



LPPI Real Estate ACS

Annual Report & Financial Statements

**for the period from 30 September 2019
to 31 March 2020**

LPPI Real Estate ACS

Contents

ACS Manager's Report for the period from 1 st September 2018 to 31 st March 2019	1
Director's Report to the Unitholders of LPPI Real Estate ACS	2
Notes to the Accounts	3
Revised CS	4
Trust Deed	5
Scheme Rules	6
Scheme Charges and Expenses	7
Trust Deed	8
Cash Flow Statement	9
Notes to the Accounts	10
Scheme CS Movers' Resolutions	11
Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Unitholders of the Scheme for the period from 1 st September 2018 to 31 st March 2019	12
Letter from	13

Annual Reports

The annual report of the Authorised Contractual Scheme ("the ACS") will normally be published within four months from the end of each financial year of the Scheme. The annual report will normally be published in the form of a printed document and also in electronic form. The annual report will be published in the form of a printed document and also in electronic form. The annual report will be published in the form of a printed document and also in electronic form.

Documents of the ACS

- The following documents are available to the Unitholders of the Scheme:
- the Trust Deed
 - the Scheme Rules
 - the CS Deed
- The Unitholders of the Scheme may also request to see the following documents:
- the Accounts
 - the Cash Flow Statement
 - the Annual Report

LPPI Real Estate ACS

Independent auditor's report to the unitholders of LPPI Real Estate Authorised Contractual Scheme

Opinion

We have audited the financial statements of the Real Estate Authorised Contractual Scheme (the 'Scheme') for the period from 1 September 2019 to 31 March 2020. These financial statements comprise the statement of financial position, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity of the Scheme.

• **Real Estate Authorised Contractual Scheme (the 'SIF fund')**

The financial statements of the SIF fund comprise the statement of financial position, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity of the SIF fund. The financial statements of the SIF fund are prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and the Scheme's Statement of Financial Reporting Practices.

The financial reporting practices of the SIF fund are consistent with the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and the Scheme's Statement of Financial Reporting Practices. The financial reporting practices of the SIF fund are consistent with the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and the Scheme's Statement of Financial Reporting Practices.

We have also audited the financial statements of the Scheme.

• **The financial statements of the Scheme and the SIF fund as at 31 March 2020 and the period from 1 September 2019 to 31 March 2020**

• **The financial statements of the Scheme and the SIF fund as at 31 March 2020 and the period from 1 September 2019 to 31 March 2020**

Basis for opinion

We conducted our audit in accordance with the Auditing Standards issued by the Auditing Practices Board (the 'APB') and the Auditing Standards issued by the Auditing Practices Board (the 'APB'). We have also fulfilled our other ethical responsibilities in accordance with the ethical standards that apply to us in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements of the Scheme and the SIF fund is based on the assumption that the Scheme and the SIF fund are able to continue to operate in the foreseeable future. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit of the financial statements of the Scheme and the SIF fund is based on the assumption that the Scheme and the SIF fund are able to continue to operate in the foreseeable future. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter – property valuation

We draw attention to the financial statements of the Scheme and the SIF fund which describe the risks associated with the property portfolio. The expert valuation included a 'material valuation uncertainty' as a result of the RICS Red Book guidance on the use of the going concern basis of accounting in the preparation of the financial statements.

Conclusions relating to going concern

We have concluded that the Scheme and the SIF fund are able to continue to operate in the foreseeable future. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

• **The ACS Manager's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate;**

In our evaluation of the ACS Manager's conclusions regarding the Scheme's and the SIF fund's ability to continue to operate in the foreseeable future, we have identified a material valuation uncertainty as a result of the RICS Red Book guidance on the use of the going concern basis of accounting in the preparation of the financial statements.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee. We do not provide an opinion on the financial statements if we have not obtained sufficient appropriate audit evidence to be able to give an opinion. If we do not give an opinion, we will state the reasons for our decision. If we do give an opinion, we will state the basis for our opinion. If we conclude that there is a material misstatement in the financial statements, we will issue a qualified opinion, a negative opinion or a disclaimer of opinion, depending on the circumstances. If we conclude that there is a material misstatement in the financial statements, we will also describe the misstatement in our report.

We have also described the scope of our audit in our report. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Scheme's unitholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes Sourcebook. Our audit work has been undertaken so that we might state to the Scheme's unitholders those matters that we are required to state to them and to draw their attention to other matters that we have identified. We do not accept any responsibility to anyone other than the Scheme and the Scheme's unitholders as a body, for our audit work or for the consequences of any actions that are taken in reliance on this report.

-
-
-
-
-
-

Grant Thornton UK LLP

Grant Thornton UK LLP

Specialist member of the Chartered Accountants
Incorporated in England and Wales
Registered office: 100 Broad Street, London EC2R 2EJ

LPPI Real Estate ACS
Notes applicable to the Financial Statements

for the period from 1st September 2019 to 31st March 2020

Accounting and Distribution Policies

Accounting Policies

The financial statements have been prepared on a going concern basis in accordance with the Accounting Standards ("FRS") issued by the Accounting Standards Board ("ASB") and the Scheme's Recommended Practice for Authorised Funds (the "SORP") issued by the Investment Management Association ("IMA").

