

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 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.

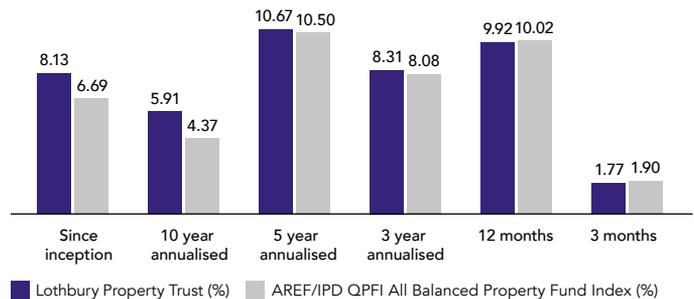
Fund Data

As at 31 March 2018

Net Asset Value	£1,700,724,513.45
Number of Assets	56
Indicative Subscription Price per Unit	£2,093.9604
Net Asset Value per Unit	£1,975.4343
Indicative Redemption Price per Unit	£1,941.9405
Quarterly Distribution per Unit	£15.7273

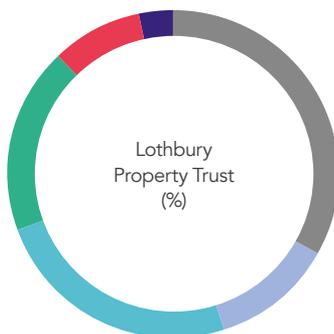
Fund Returns

As at 31 March 2018



Sector Breakdown

As at 31 March 2018



	Lothbury Property Trust (%)	Benchmark* (%)
Retail	33.1	14.9
Retail Warehouse	11.9	15.8
Office	24.6	29.0
Industrial	18.3	25.9
Other	8.9	8.9
Cash	3.1	5.4

* 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.

Feature

The South East industrial market has been one of the best performing property subsectors over the last twelve months. Lothbury Property Trust (LPT) has a good exposure to this sector, with the Fund having 80% of its industrial and distribution assets located in this region.

The largest of the South East holdings is in Greenford, West London where LPT owns a 24 acre distribution estate. This asset is exceptionally well located, being 10 miles from Central London and approximately 1.5 miles from the A40 arterial route into London. The Greenford area is located in a part of London which is experiencing strong rental growth as a result of both the intense occupational demand from distribution companies and the shortage of available space.

This Greenford property was the best performing asset in the Lothbury portfolio in 2017 and again over Q1 2018. The holding comprises over 360,000 sq ft of distribution accommodation arranged in four buildings which are currently let to Tesco, Palletways, Micheldever Tyres and Royal Mail.

Two key asset management deals were completed on the estate during Q1. The first transaction was the re-letting of the 60,200 sq ft distribution building which had been vacated by Bentley Designs. On their departure, this property was immediately

re-let to Micheldever Tyres on a new 15 year lease at a rent of £845,792pa which reflects £13.85psf. This rental represented a significant increase on the previous rent being paid by Bentley Designs which was £632,100pa (£10.35psf). In addition, the lease has the benefit of a favourable rent review clause whereby the rent increases to open market value or an uplift based on the retail price index, whichever is the higher.

The other significant event which occurred on the estate during Q1 was the completion of the development of the 40,000 sq ft distribution building which had been pre-let to Royal Mail. On completion, Royal Mail signed a 15 year lease at a rent of approximately £564,000 p.a. This rental level reflects the extra yard area which Royal Mail are taking and will be subject to five yearly upward only rent reviews. A BREEAM rating of 'Excellent' has been achieved for this development which reflects LPT's continuing drive to create sustainable, energy efficient buildings for the portfolio.

One of the other key South East locations where the Fund has exposure to the

industrial and distribution sector is at Poyle near Heathrow airport. Poyle is situated within 1.5 miles of the airport and benefits from direct access on to junction 14 of the M25. The Fund owns 220,000 sq ft of industrial accommodation comprising a 12 unit, multi-let industrial estate of over 177,000 sq ft together with a new purpose built distribution facility of 43,000 sq ft which was completed in 2016. Following a letting of 10,000 sq ft during Q1, all the units at Poyle are fully let.

