In 2008 Darwin identified that the UK holiday park market provided opportunities to generate long-term and stable investment returns for pension funds and launched the Darwin Leisure Property Fund. The Fund has attracted investments from some of the UK’s leading local authority and corporate pension schemes and has generated an annualised 5 year performance return of 14.07%.

Having now reached its optimum size, the Darwin Leisure Property Fund is soft closed in order to protect the interests of existing investors. As still the only fund in this sector, Darwin has seen considerable demand from investors for a further fund, as the market still offers untapped potential due to its highly fragmented nature.

Consequently, Darwin has now launched a second fund, the Darwin Leisure Development Fund. This new fund will follow a similar operating model to the Darwin Leisure Property Fund with two important differences:

First, it will focus on parks with potential for redevelopment and sites which have planning permission that has not yet been implemented.

Second, unlike the Darwin Leisure Property Fund, this fund will utilise modest gearing, at a level of around 20%, to help finance acquisitions and redevelopment.

*As at 30 September 2017

A New Investment Opportunity

The Darwin Leisure Development Fund is a new opportunity for institutional investors to invest in the lucrative UK holiday park market. The Fund has been launched following the success of the Darwin Leisure Property Fund.

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*As at 30 September 2017
Why invest in Holiday Parks?

Holiday parks are an important component of the UK travel industry, accounting for around 17% of Britain’s entire holiday economy.

- There are currently around 4,000 UK holiday parks which generate annual revenues of around £2.5 billion.
- Growing industry - revenues expected to rise to £3.2 billion by 2020.
- Holiday parks have proved relatively resilient to the economic turmoil of the past few years.
- Holiday parks account for approximately 25% of all UK holiday trips and 31% of all holiday bed nights.
- The industry employs about 130,000 people, including part time and seasonal staff.

Capital growth can be achieved through:

- The transformation of sites from lower revenue tenting and touring parks to high value static caravan and lodge parks.
- Development of brand new parks on ‘greenfield’ sites.

Income is typically generated through:

- Annual site fees from owners of lodges.
- Sales of lodges and pitches to new owners and a flow of upgrade sales to existing owners.
- Holiday rentals of lodges.

Benefits to Investors

Stable, consistent returns of 10 – 14% per annum*

Capital growth, rather than income, is the driver of return and is achieved through:

- Exploitation of existing planning permissions.
- Development gains from new planning permissions.
- Modest level of gearing (max 20% at Fund level).
- Proven ‘operational excellence’ model of management of parks post development.

* Target return

Low risk

- Asset backed.
- Non-speculative land purchases, properties added to portfolio already zoned for holiday park use.
- Business model generates stable and predictable revenue streams, ensuring consistency of returns.

Diversification

- Uncorrelated returns from all mainstream asset classes, including real estate.

Investment Strategy

We apply a structured process to the acquisition, development and management of each of our parks in order to maximise their returns for the overall portfolio.

Targeted acquisition of parks

We have a robust acquisition process which evaluates potential purchases based on location, park attributes and opportunities for growth and development.

Exploit planning opportunities

The Fund will focus on acquiring parks with potential for redevelopment. These might be:

- ‘greenfield’ sites with planning permission
- existing operations with unexploited planning permission
- tenting and touring parks where planning permission might be obtained.

Capital investment to improve facilities

Parks will be redeveloped on a complete or partial basis, as appropriate, in order to improve the infrastructure and facilities and offer luxury lodge accommodation. This will eradicate any seasonality and generate higher revenues for the park.

Gearing

Acquisitions and redevelopments will be funded by modest gearing of up to 20% as well as by utilising cash within the Fund.

Improved management of parks

In order to maximise revenues, we will utilise our specialist, experienced management team to improve their commerciality and incorporate parks into the rest of the group to create economies of scale.

The investor and customer virtuous circles

Our philosophy is simple – to create parks which are best in their class and drive strong, stable income returns and capital appreciation. This can only be achieved by creating parks that continually attract customers and provide them with outstanding holiday experiences.
The new Darwin Leisure Development Fund replicates the structure of the Darwin Leisure Property Fund and the same team is responsible for investment, acquisitions, developments and the operational management of the parks.

**Investment Objective**
To maximise total return in Sterling terms primarily through capital growth.

**Investment Strategy**
To invest in UK holiday parks with latent development potential.

**Fund Structure**
Guernsey unit trust authorised by the Guernsey Financial Services Commission as an authorised Class B open-ended Collective Investment Scheme.