The results are prepared on a going concern basis. The Scheme's property portfolio is well diversified and includes cash reserves. The Scheme has access to a wide range of credit facilities and is well placed to meet its short term needs where the CS Manager believes that the Scheme has adequate resources to cover its commitments in the period for the review period.

The directors are of the opinion that the Scheme is a going concern. The Scheme's property portfolio is well diversified and includes cash reserves. The Scheme has access to a wide range of credit facilities and is well placed to meet its short term needs where the CS Manager believes that the Scheme has adequate resources to cover its commitments in the period for the review period.

The directors are of the opinion that the Scheme is a going concern. The Scheme's property portfolio is well diversified and includes cash reserves. The Scheme has access to a wide range of credit facilities and is well placed to meet its short term needs where the CS Manager believes that the Scheme has adequate resources to cover its commitments in the period for the review period.

The directors are of the opinion that the Scheme is a going concern. The Scheme's property portfolio is well diversified and includes cash reserves. The Scheme has access to a wide range of credit facilities and is well placed to meet its short term needs where the CS Manager believes that the Scheme has adequate resources to cover its commitments in the period for the review period.

The directors are of the opinion that the Scheme is a going concern. The Scheme's property portfolio is well diversified and includes cash reserves. The Scheme has access to a wide range of credit facilities and is well placed to meet its short term needs where the CS Manager believes that the Scheme has adequate resources to cover its commitments in the period for the review period.

The directors are of the opinion that the Scheme is a going concern. The Scheme's property portfolio is well diversified and includes cash reserves. The Scheme has access to a wide range of credit facilities and is well placed to meet its short term needs where the CS Manager believes that the Scheme has adequate resources to cover its commitments in the period for the review period.

The directors are of the opinion that the Scheme is a going concern. The Scheme's property portfolio is well diversified and includes cash reserves. The Scheme has access to a wide range of credit facilities and is well placed to meet its short term needs where the CS Manager believes that the Scheme has adequate resources to cover its commitments in the period for the review period.

The directors are of the opinion that the Scheme is a going concern. The Scheme's property portfolio is well diversified and includes cash reserves. The Scheme has access to a wide range of credit facilities and is well placed to meet its short term needs where the CS Manager believes that the Scheme has adequate resources to cover its commitments in the period for the review period.

The directors are of the opinion that the Scheme is a going concern. The Scheme's property portfolio is well diversified and includes cash reserves. The Scheme has access to a wide range of credit facilities and is well placed to meet its short term needs where the CS Manager believes that the Scheme has adequate resources to cover its commitments in the period for the review period.

The directors are of the opinion that the Scheme is a going concern. The Scheme's property portfolio is well diversified and includes cash reserves. The Scheme has access to a wide range of credit facilities and is well placed to meet its short term needs where the CS Manager believes that the Scheme has adequate resources to cover its commitments in the period for the review period.

The directors are of the opinion that the Scheme is a going concern. The Scheme's property portfolio is well diversified and includes cash reserves. The Scheme has access to a wide range of credit facilities and is well placed to meet its short term needs where the CS Manager believes that the Scheme has adequate resources to cover its commitments in the period for the review period.

The directors are of the opinion that the Scheme is a going concern. The Scheme's property portfolio is well diversified and includes cash reserves. The Scheme has access to a wide range of credit facilities and is well placed to meet its short term needs where the CS Manager believes that the Scheme has adequate resources to cover its commitments in the period for the review period.

The directors are of the opinion that the Scheme is a going concern. The Scheme's property portfolio is well diversified and includes cash reserves. The Scheme has access to a wide range of credit facilities and is well placed to meet its short term needs where the CS Manager believes that the Scheme has adequate resources to cover its commitments in the period for the review period.

The directors are of the opinion that the Scheme is a going concern. The Scheme's property portfolio is well diversified and includes cash reserves. The Scheme has access to a wide range of credit facilities and is well placed to meet its short term needs where the CS Manager believes that the Scheme has adequate resources to cover its commitments in the period for the review period.

LPPI Real Estate ACS
Notes applicable to the Financial Statements

Continued

Accounting and Distribution Policies (continued)

Accounting Policies (continued)

Receivables are recognised at the net amount expected to be received.

Cash and cash equivalents are held at the end of the reporting period in the form of bank balances and deposits with financial institutions which are subject to an insignificant risk of changes in value.

Investments are recorded at fair value.

Where the fair value of an investment is not readily determinable, the fair value is determined using the discounted cash flow method or other appropriate valuation techniques. The fair value of investments is determined using the fair value less costs of disposal method.

The Scheme's assets are recorded at fair value. The fair value of investments is determined using the fair value less costs of disposal method.

Distribution Policies

Distributions from the Scheme's assets are made to investors in proportion to their shareholding. Distributions are made in cash or by direct debit to the investors' bank accounts.

Going Concern

The CS Manager is confident that the Scheme will continue to operate for the foreseeable future. The CS Manager has assessed the Scheme's ability to meet its obligations.

