

January 2018

# Adviser Guide

Aberdeen Standard  
Investments

This document is for investment professionals and advisers only and should not be distributed to or relied upon by retail clients.

## Standard Life Investments Global Real Estate Fund

### Key Facts

#### Unique

only available daily-dealt, daily-priced hybrid proposition investing across direct and indirect real estate globally

#### 2005

launched to provide investors with a compelling international real estate solution

#### Best ideas high conviction

our global real estate research process determines geographic and sector exposure

**“The Global Real Estate Fund seeks to provide investors with long-term growth through diversified access to a broad range of international real estate markets.”**

James Britton,  
Fund Manager

### Why choose the Global Real Estate Fund?



Global opportunity set gives your clients the opportunity to **increase portfolio diversification**



Potential for attractive risk-adjusted returns through **investment across geographies and asset types**



Investment flexibility to allocate assets by location and asset type, **aiming for the best possible returns for investors**



Team-based approach benefiting from the **expertise of our 160-strong real estate team**, spread across six key global office locations



**Intensive research-driven process** leaves no stone unturned in identifying those markets and assets that we believe offer the best potential returns

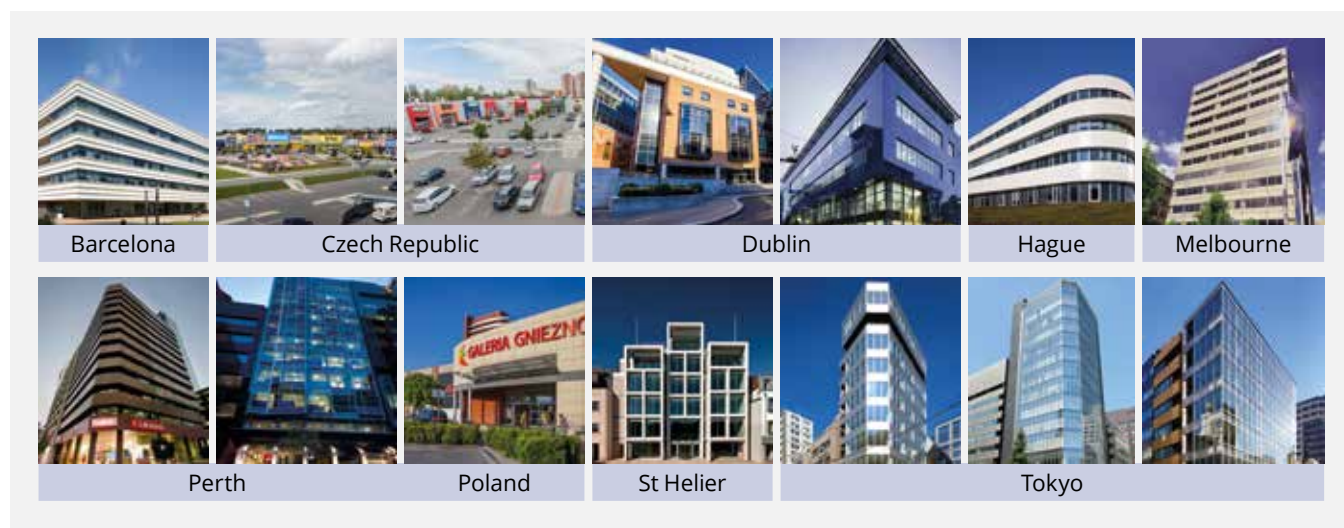
## What does the Global Real Estate Fund invest in?

While we do not target a specific split between direct and indirect real estate, we expect to hold a higher allocation to direct assets, typically in the 50-80% range. However, the split can alter depending on market conditions and asset availability.

	<p><b>50% to 80%</b> <b>direct real estate</b> – a tangible asset often referred to as ‘bricks and mortar’</p>		<p><b>20% to 50%</b> <b>listed real estate</b> – shares in real estate companies that own, manage and/or develop properties.</p>		<p><b>Up to 5%</b> <b>cash</b></p>
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## Where does the fund invest? (examples as at Nov 2017)

