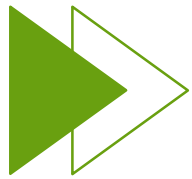




# Value and Income Trust

AGM 5 July 2019

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# Agenda

- » OLIM Property Investment Team
- » Value & Income Trust – Property Portfolio as at 31 March 2019
- » Performance Record
- » Market Outlook
- » Highlights



# OLIM Property Investment Team

OLIM Property manage over £1 billion in UK discretionary commercial property portfolios with individual mandates for pension funds, investment trusts and Oxford colleges.

» **Matthew Oakeshott - Chairman**

Joint founder of OLIM where he managed UK commercial property and equity portfolios from 1986 to 2006 and purely commercial property since then. S.G. Warburg & Co 1976, Director of Warburg Investment Management 1978. Investment Manager of Courtaulds Pension Fund 1981 to 1985. He led a management buyout of OLIM Property in 2012.

» **Louise Cleary - Director**

Qualified as a Member of the Royal Institution of Chartered Surveyors in 1996. She has over 20 years' experience of commercial property investment at Hermes Real Estate Investment Management, Land Securities and Asda Property Holdings and joined OLIM in 2009 and OLIM Property in 2012.

» **Jo Seth-Smith – Investment Manager**

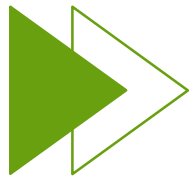
Qualified as a Member of the Royal Institution of Chartered Surveyors in 2003. She has over 15 years' of commercial property experience at Acuitus, LaSalle Investment Management and JLL and joined OLIM Property in 2017.

» **Sarah Martin – Investment Manager**

Joins OLIM Property on 8 July. She has spent the last 15 years at JLL. As a Director in the Capital Markets team, she bought and sold over £1 billion worth of property in all sectors and sizes, both portfolios and single properties, for pension funds, local authorities, property companies and other domestic and international investors.

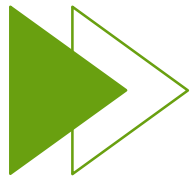
» **Jo West – Investment Analyst**

Qualified as a member of the Royal Institution of Chartered Surveyors in 1992. She has over 20 years' of commercial property valuation and investment experience at Donaldsons, Gooch & Wagstaff, CBRE and British Land and joined OLIM Property in 2018.



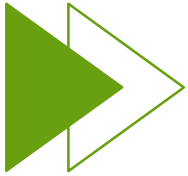
## Property Portfolio as at 31 March 2019

- » Portfolio Capital Value £68,800,000
- » Net Rental Income £4,371,936
- » 26 properties – All freehold except Horsham & Fareham (long leasehold)
- » 28 tenancies – All leases full repairing and insuring
- » Rent Reviews - Five yearly or annual upward only rent reviews - 79% of total rental income is Index-Related
- » Weighted average unexpired lease length is 15.4 years and 15.1 years if all break options are exercised
- » 100% let and income-producing
- » Managing Agents - Workman & Partners (rent collection etc)
- » Solicitors - Shepherd and Wedderburn LLP
- » Twice yearly independent portfolio valuations by Savills (end March and end September)

