

Mayfair Capital Property Unit Trust

INVESTMENT POLICY AND OBJECTIVES

The Trust's investment objective is to provide total returns from investment in a diversified portfolio of UK commercial property and a net distribution yield in the region of 5% per annum. The Trust targets out performance of its Benchmark, the All Balanced Property Fund Index (weighted average) within the MSCI/AREF UK Quarterly Property Fund Index.

INVESTOR CONSTITUENCY

The Trust is open for investment by eligible investors as defined in the Collective Investment Funds (Unregulated Funds) (Jersey) Order 2008.

Fund details	
Type of fund	Unauthorised Property unit trust
Residence	Jersey
Launch date	June 2010
Open/closed-ended	Open-ended
Earliest date of winding up	Not applicable
Year-end	30 September
NAV (GBPm)	326.3

Source: Mayfair Capital Investment Management Limited

Management/professional advisors	
Manager	Schroder Real Estate Managers (Jersey) Limited
Property advisor	Swiss Life Asset Managers UK Ltd
Portfolio manager	-
Trustee	BNP Paribas Depositary Services Limited and BNP Paribas Depositary Services (Jersey) Limited
Auditors	PricewaterhouseCoopers LLP

Source: Mayfair Capital Investment Management Limited

	Mayfair Capital Property Unit Trust	MSCI/AREF UK Quarterly Property Fund Index		
		Other balanced open-ended funds	All balanced open-ended funds	All funds
3 months	0.6	-0.2	-0.2	-0.2
Year-to-date	0.6	-0.2	-0.2	-0.2
12 months	-13.7	-14.1	-14.5	-14.4
3 years+	3.7	2.5	2.6	1.4
5 years+	3.4	2.7	2.5	1.4
10 years+	7.4	6.7	6.4	5.6

Source: Mayfair Capital Investment Management Limited

Property investment restrictions	
Maximum development exposure	15.0%
Maximum speculative development exposure	15.0%
Maximum lot-size holding as a standing investment	15.0%
Maximum lot-size holding permitted at purchase	15.0%
Maximum exposure to limited partnerships	25.0%
Maximum exposure to joint ventures	25.0%
Maximum exposure to closed and open-ended property unit trusts	25.0%

Source: Mayfair Capital Investment Management Limited

	Mayfair Capital Property Unit Trust	MSCI/AREF UK Quarterly Property Fund Index		
		Other balanced open-ended funds	All balanced open-ended funds	All funds
Standard retail – South East	0.0	5.0	4.7	4.6
Standard retail – Rest of UK	4.3	1.1	1.4	2.3
Shopping centres	0.0	0.6	0.9	2.5
Retail warehouses	10.5	12.1	11.8	7.6
All UK retail	14.9	18.8	18.8	17.0
City offices	0.0	3.5	3.6	3.3
West End offices	0.0	8.7	8.0	5.3
Rest of South East offices	8.5	7.9	7.4	5.9
Rest of UK offices	10.6	5.2	5.0	5.3
All UK offices	19.0	25.3	24.0	19.8
South East industrial	30.5	23.8	24.3	20.1
Rest of UK industrial	12.6	13.6	13.5	11.7
All UK industrial	43.1	37.3	37.9	31.8
Other UK properties	2.3	12.0	12.1	25.4
Cash***	20.7	6.5	7.2	5.9
Overall	100.0	100.0	100.0	100.0

Source: Mayfair Capital Investment Management Limited

Property ownership structure			
	Number of assets	Valuation (GBPm)	% of total portfolio
Direct holdings	39	261.1	100.0
Joint and indirect holdings	0	0	0.0
Listed investments	0	0	0.0

Total	39	261.1	100.0
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Source: Mayfair Capital Investment Management Limited

Largest direct investments by lot size & percentage of total portfolio

Property	Location	Sector	Valuation (GBPm)	% of total portfolio
EDMONTON TRADE PARK	LONDON	Industrial	19.6	7.5
CROYDON	CROYDON	Office	16.2	6.2
HARLOW MILL BUSINESS CENTRE	HARLOW	Industrial	13.8	5.3
T3, TRINITY PARK, SOLIHULL	BIRMINGHAM	Office	12.9	4.9
PLINSTON RETAIL PARK	LETCHWORTH GARDEN CITY	Retail Park	12.8	4.9
80 MOSLEY STREET	MANCHESTER	Office	12.7	4.9
ONE PORTBURY	BRISTOL	Industrial	9.8	3.8
55 FULLARTON DRIVE	GLASGOW	Industrial	9.6	3.7
UNITS 1 & 2 THE MIDAS CENTRE	PETERBOROUGH	Industrial	9.5	3.6
FOSTER ROAD	ASHFORD	Industrial	9.0	3.4
10 largest investments as % of portfolio				48.2

