



Aberdeen UK Property Fund

INVESTMENT POLICY AND OBJECTIVES

The Fund’s policy is to generally invest directly in UK commercial property, and its objective is to provide investors with a combination of income and growth of capital consistent with a diversified commercial property portfolio. As at 31st March 2019 comprised its portfolio: 100% direct property.

INVESTOR CONSTITUENCY

The Fund is open to investment by pension funds, charities, insurance companies, other corporate and institutional investors, and private individuals.

Fund details	
Type of fund	Property Authorised Investment Fund
Residence	United Kingdom
Launch date	15 November 2004
Open/closed-ended	Open-ended
Earliest date of winding up	Not applicable
Year-end	31 December
NAV (GBPm)	1455.5

Source: Aberdeen Asset Management

Management/professional advisors	
Manager	Aberdeen Fund Managers Ltd
Property investment advisor	Aberdeen Asset Managers Ltd
Fund Manager	Tim Sankey
Depositary	National Westminster Bank PLC
Auditors	PriceWaterhouseCoopers LLP

Source: Aberdeen Asset Management

Investment rates of return, %

		MSCI/AREF UK Quarterly Property Fund Index**		
	Aberdeen UK Property Fund^	Other balanced funds	All balanced funds	All funds
3 months	-1.5	0.3	0.3	0.3
Year-to-date	-1.5	0.3	0.3	0.3
12 months	1.3	5.7	4.8	4.1
3 years+	2.3	6.9	6.1	5.6
5 years+	4.3	9.6	9.1	8.5
10 years+	0.0	8.5	8.3	8.5

Note: ^ 'I' Accumulation shares. Returns calculated on a performance includes impact of pricing adjustments basis. (MSCI/AREF UK Quarterly Property Fund Index is calculated on a NAV to NAV basis, gross of tax)

+ Annualised ** Weighted average returns

Sources: ** MSCI/AREF UK Quarterly Property Fund Index (Sponsored by PropertyMatch)

Property investment restrictions

Maximum development exposure	10.0%
Maximum speculative development exposure	5.0%
Maximum lot-size holding as a standing investment	10.0%
Maximum lot-size holding permitted at purchase	10.0%
Maximum exposure to limited partnerships	N/A
Maximum exposure to joint ventures	N/A
Maximum exposure to closed and open-ended property unit trusts	30.0%

Source: Aberdeen Asset Management

Portfolio distribution %

		MSCI/AREF UK Quarterly Property Fund Index**		
	Aberdeen UK Property Fund	Other balanced funds	All balanced funds	All funds
Standard retail – South East	5.5	7.7	7.0	5.7
Standard retail – Rest of UK	4.6	3.6	3.6	3.8
Shopping centres	16.5	1.9	2.5	7.6
Retail warehouses	30.8	13.5	13.9	13.3
All UK retail	57.4	26.6	27.1	30.4
City offices	0.0	3.8	3.7	3.3

West End offices	0.0	7.6	8.3	7.3
Rest of South East offices	0.0	11.8	11.3	7.7
Rest of UK offices	6.8	5.8	5.8	4.9
All UK offices	6.8	28.9	29.0	23.2
South East industrial	11.8	18.9	19.1	15.3
Rest of UK industrial	5.4	10.1	10.1	8.0
All UK industrial	17.1	29.1	29.2	23.4
Other UK properties	18.7	11.0	9.7	18.8
Cash***	0.0	4.4	5.1	4.3
Overall	100.0	100.0	100.0	100.0

Note: ^ Including, where held, the fund's proportionate share of properties held through joint ventures/ indirect investments and cash, but excluding property derivatives/shares

Sources: * Aberdeen Asset Management

** MSCI/AREF UK Quarterly Property Fund Index (Sponsored by PropertyMatch)

Property ownership structure

	Number of assets	Valuation (GBPm)	% of total portfolio
Direct holdings	44	1,455.5	100.0
Joint and indirect holdings	0	0.0	0.0
Listed investments	0	0.0	0.0
Total	44	1,455.5	100.0

Source: Aberdeen Asset Management

*Note: - Direct property holdings account for 79.0% of the NAV.

