EDISON

LXi REIT

Company update

Strong accretive growth continuing

Real estate

The strong returns evident in LXi REIT's (LXi's) interim results continued through Q322, well above the company's target of at least 8%, supported by swift and accretive capital deployment. In this note we review LXi's strategy and the prospects for continued growth based on inflation-indexed rent uplifts and accretive portfolio acquisitions, reflected in our updated forecasts.

Year end	Rental income (£m)	Adjusted 'cash' earnings* (£m)	Adjusted 'cash' EPS** (p)	EPRA NTA per share (p)	DPS (p)	P/NTA (x)	Yield (%)
03/20	38.5	25.1	5.2	124.3	5.75	1.19	3.9
03/21	42.8	28.9	5.5	125.7	5.55	1.17	3.8
03/22e	59.0	39.4	5.7	142.9	6.00	1.03	4.1
03/23e	85.3	57.0	6.3	151.1	6.30	0.98	4.3

Note: *Adjusted for gains/losses on investment properties, other fair value movements and licence fee income on forward funding extended. **Excludes non-cash IFRS adjustments that are included in adjusted earnings.

Income and capital driven returns

Based on LXi's unaudited 31 December 2021 (Q322) NAV (EPRA NTA) per share estimate of 139.5p (Q2: 135.5p), including DPS paid the quarterly NAV total return was 4.0%, bringing the year-to-date total to 14.6%. LXi is well on track to meet its FY22 DPS target of 6.0p and is targeting a 5% increase to 6.3p for FY23. The proceeds of the upscaled, oversubscribed £250m (gross) equity raise that closed on 9 February are already fully deployed at an accretive blended net initial yield (NIY) of c 5.2% (current portfolio 4.5%), with additional assets in solicitors' hands. Each acquisition is fully let with a strong tenant covenant on long-term, fixed uplift leases, underpinned by affordable rents. Our revised forecasts reflect further strong debt-funded asset growth as within LXi's 30% LTV target. Our cash EPS forecasts are lowered but with no interruption to expected fully covered DPS growth.

Diversified, inflation protected, long income

With 96% of rents subject to fixed or index-linked, upward-only increases, LXi offers significant income protection against inflation. A 22-year unexpired lease term and strong tenants add to income visibility and should mitigate cyclical volatility in capital values. A multi-sector approach differentiates it from many specialist peers, spreads risks and broadens its universe of investment opportunities. The experienced investment advisor continues to demonstrate an ability to source attractively priced assets to enhance income and net asset value – often off-market, smaller lot size, sale and leaseback transactions and forward-funded development schemes. Capital recycling provides firm evidence of this, generating capital gains and allowing redeployment into accretive acquisitions at higher yields.

Valuation: Dividend growth, fully covered

Capital growth and targeted dividend growth has seen LXi's prospective dividend yield (FY23e) widen to an attractive 4.3% while its premium to (Q322) NAV has narrowed to c 6% from c 18% in September 2021. The outlook for further inflation protected DPS growth is strong, well covered by EPRA earnings and fully covered by cash earnings as acquisitions make their full impact.

23 March 2022

Price	**147p**
Market cap	**£1,344m**

Net debt (£m) at 30 September 2021	229.1
Net LTV at 30 September 2021	18.8%
'Pro forma' net LTV as at 30 September 2021	25%
Shares in issue	702.1m
Free float	99.3%
Code	LXI
Primary exchange	LSE
Secondary exchange	N/A

Share price performance

%	1m	3m	12m
Abs	7.3	2.1	19.6
Rel (local)	7.4	2.3	10.1
52-week high/low		153p	120p

Business description

LXi REIT is an externally managed UK REIT investing in high-quality, smaller lot size (£5–15m) assets, let on long index-linked leases to strong financial covenants across a range of sectors with defensive characteristics. It aims to provide a secure and growing income with capital growth over the medium term, with a total return of at least 8% pa.

Next events

FY21 year-end	31 March 2022

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Edison profile page

LXi REIT is a research client of Edison Investment Research Limited

Strong accretive growth continuing

We expect a continuation of strong growth at LXi, driven by rental uplifts and accretive, largely off-market acquisitions, including attractively priced forward funded developments. LXi's portfolio benefits from defensive and resilient characteristics including diversification across a range of structurally supported sub-sectors, with a focus on non-discretionary uses, let to a broad spread of high-quality and well-capitalised tenants. Following swift deployment of the proceeds of the £250m (gross) of equity raised in early February, we expect an additional £100m of debt-funded acquisitions before September 2022 although we estimate that LXi could invest twice this amount without breaching its 30% loan to value ratio (LTV) target. While the uncertainties of the pandemic have eased and restrictions have been lifted, economic uncertainty remains, more recently accentuated by international tensions. Despite the potential negative impact on economic growth, the continuing increase in commodity and fuel prices seems likely to sustain inflationary pressures. In this environment, LXi is well placed to offer inflation protected returns, with 96% of portfolio rent reviews linked to UK inflation or containing fixed uplifts. Although inflation is currently above the average c 4% caps that apply to index-linked rental uplifts, a substantial spread remains above funding costs. Fully let assets on long leases at affordable rents provide significant income visibility and, provided those tenants selected by LXi perform as it expects,[1] protection from the occupancy risk that may face the mainstream commercial property market should the economy weaken.

Income visibility and inflation protection

LXi has a long weighted average unexpired lease term (WAULT) of 22 years, while index-linked leases (mostly capped and collared) and fixed uplift leases provide significant income protection against inflation.[2] Conversely, fixed rents and rent collars (minimum uplifts to indexed rents) ensure continuing rent growth if inflation falls to low levels. The 12-month rate of CPI[3] increase was 5.5% in February 2022, the highest rate of increase since March 1992, while the 7.1% rate of RPI[4] increase was the highest since March 1991. The Bank of England continues to expect a moderation in inflation as commodity prices stabilise, supply shortages ease and global demand rebalances, but this is far from assured. International tensions have seen oil and commodity prices increase further.

Of the 96% of rents that were indexed or fixed at end-FY21, 75% were indexed to inflation (56% indexed to RPI and 19% indexed to the CPI).[5] The 21% of rents that provided fixed uplifts did so at an average of 2.3% pa. Rent reviews completed during H122 reflected average growth of 2.9% pa, but with 62% of rents reviewed at five-yearly intervals, higher levels of inflation will increasingly be reflected in passing rents.

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1 Tenant performance was generally strong at the height of the pandemic although the budget hotel sector, typically defensive during normal economic downturns, was badly affected by lockdown restrictions. Travelodge, LXi's largest tenant, entered a company voluntary arrangement (CVA) although LXi fared relatively well, indicating a good tenant relationship and strong asset quality. Average rent collection dropped to c 90% for the quarter ending June 2020 but averaged 95% over a 12-month period. It had recovered to close to 100% by early 2021 and has been 100% since mid-2021.

