

RESILIENT PORTFOLIO

WHO WE ARE

Ediston Property Investment Company is a UK-listed Real Estate Investment Trust (REIT) investing in commercial property throughout the UK. It has a strong track record of, and continued focus on, improving value through intensive and entrepreneurial asset management.

Our approach is to add value at all stages of the investment process through the expertise and skill-set of the team at our investment manager, Ediston Real Estate. We invest in the main UK commercial property sectors but without regard to a traditional property market relative-return benchmark.

WHAT WE DO

Our goal is to provide investors with an attractive level of income through well-researched acquisitions, which offer the opportunity to improve income and add value through entrepreneurial asset management.

FOCUSSED REGIONAL APPROACH

The portfolio contains properties located throughout the regions of the UK. While the Company's investment policy does not preclude investment in London, the current low yields on offer do not sit well with our focus on income.

In constructing the portfolio we have avoided the herd mentality of many investors and selected assets we believe are right for our strategy, without being forced into stiff pricing competition. The outcome is a well located, diversified portfolio of quality assets which offer a robust income stream but with opportunities to enhance and improve it.

Fund Manager:
Ediston Investment Services Limited
Launch date: 28 October 2014
SEDOL: BNGMZB6

ediston-reit.com

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KEY FINANCIAL FACTS

Portfolio Value

£181.4m

EPRA NAV per share

107.07p

Market capitalisation

£132.6m

Share Price (30 September 2016)

103.4p

EPRA Vacancy Rate

4.70%

Annual dividend per share

5.5p

Annualised dividend yield

5.32%

EPRA NAV total return*

6.09%

* Year to 30 September 2016.

WAULT

7.9years

Loan to Value

28.9%



The Company's property portfolio has proved to be resilient in challenging market conditions. Our stock selection and entrepreneurial approach to asset management has improved the income stream and enhanced the portfolio.



Calum Bruce, Investment Manager
calum.bruce@ediston.com

PORTFOLIO

Resilient portfolio, ready for growth

In the turbulent period following the EU referendum result, valuations were under downward pressure, with no certainty on how far they could fall. A decline in excess of ten percent was predicted by many, on top of the fall in values caused by the increase in Stamp Duty Land Tax in March.

Despite these political and economic headwinds, the Company's NAV has increased 0.54% in the year to end September 2016 and, on a like-for-like basis, the value of the Company's underlying property portfolio has increased by 2.21% over the same period.

This robust performance is due to good stock selection, but also the favourable ratio of surveyor to property. The ratio of 1:4 means we have the

time, resource and expertise to identify, implement and execute asset management initiatives in the Ediston style. In an uncertain period being able to deliver strategies which enhance the income stream and reduce void levels has been instrumental in the resilience of the capital value of the portfolio.

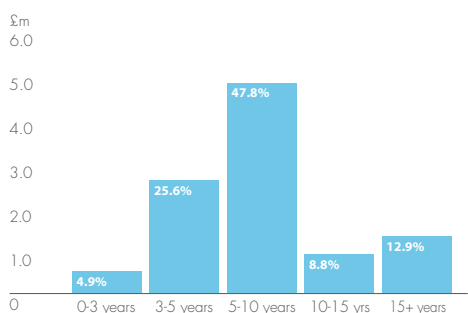
This resilience provides solid foundations for the growth of the Company, which we intend to do in a sustainable and credible manner, when market conditions allow. The publication of a new prospectus for a 12 month placing is one option, but the Company also has the ability to issue up to 12.8 million shares on an ad hoc basis under the tap authority. This would allow us to capitalise on some of the interesting buying opportunities we are seeing in the marketplace.

Portfolio Valuation

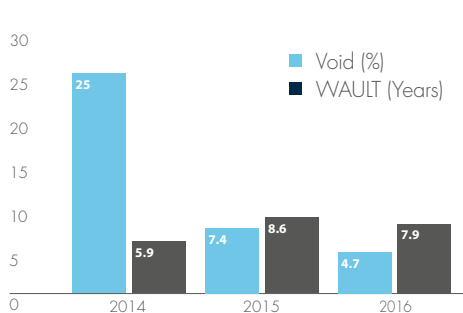
The Company's property portfolio is valued by Knight Frank on a quarterly basis throughout the year. As at 30 September 2016 it was valued at £181.4 million, compared to £182.3 million at end June 2016. This is a fall of only 0.51% for the quarter, which is a positive result given the widespread market volatility witnessed following the Brexit vote.

