

Value assessment report

This report has been prepared on behalf of the Board of Custodian Property Income REIT plc (the “**Company**”) by Custodian Capital Limited (“**CCL**”), discretionary Investment Manager to the Company. The Company and CCL have appropriate procedures in place to monitor and review all aspects of the Company to ensure the costs and charges paid for the product are commensurate with the benefits received and represent fair value for shareholders. The Company takes its responsibilities seriously in this regard and CCL continually seeks to identify areas for improvement, with a view to enhancing the benefits available to shareholders, to continue to provide fair value and to achieve positive outcomes for shareholders. This report provides a summary of the reviews undertaken, the conclusions reached and any remedial action required.

1. Product features, services, benefits and quality

The features of the Company, the services provided to shareholders and the benefits of a shareholding were assessed in detail and found to be comprehensive in nature, appropriate for the investment needs of the specified target market and of consistently high quality. The Company was therefore deemed to have delivered fair value to retail clients, including those belonging to different groups within the identified target market or those displaying characteristics of vulnerability, relative to the Company’s overall costs. It was also concluded that there were no inherent restrictions or limitations preventing shareholders in the identified target market, including those displaying characteristics of vulnerability, from benefitting from the product and receiving fair value.

The Company’s features and services assessed included the following:

- Operating model;
- Governance and risk management framework;
- Administration;
- The engagement of key service providers, including CCL;
- Regulatory and tax compliance;
- Costs and charges;
- Website accessibility; and
- Shareholder communications and support.

The benefits were assessed in both financial and non-financial terms, and included the provision of additional assistance to customers displaying characteristics of vulnerability, in order to minimise the impact that these characteristics may have on the likelihood that these customers may not enjoy the full benefits of a shareholding and thus not receive fair value.

The Company and CCL will continue to review the features of the Company, the services provided to shareholders and the benefits available to shareholders, in order to enhance the customer experience and to continue to provide fair value for retail clients.

The review concluded that no immediate remedial action was required.

2. Performance

| | Share price TR ¹ 1yr | Share price TR 3yr | Share price TR 5yr | Share price TR 9yr |
|-------------------------|------------------------------------|-----------------------|-----------------------|-----------------------|
| Peer group ² | -28.4% | 28.0% | -4.5% | 40.8% |
| Company | -7.7% | 6.5% | 4.4% | 45.3% |

Source: Numis Securities Limited

The Company's performance since IPO, after costs, was deemed to be within a reasonable range of outcomes and was consistent with its stated investment policy, objectives and strategy. As at 31 March 2023 the Company had outperformed its peer group over one, five and nine years (since IPO). More information on performance can be found within quarterly update statements and annual and interim reports, which are available at [CUSTODIAN PROPERTY INCOME REIT PLC CREI Analysis - Stock | London Stock Exchange](#)

3. Costs

The costs applicable to the Company, including the annual management charge ("AMC") and other elements which make up the Ongoing Charges Ratio ("OCR"), were reviewed and were considered to be fair value relative to the cost to the Company of providing the services. Transaction costs (relating primarily to stamp duty payable on property purchases) and finance costs, which do not form part of the OCR calculation, were also reviewed and found to be within industry norms.

As part of the review, the costs charged to the Company for external key service providers were assessed and found to be justified relative to the services provided, while remaining competitive when benchmarked against other providers in the market.

¹ Net Asset Value movement including dividends paid during the period on shares in issue at the start of the period.

² The Company's peer group comprises: Balanced Commercial Property Trust Limited, CT Property Trust Limited, Picton Property Income Limited, Schroder Real Estate Investment Trust Limited, abrdn Property Income Trust Limited, UK Commercial Property Trust Limited and Ediston Property Investment Company plc.

Overall, the non-property costs applicable to the Company were found to be commensurate with the range and quality of the services provided, and consistent with the disclosures in the Key Information Document and other regulatory documents.

4. Economies of scale

A review was carried out to consider whether shareholders have benefited from savings generated as a result of the size of the Company, which has grown significantly over the past nine years. It was concluded that savings from economies of scale, in relation to the direct and indirect costs of providing the services, have been passed on to shareholders. The Company will continue to look for efficiencies in order to maintain an appropriate balance between the range of services and benefits provided to shareholders and the overall fees charged.

5. Comparable market rates

A review was undertaken to consider whether the overall costs are reasonable compared with the Company's peer group. The Company's OCR is below the peer group simple average.

6. Comparable services

A review of the range and quality of the services provided to shareholders was considered to assess whether the overall costs represent fair value, as compared to similar products offered by the Company or CCL. The Company does not offer any other products and, while CCL offers other products to retail clients, none have a similar mandate or target market to the Company and so cannot be directly compared.

7. Share classes

A review of share classes and shareholder rights was undertaken to establish whether any shareholders are subject to higher charges than those applying to other share classes with substantially similar rights. The Company provides one share class only and all shareholders have equal rights.

8. Overall value assessment

The overall assessment of the Company and CCL, based on the criteria reviewed above, is that this product represents fair value for customers in the designated target market.