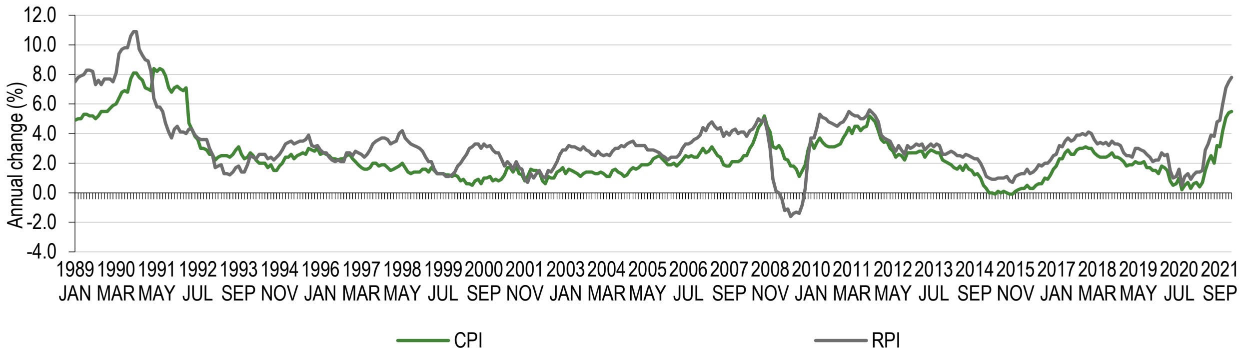
2 At an inflation rate of more than 4% rental growth continues but lags in real terms. In the near term this is ahead of consensus expectations for the broad UK commercial property market rental growth. Where measures are taken to combat inflation, the broad market is more exposed to economic cyclical effects including a negative impact on occupancy.

3 Consumer Price Index.

4 Retail Price Index.

5 In a 3 March 2022 trading update LXi said that including acquisitions since H122, 96% of rental income remains either inflation linked (74%) or fixed uplift (22%).

Exhibit 1: Inflation at multi-year highs



Source: Office of National Statistics (ONS) data.

Around two-thirds of indexed rents have caps in place, representing the maximum that rents may increase, which provides significant inflation protection while also seeking to ensure that rents remain sustainable for operators. Only if inflation is sustained above c 4% would rent growth lag in real (inflation-adjusted) terms, a scenario with potentially much wider and more challenging implications across the broader commercial property sector. Fixed rents and rent collars (minimum uplifts to indexed rents) ensure continuing rent growth if inflation falls to low levels.

Exhibit 2: Caps and collars

	Percentage	Average
Fixed	21%	2.4%
Capped	66%	3.8%
Uncapped	13%	n.m.
Collared	52%	1.3%
No collar	37%	n.m.

Source: LXi REIT

While inflationary expectations may filter through the economy over time, consensus expectations for open market rent growth, common among mainstream UK commercial property sectors, remain relatively subdued. The Investment Property Forum industry consensus data as of August 2021 show open market growth expectations at less than 2% through 2021–25, with the best performing sub-sector, industrials, at 3.5%.

Swift and accretive capital deployment continuing

LXi has a strong track record of quickly deploying additional equity resources into predominantly off-market investments that have been identified in advance and this is continuing despite the scale of equity issuance. The proceeds of £250m (gross) upscaled and oversubscribed equity raise that closed on 9 February 2022 were fully deployed within four weeks. This is an even faster pace than for the £125m (gross) March 2021 equity raise (12 weeks) and £100m (gross) June 2021 equity raise (17 weeks).

Recent acquisitions have been broadly spread across existing and new (to LXi) sectors, which demonstrates both the investment adviser's strong asset sourcing capability and the benefit of investing across a wider pool of opportunities.

Returns continue to be strong

Since IPO in February 2017 LXi has generated returns well ahead of its medium-term target of at least 8% pa and has succeeded in its aim of providing shareholders with secure and growing income, fully covered by adjusted earnings along with capital growth. The accounting total return[6] up to 31 December 2021 (9M22)[7] is an aggregate 66.6% or an average 11.1% pa. Based on DPS paid, the aggregate income return since IPO has been 24.3%.

At IPO LXi set a target DPS of 5.0p for stabilised DPS.[8] Assuming, quite reasonably, that LXi meets its targeted 6.0p of DPS declared in respect of the current financial year (FY22), DPS has increased at an average 4.7% pa, well above inflation during the period, despite a slight dip in DPS declared in FY21 due to the pandemic. LXi targets a 5% increase in FY23 to 6.3p.

Exhibit 3: Accounting total return history

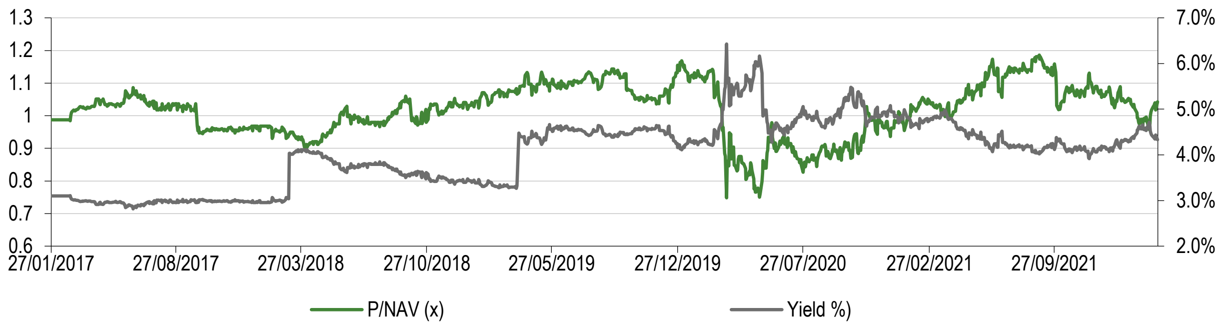
	FY18	FY19	FY20	FY21	9M22	IPO to 9M
Opening EPRA NTA per share (p)	98.0	107.7	114.6	124.3	125.7	98.0
Closing EPRA NTA per share (p)	107.7	114.6	124.3	125.7	139.5	139.5
Dividends paid (p)	2.00	6.13	5.69	5.53	4.46	23.80
Income return (DPS paid)	2.0%	5.7%	5.0%	4.4%	3.5%	24.3%
Capital return (change in EPRA NTA per share)	9.9%	6.4%	8.5%	1.1%	11.0%	42.3%
NTA total return	**11.9%**	**12.1%**	**13.4%**	**5.5%**	**14.6%**	**66.6%**
Average annual return						**11.1%**

Source: LXi REIT data, Edison Investment Research

Valuation has become more attractive in recent weeks

In January, LXi published its unaudited net asset value per share as at 31 December 2021 (Q322) of 139.5p, an increase of 4.1% compared with end-Q222. It also announced its target for increased FY23 DPS of 6.3p (+5% vs FY22). Although the shares are not materially below the 12-month and post-IPO high of 155.6p the prospective yield has increased to 4.3% and the premium to NAV has narrowed from c 18% in September to c 6%.

