

VIP<sub>plc</sub>

**VALUE AND INDEXED PROPERTY INCOME TRUST PLC**  
**Annual General Meeting**

11 July 2024

Long, strong, indexed property income



- **Overview**
- **Portfolio update** (All data 10 July 2024 unless otherwise stated)
- **Market update**

# Overview

- VIP is a direct property investment trust
- Long, strong indexed property income streams – 100% indexed
- Specialises in smaller lot sizes where market less efficient and more liquid
- Single let properties on full repairing and insuring leases – all EPCS A - C
- Strategic insight and decisive action as property subsectors change
- Speed of purchases and sales compared to competitors
- Managed by OLIM Property Limited – Matthew Oakeshott, Louise Cleary and Sarah Martin with long standing advisers

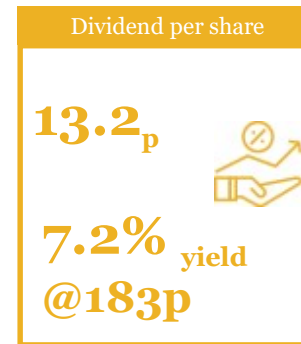
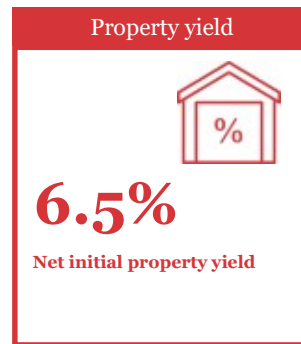
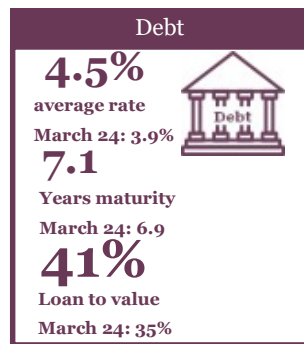
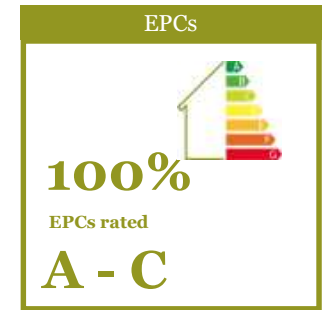
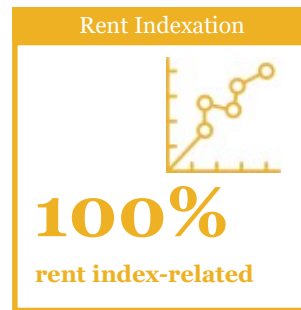
# Portfolio update – All data 10 July 2024

# 50%

Income from top 5 tenants



## Long, strong, indexed property income



At 10 July 2024

# Portfolio

Portfolio	10 July 2024	31 March 2024
Capital Value	£129.5m	£138.1m*
Income (Rent collected 100%)	£8.97m	£9.67m
Running Yield	6.9%	7.0%
Number of Properties	32	35
Number of Tenancies (Portfolio 100% let)	35	38
Index-related Income	100%	96%
WAULT**	12.3 Years	11.6 Years
Sales (since 31 March 2024)	£9.1 million (3 properties) +5.5% over valuation Net sale yield 6.8%	

\* Savills Valuation

\*\* Weighted average unexpired lease term to the first break

## New loan – completed 5<sup>th</sup> July

- Additional £15 million loan drawn down until March 2033
- 95% fixed at 6.37% and 5% floating – effective interest rate on new loan 6.4%
- Average interest rate now 4.5% on £65 million loan total
- Average maturity of loan 7.1 years (from 6.9 years)
- Loan to value ratio now 41% (from 35%)
- £15 million loan from another lender expires on 31 March 2026

