

Standard Life Pooled Property Pension Fund

INVESTMENT POLICY AND OBJECTIVES

The objective of the Fund is to deliver good long-term relative performance by investing in a diversified portfolio of UK commercial property. Its objective is to outperform its benchmark, the median return to the All Balanced Fund component of the MSCI/AREF UK Quarterly Property Fund Index on a rolling three-year basis

INVESTOR CONSTITUENCY

The Fund is open to investment by all UK corporate pension funds and retail pension investors

Fund details

Type of fund	Managed Property Fund
Residence	United Kingdom
Launch date	March 1980
Open/closed-ended	Open-ended
Earliest date of winding up	n/a
Year-end	31-Dec
NAV (GBPm)	1684.6

Source: abrdn

Management/professional advisors

Manager	abrdn
Investment Advisor	abrdn
Fund Manager	David Stewart
Fund manager – REITs/property shares	n/a
Trustee	n/a
Auditors	Ernst and Young LLP

Source: abrdn

Fund Level Total Return, %

	Standard Life Pooled Property Pension Fund	MSCI/AREF UK Quarterly Property Fund Index		
		Managed Open-Ended Funds	All balanced open-ended funds	All funds
3 months	0.6	1.1	1.1	1.4
Year-to-date	1.2	1.5	1.7	1.7
12 months	0.7	1.5	0.1	0.0
3 years+	0.1	1.2	0.6	0.0
5 years+	1.2	1.8	1.5	0.6
10 years+	3.6	4.4	4.8	4.0

Source: abrdn

Property investment restrictions

Property investment restrictions	
Maximum speculative development exposure	^10%
Maximum lot-size holding as a standing investment	15%
Maximum lot-size holding permitted at purchase	10%
Maximum exposure to limited partnerships	n/a
Maximum exposure to closed and open-ended property unit trusts	20%
Restrictions on holdings of cash/borrowings	n/a
Maximum total gearing permitted	n/a
Cash holdings (maximum)	15%
Cash holdings (minimum)	n/a

Source: abrdn

Portfolio distribution %

	Standard Life Pooled Property Pension Fund	MSCI/AREF UK Quarterly Property Fund Index		
		Other balanced open-ended funds	All balanced open-ended funds	All funds
Standard retail – South East	3.5	4.2	3.7	3.4
Standard retail – Rest of UK	0.0	1.1	1.1	1.2
Supermarkets	3.4	0.7	1.1	1.7
Shopping centres	2.7	0.6	0.9	0.6
Retail warehouses	12.5	12.3	12.0	7.4
All UK retail	22.1	19.0	18.8	14.4
City offices	6.1	3.0	3.1	2.6
West End offices	2.9	7.5	6.6	4.8
Rest of South East offices	0.0	6.3	6.3	5.2
Rest of UK offices	0.0	4.6	4.0	4.4
All UK offices	9.0	21.4	20.0	17.0
South East industrial	13.2	19.2	20.1	18.0
Rest of UK industrial	16.8	7.7	7.2	6.5

Distribution Warehouse - South East	10.5	5.1	5.4	4.1
Distribution Warehouse - Rest of UK	6.7	6.4	6.3	5.3
All UK industrial	47.1	38.3	39.1	33.8
Residential excl Student Accomodation	0.0	0.5	1.3	2.4
Student Accomodation	11.8	2.8	3.3	10.7
Hotel	0.0	3.7	3.2	6.1
Leisure	0.0	1.8	2.2	4.1
Healthcare	0.0	1.8	1.3	1.4
Other UK properties	1.3	3.8	3.2	4.1
Cash***	8.6	6.8	7.7	6.0
Overall	100.0	100.0	100.0	100.0

Source: abrdn

Property ownership structure

	Number of assets	Valuation (GBPm)	% of total portfolio
Direct holdings	34	1,489.1	95.5
Joint and indirect holdings	1	18.4	1.2
Listed investments	5	51.6	3.3
Total	40	1,559.0	100.0

