

L&G UK Property Fund

INVESTMENT POLICY AND OBJECTIVES

The Trust's investment objective is to achieve income and capital growth through investment predominantly in commercial property throughout the UK (mainly in the retail, office and industrial sectors, but possibly including smaller sectors such as leisure property). It may also invest in other property-related assets (including property shares and property-related collective investment schemes) and in cash and other short-term investments, but commercial property will comprise not less than 70%, and generally over 80%, of its portfolio.

INVESTOR CONSTITUENCY

The Fund is open to investment by pension funds, charities, insurance companies, other corporate and institutional investors, and private individuals.

Fund details	
Type of fund	Property Authorised Investment Fund (PAIF)
Residence	United Kingdom
Launch date	12-Jan-06
Open/closed-ended	Open-ended
Earliest date of winding up	n/a
Year-end	31-Mar
NAV (GBPm)	1120.7

Source: Legal & General Investment Management Limited

Management/professional advisors	
Manager	Legal & General (Unit Trust Managers) Limited
Property advisor	n/a
Investment Advisor	Legal & General Investment Management Limited
Fund Manager	Michael Barrie
Corporate trustee	Royal Bank of Scotland Group plc
Auditors	PricewaterhouseCoopers LLP

Source: Legal & General Investment Management Limited

Fund Level Total Return, %	MSCI/AREF UK Quarterly Property Fund Index**			
	L&G UK Property Fund*	Other balanced Open-ended funds	All balanced Open-ended funds	All funds
3 months	-0.4	0.6	0.5	0.4
Year-to-date	-0.4	0.6	0.5	0.4
12 months	0.3	-1.3	-0.7	-1.0
3 years+	0.4	1.3	1.5	0.8
5 years+	0.2	1.3	1.4	0.4
10 years+	3.3	5.4	5.2	4.4

Source: Legal & General Investment Management Limited

** MSCI/AREF UK Quarterly Property Fund Index, calculated on an NAV to NAV basis, gross income reinvested

Note: * Weighted average returns + Annualised

Fund Restraints	
Property investment restrictions	
Maximum development exposure	10% (includes speculative)
Maximum speculative development exposure	10%
Maximum lot-size holding as a standing investment	12%
Maximum lot-size holding permitted at purchase	10%
Maximum exposure to limited partnerships	n/a
Maximum exposure to joint ventures	10%
Maximum exposure to closed and open-ended property unit trusts	10%
Restrictions on holdings of cash/borrowings	
Maximum total gearing permitted	n/a
Cash holdings (maximum)	30%
Cash holdings (minimum)	n/a

Source: Legal & General Investment Management Limited

Portfolio distribution %	MSCI/AREF UK Quarterly Property Fund Index**			
	L&G UK Property Fund+*	Other balanced Open-ended funds	All balanced Open-ended funds	All funds
Standard retail – South East	0.3	4.3	3.7	3.5
Standard retail – Rest of UK	1.5	1.0	1.1	1.4
Supermarkets	2.2	0.7	1.1	1.7
Shopping centres	0.0	0.6	0.9	0.6
Retail warehouses	4.8	12.1	11.6	7.2
All UK retail	9.0	18.6	18.4	14.4
City offices	2.2	3.0	3.1	2.7
West End offices	2.4	7.4	6.6	4.8
Rest of South East offices	3.1	6.4	6.4	5.1
Rest of UK offices	8.0	4.8	4.2	4.6
All UK offices	15.6	21.7	20.4	17.1
South East industrial	8.2	20.0	21.4	18.8
Rest of UK industrial	13.6	8.0	7.5	6.6
South East Distribution Warehouse	3.3	5.5	5.0	3.8
Rest of UK Distribution Warehouse	11.5	6.0	6.1	5.1
All UK industrial	36.6	39.5	39.9	34.3
Residential excl Student Accommodation	4.7	0.7	1.4	2.9
Student Accommodation	0.0	1.4	1.4	9.4
Hotel	8.1	3.5	3.1	6.2
Leisure	4.8	1.8	2.2	4.1
Healthcare	0.0	1.8	1.3	1.4
Other UK properties	2.9	3.9	4.1	4.4

Cash***	18.3	7.1	7.8	5.6
Overall	100.0	100.0	100.0	100.0

Note: + Including the Trust's share of any properties held jointly or through indirect holdings Sources: * Legal & General Investment Management Limited

** MSCI/AREF UK Quarterly Property Fund Index

Property ownership structure

	Number of assets	Valuation (GBPm)	% of total portfolio
Direct holdings	58	867.4	94.8
Joint and indirect holdings	0	0.0	0.0
Listed investments	1	48.0	5.2
Total	59	915.4	100.0

