DORSET COUNTY COUNCIL PENSION FUND

QUARTERLY REPORT Q1 2018

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1. EXECUTIVE SUMMARY: Q1 2018

MARKET

- The UK property market is proving resilient, despite the back drop of slowing economic growth, with the IPD Monthly Index recording a nominal total return of 2.3% in Q1 2018.
- There continues to be divergence in performance between the different property sectors. Industrials are still leading the way, having produced returns of 4.3% in Q1, and retail is the laggard due to the recent spate of CVA activity and negative commentary. This has seen retail capital values fall 0.2% over the quarter resulting in a total return of 1.2% for the sector.
- There is still a large weight of money targeting property which is keeping yields at historically low levels. Given the weight of money and momentum already in Q1 we are forecasting another year of positive capital growth. However, beyond 2018 prospects for capital growth in our 5 year forecast horizon are limited as we are now at a late point in the cycle and the impact of Brexit uncertainty and tightening monetary policy is likely to weigh on investor and occupier demand.
- Our forecast is for an income-driven nominal return of approximately 4.5% p.a. over the next 5 years so income protection remains our key priority.

PORTFOLIO

The portfolio continues to perform well, exceeding the IPD benchmark over 1, 3 and 5 years. The future prospects are robust as the portfolio contains good quality properties; a favourable sector mix of low retail and high industrial weightings and few vacancies. At the end of last year, you allocated an additional £55m for secure long income. The benchmark is still to be confirmed, but we have proposed LPI +2% p.a. We completed the acquisition of 4 London pubs and a restaurant in February for £14.55m. Terms have been agreed for two further purchases totalling £12.8m. Three properties staircased from the Derwent portfolio generating £0.16m and since quarter end, the feuhold (freehold) of Pilgrim House in Aberdeen has been acquired for £0.47m.

Figure 1 Lease Length

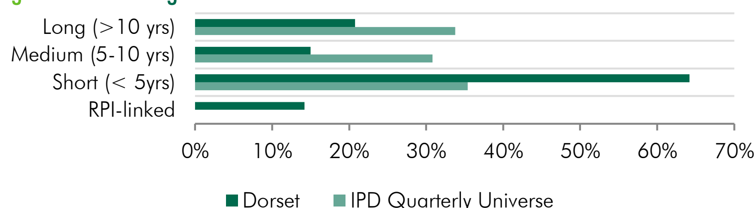


Figure 2 Geographical Structure

London & SE	50.6%
Eastern	15.9%
South West	9.0%
Midlands	6.8%
North	11.1%
Rest of UK	6.7%

Overview

The target is to achieve a return on Assets at least equal to the average IPD Quarterly Universe Portfolio Return including Transactions and Developments for a rolling five year period commencing 1 January 2006.

Portfolio

	Value	Assets
UK Direct	£255.8m	27
UK Indirect	£39.5m	3
Total value of portfolio	£295.4m	

NIY/EY	4.4%	5.8%
Vacancy rate	1.8%	
AWULT to expiry (lease to break)	9.4yrs	(8.4yrs)
Largest asset	Woolborough Lane, Crawley (£23.8m/9.3% of direct portfolio value)	
Largest tenant	ACI Worldwide EMEA (£1,020,000/8.3% of direct portfolio rent)	

Performance

Target: To achieve a return on Assets at least equal to the average IPD Quarterly Universe.

	Portfolio	Target	Relative
Q1 2018 %	1.9	1.9	0.0
1 Yr %	10.6	10.1	0.5
3 Yr % p.a. (2016-2018)	9.3	8.6	0.6
5 Yr % p.a. (2014-2018)	12.0	11.2	0.7

Transcations

	Q1 2018
Money available	£29.6m
Purchases	£14.6m
Sales	£0.2m

2. MARKET COMMENTARY

UK ECONOMIC OUTLOOK

After a relatively calm start to the year for the global economy, things have become decidedly more eventful since February. Equity markets globally, led by the US, have become far more volatile. First we witnessed a sharp price correction as investors worried that markets had become overpriced following a period of rapid growth. Next we saw falls caused by concerns about the trade tariff announcements coming from the US and China. At present however, the impact on economic activity in the UK appears limited. In fact, the largest disruption came from a period of bad weather. The UK economy has started 2018 much as it ended 2017, continuing on its path of steady, below trend growth. Domestically, inflation has started to subside which will, in due course, relieve the squeeze on consumer spending. There has also been a shift in the messaging coming from the Bank of England regarding monetary policy, suggesting that rates may rise more rapidly than previously thought. In terms of politics, we have taken one more small step towards Brexit with a transitional deal being agreed, which would fix current trade arrangements until end-2020. Further hurdles remain before a full withdrawal agreement is reached however, and we are becoming accustomed to the phrase “nothing is agreed until everything is agreed”.

UK PROPERTY PERFORMANCE

The resilience of the wider economy is supporting occupier demand and investor confidence, although there is considerable variation between the different sectors. At the All Property level, data from the MSCI Monthly Index shows that capital values grew by 1.0% during the first quarter of 2018. Industrials continue to be the main driver of this growth, with values up 3.1%. By contrast, the recent struggles of the retail sector can clearly be seen with values falling 0.2%. Shopping centres looked particularly weak as investor sentiment has deteriorated in recent months. In the office sector the South East market was strongest, although variation between the segments was limited.

OCCUPIER MARKETS

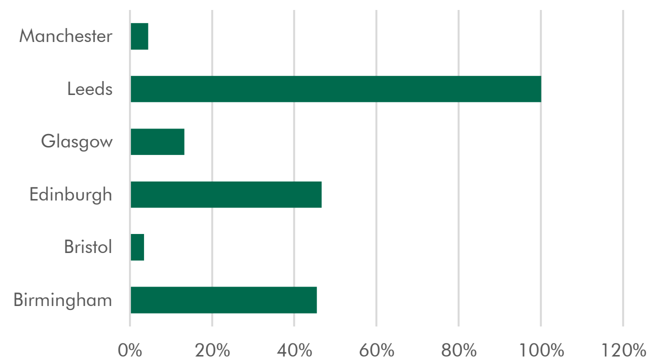
After a Christmas period which was better for retailers than had been feared, the negative news flow has resumed in earnest. A spate of administrations, CVAs and store closures has been announced in recent months, including New Look, Toys R Us, Maplin, Select, and Carpetright. For landlords this often means increased vacancy and reduced rents. New Look, for example, is expected to close 60 stores and seek rent reductions of between 15% and 55% across a further 393 stores as part of the CVA. What’s more, the casual dining sector, until recently considered synonymous with successful retail and leisure destinations, is also suffering after a period of rapid, private-equity fuelled expansion which has left the market saturated. More than 150 units are set to become vacant by the anticipated closures of Jamie’s Italian, Byron, Carluccio’s, Prezzo, Chimichanga and Strada.

Many of the same factors weigh on the prospects of both the retail and food and beverage sectors; increased business rates, the higher National Living Wage, and the rising costs of imported goods. Some of these pressures should ease from 2019 though, and with real earnings growth expected to also improve, it is likely that 2018 will mark the toughest year for the sector.

At the other end of the spectrum, occupier demand for industrial property remains strong though less consistent across different sizes and locations than it was 12 or 18 months ago. In particular, demand for second hand large logistics warehouses has faded over recent quarters. Smaller units and ‘last mile’ facilities in and around large population centres, where supply is constrained by competing land uses, are still generating strong rental growth and this is likely to continue.

It has been a steady start to the year for Central London offices, Q1 take-up was slightly below the 10-year average while space under offer remained slightly above. More significantly, 1.1 million sq ft of development and refurbishment space completed in Q1, which increased available space by 7%. There is a further 2.3 million sq ft due to complete before the end of the year, which will put further upwards pressure on the vacancy rate. By contrast, availability across the Big 6 regional cities is falling as demand continues to outpace supply.

In aggregate the Big 6 regional cities saw office take-up 30% above the 10-year average in 2017. Particularly strong figures were recorded in Leeds, Edinburgh and Birmingham. Admittedly, the numbers were distorted somewhat by a handful of large public sector lettings, but the fundamentals remain sound. Employment growth is continuing, albeit at slower rates than in recent years, and although development has picked up the pipeline is not large enough to cause concern (with the possible exception of Birmingham).



CAPITAL MARKETS

2017 was the second strongest year on record for property investment volumes in the UK, behind only 2015. This was despite a lack of motivated sellers of good quality assets, with few attractive alternatives to redeploy capital. Within the aggregate numbers it was trophy office assets in the City which captured the headlines, but actually the regions enjoyed a stronger year than the Capital. London investment volumes were 30% above their 10-year average, while regional volumes 60% above. Provisional figures for Q1 suggest that this trend has continued into 2018. On a 12-month rolling basis, investment volumes in London have eased in recent quarters while regional volumes have surged.