Source: abrdn

Largest direct investments by lot size & percentage of total portfolio

Property	Location	Sector	Valuation (GBPm)	% of total portfolio
GRAVELLY INDUSTRIAL PARK, BIRMINGHAM, UK	BIRMINGHAM	Industrial	150m - 200m	10.8
GALLIONS REACH SHOPPING PARK	LONDON	Retail Park	100m - 150m	6.8
GROSVENOR HOUSE, 141/143 DRURY LANE &, 20/22 WILD STREET, LONDON, UK	LONDON	Education	100m - 150m	6.8
THE FARMILOE BUILDING, 28-36 ST JOHNS STREET, LONDON, UK	LONDON	Office	100m - 150m	6.5
THAMES GATEWAY PARK, PHASE 3 & 4	DAGENHAM	Industrial	50m - 100m	6.4
PLOT 230 MAGNA PARK, MILTON KEYNES	MILTON KEYNES	Industrial	50m - 100m	6.0
ST MARKS SHOPPING CENTRE WEST, HIGH STREET, LINCOLN, UK	LINCOLN	Student Accomodation	50m - 100m	5.7
TANDEM CENTRE	LONDON	Retail Warehouses	50m - 100m	3.9
THE WATER GARDENS	HARLOW	Retail Other	50m - 100m	3.7
42 WIGMORE STREET, LONDON, UK	LONDON	Office	0m - 50m	3.0
10 largest investments as % of portfolio				59.7

Source: abrdn

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	1	3.4	0.2
5 - 10	3	24.2	1.6
10 - 25	10	159.7	10.2
25 - 50	11	418.9	26.9
50 - 100	5	401.4	25.7
100 - 150	3	312.5	20.0
Over 150	1	168.9	10.8
Total	34	1489.1	95.5
Average lot size		43.8	

Source: abrdn

Property Yield		Voids as % of ERV	
Net initial yield	4.24%	Investments	7.73%
Nominal equivalent yield	5.71%	Developments	1.18%
True equivalent yield	5.91%	Total	8.91%
Net reversionary yield	5.07%		

Source: abrdn

Rental income & ERV by type of property

	Rental income %	Estimated rental value %
Standard retail	8.6	8.1
Retail warehousing	13.8	11.4
Shopping centres	4.5	6.5
Central London offices	9.4	9.6
Other offices	0.0	0.0
Industrial	49.5	51.3
Other	14.1	13.2
Overall	100.0	100.0

Source: abrdn

Over Renting and Reversionary Potential, % Rent Passing

Sector	Rent Passing, GBP Millions	Rent Free , % Rent Passing	Development vacancy, % Rent Passing	Investment vacancy, % Rent Passing	Over rented,% Rent Passing	Reversionary potential,% Rent Passing	Reversionary potential Net of Over renting,% Rent Passing	Market Value,% Rent Passing
Standard retail	6.1	24.7	-	0.6	-0.3	25.0	24.6	125.0
Retail warehousing	9.8	1.5	-	4.7	-	10.2	-	110.2
Shopping centres	3.2	1.8	-	37.6	-	91.4	-	191.4
Central London offices	6.7	0.5	18.3	17.4	-	36.7	-	136.7
Other offices	-	-	-	-	-	-	-	-
Industrial	35.2	9.0	-	8.7	-	38.4	-	138.4
Other	10.0	0.5	-	13.2	-	24.5	-	124.5
Overall	71.0	7.0	1.7	10.2	0.0	33.6	33.6	133.6

*Comprising the ERV of developments in progress or contracted which have not been pre-let

Source: abrdn

The unexpired term of leases % of rent passing

Years	Including breaks	Excluding breaks
20 years or greater	6.3	6.9
15 years or greater, but less than 20	10.2	10.5
10 years or greater, but less than 15	17.0	21.2
5 years or greater, but less than 10	18.8	25.5
Less than 5 years	47.7	35.8

Source: abrdn

Joint and Indirect property holdings

Holdings	Sector	Joint/Indirect	Vehicle Type	Ownership %	Valuation (GBPm)	Est. % of total portfolio
GROSS FUND HOLDING IN JPUT SC	Retail Shopping Centre	INDIRECT RE - OTHER UNLISTED FUND	-	4.5	18.4	1.2
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-

Source: abrdn

Development exposure*

	Capital value of developments			Cost to complete schemes in progress+
	Not yet started	In progress+	All developments	
GBPm	0	0.0	0.0	10.4
% of all directly held properties*	0.00%	0.00%	0.00%	0.70%

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

Source: abrdn

Valuations/performance monitors/affiliations

Frequency of valuation	Valuations are undertaken on a monthly basis at month end dates
Valuers	KNIGHT FRANK
Portfolio performance monitored by MSCI	Yes
Constituent of MSCI/AREF UK Quarterly Property Fund Index	Yes
Member of the Association of Real Estate Funds	Full member