Source: Legal & General Investment Management Limited

Largest direct investments by lot size & percentage of total portfolio

Property	Location	Sector	Valuation (GBPm)	% of total portfolio
FOLLINGSBY PARK	GATESHEAD	Industrial Other	100+	11.7
HBH HOTEL STANSTED	STANSTED	Hotel	50-75	5.9
ONE CANALSIDE (BLOCK C)	CHELMSFORD	Residential	50-75	5.5
MALMAISON HOTEL	MANCHESTER	Hotel	25-50	3.5
28 & 170 HAMS HALL	BIRMINGHAM	Industrial	25-50	3.3
THE AIRCRAFT FACTORY, HAMMERSMITH	LONDON	Office	25-50	3.2
TRADETEAM DISTRIBUTION UNIT	BIRMINGHAM	Industrial	25-50	2.9
HODGE HOUSE	CARDIFF	Office	25-50	2.7
55 STRAND	LONDON	Office	25-50	2.7
120 ALDERSGATE STREET	LONDON	Office	0-25	2.5
10 largest investments as % of portfolio				43.9

Source: Legal & General Investment Management Limited

Direct portfolio structure by lot-size bands

Value band (GBPm)	Number of assets	Valuation (GBPm)	% of total portfolio
0 - 2.5	8	*	*
2.5 - 5	6	*	*
5-10	12	*	*
10-25	24	*	*
25 - 50	5	*	*
50 - 100	2	*	*
100 - 150	1	*	*
Over 150	0	*	*
Total	58	867.4	94.8
Average lot size		15.0	

Source: Legal & General Investment Management Limited

* Fund cannot disclose this information due to commercial sensitivity

Property Yield*		Voids as % of ERV*	
Net initial yield	5.41%	Investments	6.63%
Nominal equivalent yield	6.84%	Developments	4.68%
True equivalent yield	7.13%	Total	11.31%
Net reversionary yield	6.91%		

Source: Legal & General Investment Management Limited

Source: Legal & General Investment Management Limited

Rental income & ERV by type of property

	Rental income %	Estimated rental value %
Standard retail	4.8	5.1
Retail warehousing	5.0	4.1
Shopping centres	0.0	0.0
Central London offices	7.1	6.5
Other offices	16.9	24.3
Industrial	36.8	37.8
Other	29.3	22.2
Overall	100.0	100.0

Source: Legal & General Investment Management Limited

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	2.7	0.0	15.4	22.4	-19.9	29.5	9.6	129.5
Retail warehousing	2.8	3.7	0.0	0.0	-19.7	1.1	-18.6	101.1
Shopping centres	-	-	-	-	-	-	-	-
Central London offices	4.0	9.4	0.0	9.3	-10.3	13.5	3.2	113.5
Other offices	9.5	14.3	30.0	25.1	-2.9	76.8	73.9	176.8
Industrial	20.6	4.0	0.0	4.0	-1.4	26.4	25.0	126.4
Other	16.4	0.0	0.0	0.8	-11.9	-6.8	-18.8	93.2
Overall	55.9	4.7	5.8	7.7	-7.2	23.1	16.0	123.1

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

Source: Legal & General Investment Management Limited

Listed Investments

	% of issue held	Valuation (GBPm)	Est. % of total portfolio
INVESTMENT IN REITS	-	48.0	5.2
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
		48.0	5.2

Source: Legal & General Investment Management Limited

The unexpired term of leases % of rent passing

Years	Including breaks	Excluding breaks
20 years or greater	3.4	3.4
15 years or greater, but less than 20	0.0	0.0
10 years or greater, but less than 15	9.9	20.9
5 years or greater, but less than 10	34.3	40.5
Less than 5 years	52.4	35.2

Source: Legal & General Investment Management Limited

Joint and indirect property holdings

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

Source: Legal & General 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 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

Source: Legal & General Investment Management Limited

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: Legal & General Investment Management Limited

Valuations/performance monitors/affiliations

Frequency of valuation	The 28th day of each month
Valuers	Knight Frank LLP
Portfolio performance monitored by MSCI	Yes
Constituent of MSCI/AREF UK Quarterly Property Fund Index	No
Member of the Association of Real Estate Funds	Full member

Source: L&G UK Property Fund

The contribution of major tenants to rental income

Tenant	%
HBH Hotel Stansted Limited	9.2
DHL Supply Chain Limited	5.3
The Malmaison Hotel (Manchester) Limited	3.6
Red Ahead Storage Shed Limited	3.6
GXO Logistics Drinks Limited	3.0
Costain Limited	2.1
Waitrose Limited	2.0
Travelodge Hotels Limited	2.0
Whistl Fulfillment (Gateshead) Limited	1.9
Selco Trade Centres Limited	1.9
Three largest tenants' contribution to rental income	18.1
Five largest tenants' contribution to rental income	24.7
Ten largest tenants' contribution to rental income	34.5

