

Standard Life Investments UK Retail Park Trust

INVESTMENT POLICY AND OBJECTIVES

The investment policy of the Trust is to invest predominantly in a diverse portfolio of UK retail warehouses. Its investment objective is to outperform the Retail Warehouse Sub-sector of the MSCI Universe over a rolling three-year period.

INVESTOR CONSTITUENCY

The fund is open to investment by expert investors only.

Fund details	
Type of fund	Property unit trust
Residence	Jersey
Launch date	April 2005
Open/closed-ended	Closed-ended
Earliest date of winding up	30 June 2020
Year-end	31 March
NAV (GBPm)	345.3

Source: Standard Life Investments Limited

Management/professional advisors	
Manager	Standard Life Investments (Jersey) Limited
Investment Advisor	Standard Life Investments Limited
Fund Manager	Sandy Pringle
Trustee	JTC Fund Solutions (Jersey) Limited
Auditors	KPMG LLP

Source: Standard Life Investments Limited

Investment rates of return, %		MSCI/AREF UK Quarterly Property Fund Index		
	Standard Life Investments UK Retail Park Trust	Other balanced funds	All balanced funds	All funds
3 months	-6.1	0.3	0.3	0.0
Year-to-date	-16.5	1.8	1.6	0.7
12 months	-16.5	1.8	1.6	0.7
3 years+	-6.1	6.5	6.0	5.3
5 years+	-6.2	7.2	6.6	6.0
10 years+	1.0	8.1	7.7	7.7

Source: MSCI/AREF UK Quarterly Property Fund Index (Sponsored by Property Match)

Property investment restrictions	
Maximum development exposure	15% of aggregate ERV
Maximum speculative development exposure	15% of aggregate ERV
Maximum lot-size holding as a standing investment	50% of the Gross Asset Value of the Trust
Maximum lot-size holding permitted at purchase	50% of the Gross Asset Value of the Trust
Maximum exposure to limited partnerships	*
Maximum exposure to joint ventures	*

Maximum exposure to closed and open-ended property unit trusts

*

Source: Standard Life Investments Limited

Portfolio distribution %

Retail
Warehouse

Total

*Standard Life Investments UK Retail Park Trust has declined to provide this data on the grounds of its commercial sensitivity

Source: Standard Life Investments Limited

Property ownership structure

	Number of assets	Valuation (GBPm)	% of total portfolio
Direct holdings	2	58.0	40.2
Joint and indirect holdings	1	86.1	59.8
Listed investments	0	0.0	0.0
Total	3	144.1	100.0

Source: Standard Life Investments Limited

Largest direct investments by lot size & percentage of total portfolio

Property	Location	Sector	Valuation (GBPm)	% of total portfolio
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*Standard Life Investments UK Retail Park Trust has declined to provide this data on the grounds of its commercial sensitivity

Source: Standard Life Investments Limited

Direct portfolio structure by lot-size bands

Value band (GBPm)	Number of assets	Valuation (GBPm)	% of total portfolio
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*Standard Life Investments UK Retail Park Trust has declined to provide this data on the grounds of its commercial sensitivity

Source: Standard Life Investments Limited

Property Yield		Voids as % of ERV	
Net initial yield	5.95%	Investments	12.84%
Nominal equivalent yield	0.00%	Developments	0.00%
True equivalent yield	8.48%	Total	12.84%
Net reversionary yield	8.91%		

Source: Standard Life Investments Limited

Rental income & ERV by type of property		
	Rental income %	Estimated rental value %
Retail warehousing	100.0	100.0
Overall	100.0	100.0

Source: Standard Life Investments Limited

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
Retail warehousing	4.2	-	-	0.7	-	0.3	-	124.1
Overall	4.2	-	-	0.7	-	0.3	-	124.1

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

Source: Standard Life Investments Limited

The unexpired term of leases	
Years	% of rent passing
20 years or greater	0.0
15 years or greater, but less than 20	0.0
10 years or greater, but less than 15	13.2
5 years or greater, but less than 10	39.6
Less than 5 years	47.1

Source: Standard Life Investments Limited

Joint and Indirect property holdings						
Holdings	Sector	Joint/Indirect	Vehicle Type	Ownership %	Valuation	Est. % of total portfolio
Castlepoint, Bournemouth	Retail	Indirect	LP	35.0	86.1	59.8
0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: Standard Life Investments Limited

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

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

Source: Standard Life Investments Limited

Valuations/performance monitors/affiliations	
Frequency of valuation	Monthly
Valuers	Cushman and Wakefield
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: Standard Life Investments Limited

Restrictions on holdings of cash/borrowings

Maximum total gearing permitted	20% of the Gross Asset Value of the Trust
Cash holdings (maximum)	*
Cash holdings (minimum)	*

