

Keills Property Trust

INVESTMENT POLICY AND OBJECTIVES

To invest in RPI Property. Keills define this as UK real estate let to high quality tenants where the rent is contracted to increase in line with RPI, CPI or is subject to fixed increases. Our stock selection process tries to ensure that the selected property is the natural home of the tenant and so we seek sustainable locations. There is no specific sector allocation requirement and the fund is benchmarked to the MSCI Quarterly Universe. Keills believes that market rental growth will be minimal over the next 10 years.

INVESTOR CONSTITUENCY

The Trust is open to investment by UK pension funds including SIPP's.

Fund details	
Type of fund	Exempt Property unit trust
Residence	United Kingdom
Launch date	April 2010
Open/closed-ended	Open-ended
Earliest date of winding up	-
Year-end	31-Mar
NAV (GBPm)	31.7

Source : Keills Property Trust

Management/professional advisors	
Investment	Keills Limited
Manager	Magarch Limited
Trust Manager	
Trustee	Vistra Trust Corporation (UK) Limited
Auditors	Johnston Carmichael

Source : Keills Property Trust

Investment rates of return, %		MSCI/AREF UK Quarterly Property Fund Index		
	Keills Property Trust	Other balanced funds	All balanced funds	All funds
3 months	3.0	2.1	2.1	1.4
Year-to-date	-4.4	-1.0	-1.0	-2.9
12 months	-4.4	-1.0	-1.0	-2.9
3 years+	1.2	2.7	2.3	1.1
5 years+	2.9	4.4	3.9	3.0
10 years+	4.9	6.7	6.4	5.9

Source: MSCI/AREF UK Quarterly Property Fund Index

Property investment restrictions	
Maximum development exposure	*
Maximum speculative development exposure	*

Maximum lot-size holding as a standing investment	*
Maximum lot-size holding permitted at purchase	*
Maximum exposure to limited partnerships	*
Maximum exposure to joint ventures	*
Maximum exposure to closed and open-ended property unit trusts	*

Source : Keills Property Trust

Portfolio distribution %				
	Keills Property Trust	MSCI/AREF UK Quarterly Property Fund Index		
		Other balanced funds	All balanced funds	All funds
Standard retail – South East	18.1	6.1	5.3	4.9
Standard retail – Rest of UK	17.6	2.2	2.5	3.3
Shopping centres	0.0	1.1	1.5	4.2
Retail warehouses	0.0	11.2	10.5	9.2
All UK retail	35.7	20.6	19.8	21.6
City offices	0.0	4.1	3.8	3.2
West End offices	0.0	7.6	8.5	7.6
Rest of South East offices	0.0	11.0	10.5	7.5
Rest of UK offices	0.0	6.1	5.7	5.1
All UK offices	0.0	28.9	28.5	23.4
South East industrial	0.0	21.1	21.9	18.0
Rest of UK industrial	15.6	11.6	11.4	9.2
All UK industrial	15.6	32.7	33.2	27.3
Other UK properties	43.7	11.0	10.1	21.5
Cash***	4.9	6.8	8.4	6.2
Overall	100.0	100.0	100.0	100.0

Source : Keills Property Trust

Property ownership structure			
	Number of assets	Valuation (GBPm)	% of total portfolio
Direct holdings	9	30.1	100.0
Joint and indirect holdings	0	0.00	0.0
Listed investments	0	0	0.0
Total	9	30.1	100.0

Source : Keills Property Trust

Largest direct investments by lot size & percentage of total portfolio				
Property	Location	Sector	Valuation (GBPm)	% of total portfolio
WEST STAND	LONDON	Healthcare	5.7	18.9
INTERFACE BUSINESS PARK, BINKNOLL LANE, R	SWINDON	Industrial	4.3	14.3
HARBOURSIDE DRIVE	PORT TALBOT	Infrastructure	4.0	13.2
CAR PARK	STOKE-ON-TRENT	Other	3.4	11.3
143 SAUCHIEHALL STREET	GLASGOW	Retail Other	3.0	10.0
CAR PARK	IPSWICH	Other	2.9	9.7
76 BRIXTON HILL	LONDON	Retail Other	2.8	9.2
224 HAMPTON ROAD	TWICKENHAM	Retail Other	2.2	7.4
93-99 ALBERT STREET	DUNDEE	Retail Other	1.8	6.0
-	-	-	-	-

10 largest investments as % of portfolio	30.1	100.0
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Source : Keills Property Trust

Direct portfolio structure by lot-size bands			
Value band (GBPm)	Number of assets	Valuation (GBPm)	% of total portfolio
0 -2.5	2	4.0	13.4
2.5 - 5	6	20.4	67.7
5-10	1	5.7	18.9
10-25	0	0.0	0.0
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	9	30.1	100.0
Average lot size		3.3	

Source : Keills Property Trust

Property Yield		Voids as % of ERV	
Net initial yield	6.01%	Investments	1.35%
Nominal equivalent yield	0.00%	Developments	-1.35%
True equivalent yield	6.65%	Total	0.00%
Net reversionary yield	5.24%		

Source : Keills Property Trust

Rental income & ERV by type of property		
	Rental income %	Estimated rental value %
Standard retail	30.7	31.3
Retail warehousing	0.0	0.0
Shopping centres	0.0	0.0
Central London offices	0.0	0.0
Other offices	0.0	0.0
Industrial	11.2	14.6
Other	43.4	39.5
Overall	85.3	85.4

Source : Keills Property Trust

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	0.7	0.0	0.0	3.9	-13.3	-9.1	-22.4	90.9
Retail warehou:	-	-	-	-	-	-	-	-
Shopping centri	-	-	-	-	-	-	-	-
Central London	-	-	-	-	-	-	-	-
Other offices	-	-	-	-	-	-	-	-

