

# BlackRock UK Property Fund

## INVESTMENT POLICY AND OBJECTIVES

The aim of the fund is to enable eligible investors to allocate a suitable proportion of their assets to investment in property without acquiring a directly held portfolio

The long-term objective of the fund is to outperform the average of similar institutional pooled vehicles through a diversified range of property throughout the UK. Its benchmark is the all balanced fund component of the MSCI/AREF UK Quarterly Property Fund Index.

## INVESTOR CONSTITUENCY

Private Placement restrictions in each jurisdiction

### Fund details

Type of fund	Property unit trust
Residence	Jersey
Launch date	March 1982
Open/closed-ended	Open-ended
Earliest date of winding up	Not applicable
Year-end	31 December
NAV (GBPm)	2993.8

Source: BlackRock Investment Managers (Channel Islands) Limited

### Management/professional advisors

Manager	BlackRock Investment Managers (Channel Islands) Limited
Investment Advisor	BlackRock Investment Management (UK) Limited
Fund Manager	Paul Tebbit
Trustee	BNP Paribas Securities Services Trust Company (Jersey) Limited
Auditors	PwC

Source: BlackRock Investment Managers (Channel Islands) Limited

### Investment rates of return \* %

BlackRock UK Property Fund		MSCI/AREF UK Quarterly Property Fund Index		
		Other balanced	All balanced funds	All funds
3 months	2.2	2.2	2.2	1.8
Year-to-date	2.2	2.2	2.2	1.8
12 months	4.0	2.5	2.5	0.7
3 years+	2.5	2.7	2.4	1.1
5 years+	4.2	4.6	4.1	3.2
10 years+	6.2	6.8	6.4	5.9

Note: \* Weighted average returns + Annualised

## 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	15%
Maximum exposure to limited partnerships	50%
Maximum exposure to joint ventures	50%
Maximum exposure to closed and open-ended property unit trusts	50%

Source: BlackRock Investment Managers (Channel Islands) Limited

## Portfolio distribution %

	BlackRock UK Property Fund	MSCI/AREF UK Quarterly Property Fund Index		
		Other balanced funds	All balanced funds	All funds
Standard retail – South East	1.5	6.0	5.2	4.9
Standard retail – Rest of UK	1.7	2.1	2.4	3.3
Shopping centres	2.1	0.7	1.2	3.5
Retail warehouses	11.2	10.9	10.5	9.0
<b>All UK retail</b>	<b>16.6</b>	<b>19.7</b>	<b>19.3</b>	<b>20.6</b>
City offices	4.3	3.9	3.6	3.4
West End offices	5.2	7.6	8.5	7.6
Rest of South East offices	6.5	10.8	10.2	7.4
Rest of UK offices	6.6	6.0	5.6	5.1
<b>All UK offices</b>	<b>22.6</b>	<b>28.3</b>	<b>27.9</b>	<b>23.5</b>
South East industrial	18.9	21.7	22.7	18.5
Rest of UK industrial	15.4	12.0	11.8	9.5
<b>All UK industrial</b>	<b>34.2</b>	<b>33.7</b>	<b>34.5</b>	<b>28.0</b>
Other UK properties	18.6	11.3	10.7	21.9
Cash***	8.0	7.0	7.7	5.9
<b>Overall</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

\*\* MSCI/AREF UK Quarterly Property Fund Index

## Property ownership structure

	Number of assets	Valuation (GBPm)	% of total portfolio
Direct holdings	148	2,864.2	100.0
Joint and indirect holdings	1	0.00	0.0
Listed investments	1	0.00	0.0
<b>Total</b>	<b>150</b>	<b>2,864.2</b>	<b>100.0</b>

Source: BlackRock Investment Managers (Channel Islands) Limited

## Largest direct investments by lot size & percentage of total portfolio

Property	Location	Sector	Valuation (GBPm)	% of total portfolio
BIRMINGHAM BUSINESS PARK	BIRMINGHAM	Office	100 -150	-
25 BEDFORD STREET	LONDON	Office	100 -150	-
WATLING HOUSE, 33 CANNON STREET	LONDON	Office	50-100	-
UPLANDS BUSINESS PARK	LONDON	Industrial Other	50-100	-
COLOSSEUM RETAIL PARK	ENFIELD	Retail Park	50-100	-
LEICESTER LOGISTICS PARK	LEICESTER	Industrial	50-100	-

RIVERSIDE INDUSTRIAL ESTATE	GRAYS	Industrial	50-100	-
EXCHANGE SHOPPING CENTRE, PUTNEY	LONDON	Retail	50-100	-
PORTWALL PLACE	BRISTOL	Office	50-100	-
STAPLES CORNER RETAIL PARK	LONDON	Retail Park	50-100	-
<b>10 largest investments as % of portfolio</b>			<b>0.0</b>	<b>0.0</b>