Exhibit 4: Trailing P/NAV* and prospective dividend yield**



Source: LXi NAV and DPS data. Note: Refinitiv prices as at 22 March 2022. *P/NAV based on last reported NAV per share. **Prospective yield based on forward dividend guidance in place at the time.

6 Change in EPRA NTA (the most commonly used EPRA measure of net asset value) in the period plus dividends paid in the period (but not reinvested).

7 The 31 December 2021 EPRA NTA of 139.5p is unaudited.

8 At IPO, LXi targeted a stabilised DPS (the sustainable annualised DPS payable once the IPO proceeds had been fully deployed) of 5.0p and an intermediate FY18 target of 3.0p. Due to a faster roll out of its investment strategy the DPS declared in respect of FY18 was 4.0p, of which 2.0p was paid during that year.

Strategy and portfolio update

Diversified, long-income portfolio with inflation protection

The investment objective is to deliver inflation-protected income and capital growth over the medium term through investing in a diversified portfolio of UK property assets, let or pre-let to a broad range of tenants with strong financial covenants on long (typically 20–30 years at inception), index-linked, triple net leases. This aims to provide shareholders with secure and growing income, fully covered by adjusted earnings, along with capital growth over the medium term.

Long leases provide security of contractual income, while the upwards-only, substantially indexed lease terms add predictability and visibility to income growth. As a result, property yields and capital values are less volatile than may be the case for short-lease assets. These factors support the use, and lower the cost, of long-term debt, enabling LXi to lock in positive and increasing (with rent indexation) spreads between yields and funding costs, while avoiding regular refinancing costs.

LXi's diversified multi-sector approach differentiates it from many specialist long-income real estate investment trusts (REITs) that focus on a particular sector of the market. While specialisation can bring many advantages, it can also be vulnerable to significant changes in market conditions or strong competition for assets. Low-risk forward funding of pre-let development assets enhances returns by enabling LXi to source high-quality assets at lower cost than would be possible purely from targeting completed assets, while regular recycling of capital provides a means of rebalancing exposures to manage risk and optimise capital deployment.

Much more to investment strategy than 'buy and hold'

There is much more to LXi's investment strategy than a simple 'buy and hold' policy for long-lease assets. The key elements of this strategy are:

- **Asset selection** considers the following key considerations:
  - properties that are let or pre-let (in the case of development assets) to institutional-grade tenants, with strong financial covenants and a proven record of operational performance;
  - long, unexpired lease terms of typically 20–30 years to expiry or first break;
  - regular upwards-only rent reviews that are indexed to inflation or contain fixed uplifts; and
  - strong residual land values, providing additional support for valuations.

  Additionally, LXI targets high-quality assets that appeal to long-term occupation (or alternative occupiers should the need arise), as well as assets that are of long-term strategic importance to the tenant (such as a main distribution or production site) and where the tenant may already be accustomed to long-term occupation through freehold ownership.
- **Asset sourcing**. The investment advisor has demonstrated a strong ability to source suitable investments through long-established industry contacts and an extensive knowledge of the property market. Most transactions to date have been off market, often less competitive with the potential to offer reduced acquisition pricing, with a primary focus on forward fundings and sale and leaseback transactions. Lot sizes are typically in the range of £5–15m (£8.1m at 31 December 2021) where pricing is often less competitive, being too large for private investors but too small for most institutional investors. This is especially the case for forward-funded developments, a particular area of expertise for the investment manager, where LXi has achieved an average 12% uplift from the acquisition price to the first post-acquisition valuation.
- LXi's **multi-sector approach** diversifies risk and broadens the investment opportunity pool, differentiating it from sub-sector specialists and mainstream REITs with a shorter income focus. While sector specialisation has its own merits, including operational focus, LXi's multi-sector approach diversifies the risks inherent in any sub-sector. As we note in the valuation section,

there has been considerable variability in share price performance, by sub-sector, of the long income peer group over the past 12 months. This variability underlines the potential attraction of an actively managed vehicle such as LXi to investors who seek but are otherwise unable to achieve, an optimal diversification of risks. In addition, with a range of sub-sectors into which to deploy capital, LXi expects to be better placed to efficiently increase scale by selecting assets from a wider pool of opportunities, adjusting investment towards those areas where the returns appear most favourable, and avoiding being forced into chasing 'hot' investments in 'fashionable' sub-sectors.

- **Forward funding** increases access to attractive assets with enhanced returns. While LXi does not engage directly in development activity, the forward funding (and acquisition at completion) of development assets on a pre-let, fixed price basis, has been a key element of its growth and has enabled the company to source high-quality assets at lower cost than would be possible purely from targeting completed assets. Acquisition costs for forward funding are lower and benefit from brand-new leases, generally over 20 years in duration. They have also allowed LXi to target more off-market opportunities, as well as developing brand new assets to tenant specification, in some cases increasing the strategic importance of the asset to the tenant and, in turn, improving the quality of income.
- **Recycling of capital** provides opportunities to manage risks by rebalancing portfolio exposures and optimising capital deployment towards the most promising areas. In most cases disposals are initiated by unsolicited approaches from interested buyers, but LXi's willingness to sell assets, and the ability to do so ahead of book value, provides support for the robustness of its external valuations and is further evidence of its ability to 'buy well' and enhance value. Around £200m of capital has been recycled since the company listed in February 2017 which the company says crystallised a geared internal rate of return (IRR) of 24% pa. During H122 LXi sold a Lidl food store that it had previously forward funded for £7.1m, reflecting a NIY of 3.9%, locking in a £2.9m gain on book value and a 26% geared IRR. In H222 it sold a parade of shops, which were originally acquired in 2020, ancillary to a portfolio of Co-op foodstores. The sale price for the parade of shops was £0.6m, £0.3m ahead of the acquisition price.

Portfolio overview and recent activity

At 31 December 2021 LXi's portfolio was valued at £1,326.7m[9], reflecting a NIY of 4.5%. LXi has since completed or exchanged on the acquisition of assets with an aggregate value of £243m at an accretive blended NIY (net of acquisition costs) of c 5.2%. Including the post-December acquisitions, the portfolio currently comprises 191 assets (31 December 177), across 11 sectors[10], 100% let or pre-let on long-term, triple-net leases to 70 strong tenants, with a long WAULT to first break of 22 years. We estimate a current annualised contracted rent roll of c £80m (31 December: £67.6m).

[9] Including forward funded developments on a completed basis but excluding acquisitions where contracts had been exchanged but not completed.

