

Press Release

2<sup>nd</sup> May 2012

## Mayfair Capital's charity fund nears £150m on completion of Teddington purchase

The Property Income Trust for Charities, managed by Mayfair Capital Investment Management, has completed the £9.4 million acquisition of a new Travelodge Hotel in Teddington. It is let on a 25 year lease with rent reviews linked to the RPIX Index. The yield to the Fund is 6.5%.

Commenting on the acquisition, Fund Director James Thornton said: "The budget hotel sector is relatively buoyant at present and we have a preference for investing in Greater London. The investment offers a long lease with the prospect of inflation linked reviews without cap or collar."

The hotel has been created from the conversion of a former office building with the contractors, Barnes Construction, having worked with Travelodge on previous projects. The hotel has 113 bedrooms and is located in Station Road. In the context of the weak economy, consumers are increasingly in search of value for money offerings and Travelodge is benefitting from this trend in the UK.

The Fund which now stands at close to £150 million of assets enjoyed a good first quarter in 2012 returning 1.2% compared with the AREF All Balanced Funds Index of 0.8%. Furthermore, the first quarter distribution payment represents a yield of over 7.5% to investors buying units in the Fund at today's offer price. This is an attractive yield for the charity sector at a time of continuing low interest rates and against the background of unusually low gilt yields and a volatile equity market due to continuing sovereign debt concerns in Europe.

The Fund continues to benefit from a very low void rate (1.4% compared with over 10% for IPD) whilst the weighted unexpired lease profile is now 10.7 years. This represents a relatively defensive position and arises as a result of recent acquisition activity and successful active management of existing assets held.

The Fund is continuing to attract new subscriptions from the charity sector.

The Property Income Trust for Charities was advised by Jones Lang LaSalle; the Vendor and developer Longford Securities was advised by BNP Paribas Real Estate.

—Ends—

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**Notes to Editors**

**Mayfair Capital Investment Management**

[www.mayfaircapital.co.uk](http://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 more than £350 million in pooled funds and advisory mandates.

**Property Income Trust for Charities**

[www.pitch-fund.co.uk](http://www.pitch-fund.co.uk)

The Property Income Trust for Charities was the first exempt, unauthorised unit trust open to charities to invest in commercial property where purchases are exempt from Stamp Duty Land Tax (SDLT). SDLT is currently levied at 4% on all property transactions involving £500,000 or more. This represents a significant advantage over other property funds.

PITCH was specifically designed to enable medium and small sized charities to obtain exposure in commercial property on a pooled basis. The Fund currently has over 290 charities invested both directly and through many of the leading investment managers.

The Fund's investment objective is to generate an annual income return to investors in excess of 6%, whilst at least protecting the capital value from inflation.

Launched in January 2005, the Fund has outperformed the AREF All Balanced Funds Index with a total return of 31.7% compared with 20.6% as at 31<sup>st</sup> March 2012