

Tesco Property Finance 4 plc

£ 685,100,000 Secured 5.8006 per cent. Bonds due 13 October 2040

Issuer and Partnership Quarterly Report

Report Date	06-Jul-18
Loan Interest Payment Date	10-Jul-18
Calculation Date	06-Jul-18
Interest Payment Date	13-Jul-18

Contents of the Report:

- 1 **Partnership Rent Account**
- 2 **Partnership VAT Account**
- 3 **Partnership Transaction Account**
- 4 **Yardley Reserve Account**
- 5 **General Partner Corporation Tax Reserve Account**
- 6 **General Partner VAT Transaction Account**
- 7 **Partnership Pre-Enforcement Priority of Payments**
- 8 **Issuer Transaction Account**
- 9 **Issuer Pre-Enforcement Priority of Payments**
- 10 **Yardley Rent Account**
- 11 **Bond Information**

Prepared by HSBC Bank plc acting as Cash Manager for and on behalf of Tesco Property Finance 4 plc, The Tesco Navona Limited Partnership, Tesco Navona (Nominee 1) Limited, Tesco Navona (Nominee 2) Limited and Tesco Navona (GP) Limited.

1. Partnership Rent Account

Opening Balance		69,037.00	CR
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
21-Jun-18	Rent	9,038,182.32	CR
10-Jul-18	To Partnership Transaction Account	8,958,546.71	DR
Closing Balance		<u>148,672.61</u>	CR

2. Partnership VAT Account

Opening Balance		2,067,485.79	CR
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
16-Apr-18	SAVILLS (UK) LIMITED	4,894.61	CR
20-Apr-18	SAVILLS (UK) LIMITED	190.60	CR
27-Apr-18	HMRC	1,985,203.21	DR
27-Apr-18	SAVILLS (UK) LIMITED	668.94	CR
04-May-18	SAVILLS (UK) LIMITED	5,596.70	CR
11-May-18	SAVILLS (UK) LIMITED	833.33	CR
25-May-18	SAVILLS (UK) LIMITED	465.52	CR
25-May-18	HMRC	1,012.52	DR
01-Jun-18	SAVILLS (UK) LIMITED	5,301.10	CR
08-Jun-18	SAVILLS (UK) LIMITED	4,967.67	CR
15-Jun-18	SAVILLS (UK) LIMITED	2,843.57	CR
15-Jun-18	TESCO STORES	1,944,623.96	CR
22-Jun-18	SAVILLS (UK) LIMITED	5,583.38	CR
03-Jul-18	SAVILLS (UK) LIMITED	14,673.43	CR
Closing Balance		<u>2,071,912.87</u>	

3. Partnership Transaction Account

Opening Balance		500,000.00	CR
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
06-Jul-18	Credit Interest	243.70	CR
10-Jul-18	Transfer from Rent	8,958,546.71	CR
10-Jul-18	Trustee Fee	1,500.00	DR
10-Jul-18	Ongoing Fee	44,855.83	DR
10-Jul-18	Expenses	22,759.54	DR
10-Jul-18	Partnership Debt Principal	497,909.04	CR
10-Jul-18	Partnership Debt	10,303,223.86	DR
10-Jul-18	Yardley Rent Account	915,639.78	CR
10-Jul-18	Property Pool Manager Fee	-	DR
10-Jul-18	Partnership distribution account	-	DR
Closing Balance		<u>500,000.00</u>	CR

4. Yardley Reserve Account

Opening Balance		286,600.00	CR
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
Closing Balance		<u>286,600.00</u>	CR

5. General Partner Corporation Tax Reserve Account

Opening Balance		310,121.34 CR	
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
	Closing Balance	<u>310,121.34</u>	CR

6. General Partner VAT Transaction Account

Opening Balance		0.00 CR	
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
	Closing Balance	0.00	CR

Expense Reserve Ledger - Max GBP 500,000.00

Opening Balance		500,000.00 CR	
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
	Closing Balance	500,000.00	CR

7. Partnership Pre-Enforcement Priority of Payments

Date		Funds Paid Out of account (£)	Funds Received into account (£)
10-Jul-18	Partnership Available Funds		
	a Rental Income		8,958,546.71
	b Funds from Yardley Accounts		915,639.78
	c Funds from Issuer under Partnership Swaps		10,016,573.00
	d From Partnership VAT Account		-
	e From Partnership Disposal Proceeds Account		-
	f From Partnership Insurance Proceeds Account		-
	g Interest received by the Partnership Accounts and Rent Account		243.70
	h Eligible Investment Earnings by Partnership		-
	i Advance under Committed Subordinated Loan Agreement		-
	j Advance from Drawdown of Yardley Reserve Loan		-
	k Net proceeds of a CPO Disposal or a Mortgage Property		-
	l From 3rd anniversary of Closing, funds from Yardley Reserve Loan Ledger		-
	m Net proceeds of a disposal of a Mortgage Property		-
	n Any other sums standing to the credit of the Partnership Transaction Ac		-
	Partnership Pre-Enforcement Priority of Payments		
	a Partnership Security Trustee Fees	1,500.00	
	b Issuer Security Trustee Fee, Bond Trustee, operating expenses of the Issuer (Ongoing Partnership Facility Fee)	32,700.00 17,076.55	
	c Partnership Operating Expenses excluding GP UK Tax	890.89	
	d Partnership Operator Fee	-	
	d Property Advisor Fee (Annual 30K)	4,792.10	
	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)	11,405.83	
	d Headlease payment	-	
	e Partnership Expenses Ledger payment (max £6,250 indexed annually)	-	
	f Partnership Debt Interest	9,734,074.86	
	f Partnership Swap payment	9,518,663.96	
	g Partnership Debt Principal	569,149.00	
	h 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	-	
	l Alteration Adjustment Rent	-	
	m Substitution Adjustment Rent	-	
	n Credited to Subordinated Loan Reserve Ledger	-	
	o Payments to the Subordinated Loan Facility Provider	-	
	p Partnership Distribution Account	-	
	Totals	19,891,003.19	19,891,003.19