[10] 10 identified sectors and 'other'.

Exhibit 5: Portfolio summary at 31 December 2022

	Contracted rent	Rental Exposure	Valuation	Valuation exposure	WAULT (years)	Fixed/indexed rents	Number of assets
Food & essentials	£16.3m	24%	£359.8m	27.0%	17	91%	33
Industrial	£12.1m	18%	£310.2m	23.0%	24	100%	15
Hotels	£10.0m	15%	£204.8m	15.0%	25	100%	21
Healthcare	£6.3m	9%	£109.4m	8.0%	26	100%	28
Car parks	£3.9m	6%	£73.6m	6.0%	30	100%	9
Carden centres	£3.1m	5%	£41.7m	3.0%	32	100%	4
Life sciences	£2.9m	4%	£56.7m	4.0%	25	100%	1
Drive-thru coffee	£2.8m	4%	£26.4m	2.0%	14	91%	23
Pubs	£2.6m	4%	£40.2m	3.0%	16	100%	14
Education	£1.9m	3%	£34.8m	3.0%	30	100%	23
Other	£5.7m	8%	£69.2m	5.0%	17	80%	6
Portfolio total	£67.6m	100%	£1,326.7m	100.0%	22	96%	177

Source: LXi. Note: Includes property acquisitions where contracts had been exchanged and the associated rental income of £3.5m.

The current sub-sector split by rental income is shown in Exhibit 6. Over the past year LXi has added investments in 'life sciences'[11] and 'education'[12] to the identified list of sub-sectors within the portfolio. The 14 acquisitions announced since 31 December have included additions to foodstores and essentials, car parks, and drive-thru coffee outlets as well as office[13], leisure[14], training facilities[15], and car retail investments[16].

Tenant and geographic diversification further mitigate income risks, in addition to the multi-sector investment approach. The portfolio is fully let to more than 70 tenants and at H122 largest 20 tenants accounted for c 70% of annual passing rent (the largest of which was Travelodge at c 7%). The remaining tenants each contribute less than 2%.

Company background and details

LXi is a closed-ended investment company, externally managed by LXi REIT Advisors (the investment adviser). Its shares have been traded on the Main Market of London Stock Exchange, with a premium listing since February 2017 and are a constituent of the FTSE 250 Index and the EPRA/NAREIT Index.

The investment objective is to deliver inflation-protected income and capital growth over the medium term through investing in a diversified portfolio of UK property assets, let or pre-let to a broad range of tenants with strong financial covenants on long (typically 20–30 years at inception), index-linked, triple net leases. This aims to provide shareholders with secure and growing income, fully covered by adjusted earnings, along with capital growth over the medium term.

Management and governance

The board of LXi is responsible for setting strategy and for the company's overall activities, but it has appointed Alvarium Fund Managers (100% owned by Alvarium Investments, 'Alvarium') as the alternative investment fund manager (AIFM) and is externally advised by LXi REIT Advisors. The composition of the board has recently changed as part of LXi's succession planning, which was supported by external consultants. At the FY22 AGM Stephen Hubbard (chairman) and Colin Smith,

[11] Life science and biotech campus in York.

[12] A sale and leaseback acquisition of 23 nursery schools.

[13] A forward funded office development, pre-let to BT, which will support its critical infrastructure to handle emergency 999 calls.

[14] A premium health and racquets club let to David Lloyd.

[15] A number of training facilities let to Compass.

[16] Customer service, car storage and repair facilities let to online car retailer Cazoo.

both of whom had been with the company since its IPO, stepped down. Three new appointments to the board with effect from January 2022 are Cyrus Ardalan (as chairman designate), a highly experienced investment banker with well-established corporate governance expertise; Hugh Seaborn, with over 35 years of real estate experience including senior corporate and governance roles; and Ismet Levin, with almost 30 years' experience in commercial, international growth, and technology-led legal software industries across Nasdaq-listed and private equity. They will join existing non-executive directors Jan Etherden, with more than 35 years' experience in the investment industry; John Cartwright, a former chief executive of the Association of Real Estate Funds; and Patricia Dimond, with an international career of more than 30 years in consumer and financial markets. Together, the board brings substantial real estate, financial, commercial and operating experience to the company. Detailed biographies can be found on LXi's website.

Alvarium was established in 2009 and has grown to become a substantial, international multi-family office and asset manager, supervising more than US$20bn of assets, for families, private individuals and institutions. It has over 220 employees and 14 offices around the world. The investment advisor is owned by the principals, shareholders and directors of Osprey Equity Partners ('Osprey'), formed in 2011 and 50% owned by Alvarium.

The investment advisor has extensive expertise in the real estate sector, and its core investment team of property, legal and finance professionals has capitalised and transacted over £2bn of commercial property assets with a particular focus on accessing secure, long-let and index-linked UK commercial real estate through forward funding and built-asset structures. The key individuals responsible for executing the company's investment strategy are John White, Simon Lee and Freddie Brookes, for whom biographies can be found on page 16.

Fees are linked to market capitalisation

The fees paid to the investment advisor are, somewhat unusually, calculated by reference to average market capitalisation (rather than portfolio value or net asset value as is more common), which fully aligns its interests with those of shareholders. The fee rates are competitive in a sector context (typically around 1% pa) and are tiered, with the marginal rate dropping to 0.65% with the market capitalisation above £500m. There is no performance fee.

Exhibit 6: Investment advisor fees as % of average market capitalisation

Up to £500m	0.75%
Above £500m	0.65%

Source: LXi REIT

ESG high on the agenda

The board of LXi reports that all ESG matters remain high on its agenda, although climate-related risk is a key current focus. A climate risk working group was established during 2021, comprising members of the board and representatives from the investment adviser, which has set the longer-term goals of integrating climate-related matters into the investment process, mapping a route to carbon neutrality, and improving investor reporting.[17] A detailed climate risk strategy is included in the annual report with medium-term (36 months) targets to provide a benchmark for progress towards the longer-term goals. Within the H122 portfolio, 82% of assets had an EPC rating of A to C[18], and 93% of the assets that LXi has forward funded and 100% of the assets that it has forward purchased have an EPC rating of A or B. LXi says that it is on track to meet the requirement that all

[17] The company is in the process of obtaining a Global Real Estate Sustainability Benchmark score and will report EPRA Sustainability Best Practice Report measures from March 2022.

[18] Including assets that are exempt from energy performance certificate (EPC) ratings and assets during construction that are expected to obtain and A or B rating.

UK commercial property must be EPC rated B or better by 2030 and that it expects this to be achieved through asset management (including electric vehicle charging points and solar panels). With LXi's goals very much in alignment with the carbon neutrality ambitions of tenants, the company does not see the potential for material capex having a negative impact on returns.