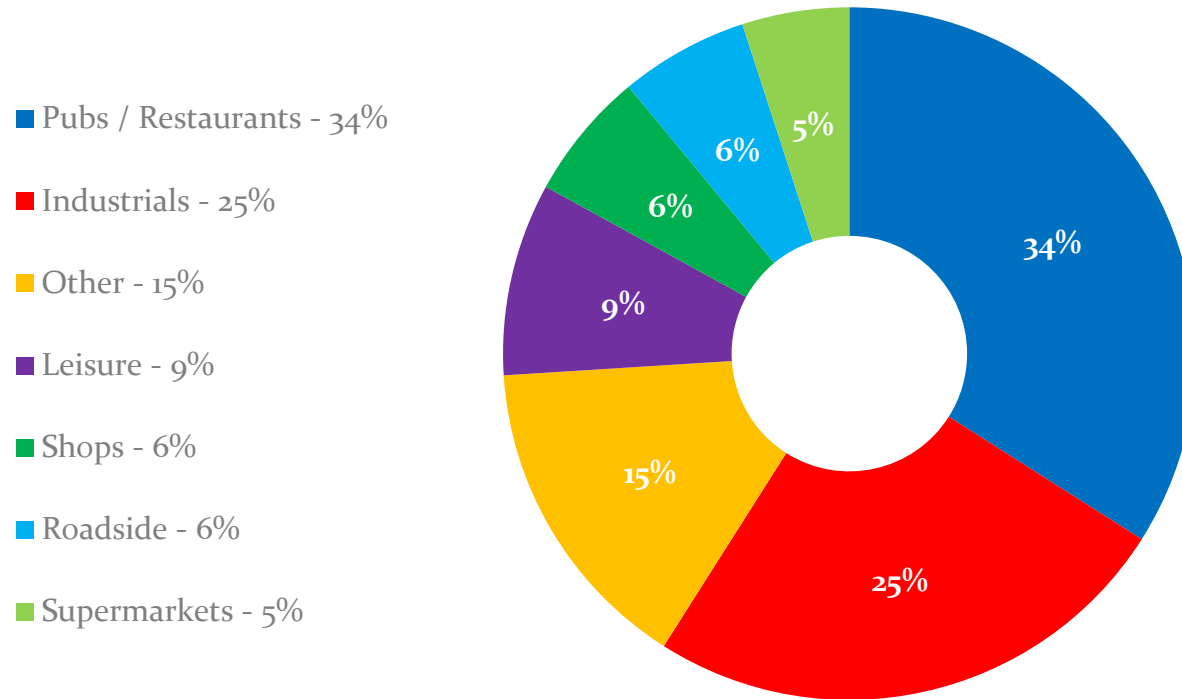


# Property Portfolio as at 31 March 2019

Pubs / Restaurants	Industrials	Leisure	Roadside
			
<ul style="list-style-type: none"> <li>• 11 properties</li> <li>• £1,258,720 rent</li> <li>• WAULT 20.6 years</li> </ul>	<ul style="list-style-type: none"> <li>• 4 properties</li> <li>• £1,174,305 rent</li> <li>• WAULT 12.5 years</li> </ul>	<ul style="list-style-type: none"> <li>• 3 properties</li> <li>• £474,952 rent</li> <li>• WAULT 22.1 years</li> </ul>	<ul style="list-style-type: none"> <li>• 2 properties</li> <li>• £318,202 rent</li> <li>• WAULT 8.4 years</li> </ul>
Other	Supermarkets	Shops	Summary
			<p><b>Portfolio Value:</b> £68,800,000</p> <p><b>Net Rental Income as a % Portfolio Value:</b> 6.4%</p>
<ul style="list-style-type: none"> <li>• 2 properties</li> <li>• £623,932 rent</li> <li>• WAULT 14.1 years</li> </ul>	<ul style="list-style-type: none"> <li>• 2 properties</li> <li>• £226,825 rent</li> <li>• WAULT 8.4 years</li> </ul>	<ul style="list-style-type: none"> <li>• 2 properties</li> <li>• £295,000 rent</li> <li>• WAULT 6.5 years</li> </ul>	<p><b>No of Properties:</b> 26</p> <p><b>Indexed Income:</b> 79%</p> <p><b>WAULT:</b> 15.4 years</p>



