

CBRE UK Property PAIF

INVESTMENT POLICY AND OBJECTIVES

The fund invests in institutional-grade properties in the United Kingdom, with a view to securing above-average, long-term performance through a research-led approach to portfolio management and careful stock selection. The return objective is to outperform the weighted average of the MSCI/AREF All Balanced Property Funds Index.

INVESTOR CONSTITUENCY

The PAIF is open to professional investors or qualifying investors who are eligible to invest in a FCA-regulated qualifying investor scheme.

Fund details	
Type of fund	Property Authorised Investment Fund
Residence	United Kingdom
Launch date	December 1997
Open/closed-ended	Open-ended
Earliest date of winding up	N.A.
Year-end	31 December
NAV (GBPm)	1537.1

Source : CBRE Global Investors (UK Funds) Ltd

Management/professional advisors	
Authorised Corporate Director	CBRE Global Investors (UK Funds) Ltd
Property Manager	CBRE Global Investors (UK) Ltd
Fund Manager	Jamie Phillips
Registrar	Capita Financial Administrators Limited
Trustee	Citibank
Auditors	Ernst & Young LLP

Source : CBRE Global Investors (UK Funds) Ltd

Investment rates of return, %		**MSCI/AREF UK Quarterly Property Fund Index		
	CBRE UK Property PAIF	Other balanced funds	All balanced funds	All funds
3 months	4.5	3.8	3.8	3.7
Year-to-date	7.2	6.1	6.0	5.6
12 months	9.0	8.5	8.5	6.9
3 years+	3.0	3.3	3.0	1.8
5 years+	4.7	5.1	4.9	3.9
10 years+	7.2	7.0	6.7	6.1

Note: * Weighted average returns + Annualised

Source: **MSCI/AREF UK Quarterly Property Fund Index

Property investment restrictions	
Maximum development exposure	*
Maximum speculative development exposure	10%
Maximum lot-size holding as a standing investment	20%
Maximum lot-size holding permitted at purchase	20%
Maximum exposure to limited partnerships	*
Maximum exposure to joint ventures	*
Maximum exposure to closed and open-ended property unit trusts	*

Note: * None specified

Source: CBRE Global Investors (UK Funds) Ltd

Portfolio distribution %		MSCI/AREF UK Quarterly Property Fund Index **		
	CBRE UK Property PAIF	Other balanced funds	All balanced funds	All funds
Standard retail – South East	5.7	5.7	5.0	4.6
Standard retail – Rest of UK	2.2	2.0	2.3	3.2
Shopping centres	0.0	0.6	1.1	3.4
Retail warehouses	15.8	10.8	10.4	8.7
All UK retail	23.7	19.2	18.8	20.0

City offices	0.9	3.9	3.6	3.2
West End offices	2.8	7.7	8.5	7.5
Rest of South East offices	9.2	10.4	9.7	7.0
Rest of UK offices	2.2	5.7	5.4	5.0
All UK offices	15.0	27.7	27.2	22.7
South East industrial	39.9	22.8	23.8	19.5
Rest of UK industrial	5.6	12.5	12.6	10.3
All UK industrial	45.5	35.3	36.4	29.9
Other UK properties	5.8	11.0	10.6	21.9
Cash***	10.1	6.8	7.0	5.5
Overall	100.0	100.0	100.0	100.0

Sources: * Source: CBRE Global Investors (UK Funds) Ltd

** MSCI/AREF UK Quarterly Property Fund Index

Property ownership structure				
	Number of assets		Valuation (GBPm)	% of total portfolio
Direct holdings	57		1,382.4	100.0
Joint and indirect holdings	0		0.0	0.0
Listed investments	0		0.0	0.0
Total	57		1,382.4	100.0

Source : CBRE Global Investors (UK Funds) Ltd

Largest direct investments by lot size & percentage of total portfolio				
Property	Location	Sector	Valuation (GBPm)	% of total portfolio
ARNISON RETAIL PARK	DURHAM	Retail Park	100-125m	-
LOGISTICS CITY	GRAYS	Industrial	70-80m	-
NURSLING INDUSTRIAL ESTATE	SOUTHAMPTON	Industrial	60-70m	-
ALBEMARLE HOUSE, LONDON	LONDON	Office	60-70m	-
BLACKFRIARS ROAD	LONDON	Office	50-60m	-
BOW LANE ESTATE, LONDON, BOW LANE, LONDON EC4M 9DL	LONDON	Retail Other	50-60m	-
WALTHAM PARK WAY	LONDON	Industrial	50-60m	-
SKYWAY 14	SLOUGH	Industrial	40-50m	-
CHILLBOX, WEST THURROCK	GRAYS	Industrial	40-50m	-
NUFFIELD INDUSTRIAL ESTATE	ABINGDON	Industrial	40-50m	-

