

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	Long Income Property Fund
Residence	Jersey (Property Unit Trust)
Launch date	16-Dec-15
Open/closed-ended	Open-ended
Earliest date of winding up	Not applicable
Year-end	31-Dec
NAV (GBPm)	846.3

Management/professional advisors	
Manager	Sanne Fund Administration Limited
Investment Advisor	Knight Frank Investment Management
Property Fund Manager	Matthew McDonald
Depositary	-
Auditors	-

Investment rates of return, %		MSCI/AREF UK Quarterly Property Fund Index *		
	KFIM Long Income Property Unit Trust	Long Income Funds	All balanced funds	All funds
3 months	1.8	1.9	2.2	1.8
Year-to-date	1.8	1.9	2.2	1.8
12 months	4.6	3.4	2.5	0.7
3 years+	5.3	4.9	2.4	1.1
5 years+	-	6.1	4.1	3.2
10 years+	-		6.4	5.9

Note: * Weighted average returns + Annualised Note: IRR numbers will not be published for Q3 2018

Source: MSCI/AREF UK Quarterly Property Fund Index

Property investment restrictions	
Maximum development exposure	30% of GAV
Maximum speculative development exposure	-
Maximum lot-size holding as a standing investment	10% of GAV
Maximum lot-size holding permitted at purchase	£25m

Maximum exposure to limited partnerships	-
Maximum exposure to joint ventures	-
Maximum exposure to closed and open-ended property unit trusts	-

Portfolio distribution %				
	KFIM Long	MSCI/AREF UK Quarterly Property Fund Index**		
	Income	Long Income Funds	All balanced funds	All funds
Standard retail – South East	9.9	8.6	5.2	4.9
Standard retail – Rest of UK	17.3	8.6	2.4	3.3
Shopping centres	0.0	0.6	1.2	3.5
Retail warehouses	5.1	1.9	10.5	9.0
All UK retail	32.3	19.7	19.3	20.6
City offices	0.0	4.7	3.6	3.4
West End offices	0.0	5.4	8.5	7.6
Rest of South East offices	0.0	5.1	10.2	7.4
Rest of UK offices	0.8	8.8	5.6	5.1
All UK offices	0.8	24.0	27.9	23.5
South East industrial	2.5^	3.1	22.7	18.5
Rest of UK industrial	4.0	6.4	11.8	9.5
All UK Industrial	6.5	9.4	34.5	28.0
Other UK properties	59.0	44.8	10.7	21.9
Cash***	1.5	2.0	7.7	5.9
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	100	834.0	100.0
Joint and indirect holdings	1	0	0.0
Listed investments	0	0	0.0
Total	101	834.0	100.0

Largest direct investments by lot size & percentage of total portfolio				
Property	Location	Sector	Valuation (GBPm)	% of total portfolio
MORRISONS & MCDONALDS	MANCHESTER	Retail Other	20 - 30	*
SAINSBURYS	CHELMSFORD	Retail Other	20 - 30	*
DENBY HALL BUSINESS PARK	RIPLEY	Industrial	20 - 30	*
STAYCITY	LIVERPOOL	Hotel – Not categorised	20 - 30	*
SAINBURYS	WORCESTER	Retail Other	20 - 30	*
STAY CITY	BIRMINGHAM	Hotel – Not categorised	20 - 30	*
DAVID LLOYD EMERSONS GREEN	BRISTOL	Leisure	20 - 30	*
WAITROSE	NEWMARKET	Retail Other	10 - 20	*
LANCASTER PLC	BIRMINGHAM	Other	10 - 20	*
CARE UK MAIDSTONE	MAIDSTONE	Healthcare	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	3	5.3	0.6
2.5 - 5	33	116.7	14.0
5-10	36	269.5	32.3
10-25	26	387.9	46.5
25 - 50	2	54.7	6.6
50 - 100	-	-	-
Over 100	-	-	-
Total	100	834.0	100.0
Average lot size		8.3	

Property Yield*		Voids as % of ERV*	
Net initial yield	5.16%	Investments	0.27%
Nominal equivalent yield	-	Developments	-
True equivalent yield	5.15%	Total	-
Net reversionary yield	5.14%		

Rental income & ERV by type of property*

	Rental income %	Estimated rental value %
Standard retail	27.9	24.1
Retail warehousing	5.9	5.9
Shopping centres	0.0	0.0
Central London offices	0.0	0.0
Other offices	0.9	0.8
Industrial	4.2	6.4
Other	61.2	62.8
Overall	100.0	100.0

