

# 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
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)	1800.4

Source : CBRE Global Investors (UK Funds) Ltd

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

Source : CBRE Global Investors (UK Funds) Ltd

Investment rates of return, %		**MSCI/AREF UK Quarterly Property Fund Index		
CBRE UK Property PAIF		Other balanced open-ended funds	All balanced open-ended funds	All funds
3 months	5.5	6.1	5.6	4.9
Year-to-date	5.5	6.1	5.6	4.9
12 months	25.1	22.5	23.1	20.9
3 years+	8.3	7.9	8.1	6.3
5 years+	7.9	8.0	7.8	6.4
10 years+	8.8	8.4	8.1	7.4

Note: \* Weighted average returns      + Annualised

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

Property investment restrictions	
Maximum development exposure	*
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	*
Maximum exposure to joint ventures	*
Maximum exposure to closed and open-ended property unit trusts	*

Note: \* None specified

Source: CBRE Global Investors (UK Funds) Ltd

Portfolio distribution %	MSCI/AREF UK Quarterly Property Fund Index **
--------------------------	---

	CBRE UK Property PAIF	Other balanced open- ended funds	All balanced open-ended funds	All funds
Standard retail – South East	5.2	4.9	4.4	4.5
Standard retail – Rest of UK	1.8	1.4	1.8	2.9
Shopping centres	0.0	0.5	0.9	2.4
Retail warehouses	14.7	11.5	10.9	7.7
<b>All UK retail</b>	<b>21.7</b>	<b>18.3</b>	<b>18.0</b>	<b>17.6</b>
City offices	0.4	3.6	3.5	3.4
West End offices	5.7	7.9	7.4	5.7
Rest of South East offices	5.3	9.3	8.7	6.5
Rest of UK offices	5.6	5.3	5.0	4.8
<b>All UK offices</b>	<b>17.0</b>	<b>26.1</b>	<b>24.6</b>	<b>20.4</b>
South East industrial	45.2	26.6	27.5	23.8
Rest of UK industrial	5.9	14.4	14.6	12.1
<b>All UK industrial</b>	<b>51.1</b>	<b>41.0</b>	<b>42.1</b>	<b>36.0</b>
Other UK properties	5.0	10.4	9.9	21.6
Cash***	5.1	4.3	5.4	4.5
<b>Overall</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

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	56		1,707.9	100.0
Joint and indirect holdings	0		0.0	0.0
Listed investments	0		0.0	0.0
<b>Total</b>	<b>56</b>		<b>1,707.9</b>	<b>100.0</b>

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	125-150	-
TRADE AND LOGISTICS CITY	WEST THURROCK	Industrial	90-100	-
NURSLING INDUSTRIAL ESTATE	SOUTHAMPTON	Industrial	80-90	-
WALTHAM PARK WAY	LONDON	Industrial	60-70	-
SKYWAY 14	SLOUGH	Industrial	60-70	-
ALBEMARLE HOUSE, LONDON	LONDON	Office	60-70	-
2 CAVENDISH SQUARE	LONDON	Office	60-70	-
EXCHANGE PLACE, 1 SEMPLE STREET	EDINBURGH	Office	50-60	-
CHILLBOX	WEST THURROCK	Industrial	50-60	-
NUFFIELD INDUSTRIAL ESTATE	ABINGDON	Industrial	50-60	-
<b>10 largest investments as % of portfolio</b>				

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	4	9	0.5
2.5 - 5	2	7	0.4
5-10	6	44	2.6
10 - 25	21	374	21.9
25 - 50	11	429	25.1
50 - 100	11	715	41.9
100-150	1	130	7.6
Over 150	0	0	0.0
<b>Total</b>	<b>56</b>	<b>1708.0</b>	<b>100.0</b>
Average lot size		30.5	

Source : CBRE Global Investors (UK Funds) Ltd

Property Yield	
Net initial yield	2.91%
Nominal equivalent yield	-
True equivalent yield	4.50%
Net reversionary yield	3.69%

Source : CBRE Global Investors (UK Funds) Ltd

Voids as % of ERV	
Investments	7.63%
Developments	0.20%
Total	7.83%

Source : CBRE Global Investors (UK Funds) Ltd

Rental income & ERV by type of property

\*CBRE UK Property PAIF has declined to provide this data on the grounds of its commercial sensitivity

Source : CBRE Global Investors (UK Funds) Ltd

Over Renting and Reversionary Potential, % Rent Passing

\*CBRE UK Property PAIF has declined to provide this data on the grounds of its commercial sensitivity