Largest direct investments by lot size & percentage of total portfolio

Property	Location	Sector	Valuation (GBPm)	% of total portfolio
A1 Shopping Park	Biggleswade	Retail warehouses	100.0-125.0	7.0
The Moor	Sheffield	Shopping Centres	75.0-100.0	6.7
Hermiston Gait	Edinburgh	Retail warehouses	75.0-100.0	5.7
King Edward Court Shopping Centre	Windsor	Shopping Centres	75.0-100.0	5.3
24 Minories	London	Other property	50.0-75.0	4.9
Broadwalk Shopping Centre	Edgware	Shopping Centres	50.0-75.0	4.5
180 Stratford High	London	Other property	50.0-75.0	4.3
Boulevard Industrial Park	Liverpool	Industrial	50.0-75.0	4.1
Beckton Triangle Retail Park	London	Retail warehouses	50.0-75.0	3.9
Missoni	Edinburgh	Other property	50.0-75.0	3.9

10 largest investments as % of portfolio	50.3
Source: Aberdeen Asset Management *Based on the value of the portfolio including Direct Holdings & Listed Investments.	

Direct portfolio structure by lot-size bands			
Value band (GBPm)	Number of assets	Valuation (GBPm)	% of total portfolio
0 -2.5	0	0.0	0.0
2.5 - 5	3	10.7	0.7
5-10	3	26.6	1.8
10-25	15	253.5	17.4
25 - 50	12	377.2	25.9
50 - 100	10	686.0	47.1
100-150	1	101.6	7.0
Over 150	0	0.0	0.0
Total	44	1455.5	100.0
Average lot size		33.1	

Source: Aberdeen Asset Management

Property Yield		Voids as % of ERV	
Net initial yield	5.15%	Investments	4.56%
Nominal equivalent yield	0.00%	Developments	0.00%
True equivalent yield	5.83%	Total	4.56%
Net reversionary yield	5.72%		

Source: Aberdeen Asset Management

Rental income & ERV by type of property		
	Rental income %	Estimated rental value %
Standard retail	11.0	9.4
Retail warehousing	35.6	31.6
Shopping centres	19.0	23.4
Central London offices	0.0	0.0
Other offices	6.1	7.6
Industrial	13.3	14.6
Other	15.0	13.5

Overall	100.0	100.0
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Source: Aberdeen Asset Management

Comparison of rents passing and ERV by type of property*

Sector	Rent passing %	Pre-lets & rent-free periods %	Development voids %	Other voids %	Over rented %	Reversionary potential %	Net reversionary potential %	ERV %
Standard retail	105.9	0.0	0.0	0.6	-6.6	0.2	-6.5	100.0
Retail warehousing	101.8	0.3	0.0	1.4	-13.8	10.3	-3.6	100.0
Shopping centres	73.3	5.8	0.0	4.9	-3.4	19.4	16.0	100.0
Central London offices	-	-	-	-	-	-	-	-
Other offices	72.6	0.4	0.0	22.5	-0.1	4.6	4.6	100.0
Industrial	82.7	0.0	0.0	4.7	-0.6	13.2	12.6	100.0
Other	99.9	0.0	0.0	3.0	-6.4	3.4	-3.0	100.0
Overall	90.3	1.5	0.0	4.4	-6.8	10.5	3.8	100.0

Note * Comprising non-prelet current and contracted developments

Source: Aberdeen Asset Management

Listed Investments

	% of Issue held	Valuation (GBPm)	Est. % of total portfolio
	0.0	0.0	0.0
	0.0	0.0	0.0
	0.0	0.0	0.0
	0.0	0.0	0.0
	0.0	0.0	0.0
	0.0	0.0	0.0

Source: Aberdeen Asset Management

The unexpired term of leases

Years	% of rent passing
20 years or greater	6.5
15 years or greater, but less than 20	3.8
10 years or greater, but less than 15	11.6
5 years or greater, but less than 10	30.4
Less than 5 years	47.7