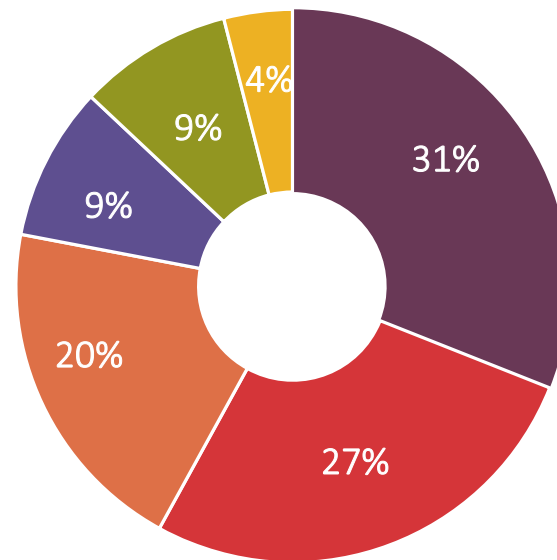


## Top 10 properties by capital value 10 July 2024

Property	Tenant	Sector	% of Portfolio by Capital Value
Dover	Park Resorts	Caravan Park	8%
Newport Isle of Wight	Marks and Spencer	Supermarket	7%
Rayleigh	Marks and Spencer	Supermarket	7%
Coventry (Crosspoint)	Tenpin, Pizza Hut & Starbucks	Bowling	6%
Garstang	Sainsbury's	Supermarket	6%
Alnwick	Premier Inn	Hotel	5%
Aylesford	Kier	Industrial / Warehouse	5%
Brentwood	Virgin Active	Health Club	5%
Catterick	Premier Inn	Hotel	5%
Milton Keynes	Winterbotham Darby	Industrial	4%
<b>Total</b> Average lot size across whole portfolio £4.0m			<b>58%</b>

# Capital Value % by sector weighting 10 July 2024

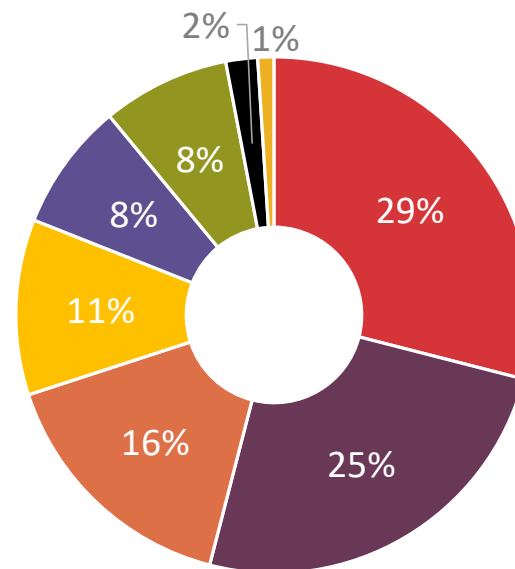
- Supermarkets - 31% (March 29%)
- Industrial / Warehouse - 27% (March 28%)
- Bowling & Health Club - 20% (March 19%)
- Hotels - 9% (March 9%)
- Other (Caravan Park & Library) - 9% (March 9%)
- Pubs - 4% (March 6%)



# Capital value % by region

10 July 2024

- South East - 29% (March 30%)
- North - 25% (March 24%)
- East Anglia - 16% (March 16%)
- Midlands - 11% (March 11%)
- South West - 8% (March 7%)
- Scotland - 8% (March 7%)
- London - 2% (March 4%)
- Wales - 1% (March 1%)



# Rent review pattern

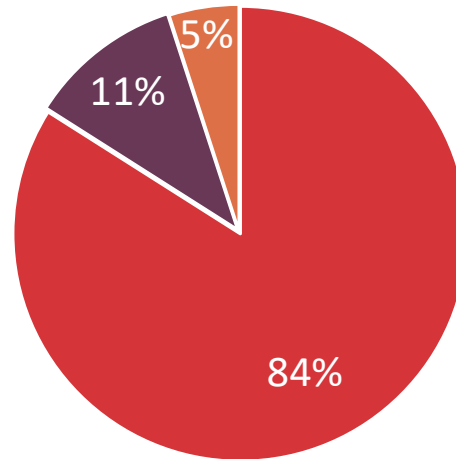
10 July 2024

**100% of income is now index-related**

■ Retail Price Index - 84%  
(26 Tenancies)

■ Consumer Price Index - 11%  
(5 Tenancies)

■ Fixed Increases - 5%  
(4 Tenancies)



