

# Managed Property Fund (charges included)

Unit-Linked Life Insurance Reported in GBP (Net of charges)



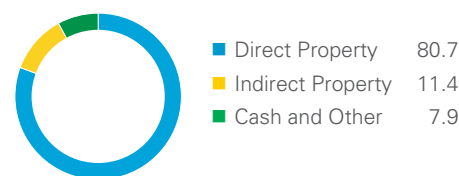
## FUND AIM

The fund aims to exceed the MSCI/ AREF UK Quarterly All Balanced Property Fund Index (UK PFI) over three and five year periods.

## WHO IS THIS FUND FOR?

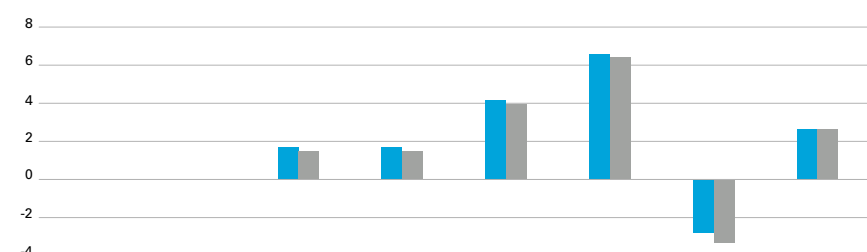
- The trustees of UK registered defined contribution occupational pension schemes, which may be classified as either retail clients or professional clients, who wish to offer this fund to their members on a net of fees basis.
- Please refer to your professional advisor who should be able to advise you on the suitability of this fund for your scheme.

## ASSET ALLOCATION (%)



Figures are as a % of NAV

## PERFORMANCE (%)



	YTD	3m	6m	1y	3y	5y
Fund	1.68	1.68	4.19	6.61	-2.80	2.65
Benchmark	1.51	1.51	3.95	6.43	-3.31	2.67
Relative	+0.17	+0.17	+0.24	+0.18	+0.51	-0.02

## ANNUAL PERFORMANCE (%)

12 months to 31 March	2025	2024	2023	2022	2021
Fund	6.61	0.33	-14.14	21.97	1.75
Benchmark	6.43	-0.69	-14.47	23.14	2.46
Relative	+0.18	+1.02	+0.33	-1.17	-0.71

All performance periods over a year will be annualised. Source: LGIM. Performance based on daily close mid-market prices after the deduction of our standard investment management fees, which may or may not be the same for your scheme. Please refer to your scheme literature, or to your scheme administrator, for the fee rate that applies to your scheme. The assumption for this calculation is 70 basis points. The MSCI/AREF UK Quarterly All Balanced Property Fund Index is reported on a net only basis. **Past performance is not a guide to the future.**

## FUND FACTS

NAV	Base currency
£3,796.3m	GBP
Launch date	Domicile
Jan 2007	United Kingdom
Benchmark	
MSCI/AREF UK Quarterly All Balanced PFI	

## FUND CHARACTERISTICS

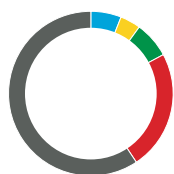
The fund invests in UK freehold and leasehold property recognising that superior stock selection is a key driver of outperformance. The fund does not permit gearing on directly held assets. The fund may invest in indirect vehicles and property derivatives.

Please note that the name of the benchmark has been updated to reflect the MSCI acquisition of IPD Group



## PORTFOLIO BREAKDOWN

All data source LGIM unless otherwise stated. Totals may not sum due to rounding.



### LEASE LENGTH (%)

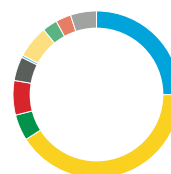
20+ years	6.0
15-20 years	4.0
10-15 years	7.1
5-10 years	23.5
0-5 years	59.3



### SECTOR (%)

Standard Industrial - South East	35.3
Retail Warehouse	10.3
Office - West End & Mid Town	7.7
Cash	7.6
Office - Rest of South East	7.3
Residential excl. Student Accommod.	5.9
Leisure	5.7
Hotel	3.8
Shopping Centre	3.3
Office - Rest of UK	3.1
Student Accommodation	2.9
Supermarkets	1.9
Other	5.4

Figures are as a % of GAV.  
'Other' comprises 'Standard Retail - Rest of UK', 'Standard Retail - South East', 'Office - City', 'Standard Industrial - Rest of UK' and 'Distribution Warehouse - South East'



### REGION (%)

London	25.0
South East	40.9
South West	5.0
Eastern	6.7
West Midlands	4.7
East Midlands	0.4
North West	6.3
North East	2.9
Scotland	3.0
Yorkshire and Humber	5.0

## TOP 10 DIRECT PROPERTY HOLDINGS (£M)

Holding	Sector	Valuation
Dunstable- Woodside Industrial Estate	Industrial - South East	300-350
Brentford – West Cross Industrial Park	Industrial - Outer London	175-200
Basingstoke- Kingsland Business Park	Industrial - South East	150-175
London- Strand Island Site	Office- Mid Town	100-125
Manchester- North Tower	Other- North West	100-125
London- Yotel London Clerkenwell	Other- City	90-100
Newcastle- Into Newcastle University	Other- North East	80-90
Leeds- The Light	Other- Yorkshire and Humber	80-90
London- 76-88 Wardour Street	Office- West End	70-80
Bedford- Interchange Shopping Park	Retail Warehouse- Eastern	70-80

## KEY CHARACTERISTICS

No. of assets	75
No. of direct properties	71
Void rate ex. development	10.8%
Average lease length	6.8 years
Average lot size	£43.1m
Net initial yield	4.4%
Cash level	£300.5m
Uncommitted cash	£185.1m

Void rate, lease length, lot size and net initial yield relate to direct properties only.

