



**DRUM**  
INCOME PLUS REIT

## Q2 2018 FACT SHEET [www.dripreit.co.uk](http://www.dripreit.co.uk)

### THE COMPANY

Drum Income Plus REIT Plc (DRIP REIT) is an income-focused real estate investment trust investing in regional commercial property assets.

### THE INVESTMENT STRATEGY

DRIP REIT aims to provide an attractive level of income, whilst also delivering annual capital growth for investors. DRIP REIT pursues this objective by investing in a diversified portfolio of commercial real estate, principally in the office, retail and industrial sectors where there are strong prospects for future income and capital growth, plus the potential for active asset management of the property.

### TARGET DIVIDEND

The Company announces an interim dividend of 1.5p per share for the period from 1 October 2017 to 31 December 2017, in line with target fully covered dividend for year ending 30 September 2018 of 6.0p. (fully covered from net income)<sup>1</sup>

### INVESTMENT ADVISER

DRIP REIT is managed by Drum Real Estate Investment Management (DREIM).

<sup>1</sup> Target returns only and not a profit forecast. There can be no assurance that these targets will be met and they should not be taken as an indication of expected or actual current or future results.

### DIFFERENTIATED INVESTMENT STRATEGY

- Target lot sizes of £2m - £15m in regional locations.
- Sector agnostic – opportunity driven.
- Entrepreneurial asset management.
- Risk-controlled development.
- Dividend paid quarterly.
- Fully covered dividend policy – growing incrementally.

### HIGHLIGHTS

Period from 1 April 2018 to 30 June 2018

- Fair value independent valuation of property portfolio as at 30 June 2018 of £58.7m (31 March 2018: £58.7m).
- NAV per share at 30 June 2018 of 95.7p (31 March 2018: 95.4p).
- Earnings per share (excluding revaluation gains and losses on fair value of investments) for three months ended 30 June 2018 were 1.8p.
- Dividend paid during the quarter of 1.50p fully covered by earnings for the period.
- NAV total return (NAV movement plus dividend paid) of +1.9%.

### ASSET MANAGEMENT OVERVIEW AND UPDATE

#### ARTHUR HOUSE, MANCHESTER

Vacant possession of the 5th and 6th floors have been secured and the contractor will be instructed imminently to progress the refurbishment of both floors. The agents acting remain confident in the take up levels for Manchester in and around the Piccadilly and Portland Street areas.

#### BURNSIDE INDUSTRIAL ESTATE, ABERDEEN

The contractor will be instructed imminently to progress the refurbishment of Units 1-3. This should assist with letting prospects as the industrial market in Aberdeen shows further signs of recovery.

#### 3 LOCHSIDE WAY, EDINBURGH

We received notification from DNV in May that they wished to vacate in December 18. We carried out a short marketing period and have let the space with a date of entry 1 week after the existing tenant vacates at a rent of £20 per square foot. The previous tenant was paying £17.50 per square foot. The new Agreement for Lease is agreed and will be signed imminently.

#### DULOCK PARK, DUNFERMLINE

Heads of Terms are agreed with Johnson Cleaners for a 10 year lease with a break at year 5 at a rent of £32,000 per annum which is ahead of the Business Plan.

