



# Value and Indexed Property Income Trust PLC

## Monthly Factsheet January 2021

PLEASE NOTE - At a General Meeting of the Company held on 7 January 2021, Shareholders approved the Company's new objective and investment policy and the revised objective and investment policy are reflected in this factsheet. Shareholders also approved an amendment to the Company's Articles of Association and the updated Articles can be found on the Company's website, hosted by the Investment Managers at <https://www.olim.co.uk/investment-products/value-and-indexed-property-income-trust/>.

### KEY FACTS

Market Capitalisation	£98.3m
Total Assets (cum income)	£187.4m
Net Assets (cum income, debt at par)	£115.4m
Net Gearing (debt at par)	24%
Net Yield	5.5%
Five Year Average Annual Dividend Growth	6.1%
Year End	March
Dividends Paid	Jan, April, July, Oct
Ticker	VIP.L, VIP LN
ISIN	GB0008484718
AIC Sector	UK Equity Income
Next AGM	July 2021

### INVESTMENT POLICY & AIMS

**Value and Indexed Property Income Trust's ("VIP")** policy is to invest in directly held UK commercial property, property backed securities listed on the London Stock Exchange and cash or near cash securities. VIP will not normally invest in overseas property or securities or unquoted companies. UK directly held property will usually account for at least 80% of the total portfolio but it may fall below that level if relative market levels and investment value, or a desired increase in cash or near cash securities, make it appropriate. The Company aims to achieve long term real growth in dividends and capital value without undue risk.

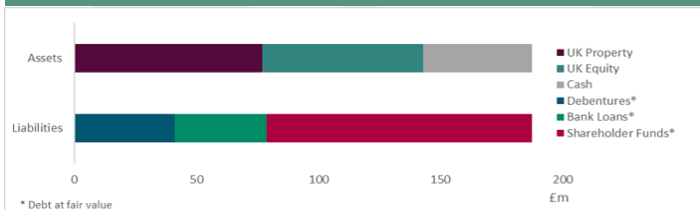
### CHARGES

Annual Management Charges	0.6%
OCR to 24/4/20	5.1%
OCR to 24/4/20 excluding debt costs	2.1%

### KEY STATISTICS

Share Price	222.0p
NAV (cum income, debt at par)	260.5p
Discount (debt at par)	14.8%
NAV (cum income, debt at fair value)	245.7p
Discount (debt at fair value)	9.6%

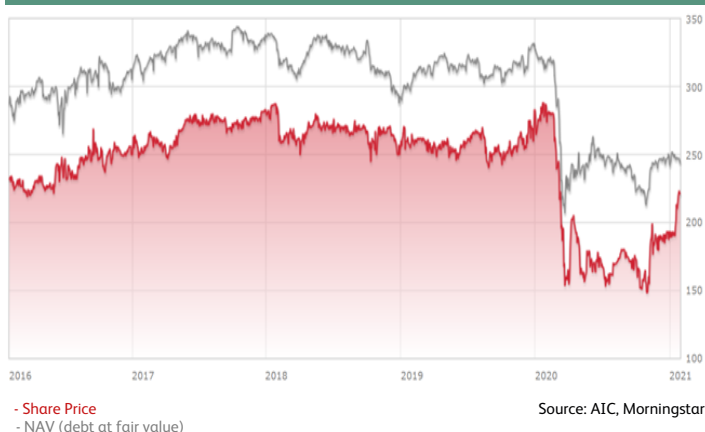
### DISTRIBUTION OF ASSETS & LIABILITIES



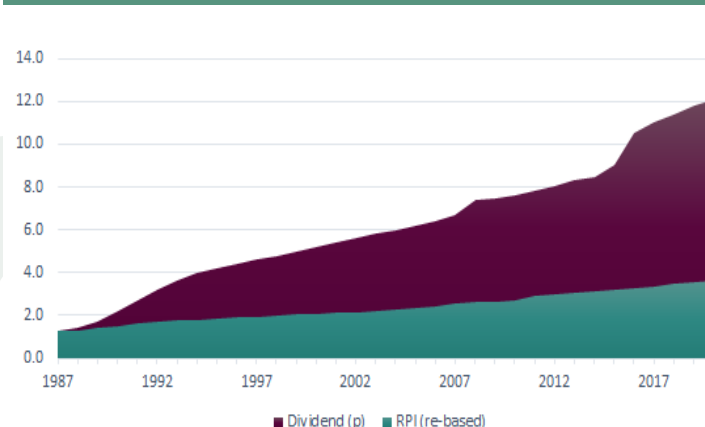
### BENCHMARK

The fund is actively managed and is benchmarked against the FTSE All Share Index. The benchmark is a target that the fund seeks to outperform. The index has been chosen as the fund's target benchmark as it best reflects the scope of the fund's investment policy. The benchmark is used solely to measure the fund's performance and does not constrain the fund's portfolio construction.

