

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 an active and productive quarter with £51m of new acquisitions (please see overleaf) and some good letting activity. As a result this has led to a strong financial performance with a three-month total return of 2.8% meaning the Fund remains in the upper quartile of the AREF All Balanced Funds Index over every time period up to five years.

PITCH continues to be the best performing of the specialist property funds for charities over one, three and five years.

There was like-for-like valuation growth of 1.6% over the Quarter on the direct property portfolio. The majority of this came from the ASOS letting at West Moor Park, Doncaster, which led to a significant capital uplift prior to incentives. Further capital performance came from uplifts on new acquisitions, rent reviews, other letting

activity and additional yield compression on long let assets and industrials.

In addition to the Doncaster letting there was also a new letting to HSBC in Wallbrook Court, Oxford for 3,200 sq ft on a 10 year lease with a break option in the 5th year at a rent of £65k pa. The rent reflects £20.50 per sq ft, which is in excess of the current rental tone across the building. As a result of this letting activity, the void rate has reduced to only 1.6%.

There were no sales during the Quarter although the Fund is under offer to sell a multi-let industrial asset in Aberdeen, which is expected to complete in Q3. Further sales are planned of non-core assets.

Lastly the Fund settled a rent review at Tewkesbury resulting in a 6.6% increase in

rents contributing to a £200k increase on the valuation.

The Fund attracted £16.4m of new equity over the Quarter with £1.6m of redemptions meaning net investment of £14.8m.

Given the economic and geopolitical concerns, we continue to take a cautious view on the market and are focused on growing the income yield in the second half of the year whilst delivering on our asset management plans and executing further sales. We will continue to invest in accordance with our thematic investment strategy. This focuses on three core themes, infrastructure, technology and demographics, which we believe help drive occupational demand.

### Key Statistics

**£579m**  
Gross Asset Value

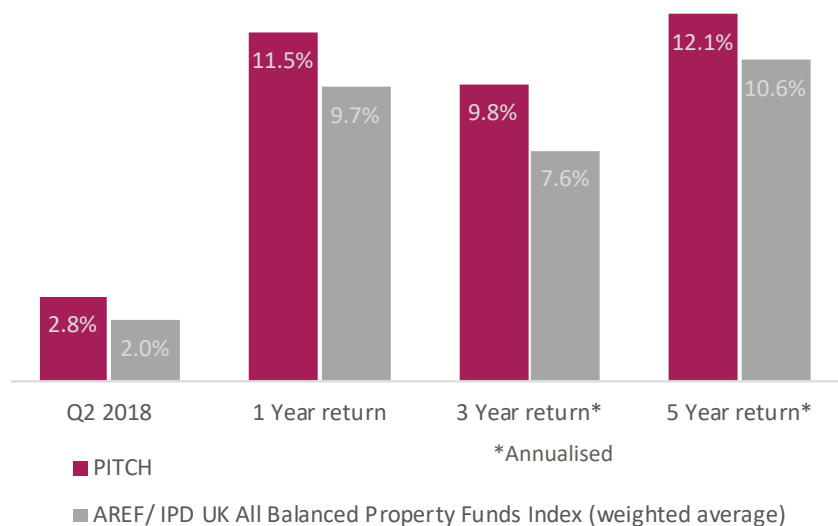
**5.3%**  
Fund Yield  
(Rolling 12-months as % of NAV)

**13.0%**  
Borrowings (GAV)

**1.6%**  
Vacancy Rate

**7.5**  
Weighted Unexpired Term (years to break)

### Fund Returns (30 June 2018)



### Fund Management Team



**James Thornton**  
Fund Director



**Simon Martindale**  
Fund Manager

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### Fund Key Data

Gross asset value	£579.31m
Net asset value	£501.12m
Number of assets	58
Vacancy rate	1.6%
WAULT	7.5 years
Bid price	88.30 p.p.u.
Offer price	91.08 p.p.u.
Distribution History	
Apr 2018	0.409 p.p.u.
May 2018	0.424 p.p.u.
June 2018	0.419 p.p.u.
Borrowings (GAV)	13.0%
Total expense ratio (GAV)	0.65%
Portfolio turnover ratio	6.8%
Year End	31 December
Sedol number	B0517P1
ISIN number	GB00B0517P11

### Lease Length (by rent)

0-5 years	36.0%
5-10 years	35.3%
10-15 years	21.2%
15-20 years	6.0%
20+ years	1.5%

### Tenant Risk Rating (by rent)

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

### Portfolio Distribution (by sector)

Industrial	35.3%
Office	34.7%
Retail Warehouse	11.9%
Retail	6.6%
Other	11.5%

### Purchases

#### Stone Cross, Brentwood

A purpose built office in the town centre of Brentwood. Let to Sky CP Ltd for a term of 15 years. A highly thematic purchase, which is set to benefit from the opening of the Elizabeth Line in 2019. The £19.3m purchase price represents a yield to PITCH of 5.65%.

#### Big Berry, Droitwich



A core plus purchase of a well specified warehouse let to Antolin Interiors, a leading manufacturer of car interior parts. The property is let until November 2024, at a rent which is reversionary. A £16.9m acquisition with a yield to PITCH of 5.72%.

#### Clarendon Road, Watford



A new build office let to Salmon Ltd, for 15 years at a rent of £860,000 pa. The property saw a valuation uplift at completion reflecting the attractive original pricing, which was agreed 12 months ago (This was a forward commitment purchase). The £14.5m purchase price reflected a yield to the Fund of 5.84%.

### Five Largest tenants (by income)

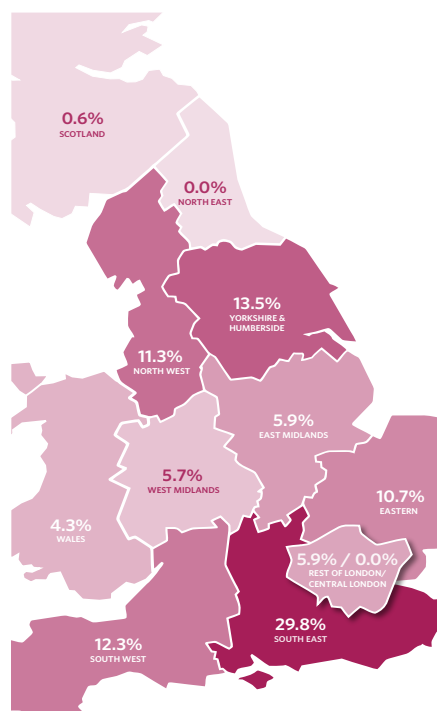
Kier Construction Ltd	4.1%
Wincanton Holdings Ltd	4.0%
Sky CP Ltd	3.4%
Antolin Interiors Ltd	3.0%
ASOS.com Ltd	2.8%

### Five Largest Assets (by value)

Nottingham, Lady Bay Retail Park	4.4%
Unite Student Accommodation Fund	4.3%
Croydon, Premier Inn	3.9%
Doncaster, Trax Park	3.8%
Manchester, 80 Deansgate	3.4%

### Portfolio Distribution

(geographic weightings)



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