The CS Manager has assessed the Scheme's ability to meet its obligations. The CS Manager has assessed the Scheme's ability to meet its obligations.

Potential implications of Covid-19 on the Scheme

The Scheme has assessed the potential implications of Covid-19 on its operations. The Scheme has assessed the potential implications of Covid-19 on its operations.

The Scheme's assets are held in a diversified portfolio. The Scheme's assets are held in a diversified portfolio.

The CS Manager has assessed the Scheme's ability to meet its obligations. The CS Manager has assessed the Scheme's ability to meet its obligations.

Withdrawal of the United Kingdom from the European Union ('Brexit')

The Scheme's assets are held in a diversified portfolio. The Scheme's assets are held in a diversified portfolio.

The Scheme's assets are held in a diversified portfolio. The Scheme's assets are held in a diversified portfolio.

Assessment of value

The Company has introduced new rules aimed at strengthening the duty of asset managers to act in investors' best interests. These rules require us to carry out an annual assessment of whether we provide value for our funds' investors (known as an assessment of value).

LPPI Real Estate ACS
Notes applicable to the Financial Statements

Continued

Financial Instruments and Risk

The Scheme's investment activities expose it to the various types of risk which are associated with the financial instruments and markets which it invests in. The Scheme's investment strategy is to invest in a diversified portfolio of real estate assets. The risks associated with the Scheme's investments are discussed below. The risks are those that are specific to the Scheme.

Risk management framework

The CS Manager has implemented a 'three lines of defence' model to manage the Scheme's risks.

1. **First line of defence** The CS Manager's investment team is responsible for identifying, assessing and managing the Scheme's risks.
2. **Second line of defence** The CS Manager's Risk Management team is responsible for monitoring and reporting on the Scheme's risks.
3. **Third line of defence** The CS Manager's Audit and Compliance team is responsible for reviewing and reporting on the Scheme's risk management processes.

The CS Manager has identified the following risks that are specific to the Scheme:

The CS Manager has identified the following risks that are specific to the Scheme:

Risks are identified using several approaches including, but not limited to:

- conducting stress tests
- monitoring market movements and trends
- conducting scenario analysis
- consulting with external advisers

Once identified, risks are recorded in the CS Manager's risk register which is the primary record of the Scheme's risks.

a) Market risk

Market risk is the risk that the value of the Scheme's investments will fall due to changes in market prices. The Scheme's investments are exposed to market risk.

i. Risk arising from foreign currency risk

Exposure to foreign currency risk

The Scheme's investments are exposed to foreign currency risk. The Scheme's investments are denominated in various currencies.

The Scheme's investments are exposed to foreign currency risk. The Scheme's investments are denominated in various currencies.

Management of foreign currency risk

The CS Manager manages the Scheme's foreign currency risk by using various hedging strategies.

The currency profile of the LPPI Real Estate Fund's investments is as follows:

	Monetary £000's	Non- Monetary £000's	Total £000's
SI			
Other			
SI			
Total	40,089	1,346,631	1,386,720

LPPI Real Estate ACS
Notes applicable to the Financial Statements

Continued

Financial Instruments and Risks (continued)

The following table sets out the Scheme's net assets which are exposed to the following risks

	Effect on revenue after taxation For period from 30 September 2019 To 31 March 2020 £000's	Change in net assets attributable to unitholders As at 31 March 2020 £000's
Standard receivables	1,000	1,000
Standard receivables	1,000	1,000
Risks re the	1,000	1,000
Risks re the	1,000	1,000

ii. Risk arising from interest rate risk

Exposure to interest rate risk

The Scheme's net assets are exposed to the risk of changes in the value of cash flows from financial assets and liabilities due to changes in interest rates. The Scheme's net assets are exposed to the risk of changes in the value of cash flows from financial assets and liabilities due to changes in interest rates. The Scheme's net assets are exposed to the risk of changes in the value of cash flows from financial assets and liabilities due to changes in interest rates.

Management of interest rate risk

The Scheme's net assets are exposed to the risk of changes in the value of cash flows from financial assets and liabilities due to changes in interest rates. The Scheme's net assets are exposed to the risk of changes in the value of cash flows from financial assets and liabilities due to changes in interest rates.

The interest rate risk profile of financial assets and liabilities as at 31 March 2020 is as follows:

LPPI Real Estate ACS	Floating rate £000's	Total £000's
Assets	1,000	1,000
Total	23,508	23,508

As at 31 March 2020, the credit risk exposure of the Scheme's net assets is as follows, which is set out in the notes to the financial statements of the Scheme.

iii. Risk arising from other price risk

Exposure to other price risk

The Scheme's net assets are exposed to the risk of changes in the value of cash flows from financial assets and liabilities due to changes in other prices. The Scheme's net assets are exposed to the risk of changes in the value of cash flows from financial assets and liabilities due to changes in other prices.

The Scheme's net assets are exposed to the risk of changes in the value of cash flows from financial assets and liabilities due to changes in other prices. The Scheme's net assets are exposed to the risk of changes in the value of cash flows from financial assets and liabilities due to changes in other prices.

