

Mayfair Capital Property Income Trust For Charities

INVESTMENT POLICY AND OBJECTIVES

The Trust's investment objective is to deliver a relatively high and sustainable income yield whilst at least maintaining capital value in real terms over the economic cycle.

INVESTOR CONSTITUENCY

Any exempt charity in the UK or a unit trust whose members are all exempt charities may invest in the Trust. It is also possible for charities from the EU to apply for exemption from HMRC.

Fund details	
Type of fund	Exempt, unauthorised PUT
Residence	United Kingdom
Launch date	September 2004
Open/closed-ended	Open-ended
Earliest date of winding up	Not applicable
Year-end	31 December
NAV (GBPm)	577.2

Source: Mayfair Capital Investment Management Limited

Management/professional advisors	
Trust manager	Mayfair Capital Investment Management Ltd
Trust Administrator	Sanne Group
Property investment manager	Mayfair Capital Investment Management Limited
Property advisor	Jones Lang LaSalle
Fund Director	James Thornton
Fund Manager	Simon Martindale
Trustees	Vistra Trust Corporation (UK) Limited

Source: Mayfair Capital Investment Management Limited

	Mayfair Capital Property Income Trust For Charities	MSCI /AREF UK Quarterly Property Fund Index		
		Other balanced funds	All balanced funds	All funds
3 months	-0.7	0.2	0.2	-0.2
Year-to-date	-3.1	-3.1	-3.1	-4.2
12 months	-2.3	-2.8	-2.8	-4.2
3 years+	3.7	3.1	2.6	1.6
5 years+	5.7	4.6	4.1	3.3
10 years+	7.6	6.7	6.4	6.1

Source: Mayfair Capital Investment Management Limited

Property investment restrictions	
Maximum development exposure	Nil
Maximum speculative development exposure	Nil
Maximum lot-size holding as a standing investment	Nil
Maximum lot-size holding permitted at purchase	10% of the value of the Fund
Maximum exposure to limited partnerships	N/A
Maximum exposure to joint ventures	N/A
Maximum exposure to closed and open-ended property unit trusts	10% of the value of the Fund

Source: Mayfair Capital Investment Management Limited

Portfolio distribution %	
	MSCI/AREF UK Quarterly Property Fund Index

	Mayfair Capital Property Income Trust For Charities	Other balanced funds	All balanced funds	All funds
Standard retail – South East	1.4	6.5	5.6	5.1
Standard retail – Rest of UK	1.9	2.3	2.6	3.4
Shopping centres	0.0	1.1	1.6	4.6
Retail warehouses	8.3	11.4	11.0	9.6
All UK retail	11.6	21.4	20.8	22.8
City offices	0.0	4.1	3.7	3.1
West End offices	0.0	7.6	8.5	7.7
Rest of South East offices	12.5	11.5	10.8	7.8
Rest of UK offices	17.3	6.2	5.8	5.1
All UK offices	29.8	29.5	28.9	23.7
South East industrial	15.0	20.7	21.2	17.1
Rest of UK industrial	17.5	11.1	10.9	8.9
All UK industrial	32.5	31.8	32.0	26.0
Other UK properties	10.2	11.5	10.6	21.9
Cash***	15.9	5.9	7.7	5.6
Overall	100.0	100.0	100.0	100.0

Source: Mayfair Capital Investment Management Limited

Property ownership structure

	Number of assets	Valuation (GBPm)	% of total portfolio
Direct holdings	51	520.3	94.8
Joint and indirect holdings	1	28.7	5.2
Listed investments	0	0.0	0.0
Total	52	549.0	100.0

Source: Mayfair Capital Investment Management Limited

Largest direct investments by lot size & percentage of total portfolio

Property	Location	Sector	Valuation (GBPm)	% of total portfolio
3 CAPITAL QUARTER, CARDIFF	CARDIFF	Office	25-30	5.1
PHASES I & II TRAX PARK	DONCASTER	Industrial	20-25	4.0
PREMIER INN	CROYDON	Hotel	20-25	3.9
UNIT A, 9-11 NEWMARKET BUSINESS PARK	NEWMARKET	Industrial	20-25	3.9
STONE CROSS, BRENTWOOD	BRENTWOOD	Office	15-20	3.5
WEST MOOR PARK	DONCASTER	Industrial	15-20	3.2
ROYAL MAIL, PETERBOROUGH	PETERBOROUGH	Industrial	15-20	3.2
BARTLEY POINT, HOOK	HOOK	Industrial	15-20	3.2
JESSOP HOUSE, CHELTENHAM	CHELTENHAM	Office	15-20	3.1
LADY BAY RETAIL PARK, NOTTINGHAM	NOTTINGHAM	Retail Park	15-20	3.1
10 largest investments as % of portfolio			0.0	36.2

