

Our ref: Sample

(Date)

# Sample copy

Dear (Salutation)

## Fund name, Annual Management Charge (AMC) and investment objective & policy changes

**Account number:**

**Your financial adviser:**

I am writing to you because you are invested in the abrdrn UK Real Estate Feeder fund, provided by abrdrn Fund Managers Limited.

Subject to shareholder approval, abrdrn will change the name, investment objective & policy and AMC of the fund from 02 October 2024. If these changes are not approved, we'll write to let you know.

### What is changing

You'll see the new fund name on our valuations and statements after this date.

Old fund name	New fund name
abrdrn UK Real Estate Feeder	abrdrn Real Estate Feeder

The old and new objectives and policy are overleaf for you to compare.

abrdrn will decrease the AMC for the fund. Fund managers apply an annual management fee for the investment management they provide. This is reflected in the pricing of the fund and not taken directly from your holdings.

The Ongoing Charges Figure (OCF) / Total Expense Ratio (TER) represents the ongoing charges for the fund, expressed as a percentage. It is the sum of the AMC and all other running costs of the fund. OCF is increasingly replacing the TER.

You may want to speak to your financial adviser about the impact of these changes. Please speak to them before making any investment decisions, or if you have any questions about these changes.

**If you don't have a financial adviser**, we recommend that you consider the benefits of receiving professional financial advice, which can be especially important when you need to make investment decisions. If you would like to search for an adviser in your area you can start by visiting [quilter.com/financial-advice/find-an-adviser](https://quilter.com/financial-advice/find-an-adviser).

## How these changes will affect your account

- **The value of your holding** – The changes may affect the value of your fund holding. The portfolio of the fund will be readjusted and abrdn believes that the transition process is expected to take up to 18 to 24 months but may take longer due to the illiquid nature of direct property and varying market conditions. Given the length of time the transition is expected to take, they do not expect the re-alignment costs to materially exceed the fund's recent transaction costs.
- **Risk profile** – The fund's risk profile may change.

## What this AMC change means for you

**The 'reimbursed rebate' for the fund is decreasing** – We receive a rebate from the fund manager in respect of the fund. This is effectively a discount that we negotiate on the fund manager's AMC. We reinvest all of the rebate as a 'reimbursed rebate' into your account. You can see more details of this in the 'Customer Account Credit' section of your quarterly statements.

The effective OCF/TER is the Ongoing Charges Figure/Total Expense Ratio less the reimbursed rebate.

This table shows the current and the new amounts once the change has completed.

	AMC %	OCF/TER %*	Reimbursed rebate %	Effective OCF/TER %*
Current	1.30	1.72	0.65	1.07
New	1.15	1.58	0.55	1.03

\*Includes Property Expense Ratio 0.43%

**Please note that none of the changes detailed in this letter affect any charges made by Quilter.**

## Why the fund is changing

abrdn is proposing to change the investment objective and policy of the abrdn UK Real Estate fund to enable it to invest a higher proportion of its assets in global property-related assets such as Real Estate Investment Trusts (REITs), Exchange Traded Funds and shares of companies engaged in property and property related activities.

This change will allow the fund to amend its current portfolio composition to reduce its direct exposure to UK real estate and to increase its indirect exposure to global property.

## The next steps

You don't need to take any action unless you would like to choose a new asset from our extensive range. Please speak to your financial adviser before making any investment decisions or if you have any questions about this change.

If you have any questions about this letter, please speak to your financial adviser who will be able to help you. Alternatively, you can call or email us using the details shown and we will be happy to help. Our Customer Service Centre is open 8:30am – 5:30pm, Monday to Friday.

Yours sincerely



**Callum Earl**

*Head of Customer Operations*

## Fund objectives

Current fund abrdrn UK Real Estate Feeder	New fund abrdrn Real Estate Feeder
<p><b>Fund objective:</b> 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 abrdrn UK Real Estate fund (Master 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 Master Fund.</p> <p>Current Investment Objective /Policy of the Master Fund:</p> <p>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.</p> <p>Performance Target: To exceed the return of the IA UK Direct Property Sector Average return (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.</p> <p>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.</p> <p>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 abrdrn).</p> <p>The fund may also invest in short term government bonds such as gilts, money-market instruments and cash.</p> <p>Derivatives and Techniques The fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the fund.</p> <p>Where derivatives are used, this would typically be to maintain allocations following a significant inflow into the fund.</p>	<p><b>Fund objective:</b> 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 abrdrn Real Estate fund (Master 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 Master Fund.</p> <p>New Investment Objective /Policy of the Master Fund:</p> <p>To generate income and some growth over the long term (5 years or more) by investing in property and property related investments. 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.</p> <p>Performance Target: To achieve a return in excess of the following composite index over rolling five year periods (after charges). 45% MSCI UK Monthly Property Index; 45% FTSE EPRA Nareit Developed Net Total Return Index and 10% SONIA.</p> <p>Portfolio Securities</p> <ul style="list-style-type: none"> <li>• The fund will target an allocation of 45% investment in direct property; 45% investment in indirect property and 10% money-market instruments (including cash) which may vary as a result of factors such as market conditions. The fund will however invest at least 80% of the fund's assets in property and property related investments.</li> <li>• Direct property investment will be allocated to a diversified portfolio of UK Freehold and Leasehold property selected from across the retail, office, industrial and other sectors.</li> <li>• Indirect investment in global (including Emerging Markets) property is achieved through listed closed ended REITs, exchange traded funds and equities (company shares) of companies engaged in property and property related activities.</li> <li>• The fund may also invest in other funds (including those managed by abrdrn), short term government bonds, money-market instruments and cash.</li> </ul> <p>Derivatives and Techniques</p> <ul style="list-style-type: none"> <li>• The fund may use derivatives to reduce risk, reduce cost and/or generate additional income or growth consistent with the risk profile of the fund.</li> <li>• Where derivatives are used, this would typically be to maintain allocations following a significant inflow into the fund or to manage currency risk.</li> </ul>