

Nuveen Real Estate UK Retail Warehouse Fund

INVESTMENT POLICY AND OBJECTIVES

The Fund has been established to provide unit holders with the opportunity to access dominant retail parks located in large urban areas throughout the UK. The objective of the Fund is to deliver to unit holders a Fund total return in excess of the retail warehouse component of the Investment Property Databank (MSCI) UK Quarterly, comprising standing investments, transactions and developments, but excluding any impact of the performance of the Fund.

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	July 2001
Open/closed-ended	Closed-ended
Earliest date of winding up	31 December 2021
Year-end	31 December
NAV (GBPm)	247.8

Source: Nuveen Real Estate

Management/professional advisors	
Manager	Nuveen Property Management (Jersey) Limited
Property advisor	Nuveen Real Estate Asset Management Limited
Fund Manager	SIOBHAN TOMAN
Trustee	BNP Paribas Jersey Trust Corporation Ltd and Anley Trustees Ltd
Auditors	KPMG

Source: Nuveen Real Estate

Investment rates of return, %	Nuveen Real Estate UK Retail Warehouse Fund	MSCI/AREF UK Quarterly Property Fund Index		
		Other balanced open-ended funds	All balanced open-ended funds	All funds
3 months	-5.8	0.3	0.4	0.3
Year-to-date	-1.9	0.1	0.2	0.1
12 months	-23.5	-17.1	-17.4	-17.1
3 years+	8.2	3.3	3.4	2.3
5 years+	-9.8	2.3	2.2	1.1
10 years+	-2.2	6.6	6.3	5.5

Source: Nuveen Real Estate

Property investment restrictions	
Maximum development exposure	25%
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: *None specified

Source: Nuveen Real Estate

Portfolio distribution %	Nuveen Real Estate UK Retail Warehouse Fund	Total
West Midlands	2.0	2.0
North West	25.2	25.2
South East	9.2	9.2
Rest of London*	17.0	17.0
Scotland	23.3	23.3
Wales	10.8	10.8
East Midlands	-	-
Eastern	11.5	11.5
City	-	-
West End	-	-
Midtown	-	-
South West	-	-
Yorkshire & Humberside	-	-
North East	-	-
Northern Ireland	-	-
Other	-	-
Cash	-	1.0
Overall	99.0	100.0

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

Source: Nuveen Real Estate

Property ownership structure		
	Number of assets	Valuation (GBPm)
		% of total portfolio

Direct holdings	9	413.9	100.0
Joint and indirect holdings	0	0.0	0.0
Listed investments	0	0.0	0.0
Total	9	413.9	100.0

Source: Nuveen Real Estate

Largest direct investments by lot size & percentage of total portfolio

Property	Location	Sector	Valuation (GBPm)	% of total portfolio
THE FORT SHOPPING PARK	MANCHESTER	Retail Park	100-150	*
BOREHAMWOOD SHOPPING PARK	BOREHAMWOOD	Retail Park	75-100	*
CRAIGLEITH RETAIL PARK	EDINBURGH	Retail Park	50-75	*
RIVERSIDE RETAIL PARK	NORWICH	Retail Park	50-75	*
ASHFORD RETAIL PARK (PHASE 2)	ASHFORD	Retail Park	25 -50	*
ALMONDVALE RETAIL PARK	LIVINGSTON	Retail Park	15-25	*
FFORESTFACH RETAIL PARK	SWANSEA	Retail Park	5-15	*
ISLAND GREEN RETAIL PARK	WREXHAM	Retail Park	5-15	*
WEAVERS WHARF RETAIL PARK	KIDDERMINSTER	Retail Park	5-15	*
-	-	-	-	-

10 largest investments as % of portfolio

Source: Nuveen Real Estate / MSCI estimates

* Undisclosed, as requested by Nuveen Real Estate

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	1	4.7	1.1
5-10	1	9.5	2.3
10-25	2	31.3	7.5
25 - 50	1	44.6	10.8
50 - 100	3	209.7	50.7
100-150	1	114.2	27.6
Over 150	0	0.0	0.0
Total	9	413.9	100.0
Average lot size		46.0	

Source: Nuveen Real Estate

Property Yield		Voids as % of ERV	
Net initial yield	5.39%	Investments	7.18%
Nominal equivalent yield	-	Developments	-
True equivalent yield	6.31%	Total	-
Net reversionary yield	6.47%		

Source: Nuveen Real Estate

Rental income & ERV by type of property

	Rental income %	Estimated rental value %
Retail warehousing	100.0	100.0
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
Retail warehousing	24.0	7.7	0.0	8.6	-9.9	15.8	5.9	119.9
Overall	24.0	7.7	0.0	8.6	-9.9	15.8	5.9	119.9

* 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
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

The unexpired term of leases

Years	% of rent passing
20 years or greater	3.6
15 years or greater, but less than 20	0.0
10 years or greater, but less than 15	5.6
5 years or greater, but less than 10	14.5
Less than 5 years	76.3

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

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) (%)
0	0	0	170.401914	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			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