Source: Mayfair Capital Investment Management Limited

Direct portfolio structure by lot-size bands

Value band (GBPm)	Number of assets	Valuation (GBPm)	% of total portfolio
0 -2.5	3	4.2	0.8
2.5 - 5	7	23.6	4.3
5-10	21	159.0	29.0
10-25	19	305.6	55.7
25 - 50	1	28.0	5.1
50 - 100	0	0.0	0.0
100-150	0	0.0	0.0
Over 150	0	0.0	0.0
Total	51	520.3	94.8
Average lot size		10.2	

Source: Mayfair Capital Investment Management Limited

Property Yield	
Net initial yield	4.82%
Nominal equivalent yield	5.98%
True equivalent yield	6.20%
Net reversionary yield	6.23%

Source: Mayfair Capital Investment Management Limited

Voids as % of ERV	
Investments	6.80%
Developments	2.10%
Total	8.90%

Rental income & ERV by type of property

	Rental income %	Estimated rental value %
Standard retail	4.6	4.6
Retail warehousing	15.6	13.5
Shopping centres	0.0	0.0
Central London offices	0.0	0.0
Other offices	34.7	39.2
Industrial	38.2	36.3
Other	7.0	6.4
Overall	100.0	100.0

Source: Mayfair Capital 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	1.4	3.9	0.0	25.8	-15.6	15.9	0.3	115.0
Retail warehousing	4.7	0.0	0.0	12.4	-14.3	-0.1	-14.4	99.9
Shopping centres	-	-	-	-	-	-	-	-
Central London offices	-	-	-	-	-	-	-	-
Other offices	10.4	3.0	0.0	22.7	-3.8	32.2	28.3	130.4
Industrial	11.5	3.4	0.0	1.2	-1.2	9.8	8.6	109.6
Other	2.1	0.0	0.0	0.0	-1.7	5.9	4.1	105.5
Overall	30.1	2.5	0.0	11.5	-4.9	16.0	11.2	115.3

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

Source: Mayfair Capital Investment Management Limited

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	0.0
15 years or greater, but less than 20	7.6
10 years or greater, but less than 15	8.1
5 years or greater, but less than 10	39.3
Less than 5 years	45.0

Source: Mayfair Capital Investment Management Limited

Joint and Indirect property holdings

Holdings	Sector	Joint/Indirect	Vehicle Type	Ownership %	Valuation	Est. % of total portfolio
UNITE STUDENT ACCOMMODATION FUND	Other	INDIRECT RE	0.0	100.0	28.7	5.2
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-

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

Source: Mayfair Capital 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 LIBOR (incl expenses) (%)	Off balance sheet debt (GBPm)+
24.7	4.09%	0.80	0	0%	0
26	2.25%	3.19	0	0%	0
24.8	3.10%	4.99	0	0%	0
0	0.00%	-	0	0%	0
0	0.00%	-	0	0%	0

Source: Mayfair Capital 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: Mayfair Capital Investment Management Limited

Valuations/performance monitors/affiliations

Frequency of valuation	Monthly, as at the last day of the month
Valuers	Cushman & Wakefield
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: Mayfair Capital Investment Management Limited

Restrictions on holdings of cash/borrowings

Maximum total gearing permitted	50% (loan to value at purchase)
for investment purposes	*
for liquidity purposes	*
Cash holdings (maximum)	*
Cash holdings (minimum)	*

Source: Mayfair Capital Investment Management Limited

The contribution of major tenants to rental income

Tenant	%
EUI LTD T/A ADMIRAL INSURANCE	4.8
WINCANTON HOLDINGS LTD	4.4
KIER CONSTRUCTION LTD	4.4
SKY CP LIMITED	3.7
ANTOLIN INTERIORS UK LTD	3.2
PREMIER INN HOTELS LTD	3.2
ASOS	3.0
ROYAL MAIL GROUP	3.0
SALMON LTD	2.8
WICKES BUILDING SUPPLIES LTD	2.8
Three largest tenants' contribution to rental income	13.6
Five largest tenants' contribution to rental income	20.5
Ten largest tenants' contribution to rental income	35.3

Source: Mayfair Capital Investment Management Limited

Balance sheet/gearing					
	Direct holdings	Joint holdings	Indirect investments	Listed investments	Total
Balance sheet (GBPm)					
Properties at valuation	520.3	0.0	28.7	0.0	549.0
Listed investments	0.0	0.0	0.0	0.0	0.0
Debt	-75.5	0.0	0.0	0.0	-75.5
Cash	103.6	0.0	0.0	0.0	103.6
Other net assets/liabilities	0.1	0.0	0.0	0.0	0.1
Total net assets	548.5	0.0	28.7	0.0	577.2
Gearing (%)					
Net debt (cash)/properties	-5.4	-	0.0	-	-5.1
Net debt (cash)/equity	-5.1	-	0.0	-	-4.9