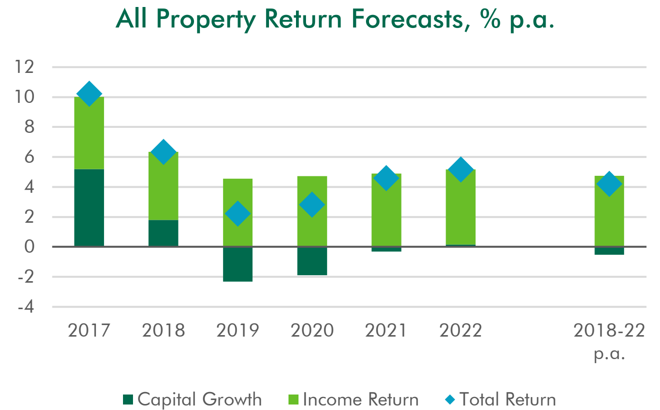
By historic comparison yields are low across the property market, but this is especially true in the industrial sector. It is worth reiterating the point that has been made in previous commentaries; that some investors appear to be misjudging the growth potential of average quality industrial assets and as a consequence are overpaying. In our opinion, the pricing gap between prime and secondary properties is too narrow. This is providing a good opportunity to dispose of industrial assets which have a less than perfect letting history and would be a concern when economic conditions are less supportive.

Investor demand remains incredibly strong for secure long income assets. CBRE estimates that there is as much as £12 billion of capital chasing this type of property. So it is no surprise that there are also significant queues to invest in the long income funds, with new investors facing a wait of as much as 2 years for new commitments to be drawn. This demand can also be seen in the investment figures for 2017. Transaction volumes in the non-traditional property sectors, where many long inflation-linked leases are found, were almost double the 10-year average.

Competition for secure long income property will increasingly push investors into other non-traditional parts of the market. One area that looks particularly attractive is affordable housing, offering the benefits of long, often index-linked, income from strong covenants and supported by positive underlying fundamentals. It also offers diversification through exposure to the residential sector, and high social impact assisting investors with ESG targets.

OUTLOOK

While our 5-year view has changed little since we last reported, we have revised the outlook for 2018 upwards. Positive momentum, especially in the industrial sector, means that we are set to see another year of capital growth. Beyond 2018, capital value movements are expected to be limited. So while property is still offering a solid income-led return, there is no rush to deploy capital at this point in the cycle and it is important to remain selective in acquisitions and focussed on the strength of the income.



Further out, a big question remains concerning the tangible impact of Brexit on the property market. That said, it is important that we do not become obsessed by what is only one part of a much bigger picture. Developments in the global economy, how quickly monetary policy is tightened, and where we are positioned in the property market cycle will each be at least as important. In this environment the main focus must be on strong, sustainable income. In practical terms this means increasing lease lengths, maintaining low vacancy rates, and keeping costs down. No part of the market looks dramatically better value than another, so we will be open minded to opportunities, while sticking to good quality buildings in strong locations that will produce income in good times and bad.

3. STRATEGY

Size	▪ Target size £325m – current size £295.4m. From next quarter we will be splitting out the core and Secure Long Income portfolios for some reporting purposes. ▪ New allocation (Sep 2017) for 2% of Dorset's overall portfolio, which equates to approximately £55m to target properties with secure long income streams.
Performance	▪ Coventional portfolio: To achieve a return on assets at least equal to the average IPD Quarterly Universe Portfolio Return including Transactions and Developments for a rolling five year period commencing 1 January 2006. ▪ New allocation: **Benchmark to be confirmed, we have proposed LPI +2% p.a.**
Income yield	▪ Strive for portfolio income yield to exceed the IPD index net initial yield. ▪ Continue to focus on maintaining a low void rate and a resilient income yield. ▪ Ensure held properties / new acquisitions have strong rental growth prospects, long leases and an element of indexation.

ALLOCATION

Property type	▪ Conventional portfolio: Remain diversified while seeking to increase the average lot size and tenancy size via sale. Purchases to target core property holdings in good locations with a proportion of exposure to properties that will allow active management to generate outperformance. ▪ We anticipate maintaining a total of between 25 and 35 assets with an average lot size of between £8m and £10m. ▪ Invest indirectly to gain exposure to sectors or lot sizes that the fund would be unable to achieve through direct investment e.g Shopping Centres. ▪ New allocation: Targeting lot sizes between £3m and £20m with an average lease length in excess of 15 years with approximately 70% of the portfolio having index linked rent reviews.
Geographic allocation	▪ Diversified by location but with a bias towards London and the South East.
Sector allocation	▪ Diversified by sector with a maximum of 50% in any single sector. ▪ Target a lower than average weighting to Offices and Retail and a higher than average weighting to Industrial and Other commercial. ▪ Source suitable SLI* investments that could be available in any sector.

*SLI stands for Secure Long Income property. SLI property generates long-term predictable cash-flows. It is characterised by long lease lengths (15+ years) often with a link to a reference rate (RPI).

OTHER RESTRICTIONS AND GUIDELINES

Investment size	▪ Target a maximum of 10% in any single asset
Tenants	▪ Maximum rent from any single tenant 10% of rental exposure. ▪ Target financial strength better than the benchmark.
Lease length portfolio	▪ Target new assets where the lease expiry profile fits with the existing profile of the fund. ▪ Seek to maintain expiries in any one year below 10% of the fund's lease income. ▪ Target an average unexpired lease term in excess of the benchmark.
Development	▪ Development may be undertaken where the major risks can be mitigated and the risk/reward profile is sufficient to justify it.
Debt	▪ Avoid debt exposure.
Environmental and Social Governance ("ESG")	▪ Energy performance: to improve EPC ratings where it is financially viable and, where applicable, apply for certification.

4. PORTFOLIO OVERVIEW

UK direct*	£255.8m	86.6%
UK indirect**	£39.5m	13.4%
Total value of portfolio	£295.4m	100%

*See Appendix 3 for full property list and performance over the quarter by asset
**See Appendix 2 for more information on the indirect performance over the quarter.

RISK CONTROL MEASURES

	Fund (Direct property only)	Aim
Number of assets	30	25-30
Number of tenancies	86 with a further 2 units void	70-100
Net initial yield	4.4% p.a.	Above benchmark
Vacancy rate (% of rent)	1.8%	Below benchmark
Rent with +10 years remaining	22.6% of total rent	Minimum 20% of total rent
Rent with +15 years remaining	10.7% of total rent	Minimum 10% of total rent
Largest property (% of direct value)	9.3% (Woolborough Lane IE, Crawley)	Below 10%
Largest tenant (% of direct rent)	8.3% (ACI Worldwide EMEA Ltd, Watford)	Below 10%
Tenure (Freehold/Leasehold)	81% / 19%	Minimum 70% freeholds

PROPERTY / TENANT DIVERSIFICATION

AIM – Maintain a diversified tenant base with individual tenancies providing rent rolls in excess of £25,000 p.a.

The portfolio is currently well diversified with a range of tenants and a well balanced rental income stream.

ACTION:
To maintain a diversified tenant mix.

NET INITIAL YIELD ("NIY")

AIM – Maintain a net initial yield above the benchmark.

The IPD Quarterly Universe NIY is 4.6% as at Q1 2018. The portfolio NIY as measured by IPD is currently 4.4%. The portfolio yield has reduced over the quarter due to stronger market conditions and the acquisition of the low yielding pub portfolio. The SLI portfolio will reduce the NIY as these transactions add to the quality of the income stream from the portfolio. We will report separately on the core and SLI portfolios in terms of yield from next quarter.

ACTION
The portfolio's NIT is currently 20 basis points below the Benchmark IPD Quarterly Universe. In order to reduce the yield gap our focus is to enhance the core portfolio income by:

1. letting vacant space;
2. pursuing lease renewals with existing tenants at the earliest opportunity;
3. settling rent reviews where there are outstanding reversions;
4. closely monitoring non recoverable expenditure.

