may also invest in short term government bonds such as gilts, moneymarket instruments and cash.

Management Process

- 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 seeking to achieve the Performance Target, the MSCI UK Daily Traded APUTs and PAIFs in the UK Quarterly Universe Property Index is used as a reference point for portfolio construction and as a basis for setting risk constraints. Due to the fund's risk constraints, the intention is that the fund's performance profile will not deviate significantly from that of the MSCI UK Daily Traded APUTs and PAIFs in the UK Quarterly Universe Property Index over the longer term.

Please note: Selling property can be a lengthy process so investors in the fund should be aware that, in certain circumstances, they may not be able to sell their investment when they want to.

Derivatives and Techniques

- The fund is not expected to invest in derivatives directly however the abrdn UK Real Estate Fund may use derivatives as set out below.
- Where derivatives are used, this would typically be to maintain allocations following a significant inflow into the fund.

Risk profile

Investors should be aware of the following risk factors:

- 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.

All investment involves risk. This fund offers no guarantee against loss or that the fund's objective will be attained.

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.

abrdn UK Real Estate Feeder Fund

Continued

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.

abrdrn UK Real Estate Feeder Fund

Continued

Ongoing Charges Figure (OCF) and Property Expense Ratio (PER)

	Retail Accumulation Units (%)	Retail Income Units (%)	Institutional Accumulation Units (%)
30 June 2022 Total Expense Ratio	1.30	1.30	0.83
30 June 2022 PER	0.44	0.44	0.44
30 June 2022 Real Estate Expense Ratio	1.74	1.74	1.27

	Institutional Income Units (%)	ZC Accumulation Units (%)	ZA Income Units (%)
30 June 2022 Total Expense Ratio	0.83	0.08	0.08
30 June 2022 PER	0.44	0.44	0.44
30 June 2022 Real Estate Expense Ratio	1.27	0.52	0.52

	ZB Accumulation Units (%)	Platform 1 Accumulation Units (%)	Platform 1 Income Units (%)
30 June 2022 Total Expense Ratio	0.00	0.88	0.88
30 June 2022 PER	0.44	0.44	0.44
30 June 2022 Real Estate Expense Ratio	0.44	1.32	1.32

	Institutional S Accumulation Units (%)	Institutional S Income Units (%)	J Accumulation Units (%)
30 June 2022 Total Expense Ratio	0.68	0.68	0.75
30 June 2022 PER	0.44	0.44	0.44
30 June 2022 Real Estate Expense Ratio	1.12	1.12	1.19

	J Income Units (%)	ZC Accumulation Units (%)
30 June 2022 Total Expense Ratio	0.75	0.08
30 June 2022 PER	0.44	0.44
30 June 2022 Real Estate Expense Ratio	1.19	0.52

Cautionary Note

It should be remembered that past performance is not a guide to future performance. The value of investments may go down as well as up and, therefore, investors may not get back the amount originally invested.

Comparative Tables

Retail accumulation	30 June 2022	31 December 2021	31 December 2020	31 December 2019
Closing net asset value (£'000)	178,282	174,274	64,307	65,567
Closing number of units	100,783,737	105,217,207	42,876,059	41,987,812
Closing net asset value per unit (pence)	176.90	165.63	149.98	156.16
Change in net asset value per unit	6.80%	10.43%	(3.96%)	(2.01%)
Operating charges	1.30%	1.33%	1.33%	1.31%
Retail income^A	30 June 2022	31 December 2021		
Closing net asset value (£'000)	196,740	192,269		
Closing number of units	208,191,030	213,648,863		
Closing net asset value per unit (pence)	94.50	89.99		
Change in net asset value per unit	5.01%	-		
Operating charges	1.30%	1.33%		
Institutional accumulation	30 June 2022	31 December 2021	31 December 2020	31 December 2019
Closing net asset value (£'000)	466,178	510,967	581,778	650,592
Closing number of units	298,564,571	350,168,356	441,918,084	476,440,329
Closing net asset value per unit (pence)	156.14	145.92	131.65	136.55
Change in net asset value per unit	7.00%	10.84%	(3.59%)	(1.66%)
Operating charges	0.83%	0.86%	0.86%	0.84%
Institutional income^B	30 June 2022	31 December 2021		
Closing net asset value (£'000)	72,414	80,397		
Closing number of units	64,435,838	75,288,601		
Closing net asset value per unit (pence)	112.38	106.79		
Change in net asset value per unit	5.23%	-		
Operating charges	0.83%	0.86%		
ZC accumulation	30 June 2022	31 December 2021	31 December 2020	31 December 2019
Closing net asset value (£'000)	14,248	13,789	9,816	11,156
Closing number of units	22,018,571	22,870,833	18,155,408	20,011,154
Closing net asset value per unit (pence)	64.71	60.29	54.07	55.75
Change in net asset value per unit	7.33%	11.50%	(3.01%)	(1.06%)
Operating charges	0.08%	0.11%	0.11%	0.09%