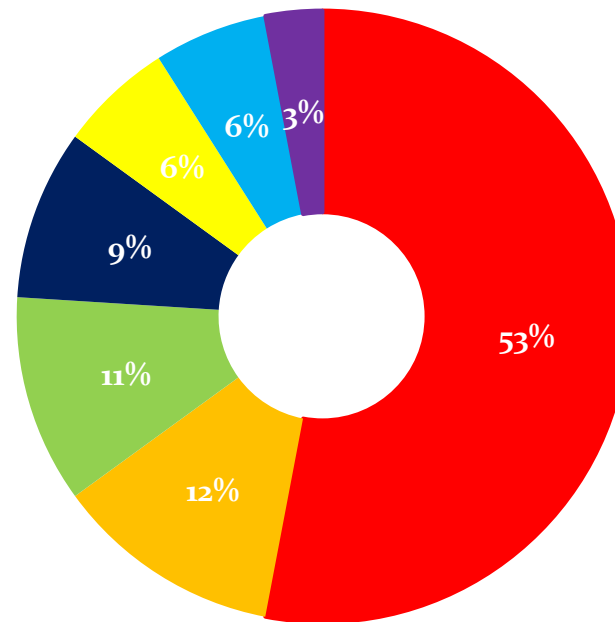
## Property Portfolio Sector Weighting % Capital Value