### SHARE PRICE / NAV PERFORMANCE



### DIVIDEND HISTORY



### CUMULATIVE PERFORMANCE

To 31/01/2021	1 Yr	3 Yr	5 Yr	10 Yr
Total Shareholder Return	-16.7%	-8.6%	23.1%	81.8%
NAV Total Return	-17.8%	-14.7%	4.5%	52.7%
FTSE All Share Index Total Return	-7.5%	-1.6%	31.5%	71.4%

Source: AIC, Morningstar

### DISCRETE PERFORMANCE

	Year to 31/01/17	Year to 31/01/18	Year to 31/01/19	Year to 31/01/20	Year to 31/01/21
Share Price Total Return	14.2%	17.9%	-2.9%	13.0%	-16.7%
NAV Total Return	10.3%	11.1%	-3.9%	7.9%	-17.8%
FTSE All Share Index Total Return	20.1%	11.3%	-3.8%	10.7%	-7.5%

Source: AIC, Morningstar



**Louise Cleary**  
 louise.cleary@olimproperty.co.uk  
 +44 (0) 20 7647 6701

**OLIM**  
 Property



**Patrick Harrington**  
 patrick.harrington@olim.co.uk  
 +44 (0) 20 7367 5660

**OLIM**  
 Investment Managers

## PROPERTY COMMENTARY

**VIP Property Portfolio:** Specialises in commercial properties with long, index-related income streams to deliver strong, long-term real returns.

**VIP Property Portfolio Total Returns:** Between 8% and 12% a year over the past 3, 5, 10, 20 and 33 years and are above the MSCI averages over all these periods. Over the six months to end September 2020 the Property Portfolio gave a Total Return of -1.9%, in line with the MSCI Quarterly Index, after all costs.

**VIP Property Portfolio Valued Independently as at 30 September 2020:** £72,825,000.

**Purchases Since October 2020:** In November - £4.75m freehold purchase of a multi-purpose driving test centre in Quedgeley, Gloucester let to H.M. Government on a long RPI-linked lease and in January 2021 - £1.47m freehold index-linked purchase of a supermarket in Scotland let to Co-operative Group Food Ltd.

**Sales:** Manchester Buzz Bingo sold in January 2021 at a net sale yield of 6.1%, 16% above end September 2020 valuation.

**Rent Reviews:** 10 index-linked reviews completed since March and 1 open market rent review.

**All 30 Properties and 32 Tenancies:** Let on full repairing and insuring leases (tenants are responsible for repair, maintenance and outgoing), with upwards only rent reviews and a weighted average unexpired lease term of 17 years (15 years if the tenants' break options are exercised).

**Contracted Index-related income:** 90%.

**COVID-19 and Rent Collection:** It continues to be a challenging period for rent collection in some property sectors. VIP benefitted from owning no offices, shops, retail warehouses or shopping centres and by continuing close contact with all the tenants. For the December quarter to end of January 74% of contracted rent collected, plus 7% paying monthly. 18% granted rent free in return for lease extensions on 8 properties of an additional 5 years, with 2% of rents in negotiations for a payment plan.

## EQUITY COMMENTARY

**January was a more subdued month** for equities with share prices falling back after the strong final quarter of 2020. Although there is much optimism surrounding the UK's speedy vaccine rollout, some new variants of the virus may well be resistant to the vaccines, which has led to fears that lockdown measures and social distancing may have to continue for longer than previously thought with inevitable economic consequences.

**The new Brexit trading arrangements** came into force with a few teething issues, but goods have generally flowed smoothly between the UK and Europe.

**VIP's equity portfolio** was a little behind the market in January. Asset allocation between sectors was positive, but stock selection was a little more negative. The underweight position in Banks was beneficial but the overweight position in Life Assurance was negative. The portfolio's Life Assurance holdings fell back after previous strength with M&G and Prudential both falling by over 10%. This was partially offset by a recovery in the Devro share price which rose by 11% in the month.