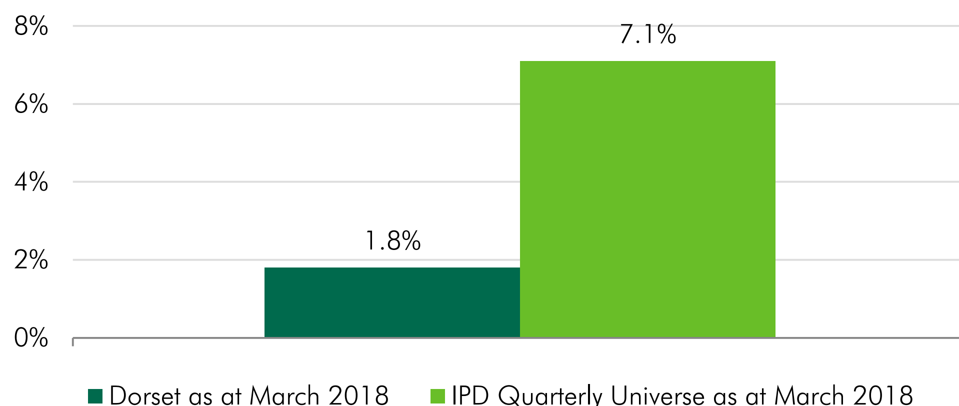
	Portfolio	IPD Quarterly Universe
Initial yield p.a.	4.4%	4.6%
Equivalent yield p.a.	5.8%	5.5%
Income return over quarter	1.1%	1.1%

VACANCY RATE

AIM – maintain a low void rate through letting vacant space and mitigating future expiry risks.

The vacancy rate reduced to 1.8% from 1.9% during the quarter and remains well below the market average of 7.1%. It comprises two floors at the office property in Aberdeen. It is however, set to rise following two adminstrations during the quarter which account for 4.8% of ERV. Toys R Us in Norwich (4.2%) and Maplin in Northampton (0.6%) both failed to find a buyer following a CVA and will be vacated during Q2 2018. We are marketing these units and interest so far has been good. Find more details in Appendix I.

Figure 5 Vacancy Rate



ACTION
Seek to let vacant space through using best in class letting agents and proactively manage upcoming lease expiries (see Appendix 1 for the list of current void properties).

LEASE LENGTH AND EXPIRY PROFILE

AIM – To maintain a well diversified lease expiry profile and keep the portfolio's average lease length in excess of the benchmark lease length.

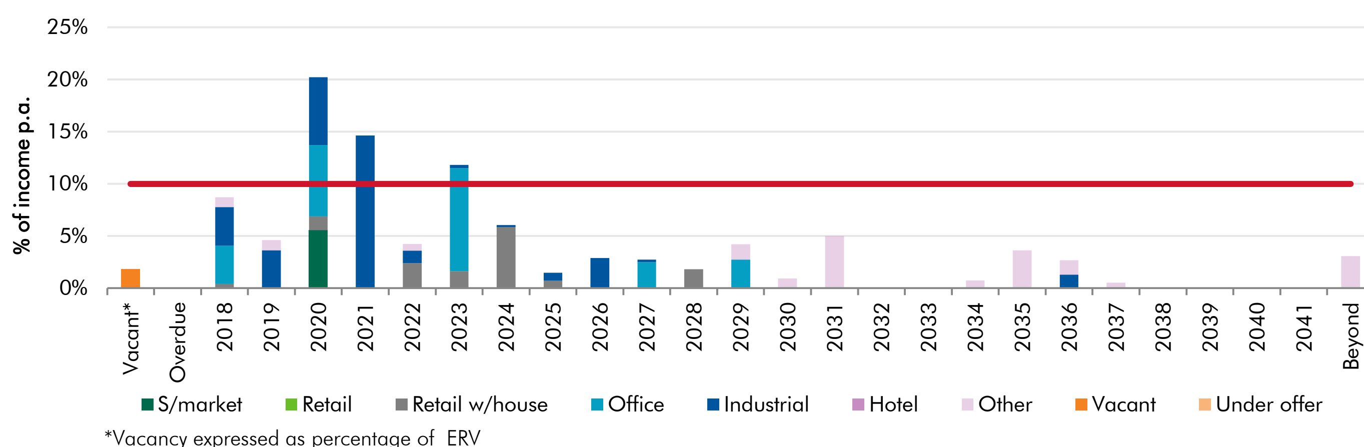
UNEXPIRED LEASE TERM, YEARS

	PAS assumption*	Incl All Breaks	Excl. all breaks
Fund	9.4	8.4	9.4
Benchmark	12.6	11.7	13.0

*Breaks are assumed to be executed if the lease is overrented and the break is at the option of the tenant or mutual. The figures exclude indirect assets. The Park Plaza hotel in Waterloo indirect asset, if included, would increase the average unexpired lease term of the portfolio to over 15 years.

The average lease length of the Fund using the PAS assumption is in a reasonable position relative to the Benchmark. The main risk is the 2020 expiry spike. We are already talking to the majority of tenants with leases that expire that year. Terms have been agreed with Tesco for a new lease on their unit in Sheffield. Their existing lease expires in October 2020, but we have agreed a lease of fifteen years starting in 2020. This represents 5.4% out of the 20.2% of income currently expiring in 2020.

Figure 6 Lease Expiry Profile



ACTION

Seek to extend the average lease length through the active management of lease events in the portfolio. Aim to establish a "dumbbell" shaped expiry profile to allow short term asset management to be balanced by long term secure income.

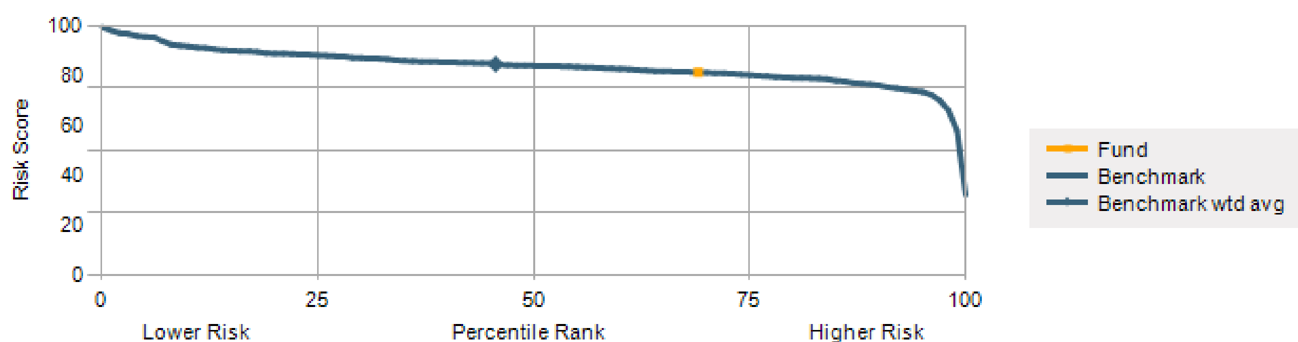
With the inclusion of Waterloo in the graph the proportion of income expiring beyond 2041 increases to 6.4%.

TENANT FINANCIAL STRENGTH

AIM – maintain covenant strength better than the benchmark

The graph over the page compares the covenant risk score of the portfolio compared to the Benchmark as at 31 March 2018. The Fund is now in the mid quartile with a Weighted Risk Score on the 69th percentile and is now behind the benchmark (45.6) demonstrating that the covenant risk of the portfolio is marginally above the average benchmark risk. However as can be seen from the graph below the risk weighting line is relatively flat with small movements in risk profile dramtically impacting the risk score.

Figure 7 Ranking Of Weighted Risk Score



ACTION

Seek to improve the covenant risk profile of the portfolio through letting activity and ensuring tenants are properly classified by IPD.

INCOME AND LEASE TYPE

AIM – maintain the weighting to SLI* income within the conventional portfolio in excess of 15% of that portfolios income.

Open market income – this is the standard rent review structure for UK direct property leases and makes up the majority of the portfolio income. It generally involves a five yearly open market rent review, which is upwards only.

***SLI income** – defined as properties let on long leases, usually with inflation-linked rent review structures and those which have defined uplifts (fixed increases) periodically, or property types where open market rental growth is expected to keep up with inflation. This type of income is effective in generating a consistent real return.

The portfolio meets this target. At 17% the SLI component of the Fund's income means a good proportion of the portfolio provides some form of index linkage. This has increased from 14% with the inclusion of the income from Park Plaza, Waterloo.