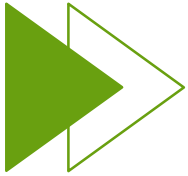




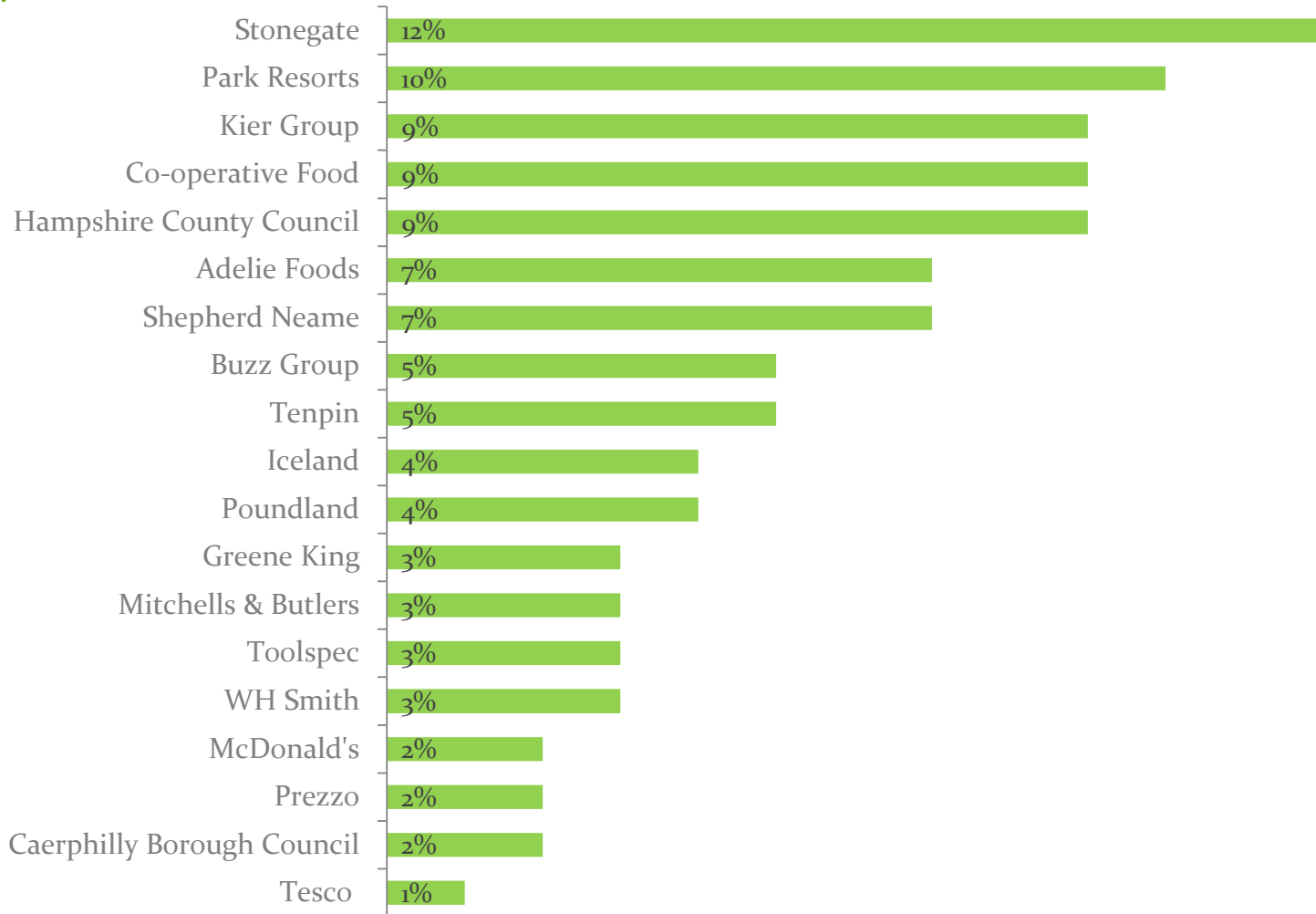
# Property Portfolio by Region % Capital Value

