

The Property Income Trust for Charities is a tax efficient unit trust for charity investors that preserves their SDLT exemption from property purchases (5%).

The Fund aims to deliver a relatively high and sustainable income yield whilst at least maintaining capital value in real terms over the economic cycle. The Fund operates both ethical and environmental policies and seeks to be a socially responsible investor.

### Fund Update

Q3 was another strong quarter for PITCH having returned 2.6%, which continues to outperform the AREF All Balanced Property Fund Index. The 12 month rolling return is 10.6%. The Fund is also the best performing specialist property fund for charities over one, three and five years in the AREF/ IPD Index.

The direct portfolio saw positive valuation movement of 1.1%, which was due to continued yield compression and ERV growth across a number of office and industrial holdings. The indirect holding in USAF returned 3.1% in Q3.

During the Quarter, the Fund completed on two new restaurant investments for £5.1m in Exeter and Esher and exchanged on a forward commitment of a new build office in Watford for £14.5m.

Post the Quarter end, PITCH completed on a multi-let office in Bristol for £9m and is also under offer on a care home investment for £8.2m. A further £7.5m of forward

commitments are in hand including two new pre-let warehouses in Newmarket adjacent to an existing holding. The blended WAULT on these six acquisitions is 12.1 years with a blended yield of 5.7%.

One sale exchanged in Q3, a retail warehouse in Loughborough for £4m, where we had secured a positive valuation uplift following a lease extension. An office property in Solent sold post the Quarter end for £5.4m, crystallising a £200,000 premium against valuation.

The void rate increased to 5.2% over the Quarter due to an expected vacancy of a small office building in Cardiff. We are marketing the property and have already been shortlisted by three parties. The void rate remains below the average of the peer group in AREF, (7.2% to 30 June 2017).

The Fund continues to have a relatively high cash weighting (10.2% of NAV) partly for risk management reasons but also to allow for the acquisitions and forward

commitment pipeline. Taking into account the forward commitments, unallocated cash reduces to £24m (5.3% of NAV) We intend to hold circa £20m of cash going forward once the purchase and sale transactions have completed.

The Fund continues to attract new equity with £19.4m of new subscriptions in the Quarter and only modest redemptions.

Despite a higher void rate and the current level of cash, the Fund continues to deliver a 12 month historic distribution yield of 5.9%.

The Fund continues to source new investments that will benefit from our themes of technology, demographics & social change and infrastructure where we see further opportunities for continued outperformance.

New acquisitions will focus on increasing the Fund WAULT and ppu (pence per unit) income distribution.

### Key Statistics

£527m  
Gross Asset  
Value

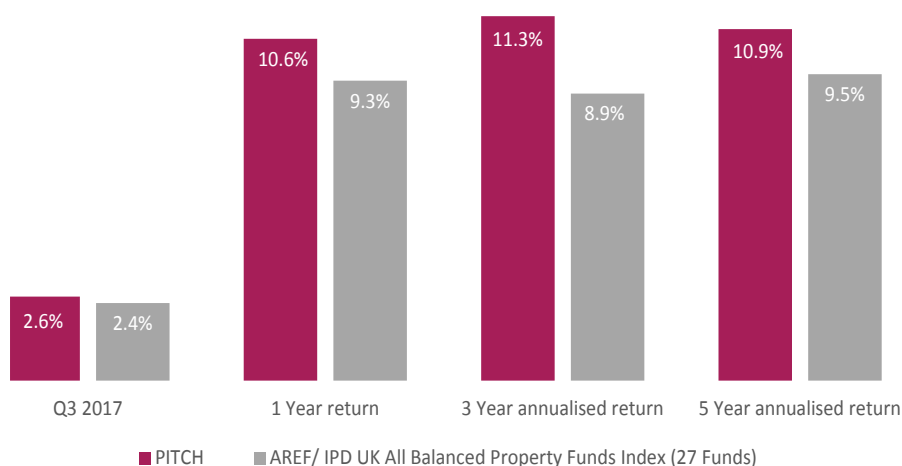
5.9%  
Fund Yield  
(Rolling 12-months  
as % of NAV)

