

# VALUE AND INDEXED PROPERTY INCOME TRUST PLC - VIP



MANAGER'S AGM PRESENTATION 23 JULY 2021

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## OVERVIEW

- VIP invests in UK Commercial Property
- Long, Strong, Indexed Property Income streams
- Single let properties on full repairing and insuring leases
- Delivers long-term above average real returns from a well spread portfolio
- Strategic insight and decisive action as property subsectors change
- Strong track record of out performance of our benchmark MSCI Quarterly Property Index
- Speed of purchases and sales compared to competitors
- Managed by Louise Cleary & Matthew Oakeshott (OLIM Property) with long-standing advisers
- **Total Returns on VIP Property Portfolio between 8% and 12% a year over the past 5, 10, 20 & 34 years with Total Returns above the MSCI averages over all these periods**

## OVERVIEW

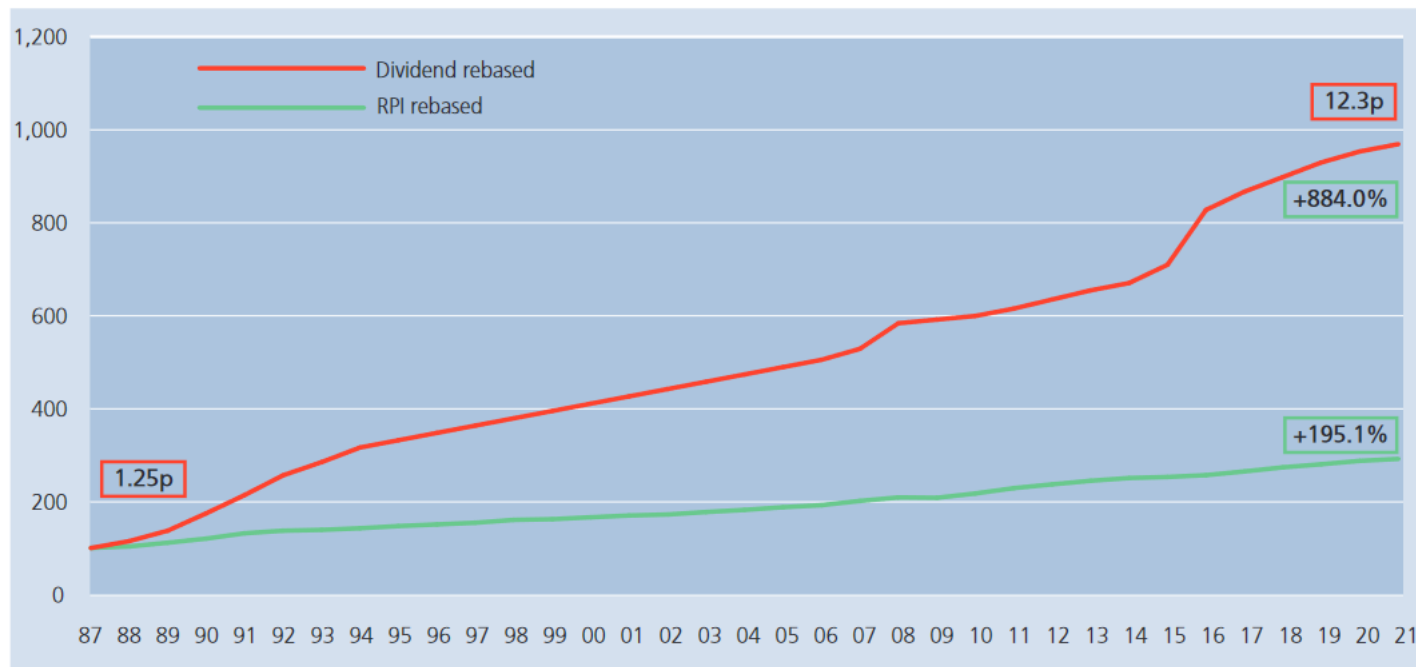
YEAR TO 31 MARCH 2021

- Annual dividend increased by 1.7% to 12.3p, 34<sup>th</sup> year of consecutive increases
- NAV total return 12.3%
- Share price total return 39.3% as the discount narrowed
- Property portfolio outperformed benchmark with 92.6% of contracted rent now collected over the full year
- Equity portfolio performed in line with UK equity market