Knight Frank has removed its valuation caveat put in place post the Brexit vote. Market conditions have become clearer from a pricing visibility perspective which has prompted this positive step and the removal of the caveat.

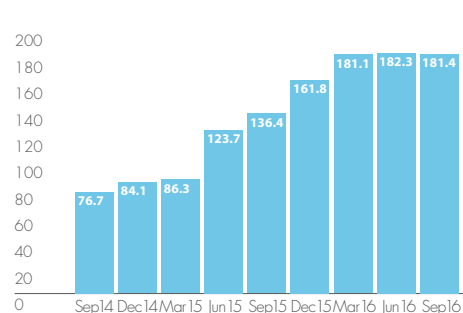
Lease expiries illustrating revenue impact on the portfolio at 30 September 2016



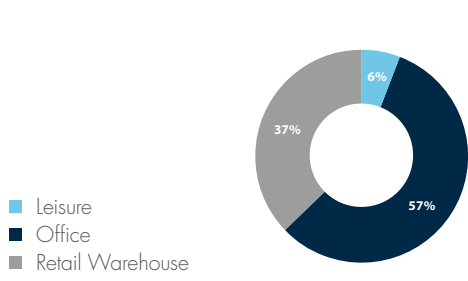
Void rate and weighted average unexpired lease term (WAULT) at 30 September



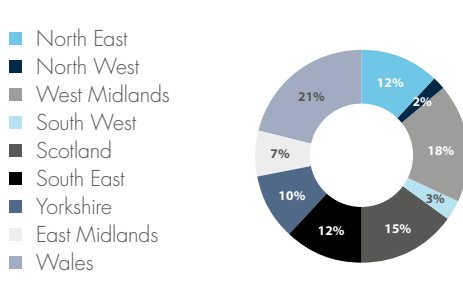
Portfolio quarterly capital value to 30 September 2016



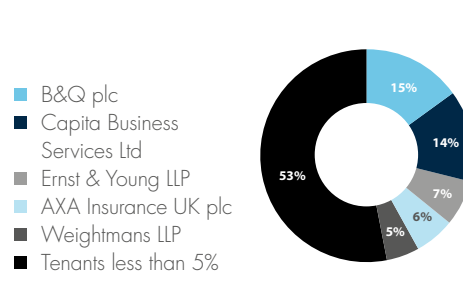
Sector exposure at 30 September 2016



Location exposure at 30 September 2016



Tenant concentration at 30 September 2016



Property portfolio as at 30 September 2016

Location	Name	Sub-sector	Market Value Range (£)	Tenure
Birmingham	St Philips Point	Office – Rest of UK	25-30m	Freehold
Reading	Phoenix	Office – Rest of South East	20-25m	Freehold
Sheffield	Cutlers Gate	Office – Rest of UK	15-20m	Freehold
Newcastle	Citygate 2	Offices – Rest of UK	15-20m	Leasehold
Edinburgh	145 Morrison Street	Office – Rest of UK	10-15m	Heritable
Bath	Midland Bridge House	Office – Rest of UK	0-5m	Freehold
Wrexham	Plas Coch Retail Park	Retail Warehouse	20-25m	Freehold
Coatbridge	B&Q	Retail Warehouse	15-20m	Heritable
Rhyl	Clwyd Retail Park	Retail Warehouse	15-20m	Freehold
Daventry	Abbey Retail Park	Retail Warehouse	10-15m	Leasehold
Telford	Mecca Bingo	Leisure	0-5m	Freehold
Liverpool	Mecca Bingo	Leisure	0-5m	Freehold
Hartlepool	Mecca Bingo	Leisure	0-5m	Freehold

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