Note: \*BlackRock has requested MSCI not to make this estimate

Source: BlackRock Investment Managers (Channel Islands) Limited

Direct portfolio structure by lot-size bands			
Value band (GBPm)	Number of assets	Valuation (GBPm)	% of total portfolio
0 -2.5	9	14.5	0.5
2.5 - 5	37	138.2	4.8
5-10	31	206.1	7.2
10-25	28	459.1	16.0
25 - 50	30	1069.2	37.3
50 - 100	11	741.1	25.9
100-150	2	236.1	8.2
Over 150	0	0.0	0.0
<b>Total</b>	<b>148</b>	<b>2864.2</b>	<b>100.0</b>
Average lot size		19.4	

Note: \*BlackRock has requested MSCI not to make this estimate

Source: BlackRock Investment Managers (Channel Islands) Limited

Property Yield*		Voids as % of ERV	
Net initial yield	4.6%	Investments	5.8%
Nominal equivalent yield	-	Developments	0.0%
True equivalent yield	-	Total	5.8%
Net reversionary yield	5.6%		

Source: BlackRock Investment Managers (Channel Islands) Limited

Rental income & ERV by type of property*		
	Rental income %	Estimated rental value %
Standard retail	5.3	4.1
Retail warehousing	18.7	14.9
Shopping centres	3.5	2.8
Central London offices	8.6	9.5
Other offices	21.1	23.0
Industrial	30.8	34.0
Other	12.0	11.7
<b>Overall</b>	<b>100.0</b>	<b>100.0</b>

Source: BlackRock Investment Managers (Channel Islands) 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	6.8	7.8	0.0	4.1	-19.6	-4.0	-23.7	93.6
Retail warehouse	24.0	6.9	0.0	0.5	-17.2	-10.0	-27.2	96.1
Shopping centres	4.6	3.7	0.0	4.8	-15.4	-0.8	-16.1	96.5

Central London	11.1	6.5	0.0	22.7	-2.0	31.7	29.7	131.8
Other offices	27.1	9.3	0.0	12.3	-1.8	31.7	29.9	131.0
Industrial	39.6	4.9	0.0	8.1	-0.9	34.4	33.6	132.9
Other	15.4	0.1	0.0	0.0	-1.6	-	-	117.2
<b>Overall</b>	<b>128.5</b>	<b>5.8</b>	<b>0.0</b>	<b>7.5</b>	<b>-5.8</b>	<b>19.5</b>	<b>13.7</b>	<b>120.3</b>

Source: BlackRock Investment Managers (Channel Islands) Limited

#### Listed Investments

	% of Issue held	Valuation (GBPm)	Est. % of total portfolio
REMAINING ASSETS	-		0.0
-	-		0.0
-	-		0.0
-	-		0.0
-	-		0.0

#### The unexpired term of leases

Years	% of rent passing
20 years or greater	1.9
15 years or greater, but less than 20	5.1
10 years or greater, but less than 15	7.4
5 years or greater, but less than 10	25.5
Less than 5 years	60.0

Source: BlackRock Investment Managers (Channel Islands) Limited

#### Joint and Indirect property holdings

Holdings	Sector	Joint/Indirect	Vehicle Type	Ownership %	Valuation	Est. % of total portfolio
ABERDEEN RETAIL PARK	Retail Park	INDIRECT RE - LIMITED	-	7.5	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-

Note: \* BlackRock's attributable share of the underlying value of properties held Source: BlackRock Investment Managers (Channel Islands) Limited

#### Debt analysis

Fixed rate borrowings			Variable rate borrowings		
Amount drawn	(%)	Average unexpired	Amount drawn	Rate above LIBOR (incl)	Off balance sheet debt
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

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

Source: BlackRock Investment Managers (Channel Islands)

#### Development exposure\*

	Capital value of developments			
	Not yet started	In progress+	All developments	complete
GBPm	0	0.0	0.0	0.0
% of all directly held properties	0.00%	0.0%	0.0%	0.0%

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

Source: BlackRock Investment Managers (Channel Islands) Limited

#### Valuations/performance monitors/affiliations

Frequency of valuation	Monthly, as at the last day of the month
Valuers	CBRE/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: BlackRock Investment Managers (Channel Islands) Limited

#### Restrictions on holdings of cash/borrowings

Maximum total gearing permitted	50%
for investment purposes	50%
for liquidity purposes	15
Cash holdings (maximum)	10%
Cash holdings (minimum)	*

+ Uncommitted cash as % of net asset value. (This is an internal fund manager guideline.)

