

Fund managers



Karen Fox



Richard Peacock

Key facts

Fund launch	28 March 2014
Share class launch	28 March 2014
Sector	Investment Association UK Direct Property
Ongoing charge	0.70%
Fund structure	Non-UCITS Retail Scheme OEIC with a feeder fund in the form of an Authorised Unit Trust
Investment manager	Aegon Asset Management UK plc
SEDOL	BK6MJB3
ISIN	GB00BK6MJB36
Monthly income payment dates	Last calendar day of each month
Valuation point	12 noon GMT
Fund base currency	GBP
Fund size	GBP 210 million
Number of properties	28
Historic yield	4.00%
Direct property yield	6.55%
Average weighted lease length	3.59 years to break 4.74 years to expire
Void rate (vacant properties)	20.52%

Source: Aegon Asset Management UK.

Ongoing charge based on actual expenses for the year ending 28/02/2021.

Number of holdings represents physical holdings only.

On 20 December 2018 the fund pricing was adjusted from creation basis to cancellation basis, so that the pricing methodology reflects the cost of selling assets; this price swing negatively impacted fund performance for 2018. For full details and information on the current pricing of the fund please see www.aegonam.com/en/strategies-funds-property/property-income-fund/

Status of fund

On 9 July Aegon AM ('we/us') confirmed that the Aegon Property Income Fund and the Aegon Property Income Feeder funds would close on 9 August 2021. On closure we have initiated the process of making the first pro-rata distribution to shareholders, representing 44% of holdings, which was paid on 12 August 2021. This is in line with the formal notice announcing the funds' closure which was issued to shareholders on 9 July 2021. Further information can be found on the [fund page on our website](#).

Fund objective

The investment objective is to carry on property investment business and to manage cash raised from investors for investment in the property investment business. In doing so, the fund aims to provide income with potential for capital growth through investment mainly in commercial property.

Performance

Investors are invited to compare the fund's performance against the performance of other funds within the Investment Association UK Direct Property Sector. Comparison of the fund against this sector will give investors an indication of how the fund is performing compared with funds investing in a similar but not identical investment universe. The comparison should be performed over at least a seven year period (or period since inception) to provide the most useful long-term comparison.

Performance (to 30 September 2021)

	1 month	3 months	6 months	Year to date	Since launch
Share class (%)	0.05	-1.16	-5.39	-7.71	6.44
Sector (%)	0.65	2.11	3.71	3.45	29.39
Quartile	4	4	4	4	3

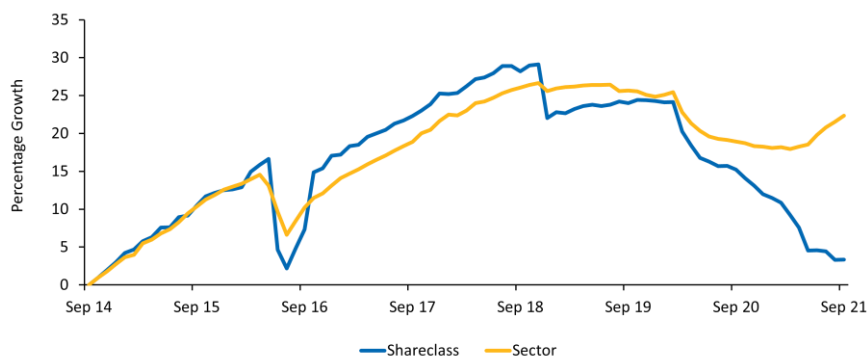
Cumulative performance (to 30 September 2021)

	1 year	3 years	5 years	7 years	10 years
Share class (%)	-10.30	-19.37	-3.69	3.35	n/a
Sector (%)	2.87	-2.95	10.99	22.33	n/a
Quartile	4	4	4	3	n/a

Discrete year performance

	30/09/2021	30/09/2020	30/09/2019	30/09/2018	30/09/2017
Share class (%)	-10.30	-7.07	-3.27	4.81	13.97
Sector (%)	2.87	-5.35	-0.33	6.01	7.88
Quartile	4	3	3	4	1

Cumulative seven-year performance



Source: Aegon Asset Management UK. NAV to NAV, noon prices, income reinvested, net of ongoing charges, excluding entry or exit charges. Sector average source: Lipper. The Investment Association Sector includes both PAIFs and Feeders in its calculations. Past performance is not a guide to future returns.

