

Lendlease Retail LP

INVESTMENT POLICY AND OBJECTIVES

To invest in prime shopping centre assets in the United Kingdom, including Bluewater (Kent) and Touchwood (Solihull).

To outperform the MSCI Shopping Centre benchmark by 10% on a rolling three-year basis

INVESTOR CONSTITUENCY

The partnership 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.

| Fund details | |
|-----------------------------|---------------------|
| Type of fund | Limited Partnership |
| Residence | United Kingdom |
| Launch date | 31 June 1999 |
| Open/closed-ended | Closed-ended |
| Earliest date of winding up | 12 November 2017 |
| Investor committee | Yes |
| Year-end | December |
| NAV (GBPm) | 581.4 |

Source: Lendlease Real Estate Investments(Europe) Limited

| Management/professional advisors | |
|----------------------------------|--|
| Partnership manager and operator | Lendlease Real Estate Investments (Europe) Limited |
| Property manager | Lendlease Real Estate Investment Services Limited |
| Property fund Manager | Jenny Harbord |
| Corporate trustee | Apex Financial Services (Corporate) Limited |

Source: Lendlease Real Estate Investments(Europe) Limited

| Investment rates of return, % | | MSCI/AREF UK Quarterly Property Fund Index | | |
|-------------------------------|---------------------|--|--------------------|-----------|
| | Lendlease Retail LP | Other balanced funds | All balanced funds | All funds |
| 3 months | -6.9 | 0.3 | 0.3 | 0.0 |
| Year-to-date | -15.3 | 1.8 | 1.6 | 0.7 |
| 12 months | -15.3 | 1.8 | 1.6 | 0.7 |
| 3 years+ | -8.7 | 6.5 | 6.0 | 5.3 |
| 5 years+ | -3.6 | 7.2 | 6.6 | 6.0 |
| 10 years+ | 3.5 | 8.1 | 7.7 | 7.7 |

Source: MSCI/AREF UK Quarterly Property Fund (Sponsored by PropertyMatch)

| Property investment restrictions | |
|---|-----|
| Maximum development exposure | n/a |
| Maximum speculative development exposure | n/a |
| Maximum lot-size holding as a standing investment | * |
| Maximum lot-size holding permitted at purchase | * |

| | |
|--|-----|
| Maximum exposure to limited partnerships | n/a |
| Maximum exposure to joint ventures | n/a |
| Maximum exposure to closed and open-ended property unit trusts | n/a |
| Source: Lendlease Real Estate Investments(Europe) Limited | |

Portfolio distribution %

| | Lendlease Retail LP | MSCI/AREF UK Quarterly Property Fund Index | | |
|------------------------------|------------------------|--|-----------------------|--------------|
| | | Other balanced funds | All balanced funds | All funds |
| Standard retail – South East | 0.0 | 7.4 | 6.8 | 5.6 |
| Standard retail – Rest of UK | 0.0 | 3.0 | 3.2 | 3.6 |
| Shopping centres | 98.3 | 1.3 | 2.0 | 6.6 |
| Retail warehouses | 0.0 | 12.3 | 12.0 | 10.8 |
| All UK retail | 98.3 | 24.0 | 23.9 | 26.5 |
| City offices | 0.0 | 3.6 | 3.3 | 2.9 |
| West End offices | 0.0 | 7.6 | 8.0 | 6.7 |
| Rest of South East offices | 0.0 | 11.6 | 10.8 | 7.6 |
| Rest of UK offices | 0.0 | 6.3 | 5.9 | 5.0 |
| All UK offices | 0.0 | 29.1 | 28.0 | 22.2 |
| South East industrial | 0.0 | 19.6 | 19.9 | 15.9 |
| Rest of UK industrial | 0.0 | 10.5 | 10.2 | 8.3 |
| All UK industrial | 0.0 | 30.1 | 30.1 | 24.2 |
| Other UK properties | 0.0 | 11.7 | 10.7 | 21.4 |
| Cash*** | 1.7 | 5.1 | 7.3 | 5.7 |
| Overall | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Lendlease Real Estate Investments(Europe) Limited

Property ownership structure

| | Number of assets | Valuation (GBPm) | % of total portfolio |
|-----------------------------|------------------|------------------|-------------------------|
| Direct holdings | 1 | 197.3 | 33.8 |
| Joint and indirect holdings | 1 | 385.75 | 66.2 |
| Listed investments | 0 | 0 | 0.0 |
| Total | 2 | 583.1 | 100.0 |