Source: BNP Paribas. Data to 31 March 2021

## OVERVIEW

### VIP DIVIDEND GROWTH RECORD 1987-2021

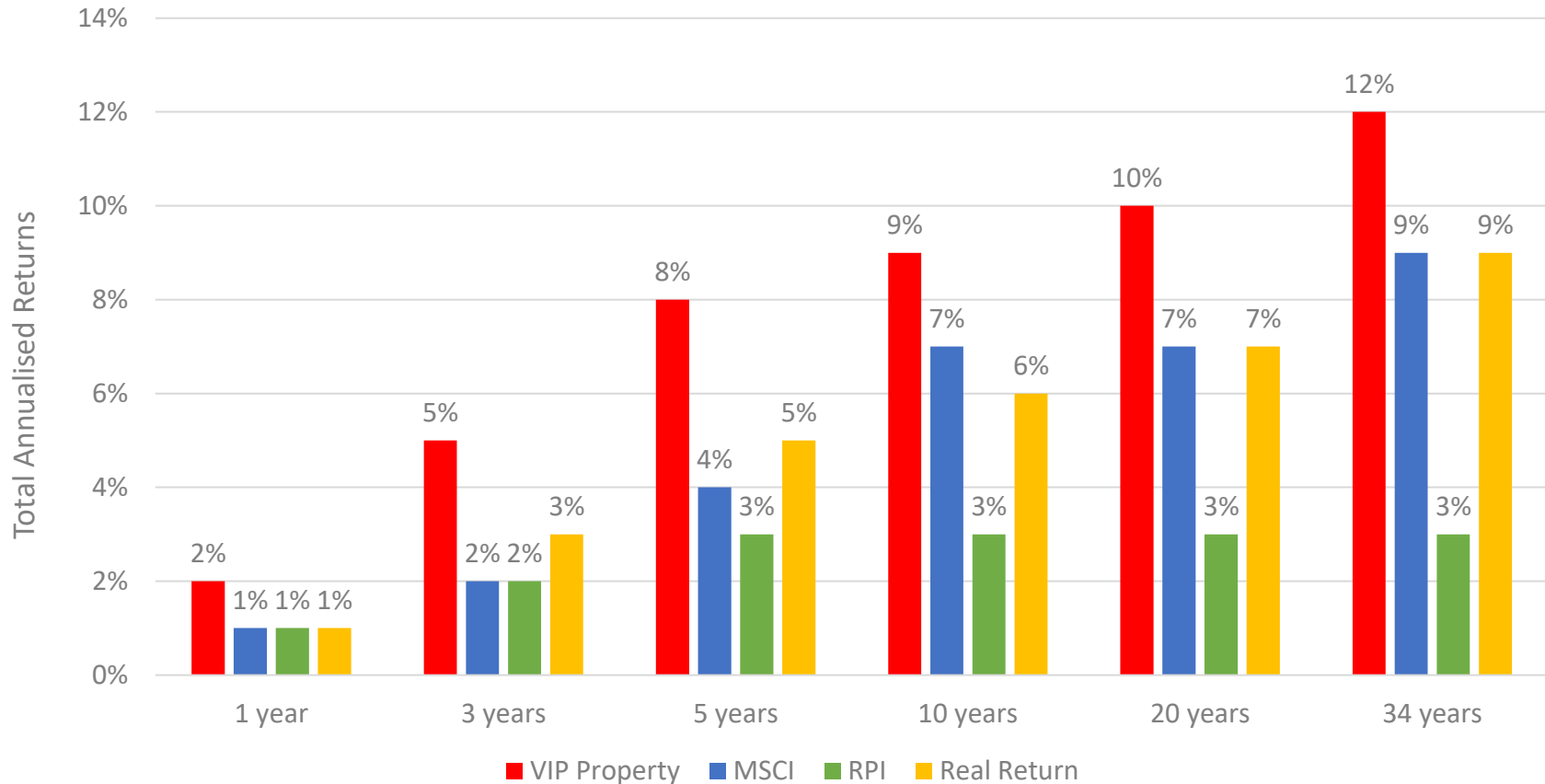


(Source: Maven Capital Partners UK LLP & Office for National Statistics)