- South East - 53% (10 properties)
- North - 12% (5 properties)
- East Anglia - 11% (4 properties)
- London - 9% (2 properties)
- South West - 6% (2 properties)
- Midlands - 6% (2 properties)
- Wales - 3% (1 property)

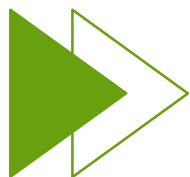




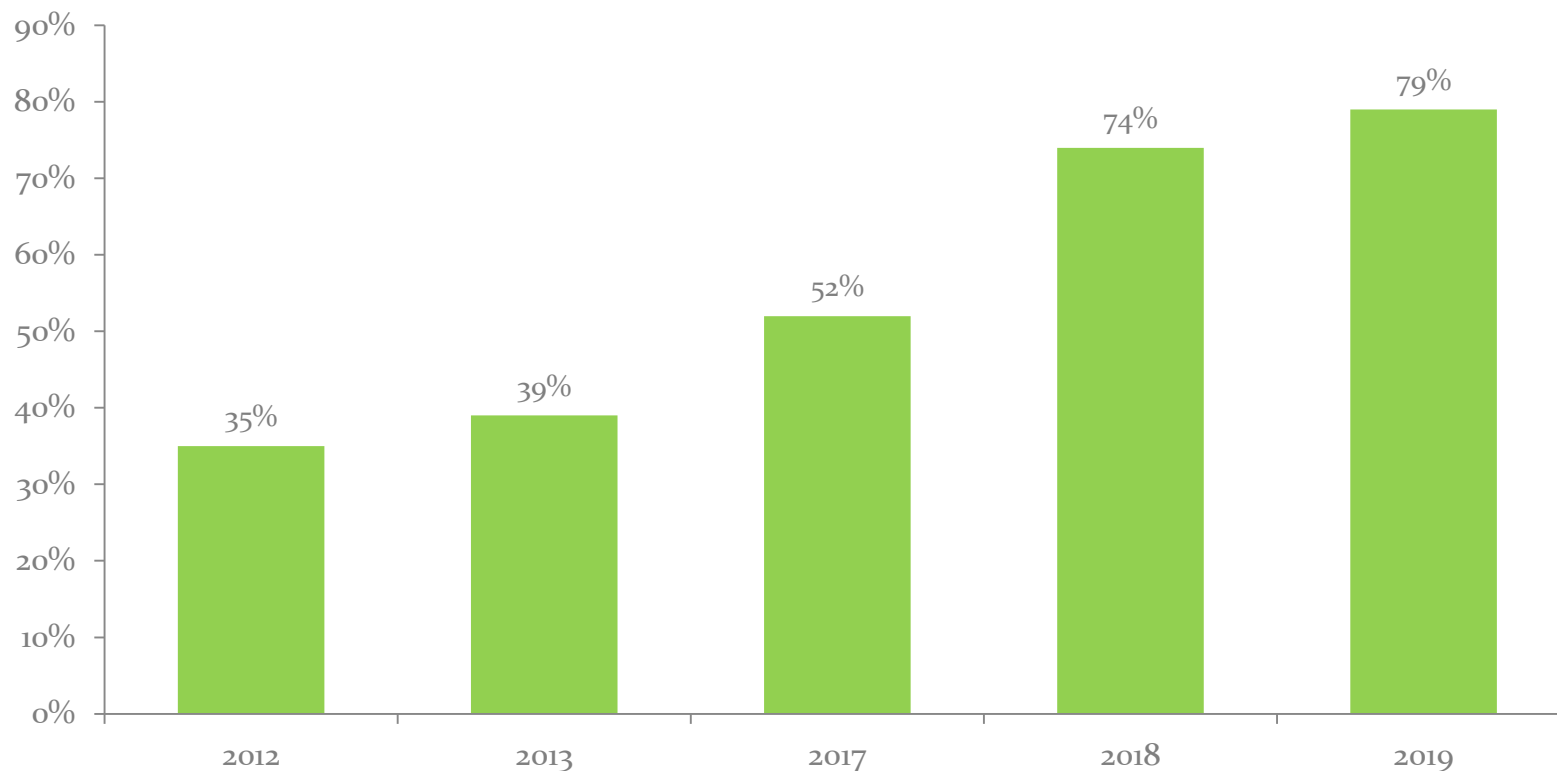
# Property Portfolio - Rental Income By Tenant %

