

# Nuveen Real Estate UK Shopping Centre Fund

## INVESTMENT POLICY AND OBJECTIVES

The Fund provides unit holders with the opportunity to access large UK shopping centre assets (with a minimum size of 0.5m sqft). The objective of the Fund is to deliver to unit holders a Fund total return in excess of the shopping centre component of the Investment Property Databank (MSCI) UK Annual Universe, comprising standing investments, transactions and developments, but excluding any impact of the performance of the Fund.

## INVESTOR CONSTITUENCY

The Fund is open to UK and overseas tax-exempt and tax-paying non-private investors.

Fund details	
Type of fund	Unauthorised Property Unit Trust
Residence	Jersey
Launch date	July 2004
Open/closed-ended	Closed-ended
Earliest date of winding up	December 2021
Year-end	December 31
NAV (GBPm)	160.5

Source: Nuveen Real Estate

Management/professional advisors	
Manager	Nuveen Property Management (Jersey) Ltd
Property advisor	Nuveen Real Estate Asset Management Limited
Fund Manager	Stephen Wicks
Corporate trustee	BNP Paribas Jersey Trust Corporation Ltd and Anley Trustees Ltd
Auditors	KPMG

Source: Nuveen Real Estate

Investment rates of return, %		MSCI/AREF UK Quarterly Property Fund Index**		
	Nuveen Real Estate UK Shopping Centre Fund*	Other balanced funds	All balanced funds	All funds
3 months	-14.4	2.2	2.2	1.8
Year-to-date	-14.4	2.2	2.2	1.8
12 months	-48.0	2.5	2.5	0.7
3 years+	-31.4	2.7	2.4	1.1
5 years+	-22.1	4.6	4.1	3.2
10 years+	-9.1	6.8	6.4	5.9

Source: Nuveen Real Estate

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

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	*
Maximum exposure to limited partnerships	*
Maximum exposure to joint ventures	*
Maximum exposure to closed and open-ended property unit trusts	*

Source: Nuveen Real Estate

Note: \*None specified

Portfolio distribution %		
	Nuveen Real Estate UK Shopping Centre Fund	Total
City	*	*
West End	*	*
Midtown	*	*
Rest of London*	*	*
South East	*	*
South West	*	*
Eastern	*	*
West Midlands	*	*
East Midlands	*	*
North West	*	*
Yorkshire & Humberside	*	*
North East	*	*
Wales	*	*
Scotland	*	*
Northern Ireland	*	*
Other	*	*
Cash	-	4.3
<b>Overall</b>	<b>95.7</b>	<b>100.0</b>

Note: The fund has interests in only four properties: the geographic distribution of its portfolio has not been provided in order to avoid disclosing the values of these properties individually.

Source: Nuveen Real Estate

Property Yield		Voids as % of ERV	
Net initial yield	5.21%	Investments	11.78%
Nominal equivalent yield	6.95%	Developments	0.00%
True equivalent yield	7.26%	Total	11.78%
Net reversionary yield	7.68%		

Source: Nuveen Real Estate

Rental income & ERV by type of property		
	Rental income %	Estimated rental value %
Shopping centres	100.0	100.0
<b>Overall</b>	<b>100.0</b>	<b>100.0</b>

Source: Nuveen Real Estate

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
Shopping centres	14.1	-	-	2.6	-	19.6	-	157.7
<b>Overall</b>	<b>14.1</b>	<b>-</b>	<b>-</b>	<b>2.6</b>	<b>-</b>	<b>19.6</b>	<b>-</b>	<b>157.7</b>

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

Source: Nuveen Real Estate

The unexpired term of leases*	
Years	% of rent passing
20 years or greater	0.1
15 years or greater, but less than 20	5.1

10 years or greater, but less than 15	3.1
5 years or greater, but less than 10	31.8
Less than 5 years	59.9

Notes: \* Includes joint ventures

Source: Nuveen Real Estate

#### Joint and Indirect property holdings

Holdings	Sector	Joint/Indirect	Vehicle Type	Ownership %	Valuation	Est. % of total portfolio
BULLRING	Retail	DIRECT RE - INDIVIDUAL PROPERTY	-	33.3	*	-
ST JAMES	Retail	DIRECT RE - INDIVIDUAL PROPERTY	-	25.0	*	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-

Source: Nuveen Real Estate

#### 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) (%)
0.00	0.00	0.00	80	0.0225
0.00	0.00	0.00	100	0.0325
55.50	0.02	2.92	0	0
0	0	0	0	0
0	0	0	0	0

Source: Nuveen Real Estate

#### 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: Nuveen Real Estate

#### Valuations/performance monitors/affiliations

Frequency of valuation	Monthly (on the last day of the month)
Valuers	CBRE
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: Nuveen Real Estate

