

Asset Class Matrix and expected returns

Asset class	Sector	Target Portfolio structure	Target Allocation £m's	Gross yield (income)	Net yield before debt (3.00%)	Net yield after debt
Residential	Social & Affordable Rent	56%	560	5 to 6%	3.75% to 4.5%	0.75% to 1.5%
	Shared Ownership			2.75%	2.75%	2.75%
	Market Rent (secondary)			6%	4.50%	1.50%
	Market Sale	10%	100	20% profit of GDV or 25% profit on TSC (assuming 100% debt funding)		
Commercial	Offices (good secondary)	10%	100	6.50%	4.88%	1.88%
	Retail (good secondary)			9.50%	7.13%	4.13%
	Industrial (Good secondary)			5.50%	4.13%	1.13%
	Student & Creative Arts			TBC	TBC	TBC
	Hotel & Leisure			4.85%	3.64%	0.64%
Infrastructure	Energy	3%	33	c6.5% IRR		
	Infrastructure					
Commercial Lending	Debt	20%	200	case by case basis		
Total		100%	993			
<i>Yields from CBRE July market analysis except Shared Ownership and Infrastructure</i>						