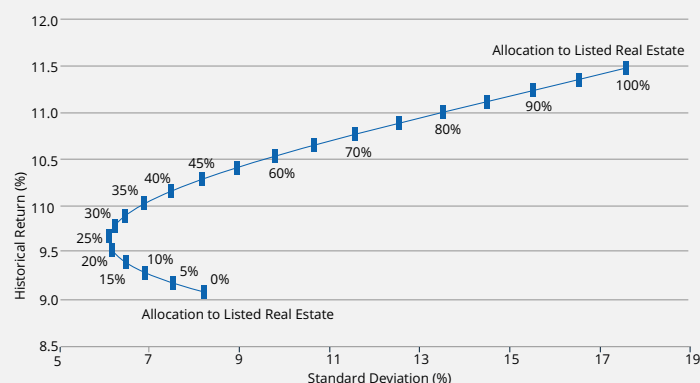
The fund has the ability to invest across global real estate markets and make tactical allocations to markets where our global real estate House View expects outperformance.



## What are the advantages of a hybrid fund?

- Can access markets where direct assets are tightly held - such as the Hong Kong office market
- Can take advantage of pricing arbitrages between direct and listed markets
- Can utilise global ‘best ideas’ from our dedicated REIT team
- Tax efficient access to direct markets such as the US

**Chart 1: Impact of a listed real estate allocation on global real estate returns**



Source: MSCI / IPD Global Real Estate Index, FTSE EPRA NAREIT Global Developed Index, Annual Total Returns, average p.a. 2000-2015, all returns in GBP

## How do we invest?

- 01** First, our dedicated in-house real estate research team **analyses global markets and sectors**. This helps form the Real Estate House View, which provides forecast returns for over 140 markets globally and gives valuable insights to our investment team.
- 02** The investment team then **analyses those markets recommended in the Real Estate House View** to determine whether a direct or listed approach is appropriate. Factors considered include liquidity, taxation and costs.
- 03** Next, we **select the best assets/securities** that we believe will help us achieve superior investment performance. Only the investment opportunities we consider the most attractive make it into the portfolio.
- 04** Finally, we **continuously monitor the portfolio** to ensure it remains within specified risk parameters. In addition, we carry out strategic reviews and regularly rebalance the portfolio, while adding value through asset management.

## Who is the Global Real Estate Fund suitable for?

Investing in real estate can provide a number of benefits, including the potential for a stable income and capital growth, as well as increased portfolio diversification. In order to access these benefits, your clients must be willing to:

- invest for the long term (at least five years)
- take some risk with their capital – real estate is not a risk-free investment
- look for diversification away from the domestic real estate market
- accept the illiquid nature of real estate and understand that, in exceptional circumstances, they may not have immediate access to their capital
- accept periods of losses due to the volatile nature of markets.

## Who manages the Global Real Estate Fund?

**James Britton**, who has 15 years' industry experience, manages the Fund. Our global real estate team assists James and provides expertise in all aspects of real estate investment. The team operates from six locations globally – Edinburgh, London, Paris, Boston, Singapore and Hong Kong. Having a local presence means that we can truly understand the dynamics of the markets in which we invest.

