

Investment Objective

The Company's investment objective is to provide its shareholders with an attractive level of income together with the potential for capital growth by investing in a diversified portfolio of supermarket real estate assets in the UK and Europe.

Investment Policy

The Company is focused on investing in a diversified portfolio of principally freehold and long leasehold operational properties let to supermarket operators in the UK and Europe, which benefit from long-term growing income streams with high quality tenant covenants.

The Company will continue predominantly to target assets with long unexpired lease terms with index linked or fixed rental uplifts in order to provide investors with secure and growing income.

The Company expects its assets to be leased to institutional grade supermarket grocery operators with properties located in the UK and Europe, that have multi-billion pound revenues¹ and strong consumer brands. The Company may also invest in assets let to other supermarket operators and retailers where it believes the underlying asset covenant is consistent with the overarching objective of providing shareholders with regular and sustainable dividends as well as the potential for some capital value uplift over the longer term.

The Company will seek to diversify its exposure to individual cities, towns and regions. The Company will also seek to acquire different sized assets appealing to different consumer types with typical assets ranging from larger convenience-based store formats through to the larger superstores.

The Company will target assets that it believes may benefit from future asset management opportunities. In addition, the Company will target assets that it believes offer good potential for alternative use over the longer term. This includes targeting assets in highly populated residential areas with strong transportation links.

The Company will primarily seek to acquire properties which are already operationally complete and fully let. The Company may invest, from time to time, in asset management or development opportunities, which, when complete, would fall within the Investment Policy to invest in operational properties let to supermarket operators. In addition, the Company may seek to maximise alternative use values of existing operational assets by engaging with planning authorities and development partners. Any asset management or development opportunities will be conducted in such a way that the project will have no recourse to the other assets of the Company (outside of the funds committed to the development). The expected gross development cost to the Company and its subsidiaries (the "Group") of any such developments will be limited to an amount representing 20 per cent. of the Group's gross assets, measured at the commencement of the relevant development.

The Directors currently intend, at all times, to conduct the affairs of the Company so as to enable it to qualify as a REIT for the purposes of Part 12 of the Corporation Tax Act 2010 (and the regulations made thereunder).

¹ Or local currency equivalent

Investment Restrictions

The Company will continue to invest and manage its assets with the objective of spreading risk and, in doing so, will maintain the following investment restrictions (all of which are applied at the time of investment and are reviewed by the Board semi-annually following semi-annual valuations produced in accordance with the Company's valuation policy):

- the Company will invest, directly or indirectly, at least 80 per cent. of its Gross Asset Value in properties located in the UK and Europe let to supermarket operators;
- the Company may invest up to 20 per cent. of its Gross Asset Value in assets let to non-supermarket operators;
- the Company will derive at least 60 per cent. of its rental income from a portfolio of properties located in the UK let to supermarket operators;
- the Group will own no more than two assets within any single geographical area (defined as being within a 10 minute drive time of each other for urban areas, or a 15 minute drive time for rural areas, a "Geographical Area")²;
- in any single Geographical Area, no individual grocer tenant will operate more than one of the Group's grocery real estate assets where the value of the two assets combined at the point of acquisition would exceed 10 per cent. of the portfolio Gross Asset Value²;
- the expected gross development costs (which include costs incurred of any forward funded developments) to the Group of development opportunities will not exceed 20 per cent. of the Group's gross assets at the commencement of the relevant development;
- the Group may acquire property interests either directly or through corporate/other structures (whether onshore UK or offshore) and also through joint venture or other shared ownership or co-investment arrangements;
- the Company will not invest in other closed-ended investment companies; and
- neither the Company, nor any of its subsidiaries will conduct any trading activities which are significant in the context of the Group as a whole.

In addition to the above investment restrictions, no individual property is to represent more than 15 per cent. of the prevailing Gross Asset Value at the time of investment.

In the event of a breach of the investment guidelines and restrictions set out above, the AIFM shall inform the Directors upon becoming aware of the same and if the Directors consider the breach to be material, notification will be made to a Regulatory Information Service. Any material change to the Investment Policy may only be made by Shareholders' ordinary resolution.

Borrowing Policy

The Directors intend that the Company will follow a prudent approach for the asset class with its gearing and maintain a conservative level of aggregate borrowings.

The Board intends that gearing, calculated as borrowings as a percentage of the Group's gross assets, will continue to be approximately 30 to 40 per cent. over the medium term (calculated at the time of drawdown). However, the Group will have the ability to exceed this level from time to time as borrowings are incurred to finance the growth of the Group's portfolio. The Group will have a maximum level of aggregate borrowing of 60 per cent. of the Company's Gross Asset Value at the time of drawdown of the relevant borrowings.

Borrowings will over the longer term be diversified by covenant, lender, type and

maturity profile and will primarily be secured at the asset or special purpose vehicle level and will therefore be non-recourse to the other assets of the Group.

The Company will be permitted to invest cash, held by it for working capital purposes and awaiting investment, in cash deposits and gilts. The Company may enter into interest rate derivatives, from time to time, for the purposes of efficient portfolio management.

² Excludes assets which the Group has contracted to or has an obligation to dispose of