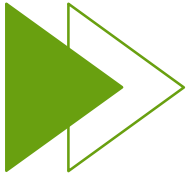




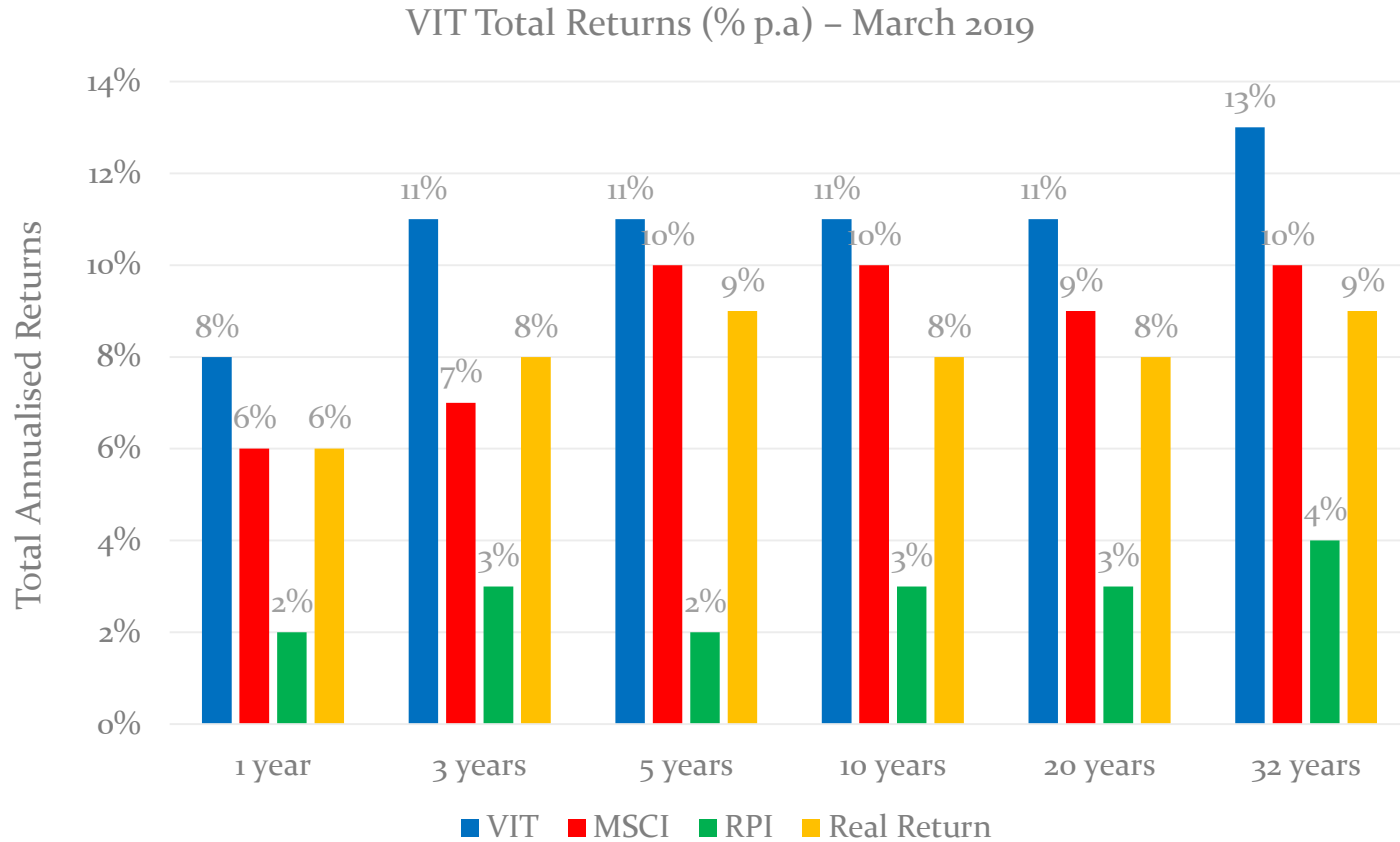


## Property Portfolio - Fixed and RPI Index-Related Share of Rental Income %





# Performance Record as at 31 March 2019





## Comparative Yields % – End December (Except 2019 End June)

		2019 *	2018	2017	2016	2014	2011	2008	2006
Property (Equivalent Yield)		5.5	5.4	5.5	5.7	5.9	6.8	8.1	5.4
Long Gilts	Conventional	0.8	1.5	1.4	1.5	2.0	2.5	3.7	4.6
	Index Linked	-2.0	-1.8	-1.8	-1.8	-0.8	-0.2	0.8	1.1
UK Equities		4.1	4.5	3.6	3.5	3.4	3.5	4.5	2.9
R.P.I. (Annual Rate)		3.0	3.2	4.1	2.5	2.0	4.8	0.9	4.4
Yield Gaps:	Property less Conventional Gilts	4.7	3.9	4.1	4.2	3.9	4.3	4.4	0.8
	Less Index Linked Gilts	7.6	7.2	7.3	7.5	6.7	7.0	7.3	4.4
	Less Equities	1.4	0.9	1.9	2.2	2.5	3.3	3.6	2.5