In addition to these large holdings at Greenford and Poyle, LPT also owns industrial and distribution assets in Romford, West Thurrock, Crawley and Aylesford which all delivered strong performance to the fund over the last 12 months. Across LPT's whole South East industrial and distribution portfolio, there was only one vacant unit at the end of Q1 which was a 6,800 sq ft unit at the Fleming Centre industrial estate in Crawley. A letting has now been agreed on this space and is due to exchange shortly.

Fund Activity



Bedford Street, London

During Q1, the Fund purchased one industrial asset in Leeds during the quarter in a deal worth £9.15m. The property consists of two modern logistics units between the city centre and junction 45 off the M1 Motorway. The property is let to Fed Ex and Perspex Distribution on RPI-linked leases.

The quarter saw a good level of asset management activity across the portfolio which resulted in the low void rate being maintained in the Core portfolio of 1.29% as at 31 March 2018.

In terms of new lettings, key lettings were completed at the Fund's Covent Garden office in Bedford Street, where new leases were agreed on the 1st and 2nd floors to Cityfibre, both for terms of five years at rental levels reflecting £77.50psf and £80psf, respectively. The new 15 year letting to Micheldever Tyres at Greenford (mentioned in the feature section) completed in January and resulted in an increase in rental tone across the entire Greenford estate.

A letting was also completed during the quarter of a 10,370 sq ft unit at Colndale industrial estate in Poyle, Heathrow which reflected £11.25psf. This letting resulted in

all the space at this 220,000 sq ft industrial estate being let.

During the quarter, good rental uplifts were secured on rent reviews on two units at Premier Park, Manchester as well as at the M&S distribution unit at West Thurrock. These uplifts reflected the strong rental growth being witnessed in the industrial and distribution sector nationally. The rent reviews at Premier Park in Manchester were agreed with Indesit and BBC and the agreed rents reflected between £6.60 and £6.75psf. The rent review at West Thurrock with M&S resulted in the annual rent increasing by an additional £279,450pa to £1,764,450pa.

A significant rent review was also completed during Q1 at the Fund's Tesco food store in Cambridge which resulted in the rent rising by £78,481pa to a total of £2,101,469pa.

Finally, at the Fund's retail park in Congleton, agreement was reached with M&S Simply Food for them to remove their 2020 tenant's break option in return for an eight month rent free period. This transaction increased the rental security at the holding and extended the average unexpired lease term of the property.

UK Property Market

Q1 investment volume of £13.6bn was the second strongest Q1 in a decade, with the number of recorded deals 22% above the five year quarterly average and 30% higher than the same period on 2017 (Lambert Smith Hampton (LSH) UKIT). Strong price increases over the past year have not deterred investors from industrial and logistics assets, as a record level of transactional activity in this sector was reached during Q1 2018 with an investment volume of £1.9bn, 25% above average.

The strong activity across the UK persists, characterised in Q1 by a rise of institutional investor interest in offices in the UK's core regional cities. Portfolios aside, £5.7bn was invested in the UK regions during the quarter, 16% above the five year quarterly average and up 46% when compared to the same period last year.

The LSH All Property average transaction yield increased by 11 basis points in Q1 to stand at 5.67%. Overall, Q1's All Property transaction yield movement was linked to the nature of stock as opposed to lower prices. Retail yields remained stable at 6.11% and industrial yields rose to 5.61% (+12bps). Prime yields remained stable across the sectors, however industrial subsectors hardened by 25bps to new all-time lows, with the South East industrial prime yields now standing at 3.75%.



Student accommodation, Camberwell

Important Information

This document has been prepared and distributed by Lothbury Investment Management Limited of 155 Bishopsgate, London EC2M 3TQ, 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).

Any marketing (within the meaning of the Directive) in the European Economic Area is carried out pursuant to LIM's rights as an AIFM under Articles 31 and 32 of the Directive. The European Economic Area comprises of the Member States of the European Union (Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland,

France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Spain, Sweden and the United Kingdom) plus Iceland, Liechtenstein and Norway. Potential investors can request from LIM details of jurisdictions where notifications of the exercise of such rights has been given to the FCA.

Data

All fund data as at 31 March 2018, 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
155 Bishopsgate
London EC2M 3TQ

Tel: 020 3551 4900
Fax: 020 3551 4920

www.lothburyim.com
LothburyIMInvestorRelations@lothburyim.com