Source: Aberdeen Asset Management

Joint and Indirect property holdings

Holdings	Sector	Joint/Indirect	Vehicle Type	Ownership %	Valuation	Est. % of total portfolio
			0.0		0.0	0.0
			0.0		0.0	0.0
			0.0		0.0	0.0
			0.0		0.0	0.0
			0.0		0.0	0.0
			0.0		0.0	0.0

Source: Aberdeen Asset Management

Debt analysis

Fixed rate borrowings			Variable rate borrowings		
Amount drawn (GBPm)	Average rate (%)	Average unexpired term (years)	Amount drawn (GBPm)	Rate above LIBOR (incl expenses) (%)	Off balance sheet debt (GBPm)+
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0

Source: Aberdeen Asset Management

Development exposure*

	Capital value of developments			Cost to complete schemes in progress+
	Not yet started	In progress+	All developments	
GBPm	0	0	0	0.00
% of all directly held properties*	0.00%	0.00%	0.00%	0.00%

* Includes joint ventures in which the Fund has an interest of 50% or more

+ Including schemes to which the fund is contractually committed

Source: Aberdeen Asset Management

Valuations/performance monitors/affiliations

Frequency of valuation	Monthly
Valuers	CB Richard Ellis Limited
Portfolio performance monitored by MSCI	Yes
Constituent of MSCI/AREF UK Quarterly Property Fund Index	No
Member of the Association of Real Estate Funds	Full member

Source: Aberdeen Asset Management

Restrictions on holdings of cash/borrowings

Maximum total gearing permitted	10.0%
for investment purposes	Nil
for liquidity purposes	10.0%
Cash holdings (maximum)	40.0%
Cash holdings (minimum)	10.0%

Source: Aberdeen Asset Management

The contribution of major tenants to rental income

Tenant	%
B&Q Plc	5.1
Sytner Properties Ltd	3.2
Motel One (UK) Ltd	3.0
Corporate Residential Mgmt Ltd	2.8
J Sainsbury Plc	2.8
Rezidor Lifestyle Edinburgh Ltd	2.5
Tesco Stores Ltd	2.1
Dunelm (Soft Furnishings) Ltd	2.1
Matalan Retail Ltd	2.0
Bank of Scotland Plc	1.9
Three largest tenants' contribution to rental income	11.3
Five largest tenants' contribution to rental income	16.9
Ten largest tenants' contribution to rental income	27.4

Source: Aberdeen Asset Management

Balance sheet/gearing					
	Direct holdings	Joint holdings	Indirect investments	Listed investments	Total
Balance sheet (GBPm)					
Properties at valuation	1455.5	0.0	0.0	0.0	1455.5
Listed investments	0.0	0.0	0.0	0.0	0.0
Debt	0.0	0.0	0.0	0.0	0.0
Cash	0.0	0.0	0.0	0.0	0.0
Other net assets/liabilities	0.0	0.0	0.0	0.0	0.0
Total net assets	1455.5	0.0	0.0	0.0	1455.5
Gearing (%)					
Net debt (cash)/properties	0.0	-	-	-	0.0
Net debt (cash)/equity	0.0	-	-	-	0.0
Note + Comprising fixed-interest bonds					
Source: Aberdeen Asset Management					

Quarterly data per unit (PAIF)						
As at	31-Dec-17	31-Mar-18	30-Jun-18	30-Sep-18	31-Dec-18	31-Mar-19
Single price per unit (GBP)						
A Accumulation units	146.30	148.32	150.06	151.48	152.92	151.19
A Income units	101.72	102.39	103.10	103.57	104.55	102.41
I Accumulation units	151.41	153.69	155.68	157.35	158.84	157.36
I Income units	101.94	102.62	103.32	103.80	104.78	102.60
Earned per unit (GBP)						
A Accumulation units	1.0322	0.8499	0.8279	0.7498	0.8035	0.8934
A Income units	0.7165	0.5877	0.5744	0.5146	0.5455	0.6055
I Accumulation units	1.2467	1.1096	1.1008	1.0171	1.0107	1.0705
I Income units	0.8395	0.7408	0.7311	0.6697	0.6638	0.6978