Source: Lendlease Real Estate Investments(Europe) Limited

Largest direct investments by lot size & percentage of total portfolio

| Property | Location | Sector | Valuation (GBPm) | % of total portfolio |
|---|----------|------------------------|---------------------|-------------------------|
| TOUCHWOOD | SOLIHULL | Retail Shopping Centre | 197.3 | 33.8 |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| 10 largest investments as % of portfolio | | | 197.3 | 33.8 |

Source: Lendlease Real Estate Investments(Europe) Limited

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 | 0 | 0.0 | 0.0 |
| 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 | 1 | 197.3 | 33.8 |
| Total | 1 | 197.3 | 33.8 |

Average lot size

Source: Lendlease Real Estate Investments(Europe) Limited

| Property Yield | | Voids as % of ERV | |
|--------------------------|-------|-------------------|-------|
| Net initial yield | 5.63% | Investments | 5.32% |
| Nominal equivalent yield | 0.00% | Developments | 0.00% |
| True equivalent yield | 6.47% | Total | 5.32% |
| Net reversionary yield | 6.02% | | |

Source: Lendlease Real Estate Investments(Europe) Limited

Rental income & ERV by type of property

| | Rental income % | Estimated rental value % |
|------------------------|-----------------|--------------------------|
| Standard retail | 0.0 | 0.0 |
| Retail warehousing | 0.0 | 0.0 |
| Shopping centres | 100.0 | 100.0 |
| Central London offices | 0.0 | 0.0 |
| Other offices | 0.0 | 0.0 |
| Industrial | 0.0 | 0.0 |
| Other | 0.0 | 0.0 |
| Overall | 100.0 | 100.0 |

Source: Lendlease Real Estate Investments(Europe) Limited

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 | 36.8 | 2.4 | 0.0 | 5.7 | -11.6 | 7.5 | -4.1 | 106.4 |
| Central London offices | - | - | - | - | - | - | - | - |
| Other offices | - | - | - | - | - | - | - | - |
| Industrial | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - |
| Overall | 36.8 | 2.4 | 0.0 | 5.7 | -11.6 | 7.5 | -4.1 | 106.4 |

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

Source: Lendlease Real Estate Investments(Europe) Limited

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 | 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 | 3.5 |
| 10 years or greater, but less than 15 | 1.1 |
| 5 years or greater, but less than 10 | 16.8 |
| Less than 5 years | 78.6 |

Source: Lendlease Real Estate Investments(Europe) Limited

| Joint and Indirect property holdings | | | | | | |
|--------------------------------------|------------------------|---------------------------------|--------------|-------------|-----------|---------------------------|
| Holdings | Sector | Joint/Indirect | Vehicle Type | Ownership % | Valuation | Est. % of total portfolio |
| BLUEWATER PARK SHOPPING CENTRE | Retail Shopping Centre | DIRECT RE - INDIVIDUAL PROPERTY | - | 25.0 | 385.8 | 66.2 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |

Source: Lendlease Real Estate Investments(Europe) Limited

| 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 | 0.00% | 0 | 0 | 0.00% | 0 |
| 0 | 0.00% | 0 | 0 | 0.00% | 0 |
| 0 | 0.00% | 0 | 0 | 0.00% | 0 |
| 0 | 0.00% | 0 | 0 | 0.00% | 0 |
| 0 | 0.00% | 0 | 0 | 0.00% | 0 |

Source: Lendlease Real Estate Investments(Europe) Limited

| 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: Lendlease Real Estate Investments(Europe) Limited

| Valuations/performance monitors/affiliations | |
|---|---|
| Frequency of valuation | Monthly, on the last day of each calendar month |
| Valuers | CB Richard Ellis |
| 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: Lendlease Real Estate Investments(Europe) Limited

| Restrictions on holdings of cash/borrowings | |
|---|-----|
| Maximum total gearing permitted | 20% |
| Cash holdings (maximum) | * |
| Cash holdings (minimum) | * |

Source: Lendlease Real Estate Investments(Europe) Limited

The contribution of major tenants to rental income

| Tenant | % |
|--|------|
| Touchwood Car Park | 10.6 |
| Cine-UK Limited | 4.1 |
| Next | 3.9 |
| H&M | 3.9 |
| Hollister | 3.3 |
| Commercialisation | 2.7 |
| Superdrug Stores Plc | 2.7 |
| Inditiex | 2.2 |
| River Island Clothing Co Limited | 2.2 |
| Tesla Motors | 2.0 |
| Three largest tenants' contribution to rental income | 18.6 |
| Five largest tenants' contribution to rental income | 25.8 |
| Ten largest tenants' contribution to rental income | 37.6 |

