



# Property Fund

## December 2017

### Fund information for quarter end 31st December 2017 (as at 31/12/2017)

Underlying fund launch date	20/10/2014
Unit price	693.90p
Underlying fund size (£m)	2953
Yearly fund charges*	1.030%
Investment Approach	Active
Benchmark†	AREF/IPD UK Quarterly All Balanced Property Fund Index

\*The charges shown are the total charges that will be deducted from your Retirement Account while you are a member of the KPS-MP. For further information please refer to the scheme literature.

†This is the fund manager of the underlying fund(s).

### Fund holdings

#### Funds Target fund holdings

Zurich <sup>1</sup> Legal & General (Managed) Property	100.00%
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<sup>1</sup>Zurich is not a fund manager - the Zurich funds invest in the underlying fund.

### Portfolio Manager

Mark Russell (Legal & General)

### Top Holdings

LEGAL & GENERAL (MANAGED) PROPERTY	100.00%
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### Fund objective

The fund aims to get the best return from a portfolio of first class freehold and leasehold interests in commercial and industrial property. This includes industrial warehouse buildings, shopping units and office blocks. In addition, it is permitted to invest up to 15% in other external property funds in order to take advantage of investment opportunities in specialist areas.

### Sector split

Offices - Property	34.39%	<div></div>
Industrials	22.38%	<div></div>
Warehouse - Property	19.69%	<div></div>
Retail - Property	8.39%	<div></div>
Leisure	5.97%	<div></div>
Shop - Property	4.06%	<div></div>
Others	5.12%	<div></div>

This data is based on available data for the underlying Zurich pension fund(s) and target fund holdings as shown.

### Commentary

UK commercial property performed strongly over the fourth quarter, posting its highest monthly return for over three years in December. This strong finish to the year pushed annual returns to the highest since 2014: the second best annual performance in 18 years. The industrial sector outperformed, but while the returns from the retail and office sectors were more modest, both were still above their long-term averages. Overall, the market continues to attract capital from yield-driven investors.

The fund delivered positive returns in the fourth quarter of the year. During the period, the fund completed on four acquisitions: a further indirect allocation to IPIF was made, a retail park in Coatbridge was acquired for yield, a small leasehold unit was acquired and merged with our wider freehold interest at Stevenage Leisure Park and a large multi-let industrial estate was acquired in Basingstoke. Elsewhere in the portfolio, we exited a distribution warehouse holding in Crick, Northants. Five asset management initiatives were also completed.

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## Things you need to know

We've based this information on our current understanding of law and practice. We make every effort to ensure that this information is helpful, accurate and correct, but it may change or may not apply to your personal circumstances. All funds carry some risk and you should consider these risks before making an investment decision. Investment returns are not guaranteed and the value can fluctuate. The main factors which may increase the risk of a fund include:

- \* The amount invested in company shares
- \* The split between government and corporate bonds
- \* The extent to which the fund invests in high yield assets
- \* The amount held in overseas assets
- \* Any concentration in specific areas or sectors

All or some of the investments are made through a reinsurance arrangement so if the linked life insurance company(ies) were to fail you may lose some or all of your money and this will not be covered by the Financial Services Compensation Scheme.

Expenses relating to the direct cost of the management, repair, maintenance, valuation and insurance of the properties within the fund are incurred in addition to the charges and expenses figure(s) displayed on this factsheet.

## What is the dealing cycle?

The fund is forward priced, which means that the member gets the next available price after they invest. The fund has a dealing cycle of T + 0. This means that the money received on day T buys units at the valuation date price applicable at close of business on the same day.

## Who is this factsheet for and what does it do?

This factsheet is for the members of the Kingfisher Pension Scheme Money Purchase Section (KPS-MP). Its purpose is to indicate how investment markets and funds have performed over the period and is provided for information only. If you are not familiar with any of the investment terminology included on this factsheet, then please contact an Independent Financial Adviser. If you do not have an Independent Financial Adviser you can find a local adviser at [www.unbiased.co.uk](http://www.unbiased.co.uk). The commentary in this factsheet reflects the general views of the individual fund manager(s) and should not be taken as a recommendation or advice as to how a specific market or fund is likely to perform.

### Cumulative performance of the growth phase (as at 31/12/2017)

	3 months	6 months	1 year	3 years	5 years
Fund	3.46%	5.54%	9.19%	25.75%	-
Benchmark	3.10%	5.55%	10.16%	27.36%	62.91%

### Discrete performance of the growth phase (as at 31/12/2017)

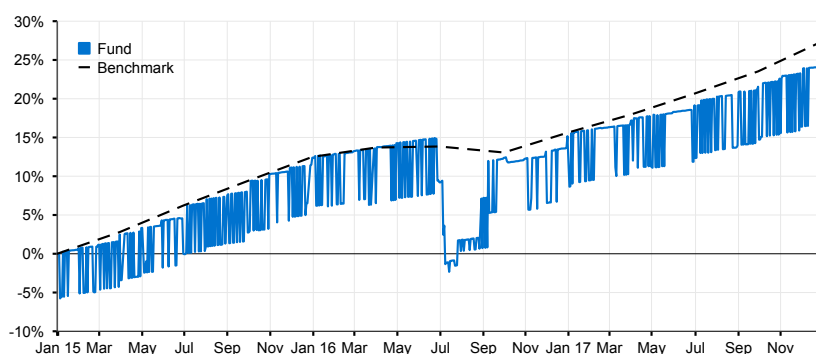
	31/12/2012 - 31/12/2013	31/12/2013 - 31/12/2014	31/12/2014 - 31/12/2015	31/12/2015 - 31/12/2016	31/12/2016 - 31/12/2017
Fund	-	-	12.40%	2.47%	9.19%
Benchmark	9.16%	17.18%	12.50%	2.77%	10.16%

### Annualised performance of the growth phase (as at 31/12/2017)

	3 years	5 years	10 years
Fund	7.94%	-	-
Benchmark	8.39%	10.25%	3.77%

## Fund vs Benchmark

The graph below illustrates the performance of the fund from launch up until 31/12/2017. The fund is designed to provide a return in line with the benchmark. This is expected to be the case over the long term. However, there may be times when the fund performance does not match the benchmark. This may be due to a number of reasons. For example, cash flows in and out of the fund resulting in unit price movements and slight timing differences for the period over which performance is measured.



20/10/2014 - 31/12/2017 © Financial Express Holdings 2018

Source: Financial Express as at 31/12/2017. You shouldn't use past performance as a suggestion of future performance. It shouldn't be the main or sole reason for making an investment decision. The value of investments and any income from them can fall as well as rise and will be reduced in real terms by the effects of inflation. You may not get back the amount you invested. HM Revenue and Customs (HMRC) practice and law are complex. Tax concessions are not guaranteed, their value will depend on individual circumstances and may change in the future.

Fund performance data is based on a unit price basis and doesn't take into account fees and expenses which are specific to individual plans.

For more  
information please  
contact the Trustee of  
the KPS - MP

[www.kingfisherpensions.com](http://www.kingfisherpensions.com)

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