Source: abrdn

The contribution of major tenants to rental income

Tenant	%
LIVE NATION (MUSIC) UK LTD	7.8
JOHN LEWIS/WAITROSE	7.2
THE UNIVERSITY OF LINCOLN	4.9
ROYAL MAIL GROUP LIMITED	4.5
SAINSBURYS	3.3
PREMIER FARNELL UK LTD	3.1
AMAZON UK SERVICES LTD	2.3
VOLKSWAGEN GROUP UK LIMITED	2.2
DPD GROUP UK LIMITED	1.8
TJX UK	1.5
Three largest tenants' contribution to rental income	20.0
Five largest tenants' contribution to rental income	27.9
Ten largest tenants' contribution to rental income	38.7

Source: abrdn

Balance sheet/gearing

Direct holdings	Joint holdings	Indirect investments	Listed investments	Total
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Balance sheet (GBPm)						
Properties at valuation	1489.1	0.0	18.4	0.0		1507.5
Listed investments	0.0	0.0	0.0	51.6		51.6
Debt	0.0	0.0	0.0	0.0		0.0
Cash	141.9	0.0	0.0	0.0		141.9
Other net assets/liabilities	-16.3	0.0	0.0	0.0		-16.3
Total net assets	1614.7	0.0	18.4	51.6		1684.6
Gearing (%)						
Net debt (cash)/properties	-9.5	-	0.0	-		-9.4
Net debt (cash)/equity	-8.8	-	0.0	0.0		-8.4

Source: abrdn

Quarterly data per unit						
As at	31-Mar-23	30-Jun-23	30-Sep-23	31-Dec-23	31-Mar-24	30-Jun-24
Bid (GBP)	2.87	2.92	2.93	2.91	2.93	2.95
Offer (GBP)	3.08	3.13	3.14	3.12	3.14	3.17
Mid (GBP)	2.97	3.02	3.03	3.02	3.03	3.06
Bid/offer spread	6.85%	6.76%	6.72%	6.70%	6.44%	6.74%
Net asset value (GBP)	2.91	2.96	2.97	2.95	2.97	2.99
Yield	n/a	n/a	n/a	n/a	n/a	n/a

Source: abrdn

Unit pricing

The fund is valued at the close of business each working day and a unit price is set that will apply to all units bought and sold the following day. The method of

The fund does not distribute income. Its gross income is reinvested in the fund.

Minimum investment/disinvestment

Minimum initial investment: GBP 50,000

Creation, transfer and realisation of units

Units in the fund may be created at any time at the discretion of the manager. Units may be redeemed at any time on receipt of written notice to the manager. The manager has the right to delay redemptions for up to 12 months pending consideration of specific fund/market conditions.

CGT and income tax:

Fund is exempt from UK capital gains tax and UK income tax.

Stamp duty reserve tax

Transfers of units do not attract SDRT.

Charges

The annual management charge is equivalent to 0.50% of the net asset value of the fund.

Unit holder analysis		
	Number of unitholders	Total % held
Less than 1% of units in issue	100	60.0
1% or greater but less than 2%	2	3.3
2% or greater but less than 4%	7	17.7
4% or greater but less than 8%	0	0.0
Greater than 8.0%	2	19.0
Total	111	100.0
Major investors		
Largest holder	1	10.5
Three largest holders	3	23.0
Five largest holders	5	28.4
Ten largest holders	10	38.6
Internal/external investors		
Internal	8	27.0
External	103	73.0

Source: abrdn

Liquidity						
Period	Year to Dec 2019	Year to Dec 2020	Year to Dec 2021	Year to Dec 2022	Year to Dec 2023	Year to Dec 2024
Issues and redemptions						
Units in issue as at start of period	1,071,252,639	977,196,262	900,526,878	851,022,530	582,078,861	533,433,197
Units issued during period	-94,056,377	-76,669,383	-49,504,348	-268,943,669	-48,645,664	29,462,464
Units in issue at end of period	977,196,262	900,526,878	851,022,530	582,078,861	533,433,197	562,895,662
Unit transfers						

Matched bargains	-	0	0	0	0	0
Matched bargains %*	-	0	0	0.00%	0	0.00%

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

Source: abrdn
