

The Leisure Fund Limited Partnership

INVESTMENT POLICY AND OBJECTIVES

The Fund's strategy is to invest in a portfolio of UK leisure property investments. Its objective is to outperform the Leisure Property sub-sector of the MSCI UK Quarterly Benchmark.

INVESTOR CONSTITUENCY

The Fund is open to investment by pension funds, charities, insurance & other companies and other intermediate investors from within the UK or abroad, subject to relevant local regulations. Entry is via The Leisure Feeder Unit Trust (registered in Jersey).

Fund details	
Type of fund	Limited Partnership with Jersey Feeder Unit Trust
Residence	United Kingdom
Launch date	June 2002
Open/closed-ended	Closed-ended
Earliest date of winding up	31 December 2020
Year-end	31st December
NAV (GBPM)	265.4

Source: Legal & General Property

Management/professional advisors	
Fund Manager	Legal & General Property Partners (Operator) Ltd
Investment Advisor	Legal & General Property Ltd
Property Fund Manager	Andrew Ferguson
Trustee	JTC
Auditors	Price Waterhouse Coopers

Source: Legal & General Property

Investment rates of return** %				
		MSCI/AREF UK Quarterly Property Fund Index*		
	The Leisure Fund Limited Partnership	Other balanced open-ended funds	All balanced open-ended funds	All funds
3 months	0.4	0.3	0.4	0.3
Year-to-date	1.7	0.1	0.2	0.1
12 months	-10.0	-17.1	-17.4	-17.1
3 years+	-3.7	3.3	3.4	2.3
5 years+	-7.4	2.3	2.2	1.1
10 years+	2.0	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	*
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	*

Note: * Currently under revision. All transactions currently require investor approval

Source: Legal & General Property

Portfolio distribution %		
	The Leisure Fund Limited Partnership	Total
Yorkshire & Humberside	28.2	28.2
South West	25.8	25.8
South East	2.5	2.5
North West	12.0	12.0
Rest of London *	8.4	8.4
East Midlands	6.4	6.4
City	-	-
West End	-	-
Midtown	-	-
Eastern	-	-
West Midlands	11.0	11.0
North East	2.4	2.4
Wales	2.9	2.9
Scotland	-	-
Northern Ireland	-	-
Other	-	-
Cash	-	0.3
Overall	99.7	100.0

Note: * Excluding the City, the West End and Mid-town

Source: Legal & General Property

Property ownership structure			
	Number of assets	Valuation (GBPm)	% of total portfolio
Direct holdings	18	419.7	100.0
Joint and indirect holdings	0	0.0	0.0
Listed investments	0	0.0	0.0
Total	18	419.7	100.0

Source: Legal & General Property

Largest direct investments by lot size & percentage of total portfolio				
Property	Location	Sector	Valuation (GBPm)	% of total portfolio
COLISEUM LEISURE PARK	ELLESMERE PORT	Leisure Park (whole or part)	40-50	10.48
VALLEY CENTERTAINMENT	SHEFFIELD	Leisure Park (whole or part)	40-50	10.32
THE LIGHT LEISURE SCHEME	LEEDS	Leisure	40-50	9.63
BROADWAY PLAZA	BIRMINGHAM	Leisure Park (whole or part)	30-40	9.43
BH2 LEISURE	BOURNEMOUTH	Leisure Park (whole or part)	30-40	8.76
MILLENNIUM CINEMA	LONDON	Leisure Park (whole or part)	30-40	8.46
BARBICAN LEISURE PARK	PLYMOUTH	Leisure Park (whole or part)	30-40	7.80
MERIDIAN LEISURE PARK	LEICESTER	Leisure Park (whole or part)	20-30	6.43
VANGUARD LEISURE SCHEME	YORK	Leisure Park (whole or part)	20-30	5.17
ASPECTS LEISURE PARK	BRISTOL	Leisure Park (whole or part)	20-30	4.86
10 largest investments as % of portfolio				81.34

Source: Legal & General Property

Direct portfolio structure by lot-size bands			
Value band (GBPm)	Number of assets	Valuation (GBPm)	% of total portfolio
0 - 2.5	0	0.0	0.0
2.5 - 5	0	0.0	0.0
5-10	3	21.5	5.1
10-25	7	98.9	23.6
25 - 50	8	299.3	71.3
50 - 100	0	0.0	0.0
100-150	0	0.0	0.0
Over 150	0	0.0	0.0
Total	18	419.7	100.0
Average lot size		23.3	

Source: Legal & General Property

Property Yield		Voids as % of ERV	
Net initial yield	7.10%	Investments	5.20%
Nominal equivalent yield	7.50%	Developments	0.00%
True equivalent yield	7.80%	Total	5.20%
Net reversionary yield	8.00%		

Source: Legal & General Property

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

Source: Legal & General Property

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
Leisure Property	34.0	0.6	0.0	4.3	-14.1	-5.3	-19.3	94.7
Overall	34.0	0.6	0.0	4.3	-14.1	-5.3	-19.3	94.7