Over Renting and Reversionary Potential, % Rent Passing

Sector	Rent Passing, GBP Millions	Rent Free, % Rent Passing	Development vacancy %	Investment vacancy %	Over rented,% Rent Passing	Reversionary potential %	Reversionary potential Net Value %	Market % Rent
Standard retail	11.5	0.0	0.0	0.0	-10.1	-9.0	-19.1	91.0
Retail warehousing	2.5	0.0	0.0	0.0	-7.3	4.4	-2.9	104.4
Shopping centres	-	-	-	-	-	-	-	-
Central London	-	-	-	-	-	-	-	-
Other offices	0.4	0.0	0.0	0.0	0.0	0.0	0.0	100.0
Industrial	1.7	25.5	53.7	0.0	-17.4	87.1	69.7	161.6
Other	25.3	0.8	1.2	0.4	-3.8	9.5	5.6	108.3
Overall	41.4	1.5	3.0	0.3	-6.3	7.2	0.9	105.4

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

Listed Investments

	held	(GBPm)	portfolio
-	-	-	-
-	-	-	-
-	-	-	-

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

The unexpired term of leases

Years	% of rent passing
20 years or greater	40.1
15 years or greater, but less than 20	35.8
10 years or greater, but less than 15	23.5
5 years or greater, but less than 10	0.0
Less than 5 years	0.6

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 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

Development exposure*

	Capital value of developments			complete
	Not yet started	In progress+	All developments	
GBPm	0	13.338	13.338	13.421
% of all directly held properties	0.00%	1.60%	1.60%	1.61%

* 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

Restrictions on holdings of cash/borrowings

Maximum total gearing permitted	
for investment purposes	-
for liquidity purposes	-
Cash holdings (maximum)	-
Cash holdings (minimum)	-

The contribution of major tenants to rental income

Tenant	%
SAINSBURY'S	*
TRAVELODGE HOTELS LTD	*
DOBBIES S&LB	*
WHITBREAD (ROOM EXTENSION)	*
ALDI STORES LIMITED	*
CARE UK	*
WAITROSE LTD	*
STAYCITY LIMITED	*
ROYAL MENCAP SOCIETY	*
MORRISONS	*
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	834.0	0.0	-	-	834.0
Listed investments	0.0	-	-	-	0.0
Debt	0.0	-	-	-	0.0
Cash	12.3	-	-	-	12.3
Other net assets/liabilities	0.0	-	-	-	0.0
Total net assets	846.3	0.0	0.0	0.0	846.3
Gearing (%)					
Net debt (cash)/properties	-1.5	-	-	-	-1.5
Net debt (cash)/equity	-1.5	-	-	-	-1.5

Quarterly data per unit

As at	31-Dec-19	31-Mar-20	30-Jun-20	30-Sep-20	31-Dec-20	31-Mar-21
Bid (GBp)	-	-	-	1.06	1.07	1.07
Offer (GBp)	1.170	1.14	1.13	1.13	1.14	1.15
Mid (GBp)	-	-	-	-	-	-
Bid/offer spread	-	-	-	-	-	-
Net asset value (GBp)	1.091	1.07	1.06	1.06	1.07	1.07
Quarterly distribution (GBp)	0.014	0.01	0.01	0.01	0.01	0.01
Yield	4.66%	4.73%	4.91%	4.84%	4.45%	4.42%

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	0	0.0
1% or greater but less than 2%	0	0.0
2% or greater but less than 4%	0	0.0
4% or greater but less than 8%	0	0.0
Greater than 8.0%	0	0.0
Total	0	0.0
Major investors		
Largest holder	0	0.0
Three largest holders	0	0.0
Five largest holders	0	0.0
Ten largest holders	0	0.0
Internal/external investors		
Internal	0	0.4
External	0	99.6

Liquidity				
Period	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	467490213	601,628,584	734,310,892	734,310,892
Units issued during period	134138371	132,682,308	0	0
Units redeemed during period	-	0	0	0
Units in issue at end of	601628584	734,310,892	734,310,892	734,310,892
Unit transfers				
Matched bargains	-	0	0	0
Matched bargains %*	-	0	0	0

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

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	266,659,217	266,659,217	232,776,767	215,009,304	215,009,304	215,009,304
Units issued during period	-	-	0	0	0	0
Units redeemed during period	-	-33882450.59	-17767462.19	-17647668.98	- 6,218,194	0
Units in issue at end of period	266,659,217	232,776,766	215,009,304	197,361,635	208,791,110	215,009,304
Unit transfers						
Matched bargains	-	-	-	-	-	-
Matched bargains %*	-	-	-	-	-	-

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

Source: Kames Capital

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

Source: Nuveen Real Estate

Notes

The Trust changed its name from Edinburgh Property Portfolio to New Star Property Unit Trust following the