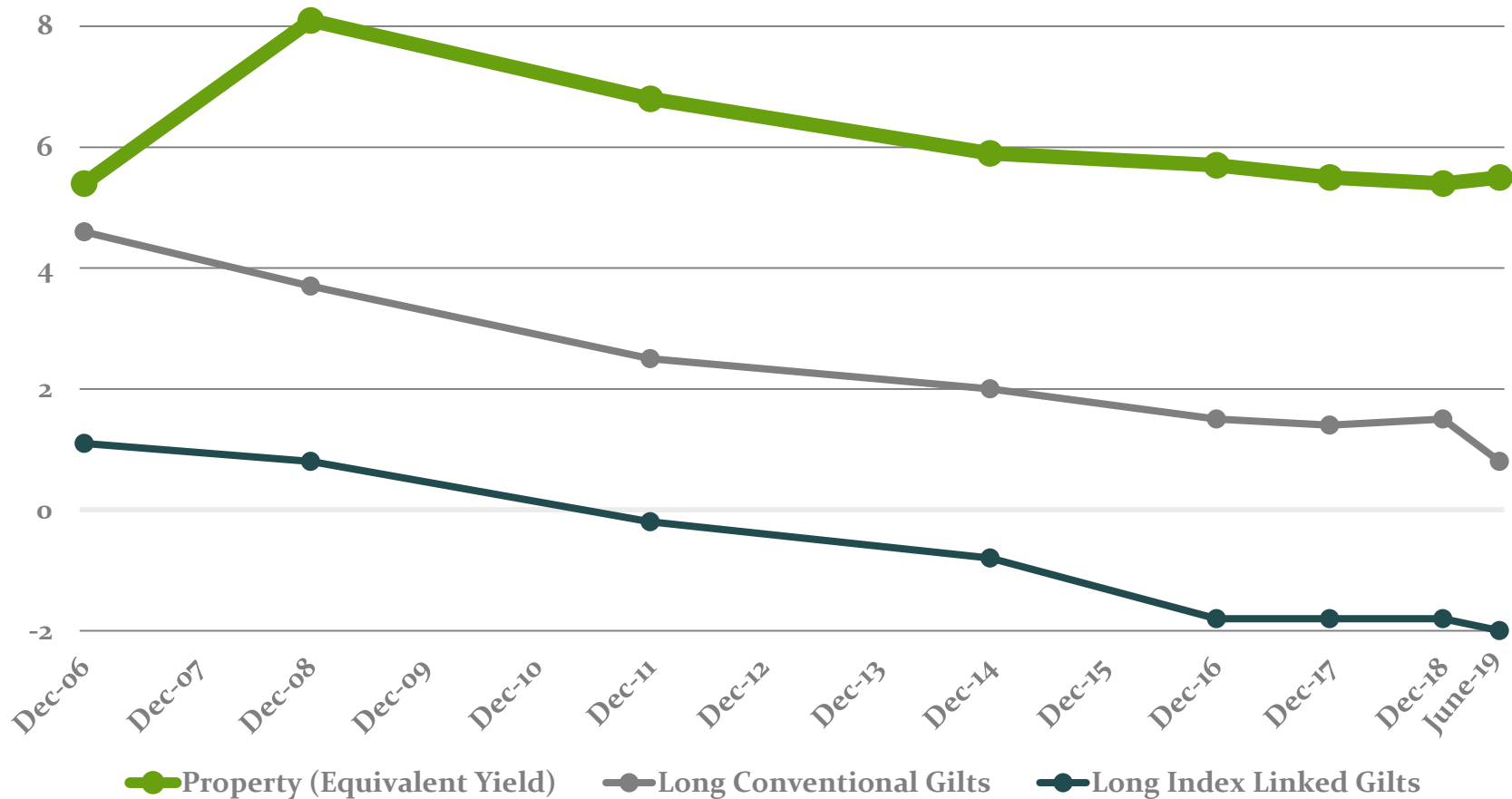
Source: MSCI and ONS

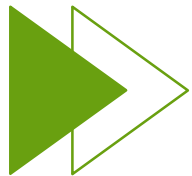
\* All Figures End December except 2019 End June.