Data to 31 March 2021, rebased to 100

## OVERVIEW

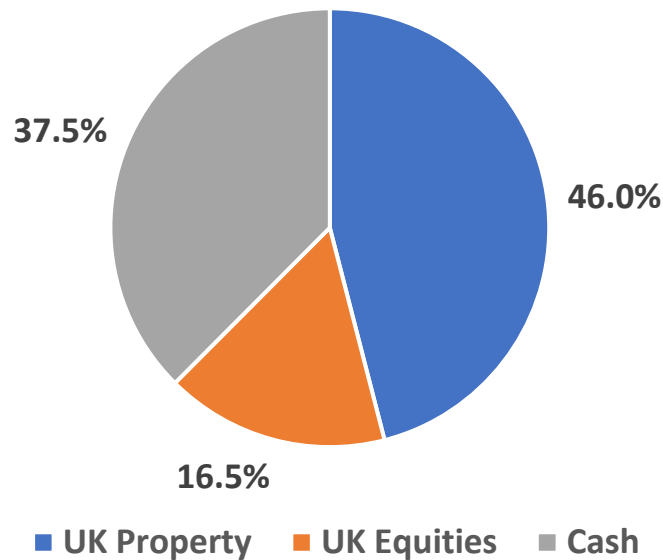
VIP PROPERTY PORTFOLIO PERFORMANCE RECORD OVER 34 YEARS  
YEAR TO 31 MARCH 2021



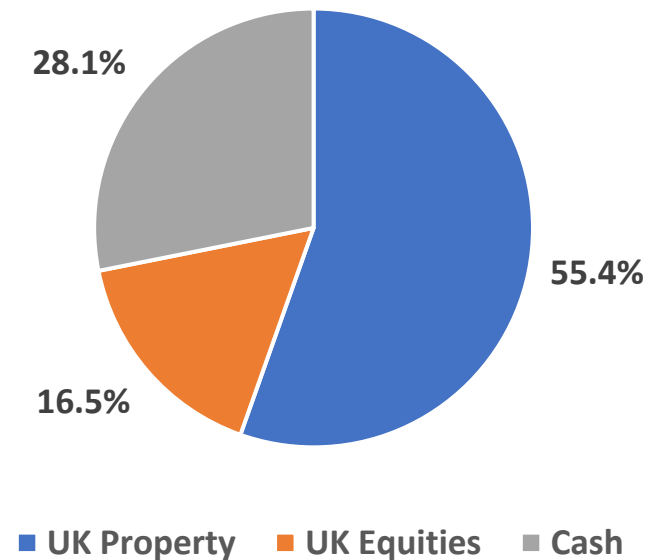
Total Returns on VIP (formerly VIT) Property Portfolio between 8% and 12% a year over the past 5, 10, 20 & 34 years with Total Returns above the MSCI averages over all these periods