Source: Legal & General Investment Management Limited

Balance sheet/gearing

	Direct holdings	Joint holdings	Indirect investments	Listed investments	Total
Balance sheet (GBPm)					
Properties at valuation	867.4	0.0	0.0	0.0	867.4
Listed investments	0.0	0.0	0.0	48.0	48.0
Debt	0.0	0.0	0.0	0.0	0.0
Cash	205.3	0.0	0.0	0.0	205.3
Other net assets/liabilities	0.0	0.0	0.0	0.0	0.0
Total net assets	1072.7	0.0	0.0	48.0	1120.7
Gearing (%)					
Net debt (cash)/properties	-23.7	-	-	-	-23.7
Net debt (cash)/equity	-19.1	-	-	0.0	-18.3

Source: Legal & General Investment Management Limited

Quarterly data per unit

As at	30-Sep-22	31-Dec-22	31-Mar-23	30-Jun-23	30-Sep-23	31-Dec-23	31-Mar-24
Bid (GBP)	0.61	0.52	0.52	0.52	0.52	0.51	0.51
Offer (GBP)	0.62	0.53	0.52	0.53	0.52	0.51	0.50

Mid (GBP)	0.61	0.53	0.52	0.53	0.52	0.51	0.51
Bid/offer spread	1%	1%	1%	1%	1%	1%	-1%
Net asset value (GBP)	-	-	-	-	-	-	-
Quarterly distribution (GBP)	-	-	-	-	-	-	-
Yield	-	-	-	-	-	-	-

Note: * as of June 2014 L&G UK Property Fund has now changed to a PAIF and as such has restructured its unit price.

Source: Legal & General Investment Management Limited

Unit pricing

The unit price is calculated on the last business day of each month. Income is not included in the unit price. Some of the vehicles through which the Fund holds directly-held investments have fixed-rate debt. The market value of this debt is not published and it does not reflect in the monthly recalculation of the Fund's net asset value.

Distributions

Distributions are made monthly, normally on the 20th of each month or the following working day. Ex-distribution dates are the penultimate working day of each month, i.e. the day before pricing. Distributions are paid to the unitholders shown on the register on the ex-distribution dates.

Minimum investment/disinvestment

The minimum initial investment is GBP250,000, although the manager, at their discretion, can allow investors to invest as little as GBP25,000 where it is satisfied that the investor has received financial advice or the investment is made on the investor's behalf by a discretionary investment manager. Existing unitholders may increase or decrease their holdings by minimum amounts of GBP10,000 (rounded to the nearest number of whole units). No redemption

Creation, transfer and realisation of units

The fund is open to subscriptions on a monthly basis, with applications to be received at least three business days before subscription day, which is the last working day of the month.

As from March 2009, the Manager has the discretion to defer redemptions if it deems it in the interest of continuing unitholders to do so.

Redeeming unitholders may not withdraw their realisation notice in respect of units which the Manager has notified the unitholder that it has determined can be redeemed or any units which are within the last 3 months of the 24-month redemption window.

The manager will attempt, where possible, the matching of buying and selling orders. Such transfers are effective from the last business day of the month during which they take place.

Taxation

The following is a summary of current law and practice and is subject to change. The information should not be regarded as legal or tax advice.

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

Income Tax

While distributions of income are made net of UK Income Tax, non-taxpayers are entitled to reclaim any tax deducted at source.

Stamp duty reserve tax

No stamp duty is payable on the transfer of existing units.

Charges

The trust instrument empowers the manager and investment advisor to make an annual charge totalling not more than 2% of the net asset value of the fund (including accrued income). However, the total charge is currently 1% pa and the manager has undertaken to give at least three months' notice of any

Unit holder analysis		
	Number of unitholders	Total % held
Less than 1% of units in issue	142	15.1
1% or greater but less than 2%	8	11.2
2% or greater but less than 4%	2	6.4
4% or greater but less than 8%	5	27.4
Greater than 8.0%	4	39.9
Total	161	100.0
Major investors		
Largest holder	1	11.9
Three largest holders	3	31.5
Five largest holders	5	47.0
Ten largest holders	10	70.9
Internal/external investors		
Internal	3	-
External	158	-

Source: Legal & General Investment Management Limited

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	4,380,466,814	3,964,429,344	3,190,180,520	2,855,396,988	2,333,138,431	1,712,976,656
Units issued during period	426,652,913	23,035,124	191,343,513	256,343,224	92,727,579	14,274,102
Units redeemed during period	-842,690,383	-797,283,948	-526,127,045	-778,601,781	-712,889,354	-156,285,252
Units in issue at end of period	3,964,429,344	3,190,180,520	2,855,396,988	2,333,138,431	1,712,976,656	1,570,965,506
Unit transfers						
Matched bargains	-	-	-	-	-	-
Matched bargains %*	-	-	-	-	-	-

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

^ as of June 2014 L&G UK Property Fund changed to a PAIF and as such has restructured the number of units issued.

Source: Legal & General Investment Management Limited