

West End Of London Property Unit Trust

INVESTMENT POLICY AND OBJECTIVES

WELPUT ('the Trust') is an open-ended Jersey property unit trust, specialising in office property in Central London, and focusing on large, multi-let buildings. It invests strategically within the West End and wider central London sub-markets, pursuing a policy of active management, including refurbishment and development, and uses gearing to enhance unitholder returns and diversify portfolio exposure. WELPUT's objective is to outperform the Central and Inner London office segments of the MSCI Quarterly universe at the property level and to enhance returns through the use of gearing.

INVESTOR CONSTITUENCY

Pension funds, charities, insurance companies, other corporate and institutional investors are eligible to invest.

Fund details	
Type of fund	Unauthorised property unit trust
Residence	Jersey
Launch date	12 July 2001
Open/closed-ended	Open-ended
Earliest date of winding up	Unlimited
Year-end	30 September
NAV (GBPm)	744.7

Source: GreenOak Real Estate Advisors (Jersey) Limited

Management/professional advisors	
Manager	GreenOak Real Estate Advisors (Jersey) Limited

Property advisor**Grafton Advisors (2006) LLP**

Portfolio manager

Ker Gilchrist

Trustees

BNP Paribas Securities Services Trust Company (Jersey) Limited

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Auditors

PricewaterhouseCoopers LLP

Source: GreenOak Real Estate Advisors (Jersey) Limited

Investment rates of return, %

		MSCI/AREF UK Quarterly Property Fund Index		
	West End Of London Property Unit Trust	Other Balanced Funds	All balanced funds	All funds
3 months	0.3	0.6	0.6	0.4
Year-to-date	1.7	1.0	0.9	0.6
12 months	1.9	4.1	3.4	2.8
3 years+	0.5	6.6	6.3	5.6
5 years+	6.5	8.9	8.3	7.6
10 years+	13.7	9.1	8.7	9.1

Source: MSCI/AREF UK Quarterly Property Fund Index (Sponsored by PropertyMatch)

Property investment restrictions

Maximum development exposure	-
Maximum speculative development exposure	15% of ATV1
Maximum lot-size holding as a standing investment	-
Maximum lot-size holding permitted at purchase	15% of ATV2
Maximum exposure to limited partnerships	-
Maximum exposure to joint ventures	-
Maximum exposure to closed and open-ended property unit trusts	-

Source: GreenOak Real Estate Advisors (Jersey) Limited

Portfolio distribution %

	West End Of London Property Unit Trust	MSCI/AREF UK Quarterly Property Fund Index		
		Other balanced funds	All balanced funds	All funds
Standard retail – South East	0.0	7.6	7.1	5.7
Standard retail – Rest of UK	0.0	3.3	3.3	3.6
Shopping centres	0.0	1.8	2.5	7.3
Retail warehouses	0.0	13.3	13.6	13.0
All UK retail	0.0	26.0	26.4	29.7
City offices	6.6	3.7	3.7	3.3
West End offices	88.3	7.6	7.7	7.0
Rest of South East offices	4.9	11.6	11.1	7.7
Rest of UK offices	0.0	5.8	5.8	4.9
All UK offices	99.7	28.7	28.4	22.9
South East industrial	0.0	19.3	19.5	15.6
Rest of UK industrial	0.0	10.1	10.0	8.0
All UK industrial	0.0	29.4	29.5	23.6
Other UK properties	0.0	11.0	10.0	19.4
Cash***	0.3	4.9	5.7	4.4
Overall	100.0	100.0	100.0	100.0

Source: GreenOak Real Estate Advisors (Jersey) Limited

Property ownership structure

	Number of assets	Valuation (GBPm)	% of total portfolio
Direct holdings	10	1,121.1	100.0
Joint and indirect holdings	0	0.0	0.0
Listed investments	0	0.0	0.0
Total	10	1,121.1	100.0