## VIP UPDATE

Asset Split at 31 March 2021



Asset Split at 30 June 2021



Source: BNP Paribas. Data to 31/3/21, 30/6/2021



# VALUE AND INDEXED PROPERTY INCOME TRUST PLC - VIP

## VIP PROPERTY PORTFOLIO - UPDATE AT 30 JUNE 2021

### INDUSTRIALS



- 10 Properties
- 31% of Contracted Rent
- WAULT\* 11 Years
- Indexed 82%

### PUBS



- 11 Properties
- 22% of Contracted Rent
- WAULT\* 21 Years
- Indexed 90%

### SUPERMARKETS



- 8 Properties
- 16% of Contracted Rent
- WAULT\* 11 Years
- Indexed 100%

### OTHER



- 2 Properties
- 11% of Contracted Rent
- WAULT\* 12 Years
- Indexed 100%

### LEISURE



- 4 Properties
- 15% of Contracted Rent
- WAULT\* 17 Years
- Indexed 100%

### ROADSIDE



- 2 Properties
- 5% of Contracted Rent
- WAULT\* 9 Years
- Indexed 100%

\*Weighted Average Unexpired Lease length if all break options exercised

# LONG, STRONG, INDEXED PROPERTY INCOME



# VALUE AND INDEXED PROPERTY INCOME TRUST PLC - VIP

## VIP PROPERTY PORTFOLIO AT 30 JUNE 2021

PORTFOLIO HIGHLIGHTS	31 March 2021	30 June 2021
<b>Portfolio Value:</b>	£80,550,000	£98,350,000*
<b>Total Number of Properties:</b>	31	37
<b>Contracted income as a % of Portfolio Value:</b>	6.4%	6.3%
<b>Total Number of Tenants:</b>	32	38
<b>Contracted Index-Related Rent:</b>	90.6%	92.1%
<b>Weighted Average Unexpired Lease Term (if all tenants exercise break options):</b>	15.1 years	14.1 years
<b>Annual Total Return March 2020 to 2021:</b>	+2.3%	Next Savills valuation: 30 September 2021

\*At 31 March 2021 valuation plus purchases at cost

LONG, STRONG, INDEXED PROPERTY INCOME

## VIP PROPERTY PORTFOLIO PURCHASES

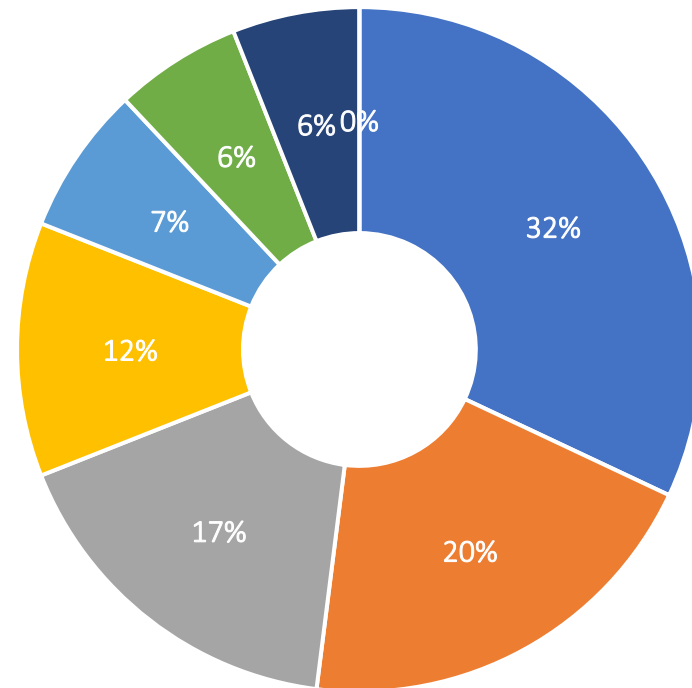
### POST MARCH 2021

Property	Sector	Tenant	Completed
Dundee	Industrial	Screwfix	April 2021
Blandford Forum	Supermarket	Marks & Spencer	April 2021
Staines	Industrial	Halfords Autocentres	May 2021
Thurrock	Industrial	Halfords Autocentres	May 2021
Catterick	Hotel	Premier Inn	May 2021
Louth	Roadside	A.F. Blakemore (Shell & Spar)	June 2021

Total Rent	Total Purchase Costs	Acquisition NIY	WAULT to the break	Indexed
<b>£934,000</b>	<b>£17,800,000</b>	<b>5.3%</b>	<b>12 years</b>	<b>100%</b>

