

# Fact sheet

## Q3 2016



### Fund Description

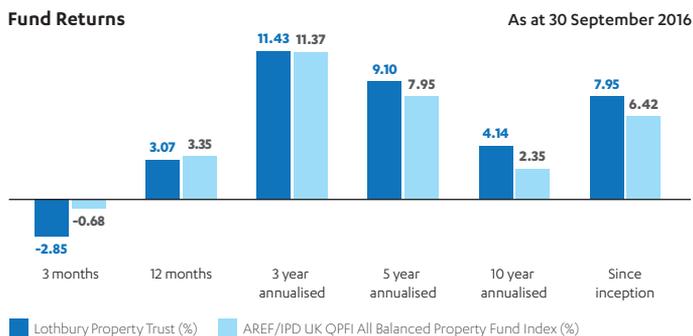
Lothbury Property Trust is a sub-fund of Lothbury Global Institutional Funds (LGIF), an umbrella unit trust. On 25 March 2014, LGIF was authorised as a Qualifying Investor Alternative Investment Fund.

Lothbury Property Trust as a sub-fund of LGIF is authorised by the Irish Central Bank under section 4 of the Unit Trusts Act, 1990.

### Fund Objectives

The Fund's Investment objective is to provide investors with capital appreciation and secure income returns, through prudent investment in assets across the UK's principal property sectors and geographic regions. It holds property investments which are readily saleable in the open market, with a core portfolio of prime assets to achieve stable returns, combined with active management initiatives to add value and enhance returns. The Fund can own property directly or through holding units in Property Unit Trusts.

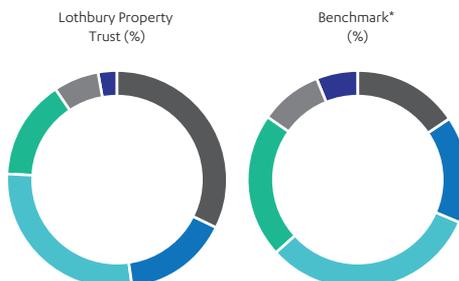
Fund Data	As at 30 September 2016
Net Asset Value	£1,505,162,235.44
Number of Assets	56
Indicative Subscription Price per Unit	£1,897.8721
Net Asset Value per Unit	£1,794.6781
Indicative Redemption Price per Unit	£1,759.8118
Quarterly Distribution per Unit	£14.2321080



### Sector Breakdown

	Lothbury Property Trust (%)	Benchmark* (%)
Retail	32.4	15.6
Retail Warehouse	15.5	15.9
Office	27.9	31.9
Industrial	14.7	21.4
Other	6.7	9.3
Cash	2.7	5.9

As at 30 September 2016



\* Benchmark is the AREF/IPD UK Quarterly Property Fund Indices, All Balanced Property Fund Index.  
Note: Total percentages may be slightly higher or lower than 100% due to rounding.

## 2016 STUDENT ACCOMMODATION PROJECTS

**During Q3 2016, Lothbury Property Trust successfully completed the development of two student accommodation schemes in Aberdeen and Camberwell, London, and continued to make good progress on its development project in Durham.**

These schemes are expected to drive performance for the Fund on the basis they are well located buildings in key university cities where there is strong student demand and associated low void rates. Lothbury Property Trust forward funded the developments with the specialist student accommodation developer Alumno Developments.

Completion occurred on 2 September 2016 of the new 196-bed student building in Aberdeen which is located at Powis Place, close to both the city centre and the University of Aberdeen. The building comprises a series of two to nine bedroom cluster flats and studio rooms, as well as associated on-site management facilities, modern amenities and bicycle storage spaces to encourage less car usage. Occupancy levels at the building are good, with students moving in for the 2016/17 academic year. The majority of these students are studying at the University of Aberdeen. Lettings levels have now been set for the forthcoming year to allow early marketing of the development to both domestic and international students in November.

The Fund has added further to its portfolio of student accommodation with the completion of a 56,000 sq ft facility in Peckham Road, Camberwell, South London. Construction completed on 15 September 2016 for the student accommodation section of the building, which comprises 166 student beds in 155 rooms, in a mix of cluster flats and studios. The development comprises a part extension and part conversion of the London Borough of Southwark's former town hall. This asset is located in a prime location and consists of high specification student accommodation complete with ground and roof level communal lounges as well as an accessible roof terrace.

The student accommodation is let in its entirety to Goldsmiths University on a 10 year Nominations Agreement which completed on 19 August 2016. The students took occupation from 16 September 2016.

