



Tritax Property Income Fund Unit Trust (the “Feeder Fund”)

The Feeder Fund invests in Tritax Property Income Fund (the “Master Fund”) an open-ended UK regional commercial property fund. The Master Fund invests in a diversified portfolio of high quality commercial property, primarily located in major regional locations outside Central London. It provides stable and growing income streams together with the potential for capital appreciation over the medium term.

UK commercial property returns have historically been dominated by income and, via its dedicated active long income strategy, the fund seeks to provide a high income return through investing in Foundation long lease assets while also enhancing returns through a portfolio of Value and Growth assets. This strategy blends the strengths of both a Balanced UK strategy and the low volatility and security of Long Lease investing.

Investment objectives

The Feeder Fund’s objectives, through its active long income approach, are to seek:

- A target income return, on a fully invested and geared basis, in excess of 4% pa (or greater)
- A target portfolio IRR of 6% pa (or greater)

The Master Fund’s objectives are to seek:

- A Weighted Average Unexpired Lease Term (WAULT) for the portfolio in excess of 10 years
- To utilise moderate portfolio gearing of up to 25% of GAV
- To manage portfolio risk through diversification across the target property sectors and regions, while ensuring the property investments are in a readily saleable state

MASTER FUND KEY DATA*	Q1 2016	Q2 2016	VARIANCE
Portfolio Property Value	£3,920,000	£75,765,000	+£71,845,000
Net Initial Yield	5.96%	6.76%	+ 0.80%
Gross Asset Value (GAV)	£39,536,917	£83,875,291	+£44,338,374
Net Asset Value (NAV)	£39,536,917	£83,875,291	+£44,338,374
Loan as a % Gross Asset Value	00.00%	00.00%	–
Units in Issue	40,155,085	85,918,509	+ 45,763,424
Unit Price* (Adjusted NAV per unit)	98.46p	97.62p	- 00.84p
Distribution per unit (Q2 distribution paid July 2016)	–	0.64p	–
Number of assets	1	8	+7
WAULT (to lease break options)	7.7 years	12.7 years	+5.0 years

* Feeder Fund Performance overleaf

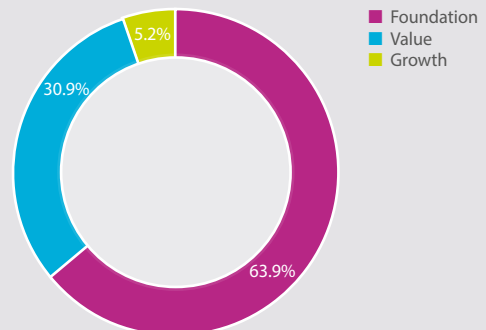


800 Capability Green, Luton.



DSG, Waterfold Park, Bury.

Property Strategy Weightings (%)



Partnership Manager, AIFM of the Master Partnership, Master Trust Adviser and Feeder Trust Adviser

(Authorised and regulated by the UK Financial Conduct Authority)

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Link to further information on website

Executive summary

TPIF was launched in January 2016 with initial investor commitments of £115 million, on the understanding that Tritax would construct a diversified portfolio of commercial assets in line with the Fund's objectives.

A single asset was acquired late in Q1 and seven further assets have been acquired through Q2. All eight assets in the portfolio at the end of the quarter have been acquired with equity, with £86.381 million being drawn down since launch. As at 30 June there was £28.619 million of initial commitments available for investment.

The Fund has the ability to utilise leverage up to 25% of GAV. Currently the portfolio has no borrowing, however initial discussions are ongoing with two UK banks and one international bank to provide portfolio debt. We anticipate agreeing debt terms with a single bank during H2 2016.

Diversification

With 75.1% of the initial commitments drawdown, the Q2 property portfolio was valued at £75.765 million with drawings of £7.250 million pending investment. Equity has been invested in eight assets (average lot size of £9.47 million) with 24 tenants providing diversification across sectors and the UK regions.