Financials

Brief review of recent trading

Interim results for the six months ended 30 September 2021 (H122) were reported in late November 2021 and were dominated by the continuing strong growth in the portfolio. On a fully completed basis the portfolio value increased by 29.6% to £1.22bn in H122 and by a further 9.0% to £1.33bn at end-Q322. The H122 like-for-like valuation gain was 4.9% (4.6% NIY vs 4.9% at end-FY21) followed by 3.3% in Q322 (NIY 4.5%). As discussed above, LXi has made acquisitions amounting to £243m since the end of Q322. Year-to-date valuation gains have been broadly spread across sectors, reflecting rental growth as well as yield tightening, and including uplifts on recently acquired assets.

Exhibit 7: Summary of portfolio value at H122

£m	30-Sep-21	31-Mar-21	
	H122	FY21	H122/FY21
Carried value of investment properties on balance sheet	1,171.4	887.5	
Add:			
Held for sale properties	20.7	0.0	
IFRS carried value of investment properties including held for sale	**1,192.1**	**887.5**	**34.3%**
Add:			
Capital commitments on forward funded assets	31.2	48.0	
Vendor discounts in respect of rent-free periods and top-ups	3.2	4.0	
License fee receivable	2.1	2.7	
Leasehold liability	(12.0)	(3.8)	
Total completed portfolio valuation	**1,216.6**	**938.4**	**29.6%**

Source: LXi REIT

EPRA NTA per share increased 7.8% to 135.5p during H122 (end-FY21: 125.7p) and to an unaudited 139.5p at end-Q322. Including DPS paid the total accounting return was 9.0% in H122 and 4.0% in Q322, well ahead of the medium-term target of at least 8% pa.

Exhibit 8: Summary of H122 underlying financial performance*

£m unless stated otherwise	H122	H121	H122/H121	H221
Cash rental income	19.7	16.8	17%	17.6
Accretion of tenant lease incentives	5.7	3.5	63%	4.9
Rental income	25.4	20.3	25%	22.5
Administrative expenses	(4.4)	(2.7)	63%	(3.2)
Operating profit	21.0	17.6	19%	19.3
Net finance expense	(3.0)	(2.6)	15%	(2.7)
Gain on refinancing	0.0	0.0		1.9
Tax	0.7	0.0		0.0
EPRA earnings	**18.7**	**15.0**	**25%**	**18.5**
Adjust for:				
License fees	1.8	1.6		1.9
Amortisation of cash-backed rental top-ups and rent frees	2.3	0.6		1.6
Adjusted earnings	**22.8**	**17.2**	**33%**	**22.0**
Adjust for:				
Accretion of tenant lease incentives	(5.7)	(3.5)		(4.9)
Gain on refinancing	0.0	0.0		(1.9)
Adjusted ‘cash’ earnings	**17.1**	**13.7**	**25%**	**15.2**
Closing number of shares (m)	699.8	521.4	34%	621.8
Average number of shares (m)	659.3	521.4	26%	530.4
EPRA EPS (p)	**2.8**	**2.9**	**-1%**	**3.5**
Adjusted EPS (p)	**3.5**	**3.3**	**5%**	**4.1**
Adjusted ‘cash’ EPS (p)	**2.6**	**2.6**	**0%**	**2.9**
DPS (p)	**3.00**	**2.65**	**13%**	**2.90**
EPRA NTA per share (p)	135.5	120.8	12%	125.7
EPRA NTA total return	9.0%	-0.6%		6.3%

Source: LXi REIT data. Note: *See Exhibit 15 for a summary of the financial statements on an IFRS/reported basis.

Exhibit 9 summarises the H122 underlying performance (the financial statements are shown in detail in the Financial Summary, Exhibit 15) and we additionally note:

- Rental income continues to grow strongly, reflecting rent growth, development completions, and acquisitions but is yet to reflect the annualised run-rate of contracted rental income.
- EPRA earnings and adjusted earnings also increased strongly but in per share terms this growth was offset by share issuance. The number of shares in issue and the average number of shares in issue increased by 34% and 26% respectively, and although new equity raised has been swiftly deployed, it is yet to contribute fully to earnings.
- H122 DPS of 3.0p was well covered by adjusted EPS of 3.5p and 0.9x covered by adjusted ‘cash’ EPS (which excludes non-cash IFRS earnings effects). On a fully deployed basis we expect full cash cover.

Assets are income generating from the point of acquisition

All of LXi’s assets, including forward funded assets, are income generating from day one. Forward funded assets benefit from licence fees[19] during the construction phase and post-completion by cash-backed rental top-ups and reimbursement rent-free periods that may be agreed with developers [20]. All of these are initially recognised as a discount to the cost of the investment property with the economic benefit to LXi emerging upon revaluation. In the IFRS income statement this appears as a property revaluation movement rather than rental income. As EPRA reporting excludes valuation movements, it does not reflect this economic benefit at all. Because it is clearly an important component of performance, licence fees and rent top-ups are included within adjusted

[19] This is received by LXi from the developer in respect of funds advanced on forward funded developments and accrues during the period between the initial investment and the commencement of rents.

[20] This is where a discount to the purchase price of a property is agreed with the vendor of an asset to cover rent free periods or periods to the next rent review, based on the assumption of passing rents being ‘topped up’ to the level of contracted rents.

earnings, underpinning the dividend targets and payment. In aggregate, cash rental income, licence fees and rent top-ups of £23.8m increased by 25% compared with £19.0m in H121.

Forecasting further strong growth

Our updated forecasts allow for the full deployment of the February equity raise proceeds (already achieved) with associated gearing.

As noted above, the economic benefit of acquisition growth appears partly in income and partly through capital growth, which is then included within adjusted earnings. Our revised assumptions for the mix show a reduction in our forecast FY22 rental income, offset at the adjusted 'cash' earnings level by higher licence fee income and rent top-up adjustments. The FY22e adjusted 'cash' earnings remains slightly below the previous forecast due to higher administrative and interest expenses. For FY23 we forecast stronger growth in adjusted 'cash' earnings than previously as capital is deployed, with a further increase in FY24, as acquisitions make a full contribution and rental uplifts continue. FY23e DPS is increased in line with the company target and we expect further growth in FY24. The increase in forecast EPRA NTA is driven by the H122 performance.

Exhibit 9: Summary of forecast revisions

	Rental income (£m)			Adjusted 'cash' earnings (£m)*			Adjusted 'cash' EPS (p)*			EPRA NTA per share (p)			DPS (p)		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
03/22e	59.0	61.1	-3.4	39.4	41.1	-4.1	5.7	6.1	-6.0	142.9	136.0	5.1	6.0	6.0	0.0
03/23e	85.3	68.6	24.3	57.0	46.8	21.8	6.3	6.7	-6.7	151.1	141.3	6.9	6.3	6.2	1.6
03/24e	92.5	N/A	N/A	60.5	N/A	N/A	6.6	N/A	N/A	159.0	N/A	N/A	6.6	N/A	N/A

Source: Edison Investment Research. Notes: *Adjusted for gain/losses on investment properties, other fair value movements and licence fee income on forward funding extended and excluding the non-cash IFRS adjustments, which are included in both adjusted earnings and EPRA earnings.

