

# 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)	593.5

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	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	5.7	3.8	3.8	3.7
Year-to-date	8.0	6.1	6.0	5.6
12 months	8.9	8.5	8.5	6.9
3 years+	4.0	3.3	3.0	1.8
5 years+	6.2	5.1	4.9	3.9
10 years+	8.0	7.0	6.7	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

	Mayfair Capital Property Income Trust For Charities	MSCI/AREF UK Quarterly Property Fund Index		
		Other balanced funds	All balanced funds	All funds

Standard retail – South East	3.2	5.7	5.0	4.6
Standard retail – Rest of UK	1.6	2.0	2.3	3.2
Shopping centres	0.0	0.6	1.1	3.4
Retail warehouses	8.4	10.8	10.4	8.7
<b>All UK retail</b>	<b>13.2</b>	<b>19.2</b>	<b>18.8</b>	<b>20.0</b>
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	10.3	10.4	9.7	7.0
Rest of UK offices	16.3	5.7	5.4	5.0
<b>All UK offices</b>	<b>26.6</b>	<b>27.7</b>	<b>27.2</b>	<b>22.7</b>
South East industrial	15.5	22.8	23.8	19.5
Rest of UK industrial	25.5	12.5	12.6	10.3
<b>All UK industrial</b>	<b>41.0</b>	<b>35.3</b>	<b>36.4</b>	<b>29.9</b>
Other UK properties	5.7	11.0	10.6	21.9
Cash***	13.5	6.8	7.0	5.5
<b>Overall</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Mayfair Capital Investment Management Limited

### Property ownership structure

	Number of assets	Valuation (GBPm)	% of total portfolio
Direct holdings	50	578.4	100.0
Joint and indirect holdings	0	0.0	0.0
Listed investments	0	0.0	0.0
<b>Total</b>	<b>50</b>	<b>578.4</b>	<b>100.0</b>

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	4.8
PHASES I & II TRAX PARK	DONCASTER	Industrial	20-25	4.3
WEST MOOR PARK	DONCASTER	Industrial	20-25	4.1
UNIT A, 9-11 NEWMARKET BUSINESS PARK	NEWMARKET	Industrial	20-25	4.1
PREMIER INN	CROYDON	Hotel	20-25	3.7
THE BIG BERRY, DROITWICH	DROITWICH	Industrial	20-25	3.5
BARTLEY POINT, HOOK	HOOK	Industrial	15-20	3.4
STONE CROSS, BRENTWOOD	BRENTWOOD	Office	15-20	3.2
UNITS A-D ORION BUSINESS PARK, STOCKPORT	STOCKPORT	Industrial	15-20	3.1
LADY BAY RETAIL PARK, NOTTINGHAM	NOTTINGHAM	Retail Park	15-20	2.9
<b>10 largest investments as % of portfolio</b>			<b>0.0</b>	<b>37.0</b>

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	3.9	0.7
2.5 - 5	3	10.9	1.9
5-10	19	144.2	24.9
10-25	24	392.0	67.8
25 - 50	1	27.5	4.8
50 - 100	0	0.0	0.0
100-150	0	0.0	0.0
Over 150	0	0.0	0.0
<b>Total</b>	<b>50</b>	<b>578.4</b>	<b>100.0</b>
Average lot size		11.6	

Source: Mayfair Capital Investment Management Limited

### Property Yield

Net initial yield	4.42%
Nominal equivalent yield	5.60%

### Voids as % of ERV

Investments	10.10%
Developments	0.00%

True equivalent yield	5.80%
Net reversionary yield	5.89%

Total 10.10%

Source: Mayfair Capital Investment Management Limited

#### Rental income & ERV by type of property

	Rental income %	Estimated rental value %
Standard retail	6.4	5.5
Retail warehousing	14.1	12.2
Shopping centres	0.0	0.0
Central London offices	0.0	0.0
Other offices	31.4	35.8
Industrial	41.4	40.4
Other	6.8	6.1
<b>Overall</b>	<b>100.0</b>	<b>100.0</b>

