

11th January 2010

Press Release

Property Income Trust for Charities makes Acquisitions of £12.75m

Mayfair Capital Investment Management Ltd. acquired three properties in December on behalf of The Property Income Trust for Charities (PITCH) having attracted over £10 million of equity in the fourth quarter of last year from new and existing charity investors including leading investment managers.

The recently purchased buildings included:

- A 35,435 sq. ft. purpose-built retail warehouse let to Wickes Building Supplies in Pudsey, Leeds
- A 45,601 sq. ft. modern warehouse unit in Thatcham, Berkshire
- A retail property in Hampton Hill, in Greater London, comprising 6,736 sq. ft.

Fund Director James Thornton commented, “These are three contrasting acquisitions. On one hand, the property Leeds generates long-term, secure income with a fixed rental increase in 4 years, whilst Thatcham provides us with an opportunity to display our active investment style and add value through lease management. Hampton Hill is an affluent London suburb and we expect the food store operators to continue to be acquisitive maintaining upward pressure on rents.”

He continued: “Sentiment turned positive in the summer towards commercial property and we are pleased that in a market with few vendors our investment programme has kept pace with new subscriptions entering the Fund. We remain cautious over the outlook and we are therefore seeking to acquire either well let properties on long leases (with indexed reviews or containing fixed increases) or ‘added value’ style assets.

“It is evident that in the low interest rate environment charities are increasingly turning to property as a source of high income preferring this asset class to conventional gilts.”

The £85 million Property Income Trust for Charities is the first exempt, unauthorised unit trust open to charities to invest in commercial property.

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Notes to Editors
PITCH Acquisitions January 2010

Wickes, Pudsey, Leeds



The property comprises a purpose built retail warehouse building constructed in the late 1980s. The unit extends to 35,435 sq. ft. and has the benefit of some 115 car parking spaces. The property is currently let to Wickes Building Supplies until March 2014 with a 15 year FRI reversionary lease thereafter with no breaks. The current rent is £425,220 per annum (£12.05 sq. ft.) and there is a fixed increase to £461,721 per annum (£13.00 sq. ft.) with effect from 25 March 2014. Rent reviews thereafter will be on a five-yearly upwards only basis. Travis Perkins Properties acts as guarantor to the reversionary lease as well as the remaining term of the current lease. The combination of the lessee and guarantor provides security of income for a term of 19.75 years. The property was acquired from AXA Sun Life Plc at a price of £5,900,000 reflecting an initial yield of 7.06% to the Fund (6.81% on normal purchasers' costs) with a fixed reversion of 7.67% to the Fund (7.4% on normal purchasers' costs.) The purchaser's agent was Chris Freer Smith Limited, the vendor's agent was King Sturge (Leeds office.)

Thatcham Unit, Colthrop Lane, Thatcham



The property comprises a modern warehouse unit linked to an ancillary three storey office building totalling some 45,601 sq. ft. The unit is let to Arkema on FRI terms at a rent of £394,066 per annum expiring 16 April 2015 (5.75 years unexpired). The next rent review is 17 April 2010 on an upwards only basis. The property is sub-let on a co-terminus lease to The Motor Insurance Repairing Research Centre (known as Thatcham,) which has been established in the area for over 40 years. The purchase price was £4,380,000 reflecting an initial yield of 8.82% to the Fund (8.50% on standard purchasers' costs). Drivers Jonas was the acquiring agent, with King Sturge acting for the vendor, Threadneedle.

Sainsbury's Hampton Hill, Greater London



Property comprises three retail units let to Sainsbury's (4,200 sq. ft.) and the London Borough of Richmond (1,621 sq. ft.) for 15 years from 2009 and Costa Coffee franchise (915 sq. ft.) for 10 years from 2009 off rents between £21 and £24 per sq. ft. The purchase price was £2.5 million reflecting an initial yield of 5.9% to the Fund (5.69% based on normal purchasers costs). The purchaser's agent was King Sturge, the vendor's agent was Knight Frank.

Mayfair Capital Investment Management

www.mayfaircapital.co.uk

Mayfair Capital was formed in June 2002 as an independent property fund management business designed to serve charities, private investors and pension funds. It currently manages £150 million in four pooled funds with a further £50 million of advisory mandates..

Founders Guy Brogden and James Thornton have complementary skills with James having a background in fund management and Guy having been involved in investment transactions for nearly 30 years. Both Guy and James were Partners at Jones Lang Wootton (now Jones Lang LaSalle) in the 1980s and '90s. James subsequently left to become Head of Fund Management at Savills.

The Property Income Trust For Charities

www.pitch-fund.co.uk

The £85 million Property Income Trust for Charities is the first exempt, unauthorised unit trust open to charities to invest in commercial property. Purchases are exempt from Stamp Duty Land Tax, which is currently levied at 4% on all property transactions involving £500,000 or more, hence the yields to the Fund quoted in this release are enhanced by the exemption from this tax.

The Fund aims to deliver an income yield of 5.75% to 6.00% whilst protecting capital value from inflation.

PITCH yields over 9% to new investors with the income generated from a defensively positioned portfolio, with a void rate of only 0.4% (compared to more than 12% for the IPD Index) and a weighted unexpired lease profile (allowing for all break clauses and lease expiries) of 8.28 years (the IPD equivalent is circa 6%).