Fund Factsheet: Q2 2021

A Fund managed by Mayfair Capital

PITCH
Property Income Trust For Charities

The Property Income Trust for Charities (PITCH) helps over 1,300 charities to invest in property in an ethical, responsible and tax-efficient way.

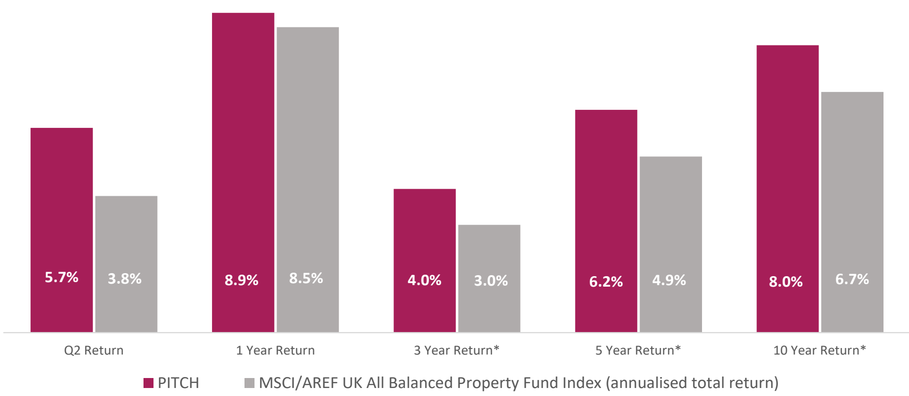
Fund Key Data

Gross asset value	£668.30m
Net asset value	£593.52m
Number of assets	50
Vacancy rate	10.1%
Weighted Av. Unexpired Lease Term	6.5 years
Distribution History	
Apr 2021	0.309 p.p.u.
May 2021	0.404 p.p.u.
Jun 2021	0.337 p.p.u.
Borrowings (GAV)	11.3%
Total expense ratio (GAV)	0.65%
Portfolio turnover ratio	15.1%
Year End	31 December
Sedol number	B0517P1
ISIN number	GB00B0517P11

Key Statistics

£668m	4.3%	11.3%	10.1%	6.5
Gross Asset Value	Fund Yield (Rolling 12-months as % of NAV)	Borrowings (GAV)	Vacancy Rate	Weighted Unexpired Term (years)

Fund Returns (30th June 2021)



Source: MSCI (30.06.2021)
*annualised

Fund Update

PITCH has had an active and successful second quarter with significant valuation growth from sales, asset management and the Fund's warehouses, helping to deliver a total return of 5.7%. This was the third best performing return of all 29 funds in the MSCI/AREF UK All Balanced Property Funds Index. In the 12 months to 30th June 2021 PITCH has now returned 8.9%, with an annualised return of 4%, 6.2% and 8% over three, five and ten years respectively. PITCH is now the best performing specialist fund for charities over 3 and 6 months and ten years.

The portfolio grew by 4.3% in capital terms with the Fund's warehouses recording 9.2% like-for-like valuation growth over the quarter. This was principally driven by some exceptional sales results on three warehouses in Peterborough, Dukinfield and Yeovil, which sold for 24.8% above valuation. There was also a 24% valuation uplift on the warehouse at West Moor Park, Doncaster in response to a 40,000 sq ft building extension currently being progressed along with a lease renewal. Given increased investor interest in the restructuring of the retail warehouse sector, this component grew by 2.3% over the quarter partly reflecting some new letting activity across these holdings. During the quarter it was also pleasing to be able to deliver a 14% increase to income distributions compared to Q1 2021. This was in part driven by the success of rent collection which reached 95% for Q2, demonstrating the continued resilience of the portfolio. Once again this was sustained by strong receipts across its warehouses and offices and an almost 100% rate across its 20 largest tenants. The Fund also benefited from the receipt of some previously undistributed income from its former indirect holding in the Unite Student Accommodation Fund.

The historic 12-month rolling Fund yield to 30/06/21 now stands at 4.3%. This is expected to rise during the remainder of the year as the Fund collects deferred rental income, reduces the cash weighting through new purchases and delivers on key asset management initiatives as detailed below. To this end, we are also in the process of refinancing an existing debt facility to take advantage of attractive borrowing rates. This new facility will be a sustainability-linked loan offering a margin reduction in exchange for improving the environmental credentials of the underlying security.