Comparative Tables

Continued

ZA income^c	30 June 2022	31 December 2021		
Closing net asset value (£'000)	3	3		
Closing number of units	6,134	6,134		
Closing net asset value per unit (pence)	53.60	50.73		
Change in net asset value per unit	5.66%	-		
Operating charges	0.08%	0.03%		

ZB accumulation	30 June 2022	31 December 2021	31 December 2020	31 December 2019
Closing net asset value (£'000)	176,649	167,503	169,310	196,532
Closing number of units	271,956,944	276,858,513	312,261,861	351,778,884
Closing net asset value per unit (pence)	64.95	60.50	54.22	55.87
Change in net asset value per unit	7.36%	11.58%	(2.95%)	(0.99%)
Operating charges	0.00%	0.03%	0.03%	0.01%

Platform 1 accumulation	30 June 2022	31 December 2021	31 December 2020	31 December 2019
Closing net asset value (£'000)	36,579	35,822	66,430	94,161
Closing number of units	58,853,296	61,652,425	126,678,834	173,037,742
Closing net asset value per unit (pence)	62.15	58.10	52.44	54.42
Change in net asset value per unit	6.97%	10.79%	(3.64%)	(1.68%)
Operating charges	0.88%	0.91%	0.91%	0.89%

Platform 1 income^d	30 June 2022	31 December 2021		
Closing net asset value (£'000)	8,019	7,597		
Closing number of units	15,815,177	15,763,374		
Closing net asset value per unit (pence)	50.71	48.20		
Change in net asset value per unit	5.21%	-		
Operating charges	0.88%	0.91%		

Institutional S accumulation	30 June 2022	31 December 2021	31 December 2020	31 December 2019
Closing net asset value (£'000)	2,767	3,608	9,803	16,519
Closing number of units	4,336,312	6,053,181	18,251,135	29,685,964
Closing net asset value per unit (pence)	63.81	59.60	53.71	55.64
Change in net asset value per unit	7.06%	10.97%	(3.47%)	(1.52%)
Operating charges	0.68%	0.71%	0.71%	0.69%

Comparative Tables

Continued

Institutional S income^E	30 June 2022	31 December 2021
Closing net asset value (£'000)	41,556	99,947
Closing number of units	77,504,720	196,542,697
Closing net asset value per unit (pence)	53.62	50.85
Change in net asset value per unit	5.45%	-
Operating charges	0.68%	0.71%

J accumulation^F	30 June 2022	31 December 2021
Closing net asset value (£'000)	15,119	10,703
Closing number of units	10,781,989	8,169,750
Closing net asset value per unit (pence)	140.23	131.01
Change in net asset value per unit	7.04%	-
Operating charges	0.75%	0.78%

J income^G	30 June 2022	31 December 2021
Closing net asset value (£'000)	23,780	21,537
Closing number of units	22,469,667	21,429,030
Closing net asset value per unit (pence)	105.83	100.50
Change in net asset value per unit	5.30%	-
Operating charges	0.75%	0.78%

Z accumulation^H	30 June 2022	31 December 2021
Closing net asset value (£'000)	322	1,014
Closing number of units	217,040	733,256
Closing net asset value per unit (pence)	148.37	138.25
Change in net asset value per unit	7.32%	-
Operating charges	0.08%	0.11%

The closing net asset value (£'000) divided by the closing number of units may not calculate to the closing net asset value per unit (pence) due to rounding differences. The published closing net asset value per unit (pence) is based on unrounded values and represents the actual price.

The change in the net asset value per unit is the change from the beginning of the period to the close of the period.

Operating charges are expenses associated with the maintenance and administration of the fund on a day-to-day basis that are actually borne by the unit class.

^ARetail income unit class was launched on 27 September 2021.

^BInstitutional income unit class was launched on 27 September 2021.

^CZA income unit class was launched on 27 September 2021.

^DPlatform 1 income unit class was launched on 27 September 2021.

^EInstitutional S income unit class was launched on 27 September 2021.

^FJ accumulation unit class was launched on 26 November 2021.