Source: GreenOak Real Estate Advisors (Jersey) Limited

Largest direct investments by lot size & percentage of total portfolio

Property	Location	Sector	Valuation (GBPm)	% of total portfolio
SOUTHSIDE,105,VICTORIA STREET,LONDON,SW1	LONDON	Office	200-250m	0.0
STIRLING SQUARE,5-7 CARLTON GARDENS,LONDON,W1	LONDON	Office	150-200m	0.0
WARNER HOUSE, 98 THEOBALD'S ROAD	LONDON	Office	150-200m	0.0
ORION HOUSE,UPPER ST MARTIN'S LANE,LONDON,GREATER	LONDON	Office	100-150m	0.0
NEW CAVENDISH PROPERTY UNIT TRUST	LONDON	Office	100-150m	0.0
20 ST JAMES'S STREET	LONDON	Office	50-100m	0.0
143-157 FARRINGDON ROAD, LONDON, EC1	LONDON	Office	50-100m	0.0
REGENT'S WHARF PROPERTY UNIT TRUST	LONDON	Office	50-100m	0.0
BISHOPSGATE UNIT TRUST	LONDON	Office	25-50m	0.0
BURY HOUSE	LONDON	Office	25-50m	0.0
10 largest investments as % of portfolio			0.0	0.0

Source: GreenOak Real Estate Advisors (Jersey) Limited

Direct portfolio structure by lot-size bands

Value band (GBPm)	Number of assets	Valuation (GBPm)	% of total portfolio
0 -2.5	0	0.0	0.0
2.5 - 5	0	0.0	0.0
5-10	0	0.0	0.0
10-25	0	0.0	0.0
25 - 50	2	74.7	6.7
50 - 100	3	220.9	19.7
100-150	2	248.6	22.2
Over 150	3	577.0	51.5
Total	10	1121.1	100.0
Average lot size		112.1	

Source: GreenOak Real Estate Advisors (Jersey) Limited

Property Yield

Voids as % of ERV

Net initial yield	2.88%	Investments	6.85%
Nominal equivalent yield	4.51%	Developments	0.00%
True equivalent yield	4.63%	Total	6.85%
Net reversionary yield	4.89%		

Source: GreenOak Real Estate Advisors (Jersey) Limited

Rental income & ERV by type of property

	Rental income %	Estimated rental value %
Central London offices	-	-
Other offices	-	-
Overall	0.0	0.0

Source: GreenOak Real Estate Advisors (Jersey) Limited

Comparison of rents passing and ERV by type of property*

Sector	Rent passing %	Pre-lets & rent-free periods %	Development voids %	Other voids %	Over rented %	Reversionary potential %	Net reversionary potential %	ERV %
Central London offices	-	-	-	-	-	-	-	-
Other offices	-	-	-	-	-	-	-	0.0
Overall	-	-	-	-	-	-	-	0.0

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

Source: GreenOak Real Estate Advisors (Jersey) Limited

The unexpired term of leases

Years	% of rent passing
20 years or greater	0.0
15 years or greater, but less than 20	0.0
10 years or greater, but less than 15	22.1
5 years or greater, but less than 10	8.7
Less than 5 years	69.2

Source: GreenOak Real Estate Advisors (Jersey) Limited

Source: GreenOak Real Estate Advisors (Jersey) 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)+
100	2.5%	2.8	100	1.1%	0
50	2.7%	4.9	35	0.014	
0	0	0	0	0	

Source: GreenOak Real Estate Advisors (Jersey) 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: GreenOak Real Estate Advisors (Jersey) Limited

Valuations/performance monitors/affiliations

Frequency of valuation	Monthly, on the second last business day of each month
Valuers	CBRE Limited
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: GreenOak Real Estate Advisors (Jersey) Limited

Restrictions on holdings of cash/borrowings

Maximum total gearing permitted	35% of Aggregate Trust Value+
Cash holdings (maximum)	10% of Aggregate Trust value
Cash holdings (minimum)	*

Source: GreenOak Real Estate Advisors (Jersey) Limited

The contribution of major tenants to rental income

Tenant	%
Warner Bros. Entertainment UK Ltd	11.3
Daniel J Edelman Ltd	7.7
BAE Systems Plc	5.6
University of Westminster	5.4
Kohlberg Kravis Roberts & Co	5.0
CIB Properties Ltd	4.1
The Office Group	4.0
GB Gas Holdings	3.5
Landmark Space Ltd	3.5
ExodusPoint Capital Management	3.3
Three largest tenants' contribution to rental income	24.6
Five largest tenants' contribution to rental income	35.0
Ten largest tenants' contribution to rental income	53.4

Source: GreenOak Real Estate Advisors (Jersey) Limited

Balance sheet/gearing

	Direct holdings	Joint holdings	Indirect investments	Listed investments	Total
Balance sheet (GBPm)					
Properties at valuation	1121.1	0.0	0.0	0.0	1121.1
Listed investments	0.0	0.0	0.0	0.0	0.0
Debt	-398.7	0.0	0.0	0.0	-398.7
Cash	2.9	0.0	0.0	0.0	2.9
Other net assets/liabilities	19.4	0.0	0.0	0.0	19.4
Total net assets	744.7	0.0	0.0	0.0	744.7

