

CBRE UK Property PAIF

INVESTMENT POLICY AND OBJECTIVES

The fund invests in institutional-grade properties in the United Kingdom, with a view to securing above-average, long-term performance through a research-led approach to portfolio management and careful stock selection. The return objective is to outperform the weighted average of the MSCI/AREF All Balanced Property Funds Index.

INVESTOR CONSTITUENCY

The PAIF is open to professional investors or qualifying investors who are eligible to invest in a FCA-regulated qualifying investor scheme.

Fund details	
Type of fund	Property Authorised Investment Fund
Residence	United Kingdom
Launch date	December 1997
Open/closed-ended	Open-ended
Earliest date of winding up	N.A.
Year-end	31 December
NAV (GBPm)	1240.7

Source : CBRE Global Investors (UK Funds) Ltd

Management/professional advisors	
Authorised Corporate Director	CBRE Investment Management (UK Funds) Ltd
Property Manager	CBRE Investment Management (UK) Ltd
Fund Manager	Jamie Phillips
Registrar	Capita Financial Administrators Limited
Trustee	Citibank
Auditors	Ernst & Young LLP

Source : CBRE Global Investors (UK Funds) Ltd

Investment rates of return, %		**MSCI/AREF UK Quarterly Property Fund Index		
	CBRE UK Property PAIF	Other balanced open-ended funds	All balanced open-ended funds	All funds
3 months	1.3	0.3	0.4	0.3
Year-to-date	0.9	0.1	0.2	0.1
12 months	-16.8	-17.1	-17.4	-17.1
3 years+	4.1	3.3	3.4	2.3
5 years+	2.5	2.3	2.2	1.1
10 years+	6.8	6.6	6.3	5.5

Note: * Weighted average returns + Annualised

Source: **MSCI/AREF UK Quarterly Property Fund Index

Property investment restrictions	
Maximum development exposure	*
Maximum speculative development exposure	10%
Maximum lot-size holding as a standing investment	20%
Maximum lot-size holding permitted at purchase	20%
Maximum exposure to limited partnerships	*
Maximum exposure to joint ventures	*
Maximum exposure to closed and open-ended property unit trusts	*

Note: * None specified

Source: CBRE Global Investors (UK Funds) Ltd

Portfolio distribution %		MSCI/AREF UK Quarterly Property Fund Index **		
	CBRE UK Property PAIF	Other balanced open-ended funds	All balanced open-ended funds	All funds
Standard retail – South East	6.5	4.9	4.6	4.6
Standard retail – Rest of UK	1.8	1.2	1.4	2.3
Shopping centres	0.0	0.6	0.9	2.5
Retail warehouses	16.2	12.4	12.1	7.6
All UK retail	24.5	19.1	19.0	17.1
City offices	0.0	3.3	3.4	3.2
West End offices	5.4	8.1	7.5	5.1
Rest of South East offices	9.2	7.5	7.1	5.5
Rest of UK offices	5.7	5.2	4.9	5.3
All UK offices	20.4	24.2	22.9	19.1
South East industrial	38.4	24.0	24.5	20.3
Rest of UK industrial	4.6	13.6	13.7	11.8
All UK industrial	43.0	37.6	38.2	32.1
Other UK properties	3.2	12.4	12.5	25.9
Cash***	8.9	6.7	7.4	5.8
Overall	100.0	100.0	100.0	100.0

Sources: * Source: CBRE Global Investors (UK Funds) Ltd

** MSCI/AREF UK Quarterly Property Fund Index

Property ownership structure			
	Number of assets	Valuation (GBPm)	% of total portfolio
Direct holdings	41	1,144.4	100.0
Joint and indirect holdings	0	0.0	0.0
Listed investments	0	0.0	0.0

Total	41	1,144.4	100.0
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Source : CBRE Global Investors (UK Funds) Ltd

Largest direct investments by lot size & percentage of total portfolio

Property	Location	Sector	Valuation (GBPm)	% of total portfolio
ARNISON RETAIL PARK	DURHAM	Retail Park	100-125	-
TRADE AND LOGISTICS CITY	WEST THURROCK	Industrial	70-80	-
NURSUNG INDUSTRIAL ESTATE	SOUTHAMPTON	Industrial	60-70	-
ALBEMARLE HOUSE, LONDON	LONDON	Office	60-70	-
2 CAVENDISH SQUARE	LONDON	Office	60-70	-
SKYWAY 14	SLOUGH	Industrial	50-60	-
EXCHANGE PLACE, 1 SEMPLE STREET	EDINBURGH	Office	50-60	-
LIONEL ROAD	LONDON	Industrial	40-50	-
CHILLBOX	WEST THURROCK	Industrial	40-50	-
BOW LANE ESTATE, LONDON, BOW LANE, LONDON EC4M 9DL	LONDON	Retail Other	40-50	-