## VIP PROPERTY PORTFOLIO SECTOR WEIGHTING % CAPITAL VALUE AT 30 JUNE 2021

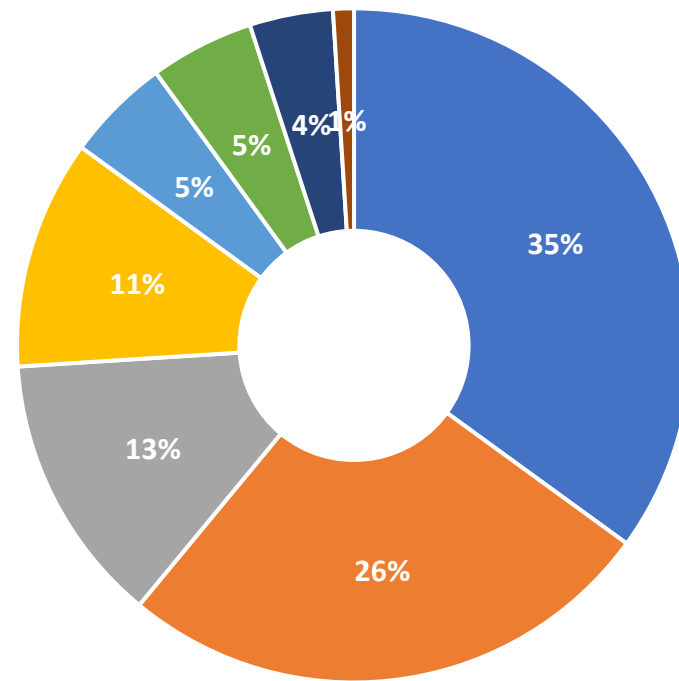
- Industrials - 32%
- Pubs - 20%
- Supermarkets - 17%
- Other (Caravan Park & Library) - 12%
- Hotel - 7%
- Roadside - 6%
- Leisure Bingo & Bowling - 6%
- Non-Food Retail - 0%



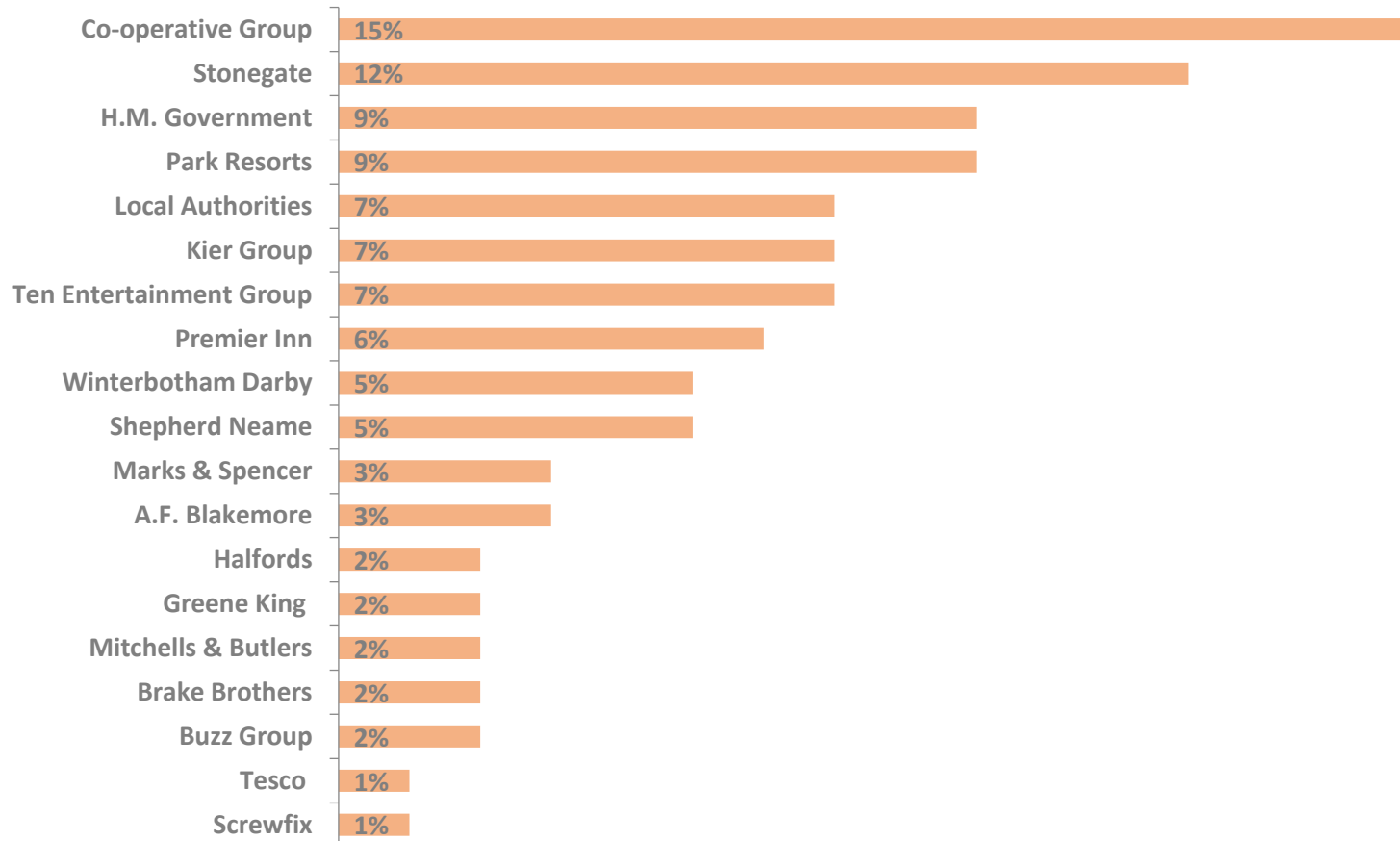
## VIP PROPERTY PORTFOLIO BY REGION % CAPITAL VALUE