**We continued to sell down the equity portfolio** to help fund the pipeline of property purchases.

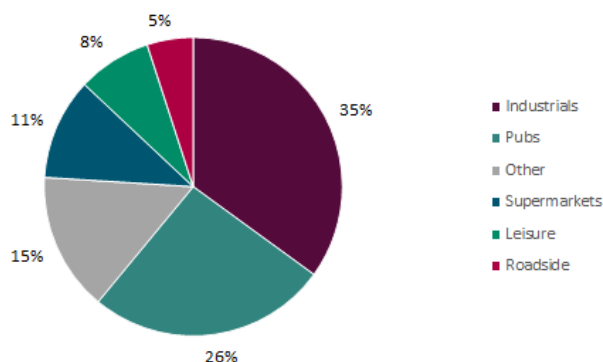
## TOP 10 HOLDINGS - PROPERTY PORTFOLIO

Holiday Park, Dover (Caravan Park)	12%
Aylesford (Industrial)	7%
Milton Keynes (Industrial)	7%
Gloucester (Industrial)	6%
Fareham (Industrial)	6%
Aberdeen (Industrial)	4%
Kirriemuir (Supermarket)	4%
Stafford (Leisure)	4%
London (Pub)	4%
Thetford (Industrial)	3%

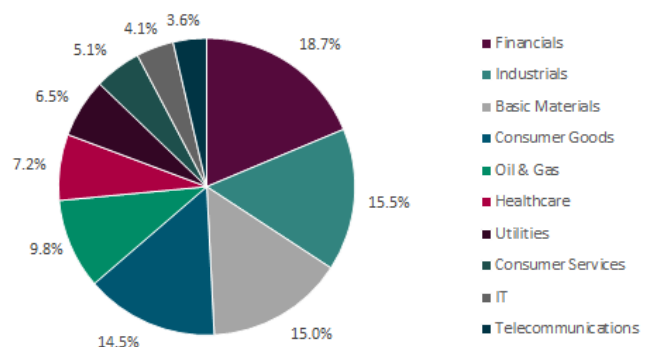
## TOP 10 HOLDINGS - EQUITY PORTFOLIO

GlaxoSmithKline	7.2%
Unilever	6.4%
BHP Group	6.0%
Legal & General	5.7%
Royal Dutch Shell	5.2%
Rio Tinto	5.0%
BP	4.6%
Spectris	4.6%
Rotork	4.3%
Phoenix Group	4.2%

## PROPERTY SECTOR ALLOCATION



## EQUITY SECTOR ALLOCATION



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Please remember past performance is not a reliable indicator of future results. The value of shares and the income from them can go down as well as up as a result of market and currency fluctuations. You may not get back the amount you invest. Before any investment in Value and Indexed Property Income Trust plc (the "Company"), you should obtain and review the current Key Information Document (KID) and Investor Disclosure Document for the Company which is available at: <https://www.olimproperty.co.uk/services.html> and <https://www.olim.co.uk/investment-products/value-and-indexed-property-income-trust/>. Nothing in this factsheet should be considered to be or relied upon as constituting investment advice or an investment recommendation. If you are unsure about the suitability of an investment, you should contact your financial advisor. Certain risks: External factors may cause an entire asset class to decline in value and values of all shares or property may decline at the same time, or fluctuate in response to general market conditions. The Company may utilise gearing (borrowing) which will exaggerate market movements both up and down and so may magnify gains or losses. The Company may have investments concentrated in a limited number of companies and/or properties which can be more risky than holding a wider range of investments. The Company has significant exposure to property investments. These assets may be difficult to buy or sell, so changes in their price may be greater. The Company can buy-back its own shares, which can have the effect of increasing gearing. The information and opinions in this factsheet are subject to change. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions or projections contained herein. To the fullest extent permitted by law the Company, Value and Indexed Property Income Services Limited and their respective representatives shall not have any responsibility or liability whatsoever (for negligence or otherwise) for any loss howsoever arising from any use of this factsheet or its contents or otherwise arising in connection with this document. Company information, including performance calculations and other data is provided by BNP Paribas Securities Services unless otherwise stated. The ongoing charges ratio (OCR) includes the annual management charge and all other operating expenses. Issued and approved by Value and Indexed Property Income Services Limited (No: 467598), registered in Scotland with registered office at Kintyre House, 205 West George Street, Glasgow G2 2LW. Authorised and regulated by the Financial Conduct Authority.