Source: Aberdeen Asset Management

Quarterly data per unit (Feeder)						
As at	31-Dec-17	31-Mar-18	30-Jun-18	30-Sep-18	31-Dec-18	31-Mar-19
Single price per unit (GBP)						
A Accumulation units	146.30	148.30	150.10	151.49	151.49	149.53
A Income units	101.70	102.40	103.00	103.51	103.51	101.21
I Accumulation units	151.40	153.70	155.70	157.35	157.35	155.62
I Income units	101.90	102.60	103.30	103.74	103.74	101.40

Earned per unit (GBp)						
A Accumulation units	1.0116	0.7529	0.7106	0.6665	0.7629	0.8967
A Income units	0.7031	0.5197	0.4878	0.4554	0.5198	0.6067
I Accumulation units	1.2232	0.9604	0.9216	0.8814	0.9687	1.0729
I Income units	0.8231	0.6410	0.6105	0.5812	0.6347	0.6984

Source: Aberdeen Asset Management

Unit pricing

The unit price is re-calculated daily at noon.

Distributions

Distributions to holders of income units are made quarterly: on 31st May, 31st August, 30th November and 28th February in respect of the quarters ending 31st March, 30th June, 30th September and 31st December

Minimum investment/disinvestment

Unit class	Minimum investment (GBP)	Minimum subsequent investment (GBP)	Minimum partial disposal (GBP)	Minimum holding (GBP)
'A' Accumulation	1,000	N/A	1,000	1,000
'A' Income	1,000	N/A	1,000	1,000
'I' Accumulation	1,000	N/A	1,000	1,000
'I' Income	1,000	N/A	1,000	1,000

Creation, transfer and realisation of units

Units can be bought or sold by giving notice on any business day between 8.30 am and 5.30 pm. Units are bought or sold at the price calculated at the next valuation point i.e. noon on the following day. The proceeds of a sale will normally be posted within four workings days after the receipt of written sale instructions. In the case of telephone instructions, settlement will be made on receipt of a completed form of renunciation which is issued with the contact note.

When units are sold, a cheque for the proceeds will be posted not less than four business days after the receipt of the properly completed renunciation form.

The manager reserves the right to defer redemptions in the event of exceptional circumstances if it is in the interests of all unit holders. The suspension must be formally reviewed every 28 days.

Charges

Unit class	Preliminary charge	Annual charge
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'A' Accumulation	N/A	1.35%
'A' Income	N/A	1.35%
'I' Accumulation	N/A	0.75%
'I' Income	N/A	0.75%

Unit holder analysis

	Number of unitholders	Total % held
Less than 1% of units in issue	4,086	23.2
1% or greater but less than 2%	7	10.7
2% or greater but less than 4%	14	46.2
4% or greater but less than 8%	4	20.0
Greater than 8.0%	0	0.0
Total	4,111	100.0
Major investors		
Largest holder	1	5.6
Three largest holders	3	15.7
Five largest holders	5	23.9
Ten largest holders	10	42.4
Internal/external investors		
Internal	29	32.2
External	4,082	67.8

Source: Aberdeen Asset Management

Liquidity

Period	Year to Dec 2014	Year to Dec 2015	Year to Dec 2016	Year to Dec 2017	Year to Dec 2018	Year to Dec 2019
Issues and redemptions						
Units in issue as at start of period	-	-	4,833	4,287,401,302	3,744,868,369	3,151,599,004
Units issued during period	-	-	5,939,530,444	278,844,099	0	0
Units redeemed during period	-	-	-16,521,339,745	-821,377,032	-593,269,364	-192,446,507
Units in issue at end of period	-	-	4,287,401,302	3,744,868,369	3,151,599,004	2,959,152,497
Unit transfers						
Matched bargains	-	-	-2,997,785,908	-4,263,495	0	0
Matched bargains %*	-	-	-69.92	0.00	0.00	0.00%

* as % of units in issue at the end of the period

Source: Aberdeen Asset Management