#### Restrictions on holdings of cash/borrowings

Maximum total gearing permitted	30% of GAV
Cash holdings (maximum)	None
Cash holdings (minimum)	None

Source: Nuveen Real Estate

The contribution of major tenants to rental income	
Tenant	%
Next	5.4
Zara	4.0
River Island	2.9
Goldsmiths	2.8
Selfridges	2.7
Superdry	2.3
Footlocker	1.5
Schuh	1.3
Superdrug	1.3
Holland & Barrett	1.3
Three largest tenants' contribution to rental income	12.3
Five largest tenants' contribution to rental income	17.8
Ten largest tenants' contribution to rental income	25.5

Source: Nuveen Real Estate

Balance sheet/gearing					
	Direct holdings	Joint holdings	Indirect investments	Listed investments	Total
Balance sheet (GBPm)					
Properties at valuation	56.4	309.8	0.0	0.0	366.2
Listed investments	0.0	0.0	0.0	0.0	0.0
Debt	-235.5	0.0	0.0	0.0	-235.5
Cash	16.3	0.0	0.0	0.0	16.3
Other net assets/liabilities	13.5	0.0	0.0	0.0	13.5
Total net assets	-149.3	309.8	0.0	0.0	160.5
Gearing (%)					
Net debt (cash)/properties	388.7	0.0	-	-	59.9
Net debt (cash)/equity	-146.8	0.0	-	-	136.6

Source: Nuveen Real Estate

Quarterly data per unit							
As at	31-Dec-16	31-Dec-19	31-Mar-20	30-Jun-20	30-Sep-20	31-Dec-20	31-Mar-21
Net asset value (GBP)	7,915.399	5,526.444	4,464.742	3,822.770	3,450.771	2,827.232	2,449.321
Quarterly distribution (GBP)	68.890	43.650	-20.350	-38.550	-43.860	-56.940	-30.120
Yield	3.5%	3.3%	2.7%	0.5%	-1.7%	-5.8%	-7.1%

Source: Nuveen Real Estate

## Net asset value

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

## Distributions

Distributions are declared on a quarterly basis. The record dates for distributions are the quarterly revaluation dates. Distributions are made within 20 business days of the record date.

## Minimum investment/disinvestment

The minimum holding is GBP250,000.

## Creation, transfer and realisation of units

Trades can take place via matched bargains, provided they meet investor criteria and minimum holding tests. The Manager will attempt, where possible, the matching of buying and selling orders.

## Taxation

### 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 gains tax on the redemption or sale of their units in the Fund.

### Income Tax

While distributions of income are made net of income tax, non-taxpayers are entitled to reclaim any tax deducted at source and receive tax vouchers for this purpose.

### Stamp duty reserve tax

The fund's registration in Jersey means that the surrender and issue of units does not attract SDRT.

## Charges

### Annual fees

The trustees receive an annual fee, which is payable in arrears, of 0.05% on the first GBP100m of net asset value, 0.04% on the next GBP100m and 0.03% thereafter. The manager is (in addition to reasonable out-of-pocket expenses) entitled to receive a fee of 0.55% pa of the aggregate fund value, and is responsible for the fees of the property advisor.

### Performance fees

The Manager is entitled to receive a performance fee based on 20% of the outperformance of the fund's total return relative to the shopping centre component of the MSCI UK Annual Index, plus 1%. (This fee is calculated on a three-year rolling basis.) Performance fees are accrued and are therefore reflected in the quarterly recalculation of the Fund's net asset value.

Unit holder analysis		
	Number of unitholders	Total % held
Less than 1% of units in issue	21	13.4
1% or greater but less than 2%	6	9.2
2% or greater but less than 4%	4	10.9
4% or greater but less than 8%	1	4.5
Greater than 8.0%	3	62.1
<b>Total</b>	<b>35</b>	<b>100.0</b>
Major investors		
Largest holder	1	23.8
Three largest holders	3	62.1
Five largest holders	5	70.4
Ten largest holders	10	81.3
Internal/external investors		
Internal	0	0.0
External	35	100.0

Source: Nuveen Real Estate

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	71,675	71,675	71,675	65,515	65,515	65,515
Units issued during period	-	-	-	0	0	0
Units redeemed during period	-	-	-6159.7469	0	0	0
Units in issue at end of period	71,675	71,675	65,515	65,515	65,515	65,515
<b>Unit transfers</b>						
Matched bargains	-	9,119	-	0	0	0
Matched bargains %*	0.0%	12.7%	0.0%	0.0%	0.0%	0.0%

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

Source: Nuveen Real Estate