Source: Mayfair Capital Investment Management Limited

Quarterly data per unit						
As at	30-Jun-19	30-Sep-19	31-Dec-19	31-Mar-20	30-Jun-20	30-Sep-20
Bid (GBP)	0.8716	0.8659	0.8626	0.8521	0.8231	0.8093
Offer (GBP)	0.8970	0.8906	0.8868	0.8732	0.8445	0.8303
Mid (GBP)	0.8843	0.8783	0.8747	0.8627	0.8338	0.8198
Bid/offer spread	2.8%	2.8%	2.7%	2.4%	2.5%	2.5%
Net asset value (GBP)	0.8831	0.8771	0.8736	0.8612	0.8328	0.8189
Quarterly distribution (GBP)	0.0123	0.0122	0.0111	0.0118	0.0084	0.0082
Yield	5.7%	5.6%	5.4%	5.5%	5.2%	4.8%

Source: Mayfair Capital Investment Management Limited

Unit pricing

The Trust's NAV and the bid and offer price of its units are re-calculated as at the date of the monthly revaluation of the portfolio. Income is not included in this re-calculation. The Trust's fixed rate debt is not marked to market: any difference between the market value and the nominal value of its debt is thus not reflected in the monthly re-calculation of its net asset value and the pricing of the units.

Distributions

Distributions of income are made monthly, within one month of the month end in which the income is earned.

Minimum investment/disinvestment

Minimum initial	GBP 50,000
Minimum additional investment:	No minimum
Minimum redemption:	No minimum

Creation, transfer and realisation of units

Subscriptions may be made on a monthly basis, on the last business day of the month. Application forms must be sent to the Trust Administrator together with the application monies (to be cleared by that date).

Redemptions may be made on a quarterly basis on 31 December, 31 March, 30 June or 30 September. Formal notification must be sent to the Administrator 15 days prior to a (calendar) quarter day. In normal market conditions the redeeming investor will receive the sales proceeds within 15 working days of the end of the quarter following the quarter in which the redemption notice was served. The Manager may defer redemption notices under the following circumstances: a) redemptions exceed 10% of Units; b) there is insufficient cash; c) the property valuer expresses material uncertainty about the value of 20% or more of the property investments or d) it determines there is a significant risk of Units being materially mispriced due to a severe lack of liquidity or a significant fall in property values.

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 and Income Tax

Trust is not subject to capital gains tax. The Trust is an approved exempt unauthorised unit trust and as such pays distributions gross.

Stamp duty land tax

All property purchases by the Trust are exempt from SDLT

Stamp duty reserve tax

Transfers of units in the Trust are exempt from SDRT.

Charges

Annual charge

The Manager is entitled to a fee of 0.65% pa of the first GBP40m of the Gross Asset Value of the Trust and of 0.50% pa of the Gross Asset Value of the Trust above that amount.

Initial charges / Performance fees

None

Redemption notices outstanding					
Unit Type	Number of units	NAV per unit (£)	Value at NAV (£m)	% of total NAV of Fund	
0	0	0	0	0	
0	0	0	0	0	
0	0	0	0	0	
0	0	0	0	0	

Unit holder analysis		
	Number of unitholders	Total % held
Less than 1% of units in issue	1,378	60.5
1% or greater but less than 2%	10	13.6
2% or greater but less than 4%	6	16.5
4% or greater but less than 8%	2	9.5
Greater than 8.0%	0	0.0
Total	1,396	100.0
Major investors		
Largest holder	1	4.9
Three largest holders	3	12.9
Five largest holders	5	18.6
Ten largest holders	10	29.6
Internal/external investors		
Internal	0	0.0
External	1,396	100.0

Source: Mayfair Capital Investment Management Limited

Liquidity						
Period	Year to Dec 2015	Year to Dec 2016	Year to Dec 2017	Year to Dec 2018	Year to Dec 2019	Year to Dec 2020
Issues and redemptions						
Units in issue as at start of period	372,364,527	465,566,001	476,763,305	533,952,465	614,131,315	669,408,636
Units issued during period	93,512,573	17,326,135	66,328,640	90,726,816	71,220,336	39,623,772
Units redeemed during period	-311,098	-6,128,831	-9,139,479	-10,547,966	-15,943,015	-4,217,871
Units in issue at end of period	465,566,001	476,763,305	533,952,465	614,131,315	669,408,636	704,814,537
Unit transfers						
Matched bargains	805,628	-	1629364.02	0	0	0
Matched bargains %*	0.20%	-	0.003051515	0.00%	0.00%	0.00%

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

Source: Mayfair Capital Investment Management Limited