% of DIRECT portfolio income	Q1 2018
Open market income	86%
RPI/Index linked income	14%

% of TOTAL portfolio income – including Park Plaza, Waterloo	Q1 2018
Open market income	83%
RPI/Index linked income	17%

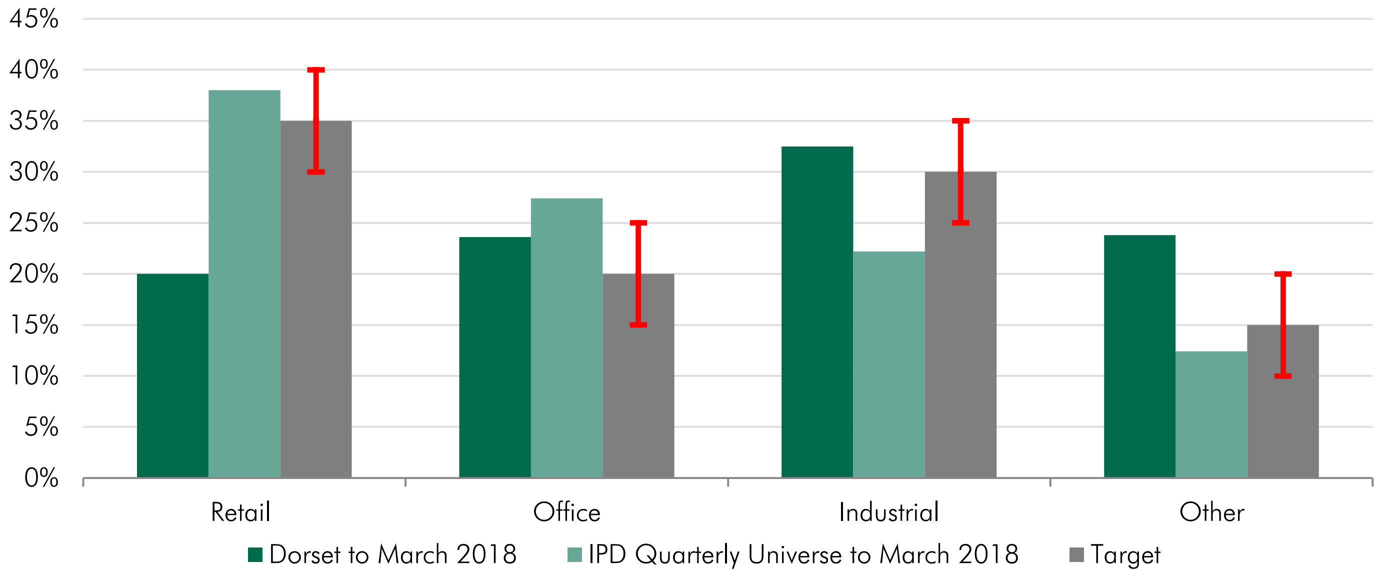
ACTION

Continue to monitor SLI ratio to Open Market income when considering purchases or sales.

SECTOR AND GEOGRAPHICAL STRUCTURE

AIM – to maintain a well diversified portfolio as part of our overall risk management strategy.

Figure 8 Portfolio Sector Weightings



The portfolio sector weightings are displayed above in comparison to the benchmark with a target range depicted in red in line with houseview recommendations. The portfolio sector split has continued to be beneficial with the low retail weighting and below benchmark weighting to offices, given that overall these two sectors have been the poorest performing sectors over the past 12 months or so. Over the longer term proceeds of sales from the office sector may be redistributed into industrial, the other commercial or retail sectors. The geographical split as shown on page 1 is well diversified at the moment. There is a large London and South East weighting which has particularly aided performance over the last few years. There is also a large Eastern weighting; Cambridge falls into this region albeit it has historically performed more like the South East market and is therefore considered a positive risk when compared to the Index.

ACTION

Ensure that purchases and sales maintain the geographical and sector diversity within the portfolio having due regard to the current point in the economic cycle.

DEVELOPMENT

AIM – to maintain a development exposure below 10% of the value of the portfolio.

There is currently no speculative development ongoing within the portfolio. The development at Cambridge Science Park progressed during Q1 with no major issues, see page 13 for more details.

ACTION

Development may be undertaken where the major risks can be mitigated and the risk/reward profile is sufficient to justify it having due regard to local supply/demand dynamics and the point in the economic cycle.

5. UK DIRECT PORTFOLIO ACTIVITY

Below are examples of key asset management activity within the Fund over the last quarter:

Address	Cambridge Science Park, Cambridge
Sector	Office
Valuation Q1 2018	£18.35m

- During the quarter, the car park deck was completed and is now being used by Worldpay Plc, the tenant (see picture).
- The contruction of the new office building has commenced with groundworks having completed during the quarter. This has removed one of the major outstanding risks with the project.
- The lift core and steel works have been completed post quarter end and a "topping out" ceremony is to be held on Monday 4th June. The works are currently progressing ahead of program.
- Cambridge was the best performing asset over the quarter, it provided a weighted contribution of 0.4% to overall portfolio performance and recorded a total return of 8.0%.

Address	Sumner Road, Croydon
Sector	Industrial
Valuation Q1 2018	£4.0m

- During the quarter, we completed a lease renewal on Unit 4 to BEW Electrical Distributors Ltd for a seven year term at a rent of £47,250 p.a. (£13.00 psf).
- The new rent reflects rental growth of 40% over the previous rent of £9.30 psf.
- Since quarter end, we have agreed terms for a new letting of Unit 3 to C&H Group for a term of 7 years with a tenant only break after year 5 at a rent of £44,250 p.a. (also reflecting £13.00 psf).
- The strong rental growth and robust investor demand for industrial assets drove performance over the quarter, with this asset producing a total return of 7.7%. It provided a weighted contribution of 0.1% to overall portfolio performance.

6. TRANSACTIONS

TRANSACTIONS COMPLETED DURING THE QUARTER

PURCHASES

PURCHASES

Address	4 public houses and 1 restaurant in Central London
Sector	Other/ public house
Purchase price	£14.55m
Conventional / SLI	SLI

- We completed the purchase of 4 public houses and a restaurant in affluent Central London locations on 12th February. The price was £14.55m which reflects a net initial yield of 3.4% and reversionary yield of 3.7%.
- The properties are all held on leases of 17 years or more with Open Market rent reviews to good covenants such as Ei Group Plc. The restaurant (Casa Cruz) has reviews to the higher of OMRV and RPI capped at 3.5% p.a., with a collar of 1.5% p.a.
- The assets are expected to be long term holds for the SLI portfolio to take advantage of the strength of demand for well located London pubs and their historic inflation tracking rental characteristics which is expected to continue in the future.
- The purchase prices are supported by both vacant possession pub values and residential alternative use values.
- The assets provide portfolio diversification in a different SLI sector. We believe they are an ideal fit for the new SLI allocation.
- The five properties are:-

1. Builders Arms, Chelsea: £4.37m/ 3.2% NIY - 18 yrs to Ei Group Plc;
2. Elgin Bar & Grill, Maida Vale: £2.85m/ 3.5% NIY – 18 yrs to Urban Leisure (AGA Ei Groupl Plc);
3. Red Lion, St James: £2.8m/ 3.0% NIY – 18 yrs to Ei Group Plc;
4. Uxbridge Arms, Notting Hill: £2.45m/ 3.8% NIY – 18 yrs to Ei Group Plc;
5. Casa Cruz, Holland Park: £2.08m/ 3.9% NIY – 17 yrs to Casa Cruz London Ltd.

SALES – STAIRCASINGS FROM THE DERWENT PORTFOLIO OVER THE QUARTER

Address	2 Buscot Parkway, Daventry
Sector	Residential – Derwent Portfolio
Transaction	Full Staircasing of a 1 bed flat
Dorset's Purchase Price*	£28,514 (gross of all fees)
Net Dorset Sale Receipt*	£45,034

*The values reported are for the Fund's 50% share.

Address	6 Comfrey Close, Littleover, Derby
Sector	Residential – Derwent Portfolio
Transaction	Full Staircasing of a 2 Bed House
Dorset's Purchase Price*	£68,433 (gross of all fees)
Net Dorset Sale Receipt*	£63,667

*The values reported are for 50% of the Fund's 75% share.

Address	10 Vale Mills, Boyer Street, Derby
Sector	Residential – Derwent Portfolio
Transaction	Full Staircasing of a 2 Bed House
Dorset's Purchase Price*	£26,613 (gross of all fees)
Net Dorset Sale Receipt*	£49,836

*The values reported are for the Fund's 50% share.

TRANSACTION PLAN

The key objectives are as follows:-

- Maintain exposure to quality assets with a suitable risk profile across all sectors. Our focus is to ensure that the portfolio remains in a strong position to capture rental growth.
- During the quarter, the Fund completed the purchase of 4 public houses and a restaurant in Central London for £14.55m. The investment characteristics are ideal for the new SLI allocation.
- Since quarter end, we have completed the purchase of the feuhold (freehold) of Pilgrim House in Aberdeen for £0.47m. This purchase effectively extinguishes the ground rent payable under the long leasehold, is cost neutral and makes the property far more marketable.
- We have agreed terms to buy a brand new M&S supermarket next to Archway London Underground station for £7.85m and a shared ownership & affordable/ social rented portfolio for a total anticipated price of £4.86m. The final purchase price and rent received will be dictated by the percentage of initial sales to shared owners.
- We are monitoring a number of further opportunities for the new allocation, approximately £35m remains following the purchase of the pub portfolio and transferring Macclesfield (£6.4m) from the conventional portfolio.
- We continue to monitor the two shopping centre indirect holdings. Lend Lease is expected to wind down during 2018. It is not however our intention to fully divest from shopping centre indirect exposure as we will retain the holding in Standard Life. See Appendix 2 for further information about the indirect holdings.