The initial assets are all in the Industrial (including Logistics) and Offices sectors. These are focus sectors in the strategy and the overweight position is a positive at this stage in the portfolio construction. The opportunity pipeline managed by the Investment Team currently includes additional Logistics assets alongside a number of alternative assets, including long secure leases in the Budget Hotel sector.

Asset acquisitions

Seven of the eight assets in the portfolio at the quarter end are all valued at their acquisition price. One asset, the DSG Retail Warehouse in Bury, was acquired off market for £21.39 million and was immediately valued in the portfolio at £22.7 million by the fund valuer. As commented on in the Outlook section valuation sentiment has moved since the EU referendum and it is anticipated that the Value and Growth assets may come under moderate short term valuation pressure.

EU Referendum and UK Retail Property Funds

In what was perceived by the markets as a surprise, the EU Referendum resulted in a slim majority in favour of the UK exiting the EU. The main equity markets and Sterling were both markedly impacted immediately after the result on 24 June, which was just before the Fund quarter end of 30 June. At the time of writing, the markets have since rallied with the FTSE 100 now about the pre-referendum rate, while Sterling remains down against the Euro and the USD.

One heavily reported consequence of the referendum result was an escalation of the already increasing redemption requests from retail investors within the UK Retail Funds. These Funds had been increasing their liquidity portfolios since January this year, however the significant increase in redemption requests led to six funds (M&G, AVIVA, Standard Life, Henderson, Columbia Threadneedle and Canada Life) gating redemptions while they realise assets and others, including L&G and Aberdeen, introduced fair value adjustments to their pricing. It should be noted that the contagion has not resulted in the gating of any institutional open-ended funds. There is, however, a flight to quality in the market and assets perceived as being below this quality threshold, or those reliant on value add tenant business plans, are coming under downward valuation pressure.

Feeder Fund performance

Following the Dealing Date on the 29 July 2016 the unit prices are as follows:

	NAV/Unit	% +/-
GBP £ – Income Units	£0.9956	-0.44
GBP £ – Accumulation Units	£0.9956	-0.44
Euro € – Income Units	€0.9978	-0.22
US Dollar \$ – Income Units	\$0.9973	-0.27
US Dollar \$ – Accumulation Units	\$0.9973	-0.27



Buckshaw Office Park, Chorley.



Norfolk House, Nottingham.

Economy

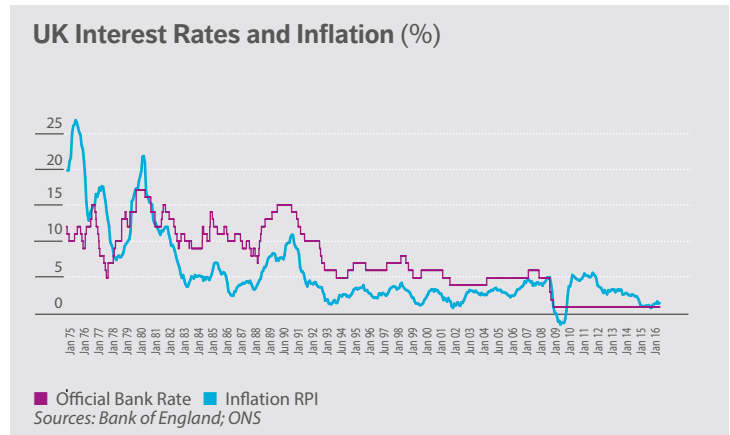
The unexpected

The Office for National Statistics (ONS) estimated that UK GDP increased by only 0.4% in the first quarter of 2016, while being 2.1% higher compared with the same quarter a year ago. UK unemployment rates decreased further to 5.0% for the months February to April 2016, the lowest since August to October 2005.

Retail sales in May rose by 0.9% from April, leaving them 6.0% higher than a year ago. Interestingly online sales increased by 21.5% in May 2016 compared with a year previously.

The Bank of England maintained the base rate at 0.5% over the second quarter, unchanged since March 2009. Inflation (CPI) rose by 0.3% in the 12 months to May 2014, unchanged from a month earlier. RPI inflation was 1.4% for the same period.

