

KFIM Long Income Property Unit Trust

INVESTMENT POLICY AND OBJECTIVES

The Fund is a core balanced property fund which invests in direct UK property assets that exhibit long and secure income characteristics. The Fund targets assets within the size range £3-£20m, with income durations in excess of 15 years.

INVESTOR CONSTITUENCY

Jersey

Fund details

Type of fund	Property Unit Trust
Residence	Jersey (Property Unit Trust)
Launch date	16-Dec-15
Open/closed-ended	Open-ended
Earliest date of winding up	n/a
Year-end	31-Dec
NAV (GBPm)	820.3

Management/professional advisors

Manager	Apex Group Fund Administration Limited
Investment Advisor	Knight Frank Investment Management
Property Fund Manager	Michael Maddox
Depository	n/a
Auditors	n/a

Fund Level Total Return, %

	KFIM Long Income Property Unit Trust	MSCI/AREF UK Quarterly Property Fund Index *		
		Long Income Open-Ended Funds	All balanced open-ended funds	All funds
3 months	1.7	0.8	1.1	1.4
Year-to-date	2.0	0.8	1.7	1.7
12 months	-1.9	-1.5	0.1	0.0
3 years+	-0.2	-2.8	0.6	0.0
5 years+	1.6	0.2	1.5	0.6
10 years+	-	3.8	4.8	4.0

Note: * Weighted average returns + Annualised

Note: IRR numbers will not be published for Q3 2018

Source: MSCI/AREF UK Quarterly Property Fund Index

Fund Restraints

Property investment restrictions

Maximum development exposure	30% of GAV
Maximum speculative development exposure	n/a
Maximum lot-size holding as a standing investment	10% of GAV
Maximum lot-size holding permitted at purchase	£25m
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	n/a
Cash holdings (maximum)	n/a
Cash holdings (minimum)	n/a

Portfolio distribution %

	KFIM Long Income Property Unit Trust*	MSCI/AREF UK Quarterly Property Fund Index**		
		Long Income Open-Ended Funds	All balanced open-ended funds	All funds
Standard retail – South East	0.8	5.4	3.7	3.4
Standard retail – Rest of UK	6.7	2.2	1.1	1.2
Supermarkets	23.9	4.3	1.1	1.7
Shopping centres	0.0	0.5	0.9	0.6
Retail warehouses	8.4	0.5	12.0	7.4
All UK retail	39.9	12.9	18.8	14.4
City offices	0.0	1.2	3.1	2.6
West End offices	0.0	4.4	6.6	4.8
Rest of South East offices	0.0	6.6	6.3	5.2
Rest of UK offices	0.0	8.6	4.0	4.4
All UK offices	0.0	20.9	20.0	17.0
South East industrial	0.0	3.6	20.1	18.0
Rest of UK industrial	3.1	2.6	7.2	6.5
South East Distribution Warehouse	5.4	0.7	5.4	4.1
Rest of UK Distribution Warehouse	4.4	6.3	6.3	5.3
All UK Industrial	12.8	13.1	39.1	33.8
Residential excl Student Accommodation	1.4	6.4	1.3	2.4
Student Accommodation	1.3	6.9	3.3	10.7
Hotel	18.0	16.8	3.2	6.1
Leisure	6.9	7.6	2.2	4.1
Healthcare	11.8	2.8	1.3	1.4
Other UK properties	7.1	9.0	3.2	4.1

Cash***	0.8	3.7	7.7	6.0
Overall	100.0	100.0	100.0	100.0

** MSCI/AREF UK Quarterly Property Fund Index

^ Includes Investment in Indirects

Property ownership structure

	Number of assets	Valuation (GBPm)	% of total portfolio
Direct holdings	103	813.8	100.0
Joint and indirect holdings	0	0	0.0
Listed investments	0	0	0.0
Total	103	813.8	100.0

Largest direct investments by lot size & percentage of total portfolio

Property	Location	Sector	Valuation (GBPm)	% of total portfolio
SAINSBURYS	SOUTH WOODHAM	Retail Other	20.-.30	*
DENBY HALL BUSINESS PARK	FERRERS	Industrial	20.-.30	*
STAYCITY	LIVERPOOL	Hotel	20.-.30	*
STAY CITY	BIRMINGHAM	Hotel	20.-.30	*
SENATE BUSINESS PARK 1A, FARRIERS WAY, BOOTLE	LIVERPOOL	Industrial	10.-.20	*
DAVID LLOYD EMERSONS GREEN	BRISTOL	Leisure	10.-.20	*
MORRISONS & MCDONALDS	MANCHESTER	Retail Other	10.-.20	*
QUANTUM CARE	RICKMANSWORTH	Healthcare	10.-.20	*
CARE UK MAIDSTONE	MAIDSTONE	Healthcare	10.-.20	*
SALTBOX BUSINESS PARK	BOGNOR REGIS	Industrial	10.-.20	*

