



ASK PARTNERS

INVESTOR SURVEY 2023

Introduction

ASK is a real estate specialist across multiple asset classes, lending to experienced property developers, investors and asset managers with the aim of delivering superior risk-adjusted returns to investors. A proprietary technology platform enables sophisticated individual high net worth investors, family offices and institutions to participate in ASK's property loans on a self-select basis.

Since 2021, ASK has annually surveyed a group from its total of over 300 high net worth investors regarding their sentiment and strategy for real estate investment and their opinions of ASK's service and offering. This year ASK surveyed 83 of its investors who are either investing in, or developing, UK real estate.

This report summarises our findings, namely that real estate remains dominant in high net worth's investment allocations and despite being wary of the obvious economic obstacles such as high inflation, they are retaining their allocation to real estate.

This is a forward thinking group of sophisticated investors, who confidently manage their portfolios online, look at opportunities on their individual merits rather than focusing on a particular sector or geography, and who are beginning to embed ESG into their decision making.



31%

HAVE LOWERED
THEIR RISK PROFILE

MACRO-ECONOMIC IMPACTS

Those surveyed clearly consider that the macro-economic environment will impact their investment strategy. 35% have lowered their risk profile and 20% now hold more in cash. However, demonstrating property's resilience as an asset class, 32% have not made changes to the amount they have invested in UK real estate in the last year and on average these investors surveyed are looking to increase their allocation to UK real estate by 14% in the next 12 months. This is compared to a 25% planned increase the year before.

"Rising interest rates were the biggest economic concern."

On a sliding scale from -5 to +5, respondents' current view on the UK economy was an average of -1.3 with rising interest rates being their biggest economic concern. Interest rates have overtaken inflation, which was last year's respondents' primary economic concern, and geopolitical instability which was their greatest concern in 2021.

As Paul Stevens, a founding partner of ASK commented, "With interest rates now at 5%, it is no surprise these investors are reacting to the economic situation. They are right to remain nimble and trust in the long-term trends which underpin property investment."

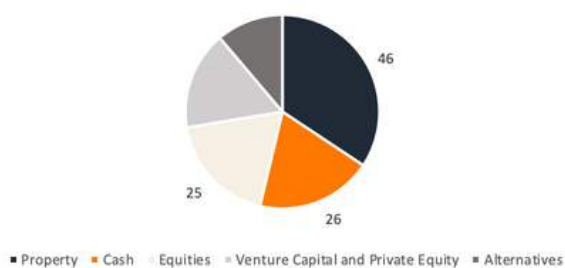
How has the current economic environment changed your investment strategy or appetite?



INVESTMENT ALLOCATION

The investors we surveyed are clearly still showing a strong appetite for real estate. Investors are allocating the largest proportion of their investment portfolio to property, excluding their primary residence. This was followed by cash.

What proportion of your overall investment portfolio is held in the following asset types?



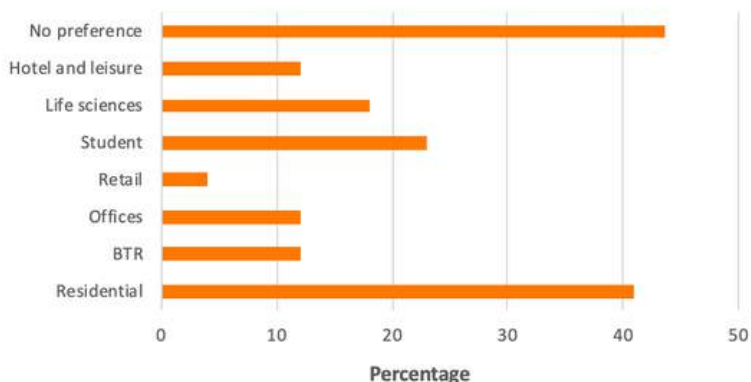
Residential was the top asset class and London the most preferred location, but as Daniel Austin, ASK's CEO and Co-founder points out, "This is expected from a low risk strategy perspective. The capital will always perform well because of the basic supply/demand fundamentals. Some sectors will fare better than others in a downturn and those with a residential aspect often do better. For example, the purpose built student housing sector which is strongly supported by overseas students and the fact that during a downturn people tend to study longer. The build to rent sector will also benefit from the fact that more and more people will not be able to get mortgages."

Daniel added that, "Perhaps more important was the most popular answer of 'no preference' which I feel reflects the trust investors have in us to source creative debt opportunities across a variety of sectors. With unstable land values and rising interest rates it is crucial to evaluate lending opportunities very much on a case by case basis and we are seeing some interesting opportunities in non-residential sectors such as life sciences, supported by the unprecedented demand for lab-space in the UK."



A residential tower at Canary Wharf, London where ASK lent against 133 apartments.

Asset class preferences



"Aside from residential asset classes including BTR and student accommodation, life sciences was a strong preference."

INVESTMENT PREFERENCES



84%

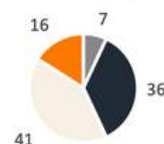
CONSIDER THE ENVIRONMENT IN THEIR INVESTMENT DECISIONS

Last year we reported that 40.7% of respondents already or plan to factor sustainability into their investment decisions. This year we asked how important the environment and sustainability were when making a decision to invest in a property deal. 84% said it was either crucial, important or of interest.