Industrial	0.2	0.0	0.0	0.0	0.0	15.8	15.8	115.8
Other	0.9	0.0	0.0	0.0	-18.6	-18.6	-37.2	81.4
Overall	2.2	0.0	0.0	1.2	-13.8	-10.7	-24.5	89.3

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

Source : Keills Property Trust

Listed Investments								
	held		(GBPm)		portfolio			
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
	0.0		0.0					0.0

The unexpired term of leases	
Years	% of rent passing
20 years or greater	5.0
15 years or greater, but less than 20	14.8
10 years or greater, but less than 15	7.8
5 years or greater, but less than 10	29.2
Less than 5 years	43.2

Source : Keills Property Trust

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

Source : Keills Property Trust

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 : Keills Property Trust

Development exposure*

	Capital value of developments			
	Not yet started	In progress+	All developments	complete
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 : Keills Property Trust

Valuations/performance monitors/affiliations

Frequency of valuation	Quarterly
Valuers	Colliers
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 : Keills Property Trust

Restrictions on holdings of cash/borrowings

Maximum total gearing permitted	*
For investment purpose	*
For liquidity purpose	*
Cash holdings (maximum)	*
Cash holdings (minimum)	*

Source : Keills Property Trust

The contribution of major tenants to rental income

Tenant	%
WALTHAM FOREST PCT	24.2
CO-OPERATIVE GROUP FOOD LIMITED	17.6
NATIONAL CAR PARKS LIMITED	17.0
The Secretary of State for Communities Local Government	14.8
MASTER REMOVERS GROUP LIMITED	11.3
UNIT 1 - CO-OP	6.1
SAINSBURY'S SUPERMARKET LIMITED	5.8
STRANDHAVEN LIMITED	2.5
Mr & Mrs Ruparel & Mr Shanmugarajah	0.7
-	-
Three largest tenants' contribution to rental income	58.8
Five largest tenants' contribution to rental income	84.9
Ten largest tenants' contribution to rental income	100.0

Source : Keills Property Trust

Balance sheet/gearing

	Direct holdings	Joint holdings	Indirect investments	Listed investments	Total
Balance sheet (GBPm)					
Properties at valuation	30.1	0.0	0.0	0.0	30.1
Listed investments	0.0	0.0	0.0	0.0	0.0
Debt	0.0	0.0	0.0	0.0	0.0
Cash	1.6	0.0	0.0	0.0	1.6
Other net assets/liabilities	0.0	0.0	0.0	0.0	0.0

Total net assets	31.7	0.0	0.0	0.0		31.7
Gearing (%)						
Net debt (cash)/properties	-5.2	-	-	-		-5.2
Net debt (cash)/equity	-4.9	-	-	-		-4.9

Source : Keills Property Trust

Quarterly data per unit						
As at	30-Sep-19	31-Dec-19	31-Mar-20	30-Jun-20	30-Sep-20	31-Dec-20
Bid (GBP)	0.41	0.40	0.39	0.37	0.37	0.37
Offer (GBP)	0.44	0.43	0.42	0.39	0.39	0.39
Mid (GBP)	0.42	0.42	0.41	0.38	0.38	0.38
Bid/offer spread	7.0%	7.1%	7.1%	7.1%	7.1%	7.1%
Net asset value (GBP)	0.41	0.42	0.40	0.39	0.38	0.38
Quarterly distribution (GBP)	0.00	0.01	0.00	0.01	0.00	0.01
Yield	3.6%	3.6%	3.8%	4.6%	4.8%	4.8%

Source : Keills Property Trust

Unit pricing

The price of the units is calculated quarterly. New investment may be made by suitable investors at any time. Investment is

Distributions

Currently distributions are made every six months.

Minimum investment/disinvestment

The manager has discretion to accept initial investment below the minimum initial investments figure of £1 million. There is no minimum level of further investment by existing investors.

Creation, transfer and realisation of units

The trust is open to subscriptions on a quarterly basis, with applications to be received by the last business day of the month.

Taxation

Capital Gains Tax

The trust is not subject to UK capital gains tax

Income Tax

Distributions of income are made gross with no deduction of income tax

Stamp duty reserve tax

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

Charges

The annual management fee is equivalent to 0.25% of the gross asset value of the portfolio. This includes the fee

Unit holder analysis		
	Number of unitholders	Total % held
Less than 1% of units in issue	24	1.1
1% or greater but less than 2%	0	0.0
2% or greater but less than 4%	0	0.0

4% or greater but less than 8%	0	0.0
Greater than 8.0%	1	98.9
Total	25	100.0
Major investors		
Largest holder	1	98.9
Three largest holders	3	99.1
Five largest holders	5	99.2
Ten largest holders	10	99.6
Internal/external investors		
Internal	0	0.0
External	25	100.0

Source : Keills Property Trust

Liquidity

Period	Year to Dec 2015	Year to Dec 2016	Year to Dec 2017	Year to Dec 2018	Year to Dec 2019	Year to Dec 2020
Issues and redemptions						
Units in issue as at start of period	83,266,785	84,587,540	84,400,270	84,379,301	84,637,120	84,367,855
Units issued during period	135,677	27,765	22,677	21,831	11,056	0
Units redeemed during period	-36,922	-215,035	-43,646	235,988	-280,321	-61,866
Units in issue at end of period	84,587,540	84,400,270	84,379,301	84,637,120	84,367,855	84,305,989
Unit transfers						
Matched bargains	-	-	-	0	0	0
Matched bargains %*	-	-	-	0.00%	0	0

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

Source : Keills Property Trust