10 largest investments as % of portfolio

Source : CBRE Global Investors (UK Funds) Ltd

Direct portfolio structure by lot-size bands

Value band (GBPm)	Number of assets	Valuation (GBPm)	% of total portfolio
0 -2.5	4	8	0.7
2.5 - 5	2	9	0.8
5-10	4	35	3.1
10 - 25	15	260	22.7
25 - 50	9	343	30.0
50 - 100	6	378	33.0
100-150	1	112	9.8
Over 150	0	0	0.0
Total	41	1144.0	100.0
Average lot size		27.9	

Source : CBRE Global Investors (UK Funds) Ltd

Property Yield		Voids as % of ERV	
Net initial yield	4.10%	Investments	8.21%
Nominal equivalent yield	-	Developments	0.00%
True equivalent yield	5.68%	Total	8.21%
Net reversionary yield	5.90%		

Source : CBRE Global Investors (UK Funds) Ltd

Source : CBRE Global Investors (UK Funds) Ltd

Rental income & ERV by type of property

*CBRE UK Property PAIF has declined to provide this data on the grounds of its commercial sensitivity

Source : CBRE Global Investors (UK Funds) Ltd

Over Renting and Reversionary Potential, % Rent Passing

*CBRE UK Property PAIF has declined to provide this data on the grounds of its commercial sensitivity

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

Source : CBRE Global Investors (UK Funds) Ltd

Listed Investments

	% of Issue held	Valuation (GBPm)	Est. % of total portfolio
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

The unexpired term of leases

Years	% of rent passing
20 years or greater	0.0
15 years or greater, but less than 20	1.9
10 years or greater, but less than 15	3.7
5 years or greater, but less than 10	39.4
Less than 5 years	55.0

Source : CBRE Global Investors (UK Funds) Ltd

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

Source : CBRE Global Investors (UK Funds) Ltd

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	

Source : CBRE Global Investors (UK Funds) Ltd

Note: + Off balance sheet debt may be at fixed or variable rates

Development exposure*				
Capital value of developments				Cost to complete schemes in progress+
	Not yet started	In progress+	All developments	
GBPm	0	17	17	10
% of all directly held properties*	0.00%	1.49%	1.49%	0.87%

* Includes joint ventures in which the Fund has an interest of 50% or more

Source : CBRE Global Investors (UK Funds) Ltd

Valuations/performance monitors/affiliations	
Frequency of valuation	Monthly
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 : CBRE Global Investors (UK Funds) Ltd

Restrictions on holdings of cash/borrowings	
Maximum total gearing permitted	30%
Cash holdings (maximum)	*
Cash holdings (minimum)	*

Source : CBRE Global Investors (UK Funds) Ltd

The contribution of major tenants to rental income	
Tenant	%
SAINSBURY'S SUPERMARKETS LTD	6.0
BLACKROCK INTERNATIONAL LIMITED	4.6
SCA INVESTMENTS LTD (GOUSTO)	3.7
HCA INTERNATIONAL LTD	3.0
IBM UNITED KINGDON LIMITED (ASSIGNED TO KYNDRYL UK LIMITED)	2.9
SAVINO DEL BENE FDS UK LTD	2.4
DFS TRADING LIMITED	1.7
SONNEDIX UK SERVICES LIMITED	1.7
MARKS & SPENCER	1.6
DAVIES TURNER AIR CARGO LIMITED	1.5
Three largest tenants' contribution to rental income	14.3
Five largest tenants' contribution to rental income	20.2
Ten largest tenants' contribution to rental income	29.0

Source : CBRE Global Investors (UK Funds) Ltd

Balance sheet/gearing					
	Direct holdings	Joint holdings	Indirect investments	Listed investments	Total
Balance sheet (GBPm)					
Properties at valuation	1144.4	0.0	0.0	0.0	1144.4
Listed investments	0.0	0.0	0.0	0.0	0.0
Debt	0.0	0.0	0.0	0.0	0.0
Cash	112.5	0.0	0.0	0.0	112.5
Other net assets/liabilities	-16.2	0.0	0.0	0.0	-16.2
Total net assets	1240.7	0.0	0.0	0.0	1240.7
Gearing (%)					
Net debt (cash)/properties	-9.8	-	-	-	-9.8
Net debt (cash)/equity	-9.1	-	-	-	-9.1

