

Airport Industrial Property Unit Trust

INVESTMENT POLICY AND OBJECTIVES

Airport Industrial Unit Trust is a specialised industrial fund, which invests in, develops and manages airport-related industrial and distribution properties in the UK.

INVESTOR CONSTITUENCY

The Trust is open to investment by pension funds, charities, insurance companies, other corporate & institutional investors and expert wealthy private investors.

Fund details	
Type of fund	Property Unit Trust
Residence	Jersey
Launch date	31st March 2005
Open/closed-ended	Quasi open-ended
Earliest date of winding up	31 December 2036^
Year-end	31-Dec-19
NAV (GBPm)	591.0

Source: Aberdeen Asset Fund Management Limited

Management/professional advisors	
Manager	Aberdeen Asset Fund Management Limited
Investment Advisor	Aberdeen Asset Investments Limited
Fund Manager	Nick Smith
Corporate trustee	Pavilion Trustees Limited
Auditors	PricewaterhouseCoopers

Source: Aberdeen Asset Fund Management Limited

Investment rates of return, %		MSCI/AREF UK Quarterly Property Fund Index		
	Airport Industrial Property Unit Trust	Other balanced open-ended funds	All balanced open-ended funds	All funds
3 months	2.2	0.3	0.4	0.3
Year-to-date	5.3	0.1	0.2	0.1
12 months	-33.4	-17.1	-17.4	-17.1
3 years+	5.7	3.3	3.4	2.3
5 years+	4.2	2.3	2.2	1.1
10 years+	9.6	6.6	6.3	5.5

Source: Aberdeen Asset Fund Management Limited

Property investment restrictions	
Maximum development exposure	Max. 30% of GAV
Maximum speculative development exposure	10.0%
Maximum lot-size holding as a standing investment	*
Maximum lot-size holding permitted at purchase	*
Maximum exposure to limited partnerships	*
Maximum exposure to joint ventures	*
Maximum exposure to closed and open-ended property unit trusts	*

Source: Aberdeen Asset Fund Management Limited

Portfolio distribution %				
	Industrial	Offices	Other	Total
Rest of London*	71.3	0.0	0.9	72.2
South East	20.7	0.0	0.5	21.2
Eastern	5.1	0.0	0.0	5.1
Scotland	0.0	0.0	0.0	0.0
City	0.0	0.0	0.0	0.0
West End	0.0	0.0	0.0	0.0
Midtown	0.0	0.0	0.0	0.0
South West	0.0	0.0	0.0	0.0
West Midlands	0.0	0.0	0.0	0.0
East Midlands	0.0	0.0	0.0	0.0
North West	0.0	0.0	0.0	0.0
Yorkshire & Humberside	0.0	0.0	0.0	0.0
North East	0.0	0.0	0.0	0.0
Wales	0.0	0.0	0.0	0.0
Northern Ireland	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0
Cash***	0.0	0.0	0.0	1.5
Overall	97.1	0.0	1.4	100.0

Source: Aberdeen Asset Fund Management Limited

Property ownership structure			
	Number of assets	Valuation (GBPm)	% of total portfolio
Direct holdings	21	715.2	100.0
Joint and indirect holdings	0	0	0.0
Listed investments	0	0	0.0

Total	21	715.2	100.0
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Source: Aberdeen Asset Fund Management Limited

Largest direct investments by lot size & percentage of total portfolio				
Property	Location	Sector	Valuation (GBPm)	% of total portfolio
RADIUS PARK	HEATHROW	Industrial Other	75-100m	*
DNATA CITY EAST 1	HEATHROW	Industrial	75-100m	*
HEATHROW SOUTH CARGO CENTRE	HEATHROW	Industrial	60-70m	*
CENTRAL PARK ESTATE	HEATHROW	Industrial	60-70m	*
BLACKTHORNE POINT	HEATHROW	Industrial Other	50-60m	*
AIRPORT GATE	HEATHROW	Industrial	40-50m	*
MANOR FARM, POYLE ROAD	COLNBROOK	Industrial	40-50m	*
BUILDING 521B	HEATHROW	Industrial	40-50m	*
DNATA CITY EAST 2	HEATHROW	Industrial	40-50m	*
BUILDING 521A	HEATHROW	Industrial	30-40m	*
10 largest investments as % of portfolio				0.0