Source: Lendlease Real Estate Investments(Europe) Limited

Balance sheet/gearing

| | Direct holdings | Joint holdings | Indirect investments | Listed investments | Total |
|------------------------------|-----------------|----------------|----------------------|--------------------|-------|
| Balance sheet (GBPm) | | | | | |
| Properties at valuation | 197.3 | 385.8 | 0.0 | 0.0 | 583.1 |
| Listed investments | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Debt | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Cash | 9.8 | 0.0 | 0.0 | 0.0 | 9.8 |
| Other net assets/liabilities | -11.5 | 0.0 | 0.0 | 0.0 | -11.5 |
| Total net assets | 195.6 | 385.8 | 0.0 | 0.0 | 581.4 |
| Gearing (%) | | | | | |
| Net debt (cash)/properties | -5.0 | 0.0 | - | - | -1.7 |
| Net debt (cash)/equity | -5.0 | 0.0 | - | - | -1.7 |

Source: Lendlease Real Estate Investments(Europe) Limited

Quarterly data per unit

| As at | 30-Sep-18 | 31-Dec-18 | 31-Mar-19 | 30-Jun-19 | 30-Sep-19 | 31-Dec-19 |
|------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Bid (GBP) | 143,688 | 141,768 | 135,615 | 131,522 | 124,084 | 114,436 |
| Offer (GBP) | 143,688 | 141,768 | 135,615 | 131,522 | 124,084 | 114,436 |
| Bid/offer spread | - | - | - | - | - | - |
| Net asset value (GBP) | 143,688 | 141,768 | 135,615 | 131,522 | 124,084 | 114,436 |
| Quarterly distribution (GBP) | - | - | 1,844 | 1,996 | 1,302 | 1,203 |
| Yield | 0.9% | 0.0% | 1.4% | 1.5% | 4.2% | 5.6% |

Source: Lendlease Real Estate Investments(Europe) Limited

Net asset value

Net assets per unit are recalculated each month following the revaluation of the portfolio. Any performance fees payable are deducted from income. The Partnership has no fixed rate debt

Distributions

The partnership distributes 100% of its income, the payment dates being the last working day of the first month of each quarter.

Minimum investment/disinvestment

A minimum of £100,000.

Creation, transfer and realisation of units

The partnership is a closed fund, whose equity base cannot be enlarged or decreased except by special resolution. The transfer of a partnership interest requires the permission of the general partner.

Taxation

The partnership is tax transparent, and its income is distributed gross of tax. 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.

Charges

General partner

The general partner is entitled to a fee of 0.3% of the average funds under management. The fees paid to the general partner include the total fees payable to the Operator and the Asset manager

Partnership manager and property investment manager

The Operator (Partnership Manager) and the Asset manager are together entitled to a fee from that payable to the General Partner.

Performance fee

The Operator is also entitled to a performance-related fee in the event that the performance of the fund exceeds the benchmark return by greater than 10% over a three-year rolling period. This fee is equivalent to 0.15% of the amount by which the performance of the fund exceeds that of the benchmark and is payable from income. (The benchmark is the shopping centre sub-index of the MSCI Annual Index.)

| Unit holder analysis | | |
|--------------------------------|-----------------------|--------------|
| | Number of unitholders | Total % held |
| Less than 1% of units in issue | 33 | 1.4 |
| 1% or greater but less than 2% | 14 | 3.6 |
| 2% or greater but less than 4% | 7 | 2.4 |
| 4% or greater but less than 8% | 8 | 19.1 |
| Greater than 8.0% | 0 | 73.5 |
| Total | 62 | 100.0 |
| Major investors | | |
| Largest holder | 1 | 73.5 |
| Three largest holders | 3 | 83.4 |
| Five largest holders | 5 | 92.6 |
| Ten largest holders | 10 | 100.0 |
| Internal/external investors | | |
| Internal | 1 | 4.3 |
| External | 61 | 95.7 |

Source: Lendlease Real Estate Investments(Europe) Limited

| Liquidity | | | | | | |
|--------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Period | Year to Dec 2014 | Year to Dec 2015 | Year to Dec 2016 | Year to Dec 2017 | Year to Dec 2018 | Year to Dec 2019 |
| Issues and redemptions | | | | | | |
| Units in issue as at start of period | 5,083 | 5,083 | 5,083 | 5,083 | 5,083 | 5,083 |
| Units issued during period | - | - | - | - | 0 | 0 |
| Units redeemed during period | - | - | - | - | 0 | 0 |
| Units in issue at end of period | 5,083 | 5,083 | 5,083 | 5,083 | 5,083 | 5,083 |
| Unit transfers | | | | | | |
| Matched bargains | - | - | - | - | 0 | 0 |
| Matched bargains %* | - | - | - | - | 0 | 0 |

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

Source: Lendlease Real Estate Investments(Europe) Limited