^GJ income unit class was launched on 26 November 2021.

^HZ accumulation unit class was launched on 26 November 2021.

Portfolio Statement

As at 30 June 2022

Holding	Investment	Market value £'000	Percentage of total net assets
Collective Investment Schemes (100.13%)		1,233,264	100.05
826,161,349	abrdrn UK Real Estate Fund (Feeder Accumulation Shares)	1,233,264	100.05
Total investments assets		1,233,264	100.05
Net other liabilities		(608)	(0.05)
Total Net Assets		1,232,656	100.00

The investment is in a regulated collective investment scheme within the meaning of the FCA rules.
The percentage figures in brackets show the comparative holding as at 31 December 2021.
The holding is managed by subsidiaries of abrdrn plc.

Financial Statements

Statement of Total Return

For the six months ended 30 June 2022

	30 June 2022		30 June 2021	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains/(losses)		66,263		(923)
Revenue	22,256		13,492	
Expenses	(5,156)		(2,792)	
Interest payable and similar charges	(1)		(1)	
Net revenue before taxation	17,099		10,699	
Taxation	(1,503)		(2,013)	
Net revenue after taxation		15,596		8,686
Total return before distributions		81,859		7,763
Distributions		(20,782)		(11,476)
Change in net assets attributable to unitholders from investment activities		61,077		(3,713)

Statement of Change in Net Assets Attributable to Unitholders

For the six months ended 30 June 2022

	30 June 2022		30 June 2021	
	£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders		1,319,430		901,444
Amounts receivable on the issue of units	32,381		5,576	
Amounts payable on the cancellation of units	(196,628)		(185,576)	
		(164,247)		(180,000)
Dilution adjustment		1,769		2,217
Change in net assets attributable to shareholders from investment activities (see above)		61,077		(3,713)
Retained distribution on accumulation shares		14,627		11,224
Closing net assets attributable to unitholders		1,232,656		731,172

Comparative information is provided for the statement of change in net assets attributable to unitholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

Financial Statements

Continued

Balance Sheet

As at 30 June 2022

	30 June 2022		31 December 2021	
	£'000	£'000	£'000	£'000
Assets:				
Fixed assets:				
Investment assets		1,233,264		1,321,137
Current assets:				
Debtors	4,822		14,075	
		4,822		14,075
Total assets		1,238,086		1,335,212
Liabilities:				
Bank overdrafts	(2,473)		(297)	
Creditors	(1,918)		(14,325)	
Distribution payable	(1,039)		(1,160)	
		(5,430)		(15,782)
Total liabilities		(5,430)		(15,782)
Net assets attributable to unitholders		1,232,656		1,319,430

Notes to the Financial Statements of abrdn UK Real Estate Trust

Accounting Policies

For the six months ended 30 June 2022. For underlying accounting policies on the Master Fund please refer to the annual report for the abrdn UK Real Estate Fund.

Basis of Accounting

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 investments, and in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, and the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("COLL").

Distribution Policy

The net revenue from the fund's investments accumulates daily, proportionately to the net asset value of the assets attributable to each unit class, over each accounting period. If revenue exceeds expenses during the period, the net revenue of the fund is available for distribution (or reinvestment) at unit class level to the unitholders 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 dividend distributions.

Equalisation

Equalisation appears within the fund's reports as part of the distribution. This represents the net revenue in the fund's unit price attached to the issue and cancellation of units. It will form part of any distributions at the period end attributable to unitholders.

Distribution Tables

For the six months ended 30 June 2022 (in pence per unit)

First interim dividend distribution

Group 1 - units purchased prior to 1 January 2022

Group 2 - units purchased between 1 January 2022 and 31 January 2022

	Revenue	Equalisation	Distribution paid 28/02/22	Distribution paid 26/02/21
Retail accumulation				
Group 1	0.4735	-	0.4735	0.3958
Group 2	0.2213	0.2522	0.4735	0.3958
Retail income				
Group 1	0.2576	-	0.2576	-
Group 2	0.1337	0.1239	0.2576	-
Institutional accumulation				
Group 1	0.4063	-	0.4063	0.3378
Group 2	0.1821	0.2242	0.4063	0.3378
Institutional income				
Group 1	0.2972	-	0.2972	-
Group 2	0.1284	0.1688	0.2972	-
ZC accumulation				
Group 1	0.1601	-	0.1601	0.1318
Group 2	0.1409	0.0192	0.1601	0.1318
ZA income				
Group 1	0.1330	-	0.1330	-
Group 2	0.1330	-	0.1330	-
ZB accumulation				
Group 1	0.1598	-	0.1598	0.1314
Group 2	0.1598	-	0.1598	0.1314
Platform 1 accumulation				
Group 1	0.1621	-	0.1621	0.1359
Group 2	0.0577	0.1044	0.1621	0.1359
Platform 1 income				
Group 1	0.1347	-	0.1347	-
Group 2	0.0769	0.0578	0.1347	-
Institutional S accumulation				
Group 1	0.1646	-	0.1646	0.1369
Group 2	0.0782	0.0864	0.1646	0.1369
Institutional S income				
Group 1	0.1403	-	0.1403	-
Group 2	0.0732	0.0671	0.1403	-

