



## Tesco Property Finance 3 plc

£ 958,450,000 Secured 5.744 per cent. Bonds due 13 April 2040

Issuer and Partnership Quarterly Report for the period covering October 2016 - January 2017

IPD 26

Report Date	06-Jan-17
Loan Interest Payment Date	10-Jan-17
Calculation Date	06-Jan-17
Interest Payment Date	13-Jan-17

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Prepared by HSBC Bank plc acting as Cash Manager for and on behalf of Tesco Property Finance 3 plc, The Tesco Passaic Limited Partnership, Tesco Passaic (Nominee 1) Limited, Tesco Passaic (Nominee 2) Limited and Tesco Passaic (GP) Limited.

**1. Partnership Rent Account**

Opening Balance		5,000.00	CR
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
22-Dec-16	Rent	14,367,881.87	CR
10-Jan-17	To Partnership Transaction Account	14,367,881.87	DR
Closing Balance		<u>5,000.00</u>	CR

**2. Partnership VAT Account**

Opening Balance		3,540,981.73	CR
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
31-Oct-16	VAT Payment	2,873,186.55	DR
22-Dec-16	VAT Funding	2,873,576.42	CR
10-Jan-17	Transfer to Partnership Transaction Account	447,242.96	DR
Closing Balance		<u>3,094,128.64</u>	CR

**3. Partnership Transaction Account**

Opening Balance		6,592.75	CR
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
07-Nov-16	Return of State Street Invoice	9,370.25	CR
15-Nov-16	Return of State Street Invoice	9,976.25	CR
10-Jan-17	Transfer from Partnership VAT Account	447,242.96	CR
10-Jan-17	Transfer to Partnership Distribution Account	143,752.89	DR
10-Jan-17	Transfer from Rent	14,367,881.87	CR
10-Jan-17	Trustee Fee	1,500.00	DR
10-Jan-17	Ongoing Fee	67,331.86	DR
10-Jan-17	Expenses	26,908.10	DR
10-Jan-17	Partnership Swap receipt	355,020.72	CR
10-Jan-17	Partnership Debt	14,456,591.93	DR
Closing Balance		<u>500,000.02</u>	CR

**4. General Partner Corporation Tax Reserve Account**

Opening Balance		-	CR
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
Closing Balance		-	CR

### 5. General Partner VAT Transaction Account

	Opening Balance	165,009.43	CR
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
07-Oct-16	Credit Interest	18.99	CR
	Closing Balance	165,028.42	CR

### Expense Reserve Ledger - Max GBP 500,000.00

DATE	ENTRY DETAILS		
10-Jan-17	Ledger Receipts to date	6,592.73	CR
		493,407.27	CR
	Balance	500,000.00	CR

### 6. Partnership Pre-Enforcement Priority of Payments

Date		Funds Paid Out of account (£)	Funds Received into account (£)
10-Jan-17	<b>Partnership Available Funds</b>		
	a Rental Income		14,367,881.87
	b Funds from Issuer under Partnership Swaps		14,456,632.00
	c From Partnership VAT Account		-
	d From Partnership Disposal Proceeds Account		-
	e From Partnership Insurance Proceeds Account		-
	f Interest received by the Partnership Accounts and Rent Account		-
	g Eligible Investment Earnings by Partnership		-
	h Advance under Committed Subordinated Loan Agreement		-
	i Net proceeds of a CPO Disposal or a Mortgage Property		-
	j Net proceeds of a disposal of a Mortgage Property		-
	k Any other sums standing to the credit of the Partnership Transaction Ac		466,589.46
	<b>Partnership Pre-Enforcement Priority of Payments</b>		
	a Partnership Security Trustee Fees	1,500.00	
	b Issuer Security Trustee Fee, Bond Trustee, operating expenses of the Issuer (Ongoing Partnership Facility Fee)	55,295.04	
	c Partnership Operating Expenses excluding GP UK Tax	25,052.50	
	d Partnership Operator Fee	1,855.60	
	d Property Advisor Fee (Annual 25 K Jan)	-	
	d Nominees Corporate Services Provider Fee	-	
	d Nominees Holdco Corporate Services Provider Fee	-	
	d PL Propco Corporate Services Provider Fees	-	
	d Nominees Side Letter payments	-	
	d Nominees Holdco Side Letter payments	-	
	d Account Bank Fee	-	
	d Cash Manager Fee	-	
	d Issuer Account Bank, PPA CM, CSP Fee (Ongoing Partnership Facility Fee)	11,286.82	
	d Headlease payment	-	
	e Partnership Expenses Ledger payment (max £6,250)	7,326.45	
	f Partnership Debt Interest	13,480,477.93	
	f Partnership Swap payment	14,101,611.28	
	g Partnership Debt Principal	976,114.00	
	g Issuer Partnership Swap Termination Amount (Ongoing Partnership Facility Fee)	750.00	
	i Property Pool Manager Fee	-	
	j Partnership Swap Termination Amount	-	
	k Partnership Expenses Ledger payment	486,080.82	
	l Alteration Adjustment Rent	-	
	m Committed Subordinated Loan payment	-	
	n Partnership Distribution Account	143,752.89	
	<b>Totals</b>	29,291,103.33	29,291,103.33

**7. Issuer Transaction Account**

Opening Balance		40,825.65	CR
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
13-Jan-17	Issuer Swaps Receipts	355,020.72	CR
13-Jan-17	Partnership Debt	14,456,591.93	CR
13-Jan-17	Partnership Swap Pays	355,020.72	DR
13-Jan-17	Ongoing Fee	67,331.86	CR
13-Jan-17	HSBC Fee	7,700.00	DR
13-Jan-17	Notes	14,456,591.93	DR
13-Jan-17	Issuer Operating Expenses	58,881.86	DR
	Closing Balance	41,575.65	CR

**8. Issuer Pre-Enforcement Priority of Payments**

Date		Funds Paid Out of account (£)	Funds Received into account (£)
13-Jan-17			
	<b>Issuer Available Funds</b>		
	a Funds due to Issuer under Partnership Swap Agreement		14,101,611.28
	b Amounts due to Issuer in respect of Partnership Loan		14,523,923.79
	c Any amount due to Issuer under Issuer Swap Agreement		14,456,632.00
	d Interest Received by Issuer on Transaction Account		-
	e Eligible Investment Earnings		-
	<b>Issuer Pre-Enforcement Priority of Payments</b>		
	a Bond Trustee Fee	1,200.00	
	a Issuer Security Trustee Fee	1,500.00	
	b Issuer Operating Expenses	52,595.04	
	c Issuer/Issuer Holdco Corporate Services Provider Fee	6,286.82	
	c Paying Agent Fee	500.00	
	c Account Bank Fee	750.00	
	c Cash Manager Fee	3,750.00	
	d Bond Interest	13,480,477.93	
	d Bond Principal	976,114.00	
	d Issuer Swap Provider	14,101,611.28	
	d Partnership Swap payment	14,456,632.00	
	e Issuer Profit	750.00	
	f Swap Subordinated Amounts	-	
	g Issuer Partnership Swap Termination Amount	-	
	h Issuer Transaction Account	-	
	<b>Totals</b>	43,082,167.07	43,082,167.07

## 9. Bond Information

Listing	Irish Stock Exchange
<u>Original Rating</u>	
Moody's	Ba1
Standard and Poor's	BB+
Fitch	BB+
Offered Date	07 July 2010
Expected Maturity	13 April 2040
Issue Amount	£958,450,000
ISIN code	XS0512401976
Interest Rate	5.744% p.a.
Current Factor	0.980452021493035
Next Factor	0.979448009807501

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