

## Investment objective & policy changes – Standard Life Investments UK Real Estate Trust

Investment objective		Investment policy	
Existing	Proposed	Existing	Proposed
<b>Standard Life Investments UK Real Estate Accumulation Feeder Fund (PRN 730398)</b>			
<p>The investment objective of the Sub-fund is to achieve income and capital growth through investment in shares of the Standard Life Investments UK Real Estate Fund.</p>	<p>To generate income and some growth over the <i>long term</i> (5 years or more) by investing all or substantially all of its capital in the Standard Life Investments UK Real Estate Fund. To the extent the fund is not fully invested it will hold its remaining assets in <i>money-market instruments</i> including <i>cash</i>.</p> <p>The returns of this fund are not expected to be materially different than the returns of Standard Life Investments UK Real Estate Fund.</p> <p>The objective of the Standard Life Investments 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 sub-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>The Sub-fund will invest all or substantially all of its assets in the feeder accumulation shares of the Standard Life Investments UK Real Estate Fund. To the extent that the Sub-fund is not fully invested in the Standard Life Investments UK Real Estate Fund, the Sub-fund will hold its remaining assets in cash.</p>	<p><b><u>Portfolio Securities</u></b></p> <ul style="list-style-type: none"> <li>• The sub-fund will invest at least 70% in a diversified portfolio of UK freehold and leasehold <i>commercial property</i> selected from across the retail, office, industrial and other sectors.</li> <li>• The sub-fund may also invest indirectly in <i>commercial property through</i> investment vehicles such as quoted and unquoted property companies or funds (including those managed by Aberdeen Standard Investments).</li> <li>• The fund may also invest in short term government <i>bonds</i> such as gilts, <i>money-market instruments</i> and <i>cash</i>.</li> </ul> <p><b><u>Management Process</u></b></p> <ul style="list-style-type: none"> <li>• 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.</li> </ul>

Performance Target of Standard Life Investments UK Real Estate Fund: To exceed the return of the IA UK Direct Property Sector Average over rolling three year periods (after charges). 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 Standard Life Investments UK Real Estate Fund believes this is an appropriate target for the fund based on the investment policy of the index.

- 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 Standard Life Investments 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.

*The fund is not expected to invest in derivatives directly however it may invest in other funds which use derivatives.*

**Standard Life Investments UK Real Estate Income Feeder Fund (PRN 730399)**

The investment objective of the Sub-fund is to achieve income and capital growth through investment in shares of the Standard Life Investments UK Real Estate Fund.

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 Standard Life Investments 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 Standard Life Investments UK Real Estate Fund.

The objective of the Standard Life Investments 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 sub-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 Standard Life Investments UK Real Estate Fund: To exceed the return of the IA UK

The Sub-fund will invest all or substantially all of its assets in the feeder income shares of the Standard Life Investments UK Real Estate Fund. To the extent that the Sub-fund is not fully invested in the Standard Life Investments UK Real Estate Fund, the Sub-fund will hold its remaining assets in cash.

**Portfolio Securities**

- The sub-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 sub-fund may also invest indirectly in *commercial property* through investment vehicles such as quoted and unquoted property companies or funds (including those managed by Aberdeen Standard Investments).
- The fund may also invest in short term government bonds such as gilts, money-market 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.

Direct Property Sector Average over rolling three year periods (after charges). 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 Standard Life Investments UK Real Estate Fund believes this is an appropriate target for the fund based on the investment policy of the Sector.

• 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 Standard Life Investments 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.

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