

Grosvenor London Office Fund

INVESTMENT POLICY AND OBJECTIVES

The Fund invests in high quality office buildings in London's West End and Mid-Town and in the City to provide a secure income with rental and capital growth potential. It is pursuing an active asset acquisition strategy to diversify and complement its existing portfolio. The Fund's investment objective is to outperform a bespoke MSCI benchmark comprising central London offices

INVESTOR CONSTITUENCY

The Fund is open to investment by institutional and other intermediate investors from within the UK or abroad, subject to relevant local regulations. Entry is either directly, or via, a Jersey Property Unit Trust feeder-fund, with the underlying fund being a UK registered Limited Partnership

Fund details	
Type of fund	UK Limited Partnership*
Residence	United Kingdom
Launch date	01-Dec-99
Open/closed-ended	Closed-ended
Earliest date of winding up	31-Dec-22
Year-end	31 December
NAV (GBPm)	131.0

Source: Grosvenor Investment Management Limited

Management/professional advisors

Manager	Grosvenor Investment Management Limited
Property advisor	Grosvenor Investment Management Limited
Fund Manager	Ed Green
Corporate trustee	BNP Paribas Jersey Trust Corporation Ltd
Auditors	Deloitte and Touche LLP

Source: Grosvenor Investment Management Limited

Investment rates of return, %

		MSCI/AREF UK Quarterly Property Fund Index		
Grosvenor London Office Fund		Other balanced funds	All balanced funds	All funds
3 months	1.3	0.6	0.6	0.4
Year-to-date	3.2	1.0	0.9	0.6
12 months	4.4	4.1	3.4	2.8
3 years+	1.5	6.6	6.3	5.6
5 years+	6.1	8.9	8.3	7.6
10 years+	12.5	9.1	8.7	9.1

Source: Grosvenor Investment Management Limited

Property investment restrictions

Maximum development exposure	20% of GAV
Maximum speculative development exposure	20% of GAV
Maximum lot-size holding as a standing investment	None specified
Maximum lot-size holding permitted at purchase	40% of GAV
Maximum exposure to limited partnerships	No limit
Maximum exposure to joint ventures	No limit
Maximum exposure to closed and open-ended property unit trusts	No limit

Source: Grosvenor Investment Management Limited

Portfolio distribution %

	Grosvenor London Office Fund
City offices	0.0
West End offices	96.4
Cash	3.6
Overall	100.0

Source: Grosvenor Investment Management Limited

Property ownership structure

	Number of assets	Valuation (GBPm)	% of total portfolio
Direct holdings	1	126.3	100.0
Joint and indirect holdings	0	0.0	0.0
Listed investments	0	0.0	0.0
Total	1	126.3	100.0

Source: Grosvenor Investment Management Limited

Largest direct investments by lot size & percentage of total portfolio

Property	Location	Sector	Valuation (GBPm)	% of total portfolio
BELGRAVE HOUSE 76 BUCKINGHAM PALACE RD	LONDON	Office	126.3	100.0
-	-	-	-	-
Largest investments as % of portfolio				100.0

Source: Grosvenor Investment Management Limited

Direct portfolio structure by lot-size bands

Value band (GBPm)	Number of assets	Valuation (GBPm)	% of total portfolio
50 - 100	0	0.0	0.0
100-150	1	126.3	100.0
Over 150	0	0.0	0.0

Total	1	126.3	100.0
Average lot size		126.3	

Source: Grosvenor Investment Management Limited

Property Yield		Voids as % of ERV	
Net initial yield	5.51%	Investments	0.05%
Nominal equivalent yield	0.00%	Developments	0.00%
True equivalent yield	5.38%	Total	0.05%
Net reversionary yield	3.35%		

Source: Grosvenor Investment Management 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	0.0	0.0
Central London offices	100.0	100.0
Other offices	0.0	0.0
Industrial	0.0	0.0
Other	0.0	0.0
Overall	100.0	100.0