The following table illustrates sensitivity of Scheme's investment portfolio to changes in other prices:

	Effect on revenue after taxation For period from 30 September 2019 To 31 March 2020 £000's	Change in net assets attributable to unitholders As at 31 March 2020 £000's
Market values increase	1,000	1,000
Market values decrease	(1,000)	(1,000)

LPII Real Estate ACS

Notes applicable to the Financial Statements

continued

Financial Instruments and Risks (continued)

Management of other price risk

The Investment Managers manage the Scheme's other price risk on a day-to-day basis in accordance with the Scheme's investment objectives.

In addition to the other price risk, there is also a risk that a price change in the Scheme's investments may result in a loss of value to the Scheme's investors. This risk is managed by the Investment Managers in accordance with the Scheme's investment objectives.

b) Counterparty credit risk

Exposure to counterparty credit risk

Counterparty credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge its obligations. The Scheme is exposed to counterparty credit risk from the parties to which the trade and other receivables are due.

Management of counterparty credit risk

The CS Manager monitors the creditworthiness of counterparties to which it is exposed. This is done by reviewing the credit ratings issued on the counterparty's creditworthiness, market reputation and expectations of future financial performance. Transactions will only be opened with financial intermediaries on the approved counterparties list.

As at 31 March 2020, the Scheme's exposure to counterparty credit risk is as follows:

i. Depository and Custodian

The Scheme's Depository is NatWest Trustee and Depository Services Limited (the "Depository"). The Depository has delegated the function of custodian of the property of the Scheme to The Bank of New York Mellon SA/NV London Branch (the "Custodian"). The Scheme's investments are held in the name of the Custodian, with ownership rights remaining with the Scheme. Bankruptcy or insolvency of the Custodian may cause the Scheme's rights with respect to its investments held by the Custodian to be delayed or limited. The Investment Managers are aware of this risk and have taken steps to mitigate it. The Scheme's investments are held in the name of the Custodian, with ownership rights remaining with the Scheme.

Management of counterparty credit risk related to the Depository and Custodian

The Scheme is exposed to the credit risk of the Custodian. The Scheme's investments are held in the name of the Custodian, with ownership rights remaining with the Scheme. The Scheme's investments are held in the name of the Custodian, with ownership rights remaining with the Scheme.

To mitigate the Scheme's credit risk with respect to the Depository, the Investment Managers of the Scheme employ specific procedures. These are set out in the Scheme's prospectus. The Investment Managers of the Scheme employ specific procedures to mitigate the Scheme's credit risk with respect to the Depository.

c) Liquidity risk

Exposure to liquidity risk

The Scheme's liquidity risk is the risk that the Scheme will be unable to meet its obligations as they fall due. This risk is managed by the Investment Managers in accordance with the Scheme's investment objectives. The Scheme's liquidity risk is the risk that the Scheme will be unable to meet its obligations as they fall due.

The Scheme's liquidity risk is managed by the Investment Managers in accordance with the Scheme's investment objectives. The Scheme's liquidity risk is managed by the Investment Managers in accordance with the Scheme's investment objectives.

All financial liabilities held by the Scheme as at 31 March 2020, based on contractual maturities, fall due within three months.

As at 31 March 2020, there are no financial liabilities which are subject to contractual maturities.

Management of liquidity risk

The CS Manager is responsible for monitoring the Scheme's liquidity risk. The CS Manager is responsible for monitoring the Scheme's liquidity risk.

LPPI Real Estate ACS
Notes applicable to the Financial Statements

Continued

Financial Instruments and Risks (continued)

The Fund is in compliance with the relevant provisions of the Scheme's governing documents. The Fund's investment strategy is to invest in real estate assets that are expected to generate a long-term return. The Fund's investment strategy is consistent with the investment objectives set out in the Scheme's governing documents. The Fund's investment strategy is to invest in real estate assets that are expected to generate a long-term return. The Fund's investment strategy is consistent with the investment objectives set out in the Scheme's governing documents.

d) Property risk

Property valuation risk

The value of a property is generally a matter of a valuer's opinion rather than fact and may go down as well as up. There is a risk that the price which is assessed in the market may be lower than the price which is estimated by the valuer.

The Fund's investment strategy is to invest in real estate assets that are expected to generate a long-term return. The Fund's investment strategy is consistent with the investment objectives set out in the Scheme's governing documents.

The Fund's investment strategy is to invest in real estate assets that are expected to generate a long-term return. The Fund's investment strategy is consistent with the investment objectives set out in the Scheme's governing documents.

The Fund's investment strategy is to invest in real estate assets that are expected to generate a long-term return. The Fund's investment strategy is consistent with the investment objectives set out in the Scheme's governing documents.

Property transaction charges

Commercial property transactions are subject to various charges, including stamp duty, which are payable by the purchaser. The Fund's investment strategy is to invest in real estate assets that are expected to generate a long-term return.

Leverage

The Scheme is permitted to borrow money for the purpose of financing its investments. The Scheme's investment strategy is to invest in real estate assets that are expected to generate a long-term return.

