

Stick to the home market for property income

A Real Estate Investment Trust (REIT) is a company that owns and manages income-producing property (commercial or residential) and, if listed and domiciled in the UK, it is exempt from UK corporation tax on qualifying rental profits and capital gains from their UK property rental business. To qualify, a REIT must distribute at least 90% of its taxable rental income to shareholders as Property Income Distributions (PIDs).

One of the key attractions of a publicly-listed REIT is it provides investors with liquid access to an illiquid asset class: its shares are traded daily on exchanges such as LSE. This means funds of REITs such as TM Gravis UK Listed Property, have never had to gate, while open-ended funds investing directly in property assets have.

OFFERS DAILY LIQUIDITY

The TM Gravis UK Listed Property (PAIF) Fund has never been suspended.

£50bn+ listed sector combined market cap, £370mn+ daily value traded.

By investing in listed REITs traded daily on the LSE, the Fund avoids the illiquidity risks of traditional open-ended property funds.



The data is from the days of the suspensions to 31.03.20, except for Property Fund 1 which was closed in July 2021. Source: Gravis Advisory Ltd and Bloomberg.

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Ten reasons to choose UK REITs

For comparison purposes let's look at UK vs US REITs

1. Tax efficiency (no withholding tax)

UK REITs pay Property Income Dividends (PIDs) that are treated as property income and there is no foreign withholding tax deducted before it reaches a UK investor. US REITs typically suffer a 15% withholding tax on dividends (under the treaty), which must be claimed back through foreign tax credits, adding complexity.

2. Favourable tax structure (no double taxation)

UK REITs are exempt from corporation tax on rental profits and capital gains, provided they distribute 90% of their income, avoiding the double taxation of both company and investor. What's more, PAIF funds such as TM Gravis UK Listed Property, that own a portfolio of REITs can pass on PIDs and interest distributions gross, offering a significant yield boost for investors in tax-exempt wrappers (e.g., ISAs, SIPPs, Pensions).

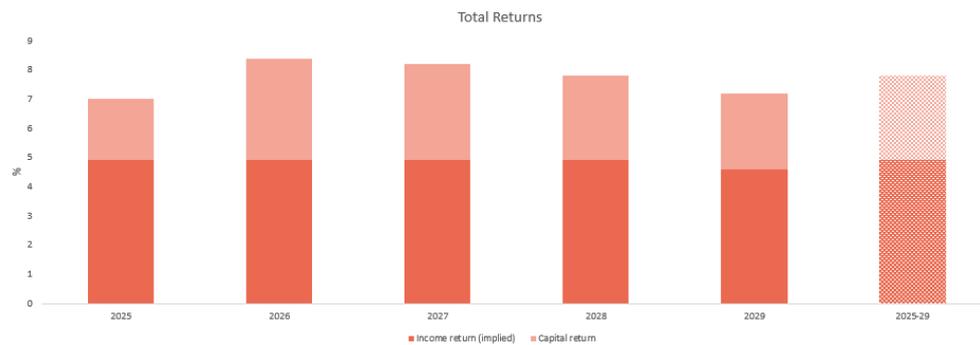


3. Two-thirds of returns come from income

Over long periods, income has been the dominant driver of UK REIT returns. Data from MSCI/IPD show that across multiple decades, around 60–70% of total returns have typically come from income, with capital growth making up the remainder. Current forecasts reinforce the point. According to the Investment Property Forum Autumn 2025 Consensus Forecasts, over the five years from 2025 to 2029, annualised total returns are forecast at 7.8% per annum, with income contributing close to 5% per year.

POSITIVE OUTLOOK FOR COMMERCIAL REAL ESTATE

UK commercial real estate forecast to deliver 7.8% annualised returns.¹
 4.9% rental income return + 2.9% capital appreciation.
 Rental growth forecast has strengthened moderately over the last two years.



Past performance is not necessarily a guide to future performance. Source: IFF and Gravis Advisory Ltd. For illustrative purposes only. ¹ IFF Survey of Independent Forecasts for UK Commercial Property Investment. Annualised returns 2025-2029.

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4. A growing not a fixed income

Importantly, the income from UK REITs is not fixed income. Well-managed portfolios can deliver growing income streams: the TM Gravis UK Listed Property strategy, for example, has delivered inflation-beating 5.9% annualised dividend growth since inception.

DEPENDABLE DISTRIBUTIONS

Source of reliable, growing income — offering materially higher yields than inflation-linked gilts.

Driven by strong underlying investments, the Fund has paid 26 distributions since inception. REITs offer attractive c.5% dividend yields with growth potential. In contrast, c.1% yields on indexed-linked gilts.

Company	Years of consecutive dividend/sh growth	Dividend yield ¹	Dividend growth ²	Upside potential ³
DERWENT LONDON	32	4.5%	2.0%	11%
PHP Primary Health Properties	29	7.1%	2.2%	10%
safestore	15	3.9%	3.9%	5%
Sirius Real Estate	10	5.6%	4.4%	24%
LONDON-METRIC PROPERTY PLC	9	7.5%	2.9%	15%

Yield, growth, and upside potential are not necessarily a guide to future performance. Source: Bloomberg LP, company accounts, Gravis Advisory Ltd. Spot yield for Generic Britain 5 Year Government Inflation Indexed Bond. ¹ Based on consensus analyst forecasts for gross dividends for one year forward. ² Based on consensus analyst forecasts for dividend growth for 2026. ³ Based on consensus analyst price targets. Data as at 31.01.26.

