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Mayfair Capital charity fund secures major distribution letting

The Mayfair Capital-managed Property Income Trust for Charities (PITCH) has let a 190,000 sq ft distribution unit at West Moor Park near Doncaster to a major online retailer. The letting is a great result for the local area and further signifies the strength of the South Yorkshire Region as a logistics location.

The tenant has taken a new 10-year lease and also has the ability to call for an extension of the facility by a further 40,000 sq ft, for which planning consent has been granted. Scott Fawcett, Director of Asset Management with responsibility for PITCH, said "This asset is a clear demonstration of the success of our thematic approach to investment.

Although when we acquired the property in 2015 there were only 18 months remaining on the existing lease, we believed it was a facility that was strategically well-located for distribution logistics and could be particularly attractive for online shopping fulfilment. The rent was also reversionary and we have crystallised a significant increase in the annual rent through this transaction.

This is a material letting for PITCH which creates a substantial income stream and also a major uplift in the capital value of the asset. The occupier is one of the most dynamic online retailers and we look forward to working with them on the potential extension of the facility."

Immediately adjacent to Junction 4 of the M18, West Moor Park is an established distribution location for occupiers including Ikea, Next and ABP Foods.

Coupled with other letting activity within the Fund, the vacancy ratio on PITCH reduces to just 1.5% of portfolio income. This compares with a vacancy ratio on the AREF/IPD All Balanced Property Funds Index ("AREF Index") of 6.7%. Simon Martindale, Fund Manager for PITCH commented, "Maximising portfolio income is critical for our charity investors. Through our thematic, income-led strategy PITCH is consistently one of the highest yielding funds in the AREF Index. This is attractive to charities in the context of the low growth, low interest rate environment that continues to prevail."

PITCH is a tax-efficient unit trust for charity investors which aims to deliver a relatively high and sustainable income yield whilst at least maintaining capital value in real terms over the economic cycle. Over 1000 charities are invested in the Fund.

In 2017, the Fund achieved a total return of 11.8% for the calendar year and 11.5% annualised for the last five years (Source: MSCI, 31/12/17). This continues the Fund's outperformance in the AREF/IPD All Balanced Property Funds Index to Q1 2018 with returns now in the upper quartile during the past 1, 3 and 5 years (Source: MSCI, 31/3/18).

PITCH is also the best performing of the specialist property funds for charities during the same time period (Source: MSCI, 31/3/18).

Mayfair Capital was represented by Knight Frank, Moriarty & Company and Dentons in the transaction.

The Fund's first two acquisitions are multi-let office investments in Birmingham and Newcastle. Both are aligned with the 'live/work' trend where occupiers are favour city centre offices which are close to amenities and transport hubs ahead of business parks or other out-of-town locations.

James Thornton further comments, "Multi-let offices enable income profiles to be managed from a risk viewpoint with the ability to improve and reposition the assets to ensure they appeal to the right quality of tenant. To retain the best talent, employers have to provide an environment that their employees wish to work in, with a full range of amenities.

Further acquisitions are in hand in other sectors of the market."

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Notes to Editors:

Mayfair Capital Investment Management (MCIM)

Mayfair Capital Investment Limited was acquired by Swiss Life Asset Managers in November 2016.

With CH80.9bn of assets under management and administration, Swiss Life are on of the largest institutional real estate managers in Europe, with offices in Switzerland, France, Germany, Luxembourg and the UK. Swiss Life's commitment to property is shown through 32% of AUM being allocated to property.

Mayfair Capital manages £1.2bn of assets (as at 31.12.17) comprised of pooled funds for charities, clients of Schroders Real Estate Capital Partners, Jupiter Asset Management and a substantial family office.

Mayfair Capital consistently outperforms absolute and relative return benchmarks across its range of strategies. 99% of current funds have exceeded their targets over one, three and five years.

www.mayfaircapital.co.uk