The CS Manager is required to disclose to the Scheme the details of any borrowings made by the Scheme. The Scheme's investment strategy is to invest in real estate assets that are expected to generate a long-term return.

	Gross method 31 March 2020	Commitment method 31 March 2020
--	-------------------------------	------------------------------------

Sub-Fund		
Real Estate		
-		

The Fund's investment strategy is to invest in real estate assets that are expected to generate a long-term return. The Fund's investment strategy is consistent with the investment objectives set out in the Scheme's governing documents.

	Gross method	Commitment method
--	--------------	-------------------

Sub-Fund		
Real Estate		

LPPI Real Estate ACS
About the Sub-fund

Investment Objective & Policy

The LPPI Real Estate ACS (the "Sub-fund") seeks to invest in real estate investment trusts ("REITs") and other securities that provide exposure to the real estate market. The Sub-fund may invest in REITs that are listed on a stock exchange or over-the-counter market. The Sub-fund may also invest in real estate investment trusts that are not listed on a stock exchange or over-the-counter market. The Sub-fund may invest in real estate investment trusts that are domiciled in the United States or in other countries. The Sub-fund may invest in real estate investment trusts that are not domiciled in the United States or in other countries. The Sub-fund may invest in real estate investment trusts that are not domiciled in the United States or in other countries. The Sub-fund may invest in real estate investment trusts that are not domiciled in the United States or in other countries.

Performance Table

**Since launch to
 31 March 2020***

Total Return

Unit Class I

LPPI Real Estate ACS

0.00%

The Sub-fund figures quoted are based on securities and other assets that are held in the Sub-fund's portfolio as at the end of the reporting period.

The Sub-fund is subject to the following risks:

All financial investments involve an element of risk. Therefore, the value of the investment and the income from the investment cannot be guaranteed. Changes in exchange rates may cause the value of an investment to fluctuate. The value of an investment may also be affected by changes in the price of the underlying assets.

LPII Real Estate ACS

Investment Report

LPII Real Estate Fund ('The Fund')

The Fund's performance over the period ended 31 March 2020 is set out in the table below. The Fund's performance is measured against the MSC Real Estate Index. The Fund's performance is measured against the MSC Real Estate Index. The Fund's performance is measured against the MSC Real Estate Index.

Summary of Performance over the period

The Fund's performance over the period ended 31 March 2020 is set out in the table below. The Fund's performance is measured against the MSC Real Estate Index. The Fund's performance is measured against the MSC Real Estate Index.

ACS Manager's Commentary

Real estate markets in the UK and Europe were hit by the COVID-19 pandemic in early 2020. The Fund's performance is measured against the MSC Real Estate Index. The Fund's performance is measured against the MSC Real Estate Index.

The Fund's performance is measured against the MSC Real Estate Index. The Fund's performance is measured against the MSC Real Estate Index. The Fund's performance is measured against the MSC Real Estate Index.

The Fund's performance is measured against the MSC Real Estate Index. The Fund's performance is measured against the MSC Real Estate Index. The Fund's performance is measured against the MSC Real Estate Index.

The Fund's performance is measured against the MSC Real Estate Index. The Fund's performance is measured against the MSC Real Estate Index. The Fund's performance is measured against the MSC Real Estate Index.

The Fund's performance is measured against the MSC Real Estate Index. The Fund's performance is measured against the MSC Real Estate Index. The Fund's performance is measured against the MSC Real Estate Index.

The Fund's performance is measured against the MSC Real Estate Index. The Fund's performance is measured against the MSC Real Estate Index. The Fund's performance is measured against the MSC Real Estate Index.

The Fund's performance is measured against the MSC Real Estate Index. The Fund's performance is measured against the MSC Real Estate Index. The Fund's performance is measured against the MSC Real Estate Index.

The Fund's performance is measured against the MSC Real Estate Index. The Fund's performance is measured against the MSC Real Estate Index. The Fund's performance is measured against the MSC Real Estate Index.

The Fund's performance is measured against the MSC Real Estate Index. The Fund's performance is measured against the MSC Real Estate Index. The Fund's performance is measured against the MSC Real Estate Index.

The Fund's performance is measured against the MSC Real Estate Index. The Fund's performance is measured against the MSC Real Estate Index. The Fund's performance is measured against the MSC Real Estate Index.

The Fund's performance is measured against the MSC Real Estate Index. The Fund's performance is measured against the MSC Real Estate Index. The Fund's performance is measured against the MSC Real Estate Index.

The Fund's performance is measured against the MSC Real Estate Index. The Fund's performance is measured against the MSC Real Estate Index. The Fund's performance is measured against the MSC Real Estate Index.