These figures pre-date the referendum. It is expected that the resulting uncertainty may impact negatively on UK GDP in the medium term.

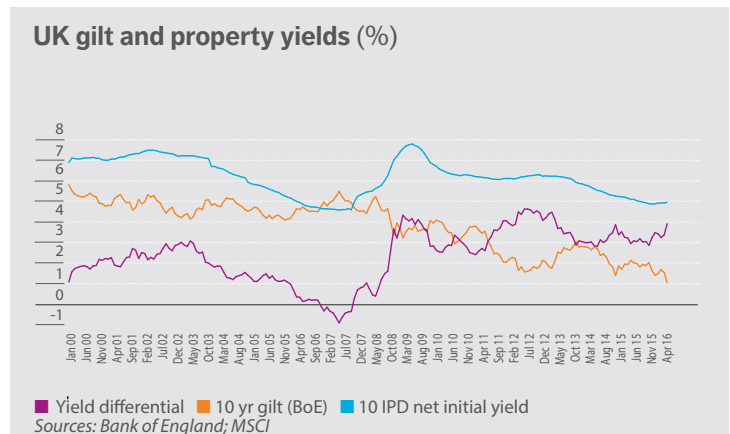


Investment market

A pause for breath

European commercial real estate investment activity took a pause for breath in the first quarter of this year, according to Cushman & Wakefield's latest market report. Of the major markets, UK investment suffered somewhat amidst Brexit fears, volumes of €13.9 billion for the quarter were 30% down on Q1 2015 although this is in line with the long term 10 year quarterly average.

According to the IPD UK Monthly Property Index, commercial property values in the UK returned 2.5% in the six months to June, and 0.2% over the month of June.

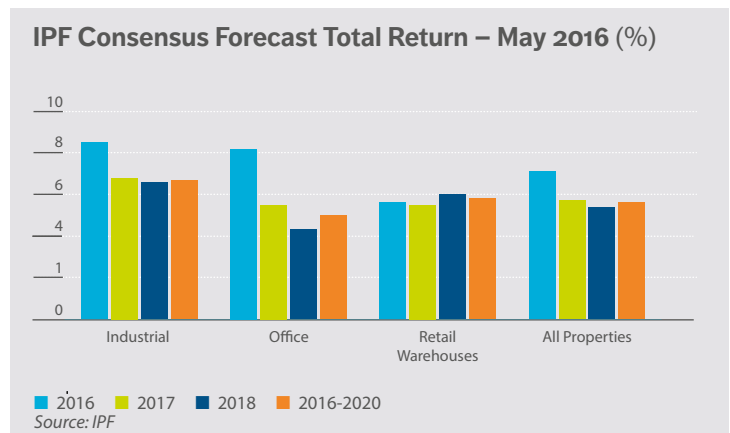


Outlook

A bump in the road

These are interesting times in UK property. It is still only a matter of weeks since the EU referendum result and the impact on global markets, including UK Property have been widely felt. Unlike the previous impact of the credit crisis in the late 2000s the market fundamentals remain intact, with positive supply/ demand influences on the occupational markets and lower bank borrowings across the market. The lending market remains active, as experienced by the Fund's ongoing discussions with UK and foreign banks, with lower swap rates against those experienced in the credit crunch when the lack of credit in the market exacerbated the market fall.

The UK Retail Funds volatility and subsequent trading suspensions have provided negative sentiment in the market and it is already evident that there may be a brief spike in stock coming to the market as these Funds seek to increase their liquidity to meet investor redemptions. The suspensions have, however, enabled a more organised disposal process. We expect buying opportunities to exist over the next few months, however there are likely to be limited distressed sales in the market.



Knight Frank, the Fund valuers, report a diversity of impact across the market, with London offices being hardest hit on valuation while longer term income in more robust sectors is unlikely to be so impacted. TPIF's regional bias should be advantageous in these markets, however the Value and Growth asset valuations may come under pressure.

Fund activity

Capital raising and drawdowns

TPIF was launched in January 2016 with initial investor commitments of £115 million.