10 largest investments as % of portfolio

Source : CBRE Global Investors (UK Funds) Ltd

Direct portfolio structure by lot-size bands				
Value band (GBPm)	Number of assets		Valuation (GBPm)	% of total portfolio
0 -2.5	4		9	0.7
2.5 - 5	4		14	1.0
5-10	6		44	3.2
10 - 25	24		407	29.4
25 - 50	12		436	31.5
50 - 100	6		361	26.1
100-150	1		112	8.1
Over 150	0		0	0.0
Total	57		1382.0	100.0
Average lot size			24.2	

Source : CBRE Global Investors (UK Funds) Ltd

Property Yield		Voids as % of ERV	
Net initial yield	4.07%	Investments	9.00%
Nominal equivalent yield	-	Developments	0.00%
True equivalent yield	5.22%	Total	9.00%
Net reversionary yield	5.40%		

Source : CBRE Global Investors (UK Funds) Ltd

Source : CBRE Global Investors (UK Funds) Ltd

Rental income & ERV by type of property	

*CBRE UK Property PAIF has declined to provide this data on the grounds of its commercial sensitivity

Source : CBRE Global Investors (UK Funds) Ltd

Over Renting and Reversionary Potential, % Rent Passing

*CBRE UK Property PAIF has declined to provide this data on the grounds of its commercial sensitivity

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

Source : CBRE Global Investors (UK Funds) Ltd

Listed Investments

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

The unexpired term of leases

Years	% of rent passing
20 years or greater	0.0
15 years or greater, but less than 20	1.6
10 years or greater, but less than 15	0.8
5 years or greater, but less than 10	40.1
Less than 5 years	57.5

Source : CBRE Global Investors (UK Funds) Ltd

Joint and Indirect property holdings

Holdings	Sector	Joint/Indirect	Vehicle Type	Ownership %	Valuation	Est. % of total portfolio
-	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	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
-	0.0	0.0	0.0	0.0	0.0	0.0

Source : CBRE Global Investors (UK Funds) Ltd

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 : CBRE Global Investors (UK Funds) Ltd

Note: + Off balance sheet debt may be at fixed or variable rates

Development exposure*

Capital value of developments

	Not yet started	In progress+	All developments	Cost to complete schemes in progress+
GBPm	0	3.15	3.15	0
% of all directly held properties*	0.00%	0.23%	0.23%	0.00%

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

Source : CBRE Global Investors (UK Funds) Ltd

Valuations/performance monitors/affiliations

Frequency of valuation	Monthly
Valuers	Knight Frank LLP
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 : CBRE Global Investors (UK Funds) Ltd

Restrictions on holdings of cash/borrowings

Maximum total gearing permitted	30%
Cash holdings (maximum)	*
Cash holdings (minimum)	*

Source : CBRE Global Investors (UK Funds) Ltd

The contribution of major tenants to rental income

Tenant	%
SAINSBURY'S SUPERMARKETS LTD	5.0
GOUSTO	3.0
TK MAXX	2.7
IBM UNITED KINGDON LIMITED	2.2
DSG RETAIL LTD	2.1
MARKS & SPENCER PLC	1.8
HOBBS LTD	1.6
ASDA STORES LTD	1.5
DFS TRADING LIMITED	1.4
DAVIES TURNER AIR CARGO LIMITED	1.2
Three largest tenants' contribution to rental income	10.7
Five largest tenants' contribution to rental income	15.0
Ten largest tenants' contribution to rental income	22.6

Source : CBRE Global Investors (UK Funds) Ltd

Balance sheet/gearing

	Direct holdings	Joint holdings	Indirect investments	Listed investments	Total
Balance sheet (GBPm)					
Properties at valuation	1382.4	0.0	0.0	0.0	1382.4
Listed investments	0.0	0.0	0.0	0.0	0.0
Debt	0.0	0.0	0.0	0.0	0.0
Cash	154.6	0.0	0.0	0.0	154.6
Other net assets/liabilities	0.0	0.0	0.0	0.0	0.0
Total net assets	1537.1	0.0	0.0	0.0	1537.1
Gearing (%)					
Net debt (cash)/properties	-11.2	-	-	-	-11.2
Net debt (cash)/equity	-10.1	-	-	-	-10.1

