



LXi REIT plc is a real estate investment trust targeting attractive inflation-protected income and capital returns through a diversified portfolio of very long-let and index-linked UK property assets. The Company achieved admission to the premium listing segment of the Official List of the London Stock Exchange in February 2017

Investment advisor

- LXi REIT's Investment Advisor is LXi REIT Advisors Limited, which is owned by the principals of Osprey Equity Partners Limited. Osprey is 50% owned by LJ Partnership and has extensive expertise in the purchase and forward funding of commercial property assets let or pre-let on long, index-linked leases to institutional quality tenants across a wide range of sectors
- LJ Partnership was established in 2009 and has grown to become a substantial multi-family office and asset manager, managing US\$14 billion of assets, including US\$6.5 billion of real estate assets, for families, private individuals and institutions. It has over 250 employees and 11 offices in Europe, the US and Asia
- Annual fees paid to the Investment Advisor are highly competitive: annual fee of 0.75% based on market capitalisation (0.65% above £500 million); no performance fee

Investment objectives and strategy

- Acquiring UK commercial property assets let, or pre-let, on very long (typically 20 to 30 years to first break), inflation-linked leases to a wide range of strong tenant covenants across a diverse range of property sectors
- Investing in built assets and fixed-price forward funded developments, provided they are pre-let to an acceptable tenant and full planning permission is in place. LXi will not undertake any direct development activity nor assume direct development risk
- Each property should demonstrate strong residual land value
- Targeting a minimum annual dividend of 5 pence per ordinary share, starting from the financial period commencing 1 April 2018, with the potential to grow the dividend in absolute terms through fixed long term debt and upward-only inflation-protected long-term lease agreements. The Company is targeting a net total shareholder return of 8% plus per annum over the medium term

Portfolio statistics to date



5.94%

AVERAGE NIY



24 Years

WAULT



96%

INDEX-LINKED/FIXED UPLIFTS



17

STRONG TENANTS



8

PROPERTY SECTORS



25

SEPARATE PROPERTY ACQUISITIONS

Updates since IPO

- LXi REIT has fully deployed the net proceeds of its £138 million IPO and its £55 million debt facility since listing on 27 February 2017. The headline statistics for the acquired assets are:
 - Attractive average net initial property yield of 5.94%
 - A wide spread (over 300 basis points) between (i) the 2.93% per annum all-in fixed rate payable on the Company's new 12-year loan facility with Scottish Widows and (ii) the current average net initial property yield of 5.94%
 - Long weighted average unexpired lease term (WAULT) to first break of 24 years
 - 96% inflation-linked or fixed rental uplifts
 - 17 individually strong tenants, including Aldi, Costa, General Electric, Home Bargains, Motorpoint, Premier Inn, The Priory Group, Q-Park, SIG, specialist Housing Associations, Starbucks and Travelodge
 - Eight defensive and robust property sectors, including discount retail, budget hotels, car parks, industrial, supported living, automotive, care homes and restaurants/coffee shops, providing multi-sector diversification
 - Significant geographic diversification across 14 different counties in the UK
 - The properties have been acquired via 25 separate purchase transactions, with an average lot size of £7 million and a good mix of pre-let forward funding, forward commitment and built asset structures
 - Strong immediate pipeline of additional assets
- The Company entered into a new, 12-year, interest only, £55m (30% LTV) loan agreement with Scottish Widows at an all-in fixed rate of 2.93% pa, expiring in July 2029

Stephen Hubbard, Chairman of LXi REIT plc, commented: "We are very pleased with the Company's progress since listing on 27 February 2017. The quality, security, diversification and income yield of the Company's assets have met and, in many cases, exceeded our original expectations and will provide a strong platform for future growth"

Company overview

IPO	27 February 2017
Listing	LSE Main Market Premium listing
Index inclusion	FTSE AllShare
Ticker	LXI
ISIN	GB00BYQ46T41
SEDOL	BYQ46T4

Ordinary Share Class

Shares in issue	138,150,000
Share price (5 September 2017)	104p
Market cap	£144m
NAV at IPO	98p
Premium to NAV	+6%