TRANSACTIONS COMPLETED SINCE QUARTER END

Address	Pilgrim House, Aberdeen
Sector	Office
Purchase price	£0.465m
Conventional / SLI	Conventional

- We completed the purchase of the feuhold of Pilgrim House in Aberdeen on 11th May for a price of £0.465m, which reflects a net initial yield of 3.5% p.a.
- Dorset has held the long leasehold interest of this 27,000 sq ft office building close to Aberdeen harbour and railway station since 2014.
- The long leasehold interest expires in May 2133 (115 years unexpired) and the ground rent payable under the headlease is £17,045 p.a.
- The purchase of the feuhold effectively extinguishes the ground rent.
- The transaction was cost neutral, i.e. the purchase cost will be re-gained through the increase in valuation.
- Most importantly, Dorset's interest is now more marketable, with a feuhold always more desirable to investors than a leasehold.

TRANSACTIONS UNDER OFFER

PURCHASES

Address	M&S, Archway, London N19
Sector	Industrial
Purchase price	£7.85m
Conventional / SLI	SLI

- We have agreed terms to buy a Marks & Spencer food store next to Archway London Underground station in North London for £7.85m which reflects a net initial yield of 4.2% on a forward commitment basis.
- The Agreement for Lease with M&S is due to exchange shortly following which solicitors can be instructed to complete the deal.
- The unit totals approximately 9,500 sq ft of ground floor retail and the fund will acquire a 999 year long leasehold interest. The developer has converted the upper parts to 150 luxury apartments which are selling for around £1,000 psf.
- The property will be let to M&S (upon completion of Landlord redevelopment works) on a 20 year lease with tenant break in year 15 expected to be from July 2018 at a starting rent of £350,000 p.a. (£37 psf). The lease will have 5 yearly rent reviews compounded annually, linked to RPI 1-4% p.a.
- The property has many of the characteristics we look for when acquiring retail and SLI investments. The unit is well configured and located in an affluent catchment, positioned by the entrance to a London Underground station, close to a hospital and in an area with limited competing supply.

Address	Eight developments in Cheshire, Greater Manchester, Lancashire and West Yorkshire
Sector	Residential
Purchase price	£4.861,933*
Conventional / SLI	SLI

- We have agreed terms to purchase a portfolio of 78 homes across 8 schemes comprising 20 affordable/social rented ("AR") units and 58 shared ownership ("SO") units in Cheshire, Lancashire, Greater Manchester and Yorkshire for a total anticipated price of £4.86m*.
- The properties are at various stages of development but will be purchased at completion in the case of the AR units and the pre-sold SO units. In the case of the SO units that have not been pre-sold, completion of our investment will only occur once sales of the units to Shraed Owners complete. In this way, there is no development or sales risk to the fund.
- The equity will be drawn down between June 2018 and September 2019 as the developments complete and units are sold.
- AR - units will be subject to lease and leasebacks to Plexus Housing Association ("Plexus") which is guaranteed by Mears Plc for 250 years with 22 yearly tenant's rolling breaks, subject to government sanctioned rental uplifts (CPI+1% pa between 2020 and 2025). The NIY of these units is 5.0%.
- SO - units will be subject to a 250 year management lease to Plexus who will undertake the management and rent collection on the fund's behalf. The SO underleases to the owners are on a FRI basis and will deliver RPI + 0.5% pa rental increases from a starting rent of 2.75% of the unsold equity. These units are being purchased at 61% of Open Market Vacant Possession Value. The NIY of these units will therefore be 4.1% pa.
- The portfolio NIY is 4.5%. It has been assumed that the AR units are sold after 22 years and the SO units are assumed to be held for 25 years. Over these time periods this portfolio is forecast to deliver an IRR of 7.5% pa and real IRR of 4.4%. This portfolio will form part of the SLI allocation.

***** The final purchase price and rent received will be dictated

by the percentage of initial sales to shared owners.

7. UK DIRECT PERFORMANCE

PERFORMANCE OBJECTIVE

The target is to achieve a return on Assets at least equal to the average IPD Quarterly Universe Portfolio Return including Transactions and Developments for a rolling five year period commencing 1 January 2006.

Q1 2018	Portfolio	Benchmark	Relative
Capital growth	0.8%	0.8%	0.0%
Income return	1.1%	1.1%	0.0%
Total return	1.9%	1.9%	0.0%

Source: CBREGI and IPD Quarterly Benchmark Report

The portfolio performed in line with the IPD Quarterly Universe over the last three months, with both recording a total return of 1.9%. The direct portfolio outperformed by 0.4% with a total return of 2.3%, despite the transaction costs associated with acquisitions, whilst the indirect holdings were a drag on performance with a total return of -0.6%, 2.5% behind the IPD Quarterly Universe. The direct standing investments (properties held throughout the year, ignoring transactions) were comfortably ahead with 2.7% over the quarter, 0.8% higher than the IPD Quarterly Universe.

As we state in the Market Commentary, industrials continued to be the market's best performing assets over the quarter while retail was the poorest given the headwinds facing the sector, trends which were reflected in the portfolio. With a total return of 3.3% over the quarter, the industrials were the portfolio's best performing assets over the quarter. The portfolio's Greater London industrial estates near Staples Corner and Croydon were the strongest performers, both reflecting healthy rental and capital growth. The office in Cambride was the portfolio's top performing asset over the quarter, as the development reaches a stage where the majority of the risk has been mitigated. By contrast, the portfolio's retail recorded the lowest return of just 0.1% over the quarter, the main reason for the poor return was tenant failures at the retail parks in Norwich and Northampton.

12 months to Q1 2018	Portfolio	Benchmark	Relative
Capital growth	5.7%	5.3%	0.4%
Income return	4.6%	4.6%	0.0%
Total return	10.6%	10.1%	0.5%

Source: CBREGI and IPD Quarterly Benchmark Report

3 yrs to Q1 2018	Portfolio	Benchmark	Relative
Capital growth	4.2%	3.8%	0.4%
Income return	4.9%	4.7%	0.2%
Total return	9.3%	8.6%	0.6%

Source: CBREGI and IPD Quarterly Benchmark Report

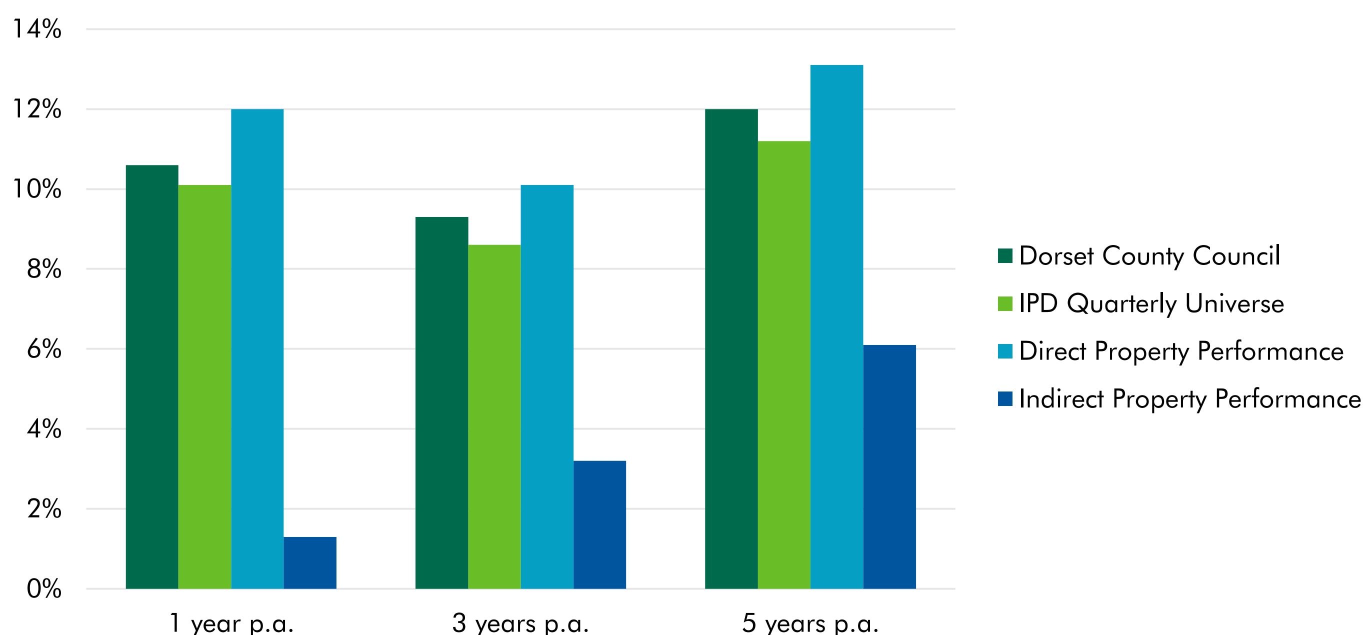
5 yrs to Q1 2018	Portfolio	Benchmark	Relative
Capital growth	6.3%	6.0%	0.3%
Income return	5.4%	4.9%	0.4%
Total return	12.0%	11.2%	0.7%

Source: CBREGI and IPD Quarterly Benchmark Report

The portfolio is outperforming over 1, 3 and 5 year periods. Performance has been driven by both the strong income return and capital growth over the longer time periods. The longer term performance is of particular note given the amount of acquisition activity over this time frame. The figures also demonstrate the advantage over the longer term of running a higher income strategy, provided the quality of the properties within the portfolio is maintained.