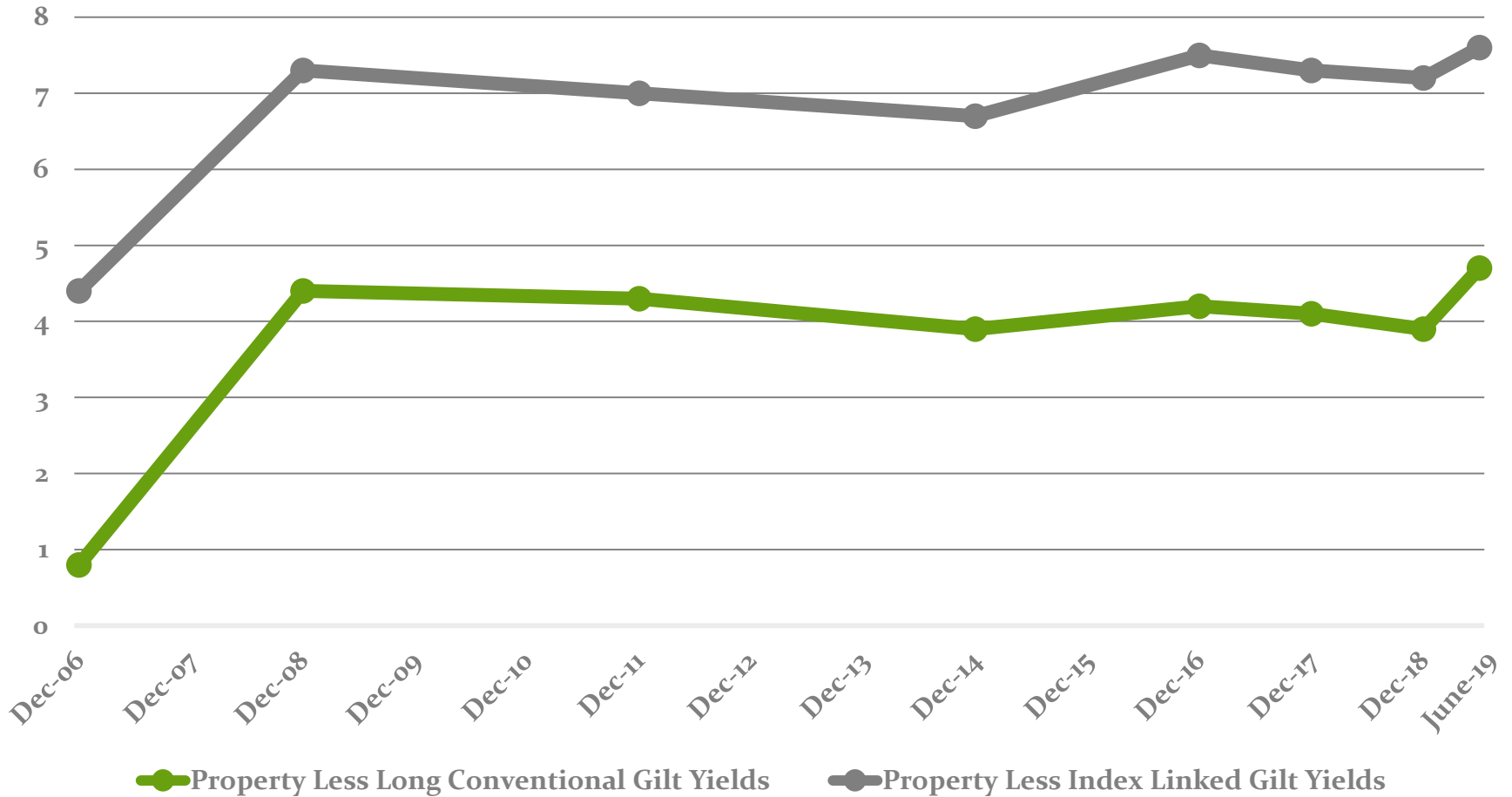
# Comparative Yields % – End December

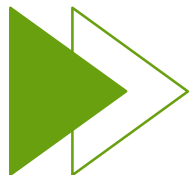
(Except 2019 End June)





# Yield Gaps: Property Less Gilt Yields %





## Highlights March 2018 to March 2019

- » **Purchases** – 3 new properties for £8,800,000, Net initial Yield 6.6%, WAULT 19 years, all Index-Related
- » **Sold** – 5 properties for £10,300,000, Net Initial Yield 7.3% falling to 6.0% on current rental values, WAULT 8 years, 86% of the rents with open market rent reviews
- » **Rent Reviews** – Income growth on held properties – 4% (16 rent reviews – with 14 index-related)
- » **Index-Related Income** – 74% March 2018 to 79% March 2019
- » **WAULT** – 14.0 years March 2018 to 15.1 years March 2019 (if all tenant break options exercised)
- » **Occupancy** - 100% income producing
- » **Annual Total Return** – 8.0% (MSCI Benchmark 5.5%)