Doug King, COO and Co-founder at ASK commented, "The interest among investors to consider the environment in their decision making I think reflects the recent increase in sustainability regulations affecting the property industry. When analysing the viability of a loan it is critical to factor in many environmental aspects, such as the EPC rating of the loan security. It must now be a minimum of 'B' and many buildings do not meet that. Any refurbishment plans should aim to far exceed minimum standards as it is evident that eco-friendly buildings are now achieving far higher capital values and rents. It is very positive that this group recognise the rising importance of sustainability in the real estate market. We will continue to conduct environmental due diligence on each loan opportunity to ensure we present a balanced view of the risks."

This group have also shown a preference for lower risk first charge loans, with 60% asking for more opportunities of this type. Doug added that, "This is unsurprising given many have lowered their risk profile in light of the current macro economic environment. We will certainly aim to provide more first charge loans through our platform. We recently funded a £15.7m loan as a first charge lender in which 77 of our investors participated."

How important are sustainability and environmental concerns when you are making a decision to invest in a property deal?



- Very important (crucial to my investment decision)
- Important (factored in but not crucial)
- Of interest but not important
- Not at all

INVESTOR PORTAL FEEDBACK

A crucial part of our annual investor survey is gaining feedback on the functionality of our investor portal which we are always striving to improve. The group we surveyed found the investor portal easy to use and navigate, with 97% finding it either easy or reasonably easy to use. Overall design and detail scored 8 out of 10, as did the level of detail provided on the dashboard. The quality and amount of information provided on live investments also received an average score of 8 out of 10.

Another question asked if investors would be interested in the ability to see their ASK portfolio within another wealth app. 62% of the group said no.

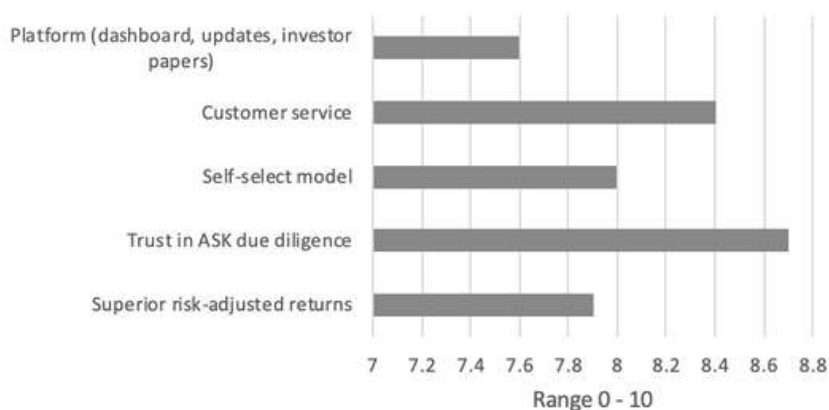
Mark Templeman, Chief Information Officer at ASK commented, "This year's feedback is very encouraging. We are very keen to stay ahead of the curve on the functionality of our 'wealth tech' offering. I am delighted that so many of our investors find the portal easy to use and that the information we provide is sufficient and of good quality."

He also added, "We recognise that technology tools and the variety of products in the market are evolving rapidly. We are therefore continually exploring the potential of new services, asset classes and liquidity tools to ensure we provide a best-in-class offering."

The survey also asked, "Why do you invest with ASK?" Four options were given to select on a sliding scale; zero being indifferent and ten being a key factor. Trust in ASK due diligence was rated most highly. Mark added that, "Our attention to detail and level of due diligence is something we heavily focus on and has enabled us to achieve our track record of no capital losses, so this is very welcome feedback."

Finally, investors were asked if they would be happy to recommend ASK. 95% have already or would be happy to recommend the company to friends, family or colleagues. Belinda Davie, Head of Investor Relations at ASK commented, "For me this is the strongest measure of our success and reflects the organic growth of our investor base to date. We work very hard to provide the best service possible. Building trust and relationships with clients is a key differentiator for us in the market and will remain critical to our approach."

Why do you invest with ASK?



"95% have already or are happy to recommend ASK."

KEY TAKEAWAYS

- COMMITTED TO REAL ESTATE INVESTMENT
- REDUCED RISK PROFILE
- INCREASED CASH HOLDINGS
- PREFERENCE FOR OPPORTUNISTIC STRATEGIES AND RESIDENTIAL CLASSES

Conclusion

The key takeaways from this survey are incredibly positive. This cohort of sophisticated investors remain committed to real estate investment. A categorical reflection of the solid fundamentals and long-term trends of this asset class.

The top investment choice is residential and London is the preferred location. Yet the majority are agnostic, choosing to remain nimble and be led by ASK's ability to unlock innovative opportunities. Many are holding more in cash for security and flexibility and for most, capital protection is currently more important than high returns.

The macro-economic environment will continue to present ongoing challenges but the survey results indicate that this group has an opportunistic and flexible attitude that will make them well-placed to rise to the challenge of achieving risk-adjusted investment returns in a difficult market.

Based on these key takeaways, we will continue to look for high quality investment opportunities, particularly first charge structures, and further invest in our technology to improve the flexibility for investors to manage their portfolios between cash and property investments.

We do not underestimate the trust our investors place in us to help them achieve their investment goals which is why the customer service feedback from this survey is so heartening. Particularly during these more volatile times we work even harder to manage relationships with borrowers and monitor loans on our investors' behalf to ensure we are protecting their capital.

Daniel Austin, CEO and Co-founder, ASK Partners

CONTACTS



Daniel Austin
CEO
daustin@askpartners.co.uk



Doug King
COO and CFO
dking@askpartners.co.uk



Paul Stevens
Co-Founder
pstevens@askpartners.co.uk



Mark Templeman
CIO
mtempleman@askpartners.co.uk



Belinda Davie
Head of Investor Relations
bdavie@askpartners.co.uk