Source : CBRE Global Investors (UK Funds) Ltd

Quarterly data per unit						
As at	31-Mar-22	30-Jun-22	30-Sep-22	31-Dec-22	31-Mar-23	30-Jun-23
Bid (GBP)	1,247.06	1,286.94	1,223.81	1,045.36	1,035.25	1,042.07

Offer (GBP)	1,336.66	1,379.41	1,311.67	1,120.30	1,109.32	1,116.67
Mid (GBP)	1,291.86	1,333.18	1,267.74	1,082.83	1,072.28	1,079.37
Bid/offer spread	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%
Net asset value (GBP)	1,261.18	1,301.52	1,237.67	1,057.20	1,046.97	1,053.87
Quarterly distribution (GBP)	8.98	8.80	9.49	8.88	5.90	6.60
Yield	-	-	-	-	-	-

Source : CBRE Global Investors (UK Funds) Ltd

*The fall in NAV between September quarter and December quarter is due to the Merger in November 2016, where units were issued at £1,000.01

Unit pricing

The share price will be calculated at each Valuation Point, being the first business day of each month.

Distributions

Distributions are usually expected to be made no later than the last Business Day of the Month following the Month to which the Distributable Income relates

Minimum investment/disinvestment

The minimum investment in the PAIF is £500,000.

Redemption procedure

A Shareholder wishing to redeem any shares must serve a Redemption Notice to realise some or all of its shares with effect from the first business day of each quarter. The redemption price is the bid price of the shares on the relevant Redemption Dealing Day i.e the first Business Day of each quarter. The ACD will assist, wherever possible, in matching buyers and sellers on the secondary market.

Redemption notice dates

The Redemption Notice must be served at least one Quarter plus one Business Day before such Redemption Dealing Day.

Subscription procedure

Applications forms are available from the Authorised Corporate Director (ACD) on request. Drawdown Notices require funds to be paid on the last Business Day prior to a Subscription Dealing Day and shall be issued no fewer than 10 Business Days prior to a Drawdown Date. Once accepted, each commitment shall be drawn down at the Issue Price prevailing on the relevant Subscription Dealing Day, usually being the first Business Day of the month. The Issue Price will be the offer price at the relevant Subscription Dealing Day.

Taxation

Capital gains tax: the vehicle is tax transparent. The funds is exempt from capital gains tax.

Charges

The Authorised Corporate Director (ACD)

The ACD receives an annual management fee of an amount equal to 0.05% of the Company NAV.

The property manager

The Property Manager receives an annual property management fee of 0.35% of the Company NAV.

Note

The fee excludes the fees of the Depositary, Registrar, Independent Valuer and Auditor. There is no performance fees.

Permitted Investors

Permitted: A person to whom Shares may be promoted under 4.12.4R of the FCA's Conduct of Business Sourcebook that is not an ERISA Investor. In addition, only US persons that are IAI/QPs shall be considered as Eligible Investors.

Not Permitted: The Company prohibits the offer of, and the subscription for or transfer of, Shares to ERISA Investors.

Unit holder analysis		
	Number of unitholders	Total % held
Less than 1% of units in issue	20	9.2
1% or greater but less than 2%	10	14.7
2% or greater but less than 4%	2	5.3
4% or greater but less than 8%	5	31.7
Greater than 8.0%	4	39.1
Total	41	100.0
Major investors		
Largest holder	1	10.2
Three largest holders	3	29.9
Five largest holders	5	46.8
Ten largest holders	10	73.6
Internal/external investors		
Internal	0	0.0
External	41	100.0

Source : CBRE Global Investors (UK Funds) Ltd

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	1,498,448	1,500,101	1,490,720	1,475,446	1,475,624	1,445,213
Units issued during period	1652	881	317	373	1,138	565
Units redeemed during period	0	-10261.4532	-15591.1192	-194.9	-31,549	-207,900
Units in issue at end of period	1,500,101	1,490,720	1,475,446	1,475,624	1,445,213	1,237,878
Unit transfers						
Matched bargains	77656.06	30710.3913	7,103	77,388	35875.9	15,200
Matched bargains %*	0.051767231	2.06%	0.48%	5.24%	2.48%	1.2%

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

Source : CBRE Global Investors (UK Funds) Ltd