

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

PITCH had a successful start to the year delivering a total return of 2.3% in Q1 2018. This continues its out performance against the AREF All Balanced Property Funds Index, which returned 1.9%. This provided a rolling 12 month total return of 11.5%, with Fund returns in the upper quartile of the Index over one, three and five years.

It also remains the best performing of the specialist property funds for charities over this time period.

There was like-for-like valuation growth of 1.1% on the direct portfolio. As with previous quarters, this growth was driven by further yield compression on those long let assets and industrials, which saw a quarterly increase of 1.8%.

The Fund attracted £13.8m of new equity over the Quarter with £2.1m of redemptions meaning net investment of £11.7m.

There were no acquisitions or sales this Quarter, although we have four purchases in hand totalling some £41m. One of these is the contracted £14.5m office

development in Watford, which is due for completion in May 2018. The remaining transactions are under offer but not yet under contract.

The Fund is currently holding £50m in cash although taking into account the Watford commitment, this reduces to £35m. The three further acquisitions are due for completion in July and August 2018, however, the intention is to continue to hold a cash buffer for risk management reasons.

A significant event occurred for the Fund post Quarter, which was the successful letting of the West Moor Park warehouse in Doncaster. This has been let to a major online retailer, creating a substantial income stream and major capital value uplift. When acquired, the lease to the former tenant had only 18 months left to expiry. We recognised the attraction of the property to the e-commerce industry and it was let at only £3.55 per sq ft. The new letting increases this by 36%. This purchase is a clear demonstration of our thematic investment strategy.

The void rate has further reduced with a letting of the third floor at Deansgate, Manchester. There was also the conclusion of a letting in the small multi-let industrial holding in Aberdeen for £60,000 pa. With no tenants vacating elsewhere across the portfolio, the void rate reduced to 1.5% from 5.2% (4.4% as at 31 March 2018).

The distribution yield was 5.4% as at 31 March 2018. We aim to increase distributions during 2018 as the new acquisitions become income producing and also due to a lower void rate and further asset management initiatives

Given the 'below par' performance of the UK economy, coupled with geopolitical risks, we are continuing to take a cautious view on the market. We remain focused on growing the income yield whilst delivering on our asset management plans. We will continue to invest in accordance with our thematic investment strategy with a preference for income resilient, multi-let investments and, where pricing permits, long income assets to grow the portfolio WAULT.

Key Statistics (31 March 2018)

£561m

Gross Asset Value

5.4%

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

13.5%

Borrowings (GAV)

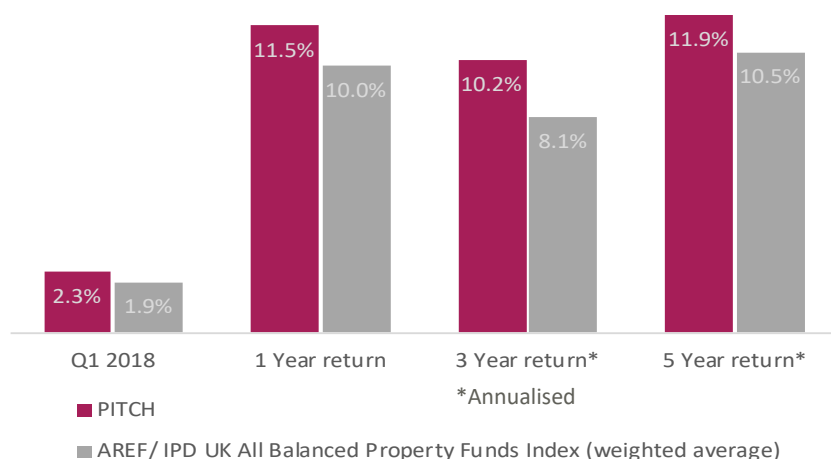
4.4%

Vacancy Rate

7.5

Weighted Unexpired Term (years)

Fund Returns (31 March 2018)



Fund Management Team



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Fund Key Data

Gross asset value	£560.76m
Net asset value	£483.45m
Number of assets	55
Vacancy rate	4.4%
WAULT (to break)	7.5 years
Bid price	87.22 p.p.u.
Offer price	89.76 p.p.u.
Distribution History	
Jan 2018	0.386 p.p.u.
Feb 2018	0.390 p.p.u.
Mar 2018	0.352 p.p.u.
Borrowings (GAV)	13.5%
Total expense ratio (GAV)	0.66%
Portfolio turnover ratio	-3.3%
Year End	31 December
Sedol number	B0517P1
ISIN number	GB00B0517P11

Five Largest tenants (by income)

Kier Construction Ltd	4.7%
Wincanton Holdings Ltd	4.6%
Royal Mail Group Plc	3.2%
Bard Ltd	3.2%
Premier Inn Hotels Ltd	3.1%

Five Largest Assets (by value)

Nottingham, Lady Bay Retail Park	4.9%
Unite Student Accommodation Fund	4.8%
Croydon, Premier Inn	4.4%
Doncaster, Trax Park	4.3%
Manchester, 86 Deansgate	3.8%

Lease Length (by rent)

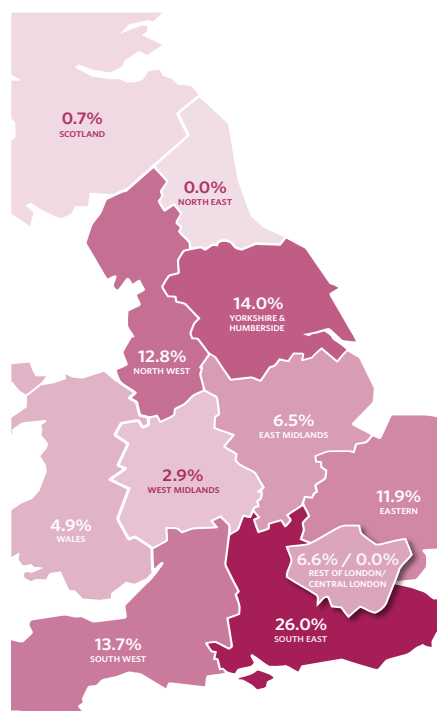
0-5 years	41.4%
5-10 years	26.3%
10-15 years	23.9%
15-20 years	6.8%
20+ years	1.6%

Portfolio Distribution (by sector)

Industrial	34.7%
Office	31.8%
Retail Warehouse	13.3%
Retail	7.4%
Other	12.8%

Portfolio Distribution

(geographic weightings)



Tenant Risk Rating (by rent)

Minimal risk	85.3%
Lower than average	9.9%
Higher than average	3.1%
High risk	1.7%

Asset Management

86 Deansgate, Manchester



Letting of a recently refurbished 3rd floor in Manchester where Help Your Claim took 8,870 sq ft at a rent of £195,000 pa.

West Moor Park, Doncaster



Letting to major online retailer for 10 years (no breaks) at £920,000 pa with RPI-linked reviews (2%-4% cap and collar) The lease includes a call option for a further 40,000 sq ft of warehousing which has recently received planning consent.

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