LPPI Real Estate ACS
Summary of Performance over the year (continued)

Comparative table

Unit Class I	For period from 30 September 2019 to 31 March 2020 (£ per unit)
Change in net assets per unit	
Change in net assets per unit	0.000000
Revaluation of property	0.000000
Revaluation of other assets	0.000000
Dividends	0.000000
Closing net asset value per unit	10,018.45
Carrying amount per unit	0.000000
Performance	
Return after charges†	0.000000
Other information	
Closing net asset value (£000's)	0.000000
Carrying amount	0.000000
Dividends	0.000000
Revaluation of property	0.000000
Revaluation of other assets	0.000000
Prices	
Highest price	0.000000
Lowest price	0.000000

† The return after charges figure is based on the net asset value per unit at the start of the period and the net asset value per unit at the end of the period. The return after charges figure is based on the net asset value per unit at the start of the period and the net asset value per unit at the end of the period. The return after charges figure is based on the net asset value per unit at the start of the period and the net asset value per unit at the end of the period.

LPII Real Estate ACS

Distribution Table

The period from 1st September 2019 to 31st March 2020

First Interim Distribution in £ per unit

1st September 2019 to 31st March 2020

Unit Class I	Net Revenue (£ per unit)	Equalisation* (£ per unit)	Amount paid on 28 February 2020 (£ per unit)
1st September 2019	0.0000	—	0.0000

The income from each Scheme and the amount distributed to the units in each Scheme is set out in the CS. The amount of the first interim distribution is based on the net revenue less the amount of the equalisation payment. The amount of the first interim distribution is based on the net revenue less the amount of the equalisation payment.

The distribution is based on the net revenue less the amount of the equalisation payment. The amount of the first interim distribution is based on the net revenue less the amount of the equalisation payment.

LPII Real Estate ACS

Statement of Total Return

for the period from 1 September 2019 to 31 March 2020

	Notes	£000's	From 30 September 2019 to 31 March 2020 £000's
Income			
Interest	1	1	1
Revenues	1	1	1
Expenses	1	(1)	(1)
Reserves and provisions	1	1	1
Retained earnings	1	1	1
Dividends	1	1	1
Change in net assets attributable to Unitholders from investment activities	1	1	(1)

Statement of Changes in Net Assets Attributable to Unitholders

for the period from 1 September 2019 to 31 March 2020

	£000's	From 30 September 2019 To 31 March 2020 £000's
Opening net assets attributable to Unitholders	1	1
Income received	1	1
Reserves and provisions	1	1
Expenses	(1)	(1)
Change in net assets attributable to Unitholders	1	1
Dividends	(1)	(1)
Change in net assets attributable to Unitholders	1	1
Unitholders from investment activities (see note 1)	1	1
Closing net assets attributable to Unitholders	1	1,386,720

LPPI Real Estate ACS

Cash Flow Statement

for the period from 30 September 2019 to 31 March 2020

**From 30 September
2019
to 31 March 2020
£000's**

<input type="checkbox"/>			
	Cash flow from operating activities	<input type="checkbox"/>	
	Receipts from the sale of real estate assets	<input type="checkbox"/>	
	Receipts from the sale of other assets	<input type="checkbox"/>	
	Interest received	<input type="checkbox"/>	
	Dividends received	<input type="checkbox"/>	
	Increase in debtors	<input type="checkbox"/>	
	Increase in creditors	<input type="checkbox"/>	
	Other	<input type="checkbox"/>	
	Net cash from operating activities	<input type="checkbox"/>	
	Cash flows used in investment activities	<input type="checkbox"/>	
	Purchase of real estate assets	<input type="checkbox"/>	
	Payments for the acquisition of real estate schemes	<input type="checkbox"/>	
	Disposal of real estate assets	<input type="checkbox"/>	
	Net cash used in investment activities	<input type="checkbox"/>	
	Cash flows from financing activities	<input type="checkbox"/>	
	Payments received for the acquisition of real estate	<input type="checkbox"/>	
	Proceeds from borrowings	<input type="checkbox"/>	
	Repayment of borrowings	<input type="checkbox"/>	
	Disposal of real estate	<input type="checkbox"/>	
	Net cash from financing activities	<input type="checkbox"/>	
	Net increase in cash and bank balances	<input type="checkbox"/>	
	Cash and bank balances at the beginning of the period	<input type="checkbox"/>	
	Cash and bank balances at the end of the period	40,089	

LPPI Real Estate Fund
Notes to the Financial Statements

1. Accounting and Distribution Policies

The accounting and distribution policies are set out in the following notes:

2. Financial Instruments and Risks

The financial instruments and risks are set out on pages 10 to 13.

3. Significant Accounting Judgements and Estimates

The directors have made judgements and estimates in the preparation of the financial statements. The most significant of these are set out in the following notes:

The directors have made judgements and estimates in the preparation of the financial statements. The most significant of these are set out in the following notes:

Investment properties valuation

The investment properties are valued at fair value. The directors have used the services of independent professional valuers to determine the fair value of the investment properties. The valuers have used the following methods to determine the fair value of the investment properties:

The directors have used the following methods to determine the fair value of the investment properties:

The directors have used the following methods to determine the fair value of the investment properties:

4. Net capital losses

From 30 September 2019
to 31 March 2020
£000's

The net capital losses are set out in the following table:

The net capital losses are set out in the following table:	
The net capital losses are set out in the following table:	
The net capital losses are set out in the following table:	
The net capital losses are set out in the following table:	
Total net capital losses	(8,506)

The net capital losses are set out in the following table:

5. Revenue

From 30 September 2019
to 31 March 2020
£000's

Revenue	
Dividend income	
Other income	
Total revenue	21,194

The Scheme received dividend income from the following companies during the period:

LPPI Real Estate Fund
Notes to the Financial Statements

Continued

6. Expenses

From 30 September 2019
to 31 March 2020
£000's

Property expenses

Director remuneration fees	100
auditors	1,000
subscription fees	100
other director fees	100

Total property expenses **2,284**

Administrative expenses

Charge on the Manager's costs on the Manager	100
audit fees	100
employee fees	100
fees	100
insurance fees	100
advertising	100
other administrative fees	100

Total administrative expenses **1,466**

Total expenses **3,750**

Expenses are recorded as incurred unless otherwise stated

7. Interest payable and similar charges

From 30 September 2019
to 31 March 2020
£000's

Interest	58
miscellaneous	0

Total interest payable and similar charges **58**

LPPI Real Estate Fund
Notes to the Financial Statements

Continued

8. Taxation

	From 30 September 2019 to 31 March 2020 £000's
a) Analysis of tax charge	
Total tax charge	—
b) Factors affecting the tax charge	
As disclosed in the Scheme the funds are not subject to corporation tax and are not subject to income tax.	
Recourse to the relevant provisions of the Corporation Tax Act 2010 is shown in the following table:	
Corporation tax	—
Total tax charge (see note 8a)	—

9. Distributions

	From 30 September 2019 to 31 March 2020 £000's
Interim distributions paid to holders	(8,881)
Total distributions	(8,881)

10. Investment properties

	As at 31 March 2020 £000's
Cost of the properties held	—
Costs incurred in the period	(891,825)
Since the end of the period there are no properties held	(891,825)
Depreciation	(891,825)
Impairment losses	—
Total investment properties	891,825
From the above table	
Costs incurred in the period	(891,825)
Properties held under construction	(891,825)
Total investment properties	891,825

Since the end of the period there are no properties held under construction. The CS has not used the independent expert's report to determine the fair value of the investment properties at the end of the period.

LPPI Real Estate Fund
Notes to the Financial Statements

continued

The independent expert's valuation included a 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book. The independent expert considered that the independent expert's valuation included a 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book. The independent expert considered that the independent expert's valuation included a 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book.

The independent expert's valuation included a 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book. The independent expert considered that the independent expert's valuation included a 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book.

Property valuations

The independent expert's valuation included a 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book. The independent expert considered that the independent expert's valuation included a 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book.

Level 1 – Quoted prices for identical asset in active markets

The independent expert's valuation included a 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book. The independent expert considered that the independent expert's valuation included a 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book.

Level 2 – Valuation techniques using observable inputs

The independent expert's valuation included a 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book. The independent expert considered that the independent expert's valuation included a 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book.

Level 3 – Valuation techniques using significant unobservable inputs

The independent expert's valuation included a 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book. The independent expert considered that the independent expert's valuation included a 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book.

The independent expert's valuation included a 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book. The independent expert considered that the independent expert's valuation included a 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book.

The independent expert's valuation included a 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book. The independent expert considered that the independent expert's valuation included a 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book.

The independent expert's valuation included a 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book. The independent expert considered that the independent expert's valuation included a 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book.

31 March 2020	Level 1 £' 000's	Level 2 £' 000's	Level 3 £' 000's	Total £' 000's
Properties				
Properties in schemes				
Total	-	110,834	1,258,489	1,369,323

Key unobservable inputs

The independent expert's valuation included a 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book. The independent expert considered that the independent expert's valuation included a 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book.

The independent expert's valuation included a 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book. The independent expert considered that the independent expert's valuation included a 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book.

	ERV Range		Equivalent Yield Range	
	Max	Min	Max	Min
Discount rate				
Reversionary income				
Other				

LPPI Real Estate Fund
Notes to the Financial Statements

Continued

11. Investment in collective investment schemes

	As at 31 March 2020
	£000's
Investment in collective investment schemes	—
Consideration received for the year	—
Dividends for the year	—
Interest received	—
Other income	—
Investment in collective investment schemes	477,498

The investment in collective investment schemes held during the year ended 31 March 2020 represents the net proceeds from the sale of shares in the schemes less the dividends and interest received during the year. The investment in collective investment schemes is held in the name of the LPPI Real Estate Fund.

12. Debtors

	As at 31 March 2020
	£000's
Debtors	—
Receivables from Sponsors	—
Other debtors	—
Total debtors	21,752

The debtors represent the amounts due to the LPPI Real Estate Fund from the Sponsors and other parties. The debtors are held in the name of the LPPI Real Estate Fund.

13. Cash and bank balances

	As at 31 March 2020
	£000's
Cash	—
Money at call and short-term deposits	—
Total cash and bank balances	40,089

14. Borrowings

	As at 31 March 2020
	£000's
Secured borrowings	—
Unsecured borrowings	—
Total borrowings	23,508

The borrowings represent the amounts borrowed by the LPPI Real Estate Fund. The borrowings are held in the name of the LPPI Real Estate Fund.

