

PATRIZIA Hanover Property Unit Trust

INVESTMENT POLICY AND OBJECTIVES

An actively managed, diversified balanced UK property fund, seeking to outperform the Other Balanced Property Funds Index. The Evergreen portfolio (70%) consists of assets with long-term business plans, offering a diversified and sustainable income with good prospects of income and capital growth. The Dynamic portfolio (30%) consists of assets with shorter, more defined business plans of 3-5 years to allow the portfolio to stay relevant and deliver out-performance. Dependent on the asset management outcome, these assets could feed the Evergreen portfolio.

INVESTOR CONSTITUENCY

The Trust is open to investment by pension funds, investment trusts, charities, and other UK and overseas corporate and institutional investors. Units may also be issued to individuals whom the Manager is satisfied are investing on the advice of an appropriately qualified financial advisor.

| Fund details | |
|-----------------------------|----------------------------------|
| Type of fund | Unauthorised property unit trust |
| Residence | Jersey |
| Launch date | July 1967 |
| Open/closed-ended | Open-ended |
| Earliest date of winding up | Not applicable |
| Year-end | 30-Sep |
| NAV (GBPm) | 482.6 |

Source: PATRIZIA Property Investment Managers LLP

| Management/professional advisors | |
|----------------------------------|---|
| Fund Manager | PATRIZIA Hanover Real Estate Management Ltd |
| Investment Advisor | PATRIZIA Property Investment Managers LLP |
| Property Fund manager | Mischa Davis |
| Trustee | BNP Paribas Securities Services |
| Auditors | Deloitte |

Source: PATRIZIA Property Investment Managers LLP

| Investment rates of return, % | | MSCI/AREF UK Quarterly Property Fund Index | | |
|-------------------------------|--------------------------------------|--|--------------------|-----------|
| | PATRIZIA Hanover Property Unit Trust | Other balanced funds | All balanced funds | All funds |
| 3 months | 4.1 | 3.8 | 3.8 | 3.7 |
| Year-to-date | 4.6 | 6.1 | 6.0 | 5.6 |
| 12 months | 7.3 | 8.5 | 8.5 | 6.9 |
| 3 years+ | 3.1 | 3.3 | 3.0 | 1.8 |
| 5 years+ | 5.4 | 5.1 | 4.9 | 3.9 |
| 10 years+ | 6.8 | 7.0 | 6.7 | 6.1 |

Source: PATRIZIA Property Investment Managers LLP

| Property investment restrictions | |
|--|-----|
| Maximum development exposure | * |
| Maximum speculative development exposure | 30% |
| Maximum lot-size holding as a standing investment | 25% |
| 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: PATRIZIA Property Investment Managers LLP

| Portfolio distribution % |
|--------------------------|
|--------------------------|

| | PATRIZIA Hanover Property Unit Trust | MSCI/AREF UK Quarterly Property Fund Index | | |
|------------------------------|---|--|-----------------------|--------------|
| | | Other balanced funds | All balanced funds | All funds |
| Standard retail – South East | 0.0 | 5.7 | 5.0 | 4.6 |
| Standard retail – Rest of UK | 1.0 | 2.0 | 2.3 | 3.2 |
| Shopping centres | 4.9 | 0.6 | 1.1 | 3.4 |
| Retail warehouses | 4.9 | 10.8 | 10.4 | 8.7 |
| All UK retail | 10.8 | 19.2 | 18.8 | 20.0 |
| City offices | 0.0 | 3.9 | 3.6 | 3.2 |
| West End offices | 0.0 | 7.7 | 8.5 | 7.5 |
| Rest of South East offices | 16.8 | 10.4 | 9.7 | 7.0 |
| Rest of UK offices | 12.4 | 5.7 | 5.4 | 5.0 |
| All UK offices | 29.2 | 27.7 | 27.2 | 22.7 |
| South East industrial | 35.9 | 22.8 | 23.8 | 19.5 |
| Rest of UK industrial | 17.5 | 12.5 | 12.6 | 10.3 |
| All UK industrial | 53.4 | 35.3 | 36.4 | 29.9 |
| Other UK properties | 5.7 | 11.0 | 10.6 | 21.9 |
| Cash*** | 0.9 | 6.8 | 7.0 | 5.5 |
| Overall | 100.0 | 100.0 | 100.0 | 100.0 |

Source: PATRIZIA Property Investment Managers LLP

| Property ownership structure | | | |
|------------------------------|------------------|------------------|-------------------------|
| | Number of assets | Valuation (GBPm) | % of total portfolio |
| Direct holdings | 21 | 517.2 | 100.0 |
| Joint and indirect holdings | 0 | 0.00 | 0.0 |
| Listed investments | 0 | 0.0 | 0.0 |
| Total | 21 | 517.2 | 100.0 |