ROLLING PERFORMANCE FIGURES

Figure 9 Annualised Total Return Rolling Performance



The portfolio is outperforming over 1, 3 and 5 year rolling periods. This chart includes all benchmarked assets, therefore comprising all direct and indirectly held assets during each time horizon. The direct property performance has continued to outperform the benchmark over the rolling timeframes shown above. The indirect property performance has been weaker than the direct holdings across the timeframes shown. The indirect property holdings owned over these timeframes comprise Shopping Centre exposure; the assests in these vehicles are generally prime and provide access to a market that we would not purchase directly for a Fund of this size given their scale. However, shopping centres have dragged performance given the well documented problems in the retail sector. We are seeking to divest from one of these holdings to reduce the weighting to the indirect retail sector.

The Fund continues to achieve its key objective on the five year rolling performance measure.

8. ACCOUNTING AND ADMINISTRATION

RENT COLLECTION AND ARREARS

The three measures listed below; the arrears level, speed of rent collection and service charge account closure position, are designed to be "litmus" tests showing the health of the accounting and administration of the portfolio.

The targets are designed to be demanding, however, we would expect to hit GREEN a large proportion of the time.

ARREARS LEVEL (RENT, SERVICE CHARGE, INSURANCE OVER THREE MONTS OLD)

Target			
GREEN	Max. £25,000, no single item over £10,000		
AMBER	Max. £75,000		
RED	Above £75,000		
RESULT	31 March 2018	RED	£126,060.19*
	31 December 2017	GREEN	£4,022.83**
	30 September 2017	RED	£161,035.34
	30 June 2017	RED	£138,472.92

* Due to the inclusion of the Brantano and Toys r Us administration arrears.

** This follows the write off of Charlotte House arrears during Q4.

SPEED OF RENT COLLECTION

Target			
GREEN	90% of collectable rent banked by 6th working day after the quarter day, 95% by 15th working day		
AMBER	80% by 6th working day, 90% by 15th		
RED	Worse than Amber		
RESULT	31 March 2018	GREEN	(93.09% collected in 6 days, 97.0% by 15th day)
	31 December 2017	GREEN	(93.9% collected in 6 days, 99.7% by 15th day)
	30 September 2017	GREEN	(99.3% collected in 6 days, 99.3% by 15th day)
	30 June 2017	GREEN	(95.5% collected by 6 days, 98.3% by 15th day)

SERVICE CHARGES – ACCOUNT CLOSURE POSITION

Target			
GREEN	all service charge accounts closed within 3 months of the year end		
RED	any account not closed		
RESULT	31 March 2018	GREEN	None currently outstanding.
	31 December 2017	GREEN	None currently outstanding.
	30 September 2017	GREEN	None currently outstanding.
	30 June 2017	GREEN	None currently outstanding.

9. SUSTAINABILITY

The ESG Risk Mitigation Programme has been designed to address the risk presented by the Energy Act 2011 which stipulates that from 2018, it will be prohibited to lease a building with poor energy performance.

Figure 10 Change in level of risk across all units (left) and value (right) within the Fund

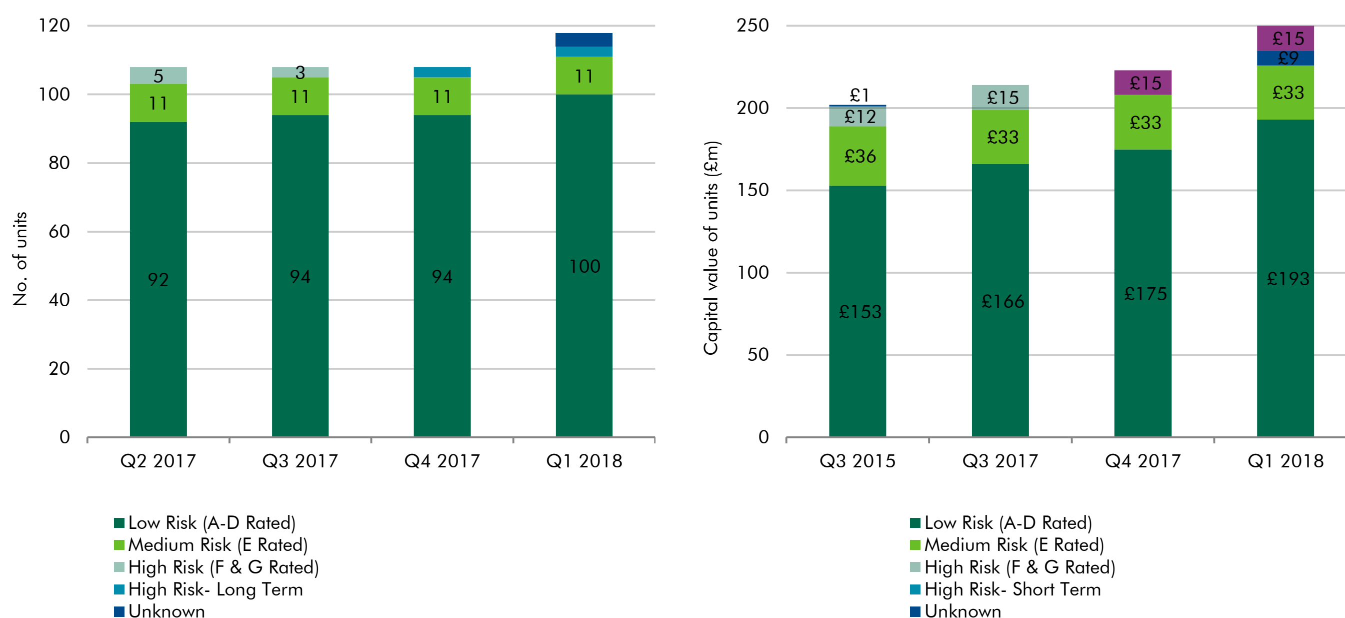


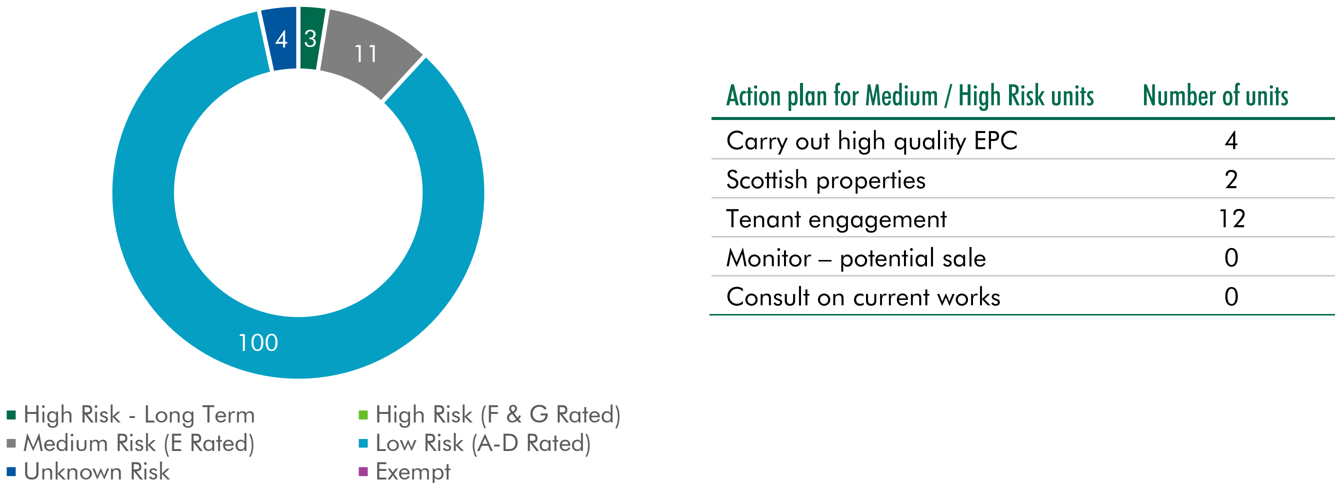
Figure 10: Change in level of risk across all units (left) and value (right) within the fund; Valuation data is updated annually in Q1.

