

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 (PAIF) |
| 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) | 1038.6 |

Source : CBRE Global Investors (UK Funds) Ltd

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

Source : CBRE Global Investors (UK Funds) Ltd

| Fund level total return, % | CBRE UK Property PAIF | **MSCI/AREF UK Quarterly Property Fund Index | | |
|----------------------------|-----------------------|--|-------------------------------|-----------|
| | | Other balanced open-ended funds | All balanced open-ended funds | All funds |
| 3 months | -0.2 | 1.2 | 1.1 | 1.4 |
| Year-to-date | -0.4 | 1.7 | 1.7 | 1.7 |
| 12 months | -3.6 | -0.4 | 0.1 | 0.0 |
| 3 years+ | -0.1 | 0.4 | 0.6 | 0.0 |
| 5 years+ | 1.1 | 1.4 | 1.5 | 0.6 |
| 10 years+ | 4.8 | 5.1 | 4.8 | 4.0 |

Note: * Weighted average returns + Annualised

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

| Fund Restraints | |
|--|-----|
| Property investment restrictions | |
| Maximum development exposure | n/a |
| 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 | n/a |
| Maximum exposure to joint ventures | n/a |
| Maximum exposure to closed and open-ended property unit trusts | n/a |
| Restrictions on holdings of cash/borrowings | |
| Maximum total gearing permitted | 30% |
| Cash holdings (maximum) | n/a |
| Cash holdings (minimum) | n/a |

Note: * None specified

Source: CBRE Global Investors (UK Funds) Ltd

| Portfolio distribution % | CBRE UK Property PAIF | MSCI/AREF UK Quarterly Property Fund Index ** | | |
|------------------------------|-----------------------|---|-------------------------------|-----------|
| | | Other balanced open-ended funds | All balanced open-ended funds | All funds |
| Standard retail – South East | 4.2 | 4.2 | 3.7 | 3.4 |
| Standard retail – Rest of UK | 0.0 | 1.1 | 1.1 | 1.2 |
| Supermarkets | 0.0 | 0.7 | 1.1 | 1.7 |
| Shopping centres | 0.0 | 0.6 | 0.9 | 0.6 |

| | | | | |
|---------------------------------------|--------------|--------------|--------------|--------------|
| Retail warehouses | 18.2 | 12.3 | 12.0 | 7.4 |
| All UK retail | 22.4 | 19.0 | 18.8 | 14.4 |
| City offices | 0.0 | 3.0 | 3.1 | 2.6 |
| West End offices | 5.4 | 7.5 | 6.6 | 4.8 |
| Rest of South East offices | 8.6 | 6.3 | 6.3 | 5.2 |
| Rest of UK offices | 5.9 | 4.6 | 4.0 | 4.4 |
| All UK offices | 19.8 | 21.4 | 20.0 | 17.0 |
| South East industrial | 2.7 | 19.2 | 20.1 | 18.0 |
| Rest of UK industrial | 0.0 | 7.7 | 7.2 | 6.5 |
| South East Distribution Warehouse | 40.5 | 5.1 | 5.4 | 4.1 |
| Rest of UK Distribution Warehouse | 3.5 | 6.4 | 6.3 | 5.3 |
| All UK industrial | 46.8 | 38.3 | 39.1 | 33.8 |
| Residential excl Student Accomodation | 1.0 | 0.5 | 1.3 | 2.4 |
| Student Accomodation | 0.0 | 2.8 | 3.3 | 10.7 |
| Hotel | 2.8 | 3.7 | 3.2 | 6.1 |
| Leisure | 0.0 | 1.8 | 2.2 | 4.1 |
| Healthcare | 0.0 | 1.8 | 1.3 | 1.4 |
| Other UK properties | 0.0 | 3.8 | 3.2 | 4.1 |
| Cash*** | 7.2 | 6.8 | 7.7 | 6.0 |
| 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 | 31 | 964.3 | 100.0 |
| Joint and indirect holdings | 0 | 0.0 | 0.0 |
| Listed investments | 0 | 0.0 | 0.0 |
| Total | 31 | 964.3 | 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 | 100-125 | - |
| TRADE AND LOGISTICS CITY | WEST THURROCK | Industrial | 70-80 | - |
| NURSLING INDUSTRIAL ESTATE | SOUTHAMPTON | Industrial | 60-70 | - |
| 2 CAVENDISH SQUARE | LONDON | Office | 50-60 | - |
| ALBEMARLE HOUSE, LONDON | LONDON | Office | 50-60 | - |
| SKYWAY 14 | SLOUGH | Industrial | 50-60 | - |
| LIONEL ROAD | LONDON | Industrial | 40-50 | - |
| EXCHANGE PLACE, 1 SEMPLE STREET | EDINBURGH | Office | 40-50 | - |
| CHILLBOX | WEST THURROCK | Industrial | 40-50 | - |
| NUFFIELD INDUSTRIAL ESTATE | ABINGDON | Industrial | 40-50 | - |

