

# Darwin Leisure Property Fund

The Darwin Leisure Property Fund invests in a diversified portfolio of UK Holiday and Leisure Parks and provides long-term investors with exposure to the lucrative £3 billion UK Holiday Park industry.

At Darwin Alternatives we believe that client returns and overall risk mitigation should be at the forefront of any investment strategy. We are committed to providing alpha-driven investment solutions which provide long-term investors with stable absolute returns which can enhance capital and provide predictable levels of income.

The Darwin Leisure Property Fund launched in 2008 at a time when we recognised that the investment market was dominated by fund managers who were aiming to beat artificial benchmarks rather than provide real returns to their clients and that, ultimately, the main beneficiaries of benchmark-driven investments had been the fund managers themselves.

The Fund is now £410.4m\* in size and has a portfolio of 18\* holiday parks located around the UK which are operated by Darwin under the Darwin Escapes brand.

Our investment approach is to acquire parks that are operationally sound and cash generative and improve

these through our model of operational excellence, exploiting economies of scale. In some cases there may also be substantial gains to be made through changes in planning consent and park redevelopment, however this is not the primary reason for acquisition.

Over the last 15 years, Darwin has changed the face of the UK holiday park industry, transforming low-revenue tenting and touring sites into luxury lodge resorts and utilising strong management and economies of scale to increase profits at established holiday parks.

Our philosophy is to create holiday parks which are best in class, where we are setting new standards for the industry. This approach has so far proved successful, and the popularity of our holiday parks and our high quality offering means that we have been able to increase both the tariff for holiday rentals, and the site fees

\* As at 30 September 2023

# The Darwin Leisure Property Fund

The Darwin Leisure Property Fund offers investors diversification away from mainstream assets, including real estate, and a stable income stream.

The Darwin Leisure Property Fund provides:

- Predictable, stable, **long-term returns**.
- **Capital preservation and growth**.
- **Diversification** from traditional real estate portfolios and mainstream asset classes.
- **Security** through investing alongside some of the UK's largest institutional pension schemes.

Income is typically generated through:

- Annual site fees from owners of static caravans and lodges.
- Sales of lodges, static caravans and pitches to new owners and a flow of upgrade sales to existing owners.
- Holiday rentals of lodges, static caravans and touring and tenting pitches.
- On-site food, beverage and leisure operation revenues.

Where appropriate, capital growth can be achieved through:

- The transformation of sites from lower revenue tenting and touring parks to high value static caravan and lodge parks.

## Investment strategy

We apply a structured process to the acquisition, development and management of each of our parks in order to maximise their returns for the overall portfolio.

### Targeted acquisition of parks

We have a formal acquisition process, overseen by an Investment Committee, which evaluates potential purchases based on location, park attributes and opportunities for growth and development. The search for new parks is focused on those that can be easily incorporated into the portfolio and be earnings positive from the outset.

### Capital investment to improve facilities

We believe that by offering best-in-class facilities we can maximise the income revenues for the parks. Where necessary, we will improve and develop the infrastructure and leisure facilities to ensure that a park is offering the best possible amenities, which we believe will lead to an increase in rental and sales revenues, as well as income from food, beverage and leisure operations.

### Improved management of parks

Our acquisition process identifies parks which have not been managed to their full potential. In order to maximise revenues, we will utilise our specialist, experienced management team to improve their commerciality and incorporate the parks into the rest of the group to create economies of scale.

### The investor and customer virtuous circles

Our philosophy is simple – to create parks which are best in their class and drive strong, stable income returns and capital appreciation. This can only be achieved by creating parks that continually attract customers and provide them with outstanding holiday experiences.



*Keswick Reach Lodge Retreat, Cumbria*

# The Strategy in Practice

All of the holiday parks within the portfolio have benefitted from either a total transformation from touring park to 5\* lodge retreat or have been enhanced to ensure that they meet with the standards and expectations associated with the Darwin Escapes brand under which they operate. A number of these have been in National Parks and Areas of Outstanding Natural Beauty and many have had very serious environmental constraints.

We have heavily embraced green technology in all of these developments in order to minimise our impact on the environment. Everything from Solar Roof Panels and self-insulating Grass Roofs to Wastewater & Sludge Treatment systems and electric car charging points have been incorporated where appropriate.