COMPLETED PROJECTS: Q1 2018

Size	Unit	Action	Outcome
Beckett Retail Park, Northampton	Unit 5	EPC	EPC carried out for asset and confirmation of Low Risk category. B Rating.
South Bristol Trade Park, Bristol	Unit 3B	EPC	EPC carried out for asset and confirmation of Low Risk category. C Rating.
Builders Arms, London	Whole Side	Newly Acquired site	EPC confirmed as low risk D rating
Red Lion, London	Whole Side	Newly Acquired site	EPC confirmed as low risk D rating
Uxbridge Arms, London	Whole Side	Newly Acquired site	EPC confirmed as low risk D rating
Casa Cruz, London	Whole Side	Newly Acquired site	EPC confirmed as low risk D rating
Elgin Bar & Grill, London	Whole Side	Newly Acquired site	EPC confirmed as low risk D rating

ACTIONS FOR MITIGATING RISK ACROSS THE PORTFOLIO

Figure 11 Strategy For Risk Mitigation For Remaining Medium And High Risk Units



Action plan for Medium / High Risk units	Number of units
Carry out high quality EPC	4
Scottish properties	2
Tenant engagement	12
Monitor – potential sale	0
Consult on current works	0

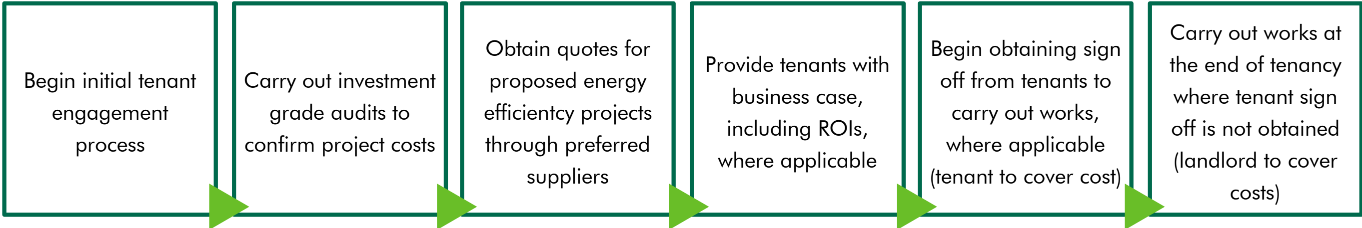
Figure 11 outlines the actions that have been identified to improve the EPC ratings of all units with E, F, or G ratings. Managed risk refers to all units that will be upgraded at the end of current tenancies, prior to the legislation taking effect.

RISK MITIGATION PROCESS

Where possible, tenants will be engaged to help spread the cost of investment and mitigate risk.

Figure 12 illustrates the process that will be undertaken throughout the year to engage with tenants.

Figure 12 Process For Carrying Out Risk Mitigation Actions



PLANNED PROJECTS: Q2 2018

Size	Unit	Action	Outcome
CRC	All Units	Data collection	Ensuring that the fund complies with carbon reduction commitment legislation to report all energy data back to the environmental agency.
ESG+	All Units	Meeting/Workshop	Rollout of the new ESG+ workshops. Better understanding the environmental, social and governance materiality issues within the fund and the parent company. This process is something that is being rolled out across CBRE Global Investors to ensure leadership status amongst the industry.
Oldfield Lane, London	Units 1-4	EPCs	Have new EPCs carried for the newly acquired 4 units on Oldfield Lane
Tesco, Sheffield	Whole Site	Tenant Engagement	Talks have begun with the tenant to improve their site in Sheffield to a higher standard as part of their ongoing task to improve their impact on the environment. Due to the size and use of the asset there is a high chance that they would be happy to improve the property.

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APPENDIX 1

SCHEDULE OF VACANCIES & UNITS SUBJECT TO ADMINISTRATION/LIQUIDATION

Property	Sq.ft. to let	% of Portfolio ERV	Total Void Rent	Status
Pilgrim House, Old Ford Road, Aberdeen	8,863	1.8%	£276,100	Continue to market
TOTAL PORTFOLIO VOID		1.8%	£276,100	

Property subject to Administration	Sq.ft. to let	% of Portfolio ERV	Total Rent	Status
Unit A, Cathedral Retail Pak, Norwich	35,587	4.2%	£626,000	Toys R Us in administration, marketing
Unit 4, Beckett Retail Park	8,013	0.6%	£115,000	Maplin in administration, marketing
TOTAL PORTFOLIO VOID		4.8%	£741,000	

APPENDIX 2

INDIRECT PORTFOLIO

PORTFOLIO COMPOSITION

The Dorset portfolio is invested in the following funds which as at 31 March 2018 had a value of £39.5 million.

Fund Name	Manager	Sector	LTV	Value (£m)
CBRE Retail Property Fund Britannica Unit Trust	CBRE Global Investors	Shopping Centres	-	-
Lend Lease Retail Partnership	Lend Lease	Shopping Centres	2.4%	8.897
Standard Life UK Shopping Centre Trust	Standard Life	Shopping Centres	0.0%	14.577
CBRE UK LIPC No.1 UT	CBRE Global Investors	Hotel	0.0%	16.07
Total				**39.546**

INVESTMENT ACTIVITY

There was no investment activity over the quarter.

COMMENTARY

The Dorset indirect property portfolio has four indirect holdings, although the holding in CBRE Retail Property Fund Britannica Unit Trust has no value and is in wind down. These are specialist funds that provide the portfolio with exposure to the shopping centre and hotel sectors. The combined indirect investments have a value of £39.5 million.

LEND LEASE RETAIL PARTNERSHIP

Lend Lease Retail Partnership ("LLRP") returned -4.3% over the quarter and -5.6% over the last year. During the quarter, the value of the fund's 25% holding in the Bluewater shopping centre, Kent declined by 4.2%, while the value of the fund's second asset, Touchwood in Solihull declined by 4.1%. The decline is reflective of the weak investor demand for assets in the UK shopping centre sector and very thin demand for larger lot sizes.

At quarter end the fund had a net asset value of £749.4 million with the portfolio providing exposure to two shopping centres. The fund remains lowly geared at 2.5% with a distribution yield of c. 2.5% p.a. The manager has been pursuing a wind-down strategy since November 2017, with the fund's 25% interest in Bluewater shopping centre put on the market for sale. We understand negotiations with a prospective purchaser are at an advanced stage. We expect the sale to complete within H1 2018 but indications are that pricing is weak reflective of the aforementioned market conditions. The liquidation provisions of the partnership require that the manager needs to implement the sale program irrespective of prevailing market conditions. The manager is also working up the sale options for its 100% ownership of Touchwood, Solihull.

During the quarter, the manager progressed a number of management initiatives at the two schemes:

At Bluewater, the manager completed/ exchanged on four new lettings and two lease renewals during the quarter. Works on the new MSU unit for Primark have been progressing on program. Primark is expected to take occupation in January 2019 on a 20-year lease.

At Touchwood, four lease renewals were completed/ agreed during the quarter. In anticipation of a sale, further negotiations took place with John Lewis with regards to removing their upcoming break option. Discussions also progressed around the strategy to deliver the proposed extension to this shopping centre.

STANDARD LIFE UK SHOPPING CENTRE TRUST

Standard Life UK Shopping Centre Trust produced a total return of 0.2% over the quarter and 3.1% over the last 12 months. Over the quarter, performance was primarily driven by income distribution. The valuation of the fund's assets were marginally down over the quarter on a like for like basis by -0.4% (excluding Palace Gardens, Enfield). Only Centre Court, Wimbledon and Brent South Shopping Park saw values improve over the quarter. During the quarter, the fund successfully completed the sale of Palace Gardens, Enfield for £51.55m (1.6% below valuation), reflecting a net initial yield of 6.5%.

At quarter end the fund had a net asset value of £1.6 billion with the portfolio providing exposure to five shopping centres across the UK. The fund remains ungeared and the portfolio has a weighted average unexpired lease term of 7.6 years, a void rate of 3.2% and 493 underlying tenants.