Source: Standard Life Investments Limited

The contribution of major tenants to rental income

Tenant	%
Boots	12.2
Arcadia	9.9
Next	8.9
Homestyle	7.5
TUI	6.3
Hobbycraft	5.4
TK Maxx	4.8
Sports World	4.8
Smyths Toys	4.6
JD Sports	3.6
Three largest tenants' contribution to rental income	30.9
Five largest tenants' contribution to rental income	44.7
Ten largest tenants' contribution to rental income	67.9

Source: Standard Life Investments Limited

Balance sheet/gearing

	Direct holdings	Joint holdings	Indirect investments	Listed investments	Total
Balance sheet (GBPm)					
Properties at valuation	58.0	0.0	86.1	0.0	144.1
Listed investments	0.0	0.0	0.0	0.0	0.0
Debt	0.0	0.0	0.0	0.0	0.0
Cash	210.4	0.0	0.0	0.0	210.4
Other net assets/liabilities	-9.3	0.0	0.0	0.0	-9.3
Total net assets	259.2	0.0	86.1	0.0	345.3
Gearing (%)					
Net debt (cash)/properties	-362.9	-	0.0	-	-146.0
Net debt (cash)/equity	-81.2	-	0.0	0.0	-60.9

Source: Standard Life Investments Limited

Quarterly data per unit

As at	30-Sep-18	31-Dec-18	31-Mar-19	30-Jun-19	30-Sep-19	31-Dec-19
Net asset value (GBP)	652.740	637.240	602.270	567.830	549.360	510.860
Quarterly distribution (GBP)	6.640	3.310	6.040	6.470	5.170	5.160
Yield	4.0%	3.6%	3.8%	4.0%	3.8%	4.5%

Source: Standard Life Investments Limited

Net asset value

The net asset value of the Trust is re-calculated on the last working day of each month, following the monthly revaluation of the portfolio. The Trust currently has no fixed rate debt. Performance fees are estimated and accrued on a quarterly basis and thus reflect in the monthly re-calculation of the Fund's net asset value.

Distributions

The Fund makes distributions by the end of the month following each quarter end.

Minimum investment/disinvestment

Minimum initial investment:	GBP £250,000
Minimum additional investment:	N/A
Minimum holding	GBP £250,000

Creation, transfer and realisation of units

Units in the fund may be created at any time at the discretion of the manager. Units cannot be redeemed since the Fund is closed-ended, but the manager will help to match buyers and sellers on the secondary market.

Taxation

Capital Gains Tax

The Trust is not subject to capital gains tax. Those investors who are subject to tax may be liable to capital gains tax on the redemption or sale of their units in the Trust.

Income Tax

Distributions of income are made gross of tax on a quarterly basis to all unit holders who are UK residents or those who hold non-resident FICO clearance. 20% Jersey tax is withheld from distributions payable to Jersey residents. All investors, regardless of where they reside, are responsible for submitting tax returns to the UK Inland Revenue.

Stamp duty reserve tax

Since the Trust is registered in Jersey, transfers of units are not subject to SDRT.

Charges

Annual charges

The annual management charge is equivalent to 0.5% of the net asset value of the Trust.

Performance-related fees

In addition, the Manager is entitled to a performance fee equal to 15% of the out-performance by the Trust of the self excluding Retail warehouse Sub-sector of the MSCI UK Universe over rolling three year periods assuming the Trust three year return is positive.

Performance fees are estimated and accrued on a quarterly basis and thus reflect in the monthly re-calculation of the Fund's net asset value.

Unit holder analysis		
	Number of unitholders	Total % held
Less than 1% of units in issue	23	13.1
1% or greater but less than 2%	10	13.4
2% or greater but less than 4%	6	16.9
4% or greater but less than 8%	3	14.6
Greater than 8.0%	1	42.0
Total	43	100.0
Major investors		
Largest holder	1	42.0
Three largest holders	3	52.6
Five largest holders	5	60.6
Ten largest holders	10	73.5
Internal/external investors		
Internal	0	0.0
External	43	100.0

Source: Standard Life Investments Limited

Liquidity						
Period	Year to Dec 2014	Year to Dec 2015	Year to Dec 2016	Year to Dec 2017	Year to Dec 2018	Year to Dec 2019
Issues and redemptions						
Units in issue as at start of period	870,900	870,900	715,347	675,961	675,961	675,961
Units issued during period	-	-	-	0	0	0

Units redeemed during period	-	-155553	-39386	0	0	0
Units in issue at end of period	870,900	715,347	675,961	675,961	675,961	675,961
Unit transfers						
Matched bargains	125,128	109,252	22,229	15,475	79,079	0
Matched bargains %*	14.40%	15.30%	3.30%	2.29%	11.70%	0.00%

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

Source: Standard Life Investments Limited