AT 30 JUNE 2021

- South East - 35% (9 Properties)
- North - 26% (12 Properties)
- South West - 13% (4 Properties)
- Scotland - 11% (5 Properties)
- London - 5% (2 Properties)
- East Anglia - 5% (2 Properties)
- Midlands - 4% (2 Properties)
- Wales - 1% (1 Property)

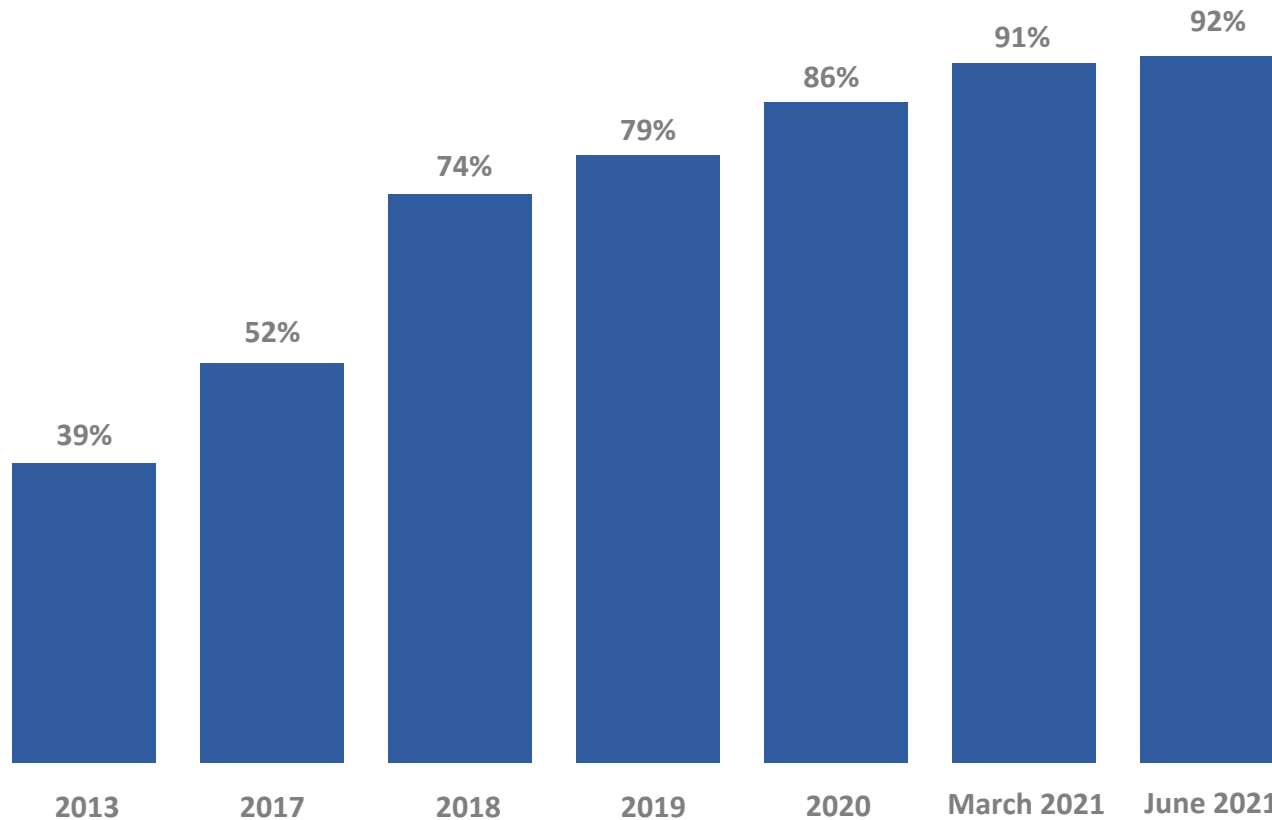


## VIP PROPERTY PORTFOLIO CONTRACTED INCOME BY TENANT % AT 30 JUNE 2021



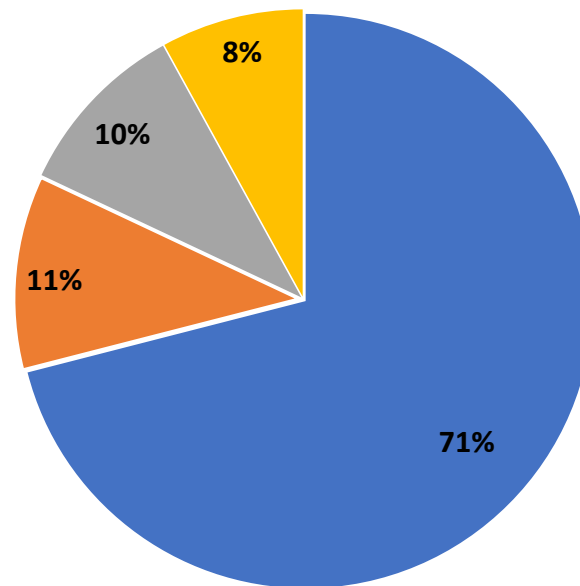
## VIP PROPERTY PORTFOLIO

CONTRACTED INDEXED SHARE OF RENTAL INCOME %





## VIP PROPERTY PORTFOLIO INDEXED RENT REVIEW PATTERN AT 30 JUNE 2021



- Retail Price Index - 71% (26 Tenancies)
- Consumer Price Index - 11% (5 Tenancies)
- Fixed Increases - 10% (5 Tenancies)
- Open Market - 8% (2 Tenancies)

# EFFECTS OF COVID -19 ON VIP PROPERTY RENTAL PAYMENTS

## **MARCH Quarter 2021**

- 91% Contracted rent for the quarter received
- 8% On rent free periods in return for lease extensions by 5 years
- 1% Outstanding

## **JUNE Quarter 2021**

- 83% Contracted rent for the quarter received
- 16% On agreed monthly payments over the quarter
- 1% Outstanding on new purchases to be paid imminently