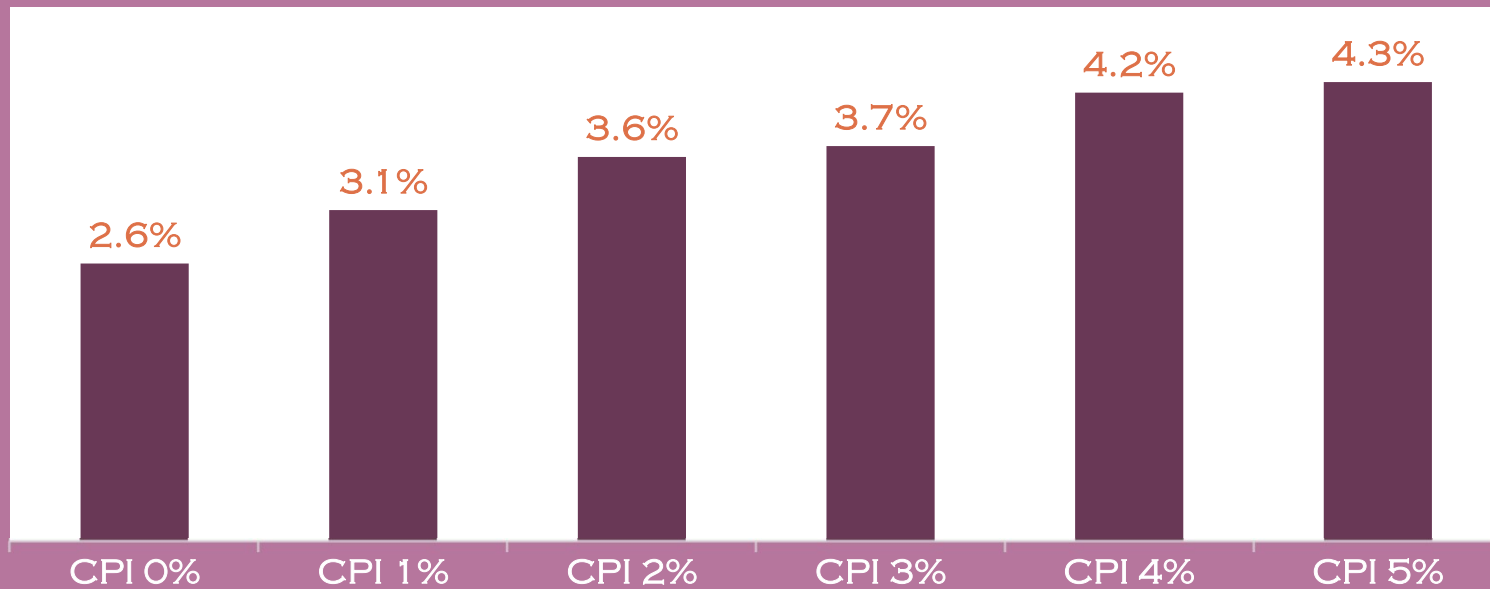
**5 rent increases since 31 March:  
+£221,000  
+15.2%**

## Lease extension – M&S, Newport

- Lease extended by 9 years
- Rent reviews changed from annual 1.95% increases to annual RPI-linked rent increases -minimum 1% p.a. and maximum 3% p.a.
- Rent reduced by 32% - no longer over-rented

