

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

The Fund is open to Professional Investors as defined by the FCA, as well as overseas investors dependant on 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	n/a
Year-end	31 December
NAV (GBPm)	2060.7

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	John Benham
Trustee	BNP Paribas Securities Services Trust Company (Jersey) Limited
Auditors	PwC

Source: BlackRock Investment Managers (Channel Islands) Limited

Fund level total return, %		MSCI/AREF UK Quarterly Property Fund Index		
	BlackRock UK Property Fund	Other balanced open-ended funds	All balanced open-ended funds	All funds
3 months	1.4	1.2	1.1	1.4
Year-to-date	1.2	1.7	1.7	1.7
12 months	-1.8	-0.4	0.1	0.0
3 years+	-0.8	0.4	0.6	0.0
5 years+	0.5	1.4	1.5	0.6
10 years+	4.1	5.1	4.8	4.0

Source: MSCI/AREF UK Quarterly Property Fund Index

Note: * Weighted average returns + Annualised

Fund Restraints	
Property investment restrictions	
Maximum development exposure	25%
Maximum speculative development exposure	n/a
Maximum lot-size holding as a standing investment	n/a
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%
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)	*

Note: * None specified

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

Source: BlackRock Investment Managers (Channel Islands) Limited

Portfolio distribution %		MSCI/AREF UK Quarterly Property Fund Index		
	BlackRock UK Property Fund	Other balanced open-ended funds	All balanced open-ended funds	All funds
Standard retail – South East	0.0	4.2	3.7	3.4
Standard retail – Rest of UK	0.4	1.1	1.1	1.2
Supermarkets	0.0	0.7	1.1	1.7
Shopping centres	2.8	0.6	0.9	0.6
Retail warehouses	11.7	12.3	12.0	7.4
All UK retail	15.0	19.0	18.8	14.4

City offices	0.0	3.0	3.1	2.6
West End offices	6.4	7.5	6.6	4.8
Rest of South East offices	0.0	6.3	6.3	5.2
Rest of UK offices	6.7	4.6	4.0	4.4
All UK offices	13.1	21.4	20.0	17.0
South East industrial	21.2	19.2	20.1	18.0
Rest of UK industrial	9.2	7.7	7.2	6.5
South East Distribution Warehouse	4.7	5.1	5.4	4.1
Rest of UK Distribution Warehouse	7.1	6.4	6.3	5.3
All UK industrial	42.3	38.3	39.1	33.8
Residential excl Student Accomodation	0.0	0.5	1.3	2.4
Student Accomodation	9.0	2.8	3.3	10.7
Hotel	1.4	3.7	3.2	6.1
Leisure	0.0	1.8	2.2	4.1
Healthcare	14.0	1.8	1.3	1.4
Other UK properties	0.0	3.8	3.2	4.1
Cash***	5.3	6.8	7.7	6.0
Overall	100.0	100.0	100.0	100.0

** MSCI/AREF UK Quarterly Property Fund Index

Property ownership structure

	Number of assets	Valuation (GBPm)	% of total portfolio
Direct holdings	109	1,952.4	100.0
Joint and indirect holdings	0	0.00	0.0
Listed investments	0	0.00	0.0
Total	109	1,952.4	100.0

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
UPLANDS BUSINESS PARK	LONDON	Industrial Other	100-125	-
BIRMINGHAM BUSINESS PARK	BIRMINGHAM	Office	100-125	-
AP FACTORY	LEAMINGTON SPA	Industrial	75-100	-
RIVERSIDE INDUSTRIAL ESTATE	GRAYS	Industrial	75-100	-
SAFFRON HOUSE	LONDON	Office	75-100	-
100 MOLLINSON AVENUE	ENFIELD	Industrial	50-75	-
THE PRINTWORKS	EXETER	Student Housing	50-75	-
COLOSSEUM RETAIL PARK	ENFIELD	Retail Park	50-75	-
EXCHANGE SHOPPING CENTRE, PUTNEY	LONDON	Retail	50-75	-
Selly Oak	BIRMINGHAM	Student Housing	50-75	-
10 largest investments as % of portfolio			-	-

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	13	26.8	1.4
2.5 - 5	37	138.7	7.1
5-10	20	122.8	6.3
10-25	12	212.9	10.9
25 - 50	15	570.1	29.2
50 - 100	10	664.7	34.0
100-150	2	216.5	11.1
Over 150	0	0.0	0.0
Total	109	1952.4	100.0

