

Fact sheet

Q2 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.

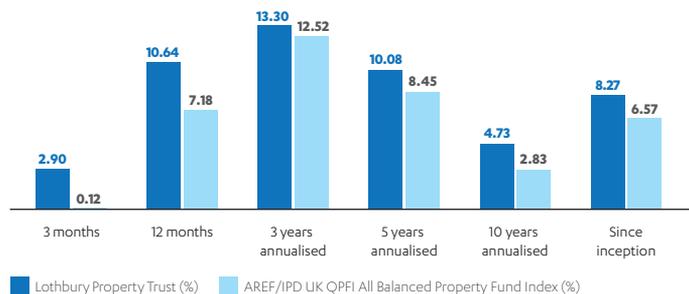
Fund Data

As at 30 June 2016

Net Asset Value	£1,552,146,217.63
Number of Assets	58
Indicative Subscription Price per Unit	£1,968.7107
Net Asset Value per Unit	£1,861.6649
Indicative Redemption Price per Unit	£1,825.3255
Quarterly Distribution per Unit	£16.0785840

Fund Returns

As at 30 June 2016

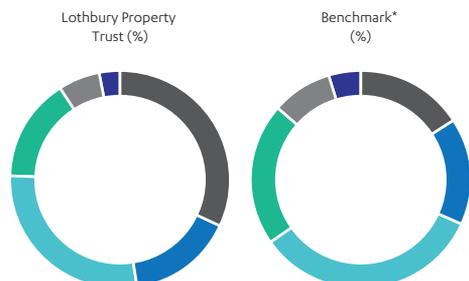


Sector Breakdown

Lothbury Property Trust (%) Benchmark* (%)

Retail	32.3	15.9
Retail Warehouse	15.8	16.0
Office	28.2	33.5
Industrial	15.3	21.0
Other	6.3	9.0
Cash	2.3	4.5

As at 30 June 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 ACTIVE DEVELOPMENT PROJECTS

During Q2, three strategic sales were successfully completed from the Lothbury Property Trust portfolio totalling over £28,500,000. The sales which were all recommended in the 2016 Fund Strategy report represented disposals across the retail, retail warehouse and distribution warehouse sectors of the property market.

The first asset to be sold during the quarter was the Fund's retail warehouse holding in Leamington Spa. This property comprised a cluster of two retail warehouse units totalling approximately 30,000 sq ft which were located in a strong location in the principal retail warehousing area of Leamington Spa. The two unit property is situated adjacent to the Leamington Shopping Park which totals 135,000 sq ft and has tenants including Debenhams, Next, New Look and Outfit. The Lothbury holding benefitted from open AI planning consent and the units were secured on the covenants of DSG Retail Limited (trading as Currys) and Childrensworld Limited (trading as Mothercare). The Mothercare and Currys leases will respectively expire in September 2019 and September 2024. The property was acquired by the owners of the adjacent Leamington Shopping Park for in excess of £12,600,000.

The next property to be sold during Q2 was a small retail unit in Newcastle upon Tyne. This property was situated at the Haymarket end of Northumberland Street, close to the Haymarket Metro station. The property which was Grade II listed was let in its entirety to TSB Bank Plc at a rent of £270,000 per annum. The lease had recently been regeared with the tenant to provide a longer unexpired lease term to November 2025. This sale completed in April at a price in the region of £4,600,000.

The final sale in Q2 completed after the EU referendum and comprised a distribution warehouse in Runcorn, Cheshire. This property which was built in 2006 consisted of a modern specification distribution warehouse with a gross internal area of approximately 170,000 sq ft, arranged on a site of 10.7 acres. The building was let to FHC (Holdings) Limited on a full repairing and insuring lease until November 2021. The passing rent of £827,577 per annum reflected £4.83 psf. This property was sold in June for a sum in the region of £11,500,000.

The proceeds of these sales have principally been allocated to the ongoing development projects in the Fund, most notably the student accommodation developments in Aberdeen, Durham and Camberwell in South London, in addition to the ongoing retail and residential project at James Street, Covent Garden. Two of the student schemes (Aberdeen and Camberwell) are due to complete in September ready for the 2016 academic year with the final scheme in Durham due to complete in September 2017.



28-29 James Street, Covent Garden, London WC2



31 Peckham Road, Former Southwark Town Hall, Camberwell

Fund Activity



Priory Park, Mills Road, Aylesford

In the second quarter of 2016, a number of key lettings and rent reviews completed which contributed to the Fund's outperformance.

At Priory Park, Maidstone, a surrender of the lease at Unit 3E was completed and simultaneously relet to Kent Frozen Foods who are an existing tenant at the park. In conjunction with this letting, Kent Frozen Foods also agreed to extend the lease on their existing unit so that both leases expire co-terminously in May 2026. A letting at another of the Fund's industrial holdings in Crawley completed during the quarter. This letting saw the British Red Cross take an 8,250 sq ft unit on a new 10 year lease (with a 5 year break option) at a rent of £78,975 per annum. This was an important letting as it provided valuable rental evidence for forthcoming rent reviews on the estate.

Rental growth in the London retail market has been strong and this was evidenced by a key rent review completed during the quarter at the Fund's flagship Central London retail holding at James Street, Covent Garden. The rent review on the unit let to Michael Kors at 28 James Street was documented at a rental level of £755,000 per annum which reflected a new Zone A tone of £1,400 for the parade. This has contributed significantly to Lothbury's performance during the quarter.

At the Fund's other Central London retail holding at Cheapside in the City, another significant uplift was achieved on the rent review with Clinton cards. The concluded rent review moved the annual rental from £155,000 per annum to £275,000 per annum.

The extension to the Fund's retail park at Salisbury successfully completed during Q2 and the units have now been handed over to the four tenants to commence their fit out works.

UK Property Market

Activity in the UK commercial property market reduced over Q2 2016, as witnessed by transaction levels of £9.8bn, which represented an 18% reduction on the level recorded in Q1 2016 (Lambert Smith Hampton) due to uncertainty in the lead up to BREXIT. Limited supply and lower interest rates should ensure property remains appealing particularly to overseas investors who will now be in a position to benefit from currency gains. Following the UK's decision to leave the EU, we anticipate a potential upward movement in yields (particularly for secondary assets), as large UK retail property funds are forced to put stock on the market to meet redemptions.

Overall, for Q2 2016 the IPD UK Quarterly Property Fund Index for all property recorded a total return of 0.4% which comprised of an income return of 0.7% and a capital return of -0.4%. The negative capital return was largely due to the write down of valuations following BREXIT.



Southampton Road Retail Park, Salisbury

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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").

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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
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Data

All fund data as at 30 June 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.

Lothbury Investment Management

155 Bishopsgate
London EC2M 3TQ

Tel: 020 3551 4900

Fax: 020 3551 4920

www.lothburyim.com

LothburyIMInvestorRelations@lothburyim.com