A single asset was acquired late in Q1 and seven further assets have been acquired through Q2. The eight assets in the portfolio have been acquired with equity, with £86.381 million being drawn down in five requests since launch.

Acquisitions

The Fund has acquired eight assets with a total purchase price of £74.398 million and a Property Portfolio Valuation as at 30 June of £75.765 million. This increase in value is due to the DSG Warehouse in Bury, which had an immediate uplift in value in purchase after the off market purchase. The assets acquisitions were, in order of acquisition:

St Hilary Trade Park, King's Lynn, £3.920 million

A small Trade Park scheme on the East side of King's Lynn, constructed in 2012 and let on 5 leases to Majestic Wine, Topps Tiles, F1 Autocentres, Toolstation and Euro Car Parts. The investment gives access to a well let Trade Counter scheme located on the main out of town retail pitch in King's Lynn.

Cobham Gate, Ferndown, Bournemouth, £10.653 million

The Fund has agreed a forward funding of a last mile distribution warehouse in the new Cobham Gate industrial area. Construction is on site with a completion date of May 2017, when DPD will take a new 25 year lease with upward only rent reviews.

Mercury Portfolio, £23.433 million

Tritax secured this portfolio of 4 regional offices off market. There are three business park buildings and one town centre asset. The business park offices offer attractive yields on the initial income and the opportunity to pursue rental growth through re-letting and lease re-gearing over time. The town centre asset in Nottingham provides secure income with fixed uplifts.

DSG, Waterfold Park, Bury, £21.392 million

This asset was identified in a direct relationship off market with both the equity owner and the debt provider, both of whom Tritax had dealt with previously. The investment was valued on purchase at £22.7 million, a 6.1% uplift on the purchase price. Initial discussions are ongoing with the tenant, DSG, on their occupational requirements for the building.

800 Capability Green, Luton, £15.000 million

Capability Green is a well-established South East business park, located between the M1 and Luton airport. The property is let for a further 13.5 years to Impellam Holdings who have been in occupation since the property was built in 1998.

Combined these initial investments have a portfolio valuation net initial yield of 6.76%, reflecting the revised SDLT costs. The assets are dominated by the long income Foundation Assets and the portfolio has a Weighted Average Unexpired Lease Term (WAULT) of 12.7 years to breaks and 13.1 years to expiry. This can be viewed against the market (IPD quarterly) WAULT to breaks of 8.3 years in Offices and 9.5 years in Industrial, the two sectors currently included in the TPIF portfolio.

Asset management

The current business plans for the eight portfolio assets include various asset management initiatives that cover a range of timescales.



Cobham Gate, Ferndown, Bournemouth (indicative image).



DSG, Waterfold Park, Bury.



St Hilary Trade Park, King's Lynn.



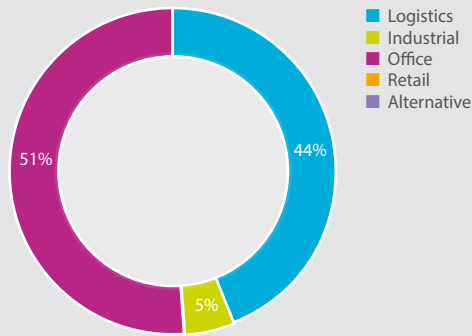
Mercury Portfolio.



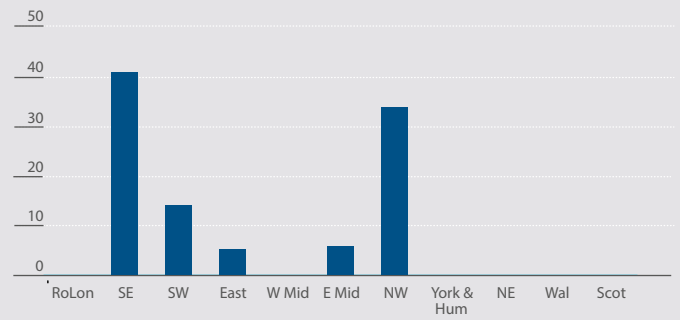
800 Capability Green, Luton.

