



Fund Guide abrdn Future Real Estate ETF

Ticker: AREG

November 2024

For professional investors only (in Switzerland for qualified investors). Not for use by retail investors. This is a marketing communication. Please refer to the prospectus of the UCITS and to the KID / KIID before making any final investment decisions.

French investors should note that, relative to the expectations of the Autorité des Marchés Financiers, this fund presents disproportionate communication on the consideration of non-financial criteria in its investment policy.

Fund is traded on Deutsche Borse (Xetra), the London Stock Exchange and the SIX Swiss Exchange.



Svitlana Gubriy
Fund Manager

Key features

Active ETF

Active management strategy that is updated every quarter

Research insights

Benefiting from our Global Real Estate Research team's proprietary HouseView

0.40%

Total Expense Ratio

Sustainable investment

ESG-focused investment framework

Why consider this Fund?

01

Differentiated active approach:

That targets the highest conviction global real estate calls as identified by the abrdn Global Real Estate HouseView. The active approach is particularly relevant in the current environment, given the ongoing polarisation in performance across different sectors of the global real estate market.

02

A focus on real estate themes:

Invests in areas of the market that our in-house Global Real Estate Research team expect to be underpinned by long-term powerful thematic trends: supply chain reconfiguration, changing demographics and digitalisation.

03

Sustainable investment:

The Fund uses our proprietary ESG House Score to identify and exclude those companies exposed to the highest ESG risks. Additionally, binary exclusions are applied to rule out a defined list of unacceptable, controversial activities and behaviours.¹ This ESG-focused investment framework is SFDR Article 8 compliant.

¹ For more details see the ETF's Investment Approach document, on abrdn.com.

abrdn Future Real Estate ETF

Investment objective

(you can find out more information about the fund on page 4)

To generate growth over the long term (five years or more), by investing in listed real estate investment trusts (REITs) and equities (company shares) of companies engaged in real estate-related activities globally.

Risks

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. 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.

Equity risk

The fund invests in equity and equity-related securities. These are sensitive to variations in the stock markets, which can be volatile and change substantially in short periods of time.

Concentration risk

A concentrated portfolio may be more volatile and less liquid than a more broadly diversified one. The fund's investments are concentrated in a particular country or sector.

ESG risk

Applying ESG and sustainability criteria in the investment process may result in the exclusion of securities within the fund's benchmark or universe of potential investments. The interpretation of ESG and sustainability criteria is subjective, meaning that the fund may invest in companies which similar funds do not (and thus perform differently), and which do not align with the personal views of any individual investor.

Real estate investment trust risk

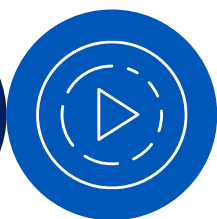
Dividend payment policies of the REITs in which the fund invests are not representative of the dividend payment policy of the fund.

Derivative risk

The use of derivatives carries the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions, such as a failure among market participants. The use of derivatives may result in the fund being leveraged (where market exposure and thus the potential for loss by the fund exceeds the amount it has invested), and in these market conditions the effect of leverage will be to magnify losses.



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“Invest where real estate will be, not where it has been.”

Structural trends influencing investment demand:

Supply chain reconfiguration
Supply chain resilience, faster delivery and turnaround times, nearshoring

Changing demographics
Ageing societies, lifestyle choices, urbanisation

Digitalisation of the economy
Digitisation and growth in data, E-commerce, Cloud & 5G

Why invest now?

- 1. Interest rates are in the driving seat** – History would suggest that over the 12 months when a real estate cycle begins to move from trough to recovery, real estate investment trusts (REITs) have tended to outperform general equities and private real estate.
- 2. Re-emerging cost of capital advantage** – REITs are starting to enjoy a cost of capital advantage relative to private real estate, as balance sheets have improved across several metrics since the global financial crisis. REITs are therefore in a stronger position to raise capital assertively and grow externally through acquisitions at the bottom of the cycle.
- 3. Evolution of the built environment** – Global thematic trends are impacting society and the wider economy, resulting in a significant transformation of the real estate market. The importance of some sectors – such as data centres, large-scale logistics, and single-family rental accommodation – has grown. REITs are well-positioned to take advantage of this evolving investment landscape by providing fast and efficient access to the most attractive alternative sectors of the global real estate market.

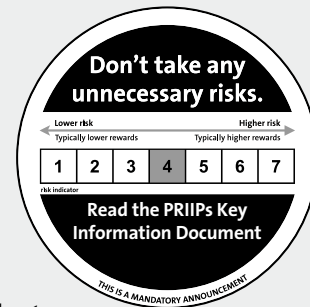
Why abrdn?

