

Darwin Leisure Development Fund

Quarterly Update – Q2 2025

“D” Accumulation Units



Performance

	NAV Price £	Cumulative Performance %				Annual Return %	Total Return %			Annualised Return % per annum	
Unit Class	Current Month	1 Month	3 Month	12 Month	YTD Return	2024	3 Year	5 Year	Since Inception	3 Year	5 Year
D Accumulation Launch date: 01/01/2019	0.8267	+0.12	+0.02	-24.97	-0.02	-25.34	-34.80	-21.99	-17.33	-13.29	-6.00

All data as at 30 June 2025 unless otherwise stated. Source: Darwin Alternatives

Investment Statement – Q2 2025

Strategy Update

Development Strategy

Blenheim Palace Lodge Retreat has proven to be successful, and our development strategy for the Fund going forward will be to replicate this partnership with other stately home landed estates around the UK. Leasing the land, as we have done at Blenheim Palace, allows us to expand the portfolio with a lower capital outlay and without the time-consuming purchase process. Land would ideally be leased on a 50 yrs minimum lease and there would then be a revenue share arrangement with the estate on the holiday rental income.

Working in partnership with these estates boosts marketing and the profile of the portfolio and allows us to open parks in areas outside the usual holiday park locations which can attract visitors year-round. Our experience at Blenheim Palace has shown that the park has established its customer base more quickly than a traditional holiday park would, with rental income up over 100% in its second year of operation.

These sites would not have extensive central facilities, because we can utilise the infrastructure and F&B that the stately homes already have, which also means lower staffing and operation costs at the sites, allowing us to deliver a higher margin.

We have already held discussions with a number of landed estates around the UK. Some of these are now considering the idea for the first time whilst others have already started to develop plans and are interested in Darwin operating the sites.

To fund this development strategy we will look to secure new investments into the fund and will also work to recycle capital from the existing portfolio. We have already secured the sale of High Lodge in Suffolk, having determined that the increased development costs for the site, due to building inflation, would not have secured a sufficient return on investment. A sale has also been agreed at Rosetta for the same reasons and additional land and a house at the Stratford-upon-Avon site is also being marketed for sale to provide liquidity.

Continued overleaf

Key Data	
Fund NAV:	£158.0m
Launch Date:	1 May 2017
Dealing Date:	1 st business day of each month

Dealing & Valuation Frequency:	Monthly
Minimum Subscription:	£1,000,000
Annual Management Fee:	0.85%
TER:	1.025%



Operational Strategy

We have identified several key areas in the business that we will be focusing on going forward, including rental booking processes and technical innovations, as well as operational efficiency and capability.

By looking at our IT infrastructure, holiday rental booking processes and customer data capture, we can look to implement strategies which will maximise website conversions and increase bookings. Leveraging technology and implementing marketing strategies which are data-driven will allow us to enhance our online presence and target our marketing spend more effectively. It will also allow us to interact more with our existing customer base and to develop more promotional and cross-selling opportunities across the holiday parks.

One way in which we are looking to make improvements is through the use of third-party booking sites. At present most of the holiday rental bookings are made through our core booking partner Hoseasons, but we are increasingly utilising other booking platforms such as AirBnB and booking.com. These can cost us less in commission, but they also expose the portfolio to a new audience beyond that of the traditional holiday park guest.

The senior management team is currently analysing the operating model to ensure that the parks are operating as efficiently and effectively as possible across all departments. Cost saving initiatives are starting to show results, in particular, taking cleaning in-house at a number of sites.

Environmental Initiatives

We have completed the planning review to install solar panels and batteries at some of the sites. We will now look to appoint an appropriate Power Purchase Agreement (PPA) provider, who would provide the funding, to take this forward. This will help us to achieve our long-term environmental target of reducing indirect emissions from the electricity used across the portfolio. By utilising solar to power lodges and using batteries as storage to discharge on demand, electricity grid import should be dramatically reduced resulting in significant savings in carbon emissions. There should also be some cost savings due to the reduction in electricity being purchased.


Quarterly Fund Update

Holiday rental income is continuing to improve and was 9% ahead of this point last year and just 4% below budget expectations for the quarter and is performing well for the financial year overall as well. There was noticeable strong performance seen at Norfolk Woods and Blenheim Palace when compared to budget.

Ancillary income, which includes golf and spa revenue and makes up around 16% of overall income, was 22% ahead of budget for the quarter. This was mostly due to the strong performance of golf at Dundonald Links. Whilst golf at Dundonald Links has been performing consistently well, there was an additional boost in May when the golf team proactively reached out to Trump Turnberry to rebook their golfers when vandalism delayed the re-opening of its flagship course by a month. Trump Turnberry is one of Scotland's most prestigious golf course so this was an excellent opportunity to showcase Dundonald Links to premium golfers.