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 | 2 | 3 | 0.3 |
| 2.5 - 5 | 1 | 3 | 0.3 |
| 5-10 | 3 | 24 | 2.5 |
| 10 - 25 | 9 | 164 | 17.0 |
| 25 - 50 | 10 | 363 | 37.6 |
| 50 - 100 | 5 | 301 | 31.2 |
| 100-150 | 1 | 106 | 11.0 |
| Over 150 | 0 | 0 | 0.0 |
| Total | 31 | 964.0 | 100.0 |
| Average lot size | | 31.1 | |

Source : CBRE Global Investors (UK Funds) Ltd

| Property Yield | |
|--------------------------|-------|
| Net initial yield | 4.60% |
| Nominal equivalent yield | - |
| True equivalent yield | 6.19% |
| Net reversionary yield | 6.40% |

Source : CBRE Global Investors (UK Funds) Ltd

| Voids as % of ERV | |
|-------------------|--------------|
| Investments | 6.69% |
| Developments | 0.00% |
| Total | 6.69% |

Source : CBRE Global Investors (UK Funds) Ltd

Rental income & ERV by type of property

| | Not yet started | In progress+ | All developments | Cost to complete schemes in progress+ |
|------------------------------------|-----------------|--------------|------------------|---------------------------------------|
| 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 : 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

The contribution of major tenants to rental income

| Tenant | % |
|---|------|
| SAINSBURY'S SUPERMARKETS LTD | 6.5 |
| BLACKROCK INTERNATIONAL LIMITED | 6.0 |
| SCA INVESTMENTS LTD (GOUSTO) | 3.9 |
| HCA INTERNATIONAL LTD | 3.2 |
| IBM UNITED KINGDON LIMITED (ASSIGNED TO KYNDRYL UK LIMITED) | 3.1 |
| SAVINO DEL BENE FDS UK LTD | 2.5 |
| MARKS & SPENCER | 1.7 |
| CARLSBERG MARSTON'S LTD | 1.6 |
| DAVIES TURNER AIR CARGO LIMITED | 1.6 |
| TRAVELODGE HOTELS LTD | 1.5 |
| Three largest tenants' contribution to rental income | 16.5 |
| Five largest tenants' contribution to rental income | 22.8 |
| Ten largest tenants' contribution to rental income | 31.8 |

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 | 964.3 | 0.0 | 0.0 | 0.0 | 964.3 |
| Listed investments | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Debt | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Cash | 74.3 | 0.0 | 0.0 | 0.0 | 74.3 |
| Other net assets/liabilities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total net assets | 1038.6 | 0.0 | 0.0 | 0.0 | 1038.6 |
| Gearing (%) | | | | | |
| Net debt (cash)/properties | -7.7 | - | - | - | -7.7 |
| Net debt (cash)/equity | -7.2 | - | - | - | -7.2 |

Source : CBRE Global Investors (UK Funds) Ltd

Quarterly data per unit

| As at | 31-Mar-23 | 30-Jun-23 | 30-Sep-23 | 31-Dec-23 | 31-Mar-24 | 30-Jun-24 |
|------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Bid (GBP) | 1,035.25 | 1,042.07 | 1,017.14 | 991.07 | 980.04 | 970.00 |
| Offer (GBP) | 1,109.32 | 1,116.67 | 1,089.95 | 1,061.99 | 1,050.10 | 1,039.33 |
| Mid (GBP) | 1,072.28 | 1,079.37 | 1,053.55 | 1,026.53 | 1,015.07 | 1,004.67 |
| Bid/offer spread | 6.7% | 6.7% | 6.7% | 6.7% | 6.7% | 6.7% |
| Net asset value (GBP) | 1,046.97 | 1,053.87 | 1,028.66 | 1,002.29 | 991.14 | 980.99 |
| Quarterly distribution (GBP) | 5.90 | 6.60 | 8.11 | 9.43 | 9.72 | 7.95 |
| 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 | 18 | 7.0 |
| 1% or greater but less than 2% | 12 | 19.6 |
| 2% or greater but less than 4% | 3 | 9.6 |
| 4% or greater but less than 8% | 5 | 32.6 |
| Greater than 8.0% | 3 | 31.2 |
| Total | 41 | 100.0 |
| Major investors | | |
| Largest holder | 1 | 11.5 |
| Three largest holders | 3 | 31.2 |
| Five largest holders | 5 | 46.6 |
| Ten largest holders | 10 | 70.5 |
| Internal/external investors | | |
| Internal | 0 | 0.0 |
| External | 41 | 100.0 |

Source : CBRE Global Investors (UK Funds) Ltd

| 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 | 1500100.7 | 1490720.3 | 1475445.9 | 1475624.3 | 1445212.7 | 1286949.3 |
| Units issued during period | 881.1 | 316.7 | 373.3 | 1137.7 | 1280.4 | 1011.2 |
| Units redeemed during period | -10261.5 | -15591.1 | -194.9 | -31549.3 | -159543.8 | -53067.7 |
| Units in issue at end of period | 1490720.3 | 1475445.9 | 1475624.3 | 1445212.7 | 1286949.3 | 1234892.8 |
| Unit transfers | | | | | | |
| Matched bargains | 30710.4 | 7102.7 | 77388.2 | 35875.9 | 25295.0 | 0.0 |
| Matched bargains %* | 2.06% | 0.48% | 5.24% | 2.48% | 1.97% | 0.0% |

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

Source : CBRE Global Investors (UK Funds) Ltd