Source: Aberdeen Asset Fund Management 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	2	6.7	0.9
5 - 10	2	16.1	2.2
10 - 25	6	94.3	13.2
25 - 50	6	244.2	34.1
50 - 100	5	353.9	49.5
100 - 150	0	0.0	0.0
Over 150	0	0.0	0.0
Total	21	715.2	100.0
Average lot size		34.1	

Source: Aberdeen Asset Fund Management Limited

Property Yield		Voids as % of ERV	
Net initial yield	3.40%	Investments	15.00%
Nominal equivalent yield	5.10%	Developments	-
True equivalent yield	-	Total	-
Net reversionary yield	5.50%		

Source: Aberdeen Asset Fund Management Limited

Rental income & ERV by type of property		
	Rental income %	Estimated rental value %
Other offices	0.0	0.0
Industrial	94.5	98.6
Other	1.4	1.4
Overall	96.0	100.0

Source: Aberdeen Asset Fund 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
Other offices	-	-	-	-	-	-	-	-
Industrial	25.4	8.7	14.1	10.9	-0.1	58.3	58.2	163.9
Other	0.4	0.0	0.0	0.0	0.0	1.6	1.6	153.9
Overall	26.9	8.7	14.1	10.9	-0.1	57.1	57.0	157.1

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

Source: Aberdeen Asset Fund 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	0.5
15 years or greater, but less than 20	3.2
10 years or greater, but less than 15	15.6
5 years or greater, but less than 10	20.0
Less than 5 years	60.7

Source: Aberdeen Asset Fund Management Limited

Joint and Indirect property holdings						
Holdings	Sector	Joint/Indirect	Vehicle Type	Ownership %	Valuation	Est. % of total portfolio

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

Source: Aberdeen Asset Fund Management Limited

Debt analysis						
Fixed rate borrowings			Variable rate borrowings			Off balance sheet debt (GBPm)+
Amount drawn (GBPm)	Average rate (%)	Average unexpired term (years)	Amount drawn (GBPm)	Rate above LIBOR (incl expenses) (%)		
0	0	0	150.00	1.5%	0	
0	0	0	0.00	0.0%	0	
0	0	0	0	0	0	
0	0	0	0	0	0	
0	0	0	0	0	0	

Source: Aberdeen Asset Fund 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: Aberdeen Asset Fund Management Limited

Valuations/performance monitors/affiliations	
Frequency of valuation	Quarterly
Valuers	Knight Frank LLP
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: Aberdeen Asset Fund Management Limited

Restrictions on holdings of cash/borrowings	
Maximum total gearing permitted	35% LTV
Cash holdings (maximum)	20% of GAV
Cash holdings (minimum)	*

Source: Aberdeen Asset Fund Management Limited

The contribution of major tenants to rental income	
Tenant	%
DNATA LTD	20.7
KUEHNE + NAGEL LIMITED	10.2
SWISSPORT GB LIMITED	7.9
AUTOMANIA COMMERCIALS LTD	3.2
DO & CO EVENT AIRLINE CATERING	3.1
BRINK'S LIMITED	3.1
DHL SUPPLY CHAIN LIMITED	2.7
AVIATION SERVICING COMPANY LTD	2.6
DIGITAL LONDON LIMITED	2.5
Gate Gourmet London Ltd	2.4
Three largest tenants' contribution to rental income	38.8
Five largest tenants' contribution to rental income	45.1
Ten largest tenants' contribution to rental income	58.4

Source: Aberdeen Asset Fund Management Limited

Balance sheet/gearing					
	Direct holdings	Joint holdings	Indirect investments	Listed investments	Total
Balance sheet (GBPm)					
Properties at valuation	715.2	0.0	0.0	0.0	715.2
Listed investments	0.0	0.0	0.0	0.0	0.0
Debt	-150.0	0.0	0.0	0.0	-150.0
Cash	10.8	0.0	0.0	0.0	10.8
Other net assets/liabilities	14.9	0.0	0.0	0.0	14.9
Total net assets	591.0	0.0	0.0	0.0	591.0
Gearing (%)					
Net debt (cash)/properties	19.5	-	-	-	19.5
Net debt (cash)/equity	23.6	-	-	-	23.6

