

Lothbury Property Trust

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 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.

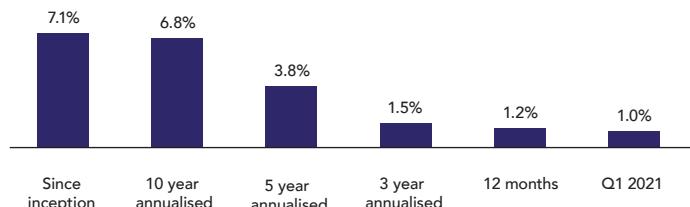
Fund Data

As at 31 March 2021

Net Asset Value	£1,559,950,244.05
Net Asset Value per Unit	£1,881.32
Subscription Price per Unit	£1,992.32
Redemption Price per Unit	£1,849.34
Quarterly Distribution per Unit	£14.76

Fund Returns

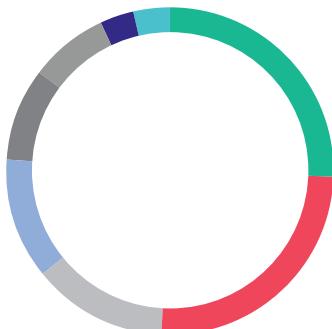
As at 31 March 2021



Note: All returns figures are net of fees

Sector Breakdown

As at 31 March 2021



Lothbury Property Trust (%)

Office	25.8
Industrial	25.4
Living	13.2
Food stores	11.9
High Street Retail	9.3
Retail Warehouse	7.6
Land	3.5
Cash	3.4

Note: Total percentages may be slightly higher or lower than 100% due to rounding.

Feature

Tudor House, Rathbone Place, London W1



Tudor House is located in the Soho area of London, close to Tottenham Court Road tube station. This area is set to significantly benefit with the opening of the Elizabeth line (new railway network) in 2022, whereupon Tottenham Court Road is forecast to be one of London's busiest train stations. At this point, the station will offer an interchange between the Northern, Central and Elizabeth line services with an estimated 170,000 passengers passing through the station every day.

The property is a period building with two retail units on ground and basement floors, with office accommodation on first to fourth floors. In total, the building comprises 7,400 sq ft and has office floorplates of approximately 1,250 sq ft.

During 2020, the office space in the building underwent a significant refurbishment, with the purpose of both improving the quality of the space, as well as improving the ESG and wellbeing credentials of the property.

To this end, the refurbishment included new cycle storage, showers and a high quality roof terrace, to improve the building's wellbeing features.

In terms of improving the environmental aspects of the building, PV panels were incorporated into the design, as was LED lighting, low water use fixtures and fittings and smart meters. As a result of these environmental design improvements, the refurbishment secured an EPC rating of B and a BREAAAM grading of 'Very Good'.

In line with the fund strategy to deliver net zero development projects, a sustainable procurement plan was devised at the outset of the project to ensure that the carbon generated during the refurbishment was minimised. This ensured the materials that were used were sustainable and that the recycled element of them was high, whenever possible.

The plan also ensured that materials were sourced from local sources, if workable, and that the amount of waste going to landfill was kept to a minimum by recycling as much as possible. Once the amount of carbon that had been used in the project was calculated (which in this case was 85 tonnes), it was then offset by funding a reforestation project which was calculated to offset the 85 tonnes used, so the refurbishment project was carbon neutral.

The refurbished office space was marketed for occupation as the building works were nearing completion and generated strong occupier interest. A tenant was identified to take a 5 year lease of the entire office space. The new occupier signed a 5 year lease (with a tenant's option to break at year 3) and paid a headline rent of £77 per sq ft which was in line with the estimated rental value ascribed to the space.

This successful refurbishment and swift re-letting of the office space illustrates the strength of demand for office accommodation in this fast growing area of London, which is particularly favoured by the burgeoning technology, media, and telecom (TMT) sector.

Fund Activity



Logistics Unit, West Thurrock

During Q1, a small mixed use retail property in Chichester was placed under offer for sale at a price of £1.2m. The sale of this property conforms with the Fund strategy to reduce the exposure to retail in the portfolio. In addition, on the 1st March 2021, the sale completed of the large logistics unit in Thurrock, Essex for £38.0m.

There were some key lease transactions concluded in Q1, including the completed letting of the office element of the recently

refurbished office property, Tudor House in Rathbone Place, London W1. In addition, most of the office accommodation was let at the office building at 12 Soho Square, London. The lettings in this property were deliberately short term to allow vacant possession to be obtained in December 2022 for redevelopment purposes.

At Premier Park in Manchester, which is one of the Fund's prime multi-let logistics properties, a number of lease transactions

completed. In addition, lease renewals were completed on three units to Whirlpool at increased rental levels. Lease extensions were also completed with TK Maxx and Homesense at the Farnborough Retail Park which secured these anchor tenants until 2025.

The hotel development in York, which is pre let to Malmaison, continued during Q1 and will complete in May. Finally, reconfiguration works were started at one of the retail units at the Fund's Covent Garden assets, which when completed, will result in the upper floors of the property being converted from retail to residential use.

The ongoing COVID-19 pandemic and the third national lockdown has continued to make rent collection from some of the portfolio's tenants difficult, however the team has continued to persevere with negotiations with tenants and has recorded a collection rate of 98.8% (after deferrals and rents waived) for Q1 2021, as at 30 April 2021.