Darwin is one of the largest buyer of lodges in the UK, with manufacturers designing and building lodges to our specifications. We utilise our experience to ensure lodges are robust enough for rental occupancy and can meet our service standards.

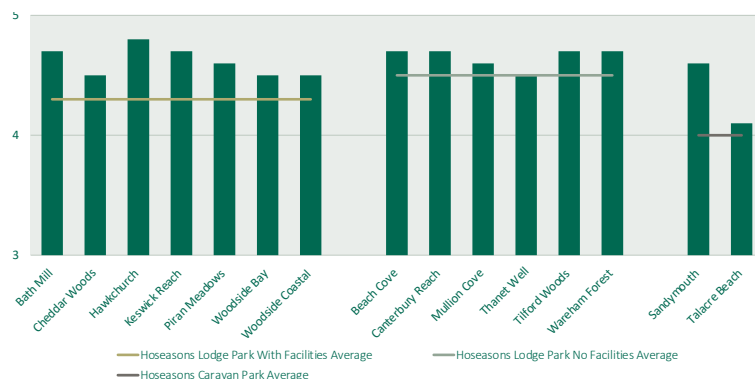


*Bath Mill Lodge Retreat, Bath, Somerset*

Lodges offer premium self-catering accommodation which, combined with our service standards, offer guests an experience to rival a five star hotel in a more spacious setting with more amenities, at an affordable price.

## Feefo Ratings

(feedback from verified Hoseasons customers, score out of 10)



Source: Hoseasons. As at 30 Sept 2023.

Darwin Escapes has become a market leader, attracting a new type of customer who may not traditionally have visited a holiday park but who are following the increasing trend of taking short staycation breaks in the UK. Darwin Escapes parks have won a host of industry accolades and awards and feedback from guests is consistently above average within the industry.



*Hawkchurch Resort & Spa, Dorset*

## Performance

Unit Class	NAV Price	Cumulative Performance				Annual Return	Total Return			Annualised Return	
	Current Month	%				%	%			% per annum	
		1 Month	3 Month	12 Month	YTD Return	2022	5 Year	10 Year	Since Inception	5 Year	10 Year
C Accumulation Launch date: 1/1/08	2.5408	+0.15	-23.98	-30.86	-31.37	+3.10	-17.85	+34.02	+154.08	-3.86	+2.97

Source: Darwin Alternatives. All data as at 30 September 2023 unless otherwise stated



# Fund Details

<b>Launch Date</b>	01/01/2008
<b>Launch NAV</b>	1.0000
<b>Current NAV</b>	2.5408
<b>Investment Objective</b>	To maximise total return in Sterling terms through a combination of growth and income.
<b>Investment Strategy</b>	To invest in UK holiday parks where there is the opportunity to improve an existing business and/or, where appropriate, the opportunity for development exists.
<b>Fund Structure</b>	Guernsey unit trust authorised by the Guernsey Financial Services Commission as an authorised Class B open-ended Collective Investment Scheme. Listed on TISE.
<b>Gearing</b>	None.
<b>Eligible Investors</b>	Designed as a long term investment for institutional investors. Additional unit classes are available for investments through IFA's.
<b>Dealing</b>	Monthly, on the first business day of each month.
<b>Base Currency</b>	Sterling
<b>Target Return</b>	6-8% per annum

<b>Unit Classes (Institutional) Income and Accumulation</b>	<b>Minimum Subscription</b>	<b>Lock In Period</b>	<b>Annual Management Fee</b>
Class "C"	£100,000	No lock-in period	1.00% per annum
Class "D"	£7,000,000	10 year lock-in period	0.80% per annum
Class "M"	£20,000,000	No lock-in period	0.85% per annum

## Performance Fee

15% of the outperformance of the Fund against the benchmark of SONIA\* plus 1%.

This is payable for each performance period only if the NAV per Unit is above the previous high water mark attained during the relevant period.

\*SONIA has replaced LIBOR which was phased out in 2021.

## Redemption Fee

<b>Time of redemption from acquisition</b>	<b>Percentage Charge</b>
Within one year	5%
Within two years	4%
Within three years	3%
Within four years	2%
Within five years	1%
Thereafter	0

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