Source: PATRIZIA Property Investment Managers LLP

| Largest direct investments by lot size & percentage of total portfolio | | | | |
|--|-------------|------------------|---------------------|-------------------------|
| Property | Location | Sector | Valuation (GBPm) | % of total portfolio |
| THORP ARCH | WETHERBY | Industrial | 80-75 | 16.0 |
| WESTCOTT VENTURE PARK | AYLESBURY | Industrial | 70-75 | 14.0 |
| ANNAN HOUSE | ABERDEEN | Office | 40-45 | 8.2 |
| MOLE BUSINESS CENTRE INDUSTRIAL | LEATHERHEAD | Industrial Other | 40-45 | 8.2 |
| COURT LANE INDUSTRIAL CENTRE | IVER | Industrial | 35-40 | 7.3 |
| CODA STUDIOS | FULHAM | Office | 30-35 | 6.3 |
| MOLE BUSINESS CENTRE OFFICE | LEATHERHEAD | Office | 30-35 | 6.3 |
| 9-10 ST ANDREW SQUARE | EDINBURGH | Office | 20-25 | 4.4 |
| 100 BLACKHEATH ROAD | LONDON | Retail Park | 20-25 | 4.4 |
| VERULAM POINT | ST ALBANS | Office | 20-25 | 4.4 |
| 10 largest investments as % of portfolio | | | | 79.3 |

Source: PATRIZIA Property Investment Managers LLP

| Direct portfolio structure by lot-size bands | | | |
|--|---------------------|------------------|-------------------------|
| Value band (GBPm) | Number of assets | Valuation (GBPm) | % of total portfolio |
| 0 -2.5 | 1 | 1.1 | 0.2 |
| 2.5 - 5 | 3 | 13.0 | 2.5 |
| 5-10 | 1 | 9.1 | 1.8 |
| 10-25 | 9 | 149.8 | 29.0 |
| 25 - 50 | 5 | 191.8 | 37.1 |
| 50 - 100 | 2 | 152.6 | 29.5 |
| 100-150 | 0 | 0.0 | 0.0 |
| Over 150 | 0 | 0.0 | 0.0 |
| Total | 21 | 517.2 | 100.0 |
| Average lot size | | 24.6 | |

Source: PATRIZIA Property Investment Managers LLP

| Property Yield | |
|--------------------------|-------|
| Net initial yield | 5.02% |
| Nominal equivalent yield | 6.45% |
| True equivalent yield | 6.48% |
| Net reversionary yield | 6.79% |

Source: PATRIZIA Property Investment Managers LLP

| Voids as % of ERV | |
|-------------------|--------|
| Investments | 10.85% |
| Developments | 0.00% |
| Total | 10.85% |

Rental income & ERV by type of property

| | Rental income % | Estimated rental value % |
|------------------------|-----------------|--------------------------|
| Standard retail | 3.1 | 2.8 |
| Retail warehousing | 3.3 | 4.1 |
| Shopping centres | 13.8 | 11.4 |
| Central London offices | 0.0 | 0.0 |
| Other offices | 27.5 | 33.3 |
| Industrial | 46.5 | 44.3 |
| Other | 5.8 | 4.0 |
| Overall | 100.0 | 100.0 |

Source: PATRIZIA Property Investment Managers LLP

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 | 1.0 | 0.0 | 0.0 | 41.2 | -31.1 | 11.7 | -19.4 | 111.7 |
| Retail warehousing | 1.0 | 0.0 | 0.0 | 50.5 | -0.6 | 49.9 | 49.3 | 149.9 |
| Shopping centres | 4.3 | 1.0 | 0.0 | 15.6 | -31.1 | 1.1 | -30.0 | 100.0 |
| Central London offices | - | - | - | - | - | - | - | - |
| Other offices | 8.6 | 0.7 | 0.0 | 25.1 | -6.5 | 46.9 | 40.3 | 146.1 |
| Industrial | 14.6 | 0.7 | 0.0 | 11.4 | -4.3 | 15.7 | 11.4 | 115.0 |
| Other | 1.8 | 0.0 | 0.0 | 0.0 | -17.0 | -17.0 | -34.0 | 83.0 |
| Overall | 31.4 | 0.7 | 0.0 | 17.3 | -10.0 | 21.4 | 11.3 | 120.7 |

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

Source: PATRIZIA Property Investment Managers LLP

Listed Investments

| | % of Issue held | Valuation (GBPm) | Est. % of total portfolio |
|---|-----------------|------------------|---------------------------|
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| - | - | - | - |
| | 0.0 | 0.0 | 0.0 |