Source: Aberdeen Asset Fund Management Limited

Quarterly data per unit						
As at	31-Mar-22	30-Jun-22	30-Sep-22	31-Dec-22	31-Mar-23	30-Jun-23
Net asset value (GBP)	194.44	202.19	170.81	127.08	129.96	132.81
Quarterly distribution (GBP)	0.98	0.73	0.47	0.56	0.50	0.48
Yield	2.4%	2.4%	2.7%	2.1%	1.7%	1.5%

Source: Aberdeen Asset Fund Management Limited

Net asset value

Net assets per unit are recalculated as at 31 March, 30 June, 30 September and 31 December each year, following the quarterly revaluation of the portfolio. The Manager calculates the difference between the book value and the market value of the Trust's fixed-rate debt and this is reflected in the quarterly re-calculation of its NAV. Performance fees are estimated and accrued and therefore also reflect in the quarterly recalculation of the Trust's NAV.

Distributions

The Trust's policy is to distribute 100% of its net income 23 business days after the end of each quarter.

Minimum investment/disinvestment

Minimum initial investment:	£0.5m
Minimum additional investment:	None specified
Minimum redemption:	£0.5m

Creation, transfer and realisation of units

The fund is closed-ended. However, the manager can raise new investment in the fund and bring in new investors without the approval of, and without with reference to, existing partners up to 25% of NAV in any calendar year, and up to 50% of NAV in any five year period.

Taxation

Capital Gains Tax

On the basis that the trust is managed and controlled outside of the UK, the trust is not subject to capital gains tax, although unitholders may be liable to capital gains tax on the disposal of their units.

Income Tax

Distributions of net income are made by the trust without any deduction of withholding tax on a quarterly basis to all holders who are UK residents or those who hold non-resident FICO clearance. All investors, regardless of where they reside, are responsible for submitting tax returns to the UK Inland Revenue.

Stamp duty reserve tax

Transfers of units are not subject to SDRT or SDLT.

Charges

Annual fee:

The Manager is entitled to a fee equivalent to 0.60% of NAV up to £325m and 0.55% of NAV above £325m.

Performance fee:

The Manager may earn a performance fee if the Trust's total return at both the portfolio and per unit level over rolling three year periods exceeds its Benchmark, the Distribution Warehouse sub-sector of the MSCI UK Annual Index, by three hurdles:

Property and Trust returns greater than 107% of benchmark return

Annual return over 3 year periods is greater than the benchmark return plus 25 basis points

Trust return is a minimum of 5% per annum

If the fund outperforms all three hurdles then the performance fee is calculated as 20% of outperformance up to 8% of outperformance. 50% of performance fee is paid out annually, if reserve account is in credit. Under-performance is also debited into the reserve account.

Unit holder analysis		
	Number of unitholders	Total % held
Less than 1% of units in issue	7	5.6
1% or greater but less than 2%	16	21.4
2% or greater but less than 4%	11	31.9
4% or greater but less than 8%	4	18.4
Greater than 8.0%	1	22.7
Total	39	100.0
Major investors		
Largest holder	1	22.7
Three largest holders	3	32.5
Five largest holders	5	41.1
Ten largest holders	10	58.4
Internal/external investors		
Internal	-	-
External	39	100.0

Source: Aberdeen Asset Fund Management Limited

Liquidity						
Period	Year to Dec 2018	Year to Dec 2019	Year to Dec 2020	Year to Dec 2021	Year to Dec 2022	Year to Dec 2023
Issues and redemptions						
Units in issue as at start of period	4,236,581	4,449,688	4,449,688	4,449,688	4,449,688	4,449,688
Units issued during period	213,107	-	-	-	-	0
Units redeemed during period	-	-	-	-	-	0
Units in issue at end of period	4,449,688	4,449,688	4,449,688	4,449,688	4,449,688	4,449,688
Unit transfers						
Matched bargains	298,000	209,799	-	749,354	78,039	0
Matched bargains %*	6.7%	4.7%	0.0%	16.8%	1.8%	0.0%

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

Source: Aberdeen Asset Fund Management Limited