## VIP UK EQUITIES PORTFOLIO CHANGES TO 30 JUNE 2021

- Following Shareholders' approval of the new Investment Policy in February, sales were made across the portfolio
- The direct equity portfolio was reduced from £104m to £29m in value
- New property-backed equity holdings: Civitas Social Housing REIT, Real Estate Credit Investments, Residential Secure Income REIT, Tritax Big Box REIT and Urban Logistics REIT, with an increased holding in Wm Morrison Supermarkets

Source: BNP Paribas. Data to 30/6/2021

## UK EQUITIES - HOLDINGS AT 30 JUNE 2021

Property Backed Equities	Value (£m)	Percentage
Wm Morrison	£3.7	12.9%
Tritax Big Box REIT	£2.9	10.3%
Civitas Social Housing REIT	£2.3	8.1%
Real Estate Credit Investments	£2.2	7.7%
Residential Secure Income REIT	£1.8	6.5%
Urban Logistics REIT	£1.6	5.4%
<b>Sub Total</b>	<b>£14.5</b>	<b>50.8%</b>
Legacy Holdings	Value (£m)	Percentage
Legal & General	£3.9	13.7%
Unilever	£3.8	13.3%
M & G	£2.9	10.0%
Phoenix Group	£2.8	9.6%
Devro	£0.7	2.6%
<b>Sub Total</b>	<b>£14.1</b>	<b>49.2%</b>
<b>TOTAL</b>	<b>£28.7</b>	<b>100%</b>

Source: BNP Paribas. Data to 30/6/2021

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