Portfolio analysis

Sector Weighting (%)



Regional Weighting (%)



3. Buckshaw Office Park, Chorley



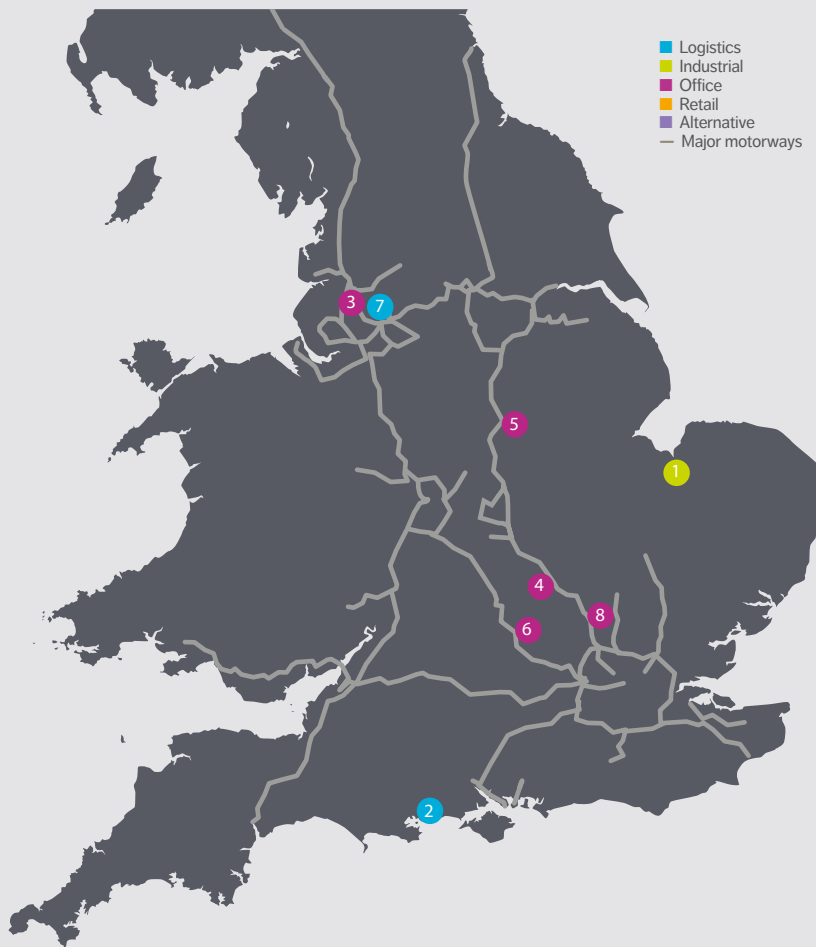
7. DSG, Waterfold Park, Bury



5. Norfolk House, Nottingham



2. Cobham Gate, Bournemouth



1. St Hilary Trade Park, King's Lynn



4. Mill House/Mill Court, Milton Keynes



6. Regent Park Est, Princes Risborough



8. 800 Capability Green, Luton

TPIF assets

LOCATION	STRATEGY	VALUATION BAND	LOCATION	STRATEGY	VALUATION BAND
7. Waterfold Park, Bury	Foundation	£20-30 million	5. Regent Park Estate, Princes Risborough	Value	£5-10 million
8. 800 Capability Green, Luton	Foundation	£15-20 million	6. Norfolk House, Nottingham	Value	£0-5 million
2. Cobham Gate, Ferndown, Bournemouth	Foundation	£10-15 million	1. St Hilary Trade Park, King's Lynn	Growth	£0-5 million
4. Mill House/Mill Court, Milton Keynes	Value	£10-15 million	3. Buckshaw Office Park, Chorley	Value	£0-5 million
£75.765 million					

Feeder Fund Unit Holder Information

Full information is provided in the Offering Memorandum and Fund Documentation.

