

Press Release

30th January 2012

Mayfair Capital's charity fund invests £40m and yields over 7% to investors

Mayfair Capital Investment Management's Property Income Trust for Charities ("PITCH") agreed contracts on four properties in December 2011 and January 2012. As well as completing on three properties for £28.5 million, the Fund has a forward commitment to purchase a further property for £10 million in April 2012. The purchases will take PITCH to a portfolio value of around £150 million, comprised of 32 properties.

The transactions include a wholesale cash and carry warehouse in Rochester let to Booker with a lease of more than 15 years unexpired and annual rental increases of 3% per annum. The Fund has also acquired a retail warehouse in Redditch let to Matalan with over 15 years unexpired. It completed on a new grade 'A' multi-let office investment in Guildford on 10 January 2012, with the three purchases generating an overall yield to the Fund of 6.7%.

In addition, the Fund is contracted to a forward commitment to acquire a newly developed Travelodge Hotel in Teddington which is expected to reach completion in April 2012. After this acquisition, the Fund's borrowing will have reduced to around 25% loan to value, thereby de-risking the portfolio.

All four properties will improve the weighted unexpired lease length on the portfolio to 10.3 years whilst 40.5% of portfolio income will be subject to minimum or inflation-linked reviews. PITCH is therefore defensively positioned relative to the market with a number of asset management initiatives in hand to preserve and enhance value. The strategy is entirely income driven because maximising the quarterly distributions is a priority to investors.

James Thornton, Fund Director at Mayfair Capital, commented: "These acquisitions all complement the existing portfolio and make an important contribution to the distribution yield on the Fund, whilst reinforcing the defensive posture we are adopting in response to current market conditions. Lease length, quality of the asset and covenant strength remain key purchase criteria. We are forecasting a prospective yield on the Fund of over 7% this year which is attractive to new charity investors. Importantly, the Fund enters 2012 in a fully invested position pending new subscriptions, thereby reducing the potential for 'cash drag'.

"In asset allocation terms it remains a challenge for charities to generate income from their portfolios. With the gross redemption yield on 10 year gilts at around 2%, they are not only very low yielding, but are giving a negative real return and also carry the risk of capital loss when the interest rate cycle turns. Corporate bonds are one alternative, but property is seen as more attractive for its low volatility and its ability to generate consistent and relatively high income levels. We therefore expect to see new flows to the Fund this year."

The Fund returned 1.7% in the fourth quarter of 2011 and it has given an annualised return of 10% over the last three years. (The IPD AREF All Balanced Funds Index returned 1.3% and 5.6% respectively.) The Fund's income yield to investors during 2011 was 7.7%, based on the December 2011 NAV.

—Ends—

For further information, please contact Quill PR:

Emma Wallis / Sam Emery

T: 020 7466 5053/5056

E: emma@quillpr.com / sam@quillpr.com

Notes to Editors

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 more than £350 million in pooled funds and advisory mandates.

Property Income Trust for Charities

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 280 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 5.75%, whilst at least protecting the capital value from inflation.