

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	Property Unit Trust
Residence	Jersey
Launch date	July 1967
Open/closed-ended	Open-ended
Earliest date of winding up	n/a
Year-end	30-Sep
NAV (GBPm)	469.8

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

Fund level total return, %		MSCI/AREF UK Quarterly Property Fund Index		
	PATRIZIA Hanover Property Unit Trust	Other balanced open-ended funds	All balanced open-ended funds	All funds
3 months	0.7	1.2	1.1	1.4
Year-to-date	1.1	1.7	1.7	1.7
12 months	-0.2	-0.4	0.1	0.0
3 years+	3.1	0.4	0.6	0.0
5 years+	2.8	1.4	1.5	0.6
10 years+	6.2	5.1	4.8	4.0

Source: PATRIZIA Property Investment Managers LLP

Fund Restraints	
Property investment restrictions	
Maximum development exposure	n/a
Maximum speculative development exposure	30%
Maximum lot-size holding as a standing investment	25%
Maximum lot-size holding permitted at purchase	n/a
Maximum exposure to limited partnerships	n/a
Maximum exposure to joint ventures	n/a
Maximum exposure to closed and open-ended property unit trusts	n/a
Restrictions on holdings of cash/borrowings	
Maximum total gearing permitted	*33.0%
Cash holdings (maximum)	n/a
Cash holdings (minimum)	n/a

Note: * 33% of GAV

Source: PATRIZIA Property Investment Managers LLP

Portfolio distribution %		MSCI/AREF UK Quarterly Property Fund Index		
	PATRIZIA Hanover Property Unit Trust	Other balanced open-ended funds	All balanced open-ended funds	All funds
Standard retail – South East	0.0	4.2	3.7	3.4
Standard retail – Rest of UK	0.0	1.1	1.1	1.2
Supermarkets	0.0	0.7	1.1	1.7
Shopping centres	1.9	0.6	0.9	0.6
Retail warehouses	5.2	12.3	12.0	7.4
All UK retail	7.1	19.0	18.8	14.4
City offices	0.0	3.0	3.1	2.6

West End offices	0.0	7.5	6.6	4.8
Rest of South East offices	18.0	6.3	6.3	5.2
Rest of UK offices	0.0	4.6	4.0	4.4
All UK offices	18.0	21.4	20.0	17.0
South East industrial	51.6	19.2	20.1	18.0
Rest of UK industrial	20.7	7.7	7.2	6.5
South East Distribution Warehouse	0.0	5.1	5.4	4.1
Rest of UK Distribution Warehouse	0.0	6.4	6.3	5.3
All UK industrial	72.3	38.3	39.1	33.8
Residential excl Student Accomodation	0.0	0.5	1.3	2.4
Student Accomodation	0.0	2.8	3.3	10.7
Hotel	2.5	3.7	3.2	6.1
Leisure	0.0	1.8	2.2	4.1
Healthcare	0.0	1.8	1.3	1.4
Other UK properties	0.0	3.8	3.2	4.1
Cash***	0.1	6.8	7.7	6.0
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	13	472.4	100.0
Joint and indirect holdings	0	0.00	0.0
Listed investments	0	0.0	0.0
Total	13	472.4	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
WESTCOTT VENTURE PARK	AYLESBURY	Industrial	100-105	21.7
THORP ARCH	WETHERBY	Industrial	95-100	20.6
COURT LANE INDUSTRIAL CENTRE	IVER	Industrial	60-65	13.2
MOLE BUSINESS CENTRE INDUSTRIAL	LEATHERHEAD	Industrial Other	35-40	9.0
MOLE BUSINESS CENTRE OFFICE	LEATHERHEAD	Office	35-40	7.9
VERULAM POINT	ST ALBANS	Office	20-25	6.9
CODA STUDIOS	FULHAM	Office	20-25	4.8
MOUNTBATTON BUSINESS PARK	PORTSMOUTH	Industrial Other	20-25	4.8
100 BLACKHEATH ROAD	LONDON	Retail Park	20-25	4.8
ROYDONBURY INDUSTRIAL ESTATE	HARLOW	Industrial Other	10-15	2.6
10 largest investments as % of portfolio				96.3

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	0	0.0	0.0
2.5 - 5	1	3.8	0.8
5-10	1	9.0	1.9
10-25	6	117.0	24.8
25 - 50	2	75.5	16.0
50 - 100	2	162.4	34.4
100-150	1	104.8	22.2
Over 150	0	0.0	0.0
Total	13	472.4	100.0
Average lot size		36.3	

