

Nuveen Real Estate UK Property Fund

INVESTMENT POLICY AND OBJECTIVES

The Fund has been established to provide unit holders with the opportunity to access a diversified portfolio of UK commercial properties
The objective of the Fund is to outperform the median fund in the All Balanced Fund Index component of The MSCI/AREF UK Quarterly Property Fund Index

INVESTOR CONSTITUENCY

The Fund is open to UK and overseas tax-exempt and tax-paying non-private investors.

Fund details	
Type of fund	Property unit trust
Residence	Jersey
Launch date	01-Jun-94
Open/closed-ended	Open-ended
Earliest date of winding up	-
Year-end	23-Mar
NAV (GBpm)	139.9

Source: Nuveen Real Estate

Management/professional advisors	
Manager	Nuveen Property Management (Jersey) Limited
Property advisor	Nuveen Real Estate Management Limited
Investment Advisor	-
Fund Manager	Robin Hutchison
Corporate trustee	BNP Paribas Jersey Trust Corporation Limited
Auditors	KPMG

Source: Nuveen Real Estate

Investment rates of return, %		MSCI/AREF UK Quarterly Property Fund Index		
		Other balanced open-ended funds	All balanced open-ended funds	All funds
3 months	0.9	0.3	0.4	0.3
Year-to-date	-0.6	0.1	0.2	0.1
12 months	-13.0	-17.1	-17.4	-17.1
3 years+	4.6	3.3	3.4	2.3
5 years+	3.6	2.3	2.2	1.1
10 years+	7.6	6.6	6.3	5.5

Note: * Weighted average returns + Annualised

Source: MSCI/AREF UK Quarterly Property Fund Index

Property investment restrictions	
Maximum development exposure	20%
Maximum speculative development exposure	*
Maximum lot-size holding as a standing investment	15%
Maximum lot-size holding permitted at purchase	15%
Maximum exposure to limited partnerships	20%
Maximum exposure to joint ventures	n/a
Maximum exposure to closed and open-ended property unit trusts	20%
Maximum trade in property derivatives: single trade	15%
Maximum trade in property derivatives: aggregate trades	20%

Note: *None specified

Source: Nuveen Real Estate

Portfolio distribution %		MSCI/AREF UK Quarterly Property Fund Index**		
	Nuveen Real Estate UK Property Fund*	Other balanced open-ended funds	All balanced open-ended funds	All funds
Standard retail – South East	8.9	4.9	4.6	4.6
Standard retail – Rest of UK	4.7	1.2	1.4	2.3
Shopping centres	0.0	0.6	0.9	2.5
Retail warehouses	7.5	12.4	12.1	7.6
All UK retail	21.1	19.1	19.0	17.1
City offices	0.0	3.3	3.4	3.2
West End offices	5.8	8.1	7.5	5.1
Rest of South East offices	30.1	7.5	7.1	5.5
Rest of UK offices	0.0	5.2	4.9	5.3
All UK offices	35.9	24.2	22.9	19.1
South East industrial	26.6	24.0	24.5	20.3
Rest of UK industrial	15.5	13.6	13.7	11.8
All UK industrial	42.1	37.6	38.2	32.1
Other UK properties	0.0	12.4	12.5	25.9
Cash***	0.9	6.7	7.4	5.8
Overall	100.0	100.0	100.0	100.0

Source: Nuveen Real Estate

** MSCI/AREF UK Quarterly Property Fund Index

Property ownership structure			
	Number of assets	Valuation (GBpm)	% of total portfolio
Direct holdings	17	138.7	100.0
Joint and indirect holdings	0	0.0	0.0
Listed investments	0	0	0.0
Total	17	138.7	100.0

Source: Nuveen Real Estate

Largest direct investments by lot size & percentage of total portfolio				
Property	Location	Sector	Valuation (GBPm)	% of total portfolio
GENESIS BUSINESS PARK - WOKING,WOKING,ALBERT DRIVE	Woking	Office	20-25	*
CALDER HOUSE, CENTRAL ROAD, HARLOW, ESSEX	HARLOW	Industrial	10-15	*
UNIT 4-11 CHESFORD GRANGE	WARRINGTON	Industrial	10-15	*
65 - 79 KING STREET/ANGEL WALK	LONDON	Retail Other	10-15	*
UNITS 2 - 6 KING GEORGE CLOSE	ROMFORD	Industrial	5-10	*
115 SOUTHWARK BRIDGE STREET	LONDON	Office	5-10	*
6&7 HATTON GARDEN	LONDON	Office	5-10	*
38-40 & 50 WILLOW LANE,MITCHAM,38/40 & 50 WILLOW LANE	Mitcham	Industrial Other	5-10	*
STOKE HOUSE, LEAPALE HOUSE & BELL COURT	GUILDFORD	Office	5-10	*
PARHAM DRIVE	EASTLEIGH	Industrial	5-10	*
10 largest investments as % of portfolio				
Source: Nuveen Real Estate				