The unexpired term of leases

| Years | % of rent passing |
|---------------------------------------|-------------------|
| 20 years or greater | 11.4 |
| 15 years or greater, but less than 20 | 1.6 |
| 10 years or greater, but less than 15 | 18.1 |
| 5 years or greater, but less than 10 | 7.3 |
| Less than 5 years | 61.5 |

Source: PATRIZIA Property Investment Managers LLP

Joint and Indirect property holdings

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

| | | | | | | |
|---|---|---|---|---|---|---|
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |

Source: PATRIZIA Property Investment Managers LLP

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 | 36 | 1.85% | 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: PATRIZIA Property Investment Managers LLP

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: PATRIZIA Property Investment Managers LLP

Valuations/performance monitors/affiliations

| | |
|---|--|
| Frequency of valuation | Quarterly, as at 15 March, 15 June, 15 September & 15 December |
| Valuers | Knight Frank |
| 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: PATRIZIA Property Investment Managers LLP

Restrictions on holdings of cash/borrowings

| | |
|---------------------------------|--------|
| Maximum total gearing permitted | *33.0% |
| Cash holdings (maximum) | ** |
| Cash holdings (minimum) | ** |

Note: * 33% of GAV

Source: PATRIZIA Property Investment Managers LLP

The contribution of major tenants to rental income

| Tenant | % |
|---|------|
| ENQUEST HEATHER LIMITED | 10.9 |
| MOORES FURNITURE GROUP LTD | 4.0 |
| TRAVELODGE HOTELS LTD | 3.3 |
| KEW GREEN HOTELS (YORK) LTD | 2.6 |
| TRANSLUX INTERNATIONAL LIMITED | 2.6 |
| EXPERT LOGISTICS LIMITED | 2.2 |
| SURREY & BORDERS PARTNERSHIP NHS FOUNDATION TRUST (AFL) | 2.1 |
| WICKES BUILDING SUPPLIES LTD | 1.9 |
| SAINSBURY'S SUPERMARKETS LTD | 1.9 |
| LUXOTTICA UK LTD & SUNGLASSES HUT UK LTD | 1.7 |

| | |
|--|------|
| Three largest tenants' contribution to rental income | 18.2 |
| Five largest tenants' contribution to rental income | 23.3 |
| Ten largest tenants' contribution to rental income | 33.1 |

Source: PATRIZIA Property Investment Managers LLP

| Balance sheet/gearing | | | | | |
|------------------------------|-----------------|----------------|----------------------|--------------------|-------|
| | Direct holdings | Joint holdings | Indirect investments | Listed investments | Total |
| Balance sheet (GBPm) | | | | | |
| Properties at valuation | 517.2 | 0.0 | 0.0 | 0.0 | 517.2 |
| Listed investments | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Debt | -36.0 | 0.0 | 0.0 | 0.0 | -36.0 |
| Cash | 4.4 | 0.0 | 0.0 | 0.0 | 4.4 |
| Other net assets/liabilities | -3.0 | 0.0 | 0.0 | 0.0 | -3.0 |
| Total net assets | 482.6 | 0.0 | 0.0 | 0.0 | 482.6 |
| Gearing (%) | | | | | |
| Net debt (cash)/properties | 6.1 | - | - | - | 6.1 |
| Net debt (cash)/equity | 6.5 | - | - | - | 6.5 |

Source: PATRIZIA Property Investment Managers LLP

| Quarterly data per unit | | | | | | |
|------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| As at | 31-Mar-20 | 30-Jun-20 | 30-Sep-20 | 31-Dec-20 | 31-Mar-21 | 30-Jun-21 |
| Bid (GBP) | 14,265.0 | 13,530.0 | 13,365.0 | 13,585.0 | 13,485.0 | 13,855.0 |
| Offer (GBP) | 15,305.0 | 14,555.0 | 14,385.0 | 14,540.0 | 14,445.0 | 14,850.0 |
| Mid (GBP) | 14,785.0 | 14,042.5 | 13,875.0 | 14,062.5 | 13,965.0 | 14,352.5 |
| Bid/offer spread | 7.29% | 7.58% | 7.63% | 7.03% | 7.12% | 7.18% |
| Net asset value (GBP) | 14,497.0 | 13,756.4 | 13,586.0 | 13,801.0 | 13,704.3 | 14,083.5 |
| Quarterly distribution (GBP) | 160.18 | 137.47 | 147.53 | 155.20 | 171.63 | 176.62 |
| Yield | 4.90% | 4.83% | 4.64% | 4.35% | 4.48% | 4.64% |

Source: PATRIZIA Property Investment Managers LLP

Unit pricing

The unit price is recalculated as at the end of each quarter. For the annual accounts, the valuers indicate whether there has been any material change in the value of the portfolio since their last valuation (approximately ten days previously) and the end of the quarter. Income is not included in the calculation. Any performance fees payable are charged quarterly to capital and are not estimated and accrued on a quarterly basis.