Asset allocation (%)

Property	92.5
Equities	0.0
Net current assets*	7.5
Total	100.0

Top 5 tenants by rental income

NHS Property Services Ltd
British Telecommunications plc
Next Holdings Limited
Premier Inn Hotels Limited
Tyneside Transport Services

Top 10 properties by capital value

LEEDS - 2 City Walk
ORPINGTON - Central Court
SHEFFIELD - Fountain Precinct
SHEFFIELD - The Balance
BIRMINGHAM - 22 Gas Street
CRAWLEY - The Martletts
STEVENAGE - Units 40/98 Queensway
REDHILL – Kingsgate
MANCHESTER – 39 Deansgate
NEWCASTLE UPON TYNE – The Newburn Riverside Offices Phase 1A

Direct property sector breakdown (%)

Offices	67.9
Retail	18.1
Leisure	7.7
Industrial	3.5
Retail Warehouses	2.8
Total	100.0

Direct property geographical breakdown (%)

South East	28.9
Yorks and Humberside	25.4
West Midlands	9.7
South West	8.1
North West	7.7
North East	7.6
Scotland	6.7
Wales	4.9
London WE	0.9
Total	100.0

Source for property and tenant breakdowns: CBRE.

*Net current assets include cash and short-term assets and liabilities within the fund.

Portfolio activity

Properties sold in September 2021	3
Properties remaining	28
Liquidity at start of period	4.8%
Liquidity at end of period	7.5%

The Fund's main focus is to continue to raise liquidity to return to investors following the closure of the fund. Since the end of September, one further asset has completed, increasing liquidity to 8.45%, with a further asset exchanged and two under offer, all totalling £7.65m. In addition, 5 assets are in the market, and 4 are close to being marketed for sale. The combine value of these assets is c.£65m.

Asset management remains a key element of the fund and continues throughout the closure period. Asset management protects and enhances income which will be of benefit in the sales process. During the month, we have 16 lettings completed or under offer in both the office and retail sector which will add a further c.£1.5m pa rental income to the portfolio after rent free. One notable completion was a new 15 year lease to a supermarket in Crawley town centre.

Karen Fox

Fund Manager

8 October 2021

Contacts

 www.aegonam.com/propertyincomefund

 wholesaleclientmanagement@aegonam.com

 [@aegonamuk](https://twitter.com/aegonamuk)

 www.linkedin.com/company/aegonam

Risk factors

Past performance is not a guide to future performance. The value of investments and the income from them may go down as well as up and is not guaranteed. Outcomes, including the payment of income, are not guaranteed.

Whilst property valuations are conducted by an independent expert, any such valuation is a matter of the valuer's opinion. The spread between the price to buy and sell is likely to be wider than for other less specialist funds and may vary. There is no guarantee that investments in property will increase in value or that rental growth will take place. There is a risk that a property held in the Fund's portfolio could default on its rental payments. There is the possibility that a portion of the portfolio will be held in cash if the supply of new investment opportunities is limited which, if the situation persists, may restrict the performance of the Fund. We reserve the right to change the pricing basis of the funds and any change will mean an increase or decrease in the price at which you may deal.

The Aegon Property Income Fund invests in assets that may at time be hard to sell. This means that there may be occasions when you experience a delay or receive less than you might otherwise expect when selling your investment. For more information on risks, see the prospectus and key information document.

References to tax are based on current regulations which may be subject to change. For clarification, please seek advice from your financial or tax adviser.

The direct property yield is the net initial yield of the direct property portfolio calculated as passing rent divided by property value plus assumed purchaser costs.

Yield Disclosure: All yields as at 1 October 2021. Yields may vary and are not guaranteed. "Yield" in this context is the Historic Yield which reflects distributions declared over the past twelve months as a percentage of the mid-market unit price, as at the date shown. It does not include any preliminary charge and investors may be subject to tax on their distributions. Please note the most recent monthly distribution is based on the estimated distribution rate.

Fund charges are deducted from capital which has the effect of increasing income distributions but constraining capital growth.

Please read the Key Investor Information, Supplementary Information Document and Application Form carefully, particularly the section on Risk Factors. The Key Investor Information, Prospectus and accounts are available on our website www.aegonam.com or by calling our investor helpdesk on 0800 358 3009 or in writing from Aegon Asset Management UK plc, Sunderland, SR43 4BR.

All data is sourced to Aegon Asset Management UK unless otherwise stated. The document is accurate at the time of writing but is subject to change without notice.

Data attributed to a third party ("3rd Party Data") is proprietary to that third party and/or other suppliers (the "Data Owner") and is used by Aegon Asset Management UK under licence. 3rd Party Data: (i) may not be copied or distributed; and (ii) is not warranted to be accurate, complete or timely. None of the Data Owner, Aegon Asset Management UK or any other person connected to, or from whom Aegon Asset Management sources, 3rd Party Data is liable for any losses or liabilities arising from use of 3rd Party Data.

Aegon Asset Management UK plc is authorised and regulated by the Financial Conduct Authority.

Adtrax: 3860707.1.