Distribution Tables

For the six months ended 30 June 2022 (in pence per unit) continued

	Revenue	Equalisation	Distribution paid 28/02/22	Distribution paid 26/02/21
J accumulation				
Group 1	0.3629	-	0.3629	-
Group 2	0.3629	-	0.3629	-
J income				
Group 1	0.2783	-	0.2783	-
Group 2	0.2383	0.0400	0.2783	-
Z accumulation				
Group 1	0.3672	-	0.3672	-
Group 2	0.3231	0.0441	0.3672	-

Distribution Tables

For the six months ended 30 June 2022 (in pence per unit) continued

Second interim dividend distribution

Group 1 – units purchased prior to 1 February 2022

Group 2 – units purchased between 1 February 2022 and 28 February 2022

	Revenue	Equalisation	Distribution paid 31/03/22	Distribution paid 31/03/21
Retail accumulation				
Group 1	0.4963	-	0.4963	0.3124
Group 2	0.3080	0.1883	0.4963	0.3124
Retail income				
Group 1	0.2688	-	0.2688	-
Group 2	0.1527	0.1161	0.2688	-
Institutional accumulation				
Group 1	0.4266	-	0.4266	0.2648
Group 2	0.2626	0.1640	0.4266	0.2648
Institutional income				
Group 1	0.3113	-	0.3113	-
Group 2	0.1956	0.1157	0.3113	-
ZC accumulation				
Group 1	0.1695	-	0.1695	0.1025
Group 2	0.1648	0.0047	0.1695	0.1025
ZA income				
Group 1	0.1418	-	0.1418	-
Group 2	0.1418	-	0.1418	-
ZB accumulation				
Group 1	0.1694	-	0.1694	0.1021
Group 2	0.0981	0.0713	0.1694	0.1021
Platform 1 accumulation				
Group 1	0.1702	-	0.1702	0.1057
Group 2	0.0730	0.0972	0.1702	0.1057
Platform 1 income				
Group 1	0.1409	-	0.1409	-
Group 2	0.0695	0.0714	0.1409	-
Institutional S accumulation				
Group 1	0.1730	-	0.1730	0.1065
Group 2	0.0987	0.0743	0.1730	0.1065
Institutional S income				
Group 1	0.0966	-	0.0966	-
Group 2	0.0412	0.0554	0.0966	-

Distribution Tables

For the six months ended 30 June 2022 (in pence per unit) continued

	Revenue	Equalisation	Distribution paid 31/03/22	Distribution paid 31/03/21
J accumulation				
Group 1	0.3816	-	0.3816	-
Group 2	0.3816	-	0.3816	-
J income				
Group 1	0.2919	-	0.2919	-
Group 2	0.0942	0.1977	0.2919	-
Z accumulation				
Group 1	0.3886	-	0.3886	-
Group 2	0.3564	0.0322	0.3886	-