Distributions

Distributions of income are made quarterly, on the last working day of May, August, November and February, i.e. two months after the end of the quarter to which they relate.

Minimum investment/disinvestment

| | |
|--------------------------------|----------|
| Minimum initial | 10 units |
| Minimum additional investment: | 1 unit |
| Minimum redemption: | 1 unit |

Creation, transfer and realisation of units

Investors may redeem Standard Units on each quarter end date, namely the last Business Day of March, June, September and December in each

year, by submitting a Redemption Notice 24 weeks before the redemption date.

Unless the Manager otherwise determines at its sole discretion, the Fund Redemption Cap for Standard Units on each Quarter End Date is the lesser of:

(a) a quarterly cap equal to 5% of the Standard Units in issue as at the Quarter End Date; and

(b) an annual rolling cap equal to 15% of the Standard Units in issue 12 months prior to the quarter end date.

The number of Standard Units that will be redeemed on the Quarter End Date from each Unitholder (excluding the redemption of Standard Units which have been postponed at the Manager's discretion on prior Quarter End Dates) will be reduced pro rata to each redeeming Unitholder's holding of Standard Units at the Quarter End Date. If any Unitholder's pro rata allocation is greater than the number of Standard Units it wishes to redeem (as specified in its Redemption Notice) then its Standard Units will be redeemed in full and the balance will be reallocated to the remaining redeeming Unitholders' pro rata to their respective holdings of Standard Units.

The Standard Units in excess of the Fund Redemption Cap that remain unredeemed and will automatically roll over to the next Quarter End Date. Rolled Redemption Units will sit alongside other redemption requests for subsequent Quarter End Dates (i.e. there is no time priority or queue).

Taxation

Capital Gains Tax

Since it is registered in Jersey, the Trust 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 Trust. (PATRIZIA Hanover Property Unit Trust is expected to maintain Distributor status.)

Income Tax

Distributions are paid gross of income tax where the appropriate Inland Revenue approvals have been received.

Stamp duty reserve tax

Transfers of units are not subject to stamp duty.

Charges

Annual charge

The Trust's Property Investment Advisor receives 0.55% pa of the net asset value of the Trust, which is accounted for on a quarterly basis. As from 1 October 2007, 50% of this fee has been capitalised.

Performance fee

RPIML may earn a performance fee of 0.125% pa if the Trust's annualised three-year total return places it above the median three-year performance of the Other Balanced Fund sub-index of the MSCI UK Quarterly Property Funds Index. This figure increases to 0.15% pa if the Trust is rated in the top quartile. As from 1 October 2007, any performance fees payable have been charged quarterly to capital.

Acquisition fee

PATRIZIA Hanover Property Unit Trust charges an acquisition fee of 0.25%

| Unit holder analysis | | |
|--------------------------------|-----------------------|--------------|
| | Number of unitholders | Total % held |
| Less than 1% of units in issue | 18 | 5.4 |
| 1% or greater but less than 2% | 15 | 19.7 |
| 2% or greater but less than 4% | 5 | 12.4 |
| 4% or greater but less than 8% | 3 | 15.1 |
| Greater than 8.0% | 5 | 47.4 |
| Total | 46 | 100.0 |
| Major investors | | |
| Largest holder | 1 | 11.8 |
| Three largest holders | 3 | 30.6 |
| Five largest holders | 5 | 47.4 |
| Ten largest holders | 10 | 68.6 |
| Internal/external investors | | |
| Internal | 1 | 0.1 |
| External | 45 | 99.9 |

Source: PATRIZIA Property Investment Managers LLP

| 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 |

| | | | | | | |
|--------------------------------------|--------|--------|--------|--------|--------|--------|
| Issues and redemptions | | | | | | |
| Units in issue as at start of period | 38,914 | 36,968 | 35,297 | 35,332 | 35,332 | 35,332 |
| Units issued during period | - | 177 | 35 | 0 | 0 | 0 |
| Units redeemed during period | -1946 | -1848 | 0 | 0 | 0 | -1,062 |
| Units in issue at end of period | 36,968 | 35,297 | 35,332 | 35,332 | 35,332 | 34,270 |
| Unit transfers | | | | | | |
| Matched bargains | 837 | 4,783 | 1,442 | 0 | 168 | 0 |
| Matched bargains %* | 2.30% | 13.55% | 4.08% | 0.00% | 0.48% | 0.00% |

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

Source: PATRIZIA Property Investment Managers LLP