14.3%  
Borrowings  
(GAV)

5.2%  
Vacancy Rate

7.7  
Weighted  
Unexpired  
Term (years)

### Fund Returns (30 September 2017)



### Fund Management Team



James Thornton  
Fund Director



Simon Martindale  
Fund Manager

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### Fund Key Data

Gross asset value	£527.48m
Net asset value	£449.71m
Number of assets	56
Vacancy rate	5.2%
WAULT	7.7 years
Bid price	84.60 p.p.u.
Offer price	87.10 p.p.u.
Distribution History	
July 2017	0404 p.p.u.
Aug 2017	0.480 p.p.u.
Sept 2017	0.412 p.p.u.
Borrowings (GAV)	14.3%
Total expense ratio (GAV)	0.65%
Portfolio turnover ratio	1.38%
Year End	31 December
Sedol number	B0517P1
ISIN number	GB00B0517P11

### Five Largest tenants (by income)

Wincanton Holdings Ltd	4.7%
B&Q Plc	3.5%
Royal Mail Group Plc	3.3%
Bard Ltd	3.3%
Premier Inn Hotels Ltd	3.2%

### Five Largest Assets (by value)

Nottingham, Lady Bay Retail Park	5.2%
Unite Student Accommodation Fund	5.0%
Croydon, Premier Inn	4.5%
Doncaster, Trax Park	4.4%
Manchester, 80 Deansgate	3.9%

### Lease Length (by rent)

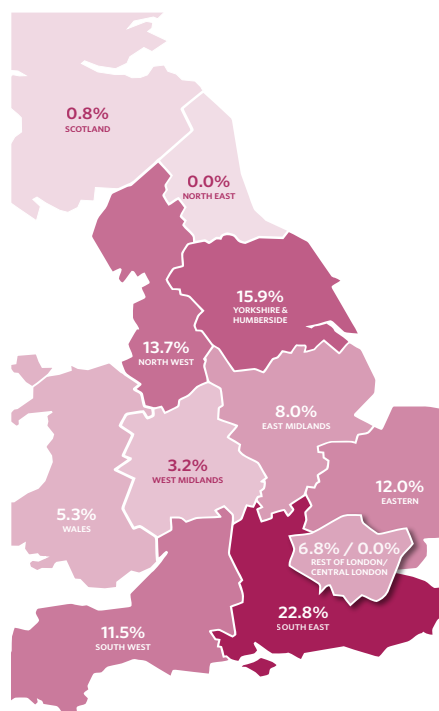
0-5 years	38.3%
5-10 years	29.3%
10-15 years	28.0%
15-20 years	2.7%
20+ years	1.7%

### Portfolio Distribution (by sector)

Industrial	35.1%
Office	29.8%
Retail Warehouse	15.7%
Retail	7.9%
Other	11.5%

### Portfolio Distribution

(geographic weightings)



### Tenant Risk Rating (by rent)

Minimal risk	84.2%
Lower than average	10.4%
Higher than average	4.5%
High risk	0.9%

### Purchases

36 Clarendon Road, Watford,



A forward commitment of an office in Watford exchanged in the Quarter for £14.5m. The development is due for completion in March 2018 and will be let to a WPP subsidiary on a 15 year lease with a 10 year break. The opportunity was sourced on an off market basis at an attractive price reflecting an initial yield to PITCH of 5.84%.

90 Victoria Street, Bristol

PITCH completed on a multi let office in Bristol in October for £9m at a yield to the Fund of 5.62%. The property is fully let to four tenants with a WAULT of 4 years to break at an average passing rent of £22.11 per sq ft. This compares favourably to top rents in Bristol which are now in excess of £30.00 per sq ft. Bristol is one of our preferred office markets with a low availability of Grade A space.



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