Gearing (%)

Net debt (cash)/properties	35.3	-	-	-		35.3
Net debt (cash)/equity	53.2	-	-	-		53.2

Source: GreenOak Real Estate Advisors (Jersey) Limited

Quarterly data per unit						
As at	31-Mar-18	30-Jun-18	30-Sep-18	31-Dec-18	31-Mar-19	30-Jun-19
Net asset value (GBP)	850.5	843.2	838.6	831.6	839.9	835.4
Quarterly distribution (GBP)	4.80	4.88	4.77	4.80	2.72	3.49
Yield	2.1%	2.2%	2.3%	2.3%	2.1%	1.9%

Source: GreenOak Real Estate Advisors (Jersey) Limited

NAV calculation

NAV per unit is recalculated monthly, on the second to last business day of the month. The manager calculates the difference between the nominal value and the market value of the Trust's debt: this is not reflected in the monthly recalculation of the Trust's Net Asset Value and is not disclosed in the Trust's Pooled Property Questionnaire.

Distributions

Distributions of income are made monthly, on the last business day of each month.

Minimum investment/disinvestment: GBP 100,000

Creation, transfer and realisation of units

Please refer to Unit Transaction and Income Distribution Procedure section below for details on the creation and the realisation of units.

Units are transferable on the secondary market.

Taxation

Capital Gains Tax

The trust is not subject to capital gains tax. Those investors who are subject to tax may be liable to capital gains tax on the redemption or disposal of their units in the trust. (WELPUT is expected to maintain its status as a tax transparent non-reporting fund.)

Income Tax

Distributions of income are made gross on a quarterly basis to all holders who are UK residents or those who hold non-resident Landlord clearance. 20% Jersey tax is withheld from distributions payable to Jersey residents. Income (less expenses properly incurred) arising directly from the properties whether it is distributed or not, will be liable under Schedule A to UK income or corporation tax in the hands of unitholders, regardless of where they are resident.

Stamp duty reserve tax

Transfers of units are not subject to SDRT.

Charges

Annual charge

The Manager and Property Adviser receive an Annual Management Charge equivalent to 0.70% of the Net Asset Value. Please refer to the WELPUT Prospectus for details.

Performance fee

The Manager and the Property Adviser are also entitled to share equally in a performance-related fee. (Refer to the prospectus for details.)

The performance fee is accrued and is therefore taken into account in the monthly re-calculation of the Trust's Net Asset Value.

Performance fee is capped at 1% NAV in any one performance period.

Initial charge

The manager has discretion to make an initial charge on the issue of units, other than initial units.

Unit holder analysis		
	Number of unitholders	Total % held
Less than 1% of units in issue	38	10.4
1% or greater but less than 2%	5	6.7
2% or greater but less than 4%	1	2.6
4% or greater but less than 8%	0	0.0
Greater than 8.0%	3	80.2
Total	47	100.0
Major investors		
Largest holder	1	33.7
Three largest holders	3	80.3
Five largest holders	5	84.6
Ten largest holders	10	90.6

Internal/external investors		
Internal	0	0.0
External	47	100.0

Source: GreenOak Real Estate Advisors (Jersey) Limited

Liquidity						
Period	Year to Dec 2014	Year to Dec 2015	Year to Dec 2016	Year to Dec 2017	Year to Dec 2018	Year to Dec 2019
Issues and redemptions						
Units in issue as at start of period	1,307,535	1,307,535	1,307,535	1,199,632	1,098,033	988,307
Units issued during period	-	-	-	-	-	-
Units redeemed during period	-	-	107,903	101,599	109,726	96,901
Units in issue at end of period	1,307,535	1,307,535	1,199,632	1,098,033	988,307	891,406
Unit transfers						
Matched bargains	112,723	319,710	210,962	112,994	4,561	-
Matched bargains %*	8.6%	24.5%	17.6%	10.3%	0.5%	0.0%

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

Source: GreenOak Real Estate Advisors (Jersey) Limited

Note:

1) In addition to the properties held directly by WELPUT and WEL PLP, WELPUT owns 100% of the units in the Southside Unit Trust and Stirling Square Unit Trust.