LXi REIT
Long Indexed Income

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.

Fact Sheet
December 2017

Q4

www.lxireit.com

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

105p NAV	**7.2%** NAV growth	**6.0%** Average NIY	**97%** Index-linked rent
24 years WAULT to first break	**19** Strong tenants	**8** Property sectors	**£241m** Capital deployed




FINANCIAL HIGHLIGHTS

Updates since September 2017

- NAV per share increased to 105.01p as at 30 September 2017, an increase of 7.15% from IPO in February 2017
- Portfolio independently valued on 30 September 2017 at £159,915,000, representing an increase of c.8.5% above aggregate acquisition price (excluding acquisition costs)
- Asset value growth reflects: (i) discount achieved on forward funding pre-let developments in small lot sizes, (ii) early mover advantage in growth sectors, (iii) yield compression in wider long-lease sector and (iv) off-market nature of vast majority of Company's acquisitions
- Further asset value growth potential for assets, including forward fundings, acquired after 30 September
- Profit before tax for the period of £9,683,912
- Interim dividend of 1.0p per share in respect of the period from IPO to 30 September 2017 to be paid on 29 December 2017, with payments made on a quarterly basis thereafter
- Company is on track to pay a minimum total dividend of 3.0p per share for the period from IPO until 31 March 2018 and a minimum total dividend of 5.0p per share for the period from 1 April 2018 until 31 March 2019, in line with the Company's stated target at launch
- Additional £60.2 million of gross proceeds raised on 12 October 2017 pursuant to a Placing of new shares at an issue price of 102.5p per share ('Second Issue')
- Market capitalisation now exceeds £200 million
- Company has received credit approval for a second, long-term debt facility with Scottish Widows on very similar terms to its first loan (1.55% pa margin; expiring in July 2029). This facility is expected to legally complete in December and will be used to fund further acquisitions which are within the Company's immediate pipeline. The Company's loan-to-value ratio, aggregating this new facility and the Company's existing loan, will be below its target ratio of 35%

OPERATIONAL HIGHLIGHTS

LXi has now fully deployed the net proceeds of its Second Issue. The headline statistics for the Company's current total portfolio acquired since IPO are:

- £241 million of equity and debt capital deployed (excluding acquisition costs)
- Attractive average net initial property yield of 6.0%
- Long weighted average unexpired lease term ('WAULT') to first break of 24 years
- 97% of the income is index-linked or contains fixed uplifts
- Assets are diversified across eight defensive and robust sectors: hotels (25%), supported living (24%), care homes (22%), industrial (8%), car parks (8%), discount retail (6%), leisure (4%) and automotive (3%)
- Rental income is secured against 19 strong tenants, including Aldi, Costa Coffee, General Electric, Home Bargains, Lidl, Motorpoint, Premier Inn, Prime Life, The Priory Group, Q-Park, SIG, Specialist Housing Associations, Starbucks and Travelodge
- Significant geographic diversification across 18 different counties in England and Northern Ireland
- The properties have been acquired, mainly off-market, via 30 separate purchase transactions, with an average lot size of £8 million and a good mix of pre-let forward funding, forward commitment and built asset structures

Stephen Hubbard, Chairman of LXi REIT, comments: "The Group has performed strongly since its IPO, effectively executing on its stated objectives and in many areas exceeding its original expectations. We are already delivering excellent returns to our shareholders through a secure, diversified and growing index-linked income stream as well as attractive capital appreciation from across our long-let portfolio, reflecting our Investment Advisor's disciplined and value-led approach to investments. We remain confident about driving further value for our shareholders in the second half of the financial year and beyond and fulfilling our longer-term ambitions."

COMPANY OVERVIEW

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

ORDINARY SHARE CLASS

Shares in issue	196,881,707
NAV	105.01p

KEY DETAILS

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

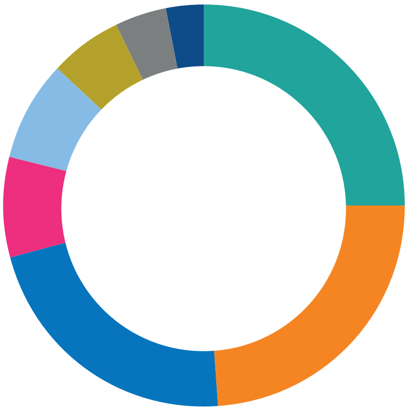
Full year end	31 March
The Company's first annual results will be in respect of the period from incorporation to 31 March 2018	
Publication date	December 2017

LXi REIT
Long Indexed Income

MULTI-SECTOR DIVERSIFICATION

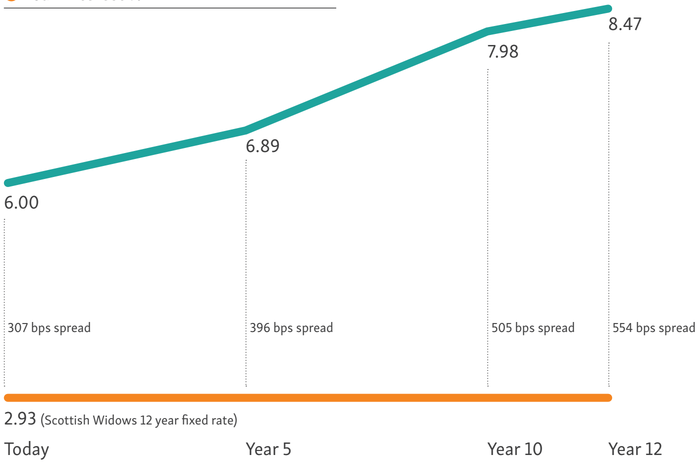
	% of portfolio valuation
Hotels	25%
Supported living	24%
Care homes	22%
Industrial	8%

	% of portfolio valuation
Car parks	8%
Discount retail	6%
Leisure	4%
Automotive	3%



NET INITIAL PROPERTY YIELD VERSUS FIXED COST OF COMPANY'S LOAN

- Property NIY%
- Loan interest %



Assumes 3% pa rental growth. There can be no assurance that the Company's portfolio will deliver the yield referred to in this graph.

WIDE RANGE OF FINANCIALLY STRONG TENANTS

	% of portfolio valuation
Housing Associations (multiple tenants)	24%
Prime Life	12%
Travelodge	11%
The Priory Group	10%
Q-Park	8%
QHotels	8%
Premier Inn	8%

	% of portfolio valuation
General Electric	5%
SIG	4%
Aldi	2%
Motorpoint	2%
Lidl	2%
Home Bargains	1%
Costa Coffee, KFC, Heron Foods, Subway, Starbucks and Greggs (combined)	3%

CONTACTS

Investment Advisor	LXi REIT Advisors Limited 9 Clifford Street, London W1S 2FT
John White	jw@lxireitadvisors.com
Simon Lee	sl@lxireitadvisors.com
Jamie Beale	jb@lxireitadvisors.com

MEDIA ENQUIRES

Newgate Communications	Telephone: +44 (0)20 7680 6550 Email: lxireit@newgatecomms.com

ADVISORS

Corporate Broker	Peel Hunt LLP
Company Secretary	PraxisIFM
Administrator	Langham Hall UK Services LLP
Depositary	Langham Hall UK Depositary LLP
Legal Advisors	Stephenson Harwood LLP
Auditor	BDO LLP
AIFM	LJ Capital Limited
Registrar	Link Asset Services