Target Return

Income of 4% pa (or greater), IRR of 6% (or greater)[†]

Liquidity Strategy

Liquidity pool that invests up to 25% of the NAV in daily traded, liquid investments related to the real estate sector (REITs), cash and near cash alternatives

Base Currency

Pound Sterling (GBP, £)

Available Currencies

US Dollar (USD, \$) and Euro (EUR, €)

Unit Class

Income (paid quarterly) and accumulation (income reinvested in new units)

Offer Price

Net asset value of the Feeder unit class divided by the number of existing Feeder units on the relevant Dealing Day (subject to adjustments)

Allocation

100% allocation

Minimum Subscription

£10,000 (or US Dollar and Euro equivalent)

Minimum Top-Up

£5,000 (or US Dollar and Euro equivalent)

Dealing and Valuation Frequency

Monthly

Dealing Date

The last Business Day* of each calendar month

Subscription Notice Period

Three Business Days prior to that Dealing Date

Redemption Notice Period

One month's notice (the last Business Day* of the preceding month – subject to limits and liquidity)

Payment of Redemption Proceeds

Typically paid no later than 15 Business Days* after the relevant Redemption Dealing Date

Distributions

Income distributions as soon as practicable and, in general, expected to be on a quarterly basis. Capital receipts generally expected to be reinvested at Master Partnership level.

Charges

Annual Management Charge – 2% NAV of the Feeder Trust pa

Performance Fee – 10% of excess over 6% IRR plus 20% of excess over 10% of IRR

Data

All fund data as at 30 July 2016, unless stated otherwise.

Units	ISIN Code	Ticker	Bloomberg ID
GBP £ – Income Units	JE00BD3C8C10	TRPIFII JY	BBG00CX8GTT7
GBP £ – Income Units, Initial Charge	JE00BD6P6672	TRPNDMG JY	BBG00DK7WS33
GBP £ – Accumulation Units	JE00BD3C8B03	TRPIFIA JY	BBG00CX8GTS8
Euro € – Income Units	JE00BD3C8F41	TRPIIE JY	BBG00CX8GV21
Euro € – Income Units, Initial Charge	JE00BD6P6896	TRPNDME JY	BBG00DK82MP3
Euro € – Accumulation Units	JE00BD3C8D27	TRPIIAE JY	BBG00CX8GTZ0
US Dollar \$ – Income Units	JE00BD3C8H64	TRPIIU JY	BBG00CX8GVF7
US Dollar \$ – Income Units, Initial Charge	JE00BD6P6789	TRPNDMU JY	BBG00DK814M7
US Dollar \$ – Accumulation Units	JE00BD3C8G57	TRPIIAU JY	BBG00CX8GV94

[†] On a fully invested and geared basis with the initial portfolio complete

* "Business Day" – a day (other than a Saturday and Sunday) when banks are open in London and Jersey

This guide relates to Tritax Property Income Feeder Fund (the "Feeder Fund") which will invest in TPIF as well as potentially make its own investments in line with the TPIF strategy.

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Currently available on the following platforms:



Legal

Notice to Existing Investors

This monthly update ("Update") is provided to Investors in Tritax Property Income Fund Feeder Unit Trust ("TPIF").

The Update comprises Confidential Information and Investors' attention is drawn to their confidentiality obligations under clause 36 of the trust instrument governing TPIF.

Nothing in this Update should be construed as an invitation or solicitation to make a further investment in TPIF or to engage in any other transactions. This Update is not intended to provide recommendations, and should not be relied upon, for accounting, legal, tax advice or investment purposes. You should consult your tax, legal, accounting or other advisers separately. If an Investor does wish to make a further investment, it should obtain a copy of the latest offering memorandum for TPIF and read the warnings below.

Notice to Prospective Investors

If this Update is provided to any prospective investors, they should note the following:

- this Update is not intended to enable prospective investors to evaluate a potential investment in TPIF. A prospective investor should request a copy of the latest offering memorandum for TPIF in order to assess a potential investment in TPIF;
- the information herein is provided on a strictly confidential basis;
- nothing in this Update should be construed as an offer, invitation or general solicitation to invest in TPIF or to engage in any other transactions;
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