Distribution Tables

For the six months ended 30 June 2022 (in pence per unit) continued

Third interim dividend distribution

Group 1 – units purchased prior to 1 March 2022

Group 2 – units purchased between 1 March 2022 and 31 March 2022

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
Retail accumulation				
Group 1	0.4463	-	0.4463	0.3424
Group 2	0.2179	0.2284	0.4463	0.3424
Retail income				
Group 1	0.2410	-	0.2410	-
Group 2	0.1282	0.1128	0.2410	-
Institutional accumulation				
Group 1	0.3815	-	0.3815	0.2907
Group 2	0.1657	0.2158	0.3815	0.2907
Institutional income				
Group 1	0.2777	-	0.2777	-
Group 2	0.1537	0.1240	0.2777	-
ZC accumulation				
Group 1	0.1501	-	0.1501	0.1122
Group 2	0.0441	0.1060	0.1501	0.1122
ZA income				
Group 1	0.1250	-	0.1250	-
Group 2	0.1250	-	0.1250	-
ZB accumulation				
Group 1	0.1497	-	0.1497	0.1117
Group 2	0.1215	0.0282	0.1497	0.1117
Platform 1 accumulation				
Group 1	0.1524	-	0.1524	0.1162
Group 2	0.1013	0.0511	0.1524	0.1162
Platform 1 income				
Group 1	0.1258	-	0.1258	-
Group 2	0.0787	0.0471	0.1258	-
Institutional S accumulation				
Group 1	0.1543	-	0.1543	0.1178
Group 2	0.0780	0.0763	0.1543	0.1178
Institutional S income				
Group 1	0.1311	-	0.1311	-
Group 2	0.0665	0.0646	0.1311	-

Distribution Tables

For the six months ended 30 June 2022 (in pence per unit) continued

	Revenue	Equalisation	Distribution paid 29/04/22	Distribution paid 30/04/21
J accumulation				
Group 1	0.3426	-	0.3426	-
Group 2	0.3426	-	0.3426	-
J income				
Group 1	0.2600	-	0.2600	-
Group 2	0.0104	0.2496	0.2600	-
Z accumulation				
Group 1	0.3442	-	0.3442	-
Group 2	0.3442	-	0.3442	-

Distribution Tables

For the six months ended 30 June 2022 (in pence per unit) continued

Fourth interim dividend distribution

Group 1 – units purchased prior to 1 April 2022

Group 2 – units purchased between 1 April 2022 and 30 April 2022

	Revenue	Equalisation	Distribution paid 31/05/22	Distribution paid 28/05/21
Retail accumulation				
Group 1	0.4430	-	0.4430	0.3874
Group 2	0.1213	0.3217	0.4430	0.3874
Retail income				
Group 1	0.2388	-	0.2388	-
Group 2	0.1663	0.0725	0.2388	-
Institutional accumulation				
Group 1	0.3793	-	0.3793	0.3305
Group 2	0.1641	0.2152	0.3793	0.3305
Institutional income				
Group 1	0.2751	-	0.2751	-
Group 2	0.1466	0.1285	0.2751	-
ZC accumulation				
Group 1	0.1492	-	0.1492	0.1290
Group 2	0.1443	0.0049	0.1492	0.1290
ZA income				
Group 1	0.1240	-	0.1240	-
Group 2	0.1240	-	0.1240	-
ZB accumulation				
Group 1	0.1490	-	0.1490	0.1287
Group 2	0.0706	0.0784	0.1490	0.1287
Platform 1 accumulation				
Group 1	0.1514	-	0.1514	0.1316
Group 2	0.0669	0.0845	0.1514	0.1316
Platform 1 income				
Group 1	0.1245	-	0.1245	-
Group 2	0.0507	0.0738	0.1245	-
Institutional S accumulation				
Group 1	0.1535	-	0.1535	0.1340
Group 2	0.0873	0.0662	0.1535	0.1340
Institutional S income				
Group 1	0.1302	-	0.1302	-
Group 2	0.1030	0.0272	0.1302	-

Distribution Tables

For the six months ended 30 June 2022 (in pence per unit) continued

	Revenue	Equalisation	Distribution paid 31/05/22	Distribution paid 28/05/21
J accumulation				
Group 1	0.3388	-	0.3388	-
Group 2	0.3388	-	0.3388	-
J income				
Group 1	0.2581	-	0.2581	-
Group 2	0.2500	0.0081	0.2581	-
Z accumulation				
Group 1	0.3089	-	0.3089	-
Group 2	0.3089	-	0.3089	-