Registered address

LXi REIT plc
Mermaid House, 2 Puddle Dock
London
EC4V 3DB

Board of Directors

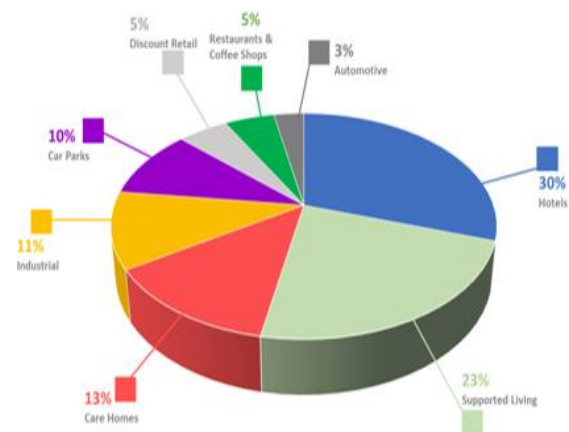
Stephen Hubbard (Chairman)
Jan Etherden
John Cartwright
Colin Smith OBE

Key dates

Interim period end 30 September
Full year end 31 March

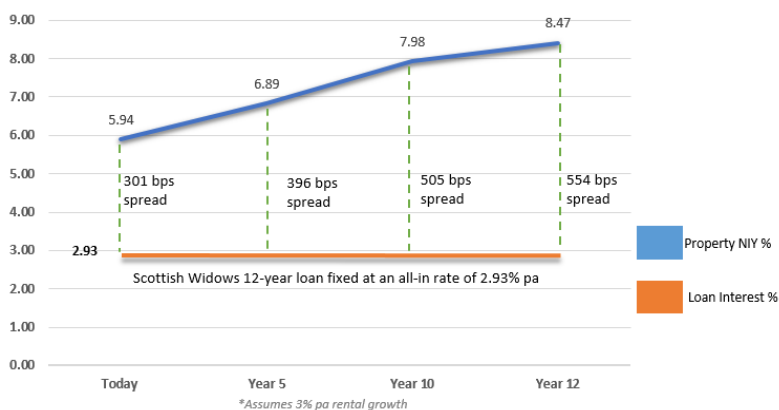
The Company's first annual results will be in respect of the period from incorporation to 31 March 2018

Multi-sector diversification



Net initial property yield versus fixed cost of Company's loan

Property NIY %



Geographic diversification

- General Electric – Cramlington, Northumberland
- Q-Park – Sheffield City Centre, Yorkshire
- Travelodge, Starbucks & Greggs – Melksham, Wiltshire
- Travelodge – Haverhill, Essex
- Cambridge Belfry Hotel – Cambourne, Cambridge
- Premier Inn & Beefeater – Whitley Bay, North Tyneside
- Aldi anchored retail park – Bradford, Yorkshire
- Travelodge, Starbucks & Subway – Swindon, Wiltshire
- SIG Trading Limited – Carlisle, Cumbria
- Priory Care Home – Leeds, Yorkshire
- Supported Living – Kent
- Supported Living – West Sussex
- Supported Living – Gloucestershire
- Travelodge – Ipswich, Suffolk
- Travelodge, Costa and KFC – Camborne, Cornwall
- Premier Inn – Middlesbrough, Yorkshire
- Priory Care Home – Co. Armagh, Northern Ireland
- Priory Care Home – Newtownabbey, Northern Ireland
- Supported Living – Lancashire
- Supported Living – Merseyside
- Supported Living – Yorkshire
- Motorpoint – Lancashire

Wide range of financially strong tenants

Tenants	% (NAV)
Housing Associations (multiple tenants)	23
Travelodge	14
The Priory Group	13
Q-Park	11
QHotels	10
Premier Inn	7
General Electric	6
SIG	5
Aldi	3
Motorpoint	3
Starbucks	2
Home Bargains	2
Heron Foods	1
KFC	0.6
Costa Coffee	0.4
Subway	0.3
Greggs	0.2



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