

KFIM Long Income Property Unit Trust

INVESTMENT POLICY AND OBJECTIVES

The Fund is a core balanced property fund which invests in direct UK property assets that exhibit long and secure income characteristics. The Fund targets assets within the size range £3-£20m, with income durations in excess of 15 years.

INVESTOR CONSTITUENCY

Jersey

Fund details	
Type of fund	Long Income Property Fund
Residence	Jersey (Property Unit Trust)
Launch date	16-Dec-15
Open/closed-ended	Open-ended
Earliest date of winding up	Not applicable
Year-end	31-Dec
NAV (GBPm)	914.7

Management/professional advisors	
Manager	Apex Group Fund Administration Limited
Investment Advisor	Knight Frank Investment Management
Property Fund Manager	Matthew McDonald
Depository	-
Auditors	-

Investment rates of return, %				
		MSCI/AREF UK Quarterly Property Fund Index *		
	KFIM Long Income Property Unit Trust	Long Income Open-Ended Funds	All balanced open-ended funds	All funds
3 months	0.6	-0.7	0.4	0.3
Year-to-date	2.0	-1.3	0.2	0.1
12 months	-9.1	-16.6	-17.4	-17.1
3 years+	2.8	0.0	3.4	2.3
5 years+	3.5	1.8	2.2	1.1
10 years+	-	5.1	6.3	5.5

Note: * Weighted average returns + Annualised

Note: IRR numbers will not be published for Q3 2018

Source: MSCI/AREF UK Quarterly Property Fund Index

Property investment restrictions	
Maximum development exposure	30% of GAV
Maximum speculative development exposure	-
Maximum lot-size holding as a standing investment	10% of GAV
Maximum lot-size holding permitted at purchase	£25m
Maximum exposure to limited partnerships	-
Maximum exposure to joint ventures	-
Maximum exposure to closed and open-ended property unit trusts	-

Portfolio distribution %				
		MSCI/AREF UK Quarterly Property Fund Index**		
	KFIM Long Income Property Unit Trust*	Long Income Open-Ended Funds	All balanced open-ended funds	All funds
Standard retail – South East	12.8	7.9	4.6	4.6
Standard retail – Rest of UK	11.2	5.8	1.4	2.3
Shopping centres	0.0	0.5	0.9	2.5
Retail warehouses	4.9	0.9	12.1	7.6
All UK retail	28.8	15.2	19.0	17.1
City offices	0.0	2.9	3.4	3.2
West End offices	0.0	3.8	7.5	5.1
Rest of South East offices	0.0	5.6	7.1	5.5
Rest of UK offices	0.5	9.6	4.9	5.3
All UK offices	0.5	21.9	22.9	19.1
South East industrial	4.8	4.8	24.5	20.3
Rest of UK industrial	6.7	10.2	13.7	11.8
All UK Industrial	11.6	15.0	38.2	32.1
Other UK properties	58.9	44.9	12.5	25.9
Cash***	0.3	3.0	7.4	5.8
Overall	100.0	100.0	100.0	100.0

** MSCI/AREF UK Quarterly Property Fund Index

^ Includes Investment in Indirects

Property ownership structure

	Number of assets	Valuation (GBPm)	% of total portfolio
Direct holdings	110	912.1	100.0
Joint and indirect holdings	0	0	0.0
Listed investments	0	0	0.0
Total	110	912.1	100.0

Largest direct investments by lot size & percentage of total portfolio

Property	Location	Sector	Valuation (GBPm)	% of total portfolio
SAINSBURYS	SOUTH WOODHAM FERRERS	Retail Other	20.-.30	*
DENBY HALL BUSINESS PARK	RIPLEY	Industrial	20.-.30	*
STAYCITY	LIVERPOOL	Hotel	20.-.30	*
STAY CITY	BIRMINGHAM	Hotel	20.-.30	*
MORRISONS & MCDONALDS	MANCHESTER	Retail Other	10.-.20	*
DAVID LLOYD EMERSONS GREEN	BRISTOL	Leisure	10.-.20	*
SENATE BUSINESS PARK 1A, FARRIERS WAY, BOOTLE	LIVERPOOL	Industrial	10.-.20	*
DAVID LLOYD - BICESTER, WENDLEBURY ROAD	BICESTER	Leisure	10.-.20	*
SAINBURYS	WORCESTER	Retail Other	10.-.20	*
CARE UK MAIDSTONE	MAIDSTONE	Healthcare	10.-.20	*