Alongside the student accommodation, the mixed-use scheme also includes artist studios, a cafe unit and a theatre. The theatre section of the building, comprising 11,625 sq ft of performance, practice and amenity space is complete with Theatre Peckham now in occupation. Final works to the artist studios and cafe unit are being undertaken and are anticipated for practical completion on 4 November 2016. A lease agreement is in place for the artist studios with an established London based arts company, and legals are progressing with a successful local operator for the cafe unit, with completion of the lease anticipated in November.

Lothbury's student accommodation development at Sheraton Park, Durham, is progressing well, with the contractor on programme to deliver 418 student beds for June 2017.

The three developments in Aberdeen, Camberwell and Durham are in addition to the existing student accommodation assets owned by the Fund in Ealing, London and St. Andrews in Scotland. On completion of Durham, the Fund will own and manage a total of 1,015 student beds in 5 key university locations in the UK.



Typical Student Accommodation Common room



Powis Place, Aberdeen

## Fund Activity



Premier Park, Manchester

During Q3 2016, two strategic sales completed totalling £10.20m. The first sale to complete was a distribution warehouse in Daventry which was let to Hankook Tyre Company. This sale completed in August at a price of £7.17m. The second sale to complete was a small retail investment in Bath which was let for a further 18 months to Santander UK Plc. This asset was sold for £3.06m which reflected a net initial yield of just below 4%.

In the active portfolio, two key student accommodation developments completed during the quarter. These were located in Aberdeen and Camberwell, South London and both completed in time for students to occupy for the 2016/2017 academic year. The Aberdeen property is let on a direct basis to students from Aberdeen University and Robert Gordon University, whereas the Camberwell property is entirely let to students from Goldsmiths University. In addition, the active team also

completed the refurbishment of the Currys retail warehouse unit in Salisbury which has been upgraded to the same style as the adjacent new retail park extension which completed in Q2 2016.

A number of key lease regearings completed during the quarter, which boosted capital values. At the Fund's flagship retail holding in Covent Garden, a surrender was taken of the lease to Fossil and a simultaneous reletting was completed with "Rituals", a home and body cosmetics retailer. This initiative significantly increased the rent payable on the unit. At the Fund's property in Wimbledon a surrender of the lease to Halfords was taken and the unit was relet at a higher level to Waterstones.

Lettings of industrial units at Priory Park, Maidstone and Premier Park, Manchester were also concluded during Q3 2016, which contributed to the Fund void level remaining at an extremely low level of 1.88%.

## UK Property Market

Following Brexit, investment in the UK commercial property market fell to £9.5 billion in the third quarter of 2016, down by 25% for the same period last year (Lambert Smith Hampton). However, sterling devaluation and strong property market fundamentals are driving international investors to continue to invest into UK property despite market uncertainty. Yields continue to rise post the EU referendum. All Property transaction yield increased by a further 6 bps in Q3 2016 to stand at 5.70%. This was driven by Central London offices, which rose by 64 bps in the quarter to stand at 4.44%.

Overall, for Q3 2016 the AREF/IPD UK Quarterly Property Fund Index, All Property Fund Index recorded a total return of -0.8% which comprised of an income return of 0.8% and a capital return of -1.6%. The negative capital return was largely due to the write down of valuations following the UK's EU Referendum.



Southampton Road Retail Park, Salisbury

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2. persons having professional experience of participating in unregulated collective investment schemes, that is persons within

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### Data

All fund data as at 30 September 2016, unless stated otherwise.

The views expressed are those of Lothbury Investment Management Limited.

### Unit Holder Information

#### Launch Date

2 February 2000.

#### Valuation Point

11.59pm on the last Irish business day of each month.

#### Prospectus and Trust Deed

Copies of the Prospectus, Trust Deed and Application Form are available from Lothbury Investment Management Limited.

#### Subscriptions

Monthly. Applications to be received by the last Irish business day of the month. Settlement to take place in the first week of the following month. Minimum investment is €100,000.

#### Redemptions

Quarterly. Notice to be served ten Irish business days before the last Irish business day in the quarter. The unit holder will be notified of the redemption price. Redemptions paid on the last Irish business day of the following quarter.

#### Secondary Market Trading

Monthly. No Stamp Duty is payable on the purchase of existing units.

#### Distributions

Quarterly. On the last Irish business day of April, July, October and January. Charges Investment Management fee of 0.70% per annum.

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