Average lot size

17.9

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

Source: BlackRock Investment Managers (Channel Islands) Limited

Property Yield*

Net initial yield	4.5%
Nominal equivalent yield	-
True equivalent yield	6.5%
Net reversionary yield	6.4%

Voids as % of ERV

Investments	8.9%
Developments	0.4%
Total	9.3%

Source: BlackRock Investment Managers (Channel Islands) Limited

Rental income & ERV by type of property*

	Rental income %	Estimated rental value %
Standard retail	1.0	0.7
Retail warehousing	15.9	14.2
Shopping centres	4.2	3.4
Central London offices	6.6	7.0
Other offices	13.4	15.9
Industrial	39.0	42.8
Other	19.9	16.0

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

The contribution of major tenants to rental income	
Tenant	%
DAC Beachcroft LLP	2.7
SDTA Productions Ltd	2.3
B & Q Plc	2.1
Unipart Group Limited	1.8
Plasgran Limited	1.8
Garden Campus	1.5
Dixons Carphone	1.2
John Lewis Plc	1.1
Black Island Studios	1.0
TS&W Services Limited	1.0
Three largest tenants' contribution to rental income	7.0
Five largest tenants' contribution to rental income	10.7
Ten largest tenants' contribution to rental income	16.5

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	1952.4	0.0	0.0	0.0	1952.4
	0.0	0.0	0.0	0.0	0.0
Listed investments					
Debt	0.0	0.0	0.0	0.0	0.0
Cash	108.3	0.0	0.0	0.0	108.3
Other net assets/liabilities	0.0	0.0	0.0	0.0	0.0
Total net assets	2060.7	0.0	0.0	0.0	2060.7
Gearing (%)					
Net debt (cash)/properties	-5.5	-	-	-	-5.5
Net debt (cash)/equity	-5.3	-	-	-	-5.3

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

Quarterly data per unit						
As at	31-Mar-23	30-Jun-23	30-Sep-23	31-Dec-23	31-Mar-24	30-Jun-24
Net asset value (GBP)	41.96	41.53	40.84	39.63	39.20	39.34
Premium for new subscriptions	5.66%	5.66%	5.66%	5.66%	5.66%	5.66%
Dealing charge for redemptions	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Quarterly distribution (GBP)	0.3380	0.3347	0.5741	0.3645	0.3589	0.3981
Yield	3.09%	3.14%	3.27%	3.47%	3.56%	3.71%

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 published and it does not reflect in the monthly recalculation of the Fund's net asset value.

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 paid to the unitholders shown on the register on the ex-distribution dates.

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 is made on the investor's behalf by a discretionary investment manager. Existing unitholders may increase or decrease their holdings by minimum amounts of GBP10,000

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.

As from March 2009, the Manager has the discretion to defer redemptions if it deems it in the interest of continuing unitholders to do so. Redeeming unitholders may not withdraw their redemption notice in respect of units which the Manager has notified the unitholder that it

Taxation

The following is a summary of current law and practice and is subject to change. The information should not be regarded as legal or tax

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

Income Tax

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

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 more than 2% of the net

Unit holder analysis		
	Number of unitholders	Total % held
Less than 1% of units in issue	152	32.6
1% or greater but less than 2%	19	25.7
2% or greater but less than 4%	6	14.6
4% or greater but less than 8%	3	14.0
Greater than 8.0%	1	13.0
Total	181	100.0
Major investors		
Largest holder	1	13.0
Three largest holders	3	22.9
Five largest holders	5	29.8
Ten largest holders	10	41.7
Internal/external investors		
Internal	0	0.0
External	181	100.0

Source: BlackRock Investment Managers (Channel Islands) Limited

Liquidity						
Period	Year to Dec 2019	Year to Dec 2020	Year to Dec 2021	Year to Dec 2022	Year to Dec 2023	Year to Dec 2024
Issues and redemptions						
Units in issue as at start of period	76,708,415	74,380,926	69,926,736	67,022,739	67,022,739	59,798,536
Units issued during period	0	0	0	0	0	0
Units redeemed during period	-2327489	-4454190	-2903997	0	-7,224,203	-6,590,415
Units in issue at end of period	74,380,926	69,926,736	67,022,739	67,022,739	59,798,536	53,208,121
Unit transfers						
Matched bargains	335,623	1,194,918	2,340,366	1,502,120	237,855	67,455
Matched bargains %*	0.45%	1.61%	3.19%	2.24%	0.40%	0.13%

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

Source: BlackRock Investment Managers (Channel Islands) Limited