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5. Avoid currency risk

UK REITs are priced in Sterling and hold UK properties, eliminating currency fluctuations between US Dollars and GBP. This can hurt returns, as evidenced in 2025 by a negative 6.94% currency headwind for UK investors.



6. UK REITs are overseas investors' preferred choice for 2026

Private equity firms and corporates have already seen the opportunity and were active buyers of UK listed property in 2025. International capital is also now showing renewed interest. Driven by a rotation away from US markets, attractive valuations, and significant sector consolidation, recent surveys from INREV indicate that the UK remains one of the most favoured destinations for global real estate investors, with close to two-thirds identifying it as a preferred market.

7. Significant valuation discounts

UK REITs are still trading at significant discounts to their Net Asset Value (NAV), averaging roughly 25%, potentially offering better value for investors seeking capital growth.

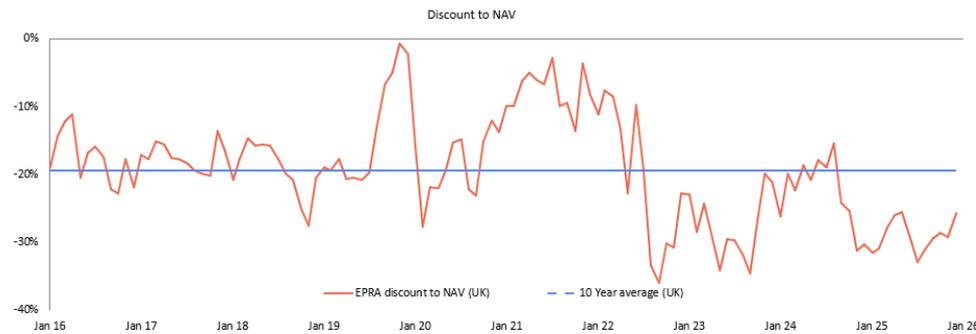
ATTRACTIVE VALUATION LEVELS

Disconnect between NAV growth and NAV discounts, presenting a potentially attractive entry point as property values increase.

Wide discounts and increasing property values offer a rare opportunity.¹

Last reported market discount -25.7% versus 10-year average discount -19.4%.

GULP trades at an estimated -28.9% discount to Warranted NAV.



Past performance is not necessarily a guide to future performance. ¹ Morgan Stanley, European Property in 2025: 10 Stats. Source: European Public Real Estate Association (EPRA) and Gravis Advisory Ltd. For illustrative purposes only. Data as at 31.01.26.

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8. Simpler reporting

Income from UK REITs (PIDs) is treated as property income on UK tax returns (often under 'Other UK income'), avoiding the need for foreign income schedules and complex double-taxation treaties.

9. Stable regulatory environment

The UK REIT regime is stable, supported by HMRC, and has become more flexible in recent years (e.g., allowing single-property ownership).

10. UK REIT market has momentum once again

UK REIT market has momentum once again: UK REITs are undergoing a significant re-rating, with average discounts to Net Asset Value (NAV) narrowing from a 30%+ trough in late 2023. Tritax Big Box has also become a FTSE 100 company. Sirius Real Estate company (£1.5bn assets), which invests in business parks in the UK and Germany, has also just raised £77m before costs in a share placing to institutions and a £2m offer to private investors through RetailBook.

For investors seeking income, diversification and real assets, the case for REITs does not require going overseas. The home market already offers liquidity, scale, depth, tax advantages, income resilience and opportunity.



We would welcome the opportunity to discuss the opportunities in UK REITs in more detail and explore how they may fit within client portfolios.

Contact details



Cameron Gardner

Director, Head of Distribution
cameron.gardner@graviscapital.com
020 3405 8555 | 07835 142763



Ollie Matthews

Sales Director, South
ollie.matthews@graviscapital.com
020 3405 8556 | 07787 415 151



Jason Anderson

Head of London Sales
jason.anderson@graviscapital.com
020 3405 8527 | 07957 243655



Jonathan Feely

Sales Director, North
jonathan.feely@graviscapital.com
020 3405 8248 | 07894 107 075

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TM Gravis UK Listed Property (PAIF) Fund (the “Fund”) is a sub-fund of TM Gravis Real Assets ICVC, which is a non-UCITS retail scheme and an umbrella company for the purposes of the OEIC Regulations. The Fund is a Property Authorised Investment Fund (“PAIF”).

The Authorised Fund Manager of TM Gravis Real Assets ICVC is Thesis Unit Trust Management Limited (TUTMAN), Exchange Building, St John’s Street, Chichester, West Sussex, PO19 1UP. TUTMAN is authorised and regulated by the Financial Conduct Authority. GAL is the investment manager of the Fund.

Any decision to invest in the Fund must be based solely on the information contained in the Prospectus, the latest Key Investor Information Document and the latest annual or interim report and financial statements.

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Your capital is at risk and you may not get back the full amount invested. Past performance is not a reliable indicator of future results. Prospective investors should consider the risks connected to an investment in the Fund, which include (but are not limited to) market risk, counterparty risk, inflation and interest rate risks and the risks of investing in real estate and related industries. Please see the Risk Factors section in the Prospectus for further information.

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