Dundonald Links also recently hosted a qualifying event for The Open which generated good amounts of publicity and will shortly host the Women's Scottish Open for the 5th consecutive year. These events are helping to establish Dundonald Links as a golfing destination and we are looking at ways to expand the guest base beyond this.

F&B makes up around 20% of overall income for the portfolio and this was behind budget this quarter, largely as a result of wages being 11% higher than expected.



We have presented our plan for phase 2 at Blenheim Palace to the Blenheim Estate team. This is for the remaining land we have leased which is adjacent to the existing lodge park. The plan was well received and would see us introduce more informal accommodation in a back-to-nature wellness-led setting. The specially landscaped garden setting would be designed to encourage communal activities such as yoga or cooking classes and this is a concept which could be recreated at other sites – both new stately home developments and on additional land at existing sites, such as Norfolk Woods. We are now working to identify suitable accommodation and develop a specific site plan in order to drive the project forward at Blenheim.

We are also currently exploring the viability of installing Padel courts at several of the sites. Padel has become an extremely popular sport and would allow the holiday parks to generate additional income, both from holiday park guests and also from within their local communities as we would look to establish Padel Clubs and offer court rental to non-guests. This could also help to drive F&B expenditure at sites with bar and restaurant facilities.

Holiday Park Market Outlook

The holiday park sector remains a significant contributor to the UK economy. According to 2024 research by the UK Caravan and Camping Alliance (UKCCA), the industry supports 226,745 full-time jobs nationwide and generates £12.2 billion in visitor spending. This activity translates to a Gross Value Added (GVA) of £7.2 billion, underscoring the sector's economic importance.

In 2025 the UK holiday park sector remains resilient, backed by strong domestic demand and a sizable economic footprint. Growth is likely to be modest overall, with Grant Thornton forecasting revenue growth of 1.3% in 2025, but strategic operators—those investing in quality, sustainability, and diversified offerings—are positioned to thrive. Meanwhile, rising costs, regulatory changes, and legal exposure may weigh most heavily on lower-end, poorly differentiated operators. For investors, well-structured and well-located assets are still attracting interest, particularly amid anticipated planning and financing tailwinds.



Strategy

The Darwin Leisure Development Fund owns and operates holiday parks that are set in excellent locations and where we believe we can generate capital growth and strong income returns 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.
- Delivering a "Best in Class" experience for holiday home owners and holiday makers, creating a competitive advantage.
- Operational excellence to streamline the cost base and exploit economies of scale.

Fund Summary

- The objective of the Fund is to preserve and grow capital and provide income returns above the rate of inflation. The Fund aims to make annualised total returns of 10 – 14%.
- Modest level of gearing (intended max 20% at Fund level).
- The Fund invests in holiday parks throughout the UK, which comprise either Tenting & Touring, Static Caravan or Lodge accommodation, or in sites with the potential to become lodge parks.
- The accommodation comprises of a mix of holiday rental and owner-occupied units.

Portfolio

Park	Location	Purchase Rationale	Size - Acres	Purchase Date
Bleathwood	Shropshire	Develop site into luxury lodge retreat	12	Dec 2020
Blenheim Palace	Oxfordshire	Develop site into luxury lodge retreat	9.5	Dec 2021
Dundonald Links	Ayrshire	Add lodges and central facilities to create lodge resort	268	Mar 2019
Kilnwick Percy	North Yorkshire	Add additional lodges to existing golf resort	150	Mar 2020
Norfolk Woods	Norfolk	Redevelop to holiday resort with leisure facilities	15	Jun 2017
Plas Isaf	Flintshire, Wales	Add additional lodges utilising existing planning	39	Jun 2020
Rivendale	Derbyshire	Redevelop to holiday resort with some facilities	35	Jan 2018
Rosetta	Peebles, Scotland	Redevelop to holiday resort with some facilities	47	May 2020
The Springs	Oxfordshire	Upgrade golf facilities and add lodges to create small lodge resort	133	Jul 2017
Stratford Armouries	Warwickshire	Develop site into luxury lodge retreat	8.8	Jun 2017

- The Fund also owns a stake in Bentley Rowe, a lodge manufacturing business

Trustee:

Butterfield Bank (Guernsey) Limited

Administrator:

Vistra Fund Services (Guernsey) Limited

Business Valuers:

Evelyn Partners
(formerly Smith & Williamson)

Property Valuers:

JLL

Auditors:

Grant Thornton Limited

Lawyers:

Guernsey: Collas Crill
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This is a marketing communication. Please refer to the prospectus of the Darwin Leisure Development Fund before making any final investment decisions.

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