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	1.9	0.0	0.0	19.1	-15.0	4.9	-10.1	104.9
Retail warehousing	4.2	4.7	0.0	11.1	-16.9	5.1	-11.8	105.1
Shopping centres	-	-	-	-	-	-	-	-
Central London offices	-	-	-	-	-	-	-	-
Other offices	9.5	1.2	0.0	30.0	-4.2	38.7	34.5	137.5
Industrial	12.5	0.0	0.0	4.5	-0.6	18.2	17.6	117.9
Other	2.0	0.0	0.0	3.7	-1.3	8.5	7.1	108.5
<b>Overall</b>	<b>30.2</b>	<b>1.0</b>	<b>0.0</b>	<b>14.3</b>	<b>-5.0</b>	<b>21.3</b>	<b>16.3</b>	<b>120.8</b>

\*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	3.3
15 years or greater, but less than 20	6.2
10 years or greater, but less than 15	6.4
5 years or greater, but less than 10	36.4
Less than 5 years	47.7

Source: Mayfair Capital Investment Management Limited

#### Joint and Indirect property holdings

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

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%	0.05	0	0%	0
26	2.25%	2.45	0	0%	0
24.8	3.10%	4.25	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	4.9
THE RANGE (CDS SUPERSTORES LTD)	4.9
WINCANTON HOLDINGS LTD (SUBLET)	4.5
SKY CP LIMITED	3.7
ANTOLIN INTERIORS UK LTD	3.3
PREMIER INN HOTELS LTD	3.3
ASOS	3.1
SALMON LTD	2.9
WICKES BUILDING SUPPLIES LTD	2.8
REHAU LIMITED	2.6
Three largest tenants' contribution to rental income	14.2
Five largest tenants' contribution to rental income	21.1
Ten largest tenants' contribution to rental income	35.7

Source: Mayfair Capital Investment Management Limited

## Balance sheet/gearing

	Direct holdings	Joint holdings	Indirect investments	Listed investments	Total
Balance sheet (GBPm)					

Properties at valuation	578.4	0.0	0.0	0.0	578.4
Listed investments	0.0	0.0	0.0	0.0	0.0
Debt	-75.5	0.0	0.0	0.0	-75.5
Cash	89.9	0.0	0.0	0.0	89.9
Other net assets/liabilities	0.7	0.0	0.0	0.0	0.7
Total net assets	593.5	0.0	0.0	0.0	593.5
Gearing (%)					
Net debt (cash)/properties	-2.5	-	-	-	-2.5
Net debt (cash)/equity	-2.4	-	-	-	-2.4

Source: Mayfair Capital Investment Management Limited

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)	0.8521	0.8231	0.8093	0.8116	0.8205	0.8567
Offer (GBP)	0.8732	0.8445	0.8303	0.8346	0.8433	0.8799
Mid (GBP)	0.8627	0.8338	0.8198	0.8231	0.8319	0.8683
Bid/offer spread	2.4%	2.5%	2.5%	2.8%	2.7%	2.6%
Net asset value (GBP)	0.8612	0.8328	0.8189	0.8221	0.8309	0.8673
Quarterly distribution (GBP)	0.0118	0.0084	0.0082	0.0090	0.0092	0.0105
Yield	5.5%	5.2%	4.8%	4.5%	4.2%	4.3%

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	1,260	54.4
1% or greater but less than 2%	10	14.0
2% or greater but less than 4%	5	14.6
4% or greater but less than 8%	3	17.0
Greater than 8.0%	0	0.0
<b>Total</b>	<b>1,278</b>	<b>100.0</b>
Major investors		
Largest holder	1	6.4
Three largest holders	3	17.0
Five largest holders	5	24.1
Ten largest holders	10	35.3
Internal/external investors		
Internal	0	0.0
External	1,277	100.0

Source: Mayfair Capital Investment Management Limited

#### 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
<b>Issues and redemptions</b>						
Units in issue as at start of period	465,566,001	476,763,305	533,952,465	614,131,315	669,408,636	691,202,860
Units issued during period	17,326,135	66,328,640	90,726,816	71,220,336	45,613,723	25,544,227
Units redeemed during period	-6,128,831	-9,139,479	-10,547,966	-15,943,015	-23,819,500	-32,414,966
Units in issue at end of period	476,763,305	533,952,465	614,131,315	669,408,636	691,202,860	684,332,120
<b>Unit transfers</b>						
Matched bargains	-	1,629,364	0	0	0	0
Matched bargains %*	-	0.31%	0	0.00%	0.00%	0.00%

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

Source: Mayfair Capital Investment Management Limited