Key forecasting assumptions

In addition to the recent acquisitions detailed earlier in this report, we assume £100m of further deployment during H123. This includes capital recycled from any disposals, split 60:40 between completed assets and forward funding commitments at an average 5.4% yield on invested/committed capital (net of acquisition costs).

To reflect the lease structure and inflation expectations, we assume a blended average uplift in rents of 3.0% pa.

Our capital value forecasts are based on an unchanged valuation yield, with valuation uplifts driven by the capitalisation of rental growth and LXi's ability to source off-market properties and forward funding opportunities at attractive valuations. LXi sees additional potential for capital growth from those sectors (leisure and hospitality) most affected by pandemic lockdowns and where yields are yet to reflect the improvement in trading that has since occurred.

Funding and gearing

At IPO in February 2017 Lxi raised £138.2m (gross) at 100p per share. Strong portfolio growth since then has been funded by a mix of equity and debt, consistent with LXi's medium-term target gearing of a 30% LTV, with a maximum 35%. The most recent equity raise formed part of the placing programme that was in place between March 2021 and February 2022, under which an aggregate c 352m shares of the maximum authorised 400m shares were issued.

Exhibit 10: Equity funding

	H218*	H119	H219	H120	H220	H121	H221	H122	H222**	Total
Number of shares issued (m)	196.9	-	155.4	169.1	-	-	100.4	78.0	211.8	911.6
Average issue price (p)	100.8	-	112.7	118.0	-	-	124.5	133.0	142.5	121.1
Gross equity raised (£m)	**198.4**	**-**	**175.3**	**199.6**	**-**	**-**	**125.0**	**103.7**	**301.8**	**1,103.7**

Source: LXi REIT data. Note: *H218 includes IPO proceeds of £138.2m (gross). **H222 includes the £51.8m vendor issuance and £250m (gross) equity raise.

Debt facilities currently amount to £400m, comprising £170m of long-term fixed rate borrowing and £230m of revolving credit facilities (RCF).

Exhibit 11: Debt portfolio

Facility	Lender	Size	Interest rate	Expiry
Term loan	Scottish Widows	£55m	2.74% fixed	Dec-33
Term loan	Scottish Widows	£40m	2.74% fixed	Dec-33
Term loan	Scottish Widows	£75m	2.99% fixed	Dec-33
RCF	Lloyds Bank and RBSi	£165m	1.55% margin	Aug-24
RCF	Barclays	£65m	1.55% margin	Aug-24

Source: LXi REIT

The three long-term fixed-rate term loan facilities with Scottish Widows have a blended average fixed rate of 2.85%. They provide certainty of funding costs, attractively below the yield on the portfolio. This gap should only increase over the remaining almost 12 years to the maturity as the property rental stream increases through the upwards-only inflation linked/fixed uplifts.

The RCF provides operational flexibility at low cost (a margin of 1.55% above three-month SONIA[21], and capped at 2.95%) to match forward funded development drawdowns during the construction phase, which can later be re-financed from equity issuance proceeds, additional long-term funding, or paid down by the disposal of mature assets. LXi has reached a scale where we believe that it may consider access to the sterling bond market and potentially attractively priced, unsecured, long-term debt.

At end-H122 net debt was £229.1m and allowing for existing capital commitments, the 'pro forma LTV' was 25% as shown in detail in Exhibit 13.[22] Adjusting for the c £320m of committed investment since H122, as well as the c £300m of additional equity (including the vendor placing), we estimate that net debt is currently c £330m, representing a pro forma LTV of c 20%.

Exhibit 12: Calculation of pro forma LTV at H122

£m unless stated	
Borrowings	249.7
Cash	20.6
Net debt	229.1
Forward funding commitments	31.2
Exchanges	31.0
Other financial liabilities	
Adjusted net debt (A)	
Total completed portfolio valuation	1,216.6
Exchanges	31.0
Adjusted completed portfolio value (B)	1,247.6
Pro forma LTV (A/B) (%)	25%

Source: LXi REIT data

Our forecasts assume the arrangement and drawing of an additional £50m of borrowing over and above the current £400m of facilities. Our investment assumptions indicate a pro forma LTV of c 26%, still somewhat below the 30% target. This provides scope for LXi to invest c £100m more than we have assumed before it would need to consider additional equity raising.

[21] Sterling Overnight Index Average, an interest rate benchmark that will eventually replace the Retail Price Index (RPI).

[22] At 31 December 2021 (end Q322) the pro forma LTV was 26% with net debt of £357m.

Valuation

LXi shares offer a 4.3% FY23e prospective yield and trade at a c 6% premium to the unaudited 31 December 2021 (Q322) EPRA NTA per share of 139.5p.

In Exhibit 10 we show the key valuation and performance metrics for LXi and a group of other long-income REITs, mostly comprising sub-sector specialist investors but also diversified investment peers (Secure Income REIT and to a lesser extent, LondonMetric). LXi's long WAULT of 22 years is slightly above the average of the group. For comparative purposes, the DPS and NTA/NAV data are shown on a trailing basis, taking the last 12 months DPS declared and last reported NTA/NAV. Across this long-income group, the 12-month and three-year share price performance and valuation differ considerably, reflecting the varying fortunes of the sub-sectors on which most are focused. This variability underlines the potential attraction of an actively managed vehicle such as LXi to investors who seek but are otherwise unable to achieve an optimal diversification of risks. We also believe that LXi will have benefited from the strong inflation protection that its lease terms provide both in absolute terms and relative to the peer group, within which some companies (eg primary healthcare investors) have a larger proportion of open market rents.