## FUND MANAGER COMMENTARY

The Fund achieved a NAV level return of 1.6% in the quarter, against a benchmark return of 1.5% and outperformed by 9bps. The Fund continues to maintain outperformance over one, three and five-year time horizons.

Across the market, all property returns during the quarter were 2.0%, led by retail at 2.4% and industrial at 2.2%. Offices lagged at 1.1%. Returns over the prior year were 8.5%, led by retail at 11.4%.

UK real estate return expectations over 2025-2029 improved to 8.0% p.a. according to the IPF consensus. There were no effects from US tariffs recorded in provisional Q1 2025 data, but we expect events of early April to dominate Q2 25's commentary. The Bank of England cut base rates by 25 bps to 4.5% in February which remains a positive input for real estate returns.

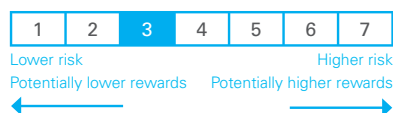
The Fund delivered £14.8m of asset management value in Q1, from 21 transactions, spread across all sectors. A large proportion of these deals were re-gears with existing tenants, and new letting activity, demonstrating the importance of targeted capital expenditure to retain a robust income stream.

During Q1 the Fund focused its acquisitions activity on funding opportunities, securing best in class Industrial developments. The Fund completed on a site in Lichfield and exchanged contracts on a site in Southampton. These schemes will be developed over the next 18 months, providing 340,000 sq ft of urban logistics accommodation, targeting EPC A+ and BREAM Excellent and Biodiversity Net Gain of 10-20%, and increasing the Fund's weighting to prime Industrial locations.

### LGIM PROPERTY FUND MANAGEMENT TEAM

The Fund is managed by Rob Codling. The Fund team also includes an Assistant Fund Manager, nine Asset Managers dedicated to the Fund and a Fund Analyst. This team is supported by the wider Private Markets Real Estate Equity platform capabilities including Transactions, Research, Sector Specialists, Responsible Investing and Development.

## RISK AND REWARD PROFILE



The summary risk indicator does not capture the likelihood of tenants paying their rents on the properties that this fund owns.

The risk indicator assumes you keep the product for 5 years. The actual risk can vary significantly if you cash in at an early stage and you may get back less. You may not be able to sell your product easily or you may have to sell at a price that significantly impacts on how much you get back.

## PMC KEY RISKS

- The value of an investment and any income taken from it is not guaranteed and can go down as well as up; you may not get back the amount you originally invested.
- The return from your investment is not guaranteed and therefore you may receive a lower or higher return than you anticipated. There will be a variation in performance between funds with similar objectives due to the different assets selected.
- PMC's charges and associated transaction costs are subject to change, with notice for the former and without notice for the latter. Charges and transactions costs deducted from the policy reduce your potential for capital growth in the future.
- Tax rules and the treatment of income and capital gains could change in the future and may be applied retrospectively.
- Inflation reduces the purchasing power of money over time as the cost of purchasing goods and services increases. If the rate of inflation exceeds the rate of return on your portfolio, it will erode the value of your portfolio and its investments in real terms.
- In extreme market conditions it may be difficult to realise assets held for a fund and it may not be possible to redeem units at short notice. We may have to delay acting on your instructions to sell or the price at which you cancel the units may be lower than you anticipated.
- The value of a fund's assets may be affected by uncertainties such as international political developments, market sentiment, economic conditions, changes in government policies, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made.
- PMC seeks to mitigate counterparty risk wherever possible on behalf of its policyholders through a variety of measures which include: each fund's non-cash assets being held with independent custodians, sweeping cash (where appropriate) overnight into the LGIM's range of Liquidity funds (above a de minimus level), using the delivery versus payment system when settling transactions and the use of central clearing for exchange traded derivatives and forward foreign exchange transactions. However, in the event of the failure of a counterparty, custodian or issuer there is a residual risk that a fund may suffer asset losses which are unrecoverable.

For more information, please refer to the Description of Funds [↗](#)



## SPOTLIGHT ON LEGAL & GENERAL INVESTMENT MANAGEMENT

We are one of Europe's largest asset managers and a major global investor, with assets under management of £1,117.7 billion (as at 31 December 2024). We work with a wide range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors.

Source: LGIM internal data as at 31 December 2024. The AUM disclosed aggregates the assets managed by LGIM in the UK, LGIMA in the US and LGIM Asia in Hong Kong (2018-2019 only). The AUM includes the value of securities and derivatives positions.

## TO FIND OUT MORE

This factsheet has been produced to provide you with fund information and is not designed to provide advice on the suitability of an investment for your personal financial situation. It should be read in conjunction with your pension scheme particulars.

If you have any questions regarding its contents, please speak to the scheme administrator, trustees or your financial advisor.

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**Internal Fund Code: KJ**