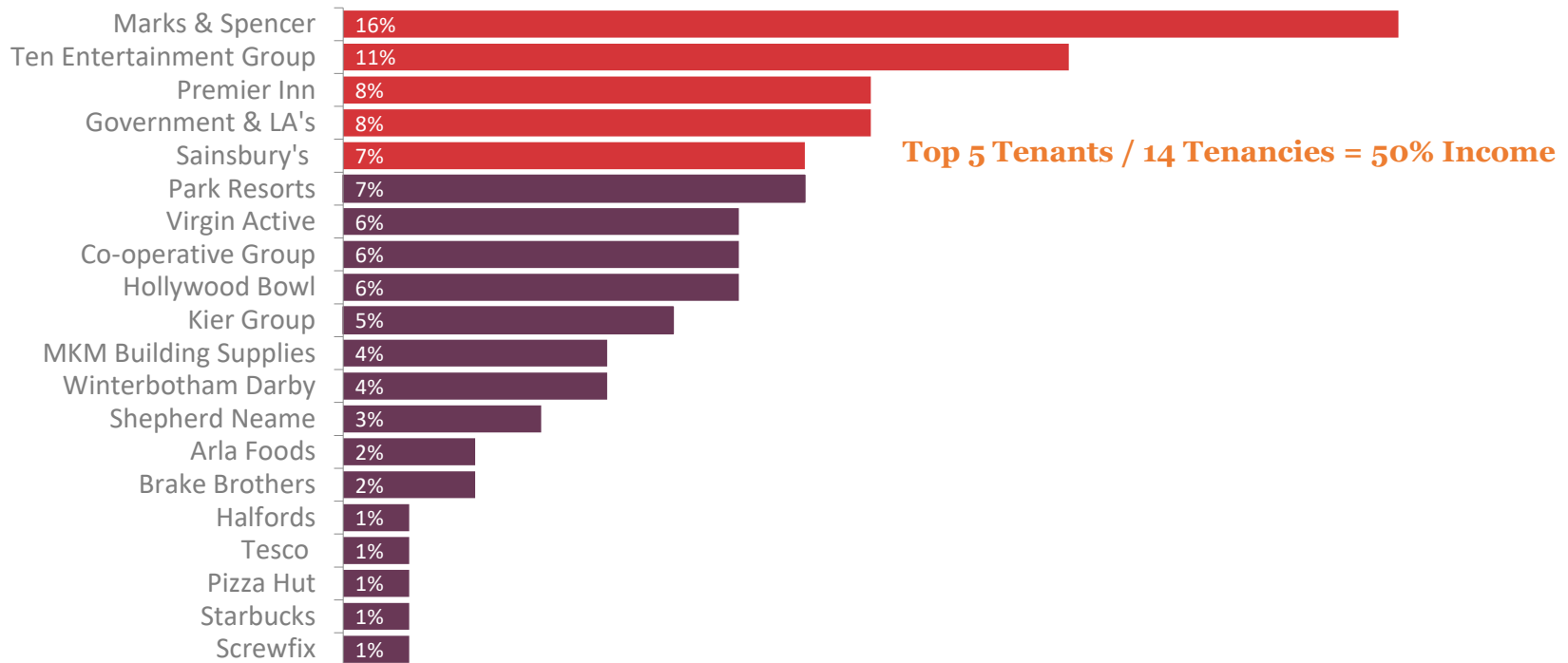


# Impact of inflation on annual rental growth over five years



Annual portfolio rental income growth assuming cpi increases 0% - 5% p.a.

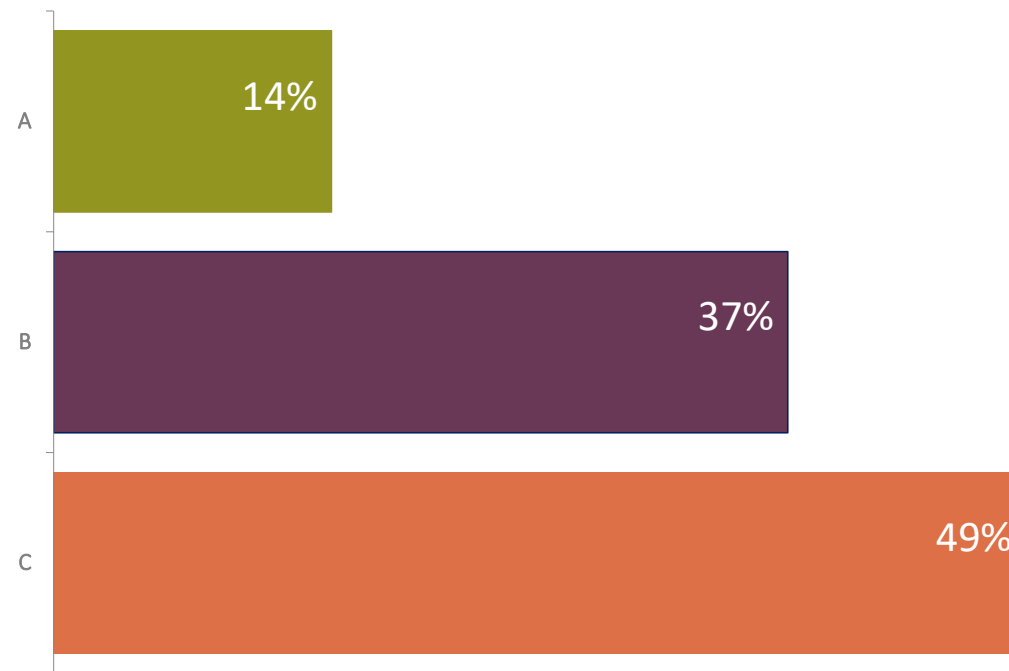
# Contracted income by tenant % 10 July 2024



# Energy performance certificates

## EPCs - 100% A-C

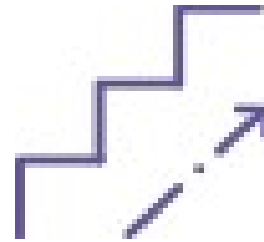
10 July 2024





## Annual dividend growth

**6.6%** P.A.



**37-year track record of dividend  
increases (RPI 3.7% P.A.)  
One of AIC's "Dividend Heroes"**

*As at March 2024*



VIP's safe, long let indexed property portfolio well placed for income and capital growth



Firmly on the right side of structural change – no offices or high street retail



100% let and 100% income producing



Strong tenants on long index-linked leases with sustainable rents and buildings in prosperous locations



Over past 5 years VIP's property return was 3.4% p.a. (MSCI UK Quarterly Property Index 0.7% p.a.) and over 37 years 11.0% p.a. (MSCI 7.7% p.a.)

# New Purchases

**Brentwood (Health Club)**



**Ashford (Bowling)**



**Peterborough (Bowling)**



**£11.85 million - net purchase yield 7.8%  
now 8.7%**

# Market update

# Undervalued UK Index-Related Income

Sector	June 2022 to June 2024	December 2023 to June 2024
Retail	-19%	+1%
Office	-29%	-3%
Industrial	-25%	+1%
Alternatives	-16%	0%
<b>All Property</b>	<b>-23%</b>	<b>0%</b>

**Market down by 23% from peak – now stabilised.**

**Offices have further to fall – but VIP’s sectors bottoming out.**

**VIP portfolio offers safe index-related yields at c 6% above index-linked gilts.**

**“Safe Haven” re-rating for undervalued UK real assets?**

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