UK Property Market

The latest GDP estimates show that the UK economy is on a path of quick economic recovery, driven by the successful rollout of the UK vaccination program and subsequent easing of the restrictions. After a decline of 2.5% in January, the GDP grew by 0.7% and 2.1% in February and March, respectively.¹

Overall rent collection rates by commercial property owners were in line with the previous two quarters, constituting 71.8% 35 days after the March due date. Reopening of high street retail resulted in a significant improvement of rent collections relative to the previous quarters: up to 67.7%. This is 21.8% higher than in the previous quarter, and 18.7% higher than in the September 2020 quarter.²

Despite the economy being in lockdown through the whole quarter, the UK property investment market recorded another robust quarter with a volume of £11.2bn, which is 13% below the five-year quarterly average. Nearly a third of the whole volume was transacted in the industrial sector, which recorded the second strongest volume on



Sainsbury's Foodstore, Islington, London

record of £3.5bn. Transactions in the office sector remained subdued at only £2.7bn, which is 44% below trend. The retail sector saw a relatively good quarter with £1.7bn transactions, £500m of which were in the supermarkets subsector. The living sector transactions increased by 33% from the previous quarter up to £2.8bn, £1.3bn of which was in student accommodation.³

MSCI All Property net initial yield moved inward during the quarter by 12bps to 4.66%. The strongest yield compressions were recorded in the central London offices, industrial (rest of UK) and alternative sectors, where the yields decreased by 16bp, 19bp and 29bp, respectively. Outward yield movement was recorded in high street retail of the South East & Eastern region, shopping centres, and regional offices, where the yields gained 19bp, 17bp, and 10bp, respectively.⁴

¹ ONS, GDP monthly estimate, UK: March 2021

² Remit Consulting, Remit Consulting's research shows hopeful signs on the High Street, 11th of May 2021

³ UK Investment Transaction Bulletin, Q1 2021, Lambert Smith Hampton

⁴ MSCI UK Monthly Property Index

Important Information

This document has been prepared and distributed by Lothbury Investment Management Limited of 1 Angel Lane, London EC4R 3AB, United Kingdom, a company registered in England with registered number 04185370. Lothbury Investment Management Limited (or "LIM") is authorised and regulated by the Financial Conduct Authority in the United Kingdom.

This document concerns Lothbury Property Trust (the "Fund"), which is managed by LIM. Lothbury Property Trust is a sub-fund of the Lothbury Global Institutional Funds, which is regulated by the Central Bank of Ireland.

The Fund is an alternative investment fund ("AIF") for the purposes of the Alternative Investment Fund Managers Directive (2011/61/EU) (the "Directive"). LIM has been appointed and acts as alternative investment fund manager ("AIFM") in respect of the AIF. For these purposes, LIM is authorised and regulated in the United Kingdom by the Financial Conduct Authority (or any successor body responsible for the regulation of alternative investment fund managers) (the "FCA") for the purposes of managing unauthorised AIFs. The Fund is also an unregulated collective investment scheme for the purposes of the United Kingdom Financial Services and Markets Act 2000 (the "Act").

Restrictions On Distribution

Certain jurisdictions may restrict by law the distribution to their residents or nationals of the information in this document. The contents of this document are not intended to be viewed by, distributed to or used by residents or nationals of such jurisdictions. LIM has made every attempt to provide the information in this document only in accordance with national laws. However, it is also the responsibility of any person receiving this information to satisfy itself that its receipt of this information complies with the laws of any relevant jurisdiction.

Under United Kingdom legislation, the promotion of units by LIM in the European Economic Area (the "EEA") is restricted by section 238 of the Act. The promotion of units by the Fund or by their trustees in the EEA is restricted by section 21 of the Act. Accordingly, the information in this document is directed only at:

1. persons who are outside the EEA;
2. persons having professional experience of participating in unregulated collective investment schemes, that is persons within Article 14 of the Financial Services and Markets Act 2000 (Promotion of Collective Investment

Schemes) (Exemptions) Order 2001 (the "PCIS Exemptions Order") and Article 14 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Financial Promotion Order"); and/or

3. high net worth organisations to whom Article 22 of the PCIS Exemptions Order and Article 49 of the Financial Promotion Order apply (broadly, companies or partnerships with net assets of £5m sterling or more and trustees of trusts with assets of £10m or more); and
4. others to whom it may lawfully be made available, all such persons being "exempt persons". Units in the Fund may only be promoted to exempt persons. Persons other than exempt persons should not rely or act upon the information in this document. They should return it to LIM at the address given above.

This document is confidential. A person to whom this document is made available should not pass it on without the consent of LIM and then only to an exempt person.

Purpose

The purpose of this document is to provide information about LIM and the Fund. So far as relevant, the only client of LIM is the Fund and its affiliates. Nothing in this document is investment, tax or legal advice. Investors are not a client of LIM as the AIFM. Accordingly, neither you, nor any other investor, enjoys the protections afforded to clients of LIM and no representative of LIM is entitled to lead you to believe otherwise. You should take your own independent investment, tax and legal advice as you think fit. Nor is anything in this document an offer to buy or sell units or any other investment.

Please be aware that ultimately the interests in the Fund, as an AIF, may only be acquired by professional investors. A professional investor (for these purposes), is every investor that is considered, or may be treated based on a request to LIM (as the AIFM), as a professional client within the meaning of Annex II of the Markets in Financial Instruments Directive (2014/65/EU).

Data

All fund data as at 31 March 2021, 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.

Lothbury Investment Management Limited
1 Angel Lane
London EC4R 3AB
Tel: 020 3551 4900
www.lothburyim.com
LothburyIMInvestorRelations@lothburyim.com