Direct portfolio structure by lot-size bands			
Value band (GBPm)	Number of assets	Valuation (GBPm)	% of total portfolio
0 -2.5	1	0.1	0.0
2.5 - 5	2	7.4	5.3
5-10	10	70.4	50.7
10-25	4	60.9	43.9
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	17	138.7	100.0
Average lot size		8.2	
Source: Nuveen Real Estate			

Property Yield		Voids as % of ERV	
Net initial yield	5.15%	Investments	11.03%
Nominal equivalent yield	-	Developments	0.00%
True equivalent yield	6.64%	Total	11.03%
Net reversionary yield	6.29%	Source: Nuveen Real Estate	
Source: Nuveen Real Estate			

Rental income & ERV by type of property		
	Rental income %	Estimated rental value %
Standard retail	17.3	15.0
Retail warehousing	9.1	7.4
Shopping centres	0.0	0.0
Central London offices	5.8	6.1
Other offices	38.5	36.8
Industrial	29.3	34.7
Other	0.0	0.0
Overall	100.0	100.0
Source: Nuveen Real Estate		

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	1.3	8.3	0.0	10.0	-6.5	17.0	10.5	117.0
Retail warehousing	0.7	0.0	0.0	9.9	-3.3	9.1	5.8	109.1
Shopping centres	-	-	-	-	-	-	-	-
Central London offices	0.4	0.0	0.0	45.9	-5.4	41.5	36.0	141.5
Other offices	3.0	0.0	0.0	23.3	-2.9	29.3	26.4	129.3
Industrial	2.3	35.2	0.0	2.1	-0.1	60.0	59.9	160.0
Other	-	-	-	-	-	-	-	-
Overall	7.7	11.8	0.0	14.9	-2.9	35.0	32.2	135.0

*Comprising the ERV of developments in progress or contracted which have not been pre-let
Source: Nuveen Real Estate

Listed Investments			
	% of issue held	Valuation (GBPm)	Est. % of total portfolio
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
Source: Nuveen Real Estate			

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	0.0
5 years or greater, but less than 10	22.6
Less than 5 years	77.4
Source: Nuveen Real Estate	

Joint and Indirect property holdings						
Holdings	Sector	Joint/Indirect	Vehicle Type	Ownership %	Valuation	Est. % of total portfolio

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

Source: Nuveen Real Estate

Fixed rate borrowings			Variable rate borrowings		
Amount drawn (GBPm)	Average rate (%)	Average unexpired term (years)	Amount drawn (GBPm)	Rate above LIBOR (ind 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: Nuveen Real Estate

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

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

+ Including schemes to which the fund is contractually committed

Source: Nuveen Real Estate

Valuations/performance monitors/affiliations	
Frequency of valuation	Monthly, on 23rd of each month
Valuers	BNP Paribas Real Estate
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: Nuveen Real Estate

Restrictions on holdings of cash/borrowings	
Maximum total gearing permitted	35%
for investment purposes	25%
for liquidity purposes	10%
Cash holdings (maximum)	+
Cash holdings (minimum)	0%

Source: Nuveen Real Estate

The contribution of major tenants to rental income	
Tenant	%
LAZER LAMPS LIMITED	9.3
BARCLAYS BANK PLC	4.3
SUPERDRUG	3.7
TESCO STORES LTD	3.7
UNIT 1 (PART GF) - NUVIAS (UK & IRELAND) LTD	3.6
TRAVIS PERKINS	3.5
ROAR B2B LTD (CAT B)	3.1
UNIT 2 (GF) - FERNOX LTD	3.0
BUNZL UK LIMITED	3.0
UNIT 2 (1ST F) - MCCARTHY & STONE RETIREMENT LIFESTYLES LTD	2.9
Three largest tenants' contribution to rental income	17.3
Five largest tenants' contribution to rental income	24.6
Ten largest tenants' contribution to rental income	40.1

Source: Nuveen Real Estate

Balance sheet/gearing					
	Direct holdings	Joint holdings	Indirect investments	Listed investments	Total
Balance sheet (GBPm)					
Properties at valuation	138.7	0.0	0.0	0.0	138.7
Listed investments	0.0	0.0	0.0	0.0	0.0
Debt	0.0	0.0	0.0	0.0	0.0
Cash	1.2	0.0	0.0	0.0	1.2
Other net assets/liabilities	0.0	0.0	0.0	0.0	0.0
Total net assets	139.9	0.0	0.0	0.0	139.9
Gearing (%)					
Net debt (cash)/properties	-0.9	-	-	-	-0.9
Net debt (cash)/equity	-0.9	-	-	-	-0.9