Source: Grosvenor Investment Management Limited

Comparison of rents passing and ERV by type of property*								
Sector	Rent passing %	Pre-lets & rent-free periods %	Development voids %	Other voids %	Over rented %	Reversionary potential %	Net reversionary potential %	ERV %
Standard retail	-	-	-	-	-	-	-	-
Retail warehousing	-	-	-	-	-	-	-	-
Shopping centres	-	-	-	-	-	-	-	-
Central London offices	164.5	0.0	0.0	0.0	-64.6	0.0	-64.6	100.0
Other offices	-	-	-	-	-	-	-	-

Industrial	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Overall	164.5	0.0	0.0	0.0	-64.6	0.0	-64.6	100.0

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

Source: Grosvenor Investment Management Limited

The unexpired term of leases

Years	% of rent passing
20 years or greater	0.0
15 years or greater, but less than 20	0.0
10 years or greater, but less than 15	0.0
5 years or greater, but less than 10	100.0
Less than 5 years	0.0

Source: Grosvenor Investment Management 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) (%)
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

Source: Grosvenor Investment Management Limited

Development exposure*

Capital value of developments

	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: Grosvenor Investment Management Limited

Valuations/performance monitors/affiliations

Frequency of valuation	Quarterly (on the last day of the quarter)
Valuers	BNP Paribas Real Estate
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 : Grosvenor London Office Fund

Restrictions on holdings of cash/borrowings

Maximum total gearing permitted	60% of GAV
Cash holdings (maximum)	None specified
Cash holdings (minimum)	None specified

Source: Grosvenor Investment Management Limited

The contribution of major tenants to rental income

Tenant	%
Google	35.9
Americian Express	54.1
vittol Services	10.0
-	-
-	-
-	-
-	-
-	-
Three largest tenants' contribution to rental income	100.0

Five largest tenants' contribution to rental income	100.0
Ten largest tenants' contribution to rental income	100.0

Source: Grosvenor Investment Management Limited

Balance sheet/gearing					
	Direct holdings	Joint holdings	Indirect investments	Listed investments	Total
Balance sheet (GBPm)					
Properties at valuation	126.3	0.0	0.0	0.0	126.3
Listed investments	0.0	0.0	0.0	0.0	0.0
Debt	0.0	0.0	0.0	0.0	0.0
Cash	4.7	0.0	0.0	0.0	4.7
Other net assets/liabilities	0.0	0.0	0.0	0.0	0.0
Total net assets	131.0	0.0	0.0	0.0	131.0
Gearing (%)					
Net debt (cash)/properties	-3.7	-	-	-	-3.7
Net debt (cash)/equity	-3.6	-	-	-	-3.6

Source: Grosvenor Investment Management Limited

Quarterly data per unit						
As at	31-Mar-18	30-Jun-18	30-Sep-18	31-Dec-18	31-Mar-19	30-Jun-19
Net asset value (GBP)	132.9	131.9	128.6	129.4	129.9	131.02
Quarterly distribution (GBP)	1.60	1.60	1.80	2.40	1.40	0.50
Yield	5.48%	5.41%	2.35%	3.58%	5.67%	5.00%

Source: Grosvenor Investment Management Limited

Net asset value

The Fund's net asset value is re-calculated quarterly, on the last day of the month. Income is excluded from the calculation.

Performance fees are estimated and accrued quarterly, based on the performance of the Fund's bespoke MSCI central London office benchmark.

Distributions

Distributions are declared and paid 25 business days after the last day of each quarter

Charges

Annual fees

Property advisory fees are -75% of the quarterly average value of the Fund's investment properties.

Unit holder analysis		
	Number of unitholders	Total % held
Less than 1% of units in issue	1	0.2
1% or greater but less than 2%	1	1.7
2% or greater but less than 4%	0	-
4% or greater but less than 8%	0	-
Greater than 8.0%	4	98.0
Total	6	100.0
Major investors		
Largest holder	1	49.8
Three largest holders	3	48.2
Five largest holders	5	-
Ten largest holders	10	-
Internal/external investors		
Internal	2	12.9
External	4	87.1

Source: Grosvenor Investment Management 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	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Units issued during period	-	-	-	-	0	0
Units redeemed during period	-	-	-	-	0	0
Units in issue at end of period	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000

Unit transfers

Matched bargains	-	-	-	-	0	0
Matched bargains %*	-	-	-	-	0	0

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

Source: Grosvenor Investment Management Limited