Exhibit 13: Peer group valuation and performance comparison

	Recent WAULT (years)	Price (p)	Market cap. (£m)	P/NAV* (x)	Yield** (%)	Share price performance			
						1 month	3 months	12 months	From 12M high
Assura	12	68	1,996	1.16	4.3	12%	-1%	-5%	20%
Civitas Social Housing	23	87	532	0.80	6.3	1%	-9%	-21%	-16%
Impact Healthcare	19	116	447	1.04	5.5	5%	-1%	2%	13%
LondonMetric	12	272	2,662	1.27	3.3	7%	-2%	31%	46%
Primary Health Properties	12	147	1,960	1.26	4.3	11%	-1%	0%	27%
Secure Income	20	439	1,423	1.12	3.5	10%	9%	27%	17%
Supermarket Income	15	126	1,237	1.11	4.7	4%	3%	17%	21%
Target Healthcare	29	110	682	0.99	6.1	2%	-4%	-3%	-4%
Triple Point Social Housing	26	92	371	0.86	5.6	4%	-3%	-9%	-13%
Tritax Big Box	13	241	4,511	1.24	2.7	7%	0%	35%	59%
Average	**18**			**1.08**	**4.7**	**6%**	**-1%**	**9%**	**17%**
Lxi REIT	**22**	**147**	**1,344**	**1.06**	**4.0**	**7%**	**2%**	**21%**	**39%**
UK property sector index		1,914				5%	-2%	19%	5%
UK equity market index		4,168				0%	-1%	9%	-1%

Source: Company data, Edison Investment Research, Refinitiv prices as at 22 March 2022. Note: *Based on last reported EPRA NAV/NTA. **Based on 12-month trailing dividends declared.

Sensitivities

The broad commercial property market is cyclical, historically exhibiting substantial swings in valuation through cycles. Income returns are significantly more stable, but still fluctuate according to tenant demand and rent terms. From a sector viewpoint we also highlight the increased risks and uncertainties that attach to development activity, including planning consents, timing, construction risks and the long lead times to completion and eventual occupation. LXi is not a developer and for reasons discussed above, we believe its forward funding of fixed-price, pre-let developments, an investment strategy in which the investment manager has considerable experience, is very low risk and enhances returns. We consider the main sensitivities to include:

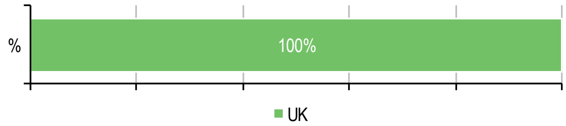
- **Economic risk:** the COVID-19 pandemic, rising international tensions, rising inflation and even Brexit continue to create a high level of uncertainty regarding the UK economic outlook. Following a c 10% decline in UK GDP in 2020 due to the pandemic, the economy recovered by 7.5% in 2021. British Chamber of Commerce (BCC) forecasts published on 4 March 2022 look for the rate of growth to halve to c 3.6% in 2022 and slow further in 2023 (to 1.3%). BCC expects CPI inflation to peak at 8% in Q222 before falling back towards the Bank of England target of 2% by the end of 2024, with interest rates increasing only from 0.5% to 1.0%.

- **Sector risk**: some of the inherent cyclicality to the commercial property sector can be mitigated by portfolio diversification and long leases. LXi's multi-sector approach enables it to adjust to changes in risk-reward across sectors and its long, upwards-only indexed leases provide security and predictability to contractual income; this can mitigate cyclical shifts in property yields/capital values and supports the use of long-term debt.
- **Funding risks**: LXi's long-term leases support its long-term, fixed-rate debt funding, locking in a positive yield spread over funding costs. The currently low cost of the variable rate RCF, providing flexible forward funding of pre-let developments during the construction phase, would increase if interest rates increase, but is capped at 2.95% and may be refinanced on completion.
- **Inflation risk**: LXi rents are substantially index linked, which provides investors with income protection against rising inflation. Fixed rents and collared rents provide an income floor if inflation is lower than expected. Only if inflation rises above c 4% would rent growth struggle to keep pace.
- **Management risk:** LXi is externally managed and is dependent upon the ability of its asset manager, Alvarium Fund Managers, to execute successfully on its strategy. The senior Alvarium team is highly experienced but relatively focused and the loss of any member would require a suitable replacement to be found.