## Company Overview

as at June 2018

NAV / SHARE

**95.7p**

SHARE PRICE

**94.5p**

NUMBER OF ASSETS

**10**

NUMBER OF TENANTS

**92**

WARRANT TO EXPIRY

**6.35 years**

OCCUPANCY

**> 95%**

AVERAGE PURCHASE YIELD

**7.8%**

MARKET CAP

**£36.5m**

LTV

**38.8%**

AMC

**1.15% of net assets <£150m  
1.0% of net assets >£150m**

## Corporate Information

FINANCIAL YEAR END: 30 September 2018

DIVIDEND PAYMENT: Quarterly - February/May/  
August/November each year

LAUNCH DATE

**29 May 2015**

LISTING

**Main Market LSE**

TICKER

**DRIP**

ISIN

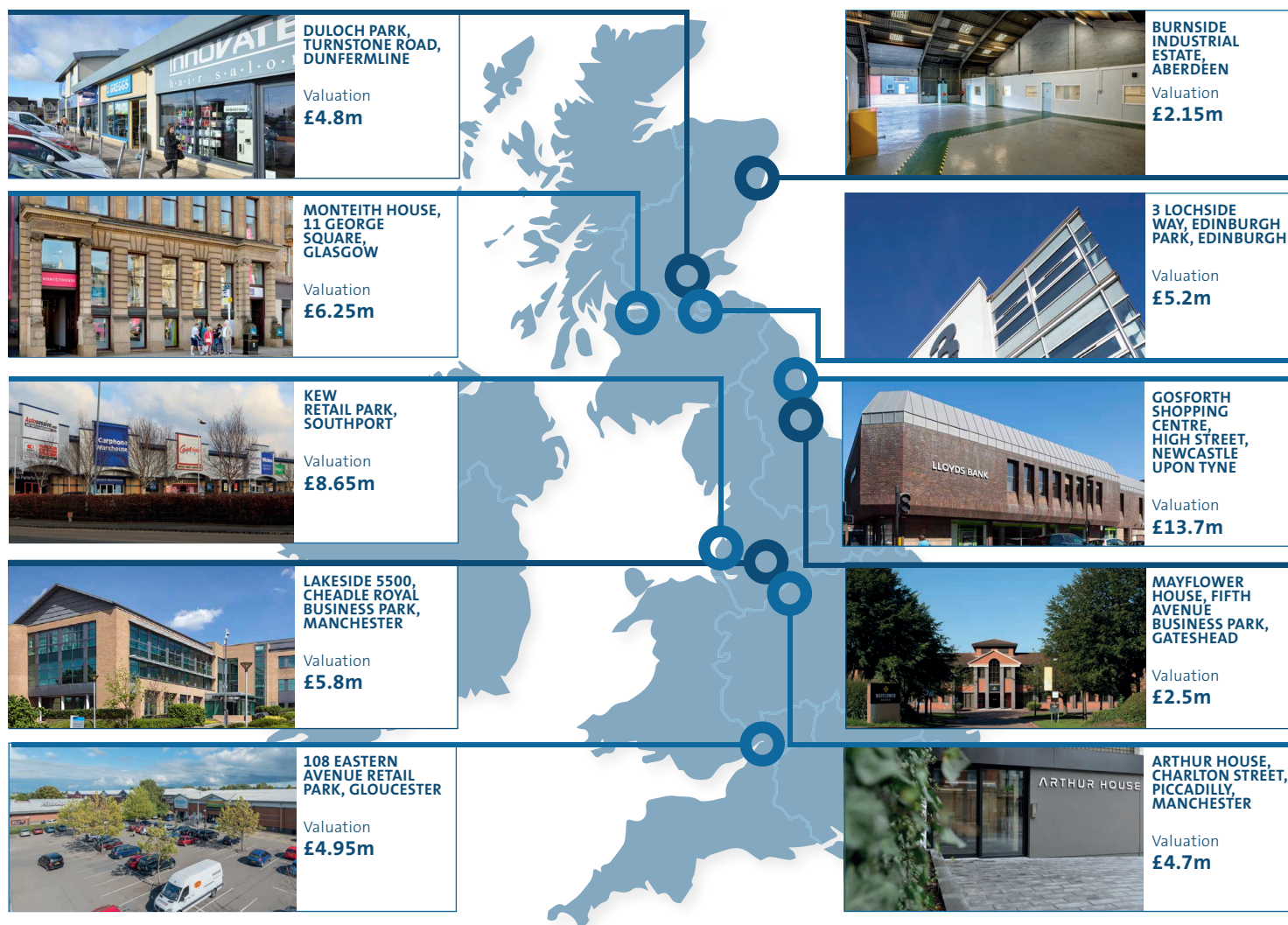
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WEBSITE

[www.dripreit.co.uk](http://www.dripreit.co.uk)

## Portfolio of regional, smaller sized lots

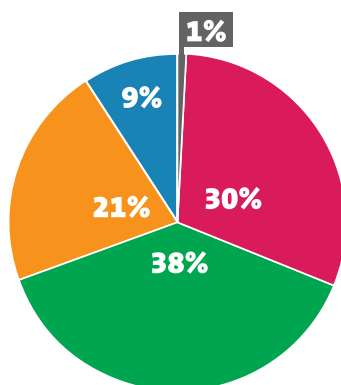
Attractive yields with potential to add value through active asset management Valuations as at June 2018



### LEASE INCOME EXPIRY PROFILE (INCL. BREAKS)

at June 2018

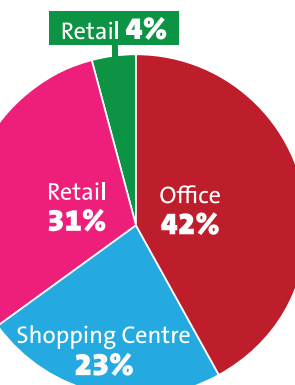
|             |  |
|-------------|--|
| 0-2 years   |  |
| 3-5 years   |  |
| 5-10 years  |  |
| 10-15 years |  |
| 20+ years   |  |



### SECTOR CONCENTRATION

by value at June 2018

|                  |                    |
|------------------|--------------------|
| Offices          | 24,450,000         |
| Shopping Centres | 13,700,000         |
| Retail           | 18,400,000         |
| Industrial       | 2,150,000          |
| <b>TOTAL</b>     | <b>£58,700,000</b> |



## Key Contacts

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Gearing will increase returns if the value of the assets purchased increase in value by more than the cost of borrowing, or reduce returns if they fail to do so. The dividend yield is an estimate and is not guaranteed.

Issued in August 2018 by  
Drum Real Estate Investment Management Ltd