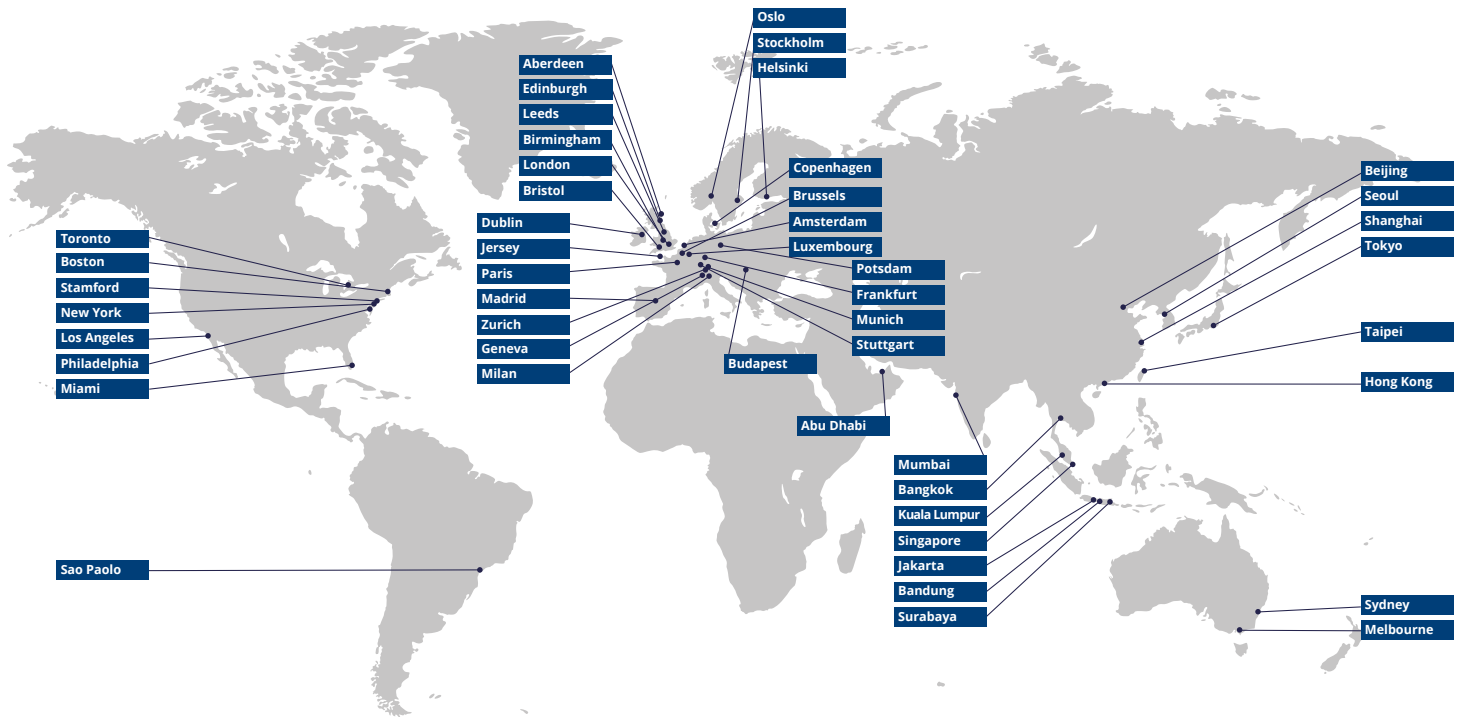
In addition, we receive input from experts in our equity, fixed income, global strategy and multi-asset teams. This augments our own analysis of real estate markets. We believe this shared insight provides a more rounded view of the global economy and ultimately helps generate an information advantage over our competitors. It also allows us to respond to change and identify opportunities that will add value for your clients.



**James Britton**  
Fund Manager

# Aberdeen Standard Investments – Our global reach

A presence in 49 locations keeps us close to our client-base.



## Diversification across the asset base

Together we are responsible for approximately £575.7 billion\* of assets managed on behalf of clients globally as at 31 December 2017.

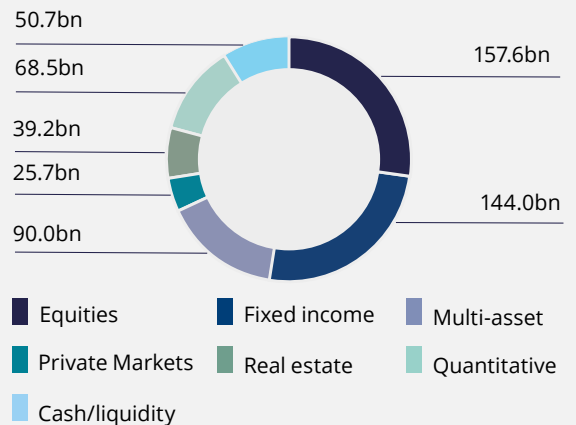
The breadth of our expertise can be seen by the diverse range of investments we are entrusted to manage.

\*Data as at 31 December 2017, Source: Standard Life plc, Aberdeen Asset Management plc

## Strategic partnerships and joint ventures

<b>UK</b>	Lloyds Bank, Phoenix
<b>North America</b>	John Hancock, Manulife
<b>Asia</b>	Bosera, Heng An Standard Life, Mitsubishi UFJ Trust & Banking, Sumitomo Mitsui Trust Bank
<b>India</b>	HDFC AMC
<b>Australia</b>	Challenger

## Assets under Management – by asset class\*\*



\*\*Data as at 31 December 2017, Source: Standard Life Aberdeen plc

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Past performance is not a guide to future performance. All investments carry some degree of risk. The value of investments can fall as well as rise and may be worth less than your client originally invested. Please refer to the Key Investor Information Document or the Prospectus for more details of the risks applicable to the fund.

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