Darwin Leisure Development Fund

Quarterly Update – Q3 2025

"D" Income 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 Income Launch date: 01/01/2022	0.6410	-2.48	-5.30	-5.09	-5.32	-25.34	-39.40	#N/A	-35.90	-15.38	#N/A
D Accumulation Launch date: 01/01/2019	0.7830	-2.47	-5.29	-5.08	-5.31	-25.34	-39.40	-27.36	-21.70	-15.37	-7.19

All data as at 30 Sept 2025 unless otherwise stated. Source: Darwin Alternatives.
D Accumulation Unit data included to provide historical fund returns.
D Income returns do not include dividend payments.

Dividend Payments in Month (pence/share) **Declared:** N/A **Paid:** N/A	N/A

Investment Statement – Q3 2025

Quarterly Update

This was a disappointing quarter for the Fund, with the NAV falling by c5.3%. Much of this fall was due to exceptional matters.

A decision has been taken to close Bentley Rowe, the lodge manufacturing business, in which the Fund held a 30% shareholding. This decision follows a sustained reduction in demand for new lodge sales across the sector. Although the business successfully produced high-quality units that enhanced our holiday park offering, it was unable to achieve sufficient demand outside of Darwin, as a consequence of the significant and unexpectedly prolonged downturn in lodge sales across the sector. Therefore, the Group has recognised a full write-off of its investment in the business amounting to circa £2m. While the outcome is regrettable, the Board remains confident that focusing resources on the Group's core operations will better support long-term value creation.

The Fund is due to complete imminently the sale of Rosetta, its site in Peebles, Scotland with an agreed sale price of £2.95m. This represents a realised loss of £0.82m against the total capital invested. At the time of the acquisition, the market favoured larger parks with extensive central facilities. However, rising development costs combined with shifting consumer demand have made it increasingly difficult to achieve the required return on investment from this type of site. In today's market, smaller, more boutique resorts, with lower infrastructure requirements are better positioned to deliver stronger returns. While the outcome is below our original investment, the sale will allow us to focus on our strategic priority to reallocate resources towards higher-value development opportunities. In particular, we intend to redirect capital to expand our offering at Blenheim Palace, where we see significant potential for long-term growth and impact.

It was a mixed quarter for the DLDF portfolio, with slow trading in June and July. July was particularly poor, and holiday rental revenue was 17% behind budget and 20% behind this point last year. Whilst occupancy was only 2% lower than in 2024, the Average Weekly Rental (AWR) was 18% lower and the reason for the failure to meet budget. Dundonald Links had a very strong July last year due to The Open being held nearby, with the resort being completely booked out before and during the event by a corporate sponsor at a strong AWR, which has negatively impacted YoY numbers. Dundonald's budget for this July was adjusted down to take account of this, but it still didn't achieve its budget and was a significant contributor to the poor performance in July.

Continued overleaf

Key Data	
Fund NAV:	£149.6m
Launch Date:	1 May 2017
Dealing Date:	1st business day of each month

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

There was a marked improvement across the portfolio in August, with EBTIDA achieving the budget, which was set 30% higher than at this point last year. Earnings at all resorts exceeded last year. Holiday rental income was 9% higher in total than in 2024, with all but one resort recording higher revenue than last year. It was also a strong month for golf, with golf income 39% higher than last year.

Overall EBITDA for the quarter was 6% lower than in 2024 and 24% lower than budget, largely due to July performance. Occupancy was 4% higher on average than last year but AWR was 5% lower over the quarter and we are in discussions with Hoseasons about how best to address this as we move into the new financial year. Holiday home sales only make up a small part of revenue for the DLDF portfolio, but the ongoing poor performance of the sales market was also a contributor to this. Our drive to reduce costs is making a difference, and total operating costs were in line with last year, despite higher occupancy across the estate and the increases to staffing costs through national living wage and employer's national insurance increases.

Despite a difficult summer at some sites, Blenheim Palace has performed particularly well and was ahead of its holiday rental budget for every month this quarter, its EBITDA was also ahead for the quarter, demonstrating that the stately home model is working well.

The losses incurred with Bentley Rowe and Rosetta and the poor performance by the portfolio during June and July are reflected in the fall in the value of the NAV this quarter, but these were partly off-set by the good performance during August for the resorts.

Fund Update

The Manager of Darwin Leisure Property Fund (DLPF), Darwin Property Investment (Guernsey) Limited was sold in August. Prior to this the portfolios of both DLPF and DLDF were managed together by the management company owned by DLPF and marketed under the Darwin Escapes brand. From 1 December there will be a complete separation between the two funds and their portfolios and the DLDF lodge resorts will have their own brand and central management function. Until this point, DLDF has paid a fee to DLPF, based on number of pitches, for its management and head office services. The DLDF portfolio will have its own team in place from 1 December and a project manager has been appointed to oversee this process and ensure a smooth transition. This change presents DLDF with an opportunity to assess its central management needs and implement a structure that is cost-effective for a portfolio of 8 operational parks. All of the resorts owned by DLDF offer a premium experience and this also presents an opportunity to market the portfolio to a more discerning audience as we look to drive an increase in the holiday rental tariff.

Development Update

Planning permission has now been granted at Kilnwick Percy for a further 28 lodges at the site, which would be located within a new woodland setting.

We are now proceeding with a pre-application for phase 2 at Blenheim Palace which is due to be submitted to the Local Planning Authority in mid to late November. Our concept for the scheme is a low cost 'unplugged' experience which would feature new gardens and other spaces for wellness, relaxation and engagement. We will wait to receive feedback from the planning authority on this before proceeding any further in order to control any potentially abortive costs. Due to the requirement for seasonal bat surveys, the earliest a full application could be made is May 2026.

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

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