8. Issuer Transaction Account

Opening Balance		34,499.46	CR
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
04-Jul-18	Credit Interest	19.95	CR
06-Jul-18	Issuer Swap	497,909.04	CR
13-Jul-18	Partnership Swap	497,909.04	DR
13-Jul-18	Partnership Debt	10,303,223.86	CR
13-Jul-18	Ongoing Fee (minus issuer profit portion)	44,105.83	CR
13-Jul-18	Expenses	44,105.83	DR
13-Jul-18	Notes	10,303,223.65	DR
13-Jul-18	Issuer Profit	750.00	CR
Closing Balance		35,269.62	CR

9. Issuer Pre-Enforcement Priority of Payments

Date		Funds Paid Out of account (£)	Funds Received into account (£)
13-Jul-18			
	Issuer Available Funds		
	a Funds due to Issuer under Partnership Swap Agreement		9,518,663.96
	b Amounts due to Issuer in respect of Partnership Loan		10,348,079.69
	c Any amount due to Issuer under Issuer Swap Agreement		10,016,573.00
	d Interest Received by Issuer on Transaction Account		-
	e Eligible Investment Earnings		-
	Issuer Pre-Enforcement Priority of Payments		
	a Bond Trustee Fee	1,200.00	
	a Issuer Security Trustee Fee	1,500.00	
	b Issuer Operating Expenses	30,000.00	
	c Issuer/Issuer Holdco Corporate Services Provider Fee	6,405.83	
	c Paying Agent Fee	500.00	
	c Account Bank Fee	750.00	
	c Cash Manager Fee	3,750.00	
	d Bond Interest	9,734,074.88	
	d Bond Principal	569,149.00	
	d Issuer Swap Provider	9,518,663.96	
	d Partnership Swap payment	10,016,573.00	
	e Issuer Profit	750.00	
	f Swap Subordinated Amounts	-	
	g Issuer Partnership Swap Termination Amount	-	
	h Issuer Transaction Account	-	
	Totals	29,883,316.67	29,883,316.65

10. Yardley Rent Account

Opening Balance		0.00 CR	
DATE	ENTRY DETAILS	AMOUNT (£)	CR/DR
16-Apr-18	SAVILLS (UK) LIMITED	25,076.08	CR
20-Apr-18	SAVILLS (UK) LIMITED	952.99	CR
27-Apr-18	SAVILLS (UK) LIMITED	3,344.72	CR
04-May-18	SAVILLS (UK) LIMITED	27,983.50	CR
11-May-18	SAVILLS (UK) LIMITED	4,166.67	CR
25-May-18	SAVILLS (UK) LIMITED	2,327.61	CR
01-Jun-18	SAVILLS (UK) LIMITED	26,505.48	CR
08-Jun-18	SAVILLS (UK) LIMITED	24,838.40	CR
15-Jun-18	SAVILLS (UK) LIMITED	14,217.92	CR
21-Jun-18	Tesco Stores	684,942.32	CR
22-Jun-18	SAVILLS (UK) LIMITED	27,916.92	CR
03-Jul-18	SAVILLS (UK) LIMITED	73,367.17	CR
10-Jan-18	To Partnership Transaction Account	915,639.78	DR
	Closing Balance	0.00	CR

9. Bond Information

Listing	Irish Stock Exchange
<u>Original Rating</u>	
Moody's	Ba1
Standard and Poor's	BB+
Fitch	BB+
Offered Date	09 February 2011
Expected Maturity	13 October 2040
Issue Amount	£685,100,000
ISIN code	XS0588909878
Interest Rate	5.8006%
Current Factor	0.979778236753759
Next Factor	0.978947483579040

Disclaimer - This report has been prepared for current Noteholders and is for the purposes of information and convenient reference only. It is not intended as an offer of finance.

This report is confidential. Distribution of this report, or of the information contained in it, to any person other than an original recipient (or to such recipient's advisors) is prohibited. Reproduction of this report, in whole or in part, or disclosure of any of its contents without the prior consent of HSBC Bank plc is prohibited.

Some information included in this report is estimated, approximated or projected. The information contained in this report has been obtained from sources believed to be reliable but none of the Issuer, any affiliate of the Issuer, any Transaction Party or HSBC Bank plc makes any representation or warranty (express or implied) of any nature or accepts any responsibility or liability of any kind for completeness or accuracy of the content of this report or for any loss or damage (whether direct, indirect, consequential or other) arising out of reliance upon this report. Information in this document has not been independently verified by HSBC Bank plc.

This document is not intended to provide and should not be relied upon for tax, legal or accounting advice or as a recommendation to purchase or sell investments. Noteholders should consult their tax, legal, accounting or other advisors if required.

The foregoing does not exclude or restrict any obligation that HSBC Bank plc may have under the Prudential Regulation Authority/ Financial Conduct Authority Rules, or any liability that it may incur under the Prudential Regulation Authority/ Financial Conduct Authority Rules or the Financial Services and Markets Act 2000 (or any amendment thereof) for breach of any such obligation.

HSBC Bank plc is authorised and regulated in the United Kingdom by the Prudential Regulation Authority and Financial Conduct Authority and is a member of the HSBC Group of companies. HSBC Bank plc's registered office is at 8 Canada Square, London, E14 5HQ.