

# Restart of dealings in the Legal and General Assurance (Pensions Management) Limited Managed Property Fund and Hybrid Property Fund

Dear Policyholder,

We are writing to you in respect of the Funds noted above. You hold Units in this Fund(s) within your unit linked insurance policy (the "Policy") issued by Legal and General Assurance (Pensions Management) Limited ("PMC"). Please note that words and expressions defined in your Policy have the same meaning in this letter unless the context requires otherwise.

This letter is to confirm that dealing in PMC's Managed Property Fund (PF Section C, AABA, KJ) and Hybrid Property Fund (PF Sections XY and YL) (together the "Funds") will resume on 1 October 2020.

It will be possible to place requests to purchase, surrender or switch Units in the Funds from 1 October 2020.

## **Why has dealing been resumed and the suspension been lifted?**

The decision to suspend dealing in the Funds was made in light of the exceptional circumstances in the UK property market, brought about by the impacts of the Covid-19 pandemic. On 17th March the Funds' principal standing independent valuer, CBRE Ltd, introduced a material uncertainty clause and applied this to the valuations of the Funds' UK property assets. This reduced our confidence in being able to accurately price Units in the Funds and led to the suspension of dealing. It must be noted that the Fund suspensions were enacted as a temporary measure and not as a result of liquidity concerns.

As the market has continued to stabilise, the Funds' independent valuer has removed the material uncertainty clause from the UK property asset valuations. PMC's Board has now determined we are nearing the end of the period of exceptional market circumstances which caused the suspension of the Funds and considers it is in the overall interests of investors to re-open the Funds.

I am therefore pleased to confirm that the Funds will reopen with effect from our 1 October 2020 Dealing Day.

## **Fund Positioning**

Despite suspension, we believe the Funds' strategic position remains well placed for the long term and for any structural changes to the UK property market, with assets diversified across sectors and geographies. At present, we believe we have appropriate levels of cash liquidity in each of these Funds and a robust income profile. Should anything materially change, further communications will be issued.

### **Fund strategy**

The Funds continue to implement initiatives to enhance their income streams (strength, quantum and duration), and to reduce vacancies across the portfolio of assets they hold. We are working collaboratively with tenants as required, providing support in the short term to protect longer-term income streams. We will also continue to upgrade the physical portfolio of the Funds via selective site developments / asset enhancements.

Longer term, our overarching strategy remains to maximise the appeal of the assets held by the Funds to occupiers through the provision of high-quality real estate and a best in class landlord service. This will allow stabilised income streams to be maintained by the Funds as tenants are retained at market rents and voids are minimised. New asset allocations will continue to be strategically tilted towards our preferred sectors of the market.

### **Prospective dealing in the Funds**

As resumption of dealing in the Funds begins, please contact your usual LGIM relationship manager to discuss any prospective dealing in the Funds as early in your decision making process as possible. We will endeavour to facilitate requested dealing in the Funds but, under the terms of the Policy, we reserve the right to defer requests to surrender Units in the Funds if we deem it to be in the interests of all investors in the Funds to do so.

Our Notional Income Service ("NIS") in relation to the Managed Property Fund will also recommence after this Fund's re-opening. If you have elected to use NIS from this Fund, the next Unit redemption from your Policy will be made on 1 October 2020 based on the Fund's income over the preceding month.

I thank you for your support over this period and should you have any questions, please contact your usual LGIM relationship manager. In addition we have also notified your Investment consultant should you need advice on the content of this notification.

Kind regards,

**Sarah Aitken, Director**

For and on behalf of Legal and General Assurance (Pensions Management) Limited

### **Important information**

The terms of this letter shall be governed and construed in accordance with English law. The English courts will have exclusive jurisdiction to settle any dispute or claims which may arise out of or in connection with this letter.

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