Source: Mayfair Capital Investment Management Limited

Direct portfolio structure by lot-size bands

Value band (GBPm)	Number of assets	Valuation (GBPm)	% of total portfolio
0 - 2.5	6	8.4	3.2
2.5 - 5	10	36.4	13.9
5 - 10	17	128.5	49.2
10 - 25	6	87.9	33.7
25 - 50	0	0.0	0.0
50 - 100	0	0.0	0.0
100 - 150	0	0.0	0.0
Over 150	0	0.0	0.0
Total	39	261.1	100.0
Average lot size		6.7	

Source: Mayfair Capital Investment Management Limited

Property Yield		Voids as % of ERV	
Net initial yield	4.81%	Investments	3.20%
Nominal equivalent yield	-	Developments	10.80%
True equivalent yield	6.58%	Total	14.00%
Net reversionary yield	5.24%		

Source: Mayfair Capital Investment Management Limited

Rental income & ERV by type of property

	Rental income %	Estimated rental value %
Standard retail	12.6	9.2
Retail warehousing	13.5	11.5
Shopping centres	0.0	0.0
Central London offices	0.0	0.0
Other offices	17.8	30.5
Industrial	53.6	47.1
Other	2.5	1.6
Overall	100.0	100.0

Source: Mayfair Capital Investment Management 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
Standard retail	1.7	0.0	0.0	0.0	-1.3	0.2	-1.1	99.0
Retail warehousing	1.8	3.0	0.0	0.0	-1.0	-3.0	-4.0	115.7
Shopping centres	-	-	-	-	-	-	-	-
Central London offices	-	-	-	-	-	-	-	-
Other offices	2.4	2.9	10.8	2.7	0.0	-1.7	-1.7	232.6
Industrial	7.2	0.2	0.0	0.5	-0.3	9.1	8.8	119.3
Other	0.3	0.0	0.0	0.0	-0.3	0.0	-0.3	88.4
Overall	13.5	6.1	10.8	3.2	-2.9	4.6	1.7	135.6

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

Source: Mayfair Capital Investment Management Limited

Listed Investments

	% of Issue held	Valuation (GBPm)	Est. % of total portfolio
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

The unexpired term of leases

Years	% of rent passing
20 years or greater	2.3
15 years or greater, but less than 20	2.8
10 years or greater, but less than 15	11.6
5 years or greater, but less than 10	26.4
Less than 5 years	56.9

Source: Mayfair Capital Investment Management Limited

Joint and Indirect property holdings

Holdings	Sector	Joint/Indirect	Vehicle Type	Ownership %	Valuation	Est. % of total portfolio
-	-	-	-	-	-	-
-	-	-	-	-	-	-

-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

Source: Mayfair Capital Investment Management Limited

Debt analysis

Fixed rate borrowings			Variable rate borrowings		
Amount drawn (GBPm)	Average rate (%)	Average unexpired term (years)	Amount drawn (GBPm)	Rate above LIBOR (incl expenses) (%)	Off balance sheet debt (GBPm)+
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0

Source: Mayfair Capital Investment Management 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: Mayfair Capital Investment Management Limited

Valuations/performance monitors/affiliations

Frequency of valuation	Quarterly on the last day of the quarter
Valuers	Knight Frank
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: Mayfair Capital Investment Management Limited

Restrictions on holdings of cash/borrowings

Maximum total gearing permitted for investment purposes	10%
for liquidity purposes	*
Cash holdings (maximum)	10%
Cash holdings (minimum)	*

Source: Mayfair Capital Investment Management Limited

The contribution of major tenants to rental income

Tenant	%
ARTHUR FOOD STORES LIMITED	7.3
WICKES BUILDING SUPPLIES LTD	7.1
THE SECRETARY OF STATE FOR THE ENVIRONMENT	4.3
SP DISTRIBUTION PLC	4.1
STAPLETON (TYRE SERVICES) LTD	3.8
COOPERVISION MANUFACTURING LTD	3.3
LIVERPOOL FOOTBALL CLUB	2.9
TARMAC TRADING LTD	2.9
PETS AT HOME LTD	2.7
PENTALVER CANNOCK LIMITED	2.3
Three largest tenants' contribution to rental income	18.8
Five largest tenants' contribution to rental income	26.6
Ten largest tenants' contribution to rental income	40.8

Source: Mayfair Capital Investment Management Limited

Balance sheet/gearing

	Direct holdings	Joint holdings	Indirect investments	Listed investments	Total
Balance sheet (GBPm)					
Properties at valuation	261.1	0.0	0.0	0.0	261.1
Listed investments	0.0	0.0	0.0	0.0	0.0
Debt	0.0	0.0	0.0	0.0	0.0
Cash	68.1	0.0	0.0	0.0	68.1
Other net assets/liabilities	-2.9	0.0	0.0	0.0	-2.9
Total net assets	326.3	0.0	0.0	0.0	326.3
Gearing (%)					
Net debt (cash)/properties	-26.1	-	-	-	-26.1
Net debt (cash)/equity	-20.9	-	-	-	-20.9