Acquisitions & Disposals

Despite the aforementioned sales, the Fund was able to maintain its high weighting to the warehouse sector by investing £32m into two new thematic purchases in Avonmouth and Northampton (further details overleaf) reflecting a blended initial yield of 4.2% and blended reversionary yield of 4.8% to the Fund. As at Q2 2021, PITCH's weighting to the industrial/warehouse sector had increased to a highly attractive 47% of portfolio value.

In total, the Fund made five sales totalling £50m during Q2, which in addition to the warehouses also included an office in Basingstoke let to Kier and a small business park asset in Haydock. All sales had been initiated in response to the annual 'hold-sell' analysis undertaken at the start of the year which identified specification or locational deficiencies and a misalignment with our thematic investment strategy. This decision was influenced by the increasing focus by occupiers on building specification, location, access to labour markets, sustainability and wellness issues.

We continue to review other sale and repositioning opportunities in response to structural changes brought about by

July 2021

the pandemic to ensure the portfolio remains both income and capital resilient as well as diversified across sectors.

Asset Management

The Fund has an active pipeline of initiatives which are expected to deliver further income and capital growth during 2021. This includes a significant letting of a vacant office building in Solihull, which is expected to complete during Q3, and the building extension in Doncaster that will add a further £190,000 of annual income to the portfolio once delivered in Q4 2021.

During the quarter, we completed a rent review of a 'last-mile' logistics unit in Bristol occupied by DHL, which increased the the rent by 12%. Meanwhile, refurbishment works were completed of the Fund's offices in Guildford and Cheltenham focusing on the building amenity and broadband upgrades but also some fitted suites. This coincided with a new letting on the second floor of Cheltenham, which completed post the quarter end. We continue to see an increase in viewings and occupier interest across the Fund's vacant office buildings.

The void rate increased to 10.1% over the quarter due to the expected vacancy of a warehouse in Newmarket. This is now being refurbished to include the installation of solar panels to improve the EPC. This unit is already attracting strong tenant interest. The vacancy rate is expected to reduce to c.6% in Q3 once Solihull and other lettings complete.

Fund Outlook & Strategy

After a challenging 2020, the Fund is seeing a strong rebound in capital performance thanks to its overweight allocation to the warehouse sector and the success of its active asset management programme outlined above. During this period, the Fund has improved the quality of the portfolio both from its repositioning activity but also the ongoing refurbishment programme across the estate.

These activities continue to be guided by our thematic investment approach, the main aim of which is to ensure that the portfolio remains relevant and aligned with future occupational demand. We believe that this active approach will ensure the Fund continues to deliver long term income resilience and growth.

The continued priority in 2021, however, is to enhance the distribution yield by investing the allocated cash weighting (above a 5% NAV buffer), increasing rents through asset management, refinancing activities and by reducing the void rate. With several lettings in hand, we hope that the benefit of this will begin to take effect during the next quarter.

New investments will be selectively sought in the retail warehouse and office sectors and, alternatives, to increase portfolio diversification. We are also currently progressing a new residential strategy as a potential replacement to the USAF holding. This will be limited to 5% of portfolio value. We hope to be able to begin considering potential investments during Q3.

Simon Martindale - *Fund Director*

Sales and Acquisitions

New Purchase - Rockingham Gate, Avonmouth

The Fund has acquired a terrace of four 'mid-box' warehouse units totalling 104,000 sq ft in the prime logistics estate of Cabot Park, Avonmouth. The well-specified property is let to four tenants at a low passing rent of only £6.70 per sq ft providing excellent rental growth prospects. The purchase of £15.9m occurred in April 2021 and reflects an initial yield of 4.3% rising to 5.2% in 2021 upon completion of outstanding reviews.