01	Global Real Estate Platform An extensive platform across 13 office locations with deep market insights from more than 300 investment professionals.
02	Unique and proprietary Global HouseView A powerful tool that is the foundation for our investment process. Used to identify outperforming real estate segments of the future. The HouseView has a long and successful track record dating back almost 20 years with a strike rate of more than 73% ² .
03	Experienced team Fully integrated Global Real Estate Securities team managing >£1bn AUM. Highly experienced team boasting deep market insights with presence in Europe, APAC and the Americas.

Past performance does not predict future returns.

² abrdn, September 2024. More than 73% of the 501 sector recommendations that have been made across the four regions (UK, Europe, APAC & North America) between 2004 and 2023 have correlated with outperformance relative to the respective regional benchmark in the case of overweight recommendations, and underperformance where an underweight was the recommendation.

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A different way to gain real estate exposure

Key differences between the fund and existing ETFs available on the market

Comparative Real Estate ETF

abrdn Future Real Estate UCITS ETF

Passive index replication	Active proposition
Index driven by market cap weights	Thematic, research-based, approach
Rigid asset allocation	Enhanced flexibility with dynamic rebalancing
No ESG commitments (mostly SFDR Article 6)	Explicit ESG considerations ³ (SFDR Article 8)
Low cost	Low cost

Source: abrdn, September 2024.

Key facts

Investment objective	To generate growth over the long term (five years or more), by investing in listed real estate investment trusts (REITs) and equities (company shares) of companies engaged in real estate-related activities globally.
Performance target	To outperform the FTSE EPRA NAREIT Developed Net Index before charges. There is however no certainty or promise that the Fund will achieve the Performance Target. The Investment Manager believes this is an appropriate target for the Fund based on the investment policy of the Fund and the constituents of the Benchmark Index.
Benchmark index	FTSE EPRA NAREIT Developed Net Index
Fund structure	UCITS ETF
Ticker	AREG (GBP), R8TA (USD), R8T (EUR), AREC (CHF)
Rebalancing	Quarterly
SFDR classification	Article 8
Base currency	USD (No FX hedging within the portfolio)
TER	0.40%
Regulated markets	London Stock Exchange, Deutsche Borse (Xetra) and SIX Swiss Exchange

Source: abrdn, September 2024.

³ For more details see the ETF's Investment Approach document available on abrdn.com.

Important Information

The fund is a sub fund of abrdrn III ICAV, an open-ended umbrella fund which is regulated by the Central Bank of Ireland and with segregated liability between sub-funds registered in the Republic of Ireland (no. C469164) at 70 Sir John Rogerson's Quay, Dublin 2.

Details of abrdrn's Sustainable and Responsible Investment Approach are published at [abrdrn.com](https://www.abrdrn.com) under Sustainable Investing.

This fund concerns the acquisition of units/shares in a fund, and not in a given underlying asset such as a building or shares of a company.

Any decision to invest should take into account all objectives of the fund. To help you understand this fund and for a full explanation of risks and the overall risk profile of this fund and the share classes within it, please refer to the Key Investor Information Documents or the Key Information Document available in the local language, and Prospectus available in English, which are available on our website. The Prospectus also contains a glossary of key terms used in this document.

A summary of investor rights can be found in English under Group Policies on the Manager's website.

This information is intended to be of general interest only and should not be considered as an offer, investment recommendation or solicitation to deal in the shares of any securities or financial instruments. Subscriptions for shares in the fund may only be made on the basis of the latest prospectus, relevant Key Investor Information Document (KIID) or the Key Information Document and, in the case of UK investors, the Supplementary Information (SID) for the fund which provides additional information as well as the risks of investing. These may be obtained free of charge from abrdrn. All documents are also available on [abrdrn.com](https://www.abrdrn.com).

Further information can be obtained from the prospectus, supplement to the prospectus and latest annual and semi-annual reports once available. These documents are available in English, are free of charge and can be obtained along with other information such as unit prices, from [abrdrn.com](https://www.abrdrn.com), the Manager, or the paying agent: EU/EEA territories in which the fund is authorised for sale: europeanfacilitiesagent@carnegroup.com.

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Before making an investment in the fund, investors should take steps to ensure that they fully understand the investment risks associated with the fund and have made an independent assessment of the appropriateness of an investment in the fund in light of their own objectives and circumstances.

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Please note that no representation is being made that the fund is likely to achieve returns in the future similar to any other funds for which abrdr Investments Limited or any other member of abrdr Group is Investment Manager or Distributor. abrdr Group comprises abrdr plc and its subsidiaries.

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For more information visit abrdr.com

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