Source : CBRE Global Investors (UK Funds) Ltd

Quarterly data per unit

As at	31-Mar-20	30-Jun-20	30-Sep-20	31-Dec-20	31-Mar-21	30-Jun-21
Bid (GBP)	1,038.60	1,007.79	1,003.49	1,008.37	1,026.98	1,064.42
Offer (GBP)	1,113.24	1,080.19	1,075.61	1,080.82	1,100.79	1,140.95
Mid (GBP)	1,075.92	1,043.95	1,039.55	1,044.59	1,063.89	1,102.69
Bid/offer spread	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%
Net asset value (GBP)	1,050.37	1,019.20	1,014.86	1,019.79	1,038.62	1,076.48
Quarterly distribution (GBP)	-	-	-	8.79	7.15	8.97
Yield	-	-	-	-	-	-

Source : CBRE Global Investors (UK Funds) Ltd

*The fall in NAV between September quarter and December quarter is due to the Merger in November 2016, where units were issued at £1,000.01

Unit pricing

The share price will be calculated at each Valuation Point, being the first business day of each month.

Distributions

Distributions are usually expected to be made no later than the last Business Day of the Month following the Month to which the Distributable Income relates

Minimum investment/disinvestment

The minimum investment in the PAIF is £500,000.

Redemption procedure

A Shareholder wishing to redeem any shares must serve a Redemption Notice to realise some or all of its shares with effect from the first business day of each quarter. The redemption price is the bid price of the shares on the relevant Redemption Dealing Day i.e the first Business Day of each quarter. The ACD will assist, wherever possible, in matching buyers and sellers on the secondary market.

Redemption notice dates

The Redemption Notice must be served at least one Quarter plus one Business Day before such Redemption Dealing Day.

Subscription procedure

Applications forms are available from the Authorised Corporate Director (ACD) on request. Drawdown Notices require funds to be paid on the last Business Day prior to a Subscription Dealing Day and shall be issued no fewer than 10 Business Days prior to a Drawdown Date. Once accepted, each commitment shall be drawn down at the Issue Price prevailing on the relevant Subscription Dealing Day, usually being the first Business Day of the month. The Issue Price will be the offer price at the relevant Subscription Dealing Day.

Taxation

Capital gains tax: the vehicle is tax transparent. The funds is exempt from capital gains tax.

Charges

The Authorised Corporate Director (ACD)

The ACD receives an annual management fee of an amount equal to 0.05% of the Company NAV.

The property manager

The Property Manager receives an annual property management fee of 0.35% of the Company NAV.

Note

The fee excludes the fees of the Depositary, Registrar, Independent Valuer and Auditor. There is no performance fees.

Permitted Investors

Permitted: A person to whom Shares may be promoted under 4.12.4R of the FCA's Conduct of Business Sourcebook that is not an ERISA Investor. In addition, only US persons that are IAI/QPs shall be considered as Eligible Investors.

Not Permitted: The Company prohibits the offer of, and the subscription for or transfer of, Shares to ERISA Investors.

Unit holder analysis		
	Number of unitholders	Total % held
Less than 1% of units in issue	22	8.9
1% or greater but less than 2%	10	14.3
2% or greater but less than 4%	3	7.4
4% or greater but less than 8%	3	20.8
Greater than 8.0%	5	48.6
Total	43	100.0
Major investors		
Largest holder	1	0.0
Three largest holders	3	0.0
Five largest holders	5	0.0
Ten largest holders	10	0.0
Internal/external investors		
Internal	0	0.0
External	46	100.0

Source : CBRE Global Investors (UK Funds) Ltd

Liquidity						
Period	Year to Dec 2016	Year to Dec 2017	Year to Dec 2018	Year to Dec 2019	Year to Dec 2020	Year to Dec 2021
Issues and redemptions						

Units in issue as at start of period	449,128	1,470,000	1,498,448	1,500,101	1,490,720	1,475,446
Units issued during period	1483537	28,448	1,652	881	317	114
Units redeemed during period	-14,225	0	0	-10261.4532	-15,591	-167
Units in issue at end of period	1,470,000	1,498,448	1,500,101	1,490,720	1,475,446	1,475,393
Unit transfers						
Matched bargains	416	0	77,656	30,710	7102.7355	0
Matched bargains %*	0.0002	0.00%	5.18%	2.06%	0.48%	0.0%

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

Source : CBRE Global Investors (UK Funds) Ltd