10 largest investments as % of portfolio

Direct portfolio structure by lot-size bands

Value band (GBPm)	Number of assets	Valuation (GBPm)	% of total portfolio
0 - 2.5	9	18.5	2.3
2.5 - 5	30	109.9	13.5
5 - 10	37	272.1	33.4
10 - 25	27	413.3	50.8
25 - 50	0	0.0	0.0
50 - 100	-	-	-
Over 100	-	-	-
Total	103	813.8	100.0
Average lot size		7.9	

Property Yield*		Voids as % of ERV*	
Net initial yield	6.39%	Investments	0.45%
Nominal equivalent yield	-	Developments	0.00%
True equivalent yield	6.18%	Total	0.45%
Net reversionary yield	6.06%		

Rental income & ERV by type of property*

	Rental income %	Estimated rental value %
Standard retail	31.3	32.4
Retail warehousing	9.8	9.2
Shopping centres	0.0	0.0
Central London offices	0.0	0.0
Other offices	0.0	0.0
Industrial	11.4	12.0
Other	47.5	46.4
Overall	100.0	100.0

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
Standard retail	16.1	-	-	-	-	-	-	98.8
Retail warehousing	5.0	-	-	-	-	-	-	89.8
Shopping centres	-	-	-	-	-	-	-	-
Central London offices	-	-	-	-	-	-	-	-
Other offices	-	-	-	-	-	-	-	-
Industrial	5.8	-	-	-	-	-	-	101.0
Other	24.4	-	-	-	-	-	-	93.5
Overall	51.3	-	0.0	0.4	-8.0	-	-	95.7

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

Listed Investments

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

The unexpired term of leases % of rent passing

Years	Including breaks	Excluding breaks
20 years or greater	37.6	44.1
15 years or greater, but less than 20	21.2	21.7
10 years or greater, but less than 15	32.9	27.4
5 years or greater, but less than 10	7.1	6.0
Less than 5 years	1.3	0.8

Joint and Indirect property holdings

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

Debt analysis

Fixed rate borrowings			Variable rate borrowings		
Amount drawn (GBPm)	Average rate (%)	Average unexpired term (years)	Amount drawn (GBPm)	Rate above Risk Free Rates (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

Development exposure*

	Capital value of developments			Cost to complete schemes in progress+
	Not yet started	In progress+	All developments	
GBPm	0	0	0	0.000
% 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

Valuations/performance monitors/affiliations

Frequency of valuation	Quarterly
Valuers	CBRE
Portfolio performance monitored by MSCI	Yes
Constituent of MSCI/AREF UK Quarterly Property Fund Index	No
Member of the Association of Real Estate Funds	Yes

The contribution of major tenants to rental income

Tenant	%
Travelodge Hotels Ltd	*
Stacycity Limited	*
Aldi Stores Ltd	*
Sainsbury's Supermarkets Ltd	*
Dobbies Garden Centres Group Limited	*
David Lloyd Leisure Limited	*
Care UK Limited	*
Whitbread Group Plc	*
Waitrose Ltd	*
Wm Morrison Supermarkets Plc	*
Three largest tenants' contribution to rental income	*
Five largest tenants' contribution to rental income	*
Ten largest tenants' contribution to rental income	*

Balance sheet/gearing

	Direct holdings	Joint holdings	Indirect investments	Listed investments	Total
Balance sheet (GBPm)					
Properties at valuation	813.8	-	-	-	813.8
Listed investments	0.0	-	-	-	0.0
Debt	0.0	-	-	-	0.0
Cash	6.5	-	-	-	6.5
Other net assets/liabilities	0.0	-	-	-	0.0
Total net assets	820.3	0.0	0.0	0.0	820.3
Gearing (%)					
Net debt (cash)/properties	-0.8	-	-	-	-0.8

Net debt (cash)/equity

-0.8

-0.8

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)	-	0.98	0.96	0.91	0.90	0.90
Offer (GBP)	1.07	1.06	1.04	0.99	0.98	0.98
Mid (GBP)	n/a	n/a	n/a	n/a	n/a	n/a
Bid/offer spread	n/a	n/a	n/a	n/a	n/a	n/a
Net asset value (GBP)	1.00	1.00	0.97	0.93	0.92	0.92
Quarterly distribution (GBP)	0.01	0.01	0.01	0.01	0.01	0.01
Yield	5.24%	5.37%	5.64%	5.93%	4.57%	6.12%

Source: KFIM

Unit pricing

Monthly

Distributions

Quarterly

Minimum investment

Minimum Investment: £5,000,000

Creation, transfer and realisation of units

Monthly Unit Dealings

Taxation

Tax Transparent Jersey PUT

Unit holder analysis

	Number of unitholders	Total % held
Less than 1% of units in issue	5	0.1
1% or greater but less than 2%	1	1.5
2% or greater but less than 4%	4	13.0
4% or greater but less than 8%	4	22.4
Greater than 8.0%	4	63.0
Total	18	100.0
Major investors		
Largest holder	-	-
Three largest holders	-	-
Five largest holders	-	-
Ten largest holders	-	-
Internal/external investors		
Internal	4	0.03
External	14	99.97

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						
Units issued during period						
Units redeemed during period						
Units in issue at end of period						
Unit transfers						
Matched bargains						
Matched bargains %*						

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