#### The contribution of major tenants to rental income

Tenant	%
Primary Healthcare	11.0
B & Q Plc	3.5
Dixons Carphone	2.4
John Lewis Plc	1.8
	1.6
DAC Beachcroft LLP	
Euroclear SA/NV	1.5
The Royal Mail Group Limited	1.2
Wood Group UK Limited	1.2
Goldman Sachs International	1.2
Unipart Group Limited	1.1
Three largest tenants' contribution to rental income	16.9
Five largest tenants' contribution to rental income	20.3
Ten largest tenants' contribution to rental income	26.4

Note \* The fund has approximately 13% of its underlying income exposed to tenants considered as Public Sector.

Source: BlackRock Investment Managers (Channel Islands) Limited

#### Balance sheet/gearing

	Direct holdings	Joint holdings	Indirect investments	Listed investments	Total
Balance sheet (GBPm)					
Properties at valuation	2864.2	0.0	0.0	0.0	2864.2

Listed investments	0.0	0.0	0.0	0.0	0.0
Debt	-120.0	0.0	0.0	0.0	-120.0
Cash	249.6	0.0	0.0	0.0	249.6
Other net assets/liabilities	0.0	0.0	0.0	0.0	0.0
Total net assets	2993.8	0.0	0.0	0.0	2993.8
Gearing (%)					
Net debt (cash)/properties	-4.5	-	0.0	-	-4.5
Net debt (cash)/equity	-4.3	-	-	0.0	-4.3

\*Other net assets/liabilities figure contains assets/liabilities at the SPV level

Quarterly data per unit						
As at	31-Dec-19	31-Mar-20	30-Jun-20	30-Sep-20	31-Dec-20	31-Mar-21
Net asset value (GBP)	44.57	43.05	42.20	42.21	42.80	43.39
Premium for new subscriptions	5.61%	5.80%	5.80%	5.70%	5.66%	5.66%
Dealing charge for redemptions	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Quarterly distribution (GBP)	0.4114	0.6803	0.5659	0.4666	0.6050	0.5786
Yield	3.38%	3.59%	3.57%	3.44%	3.28%	3.13%

Source: BlackRock Investment Managers (Channel Islands) Limited

### Unit pricing

The unit price is calculated on the last business day of each month. Income is not included in the unit price. Some of the vehicles through which the Fund holds directly-held investments have fixed-rate debt. The market value of this debt is not

### Distributions

Distributions are made monthly, normally on the 20th of each month or the following working day. Ex-distribution dates are the penultimate working day of each month, i.e. the day before pricing. Distributions are

### Minimum investment/disinvestment

The minimum initial investment is GBP250,000, although the manager, at their discretion, can allow investors to invest as little as GBP25,000 where it is satisfied that the investor has received financial advice or the investment

### Creation, transfer and realisation of units

The fund is open to subscriptions on a monthly basis, with applications to be received at least three business days before subscription day, which is the last working day of the month.

### Taxation

The following is a summary of current law and practice and is subject to change. The information should not be

#### 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

#### Income Tax

distributions of income are made net of UK Income Tax, however any eligible non-taxpayers can be paid gross of

#### Stamp duty reserve tax

no stamp duty is payable on the transfer of existing units.

#### Charges

The trust instrument empowers the manager and investment advisor to make an annual charge totalling not

Unit holder analysis		
	Number of unitholders	Total % held
Less than 1% of units in issue	187	0.4
1% or greater but less than 2%	21	0.3
2% or greater but less than 4%	6	0.2
4% or greater but less than 8%	1	0.0
Greater than 8.0%	0	0.0
<b>Total</b>	<b>215</b>	<b>0.9</b>
Major investors		
Largest holder	1	0.1
Three largest holders	3	0.2
Five largest holders	5	0.2
Ten largest holders	10	0.3
Internal/external investors		
Internal	0	0.0
External	216	1.0

Source: BlackRock Investment Managers (Channel Islands) Limited

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
<b>Issues and redemptions</b>						
Units in issue as at start of period	78,162,806	76,708,415	76,708,415	76,708,415	74,380,926	74,380,926
Units issued during period	975882	0	0	0	0	0
Units redeemed during period	-2430273	0	0	-2327489	0	-923,607
Units in issue at end of period	76,708,415	76,708,415	76,708,415	74,380,926	74,380,926	73,457,319
<b>Unit transfers</b>						
Matched bargains	1,284,918	1,789,378	2,916,524	335,623	1,194,918	0
Matched bargains %*	1.60%	2.33%	3.80%	0.45%	1.61%	0.00%

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

Source: BlackRock Investment Managers (Channel Islands) Limited