+ Including schemes to which the fund is contractually committed

Source: Nuveen Real Estate

Valuations/performance monitors/affiliations

Frequency of valuation	Monthly (on the last day of the month)
Valuers	CB Richard Ellis
Portfolio performance monitored by MSCI	Yes
Constituent of MSCI/AREF UK Quarterly Property Fund Index	Full member
Member of the Association of Real Estate Funds	Yes

Source: Nuveen Real Estate

Restrictions on holdings of cash/borrowings

Maximum total gearing permitted	50%
for investment purposes	*
for liquidity purposes	*
Cash holdings (maximum)	*
Cash holdings (minimum)	*

Source: Nuveen Real Estate

The contribution of major tenants to rental income

Tenant	%
MARKS & SPENCER PLC	5.8
B&Q PLC	5.5
BOOTS UK LIMITED	5.4
B&M RETAIL LIMITED	5.0
ARGOS LTD	4.8
TJX UK LTD T/A TK MAXX	4.5
MATALAN RETAIL LTD	3.7
NIKE RETAIL BV (TURNOVER RENT)	3.3
DSG RETAIL LTD	3.0
POUNDLAND LTD	3.0
Three largest tenants' contribution to rental income	16.7
Five largest tenants' contribution to rental income	26.5
Ten largest tenants' contribution to rental income	44.0

Source: Nuveen Real Estate

Balance sheet/gearing

	Direct holdings	Joint holdings	Indirect investments	Listed investments	Total
Balance sheet (GBPm)					
Properties at valuation	413.9	0.0	0.0	0.0	413.9
Listed investments	0.0	0.0	0.0	0.0	0.0
Debt	-170.4	0.0	0.0	0.0	-170.4
Cash	4.3	0.0	0.0	0.0	4.3
Other net assets/liabilities	0.0	0.0	0.0	0.0	0.0
Total net assets	247.8	0.0	0.0	0.0	247.8
Gearing (%)					
Net debt (cash)/properties	40.1	-	-	-	40.1
Net debt (cash)/equity	67.0	-	-	-	67.0

Source: Nuveen Real Estate

Quarterly data per unit							
As at	31-Dec-19	31-Mar-22	30-Jun-22	30-Sep-22	31-Dec-22	31-Mar-23	30-Jun-23
Net asset value (GBP)	7,993.851	6,934.793	7,170.430	6,729.761	5,493.229	5,680.034	5,306.939
Quarterly distribution (GBP)	165.19	125.13	81.24	69.40	54.54	54.54	42.74
Yield	8.6%	6.6%	6.1%	5.6%	6.0%	4.3%	3.9%

Source: Nuveen Real Estate

Net asset value

The Fund's net asset value is re-calculated monthly, on the last day of the month. Income (which is distributed quarterly) is excluded from the calculation. The manager calculates the difference between the nominal value and the market value of the Trust's debt, but this is not reflected in the monthly re-calculation of its Net Asset Value. Performance fees are accrued and are therefore reflected in the quarterly re-calculation of the Fund's net asset value.

Distributions

Distributions are declared on a quarterly basis. The record dates for distributions are the quarterly revaluation dates. Distributions are made within 20 business days of the record date, except for the final distribution in respect of each year, which is paid within four months of the end of the relevant period

Minimum investment/disinvestment

The minimum holding is GBP250,000.

Creation, transfer and realisation of units

As from 31 December 2015 the Trustees at the direction of the Manager will have the ability to issue new units in the Fund subject to a maximum of 10% per annum of the number of Units in issue at the start of each accounting period, to purchase qualifying property and for capital expenditure on assets.

Trades can take place via matched bargains, provided they meet investor criteria and minimum holding tests.

Taxation

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 Fund.

Income Tax

While distributions of income are made net of income tax, non-taxpayers are entitled to reclaim any tax deducted at source and receive tax vouchers for this purpose.

Stamp duty reserve tax

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

Charges

Annual fees

The trustees receive an annual fee, which is payable in arrears, of 0.05% on the first GBP100m of net asset value, 0.04% on the next GBP100m and 0.03% thereafter.

The Manager's fees will be calculated based upon the Net Asset Value of the Fund at a rate of 0.70% per annum.

Performance fees

The Manager is entitled to 20% of the out-performance above the benchmark plus 1% calculated on a rolling 3 year period save for in the final accounting period when the calculation is over a 2 year period.

Performance fees are accrued and are therefore reflected in the quarterly recalculation of the Fund's net asset value.

Unit holder analysis		
	Number of unitholders	Total % held
Less than 1% of units in issue	19	11.3
1% or greater but less than 2%	13	18.1
2% or greater but less than 4%	5	14.4
4% or greater but less than 8%	-	-
Greater than 8.0%	4	56.3
Total	41	100.0
Major investors		
Largest holder	1	22.0
Three largest holders	3	46.2
Five largest holders	5	60.0
Ten largest holders	10	72.4
Internal/external investors		
Internal	-	-
External	41	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	51,239	51,239	51,239	51,239	51,239	51,239
Units issued during period	-	-	-	-	-	-
Units redeemed during period	-	-	-	-	-	-
Units in issue at end of period	51,239	51,239	51,239	51,239	51,239	51,239
Unit transfers						
Matched bargains	1,237	-	-	-	-	-
Matched bargains %*	2.4%	0.0%	0.0%	0.0%	0.0%	0.0%

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

Source: Nuveen Real Estate