10 largest investments as % of portfolio

Direct portfolio structure by lot-size bands

Value band (GBPm)	Number of assets	Valuation (GBPm)	% of total portfolio
0 -2.5	5	11.0	1.2
2.5 - 5	33	121.1	13.3
5-10	40	298.1	32.7
10-25	32	482.0	52.8
25 - 50	0	0.0	0.0
50 - 100	-	-	-
Over 100	-	-	-
Total	110	912.1	100.0
Average lot size		8.3	

Property Yield*

Net initial yield	5.92%
Nominal equivalent yield	-
True equivalent yield	5.75%
Net reversionary yield	5.63%

Voids as % of ERV*

Investments	0.51%
Developments	-
Total	-

Rental income & ERV by type of property*

	Rental income %	Estimated rental value %
Standard retail	-	-
Retail warehousing	-	-
Shopping centres	-	-
Central London offices	-	-
Other offices	-	-
Industrial	-	-
Other	-	-
Overall	0.0	0.0

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	-	-	-	-	-	-	-	-
Retail warehousing	-	-	-	-	-	-	-	-
Shopping centres	-	-	-	-	-	-	-	-
Central London offices	-	-	-	-	-	-	-	-
Other offices	-	-	-	-	-	-	-	-
Industrial	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Overall	-	-	-	-	-	-	-	-

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

Listed Investments

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

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

The unexpired term of leases

Years	% of rent passing
20 years or greater	35.9
15 years or greater, but less than 20	22.4
10 years or greater, but less than 15	33.0
5 years or greater, but less than 10	7.2
Less than 5 years	1.4

Joint and indirect property holdings

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

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

Development exposure*

Capital value of developments				Cost to complete schemes in progress+
	Not yet started	In progress+	All developments	
GBPm	0	0	0	0.000
% 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

Valuations/performance monitors/affiliations

Frequency of valuation	Quarterly
Valuers	CBRE
Portfolio performance monitored by MSCI	Yes
Constituent of MSCI/AREF UK Quarterly Property Fund Index	No
Member of the Association of Real Estate Funds	Yes

Restrictions on holdings of cash/borrowings

Maximum total gearing permitted	
for investment purposes	-
for liquidity purposes	-
Cash holdings (maximum)	-
Cash holdings (minimum)	-

The contribution of major tenants to rental income

Tenant	%
*	*
*	*
*	*
*	*
*	*
*	*
*	*
*	*
*	*
Three largest tenants' contribution to rental income	*
Five largest tenants' contribution to rental income	*

Balance sheet/gearing					
	Direct holdings	Joint holdings	Indirect investments	Listed investments	Total
Balance sheet (GBPm)					
Properties at valuation	912.1	-	-	-	912.1
Listed investments	0.0	-	-	-	0.0
Debt	0.0	-	-	-	0.0
Cash	2.6	-	-	-	2.6
Other net assets/liabilities	0.0	-	-	-	0.0
Total net assets	914.7	0.0	0.0	0.0	914.7
Gearing (%)					
Net debt (cash)/properties	-0.3	-	-	-	-0.3
Net debt (cash)/equity	-0.3	-	-	-	-0.3

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)	1.147	1.15	1.12	1.00	-	0.98
Offer (GBP)	1.225	1.23	1.19	1.07	1.07	1.06
Mid (GBP)	-	-	-	-	-	-
Bid/offer spread	-	-	-	-	-	-
Net asset value (GBP)	1.147	1.15	1.12	1.00	1.00	1.00
Quarterly distribution (GBP)	0.015	0.01	0.01	0.01	0.01	0.01
Yield	4.39%	4.45%	4.61%	5.39%	5.24%	5.37%

Source: KFIM

Unit pricing

Monthly

Distributions

Quarterly

Minimum investment

Minimum Investment: £5,000,000

Creation, transfer and realisation of units

Monthly Unit Dealings

Taxation

Tax Transparent Jersey PUT

Unit holder analysis		
	Number of unitholders	Total % held
Less than 1% of units in issue	4	0.0
1% or greater but less than 2%	2	2.6
2% or greater but less than 4%	4	12.6
4% or greater but less than 8%	4	24.8
Greater than 8.0%	4	60.0
Total	18	100.0
Major investors		
Largest holder	-	-
Three largest holders	-	-
Five largest holders	-	-
Ten largest holders	-	-
Internal/external investors		
Internal	4	0.04
External	14	99.96

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						
Units issued during period						
Units redeemed during period						
Units in issue at end of period						
Unit transfers						
Matched bargains						
Matched bargains %*						

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