Source: Nuveen Real Estate

Quarterly data per unit						
As at	31-Mar-22	30-Jun-22	30-Sep-22	31-Dec-22	31-Mar-23	30-Jun-23
Bid (GBP)	2,545.69	2,602.01	2,576.08	2,244.01	2,191.94	2,196.95
Offer (GBP)	2,751.32	2,799.21	2,775.77	2,426.63	2,374.11	2,379.29
Mid (GBP)	2,648.51	2,700.61	2,675.93	2,335.32	2,283.03	2,288.12
Bid/offer spread	7.47%	7.04%	7.19%	7.53%	7.67%	7.66%
Net asset value (GBP)	2,573.30	2,638.03	2,612.55	2,277.36	2,225.14	2,230.18
Quarterly distribution (GBP)	15.21	15.28	21.01	14.60	19.77	14.39

Yield	2.64%	2.50%	2.79%	2.90%	3.18%	3.05%
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Source: Nuveen Real Estate

Unit pricing

The unit price is calculated on the last business day of each month. Income is not included in the unit price. Some of the vehicles through which the Fund holds directly-held investments have fixed-rate debt. The market value of this debt is not published and it does not reflect in the monthly recalculation of the Fund's net asset value.

Distributions

Distributions are made monthly, normally on the 20th of each month or the following working day. Ex-distribution dates are the penultimate working day of each month, i.e. the day before pricing. Distributions are paid to the unitholders shown on the register on the ex-distribution dates.

Minimum investment/disinvestment

The minimum initial investment is GBP250,000, although the manager, at their discretion, can allow investors to invest as little as GBP25,000 where it is satisfied that the investor has received financial advice or the investment is made on the investor's behalf by a discretionary investment manager. Existing unitholders may increase or decrease their holdings by minimum amounts of GBP10,000 (rounded to the nearest number of whole units). No redemption notice will be accepted that would result in a holding falling to below the minimum holding value determined by the manager (currently GBP10,000).

Creation, transfer and realisation of units

The fund is open to subscriptions on a monthly basis, with applications to be received at least three business days before subscription day, which is the last working day of the month.

As from March 2009, the Manager has the discretion to defer redemptions if it deems it in the interest of continuing unitholders to do so.

Redeeming unitholders may not withdraw their realisation notice in respect of units which the Manager has notified the unitholder that it has determined can be redeemed or any units which are within the last 3 months of the 24-month redemption window.

The manager will attempt, where possible, the matching of buying and selling orders. Such transfers are effective from the last business day of the month during which they take place.

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 fund 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 net of UK Income Tax, non-taxpayers are entitled to reclaim any tax deducted at source.

Stamp duty reserve tax

no stamp duty is payable on the transfer of existing units.

Charges

The trust instrument empowers the manager and investment advisor to make an annual charge totalling not more than 2% of the net asset value of the fund (including accrued income). However, the total charge is currently 1% pa and the manager has undertaken to give at least three months' notice of any increase in this figure.

The manager and investment advisor currently bear the cost of fees of service providers in relation to day-to-day management and rent collection of directly held properties, valuations, the trustees' and auditors' fees, custodian fees and the costs of preparing reports and accounts for unitholders, and market research and performance measurement. These costs may, alternatively, be charged to unitholders. The manager has undertaken to give at least three months' notice before so doing.

Unit holder analysis		
	Number of unitholders	Total % held
Less than 1% of units in issue	3	0.5
1% or greater but less than 2%	1	1.1
2% or greater but less than 4%	5	15.8
4% or greater but less than 8%	-	-
Greater than 8.0%	6	82.6
Total	15	100.0
Major investors		
Largest holder	1	30.2
Three largest holders	3	56.7
Five largest holders	5	74.4
Ten largest holders	10	95.9
Internal/external investors		
Internal	-	-
External	15	100.0

Source: Nuveen Real Estate

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	90,671	90,615	78,191	75,649	73,301	66,014
Units issued during period	-	-	-	-	-	-
Units redeemed during period	-56	-12,423	-2542.023	-2348.8083	-7,286	-1,549
Units in issue at end of period	90,615	78,191	75,649	73,301	66,014	64,465
Unit transfers						
Matched bargains	7,576	7,386	3,188	438	0	0
Matched bargains %*	8.36%	9.45%	4.21%	0.60%	0.00%	0.00%

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

Source: Nuveen Real Estate