A number of leases completed during the quarter, including:
Churchill Square Brighton – Unit 25 let to Pandora and East Kiosk let to Krispy Kreme.
Brent Cross, London – New letting to Footlocker in Unit V7 (previously occupied by Office). Units N11 and N12 were amalgamated and let to Santander. Further progress was made with pre-lettings to M&S and John Lewis Partnership for the proposed new extension.
Centre Court, Wimbledon – The fund completed a letting to Mbitz and successfully settled a rent review with Kokoro UK.
Stirling – An agreement for lease on unit 22/23 exchanged with RBS subject to planning, works and vacant possession.

Regarding development opportunities, the fund is looking to retain a long-term exposure to both Brent Cross and Churchill Square, Brighton and to participate in the development of both assets. In respect of the extension at Brent Cross, the manager is in advanced stages to secure a JV partner to fund the extension works which will require c. £1.5bn of development capital over a four-year period. The extension works will be funded by the new JV partner and Hammerson plc, the latter currently holding c. 40% of Brent Cross alongside the fund (c. 60%). SLSCT will not fund the extension works and therefore its stake in the enlarged Brent Cross shopping centre will be diluted over time. Expansion plans for Churchill Square are a few years away but the fund manager continues to work on a development agreement for the scheme. The fund currently has an available cash balance of c. £100m, which will be retained to finance capital expenditure across the portfolio as well as future redemptions at the next liquidity window in 2020.

CBRE UK LONG INCOME PROPERTY CLUB NO.1 UNIT TRUST ('CBRE UK LIPC NO.1 UT')

As at 31 March 2018 Gerald Eve held the property valuation at £175.0m, meaning zero capital growth through the quarter. Notwithstanding, the Unit Trust's income return in Q1 2018 was 0.7%.

Since inception in July 2017, capital growth on the gross purchase price (including purchaser's costs) has been 2.2%. Allowing for income, CBRE UK LIPC No.1 UT has produced a nominal total return of 4.4% since inception.

CBRE UK LIPC No.1 UT Performance – Q1 2018 *	Quarter **	12 Months	Three years (p.a.)	Five years (p.a.)	Since inceptin (p.a)
Total Return	0.7%	-	-	-	4.4%
Income Return	0.7%**	-	-	-	2.1%
Capital Growth	0.0%	-	-	-	2.2%

** calculated by CBRE Global Investors, April 2018 ** calculated on an accruals basis (N.B. distributed income equates to 0.6%*

HOTEL KEY PERFORMANCE INDICATORS

The London hotel market is typically quieter from January to March, and conditions proved particularly challenging in Q1 2018. Amid a backdrop of retail and leisure decline and adverse weather from "the Beast from the East", a strengthening of Sterling discouraged holidaymakers from the UK market.

The corporate market remained robust however, benefitting the Park Plaza brand and the Hercules Road hotel. Relative to its competitor set the hotel's performance was good, albeit revenue generation ('RevPAR') was below budget for the quarter.

Park Plaza, KPIs	Park Plaza, YTD Actual	Park Plaza, YTD Budget
Occupancy	81.0%	79.9%
Average Daily Rate	£118	£125
RevPAR	£96	£100

APPENDIX 3

PORTFOLIO VALUATION

Valuation Schedule (UK Property)
Q1 2018

Property Address	March 2018	Qtr Total Return[1]	Annual Income	OMRV	Net Initial Yield[2]
OFFICES					
Aberdeen, Pilgrim House	£5,750,000	1.0%	£320,059	£517,414	5.2%
Cambridge, The Eastings	£3,650,000	1.3%	£190,500	£230,600	4.9%
Cambridge, 270 Science Park	£18,350,000	8.0%	£341,616	£1,070,616	1.7%
London EC1, 83 Clerkenwell Rd	£17,700,000	1.2%	£836,000	£1,034,000	4.4%
London N1, 15 Ebenezer St & 25 Provost St	£9,000,000	2.0%	£304,175	£712,700	3.2%
Watford, Clarendon Road	£15,250,000	1.7%	£1,020,000	£1,189,000	6.3%
TOTAL OFFICES	£69,700,000	3.1%	£3,012,350	£4,754,330	4.2%
RETAIL WAREHOUSE					
Northampton, Becket Retail Park	£6,650,000	1.6%	£431,000	£429,700	6.1%
Norwich, Cathedral Retail Park	£14,900,000	-0.7%	£1,084,500	£1,076,700	6.8%
Rayleigh, Rayleigh Road	£3,800,000	6.4%	£222,783	£222,783	5.5%
TOTAL RETAIL WAREHOUSE	£25,350,000	0.9%	£1,738,283	£1,729,183	6.2%
SUPERMARKET					
Tesco, Sheffield	£10,350,000	1.7%	£680,000	£680,000	6.2%
TOTAL SUPERMARKET	£10,350,000	1.7%	£680,000	£680,000	6.0%
INDUSTRIAL					
Bristol, South Bristol Trade Park	£5,500,000	2.9%	£272,416	£318,779	4.6%
Crawley, Woolborough IE	£23,800,000	2.7%	£957,357	£1,358,400	3.8%
Croydon, 75/81, Sumner Road	£4,000,000	7.7%	£149,250	£192,900	3.5%
Greenford, Oldfield Lane	£8,800,000	3.4%	£351,100	£434,600	3.7%
Heathrow, Skylink	£5,300,000	4.5%	£125,478	£256,300	2.2%
London, Phoenix Park, Apsley Way	£13,600,000	4.4%	£525,689	£658,413	3.6%
London, Apsley Centre	£4,650,000	5.4%	£179,500	£217,500	3.6%
Sunbury, Windmill Road	£12,700,000	2.9%	£659,750	£735,650	4.9%
Swindon, Dunbeath Court	£5,250,000	2.5%	£312,736	£339,800	5.6%
Swindon, Euroway IE	£12,400,000	1.7%	£803,422	£817,935	6.1%
TOTAL INDUSTRIAL	£96,000,000	3.3%	£4,336,698	£5,330,277	4.4%
OTHER					
Derwent Shared Ownership	£10,630,000	2.3%	£376,880	£377,000	3.5%
Glasgow, Mercedes	£11,200,000	3.2%	£614,003	£566,600	5.2%
Leeds, The Calls	£7,500,000	1.6%	£487,724	£487,950	6.1%
Macclesfield, Hope Park	£6,350,000	0.9%	£236,964	£236,964	3.5%
Newcastle, Charlotte House	£4,200,000	0.5%	£115,178	£304,800	2.6%
London W9, Elgin Bar and Grill	£2,850,000		£105,000	£115,000	3.5%
London W8, The Uxbridge Arms	£2,450,000		£100,000	£100,000	3.8%
London SW1Y, The Red Lion	£2,800,000		£90,000	£100,000	3.0%
London W11, Casa Cruz	£2,080,000		£91,152	£85,200	4.1%
London SW3, The Builders Arms	£4,370,000		£150,000	£180,800	3.2%
TOTAL OTHER	£54,430,000	1.9%	£2,366,901	£2,554,314	4.4%
TOTAL DIRECT PROPERTY	£255,830,000	2.7%	£12,134,232	£15,048,104	4.5%
INDIRECT PROPERTY 4					
Lend Lease Retail Partnership	£8,896,620	-4.3%	£300,666		
Standard Life Investments UK Shopping Centre Trust	£14,576,995	0.2%	£495,399		
CBRE UK Long Income Property Club No.1 Unit Trust	£16,073,119	0.7%	£472,000		
TOTAL INDIRECT PROPERTY	£39,546,734	-0.6%	£1,268,064		0.6%
GRAND TOTAL	£295,376,734	1.9%	£13,402,296	£15,048,104	

Notes:
1. Total returns for both the direct and indirect properties for the quarter to March 2018 as reported by IPD (Direct Property Standing Investments). Indirect Funds Total returns for the quarter to March 2018 as reported by CBRE Global Investors (UK Funds) Ltd (CBREGIF) / CBRE Global Investors in respect of the indirect portfolio.
2. Net Initial Yields as reported by BNP Paribas and Allsop LLP (Independent Valuers for the Fund) in respect of the direct portfolio. Net Initial Yields as reported by CBRE Global Investors in respect of the indirect portfolio.
3. Valuation figures provided by CBRE Global Investors (UK Funds) Ltd (CBREGIF) are the February 2018 valuations; these are always marginally in arrears due to early reporting deadlines required by IPD.
4. Indirect income estimated from Q1 2018 actual figures.

APPENDIX 4

AFFILIATED SERVICES

Property	Fee	Service
Crawley, Woolborough Lane	£2,195.87	Rates reduction report
Portfolio	£1,850.00	ESG – Q3 2017
Q1 2018 Total	**£4,045.87**	

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