Distribution Tables

For the six months ended 30 June 2022 (in pence per unit) continued

Fifth interim dividend distribution

Group 1 – units purchased prior to 1 May 2022

Group 2 – units purchased between 1 May 2022 and 31 May 2022

	Revenue	Equalisation	Distribution paid 30/06/22	Distribution paid 30/06/21
Retail accumulation				
Group 1	0.5061	-	0.5061	0.3784
Group 2	0.2205	0.2856	0.5061	0.3784
Retail income				
Group 1	0.2724	-	0.2724	-
Group 2	0.2096	0.0628	0.2724	-
Institutional accumulation				
Group 1	0.4349	-	0.4349	0.3227
Group 2	0.1845	0.2504	0.4349	0.3227
Institutional income				
Group 1	0.3149	-	0.3149	-
Group 2	0.1851	0.1298	0.3149	-
ZC accumulation				
Group 1	0.1722	-	0.1722	0.1255
Group 2	0.1528	0.0194	0.1722	0.1255
ZA income				
Group 1	0.1432	-	0.1432	-
Group 2	0.1432	-	0.1432	-
ZB accumulation				
Group 1	0.1720	-	0.1720	0.1251
Group 2	0.0299	0.1421	0.1720	0.1251
Platform 1 accumulation				
Group 1	0.1736	-	0.1736	0.1287
Group 2	0.0865	0.0871	0.1736	0.1287
Platform 1 income				
Group 1	0.1426	-	0.1426	-
Group 2	0.0885	0.0541	0.1426	-
Institutional S accumulation				
Group 1	0.1762	-	0.1762	0.1303
Group 2	0.1098	0.0664	0.1762	0.1303
Institutional S income				
Group 1	0.1488	-	0.1488	-
Group 2	0.0840	0.0648	0.1488	-

Distribution Tables

For the six months ended 30 June 2022 (in pence per unit) continued

	Revenue	Equalisation	Distribution paid 30/06/22	Distribution paid 30/06/21
J accumulation				
Group 1	0.3888	-	0.3888	-
Group 2	0.3467	0.0421	0.3888	-
J income				
Group 1	0.2955	-	0.2955	-
Group 2	0.2474	0.0481	0.2955	-
Z accumulation				
Group 1	0.3947	-	0.3947	-
Group 2	0.3947	-	0.3947	-

Distribution Tables

For the six months ended 30 June 2022 (in pence per unit) continued

Sixth interim dividend distribution

Group 1 – units purchased prior to 1 June 2022

Group 2 – units purchased between 1 June 2022 and 30 June 2022

	Revenue	Equalisation	Distribution paid 29/07/22	Distribution paid 30/07/21
Retail accumulation				
Group 1	0.5408	-	0.5408	0.4079
Group 2	0.2334	0.3074	0.5408	0.4079
Retail income				
Group 1	0.2902	-	0.2902	-
Group 2	0.0891	0.2011	0.2902	-
Institutional accumulation				
Group 1	0.4658	-	0.4658	0.3482
Group 2	0.2472	0.2186	0.4658	0.3482
Institutional income				
Group 1	0.3361	-	0.3361	-
Group 2	0.1697	0.1664	0.3361	-
ZC accumulation				
Group 1	0.1849	-	0.1849	0.1365
Group 2	0.1800	0.0049	0.1849	0.1365
ZA income				
Group 1	0.1538	-	0.1538	-
Group 2	0.1538	-	0.1538	-
ZB accumulation				
Group 1	0.1850	-	0.1850	0.1362
Group 2	0.1850	-	0.1850	0.1362
Platform 1 accumulation				
Group 1	0.1859	-	0.1859	0.1391
Group 2	0.0517	0.1342	0.1859	0.1391
Platform 1 income				
Group 1	0.1512	-	0.1512	-
Group 2	0.0374	0.1138	0.1512	-
Institutional S accumulation				
Group 1	0.1884	-	0.1884	0.1409
Group 2	0.1201	0.0683	0.1884	0.1409
Institutional S income				
Group 1	0.1588	-	0.1588	-
Group 2	0.0872	0.0716	0.1588	-

Distribution Tables

For the six months ended 30 June 2022 (in pence per unit) continued

	Revenue	Equalisation	Distribution paid 29/07/22	Distribution paid 30/07/21
J accumulation				
Group 1	0.4166	-	0.4166	-
Group 2	0.4166	-	0.4166	-
J income				
Group 1	0.3153	-	0.3153	-
Group 2	0.0149	0.3004	0.3153	-
Z accumulation				
Group 1	0.4245	-	0.4245	-
Group 2	0.4245	-	0.4245	-

Equalisation

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

Further Information

abrdn UK Real Estate Trust was incorporated on 6 March 2014, incorporated under the FCA Regulations. The fund is an authorised unit trust in umbrella form, the fund is also an Alternative Investment Fund ("AIF") for the purposes of the FCA handbook.

Consumers' rights and protections, including any derived from EU legislation, are unaffected by the result of the UK leaving the European Union and has now been incorporated into UK legislation.

Documentation and Prices

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

Notices/Correspondence

Please send any notices to abrdn Fund Managers Limited, PO Box 12233, Chelmsford, 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, 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@abrdn.com in the first instance. Alternatively if you have a complaint about the Company or fund you can contact the Trustee 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 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-ombudsman.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.

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