LPPI Real Estate Fund
Notes to the Financial Statements

Continued

15. Creditors

		As at 31 March 2020
		£000's
	Deferred income	1,000
	Accrued interest	1,000
	Accrued interest	1,000
	Other creditors	1,000
Total other creditors		21,021

16. Contingent Assets and Liabilities

The Company has no contingent assets or liabilities.

17. Related parties

The Company has no related parties.

The Company has no related parties.

CSM (Company Shareholder) is the sole shareholder.

The Company has no related parties.

As at 31 March 2020

Held by:	% of voting units in issue	No. of units held
Company Shareholder	100%	1,000,000
Company Shareholder	100%	1,000,000

The Company has no related parties.

18. Units in issue

		Unit Class I
Balance at the end of the year		138,416,703

LPPI Real Estate ACS

Statement of ACS Manager's Responsibilities

The ACS Manager is required by the rules of the Sourcebook to prepare the financial statements for each financial period. These financial statements must be prepared in accordance with the accounting standards and the accounting policies of the Scheme.

The financial statements should comply with the disclosure requirements of the UK Financial Reporting Standard ("FRS") 102 and with the Statement of Recommended Practice (the "SORP") for Authorised Funds issued by the Investment Association, compliance with this SORP is required by the Financial Conduct Authority's (FCA's) Regulations.

In preparing the financial statements the ACS Manager is required to:

- select the accounting policies and the accounting estimates
- make the estimates and judgements that are necessary
- comply with the disclosure requirements of the SORP and the relevant accounting standards and the FRS
- maintain accurate accounting records
- keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the relevant requirements

The ACS Manager is responsible for the management of the ACS in accordance with the articles of association which have been approved in accordance with the C&C Regulations for the Schemes Sourcebook and the Companies (Accounts) Regulations.

The ACS Manager is responsible for managing and administering the ACS's affairs in accordance with the C&C Sourcebook. The ACS Manager may also be responsible for the day-to-day administration of the ACS in accordance with the rules of the C&C Sourcebook.

The ACS Manager is responsible for the relevant records in the relevant records and for the relevant records.

LPPI Real Estate ACS

Statement of the Depositary’s Responsibilities in Respect of the Scheme and Report of the Depositary to the Unitholders of the LPPI Real Estate ACS (the “Scheme”) for the period from 30 September 2019 to 31 March 2020

The Depositary is responsible for the Scheme in accordance with the Cayman Islands Code of Authority’s Code of Practice for Schemes Source and the Cayman Islands Source of the Cayman Islands Securities Commission Scheme Regulations, and the Cayman Islands Scheme Deed and its ancillary documents (the Scheme documents) as defined in the

The Depositary is responsible for the Scheme in accordance with the Cayman Islands Code of Authority’s Code of Practice for Schemes Source and the Cayman Islands Source of the Cayman Islands Securities Commission Scheme Regulations, and the Cayman Islands Scheme Deed and its ancillary documents (the Scheme documents) as defined in the

The Depositary is responsible for the Scheme in accordance with the Cayman Islands Code of Authority’s Code of Practice for Schemes Source and the Cayman Islands Source of the Cayman Islands Securities Commission Scheme Regulations, and the Cayman Islands Scheme Deed and its ancillary documents (the Scheme documents) as defined in the

The Depositary is responsible for the

- the Scheme’s cash flows are properly managed and the cash of the Scheme is invested in accordance with the Regulations
- the sale of securities for redemption purposes is carried out in accordance with the Regulations
- the net assets of the Scheme are calculated in accordance with the Regulations
- consider the interests of the Scheme’s unitholders in the Scheme and the Cayman Islands
- the Scheme’s income is invested in accordance with the Regulations and
- the interests of the Cayman Islands Code of Authority’s Code of Practice for Schemes Source and the Cayman Islands Source of the Cayman Islands Securities Commission Scheme Regulations, and the Cayman Islands Scheme Deed and its ancillary documents (the Scheme documents) as defined in the

The Depositary is responsible for the Scheme in accordance with the Cayman Islands Code of Authority’s Code of Practice for Schemes Source and the Cayman Islands Source of the Cayman Islands Securities Commission Scheme Regulations, and the Cayman Islands Scheme Deed and its ancillary documents (the Scheme documents) as defined in the

Has carried out such other duties as are considered necessary or discharge its responsibilities as Depositary of the Scheme through the AIFM

Has carried out the sale of securities for redemption purposes in accordance with the Scheme’s Deed and the Cayman Islands Code of Authority’s Code of Practice for Schemes Source and the Cayman Islands Source of the Cayman Islands Securities Commission Scheme Regulations, and the Cayman Islands Scheme Deed and its ancillary documents (the Scheme documents) as defined in the

Has exercised the Cayman Islands Code of Authority’s Code of Practice for Schemes Source and the Cayman Islands Source of the Cayman Islands Securities Commission Scheme Regulations, and the Cayman Islands Scheme Deed and its ancillary documents (the Scheme documents) as defined in the

-
-
-

**NatWest Trustee and
Depositary Services Limited**
□□□□□□□□

