

# First Property Group plc (FPO.L)

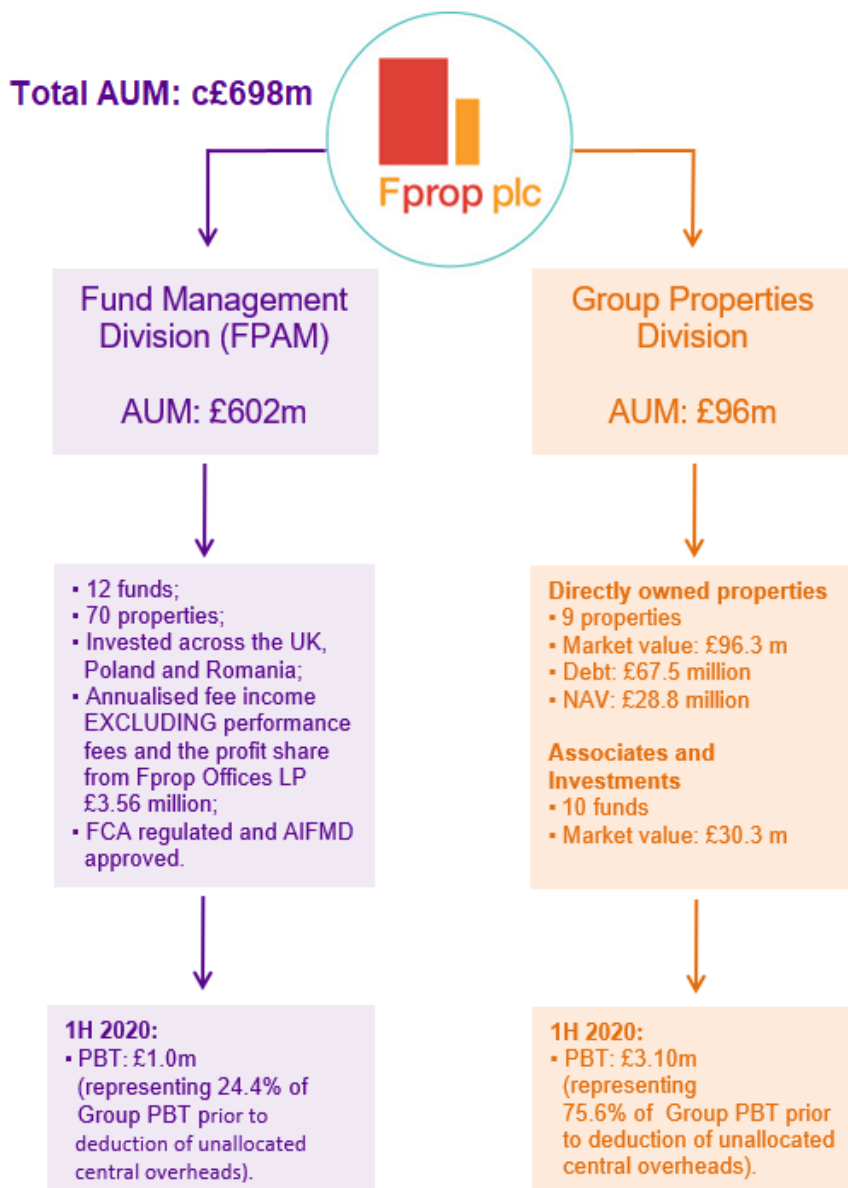
AIM listed co-investing fund manager

Market cap: £49m (at 42.0p per share) / Div. yield: c4% pa (c4.7x covered)

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SW1A 1HD  
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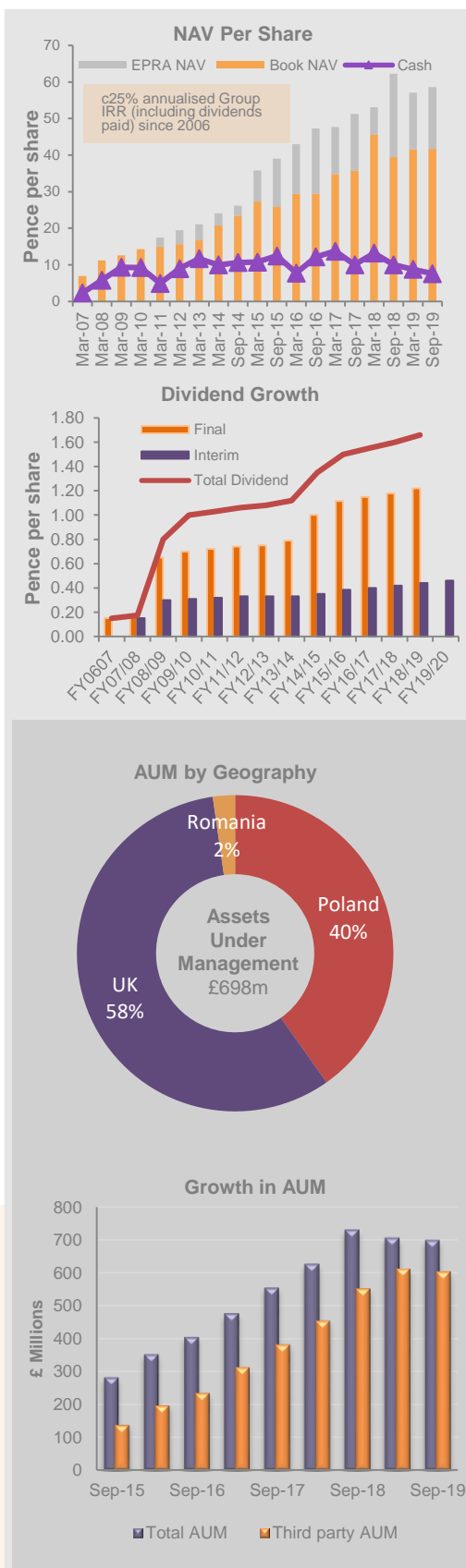