Source: Mayfair Capital Investment Management Limited

Quarterly data per unit

As at	31-Dec-21	31-Mar-22	30-Jun-22	30-Sep-22	31-Dec-22	31-Mar-23
Bid (GBP)	1,416.0	1,483.0	1,520.0	1,439.0	1,239.0	1,234.0
Offer (GBP)	1,524.0	1,596.0	1,633.0	1,544.0	1,331.0	1,319.0
Mid (GBP)	1,470.0	1,539.5	1,576.5	1,491.5	1,285.0	1,276.5
Bid/offer spread	7.1%	7.1%	6.9%	6.8%	6.9%	6.4%
Net asset value (GBP)	1,433.6	1,501.8	1,538.7	1,456.2	1,254.4	1,248.8
Quarterly distribution (GBP)	0.0	12.8	12.1	14.3	14.0	13.1
Yield	2.3%	3.0%	3.1%	3.5%	4.2%	4.3%

Source: Mayfair Capital Investment Management Limited

Unit pricing

The Trust's NAV and the bid and offer price of its units are re-calculated as at the date of the quarterly revaluation of the portfolio. Income is not included in this re-calculation.

Distributions

Distributions of income are made quarterly and paid at the end of the month following the end of each calendar quarter.

Minimum investment/disinvestment

A minimum initial investment of £100,000, although the Manager may approve smaller holdings.

Creation, transfer and realisation of units

Units may be issued on the direction of the Manager usually at the end of each quarter but no more frequently than monthly. Income accrues to units from the date of issue. Units may be redeemed on written notice to be received by the Manager at least one month before the last day of a calendar quarter. Proceeds are then paid on the subsequent quarter end day at the then prevailing bid price and income accrues to the date of payment. In certain circumstances, the Manager may postpone redemptions.

Once a redemption notice is served it may not be withdrawn without the Managers approval. The Manager may also require redeeming unitholders to transfer their units at the then prevailing bid price. Units can be transferred at any time to an eligible investor.

Taxation

The following is a summary of current law and practice and is subject to change. The information should not be regarded as legal or tax advice.

Capital Gains Tax

Since it is registered in Jersey, the trust is not subject to UK 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

While distributions of income are made gross on a quarterly basis to all holders who are UK residents or those who hold non –resident Landlord clearance. 20% Jersey tax is withheld from distributions payable to Jersey residents. Income (less expenses property incurred) arising directly from the properties whether it is distributed or not, will be liable under Schedule A to UK income or corporation tax in the hands of unit holders, regardless of where they are resident.

Stamp duty reserve tax

The trust's registration in Jersey means that the redemption and issue of units does not attract SDRT.

Charges

Annual fee

The Investment Advisor is entitled to an annual fee (payable quarterly) equivalent to 0.5% pa of the Net Asset Value of the Trust.

Initial charge

No initial charge is levied by the Manager on investors acquiring units in the Trust.

Performance fee

The Investment Advisor may earn a performance fee if the Trust's annualised three year total return, as published in the MSCI/AREF UK Quarterly Property Fund Index, exceeds the weighted average of the All Balanced Property Funds Index. Performance is measured each quarter and the fee equates to one quarter of the annual rate for each qualifying quarter. If the Trust is ranked above the weighted average, the rate of performance fee is 0.0375% (0.15% per annum) of the NAV. Alternatively, if the performance is equal or above the upper quartile of the All Balanced Property Funds Index, the performance fee is 0.0625% (0.25% per annum) of the NAV. The performance fee is payable in addition to the standard management fee.

Transaction Fee

The Investment Advisor may also earn transaction fees.

Unit holder analysis

	Number of unitholders	Total % held
Less than 1% of units in issue	4	1.9
1% or greater but less than 2%	3	4.3
2% or greater but less than 4%	4	11.5
4% or greater but less than 8%	5	28.6
Greater than 8.0%	5	53.7
Total	21	100.0
Major investors		
Largest holder	1	13.6
Three largest holders	3	36.3
Five largest holders	5	53.7
Ten largest holders	10	82.3
Internal/external investors		
Internal	21	100.0
External	0	0.0

Source: Mayfair Capital Investment Management Limited

Liquidity

Period	Year to Dec 2018	Year to Dec 2019	Year to Dec 2020	Year to Dec 2021	Year to Dec 2022	Year to Dec 2023
Issues and redemptions						
Units in issue as at start of period	278,868.00	289,858.18	289,858.18	289,858.18	269,162.89	265,215.52
Units issued during period	10,990.18	0.00	0.00	0.00	0.00	0.00
Units redeemed during period	0.00	0.00	0.00	-20,695.30	-3,947.37	-3,912.36
Units in issue at end of period	289,858	289,858	289,858	269,163	265,216	261,303
Unit transfers						
Matched bargains	4,430	49	-	-	3,944	-
Matched bargains %*	1.53%	0.02%	0.00%	0.00%	1.49%	0.00%

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

Source: Mayfair Capital Investment Management Limited