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

Source : CBRE Global Investors (UK Funds) Ltd

Listed Investments			
	% of Issue held	Valuation (GBPm)	Est. % of total portfolio
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

The unexpired term of leases	
Years	% of rent passing
20 years or greater	1.4
15 years or greater, but less than 20	0.6
10 years or greater, but less than 15	0.8
5 years or greater, but less than 10	42.5
Less than 5 years	54.7

Source : CBRE Global Investors (UK Funds) Ltd

Joint and Indirect property holdings						
Holdings	Sector	Joint/Indirect	Vehicle Type	Ownership %	Valuation	Est. % of total portfolio
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-

-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

Source : CBRE Global Investors (UK Funds) Ltd

## 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) (%)	Off balance sheet debt (GBPm)+
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

Source : CBRE Global Investors (UK Funds) Ltd

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

## 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 : 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

## Restrictions on holdings of cash/borrowings

Maximum total gearing permitted	30%
Cash holdings (maximum)	*
Cash holdings (minimum)	*

Source : CBRE Global Investors (UK Funds) Ltd

## The contribution of major tenants to rental income

Tenant	%
SAINSBURY'S SUPERMARKETS LTD	4.9
BLACKROCK INTERNATIONAL LIMITED	3.8
SCA INVESTMENTS LTD (GOUSTO)	3.0
IBM UNITED KINGDON LIMITED (ASSIGNED TO KYNDRYL UK LIMITED)	2.3
DSG RETAIL LTD	2.0
MARKS & SPENCER PLC	1.8
HOBBS LTD	1.6
DFS TRADING LIMITED	1.4
BEADLES GROUP LTD	1.3
HCA INTERNATIONAL LTD	1.2
Three largest tenants' contribution to rental income	11.6
Five largest tenants' contribution to rental income	16.0
Ten largest tenants' contribution to rental income	23.2

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	1707.9	0.0	0.0	0.0	1707.9
Listed investments	0.0	0.0	0.0	0.0	0.0
Debt	0.0	0.0	0.0	0.0	0.0
Cash	92.5	0.0	0.0	0.0	92.5
Other net assets/liabilities	0.0	0.0	0.0	0.0	0.0
Total net assets	1800.4	0.0	0.0	0.0	1800.4
Gearing (%)					
Net debt (cash)/properties	-5.4	-	-	-	-5.4
Net debt (cash)/equity	-5.1	-	-	-	-5.1

Source : CBRE Global Investors (UK Funds) Ltd

Quarterly data per unit						
As at	31-Dec-20	31-Mar-21	30-Jun-21	30-Sep-21	31-Dec-21	31-Mar-22
Bid (GBP)	1,008.37	1,026.98	1,064.42	1,098.93	1,190.55	1,247.06
Offer (GBP)	1,080.82	1,100.79	1,140.95	1,177.95	1,275.99	1,336.66
Mid (GBP)	1,044.59	1,063.89	1,102.69	1,138.44	1,233.27	1,291.86
Bid/offer spread	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%
Net asset value (GBP)	1,019.79	1,038.62	1,076.48	1,111.38	1,204.04	1,261.18
Quarterly distribution (GBP)	8.79	7.15	8.97	6.17	10.19	8.98
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	22	11.0
1% or greater but less than 2%	10	13.0
2% or greater but less than 4%	2	4.4
4% or greater but less than 8%	4	25.2
Greater than 8.0%	5	46.4
<b>Total</b>	<b>43</b>	<b>100.0</b>
Major investors		
Largest holder	1	10.9
Three largest holders	3	29.8
Five largest holders	5	46.4
Ten largest holders	10	73.8
Internal/external investors		
Internal	0	0.0
External	43	100.0

Source : CBRE Global Investors (UK Funds) Ltd

Liquidity						
Period	Year to Dec 2017	Year to Dec 2018	Year to Dec 2019	Year to Dec 2020	Year to Dec 2021	Year to Dec 2022
<b>Issues and redemptions</b>						
Units in issue as at start of period	1,470,000	1,498,448	1,500,101	1,490,720	1,475,446	1,475,624
Units issued during period	28448	1,652	881	317	373	240
Units redeemed during period	0	0	-10261.4532	-15591.1192	-195	0
Units in issue at end of period	1,498,448	1,500,101	1,490,720	1,475,446	1,475,624	1,475,864
<b>Unit transfers</b>						
Matched bargains	0	77656.06	30,710	7,103	77388.2	1,278
Matched bargains %*	0	5.18%	2.06%	0.48%	5.24%	0.1%

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

Source : CBRE Global Investors (UK Funds) Ltd