As at 30 September 2019



## Growth Drivers

- **In-built NAV growth** from retained earnings (mainly from high ROE of Group Properties);
- Growth in fund management fees as existing mandates are invested;
- Expected material contributions to PBT from Fprop Offices LP and Fprop Phoenix Ltd in due course;
- Potential to win new fund management contracts given excellent track record (see overleaf);
- **£8.6m of cash** to fund new (earnings enhancing) co-investments.



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### Investment Philosophy

#### We typically target high yielding property:

- Rental **income** mitigates illiquidity of property;
- In the long run **income** largely determines total returns;
- **Income** better protects capital value and dampens its volatility;
- High **income** better enables leverage.

#### We take an active approach to property management. We think from first principles and are flexible in the light of market changes:

**2001:** Switched from development to investment following interest rate cuts post 9/11 - which enabled development type returns to be earned from investment;

**2005:** Largely exited UK commercial property market following disappearance of gap between commercial property yields & interest payable;

**2008:** Reversed AM policy in Poland of waiting until lease expiry to renew leases;

**2009:** Returned to UK after commercial property values plunged by c50%;

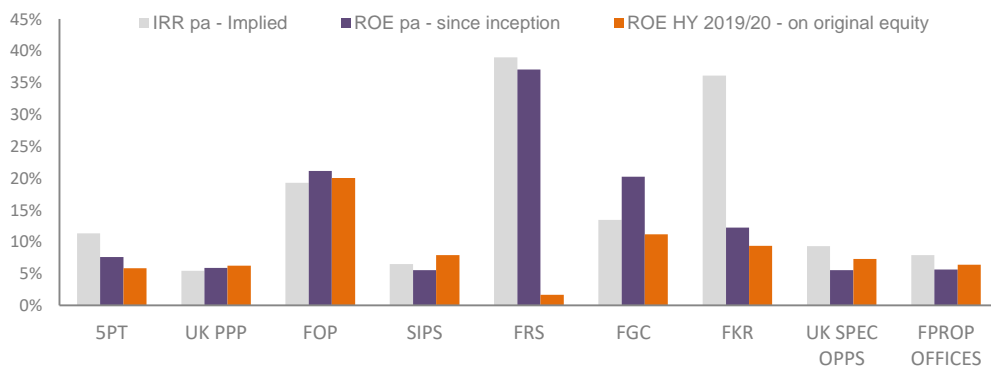
**2013:** Recommended development activity in UK following relaxation of planning regime and boosting of residential demand with "Help to Buy";

**2016:** Switched investment focus to larger "institutional" property following bifurcation of UK commercial property market post-Brexit vote.

IPD® Measured Fund



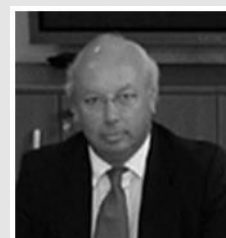
FPAM funds rank **No.1** vs MSCI's CEE Benchmark for the twelve years from the commencement of its operations in Poland in 2005 to December 2017, and for the periods from 2005 to December 2008, and each of the years thereafter. In addition, FPAM's UK PPP was awarded best "Small Specialist Fund" by MSCI at its UK Property Investment Awards 2017. FPAM was also one of ten fund managers, out of a pool of 95, to be awarded a Data Quality Award by MSCI.



Ben Habib, MA (Cantab)  
Group CEO & FPAM CIO



George Digby, ACA  
Group Finance Director



Alasdair Locke, MA, (Oxon)  
Chairman (non executive)



Peter Moon, MA, BSc (Econ)  
Independent NED

Fprop plc is LSE (AIM) listed  
FPAM is authorised & regulated by the FCA & is AIFMD approved