New Purchase – Brackmills Trade Park, Northampton

PITCH acquired this new build warehouse and trade counter investment in May 2021 for £15.6m reflecting a yield to the Fund of 4% and reversionary yield of 4.5%. The property comprises 14 units totalling 67,000 sq ft and occupies a prominent location in the heart of the well-established Brackmills Industrial Estate, within a short drive of the M1 Motorway. The investment provides an attractive spread of diversified income and a WAULT of over 7 years to tenant break options. The asset is expected to deliver long term income resilience and rental growth.

Sale – Royal Mail, Peterborough

The sale of this 210,000 sq ft warehouse asset let to Royal Mail completed in May 2021 for £22.1m, reflecting a net initial yield of 3.9%. This price was 27% above the pre-marketing valuation and 41% above the Fund's original purchase price in September 2015. The sale was initiated due to longer term concerns over the age, specification, and micro location of the asset, which were expected to weaken its potential attractiveness to occupiers. The investment attracted strong interest from numerous international and domestic buyers.

Sale - Yeovil Industrial Estate

PITCH sold its interest in this freehold multi let industrial estate in June 2021 for £4.53m after a highly competitive sale process. The agreed price came after three rounds of bidding and achieved 41% above the pre-marketed valuation figure. The estate comprises 19 individual units and is let to mainly local covenants. The proceeds will be invested into larger, more thematically aligned assets.

Fund Factsheet: Q2 2021

A Fund managed by Mayfair Capital

PITCH
Property Income Trust For Charities

Lease Length (by rent)

0-5 years	47.7%
5-10 years	36.4%
10-15 years	6.4%
15-20 years	6.2%
20+ years	3.3%

Five Largest Tenants (by income)

Admiral PLC	4.9%
CDS Ltd t/a The Range	4.9%
Wincanton Holdings Ltd	4.5%
Sky CP Ltd	3.7%
Antolin Interiors UK Ltd	3.3%

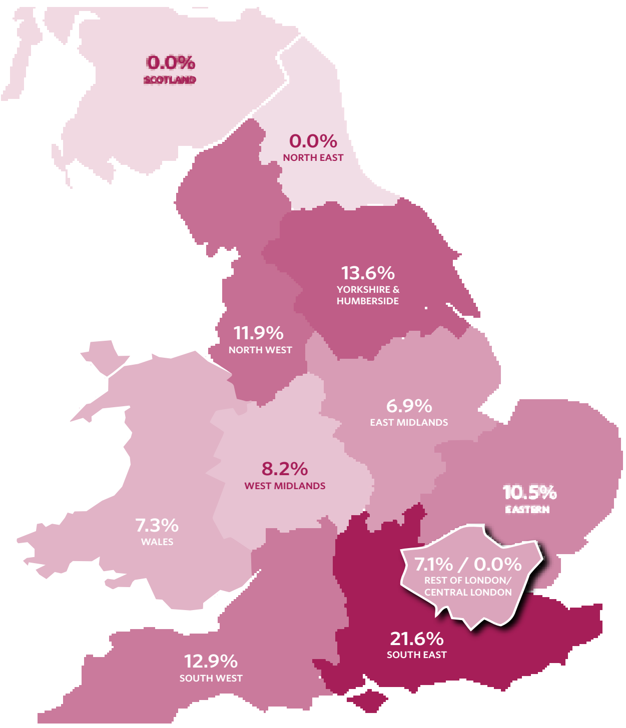
Portfolio Distribution (by sector)

Industrial	47.4%
Office	30.7%
Retail Warehouse	9.7%
Retail	5.5%
Other	6.6%

Five Largest Assets (by value)

Capital Quarter, Cardiff	4.8%
Doncaster, Trax Park	4.3%
Doncaster, West Moor Park	4.1%
Newmarket	4.1%
Croydon, Permier Inn	3.7%

Portfolio Locations (geographic weightings)



Tenant Risk Rating (by rent)

Minimal risk	34.2%
Lower than average	37.2%
Higher than average	20.4%
High risk	8.2%

Fund Management

Simon Martindale
Fund Director

Investor Enquiries

Deanna Oyin-Adeniji at Mayfair Capital
Telephone: +44 20 7291 6667
Email: doyin-adeniji@mayfaircapital.co.uk

Administrative Enquiries

Finleigh Donald at Sanne
Telephone: +44 (0)203 9111 028
Email: PITCH@sannegroup.com

July 2021