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

Source: Legal & General Property

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

The unexpired term of leases	
Years	% of rent passing
20 years or greater	12.4
15 years or greater, but less than 20	33.7

10 years or greater, but less than 15	14.0
5 years or greater, but less than 10	18.9
Less than 5 years	21.0

Source: Legal & General Property

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

Source: Legal & General Property

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: Legal & General Property

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: Legal & General Property

Valuations/performance monitors/affiliations	
Frequency of valuation	Quarterly, on the last day of the month
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: Legal & General Property

Restrictions on holdings of cash/borrowings	
Maximum total gearing permitted	55% of gross asset value
Cash holdings (maximum)	None
Cash holdings (minimum)	None

Source: Legal & General Property

The contribution of major tenants to rental income	
Tenant	%
Vue Entertainment Ltd	16.0
Cineworld Cinemas Ltd	9.9
Odeon Cinemas Ltd	14.6
The Original Bowling Company Ltd	4.6
Nandos	3.0
Travelodge	4.3
Mitchells & Butler Retail Ltd	2.7
Q Parks Ltd	2.7
Nuffield Health	2.9
Restaurant Group	2.4
Three largest tenants' contribution to rental income	40.5
Five largest tenants' contribution to rental income	48.1
Ten largest tenants' contribution to rental income	63.1

Source: Legal & General Property

Balance sheet/gearing					
	Direct holdings	Joint holdings	Indirect investments	Listed investments	Total
Balance sheet (GBPm)					
Properties at valuation	419.7	-	-	-	419.7
Listed investments	0.0	-	-	-	0.0
Debt	-159.9	-	-	-	-159.9
Cash	1.3	-	-	-	1.3
Other net assets/liabilities	4.3	-	-	-	4.3
Total net assets	265.4	-	-	-	265.4

Gearing (%)					
Net debt (cash)/properties	37.8	-	-	-	37.8
Net debt (cash)/equity	59.8	-	-	-	59.8

Source: Legal & General Property

Quarterly data per unit						
As at	31-Mar-22	30-Jun-22	30-Sep-22	31-Dec-22	31-Mar-23	30-Jun-23
Net asset value (GBP)	585.992	595.687	587.574	505.102	507.735	505.130
Quarterly distribution (GBP)	13.3216	17.1278	12.3701	12.3701	3.8062	4.7577
Yield	6.2%	8.9%	9.2%	10.9%	9.0%	6.6%

Source: Legal & General Property

Net asset value

Net assets per unit are recalculated as at the end of each quarter following the quarterly revaluation of the portfolio. The Vehicle Manager/Operator calculates the difference between the book value and the market value of the Swaps used to fix the rates of interest on part of the Fund's debt, but in accordance with UK GAAP this difference is not reflected in its published net asset value. This difference amounted on 31 December 2014 to GBP0.933m, equivalent to a decrease of 0.2% in the Fund's published NAV. Performance fees are estimated and accrued and therefore reflect in the re-calculation.

Distributions

The fund distributes 100% of its income 20 calendar days after the end of each quarter.

Minimum investment/disinvestment

N/A

Creation, transfer and realisation of units

The fund is closed-ended. However, the manager can raise new investment in the fund and bring in new partners.

Taxation

Capital Gains Tax

The partnership is tax transparent. The admission of a new partner would not give rise to a capital gains tax liability, but the disposal of a partnership interest may give rise to a capital gains tax liability. Those investors in The Leisure Feeder Unit Trust who are subject to tax may be liable to capital gains tax on the sale of their units in the Trust.

Income Tax

The unit trust is a Baker Trust and has distributor fund status – distributions are therefore taxable in the hands of the investors at their relevant marginal rate of tax.

Stamp duty reserve tax

Transfers of partnership interests are subject to SDLT at the prevailing rate, currently 4.0%. Since The Leisure Feeder Unit Trust is registered in Jersey, transfers of units in the Trust are not subject to SDRT.

Charges

Annual charge: The Vehicle Asset Manager/Operator is entitled to fees equivalent to 60bps pa of the net asset value of the Partnership.

Performance fee: 17.5% over the benchmark return plus 1% on a three year rolling basis.

Unit holder analysis		
	Number of unitholders	Total % held
Less than 1% of units in issue	8	5.7
1% or greater but less than 2%	4	5.0
2% or greater but less than 4%	5	14.6
4% or greater but less than 8%	7	40.0
Greater than 8.0%	3	34.8
Total	27	100.0
Major investors		
Largest holder	1	13.9
Three largest holders	3	34.8
Five largest holders	5	48.3
Ten largest holders	10	74.7
Internal/external investors		
Internal	2	14.6
External	25	85.4

Source: Legal & General 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	500,022	525,461	525,461	525,461	525,461	525,461
Units issued during period	25439	-	-	-	-	-
Units redeemed during period	*	-	-	-	-	-
Units in issue at end of period	525,461	525,461	525,461	525,461	525,461	525,461
Unit transfers						
Matched bargains	*	-	-	-	-	-
Matched bargains %*	*	-	-	-	-	-

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

Source: Legal & General Investment Management Limited