**Gearing**
The Fund will utilise modest gearing at a level of around 20%.

**Target Investors**
Designed as a long term investment for institutional investors.

**Dealing**
Monthly, on the first business day of each month.

**Base Currency**
Sterling

**Minimum Subscription and Holding Level**
£1,000,000 (minimum subsequent subscriptions £100,000)

### Unit Classes

<table>
<thead>
<tr>
<th>Class “C” Income and Accumulation Units</th>
<th>Annual Management Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Available to any investor wishing to invest or acquire additional units after 31 March 2017</td>
<td></td>
</tr>
<tr>
<td>• No lock-in period</td>
<td></td>
</tr>
<tr>
<td>0.85% per annum</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Class “D” Income and Accumulation Units</th>
<th>Annual Management Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Available to any investor wishing to invest or acquire additional units after 31 March 2017</td>
<td></td>
</tr>
<tr>
<td>• 10 year lock-in period</td>
<td></td>
</tr>
<tr>
<td>0.75% per annum</td>
<td></td>
</tr>
</tbody>
</table>

### Performance Fee
15 per cent of the value of the outperformance above the benchmark (a 5 per cent annual increase in the Net Asset Value of the Fund).

The Manager will however, only receive the performance fee if the NAV per Unit is above the previous high water mark attained during the relevant period.

### Redemption Fee

<table>
<thead>
<tr>
<th>Time of redemption from acquisition</th>
<th>Percentage Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>15%</td>
</tr>
<tr>
<td>Within two years</td>
<td>12.5%</td>
</tr>
<tr>
<td>Within three years</td>
<td>10%</td>
</tr>
<tr>
<td>Within four years</td>
<td>7.5%</td>
</tr>
<tr>
<td>Within five years</td>
<td>5%</td>
</tr>
<tr>
<td>Thereafter</td>
<td>0</td>
</tr>
</tbody>
</table>
The Strategy in Practice

Darwin Leisure Property Fund

- Launched in 2008, the Darwin Leisure Property Fund was the first and, until now, only fund to invest in the UK holiday park industry.
- The Fund is now £525m* in size and owns and operates 20 holiday parks under the Darwin Escapes brand.
- The Fund’s investment advisor, Darwin Property Investment Management Limited has won a number of industry accolades including ‘Alternative Manager of the Year’ at the 2016 UK Pension Awards and at the 2015 and 2016 LAPF Investments Awards.

*As at 31 July 2017

Track Record
Darwin Leisure Property Fund Performance

<table>
<thead>
<tr>
<th>1 Month Performance %</th>
<th>Cumulative Performance %</th>
<th>Annualised Performance %</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 2017</td>
<td>12 Months</td>
<td>3 Year</td>
</tr>
<tr>
<td>+0.78</td>
<td>+4.77</td>
<td>+10.46</td>
</tr>
</tbody>
</table>

Source: Darwin Property Investment Management Limited. As at: 30 Sept 2017. Darwin Leisure Property Fund performance shown is for “C” Class Accumulation Units and based on the published NAV price. The Cumulative and Annualised performance returns indicated in the tables are also based on the published NAV price. FTSE All Share, FTSE British Government All Stocks and IPD UK All Property all rebased to 100.

For further information please contact: T: +44 (0)20 7408 1060 email@darwinalternatives.com


Disclaimer: The purpose of this document is to provide summary information and does not constitute a recommendation to buy or sell units in the Fund. Any decision to buy and sell shares should be made after seeking appropriate professional advice and on the basis of the Fund’s Prospectus, available from the Administrator to investors in certain jurisdictions where the Fund has been authorised. The Fund can only be marketed to Eligible Investors as defined in the Prospectus. The Fund is not marketed or sold in any jurisdiction that is not legally permitted. Investments in property carry specific risks and may not guarantee a return, and the value and the income on them may go up or down, so that you may not realise the amount originally invested. Changes in exchange rates between currencies may cause the value of investments to go up or down. Persons in receipt of the information contained herein are required to inform themselves about, and observe such restrictions. Past performance of this or any other Darwin fund is not necessarily a guide to future performance, nor can the performance of this fund be linked to performance of another Darwin fund. The value of investments and the income from them can fluctuate and is not guaranteed. The views expressed are as at September 2017 and are subject to change. This document does not constitute investment or any advice. This document is produced by Darwin Alternative Investment Management Limited who are authorised and regulated by the Financial Conduct Authority.