Source: PATRIZIA Property Investment Managers LLP

Property Yield

Net initial yield	4.76%
Nominal equivalent yield	6.61%
True equivalent yield	6.61%
Net reversionary yield	7.03%

Voids as % of ERV

Investments	22.43%
Developments	0.00%
Total	22.43%

Source: PATRIZIA Property Investment Managers LLP

Rental income & ERV by type of property

	Rental income %	Estimated rental value %
Standard retail	0.0	0.0
Retail warehousing	4.0	4.6
Shopping centres	5.4	3.9
Central London offices	0.0	0.0
Other offices	15.9	25.7
Industrial	71.6	63.7
Other	3.1	2.2
Overall	100.0	100.0

Source: PATRIZIA Property Investment Managers LLP

The contribution of major tenants to rental income

Tenant	%
SURREY COUNTY COUNCIL	6.5
MOORES FURNITURE GROUP LTD	5.9
HANOVER SOLAR PARKS (UK) LIMITED	4.1
GREEN RETREATS LTD	3.2
KEW GREEN HOTELS (YORK) LTD	3.1
OLLECO - TURNOVER RENT	3.0
TRANSLUX INTERNATIONAL LIMITED	2.9
WICKES BUILDING SUPPLIES LTD	2.3
MATTHEW CLARK BIBENDUM LTD	1.9
EUROMADE MANAGEMENT UK LTD	1.7
Three largest tenants' contribution to rental income	16.5
Five largest tenants' contribution to rental income	22.8
Ten largest tenants' contribution to rental income	34.6

Source: PATRIZIA Property Investment Managers LLP

Balance sheet/gearing

	Direct holdings	Joint holdings	Indirect investments	Listed investments	Total
Balance sheet (GBPm)					
Properties at valuation	472.4	0.0	0.0	0.0	472.4
Listed investments	0.0	0.0	0.0	0.0	0.0
Debt	0.0	0.0	0.0	0.0	0.0
Cash	0.4	0.0	0.0	0.0	0.4
Other net assets/liabilities	-3.0	0.0	0.0	0.0	-3.0
Total net assets	469.8	0.0	0.0	0.0	469.8
Gearing (%)					
Net debt (cash)/properties	-0.1	-	-	-	-0.1
Net debt (cash)/equity	-0.1	-	-	-	-0.1

Source: PATRIZIA Property Investment Managers LLP

Quarterly data per unit

As at	31-Mar-23	30-Jun-23	30-Sep-23	31-Dec-23	31-Mar-24	30-Jun-24
Bid (GBP)	14,175.0	14,130.0	14,050.0	13,695.0	13,605.0	13,595.0
Offer (GBP)	15,215.0	15,165.0	15,070.0	14,675.0	14,555.0	14,515.0
Mid (GBP)	14,695.0	14,647.5	14,560.0	14,185.0	14,080.0	14,055.0
Bid/offer spread	7.34%	7.32%	7.26%	7.16%	6.98%	6.77%
Net asset value (GBP)	14,401.5	14,360.0	14,276.2	13,911.6	13,812.6	13,794.3
Quarterly distribution (GBP)	136.83	138.67	123.92	144.09	160.20	109.67
Yield	3.92%	3.96%	3.81%	3.91%	4.10%	3.90%

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

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 investment:	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.

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

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

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

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	6.2
1% or greater but less than 2%	14	19.7
2% or greater but less than 4%	4	13.0
4% or greater but less than 8%	1	5.1
Greater than 8.0%	6	55.9
Total	43	100.0
Major investors		
Largest holder	1	10.6
Three largest holders	3	30.3
Five largest holders	5	47.8
Ten largest holders	10	71.7
Internal/external investors		
Internal	1	0.1
External	42	99.9

Source: PATRIZIA Property Investment Managers LLP

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	35,332	35,332	35,332	34,270	35,612	35,361
Units issued during period	0	0	0	1593	0	0
Units redeemed during period	0	0	-1062	-251	-251	-539
Units in issue at end of period	35,332	35,332	34,270	35,612	35,361	34,822
Unit transfers						
Matched bargains	0	168	1,062	0	0	0
Matched bargains %*	0.00%	0.48%	3.10%	0.00%	0.00%	0.00%

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

Source: PATRIZIA Property Investment Managers LLP