Exhibit 14: Financial summary

Year to 31 March (£m)	2018	2019	2020	2021	2022e	2023e	2024e
INCOME STATEMENT				40.1	54.7	79.0	85.6
Cash rental income	7.7	18.6	33.1	34.4	47.3	75.0	84.2
IFRS rental adjustments	1.7	3.0	5.4	8.4	11.7	10.3	8.3
Total rental income	9.3	21.6	38.5	42.8	59.0	85.3	92.5
Administrative & other expenses	(2.4)	(3.5)	(6.6)	(5.9)	(9.7)	(12.1)	(12.6)
Operating profit before property & other valuation movements	6.9	18.0	31.9	36.9	49.3	73.1	79.9
Change in value of investment property	15.1	15.9	45.4	0.1	96.2	64.9	64.6
Gain/(loss) on disposal of investment property	0.1	3.3	1.2	6.3	0.3	0.0	0.0
Change in fair value of financial instruments	0.0	0.0	(0.1)	0.0	0.1	0.0	0.0
Operating profit	22.1	37.3	78.4	43.3	145.8	138.0	144.5
Net interest expense	(1.1)	(3.2)	(4.8)	(5.3)	(6.3)	(9.8)	(12.5)
Gain on refinancing				1.9			
Profit before tax	21.0	34.1	73.6	39.9	139.6	128.2	132.0
Tax	0.0	0.0	0.0	0.0	0.7	0.0	0.0
Net income	21.0	34.1	73.6	39.9	140.3	128.2	132.0
Adjust for:							
Change in value of investment property	(15.1)	(15.9)	(45.4)	(0.1)	(96.2)	(64.9)	(64.6)
Gain/(loss) on disposal of investment property	(0.1)	(3.3)	(1.2)	(6.3)	(0.3)	0.0	0.0
Change in fair value of financial instruments	0.0	0.0	0.1	0.0	(0.1)	0.0	0.0
EPRA earnings	5.8	14.9	27.1	33.5	43.7	63.3	67.4
License fees and amortisation of cash-bank rental top-ups/rent frees.	1.2	1.5	2.1	3.5	3.5	2.0	0.3
Adjusted earnings	7.0	16.4	30.5	39.2	51.1	67.3	68.8
IFRS rental & other adjustments	(1.7)	(3.0)	(5.4)	(10.3)	(11.7)	(10.3)	(8.3)
Adjusted cash earnings	5.3	13.3	25.1	28.9	39.4	57.0	60.5
Period-end number of shares (m)	196.9	352.3	521.4	621.8	911.6	911.6	911.6
Weighted average number of shares (m)	138.6	267.6	485.4	525.9	687.2	911.6	911.6
IFRS EPS (p)	15.1	12.8	15.2	7.6	20.4	14.1	14.5
EPRA EPS (p)	4.2	5.6	5.6	6.4	6.4	6.9	7.4
Adjusted EPS (p)	5.1	6.1	6.3	7.5	7.4	7.4	7.6
Adjusted cash EPS (p)	3.8	5.0	5.2	5.5	5.7	6.3	6.6
DPS declared (p)	4.0	5.5	5.8	5.6	6.0	6.3	6.6
Dividend cover (EPRA earnings basis)	0.74	0.99	0.98	1.10	1.11	1.10	1.12
Dividend cover (cash earnings basis)	0.68	0.89	0.91	0.95	1.00	0.99	1.01
BALANCE SHEET							
Investment property	255.2	511.5	809.7	887.5	1,547.4	1,751.7	1,850.3
Other non-current assets	0.0	0.0	0.0	0.4	0.0	0.0	0.0
Total non-current assets	255.2	511.5	809.7	887.9	1,547.4	1,751.7	1,850.3
Cash (unrestricted)	30.8	19.4	13.4	87.1	(16.1)	23.4	21.0
Restricted cash	17.9	43.2	0.0	0.0	4.0	4.0	4.0
Other current assets	6.9	5.9	10.6	15.1	37.8	44.6	47.0
Total current assets	55.6	68.5	24.0	102.2	25.7	72.0	72.0
Trade & other payables	(5.2)	(9.0)	(16.1)	(18.3)	(14.4)	(14.4)	(14.4)
Other non-current liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total current liabilities	(5.2)	(9.0)	(16.1)	(18.3)	(14.4)	(14.4)	(14.4)
Bank borrowings	(93.5)	(167.3)	(166.1)	(186.6)	(244.0)	(420.0)	(446.0)
Other non-current liabilities	0.0	0.0	(3.5)	(3.8)	(12.0)	(12.0)	(12.0)
Total non-current liabilities	(93.5)	(167.3)	(169.6)	(190.4)	(256.0)	(432.0)	(458.0)
Net assets	212.0	403.7	648.0	781.4	1,302.7	1,377.3	1,449.9
EPRA net tangible assets (NTA)	212.0	403.7	648.1	781.4	1,302.7	1,377.3	1,449.9
EPRA NTA per share (p)	107.7	114.6	124.3	125.7	142.9	151.1	159.0
EPRA NTA total return (inc DPS paid)	11.9%	12.1%	13.4%	5.6%	18.4%	10.1%	9.6%
CASH FLOW							
Net cash flow from operating activity	2.7	19.5	25.8	28.9	28.9	56.0	69.2
Acquisition of investment property	(238.5)	(288.0)	(260.1)	(160.5)	(569.2)	(128.8)	(25.6)
Proceeds from sale of investment property	0.7	54.7	20.9	96.0	26.6	0.0	0.0
Other investment activity	0.0	0.1	0.4	0.0	0.0	0.0	0.0
Net cash flow from investing activity	(237.7)	(233.2)	(238.8)	(64.5)	(542.6)	(128.8)	(25.6)
Net proceeds from equity issuance	195.0	171.8	195.7	122.3	398.2	0.0	0.0
Dividends paid	(3.5)	(14.2)	(25.0)	(28.8)	(37.9)	(53.6)	(59.5)
Interest paid	(1.3)	(3.6)	(4.7)	(5.9)	(6.3)	(9.2)	(11.5)
Net debt drawn/(repaid)	77.1	49.7	43.2	22.3	57.4	175.0	25.0
Other cash flow from financing activity	(4.3)	(21.0)	(28.0)	(29.5)	(29.7)	(56.0)	(69.2)
Net cash flow from financing activity	265.8	202.3	207.0	109.3	410.6	112.2	(46.0)
Change in cash	30.8	(11.4)	(6.0)	73.7	(103.2)	39.5	(2.4)
Opening cash	0.0	30.8	19.4	13.4	87.1	(16.1)	23.4
Closing cash	30.8	19.4	13.4	87.1	(16.1)	23.4	21.0
Balance sheet debt	(93.5)	(167.3)	(166.1)	(186.6)	(244.0)	(420.0)	(446.0)
Unamortised loan costs	(1.5)	(2.7)	(3.9)	(5.7)	(5.7)	(4.7)	(3.7)
Net debt	(64.2)	(150.6)	(156.6)	(105.2)	(265.8)	(401.3)	(428.7)
'Pro forma' net LTV*	30.8%	41.9%	29.5%	22.8%	20.8%	24.8%	23.9%

Source: LXi REIT accounts, Edison Investment Research. Note: *Net LTV adjusted for capital commitments on forward funded assets.

Contact details	Revenue by geography
LXi REIT 6th. Floor 125 London Wall, London EC2Y 5AS Phone: +44 20 7195 1400 www.lxireit.com	

Leadership team

Non-executive chairman, LXi REIT: Cyrus Ardalan

Cyrus Ardalan is non-executive chairman of LXi REIT. He is a highly experienced international investment banker with well-established corporate governance expertise and successful credentials as chairman. His career in capital markets spans over 40 years during which he has held senior executive and non-executive roles at leading global banks. He is currently the chairman at OakNorth Bank and was previously non-executive director and chairman of a number of institutions, including Citigroup Global Markets, the International Finance Facility for Immunisation and the International Capital Markets Association. Cyrus spent 15 years at Barclays Bank as vice chairman overseeing a number of areas including the bank's Public Policy and Government Relations units. Prior to this, he held a range of senior positions at Paribas and The World Bank.

Partner and fund manager, investment adviser: John White

John White is a founding partner of the company's investment advisor, LXi REIT Advisors. He entered the commercial real estate market in 1987 and after qualifying as a chartered surveyor at Allsops moved to the investment team at Cushman & Wakefield. There he became a partner and spent the next 18 years advising a range of institutional investor clients on their UK acquisitions and disposals across the full range of real estate sub-sectors including retail (in and out of town), offices (London, Thames Valley and regional cities), logistics, and alternatives. John moved into private equity real estate in 2007 and co-founded Osprey Equity Partners in 2011 and LXi REIT Advisors in 2017.

Partner and fund manager, investment advisor: Simon Lee

Simon Lee is a founding partner of the company's investment advisor LXi REIT Advisors. He trained and practised as a solicitor at City law firm, Slaughter and May, from 1999 to 2006, following which he spent the next 10 years in private equity real estate, co-founding Osprey Equity Partners in 2011 and LXI REIT Advisors in 2017. Simon's role covers a wide range of areas, including formulating investment strategy, raising equity and debt finance, asset selection, and negotiating and implementing transactions with vendors, purchasers, developers, investors, lenders and joint venture partners.

CFO, investment advisor: Freddie Brooks

Freddie Brooks is CFO of the company's investment advisor, LXi REIT Advisors. He leads on all strategic financial matters including fund reporting, budgeting and forecasting, treasury management and the monitoring of internal controls. Freddie is both a qualified chartered accountant and chartered surveyor (property finance & investment pathway). He has significant experience in the property sector and previously worked advising similar businesses at BDO, the number one audit firm and adviser to UK REITs, as well with private property funds, developers and contractors.

Major shareholders (Source: Refinitiv 22 March 2022)	(%)
Columbia Threadneedle Investments	4.89%
Quilter Investors.	3.98%
Baillie Gifford	3.18%
BMO Global Asset Management	3.16%
J.M. Finn & Co	2.66%
EFG Bank	2.57%

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